

This licence made in duplicate this 15th day of August, 2016.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, as represented by the Administrator, Nova Scotia Department of Fisheries and Aquaculture, as appointed under section 54A of the Fisheries and Coastal Resources Act, SNS 1996, c. 25,

hereinafter referred to as "**THE ADMINISTRATOR**"

OF THE ONE PART

- and -

KELLY COVE SALMON LTD
1 FUNDY BAY DRIVE
ST. GEORGE, NB E5C3E2

hereinafter referred to as "**THE LICENCEE**"

OF THE OTHER PART

WHEREAS the Administrator, under the provisions of the Fisheries and Coastal Resources Act, S.N.S. 1996, Chapter 25 (the "Act") and the Aquaculture Licence and Lease Regulations (the "Regulations"), is authorized to renew aquaculture licences and aquaculture leases;

AND WHEREAS pursuant to the Act the Licencee was issued Aquaculture Licence No. 0999 on May 17, 2012 for a five year term from February 9, 2011 to February 9, 2016;

AND WHEREAS the Licencee wishes to renew aquaculture Licence No. 0999;

NOW THEREFORE in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Administrator hereby grants to the Licencee a licence for the culture of *Solmo salar* (Atlantic salmon) and *Gadus morhua* (Atlantic Cod) at a landbased facility located in Mink Cove, Digby County, more particularly described in Schedule "A" attached to and forming part of this Agreement (the "site").
2. The term of this licence shall be for ten years commencing on the 9th day of February, 2016 to the 9th day of February, 2026 with the right of renewal, in accordance with the terms of the Act and the Regulations.
3. The Licencee shall pay to the Minister of Finance and Treasury Board an annual fee as set out in the Regulations. The annual payment must be received by the anniversary date of the licence. Late payments are subject to a fee as set out in the Regulations.

4. The undertakings set out in Schedule "B" to this licence (the "undertakings"), form part of this Agreement, and the Licencee hereby agrees to comply with any conditions or limitations contained in the undertakings unless compliance for licensing purposes is expressly waived by the Administrator. The Licencee is responsible for confirming any undertakings and ensuring compliance with them.
5. The Licencee agrees to comply with any permits, protocols, approvals, licenses or permissions (the "licensing requirements") which may be required under the laws of the relevant municipality, the Province or Canada. The Licencee is responsible for confirming any licensing requirements and ensuring compliance with them.
6. This licence must not be assigned except with the written approval of the Administrator. If the Licencee is a corporation, any change in the right to control the corporation shall be deemed to be an assignment. No assignment shall be binding on the Administrator until approved by him in accordance with the Regulations.
7. In the event that the Licencee shall cease conducting an aquaculture business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver of its business assets, or avail itself of any proceeding in bankruptcy under any statute relating to insolvency or the protection of rights of creditors, the Administrator may revoke this licence and this Agreement shall be of no further force and effect subject only to the right of Her Majesty the Queen in right of the Province of Nova Scotia ("Her Majesty") to claim for damages.
8. The Licencee must adhere to the Farm Management Plan, as it is in effect for this licence from time to time, and any failure to adhere to the Farm Management Plan is a breach of this licence.
9. The Licencee shall submit to the Minister of the Nova Scotia Department of Fisheries and Aquaculture (the "Minister") an annual report stating such information as the Minister requires concerning the Licencee's use and the productivity of the site.
10. The Licencee is hereby prohibited from using the site in any way that would interfere with other licenced aquaculture operations.
11. If the Administrator, in his or her sole discretion, is of the opinion that the aquaculture activities authorized by this licence are detrimental to or interfere with other licenced facilities, the Administrator may revoke this licence without compensation.
12. Following the completion of a performance review, in accordance with the Regulations, of the aquacultural operation subject to this licence, the Administrator may vary any terms or conditions of this licence in order to address any concerns raised in the performance review.
13. The Administrator may revoke this licence without advance notice or compensation if the Licencee is found by a court of competent jurisdiction to be in violation of any law of the Province or Canada relating to fishery activities.
14. If the Licencee fails to perform any of its obligations under this licence, the Minister may have the obligations performed, with the amount of any costs incurred to be a debt due to Her Majesty, for which Her Majesty shall have a first priority charge on the aquacultural produce within the site.
15. If the Licencee is in breach of any term of this licence and such breach is not corrected within the time period set out in the notice from the Administrator, the Administrator may revoke this licence without further notice or compensation.
16. Should it become necessary for Her Majesty to expropriate the Licencee's rights under this licence, it is hereby agreed that the value of the licence for purposes of expropriation compensation shall not exceed the depreciated value of improvements made by the Licencee that cannot be removed from the site. No compensation may be claimed for the cancellation of this licence where compensation is paid or payable in relation to the expropriation of a licence for the same site.

- 17. Any notices required to be given under this licence may be sent by regular mail to the parties at their addresses set out in the heading of this Agreement, and notice will be deemed to have been received by the intended recipient thereof five business days from the date on which the notice is post-marked. The parties, by agreement, may effect notice by any other means. The Licencee must notify the Administrator of any change of address within thirty (30) days.
- 18. Nothing in this Agreement shall be taken as a warranty by the Administrator that the site may be used now or in the future by the Licencee for aquaculture purposes. The Administrator assumes no responsibility whatsoever for any private property rights or for the actions of other levels of government which may interfere with the use of the site for aquaculture purposes.
- 19. This licence shall be subject to the laws of the Province of Nova Scotia and the parties hereby agree to attorn to its courts.
- 20. This licence shall be subject to any changes made from time to time in the Act, the Regulations or any other relevant legislation.

IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed.

