

**WATER USE LICENCE
(Aquaculture - Hatchery)**

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01

Date of Issuance: **SEPTEMBER 16, 2015**

No: **WUL-15-8305**
File: **514/F1087**

Licensee: **Northern Harvest Smolt Limited
PO Box 39, 15 Connecticut Drive
Stephenville NL A2N 2Y7**

Attention: 

Re: **Water Withdrawal and Use for Aquaculture (Hatchery) near Stephenville**

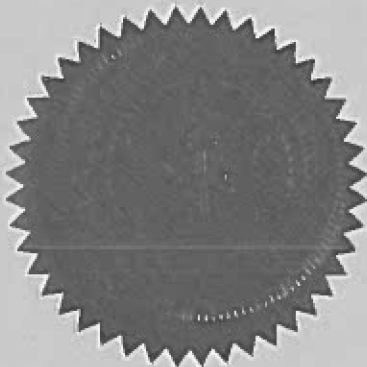
The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **Northern Harvest Smolt Limited** (the "Licensee") to withdraw water from unnamed bodies of water near Stephenville (48°32'00"N, 58°33'00"W), and use it for the purpose of supplying water to the Licensee's hatchery in reference to the plans submitted with the original application received on June 3, 2011, the application received on October 2, 2014 and further information received up until September 16, 2015.

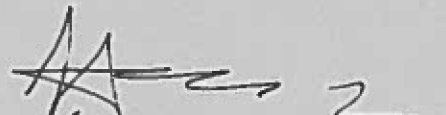
This Licence is subject to the terms and conditions, reservations, exceptions, and provisions stated herein and the *Water Resources Act* and regulations thereunder. Appendices A, B and Schedule A (attached) form part and parcel of this Licence.

This Licence does not release the Licensee from the obligation to obtain appropriate approvals, permits or licences from other concerned municipal, provincial and federal agencies.

The Licensee shall complete and return the attached Notification of Acceptance of Water Use Licence to the Water Rights and Investigations Section of the Department of Environment and Conservation within thirty (30) days of receipt of this Licence.

Failure to comply with the terms and conditions, reservations, exceptions, and provisions set out herein will render this Licence null and void, place the Licensee and/or its agents in violation of the *Water Resources Act*, and cause the Licensee to be responsible for any and all remedial measures which may be prescribed by the Department of Environment and Conservation.




MINISTER

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

No: WUL-15-8305
File: 514/F1087

APPENDIX A
TERMS AND CONDITIONS FOR WATER USE LICENCE

The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **Northern Harvest Smolt Limited** (the "Licensee") to withdraw water from unnamed bodies of water near Stephenville (48°32'00"N, 58°33'00"W), and use it for the purpose of supplying water to the Licensee's hatchery in reference to the plans submitted with the original application received on June 3, 2011, the application received on October 2, 2014 and further information received up until September 16, 2015.