SIGNED, SEALED AND DELIVERED
in the presence of

HER MAJESTY THE QUEEN
in right of the Province of Nova Scotia, as
represented by the Administrator, Nova Scotia
Department of Fisheries and Aquaculture

[Redacted Signature]
Witness

[Redacted Signature]
Administrator - Nova Scotia Department
of Fisheries and Aquaculture

[Redacted Signature]
Wi

Kelly cove Salmon Ltd.
[Redacted Signature]
Glenn Cooke



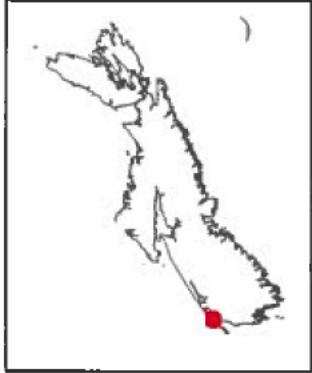
Schedule A
GPS COORDINATE INFORMATION SHEET

Application #:	0999		
Applicant:	Kelly Cove Salmon Ltd.		
Location:	Mink Cove	County:	Digby
Hydrographic Chart:	N/A	Orthophoto #:	
Dimensions of site:	N/A	Size:	N/A

Approximate Coordinates of Application:

Datum used:	NAD 83
Centre coordinates (approx.)	Lat. 44° 28' 04.35" Long. -66° 06' 32.99"

NOTE: THESE COORDINATES ARE NOT FROM A LEGAL SURVEY.



Aquaculture Site

0999

Centre
 Lat 44° 28' 04.35" Long -66° 06' 32.99"

DATUM NAD 83
 The above coordinates
 are not from a legal survey



Application Information

Proponent : Kelly Cove Salmon Ltd.
 Site Location : Mink Cove
 Dimensions : N/A
 Area : N/A

Chart No.

N/A

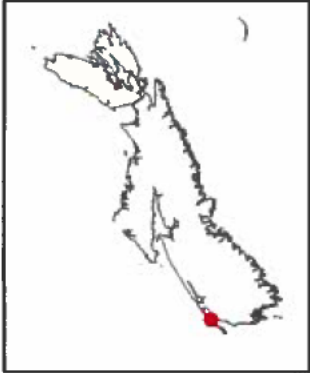


Disclaimer

This map should not be used for navigation or legal purposes. It is intended for general reference use only.

MK-0999-MAY-2016

-  Issued Licence
-  Proposed Licence
-  Kelly Cove Property
-  Low Water Mark
-  OMHW Mark



Aquaculture Site
0999

Centre
Lat 44° 28' 04.35" Long -66° 06' 32.99"

DATUM NAD 83
The above coordinates
are not from a legal survey



Application Information

Proponent : Kelly Cove Salmon Ltd.
Site Location : Mink Cove
Dimensions : N/A
Area : N/A

Chart No.

N/A



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MK-0999-MAY-2016

- Issued Licence
- Proposed Licence
- Kelly Cove Property
- Low Water Mark
- NS Bathymetry
- OMHW Mark

Schedule "A"

2746

THIS INDENTURE

made this 3rd day of October A.D., 1996.

BETWEEN:

EMERSON CARTY of Mink Cove in the County of Digby and Province of Nova Scotia, MAUREEN CARTY of Weymouth in the County of Digby aforesaid, E. CARTY FISHERIES LIMITED, a body corporate, with head office and chief place of business at Digby in the County of Digby aforesaid, and K. & W. SEAFOODS LIMITED, a body corporate with head office at Sandy Cove in the County of Digby aforesaid.

hereinafter called the "GRANTOR"

OF THE ONE PART

- and -

DOUBLE O FISH FARM LIMITED, a body corporate, with head office at Tiverton, Digby County, Nova Scotia, B0V 1G0,

hereinafter called the "GRANTEE"

OF THE OTHER PART

WHEREAS by Deed dated August 11, 1994, and recorded August 17, 1994, in Book 517 at Page 458, the within described lands were intended to be conveyed by Emerson Carty, Maureen Carty and E. Carty Fisheries Limited to K. & W. Seafoods Limited;

AND WHEREAS K. & W. Seafoods Limited subsequently conveyed the within described lands to Double O Fish Farm Limited by Deed dated September 24, 1996, and recorded September 30, 1996, at Book 540, Page 987;

AND WHEREAS some preliminary survey work has revealed ambiguities in the description which the parties hereto now desire to rectify;

NOW THEREFORE WITNESSETH that in consideration of One Dollar and other good and valuable consideration:

THE GRANTOR hereby conveys to the GRANTEE the lands described in Schedule "A" to this Warranty Deed and hereby consents to this disposition, pursuant to the Matrimonial Property Act of Nova Scotia.

The Grantor covenants with the Grantee that the Grantee shall have quiet enjoyment of the lands, that the Grantor has a good title in fee simple to the lands and the right to convey them as hereby conveyed, that they are free from encumbrances and that the Grantor will procure such further assurances as may be reasonably required and it is agreed and declared that the terms "Grantor" and "Grantee" used in this Deed shall be construed to include the plural as well as singular and the masculine, feminine or neuter genders where the context so requires.

IN WITNESS WHEREOF the Grantors have signed and sealed these presents on the day and year first above written.

Province of Nova Scotia
County of Digby
I hereby certify that the within instrument was recorded in the Registry of Deeds Office at Weymouth in the County of Digby, N.S. at 1:43 o'clock P. M. on the 3rd day of Oct. A.D. 19 96 in Book No. 541 at Pages 61-67 as Document Number [redacted]

"CERTIFICATE OF REGISTRAR"

I hereby certify that no deed transfer tax has been paid on this deed by virtue of claimed exemption [redacted]

Registrar of Deeds for the Registration District of Digby County

Registrar

SIGNED, SEALED AND DELIVERED
in the presence of:

[Redacted]

[Redacted]

EMERSON CARTY

[Redacted]

MAUREEN CARTY

E. CARTY FISHERIES LIMITED
[Redacted]

Per: President

K. & W. SEAFOODS LIMITED
[Redacted]

Per: [Redacted]

Per: [Redacted]

PROVINCE OF NOVA SCOTIA
COUNTY OF DIGBY

ON THIS 3rd day of October, A.D., 1996, before me, the
subscriber personally came and appeared Rooney O'NEIL
a subscribing witness to the foregoing Indenture, who having been
by me duly sworn, made oath and said that EMERSON CARTY, one of the
parties thereto, signed, sealed and delivered the same in his
presence.

[Redacted]
A Barrister/Commissioner of the
Supreme Court of Nova Scotia
JAMES McDONALD

PROVINCE OF NOVA SCOTIA
COUNTY OF DIGBY

ON THIS 3rd day of October, A.D., 1996, before me, the
subscriber personally came and appeared Rooney O'NEIL
a subscribing witness to the foregoing Indenture, who having been
by me duly sworn, made oath and said that E. CARTY FISHERIES
LIMITED, one of the parties thereto, caused the same to be executed
in its name and on its behalf and its corporate seal to be
thereunto affixed in his presence.

[Redacted]
A Barrister/Commissioner of the
Supreme Court of Nova Scotia

SCHEDULE "A"
LOT NO. 1

ALL that certain parcel of land situate at Mink Cove in the County of Digby and Province of Nova Scotia and being more particularly described as follows:

BEGINNING at a point on the Northeast boundary of lands now or formerly of Allan Gidney 225 feet from the Northwestern bound of Highway No. 17;

THENCE running in a Northwesterly direction along lands now or formerly of Allan Gidney a distance of 400 feet to a stake;

THENCE running in a Northeastely direction across the width of the lot approximately 240 feet to lands of Stewart Carty;

THENCE running in a Southeast direction a distance of 400 feet along lands of Stewart Carty to a stake;

THENCE turning and running in a Southwesterly direction across the width of the lot approximately 240 feet along lands retained by Emerson and Maureen Carty to lands now or formerly of Allan Gidney and the **PLACE OF BEGINNING**.

The above described lot includes a small lot 150 feet square that was originally conveyed out of the Southwest corner of the above described lands by Emerson Carty and Maureen Carty to Emerson Carty and Gustave Thibodeau by Deed dated June 27, 1975 and recorded at the Registry of Deeds Office in Weymouth, Nova Scotia in Book 293 at Page 875 and later conveyed by Emerson Carty and Maureen Carty and Gustave Thibodeau and Evangeline Thibodeau to Carty and Thibodeau Fisheries Limited by Deed dated December 15, 1977 and recorded at the Registry of Deeds Office in Weymouth, N.S. in Book 318 at Page 215.

BEING AND INTENDED TO BE all those lands as conveyed by Carty and Thibodeau Fisheries Limited to Carty's House Limited by Deed dated September 28, 1981 and recorded at the Registry of Deeds Office in Weymouth, N.S. in Book 355 at Page 325.

AND ALSO BEING AND INTENDED TO BE all those lands and premises as conveyed from Carty's House Limited to Emerson W. Carty at Lot No. 1 by Deed dated May 31, 1989 and recorded at the Registry of Deeds Office in Weymouth, Nova Scotia on September 21, 1989 in Book 457 at Page 1006.

AND ALSO BEING AND INTENDED TO BE all those lands conveyed from Emerson Carty to E. Carty Fisheries Limited by Deed dated May 17, 1991 and recorded at the Registry of Deeds Office in

Weymouth, Nova Scotia in Book 479 at Page 186.

AND ALSO BEING AND INTENDED TO BE all of Lot No. 1 of those lands as conveyed by Maureen Carty and E. Carty Fisheries Limited and Emerson Carty to K. & W. Seafoods Limited by Deed dated August 1994 and recorded at the Registry of Deeds Office in Weymouth, Nova Scotia in Book 517 at Page 458.

TOGETHER WITH a drainage pipe easement as provided by Agreement between Stewart Erwood Carty, Marjaret Eliza Carty and Darin Lionel Carty and E. Carty Fisheries Limited dated June 27, 1994 and recorded at the Registry of Deeds Office in Weymouth, N.S. even date herewith.

LOT NO. 2

ALSO ALL that certain piece or parcel of land situate at Mink Cove in the County of Digby and Province of Nova Scotia, bounded and described as follows:

BOUNDED on the Southeast by the Post Road or Provincial Highway No. 17;

ON the Northeast by lands of Stewart Carty and Daniel P. Gaines;

ON the Northwest by the crown of the North Mountain or a bluff running more or less parallel with Highway No. 17;

ON the Southwest by lands formerly of Samuel B. Gidney, presently of Allan Gidney.

Said Lot containing seventeen(17) acres more or less.

BEING AND INTENDED TO BE the same lands and premises as conveyed from Carmen Gidney and Helen B. Gidney, his wife, as Joint Tenants, to Emerson Carty by Deed dated the 24th day of October, A.D., 1966, and recorded at the Registry of Deeds Office in Weymouth, Nova Scotia in Book 220 at Page 484.

SAVING AND EXCEPTING the following described lot:

LANDS as conveyed from Emerson Carty and Maureen Carty to Maurice Allard in Trust for Penny Allard and Christopher Allard, his children, by Deed dated August 9, 1983, and recorded at the Registry of Deeds Office in Weymouth, N.S. in Book 375 at Page 548.

AND ALSO BEING AND INTENDED TO BE all those lands as conveyed by Emerson Carty and Maureen Carty to Emerson Carty and Maureen Carty by Deed dated June 27, 1975 and recorded at the Registry of Deeds Office in Weymouth, N.S. in Book 293 at Page 872.

AND ALSO BEING AND INTENDED TO BE Lot No. 2 of those lands as conveyed by Maureen Carty and E. Carty Fisheries Limited and Emerson Carty to K. & W. Seafoods Limited by Deed dated August 1994 and recorded at the Registry of Deeds Office in Weymouth, N.S. in Book 517 at Page 458.

Income and Other
Form 641

Warranty Ded (Short Form)
Form 8
Revised January, 1988

SCHEDULE A

February 6, 2015

Kelly Cove Salmon Limited
Attn: Jim Murphy
P.O. Box 401
St. Albans NL
A0H 2E0

Dear Mr. Murphy:

**RE: Approval for Water Withdrawal - Mink Cove Aquaculture Facility
Application No. 2014-091239
PID #30264386, 30161558, & 30348676; Mink Cove, Digby County, Nova Scotia**

Enclosed please find Approval Number 2014-091239 to withdraw groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 located at or near Mink Cove, Digby County, Nova Scotia.