1. Ownership of water rights remains with the Crown and is not transferred. This Water Use Licence only provides permission for the Licensee to withdraw and use water for the designated purpose indicated in this Licence.
2. The non-exclusive rights and privileges hereby demised by this Licence shall not be sold, assigned, transferred, leased, mortgaged, sublet or otherwise alienated by the Licensee.
3. The Licensee acknowledges and agrees that this Licence does not grant any interest in land.
4. This Licence is effective from January 1, 2015 and shall expire on December 31, 2019 or earlier if suspended or modified or cancelled by the Minister due to reasons that include, but is not limited to, non-compliance with the Water Resources Act, 2002 and terms and conditions, reservations, exceptions, and provisions or water use conflicts that may arise from the operation of the Licensee's hatchery, lack of utilization of approved water for the designated purpose and prompt reporting pursuant to this Licence. Also, this Licence may be renewed by the Minister for such renewal term as the Minister deems appropriate, on such terms and conditions as the Minister considers appropriate and in the public interest, provided the Licensee applies for an extension at least 180 days before the expiry of this Licence.
5. The designated purpose of the water use is Aquaculture/Hatchery.
6. The estimated average water use for the Licensee's hatchery from the said bodies of water shall not exceed 2,000 litres per minute (with a peak of 3,000 litres per minute over short periods while filling tanks or trucks, etc.) subject to water availability without changing characteristics and features of the said bodies of water or any nearby body of water. The Licensee shall not at any time withdraw and use amounts of water in excess of the need for the Licensee's hatchery, irrespective of the amount of water approved.
7. The Licensee shall not at any time impair, pollute or cause to be polluted the quality of water of the said bodies of water or any nearby body of water. Also, this Licence shall not be interpreted as granting any rights to cause adverse effect(s) on water or water users including domestic, municipal and other water users in or outside the Licensee's hatchery and its facilities areas. In addition, any and all waste material must be removed and disposed at a site approved by Government and the Water Resources Management Division of the Department of Environment and Conservation must be informed if this activity has a potential to impair water quality of the said bodies of water or any nearby body of water. In addition, any and all waste material that may result from the Licensee's hatchery and its facilities must be removed and disposed at a site approved by the regional Government Service Centre of the Department of Service NL. The Departments of Environment and Conservation and Service NL may require samples to be submitted for testing and analysis.
8. Effluent discharged from the Licensee's hatchery into receiving waters must comply with the Environmental Control Water and Sewage Regulations, 2003.
9. The Licensee shall comply by all terms, conditions and requirements for the release from the environmental assessment process and stated in the Minister's letter of release dated January 21, 2011 for this project regarding the full scale hydrogeologic assessment, groundwater monitoring program including water levels, water quality, and water quantity of the water available and supplied for use at the Licensee's hatchery in agreed upon manner and frequency that are satisfactory to the Water Resources Management Division. To facilitate water levels, water quality, and water use monitoring and reporting, this program will include, but is not limited to, the installation of data loggers, flowmeters and/or other necessary measures to monitor and record the exact water levels, water quality, and water used from the said bodies of water.
10. The Licensee shall prudently maintain in good faith records of water levels, water quality, rates and amounts of water withdrew and used on a daily basis for the Licensee's hatchery and any other information that the Minister may require in whatever form, manner and time. Copies of such records, accounts, statements, all information required to exercise the non-exclusive rights and privileges demised under this Licence, and a form following the format of Appendix B shall be submitted to the Water Rights and Investigations Section of the Department of Environment and Conservation on or before

March 31st of each year or as required at any time during the term created by this Licence.

11. The employees of the Department of Environment and Conservation, authorized by the Minister, may at all reasonable times during the term created by this Licence enter into the Licensee's hatchery and its facilities, and the Licensee's designated place(s) of business to inspect all associated systems or works, records, statements, and accounts, and shall be entitled to copy such information as may be required by the Minister in relation to this Licence and may exercise all other powers of inspection as provided for in the Water Resources Act, 2002.
12. The Licensee shall not construct any new systems and works, make changes in the purpose, rates and amounts of water specified in this Licence, or divert the course or alter the physical features of the said bodies of water or any nearby body of water without the prior written permission from the Minister. The Licensee shall also keep all systems and works in good condition and repair, and shall notify the Minister immediately if any problem arises which may adversely affect public safety or other water users. Also, the Licensee shall abide by terms and conditions of permits issued or are to be issued by the Minister in relation to the Licensee's hatchery and its facilities.
13. The Licensee shall abide by any and all commitments made in the Environmental Assessment Process, Environmental Management Plan, and all subsequent documents provided during that process or thereafter. In the event that the water authorized and the Licensee's hatchery are no longer being used during the term created by this Licence, the Licensee fully understands and agrees to accept the full responsibility for the removal of any and all systems and works associated with and restore all areas affected by Licensee's hatchery and its facilities to a state that resembles local natural conditions.
14. The Licensee and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Government and the Minister harmless against any and all liabilities, losses, claims, demands, damages or expenses of any nature whatsoever of any nature whatsoever whether arising in tort, contract, statute, trust or otherwise resulting directly or indirectly from the water rights granted under this Licence, systems and works in relation to the Licensee's hatchery and its facilities, or any act or omission of the Licensee in all facilities areas related to the Licensee's hatchery, or arising out of a breach or non-performance of any of the terms and conditions, and provisions of this Licence by the Licensee or its agent(s), subcontractor(s), or consultant(s).
15. If the Licensee or its agent(s), subcontractor(s), or consultant(s) fails to perform, fulfil, or observe any of the terms and conditions, or provisions of this Licence and/or Ministerial orders and guidelines, as determined by this Department, the Minister may, after providing ten (10) day notice to the Proponent, amend, modify, suspend or cancel this Licence in accordance with the Water Resources Act.
16. Should any provision of this Licence be unenforceable, it shall be considered separate and severable from the remaining provisions of this Licence which shall remain in force and be binding as though the provision had not been included.
17. This Licence is subject to all provisions of the Water Resources Act and any regulations in effect either at the date of this Licence or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
18. This Licence shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