Based on the projected withdrawal volumes, you will be invoiced an annual user fee. You will also be invoiced for an Annual Approval Administration Fee. These fees are subject to review and adjustment by the Minister and you will be invoiced annually.

This approval or a copy is to be kept on-site at all times. All personnel involved in the project must be made fully aware of the terms and conditions of this approval. The terms and conditions are shown as attached and it is your responsibility to ensure that they are followed. Failure to comply with the terms and conditions is an offence.

It is your duty to advise the Department of any new and relevant information respecting any adverse effect that results or may result from the approved Activity, which comes to your attention after the issuance of the approval. This is required under Section 60 of the *Environment Act*.

If the Activity is altered, extended or modified beyond the description given in this approval, please reapply as a new approval may be required.

Despite the issuance of this Approval, the Approval Holder is still responsible for obtaining any other authorization which may be required to carry out the Activity, including those which may be necessary under provincial, federal or municipal law.

Should you have any questions, please contact Lynsey Barnes at Western Region, Kentville Office at (902) 679-6086.

Yours truly,

A large black rectangular redaction box covering the signature of Paddy-Joe McGinnis.

Paddy-Joe McGinnis
District Manager

cc Pauline Herron, Compliance Division, Kentville Office

APPROVAL

Province of Nova Scotia
Environment Act, S.N.S. 1994-95, c.1

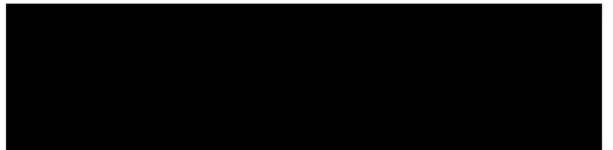
APPROVAL HOLDER: Kelly Cove Salmon Ltd.
APPLICATION NO: 2014-091239
EXPIRY DATE: January 31, 2025

Pursuant to Part V of the *Environment Act, S.N.S. 1994-95, c.1* as amended from time to time, approval is granted to the Approval Holder subject to the Terms and Conditions attached to and forming part of this Approval, for the following Activity:

Withdrawal of groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 located at or near Mink Cove, Digby County, in the Province of Nova Scotia.

Administrator

Effective Date



Feb 3rd / 15

TERMS AND CONDITIONS OF APPROVAL

Nova Scotia Environment

Approval Holder: Kelly Cove Salmon Ltd.

Project: Groundwater Withdrawal from well denoted as;
DW3, DW7, DW11, and DW201

Site: Mink Cove Aquaculture Facility
Mink Cove Road, Highway 217
Mink Cove, Digby County

PID: 30264386, 30161558, and 30348676

Application No: 2014-091239

File No: 95100-30-YAR-2014-091239

Average rate of withdrawal: 720,000 litres per day (averaged over 30 days)

Maximum rate of withdrawal: 773,280 litres per day (averaged over 3 days)

Reference Documents:

- Application for Approval and supporting documentation received October 1, 2014
- Pre-inspection Report completed by J. Cook, for inspection on November 14, 2014
- Various communication in file

1. Definitions:

- a. "Act" means the *Environment Act* S.N.S. 1994-1995, c.1 and includes all regulations made pursuant to the Act.
- b. "Activity" means the withdrawal of groundwater from the following wells; DW3, DW7, DW11, and DW201 and associated works.

- c. "Administrator" means the Manager of the Western Region, Yarmouth Office of Nova Scotia Environment or the Manager's designate.
- d. "Department" means the Western Region, Yarmouth Office, of Nova Scotia Environment.
- e. "Groundwater" means all water naturally occurring under the surface of the Province
- f. "Minister" means the Minister of Environment.
- g. "NSE" means Nova Scotia Environment.
- h. "Watercourse" means
 - (i) the bed banks and shore of every river, stream, lake, creek, pond, spring, lagoon or other natural body of water, and the water therein, within the jurisdiction of the Province, whether it contains water or not, and
 - (ii) all groundwater.

2. Scope of Approval

- a. This Approval (the "Approval") relates to the Approval Holder and their application and supporting documentation, as listed in the reference documents above, to withdraw groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 situated at or near Mink Cove, Digby County, Nova Scotia(the "Site").
- b. This Approval relates to aspects of the application and reference documents necessary to meet the operations and environmental requirements of the water withdrawal.

3. General

- a. The Approval Holder shall withdraw water in accordance with provisions of the:
 - i. *Environment Act* S.N.S. 1994-1995, c.1; s.1 (the "Act") as amended from time to time
 - ii. Regulations, as amended from time to time, pursuant to the above Act;
 - iii. *Well Construction Regulations* as amended from time to time;
 - iv. Standards, Policies, or Guidelines as amended from time to time issued by Nova Scotia Environment;

- b. The Activity shall be conducted in accordance with the details and specifications in the Application and attached appendices and the reference documents. **If there is a discrepancy between the reference documents and these terms and conditions, the terms and conditions of this approval shall apply.**
- c. Any request for renewal or extension of this Approval is to be made in writing, to the Department, at least ninety (90) days prior to the Approval expiry.
- d. The Minister or Administrator may modify, amend or add conditions to this Approval at anytime pursuant to Section 58 of the Act.
- e. This Approval is not transferable without the consent of the Minister or Administrator.
- f. (i) If the Minister or Administrator determines that there has been non-compliance with any or all of the terms and conditions contained in this Approval, the Minister or Administrator may cancel or suspend the Approval pursuant to subsections 58(2)(b) and 58(4) of the Act, until such time as the Minister or Administrator is satisfied that all terms and conditions have been met.

(ii) Despite a cancellation or suspension of this Approval, the Approval Holder is at all times subject to the penalty provisions of the Act and regulations.
- g. The Approval Holder shall notify the Department prior to any proposed extensions or modifications of the Activity including, but not limited to, an increase in withdrawal rates or the addition of production wells. The Approval holder shall obtain written authorization or amendment from the Administrator before implementing any change that would not comply with the Terms and Conditions of this Approval.
- h. The Approval Holder shall immediately notify the Department of any incidents of non-compliance with this Approval.
- i. Pursuant to Section 60 of the Act, the Approval Holder shall submit to the Administrator any new and relevant information respecting any adverse effect that actually results, or may potentially result, from any activity to which the Approval relates and that comes to the attention of the Approval Holder after the issuance of the Approval.
- j. The Approval Holder shall bear all expenses incurred in carrying out the environmental monitoring required under the terms and conditions of this Approval.

- k. Unless written approval is received otherwise from the Administrator, all samples required by this Approval shall be analysed by a laboratory that meets the requirements of the Department's "Policy on Acceptable Certification of Laboratories" as amended from time to time.
- l. The Approval Holder shall submit any monitoring results or reports required by this Approval to the Department. Unless specified otherwise in this Approval, all monitoring results shall be submitted within 30 days following the month of monitoring.
- m. The Approval Holder shall ensure that this Approval, or a copy, is kept on Site at all times and that personnel directly involved in the Activity are made fully aware of the terms and conditions which pertain to this Approval.
- n. Within one month of the issuance of this Approval, the Approval Holder shall designate in writing, to the Department, a contact for this Approval. If the contact should change, the Approval Holder shall immediately notify the Department in writing.
- o. The Approval Holder shall, upon receipt of an invoice from the Minister of Nova Scotia Environment stating the amount owing, pay to the Minister of Finance the amount stipulated in said invoice. Said amount shall be in accordance with the schedule of fees established by the Minister of Nova Scotia Environment, as may be revised from time to time.
- p. The failure of the Minister to insist upon a strict performance of a Term and Condition contained in this Approval shall not be deemed a waiver of any rights or remedies that the Minister may have and shall not be deemed a waiver of any subsequent breach of the Terms and Conditions of this Approval.
- q. This Approval does not give sole or exclusive rights to any watercourse or water resource, and the Minister reserves the right to use and to allow others to use the watercourse or water resource and the water therein.
- r. The Approval Holder may not alter or use the watercourse or water resource so as to:
 - i. prejudice any riparian or other rights, should any such rights exist, of a person lawfully in possession lands abutting the watercourse or water resource;
 - ii. cause damage or nuisance to adjacent or abutting lands.

- s. The Approval Holder shall not place a pecuniary value on or claim any pecuniary value for the rights granted by this Approval, over and above the amounts, if any, paid to the Minister by the Approval Holder for the rights.
- t. The Approval Holder shall maintain a culvert, bridge, dam, sluice, flume, conduit, well or other structure built or used in or on the watercourse or water resources so that it does not cause an adverse effect. This conditions survives the expiry or cancellation of this Approval.
- u. The Approval Holder shall conform to a direction of the Minister or an Administrator concerning the maintenance or rehabilitation of a watercourse or water resource or the maintenance, rehabilitation or removal of a culvert, bridge, dam, sluice, flume, conduit, or structure used or maintained in and on the watercourse or water resource. The Approval Holder shall, pursuant to an Approval where required, remove a culvert, bridge, dam, sluice, flume, conduit, pump or other structure and any equipment or personal property built, used or maintained in and on the watercourse or water resource at the end of the useful life of the culvert, bridge, dam, sluice, flume, conduit or structure. In the event the Approval Holder fails to remove a culvert, bridge, dam, sluice, flume, conduit or other structure or equipment or personal property, the Minister may, without any liability, remove or demolish the same in whatever manner the Minister deems necessary and the Approval Holder shall reimburse the Minister for all expenses and costs of such removal or demolition. This condition survives the expiry or cancellation of this Approval.
- v. The Approval Holder shall indemnify and save harmless the Minister and an employee, servant or agent of the Department against any loss, cost or damage resulting from the activities performed pursuant to this Approval. Such indemnity shall include, but not be restricted to, all losses, costs or damages occasioned by the improper or faulty relocation of a watercourse or water resource or the improper or faulty construction of, repair, alteration or addition to any culvert, bridge, dam, sluice, flume, conduit or other structure in or on the watercourse or water resource, or by any trespass, negligence or wilful act of the Approval Holder or any employees, agents, contractors or guests of the Approval Holder.
- w. This Approval shall enure to the benefit of and be binding upon the Minister, the Minister's successors, assigns and authorized representatives and upon the Approval Holder, and the heirs, administrators, executors and assigns of the Approval Holder.
- x. The Minister and all persons designated as Inspectors pursuant to the *Environment Act* shall have free access at all times to the Activity and to land under control of the Approval Holder to ensure these Terms and Conditions are being fulfilled.

4. Approved Withdrawal

- a. The location and construction of the groundwater withdrawal wells and monitoring wells covered by this Approval is restricted to those shown in Table 1.

Table 1 - Well Construction Information							
Civic Address:		5885 Highway 217					
Community:		Mink Cove , NS					
PID:		30264386, 30161558, 30348676					
Production Well	NSE Well Log Number	Well UTM Coordinates		Well Total Depth (m)	Casing Depth (m)	Dia-meter (mm)	Screen Descripti on
		Easting	Northing				
DW3	031742	730168	4927670	213	6.1	152	-
DW7	941805	729936	4927931	161	-	-	-
DW11	110725	729732	4928217	36.6	6.1	203	-
DW201	-	729813	4928092	168			
Monitoring Wells							
DW2	-	730169	4927676	24	-	152	-
DW4	980753	729985	4927824	277	6.1	152	-
DW9	-	729800	4928115	152	-	152	-

- b. The maximum pumping rate, average pumping rate, 30 day withdrawal volume and annual withdrawal volume for each individual well and the total well field shall not exceed the values shown in Table 2.