All notices to be given pursuant to the terms and conditions of this Licence shall be given in writing and delivered by facsimile with auto confirmation or registered mail. If a notice is delivered by facsimile, it is deemed to have been received on the day it was sent if that day is a normal business day, if not, it is deemed to have been received on the next normal business day. If a notice is sent by registered mail, it is deemed to have been received three days after the day it was mailed. The address of the Licensee is:

Northern Harvest Smolt Limited
PO Box 39, 15 Connecticut Drive
Stephenville NL A2N 2Y7

The address and facsimile number of the Department of Environment and Conservation are:

Water Rights and Investigations Section
Department of Environment and Conservation
PO Box 8700
St. John's NL A1B 4J6
(709) 729-0320

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
APPENDIX B

Report to Department of Environment and Conservation

To: Water Rights and Investigations Section
Water Resources Management Division
Department of Environment and Conservation
PO Box 8700
St. John's NL A1B 4J6

No: WUL-15-8305
File: 514/F1087
Authorized: SEPTEMBER 16, 2015

Re: *Water Withdrawal and Use for Aquaculture (Hatchery) near Stephenville*

This report must be completed and filed on or before March 31st of each year or upon the completion of activities for a temporary period. Provide the information required below:

1. Has the Licensee used water during last year? Yes No
If no, explain (use extra sheet to provide more information, if any).

2. Does the Licensee wish to continue the non-exclusive water right? Yes No
If no, explain (use extra sheet to provide more information, if any).

3. Has the Licensee exceeded the estimated maximum water withdrawal of that indicated in Appendix A? Yes No
If yes, explain in the space below (use extra sheet to provide more information, if any).

In the table below, state the monthly water uses during last year or a temporary period and attach spreadsheet for daily water uses along with water quality report(s) as may be applicable:

Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Use in litres or cubic meters													

4. Is there any other matter on which the Licensee wishes to inform the Department of Environment and Conservation regarding this Licence and its terms and conditions? Yes No
If yes, explain (use extra sheet to provide more information, if any).

I/We acknowledge that the information contained in this report is true and correct.

Northern Harvest Smolt Limited
PO Box 39, 15 Connecticut Drive
Stephenville NL A2N 2Y7