Table 2 - Approved Withdrawal				
Production Well	Pumping Rate (litres/day)		Withdrawal Volume (litres)	
	Maximum (over 24 hrs)	Average (Over 24hrs)	30 day	Annual
DW3	156,960	132,480	3,974,400	48,355,200
DW7	285,120	285,120	8,553,600	104,068,800

Production Well	Pumping Rate (litres/day)		Withdrawal Volume (litres)	
	Maximum (over 24 hrs)	Average (Over 24hrs)	30 day	Annual
DW11	259,200	230,400	6,912,000	84,096,000
DW201	72,000	72,000	2,160,000	26,280,000
Total Well field	773,280	720,000	21,600,000	262,800,000

5. Flow Monitoring

- a. Well production flow meters shall be installed, maintained and monitored separately for all production well(s).
- b. The Approval Holder shall keep daily well production records for each well to include water usage volumes. Data shall be tabulated within a spreadsheet program.
- c. A copy of the production records is to be maintained on Site for a period of ten years and is to be available for review upon request by the Department.

6. Water Level Monitoring

- a. The Approval Holder shall collect manually, or with electronic data loggers, water levels in observation well(s) denoted as DW4, DW9, and DW2 on at least a **bi weekly** (twice a week) interval throughout the year. Data shall be tabulated within a spreadsheet program.
- b. The Approval Holder shall insure that water level monitoring begins on or before **August 1, 2015**.
- c. A copy of the level monitoring data is to be maintained on Site for a period of ten years and is to be available for review immediately upon request by the Department.

7. Water Quality Monitoring

- a. The Approval Holder shall monitor wells denoted as DW 201, DW7 and DW3 on a **quarterly** basis for sodium, chloride, and hardness.

- b. The Approval Holder shall monitor all production wells on a **bi annual** (twice a year) basis for total coliform and e-coli.
- c. A copy of the production records is to be maintained on Site for a period of ten years and is to be available for review upon request by the Department.

8. Well Interference Remedy

- a. If production causes interference problems with any existing well supplies, the withdrawal rates shall be reduced and/or the problem rectified by the Approval Holder in accordance with an action plan acceptable to the Department.

9. Groundwater Withdrawal Records

- a. The Approval Holder shall maintain monitoring records for:
 - i. pumping flow rates;
 - ii. duration of pumping;
 - iii. total withdrawal volumes;
 - iv. water quality;
 - v. changes in use; and
 - vi. reported effects of the withdrawal on other groundwater users
- b. These records shall be maintained on Site for a period of ten years and are to be available for review immediately upon request by the Department.

10. Public Drinking Supply Registration

- a. The Approval Holder shall register as a Public Drinking Water Supply if they meet the definition contained in the Guidelines for Monitoring Public Drinking Water Supplies pursuant to the *Water and Wastewater Facility and Public Drinking Water Supplies Regulations*.

11. Well Decommissioning

- a. Any new or existing well located at the Site that is required to be decommissioned by the Minister or is not used or maintained for present or future use shall be decommissioned in accordance with the *Well Construction Regulations* and *Water Well Decommissioning Guidelines*. This condition survives the expiry or cancellation of this Approval.

12. Site Specific

- a. The Approval Holder shall decommission all wells onsite, as identified in Drawing 1 of the Strum Consulting report dated September 19, 2014, not being maintained for present or future use. The Approval Holder shall inform NSE in writing the status of all wells onsite by **August 1, 2015**.
- b. The Approval Holder shall ensure that all wells onsite, as identified in Drawing 1 of the Strum Consulting report dated September 19, 2014, comply with Section 42 and 44 of the *Well Construction Regulations* by **May 1, 2015**.
- c. The Approval Holder shall submit a well field report by **June 1, 2017** for the time period of February 1, 2015 to April 30, 2017. If the site is not withdrawing water please make note of it in the report. Additional well field reports shall be completed at the request of the Department. The report shall be completed by a qualified professional (P.Eng. Or P.Geo.)The report shall containing the following information:
 - i. Monthly average flow rates and monthly maximum flow rate for each production well;
 - ii. production/observation well(s) water level data; and a discussion of water level trends. The discussion should take into account the potential impacts on nearby water users.;
 - iii. summary and discussion of water quality results for all production wells including laboratory certificates of analysis and a discussion of water quality trends. The discussion should take into account the potential for salt water intrusion.;
 - iv. a summary of any occurrences during the year that may have resulted in potential hazards or changes to the water supply (nearby land development, new wells or pumps installed, wells abandoned, contaminant spills etc.);
 - v. a summary of any effects reported by other groundwater users in the area; and
 - vi. any other information requested by the Department.
- d. Altering, including de-watering, a wetland requires a separate approval under the *Environment Act*. No permission is granted through this approval to impact any wetlands on or offsite as a result of the water withdrawal.
- e. The Approval Holder shall ensure that any water being discharged from the site into a watercourse does not cause an adverse effect.

February 6, 2015

Kelly Cove Salmon Limited
Attn: Jim Murphy
P.O. Box 401
St. Albans NL
A0H 2E0

Dear Mr. Murphy:

RE: Approval for Water Withdrawal - Mink Cove Aquaculture Facility
Application No. 2014-091239
PID #30264386, 30161558, & 30348676; Mink Cove, Digby County, Nova Scotia

Enclosed please find Approval Number 2014-091239 to withdraw groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 located at or near Mink Cove, Digby County, Nova Scotia.

Based on the projected withdrawal volumes, you will be invoiced an annual user fee. You will also be invoiced for an Annual Approval Administration Fee. These fees are subject to review and adjustment by the Minister and you will be invoiced annually.

This approval or a copy is to be kept on-site at all times. All personnel involved in the project must be made fully aware of the terms and conditions of this approval. The terms and conditions are shown as attached and it is your responsibility to ensure that they are followed. Failure to comply with the terms and conditions is an offence.

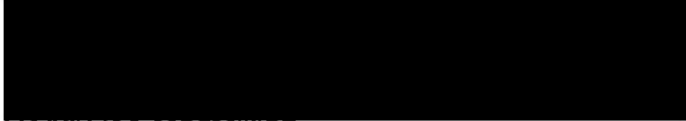
It is your duty to advise the Department of any new and relevant information respecting any adverse effect that results or may result from the approved Activity, which comes to your attention after the issuance of the approval. This is required under Section 60 of the *Environment Act*.

If the Activity is altered, extended or modified beyond the description given in this approval, please reapply as a new approval may be required.

Despite the issuance of this Approval, the Approval Holder is still responsible for obtaining any other authorization which may be required to carry out the Activity, including those which may be necessary under provincial, federal or municipal law.

Should you have any questions, please contact Lynsey Barnes at Western Region, Kentville Office at (902) 679-6086.

Yours truly,

A large black rectangular redaction box covering the signature of Paddy-Joe Mazumdar.

Paddy-Joe Mazumdar
District Manager

cc Pauline Herron, Compliance Division, Kentville Office

APPROVAL

**Province of Nova Scotia
*Environment Act, S.N.S. 1994-95, c.1***

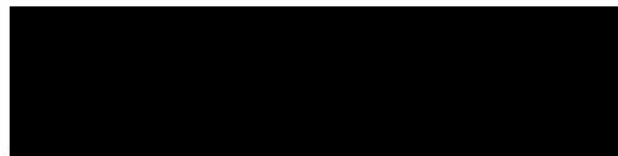
APPROVAL HOLDER: Kelly Cove Salmon Ltd.
APPLICATION NO: 2014-091239
EXPIRY DATE: January 31, 2025

Pursuant to Part V of the *Environment Act, S.N.S. 1994-95, c.1* as amended from time to time, approval is granted to the Approval Holder subject to the Terms and Conditions attached to and forming part of this Approval, for the following Activity:

Withdrawal of groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 located at or near Mink Cove, Digby County, in the Province of Nova Scotia.

Administrator

Effective Date



Feb 3/15

TERMS AND CONDITIONS OF APPROVAL

Nova Scotia Environment

Approval Holder: Kelly Cove Salmon Ltd.

Project: Groundwater Withdrawal from well denoted as;
DW3, DW7, DW11, and DW201

Site: Mink Cove Aquaculture Facility
Mink Cove Road, Highway 217
Mink Cove, Digby County

PID: 30264386, 30161558, and 30348676

Application No: 2014-091239

File No: 95100-30-YAR-2014-091239

Average rate of withdrawal: 720,000 litres per day (averaged over 30 days)

Maximum rate of withdrawal: 773,280 litres per day (averaged over 3 days)

Reference Documents:

- Application for Approval and supporting documentation received October 1, 2014
- Pre-inspection Report completed by J. Cook, for inspection on November 14, 2014
- Various communication in file

1. Definitions:

- a. "Act" means the *Environment Act* S.N.S. 1994-1995, c.1 and includes all regulations made pursuant to the Act.
- b. "Activity" means the withdrawal of groundwater from the following wells; DW3, DW7, DW11, and DW201 and associated works.

- c. "Administrator" means the Manager of the Western Region, Yarmouth Office of Nova Scotia Environment or the Manager's designate.
- d. "Department" means the Western Region, Yarmouth Office, of Nova Scotia Environment.
- e. "Groundwater" means all water naturally occurring under the surface of the Province
- f. "Minister" means the Minister of Environment.
- g. "NSE" means Nova Scotia Environment.
- h. "Watercourse" means
 - (i) the bed banks and shore of every river, stream, lake, creek, pond, spring, lagoon or other natural body of water, and the water therein, within the jurisdiction of the Province, whether it contains water or not, and
 - (ii) all groundwater.

2. Scope of Approval

- a. This Approval (the "Approval") relates to the Approval Holder and their application and supporting documentation, as listed in the reference documents above, to withdraw groundwater from well(s) denoted as; DW3, DW7, DW11, and DW201 situated at or near Mink Cove, Digby County, Nova Scotia(the "Site").
- b. This Approval relates to aspects of the application and reference documents necessary to meet the operations and environmental requirements of the water withdrawal.

3. General

- a. The Approval Holder shall withdraw water in accordance with provisions of the:
 - i. *Environment Act* S.N.S. 1994-1995, c.1; s.1 (the "Act") as amended from time to time
 - ii. Regulations, as amended from time to time, pursuant to the above Act;
 - iii. *Well Construction Regulations* as amended from time to time;
 - iv. Standards, Policies, or Guidelines as amended from time to time issued by Nova Scotia Environment;

- b. The Activity shall be conducted in accordance with the details and specifications in the Application and attached appendices and the reference documents. **If there is a discrepancy between the reference documents and these terms and conditions, the terms and conditions of this approval shall apply.**
- c. Any request for renewal or extension of this Approval is to be made in writing, to the Department, at least ninety (90) days prior to the Approval expiry.
- d. The Minister or Administrator may modify, amend or add conditions to this Approval at anytime pursuant to Section 58 of the Act.
- e. This Approval is not transferable without the consent of the Minister or Administrator.
- f. (i) If the Minister or Administrator determines that there has been non-compliance with any or all of the terms and conditions contained in this Approval, the Minister or Administrator may cancel or suspend the Approval pursuant to subsections 58(2)(b) and 58(4) of the Act, until such time as the Minister or Administrator is satisfied that all terms and conditions have been met.

(ii) Despite a cancellation or suspension of this Approval, the Approval Holder is at all times subject to the penalty provisions of the Act and regulations.
- g. The Approval Holder shall notify the Department prior to any proposed extensions or modifications of the Activity including, but not limited to, an increase in withdrawal rates or the addition of production wells. The Approval holder shall obtain written authorization or amendment from the Administrator before implementing any change that would not comply with the Terms and Conditions of this Approval.
- h. The Approval Holder shall immediately notify the Department of any incidents of non-compliance with this Approval.
- i. Pursuant to Section 60 of the Act, the Approval Holder shall submit to the Administrator any new and relevant information respecting any adverse effect that actually results, or may potentially result, from any activity to which the Approval relates and that comes to the attention of the Approval Holder after the issuance of the Approval.
- j. The Approval Holder shall bear all expenses incurred in carrying out the environmental monitoring required under the terms and conditions of this Approval.