Signature: _____

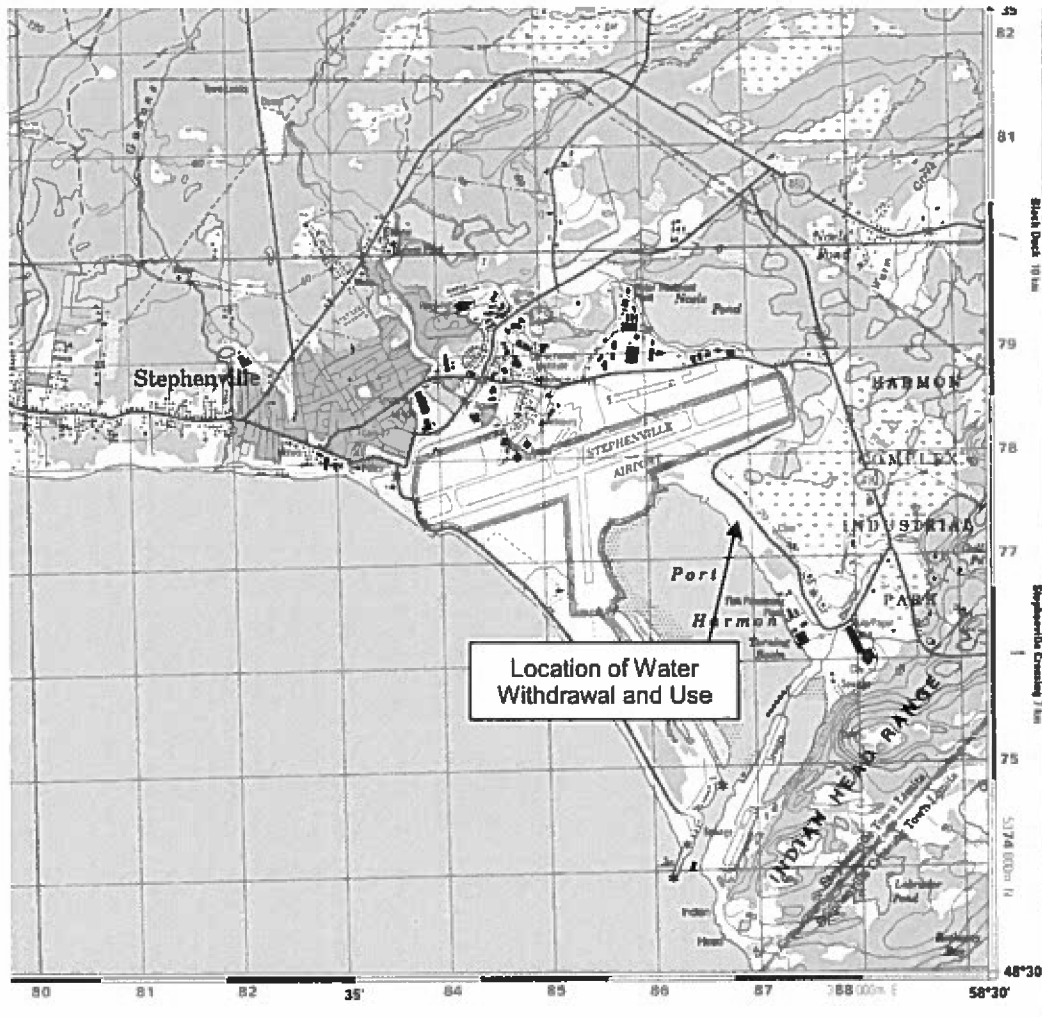
Name/Title: _____

Date: _____

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

SCHEDULE A
Water Use Licence No WUL-15-8305

**Location of Water Withdrawal and Use (Map 12B/10) for
Aquaculture Hatchery near Stephenville**





Government of Newfoundland and Labrador
Department of Environment and Conservation
Water Resources Management Division

Water Rights and Investigations Section
Water Resources Management Division
Department of Environment and Conservation
PO Box 8700
St. John's NL A1B 4J6

Date: SEPTEMBER 16, 2015
File: 514/F1087

NOTIFICATION OF ACCEPTANCE OF WATER USE LICENCE
Water Withdrawal and Use for Aquaculture (Hatchery) near Stephenville

Water Use Licence No. WUL-15-8305 issued on SEPTEMBER 16, 2015, and valid until December 31, 2019.

As a Licensee of Water Use Licence No. WUL-15-8305, issued pursuant to the *Water Resources Act*, **Northern Harvest Smolt Limited** (the "Licensee"), agrees to accept this Licence for the stated duration and abide by all terms and conditions, reservations, exceptions and provisions stated therein. The Licensee acknowledges that failure to abide by the terms and conditions, reservations, exceptions and provisions indicated in Appendices A, B and Schedule A (attached), and the *Water Resources Act* will render the Licence null and void, place the Licensee and/or their agent(s) in violation of the *Water Resources Act* and regulations thereunder and cause the Licensee to be responsible for any and all remedial measures which may be prescribed by the Department of Environment and Conservation.

Signed, sealed, and delivered by
Northern Harvest Smolt Limited,
in accordance with its rules and
regulations in that behalf
at _____, this _____ day
of _____, 2015 in the presence
of:

Witness

Per: _____
Signing Officer

Seal:

Important: The attached Water Use Licence is not valid unless the Licensee completes and returns this notification to the address above within thirty (30) days of receipt.