- k. Unless written approval is received otherwise from the Administrator, all samples required by this Approval shall be analysed by a laboratory that meets the requirements of the Department's "Policy on Acceptable Certification of Laboratories" as amended from time to time.
- l. The Approval Holder shall submit any monitoring results or reports required by this Approval to the Department. Unless specified otherwise in this Approval, all monitoring results shall be submitted within 30 days following the month of monitoring.
- m. The Approval Holder shall ensure that this Approval, or a copy, is kept on Site at all times and that personnel directly involved in the Activity are made fully aware of the terms and conditions which pertain to this Approval.
- n. Within one month of the issuance of this Approval, the Approval Holder shall designate in writing, to the Department, a contact for this Approval. If the contact should change, the Approval Holder shall immediately notify the Department in writing.
- o. The Approval Holder shall, upon receipt of an invoice from the Minister of Nova Scotia Environment stating the amount owing, pay to the Minister of Finance the amount stipulated in said invoice. Said amount shall be in accordance with the schedule of fees established by the Minister of Nova Scotia Environment, as may be revised from time to time.
- p. The failure of the Minister to insist upon a strict performance of a Term and Condition contained in this Approval shall not be deemed a waiver of any rights or remedies that the Minister may have and shall not be deemed a waiver of any subsequent breach of the Terms and Conditions of this Approval.
- q. This Approval does not give sole or exclusive rights to any watercourse or water resource, and the Minister reserves the right to use and to allow others to use the watercourse or water resource and the water therein.
- r. The Approval Holder may not alter or use the watercourse or water resource so as to:
 - i. prejudice any riparian or other rights, should any such rights exist, of a person lawfully in possession lands abutting the watercourse or water resource;
 - ii. cause damage or nuisance to adjacent or abutting lands.

- s. The Approval Holder shall not place a pecuniary value on or claim any pecuniary value for the rights granted by this Approval, over and above the amounts, if any, paid to the Minister by the Approval Holder for the rights.
- t. The Approval Holder shall maintain a culvert, bridge, dam, sluice, flume, conduit, well or other structure built or used in or on the watercourse or water resources so that it does not cause an adverse effect. This conditions survives the expiry or cancellation of this Approval.
- u. The Approval Holder shall conform to a direction of the Minister or an Administrator concerning the maintenance or rehabilitation of a watercourse or water resource or the maintenance, rehabilitation or removal of a culvert, bridge, dam, sluice, flume, conduit, or structure used or maintained in and on the watercourse or water resource. The Approval Holder shall, pursuant to an Approval where required, remove a culvert, bridge, dam, sluice, flume, conduit, pump or other structure and any equipment or personal property built, used or maintained in and on the watercourse or water resource at the end of the useful life of the culvert, bridge, dam, sluice, flume, conduit or structure. In the event the Approval Holder fails to remove a culvert, bridge, dam, sluice, flume, conduit or other structure or equipment or personal property, the Minister may, without any liability, remove or demolish the same in whatever manner the Minister deems necessary and the Approval Holder shall reimburse the Minister for all expenses and costs of such removal or demolition. This condition survives the expiry or cancellation of this Approval.
- v. The Approval Holder shall indemnify and save harmless the Minister and an employee, servant or agent of the Department against any loss, cost or damage resulting from the activities performed pursuant to this Approval. Such indemnity shall include, but not be restricted to, all losses, costs or damages occasioned by the improper or faulty relocation of a watercourse or water resource or the improper or faulty construction of, repair, alteration or addition to any culvert, bridge, dam, sluice, flume, conduit or other structure in or on the watercourse or water resource, or by any trespass, negligence or wilful act of the Approval Holder or any employees, agents, contractors or guests of the Approval Holder.
- w. This Approval shall enure to the benefit of and be binding upon the Minister, the Minister's successors, assigns and authorized representatives and upon the Approval Holder, and the heirs, administrators, executors and assigns of the Approval Holder.
- x. The Minister and all persons designated as Inspectors pursuant to the *Environment Act* shall have free access at all times to the Activity and to land under control of the Approval Holder to ensure these Terms and Conditions are being fulfilled.

4. **Approved Withdrawal**

- a. The location and construction of the groundwater withdrawal wells and monitoring wells covered by this Approval is restricted to those shown in Table 1.

Table 1 - Well Construction Information							
Civic Address:		5885 Highway 217					
Community:		Mink Cove , NS					
PID:		30264386, 30161558, 30348676					
Production Well	NSE Well Log Number	Well UTM Coordinates		Well Total Depth (m)	Casing Depth (m)	Dia-meter (mm)	Screen Descripti on
		Easting	Northing				
DW3	031742	730168	4927670	213	6.1	152	-
DW7	941805	729936	4927931	161	-	-	-
DW11	110725	729732	4928217	36.6	6.1	203	-
DW201	-	729813	4928092	168			
Monitoring Wells							
DW2	-	730169	4927676	24	-	152	-
DW4	980753	729985	4927824	277	6.1	152	-
DW9	-	729800	4928115	152	-	152	-

- b. The maximum pumping rate, average pumping rate, 30 day withdrawal volume and annual withdrawal volume for each individual well and the total well field shall not exceed the values shown in Table 2.

Table 2 - Approved Withdrawal				
Production Well	Pumping Rate (litres/day)		Withdrawal Volume (litres)	
	Maximum (over 24 hrs)	Average (Over 24hrs)	30 day	Annual
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- a. The Approval Holder shall monitor wells denoted as DW 201, DW7 and DW3 on a **quarterly** basis for sodium, chloride, and hardness.

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Schedule "B"

This Schedule sets out any undertakings required of the Licencee.

There are no undertakings required of the Licencee.