



Government of Newfoundland and Labrador
Department of Municipal Affairs and Environment
Water Resources Management Division

MARINE AQUACULTURE WATER USE LICENCE/PERMIT

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

Date of Issuance: SEPTEMBER 07, 2018

No: MAWUL/P-18-9895

File: 515/F0875

Licensee/Holder: **Cold Ocean Salmon Inc.**
PO Box 59
1 Boys Road
Hermitage NL A0H 1S0

Attention: **Julia Bungay**

Re: **Aquaculture Facility North of Herring Cove, Bonne Bay, Hermitage Bay**

The Minister of Municipal Affairs and Environment (the "Minister") hereby grants a non-exclusive right to: **Cold Ocean Salmon Inc.** (the "Licensee/Holder") Cold Ocean Salmon Inc. (the "Licensee/Holder") to install and operate an aquaculture facility with an estimated total area of 81.81 hectares North of Herring Cove, Bonne Bay, Hermitage Bay (47°36.972'N, 55°51.100'W) in reference to the plans submitted with any and all applications for installation and operation of the said facility and the application and information to add a new species (Cunner) provided by the Department of Fisheries and Land Resources received June 29, 2018.

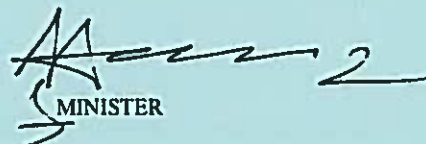
This Licence/Permit is subject to the terms and conditions stated herein and the *Water Resources Act* and regulations thereunder. Appendix A (attached) forms part and parcel of this Licence/Permit.

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

It should be noted that prior approval of any significant change(s) in the plans and/or the associated systems and works must be obtained from the Minister.

The Licensee/Holder shall complete and return the attached Notification of Acceptance of Marine Aquaculture Water Use Licence/Permit (attached) to the Water Rights, Investigations, and Modelling Section of the Department of Municipal Affairs and Environment within thirty (30) days of receipt of this Licence/Permit.

Failure to comply with the terms and conditions set out herein will render this Licence/Permit null and void, place the Licensee/Holder and/or its agent(s) in violation of the *Water Resources Act*, and cause the Licensee/Holder to be responsible for any and all remedial measures which may be prescribed by the Department of Municipal Affairs and Environment.


MINISTER

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF MUNICIPAL AFFAIRS AND ENVIRONMENT

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APPENDIX A
TERMS AND CONDITIONS FOR MARINE AQUACULTURE WATER USE LICENCE/PERMIT

The Minister of Municipal Affairs and Environment (the "Minister") hereby grants a non-exclusive water right to: **Cold Ocean Salmon Inc.** (the "Licensee/Holder") Cold Ocean Salmon Inc. (the "Licensee/Holder") to install and operate an aquaculture facility with an estimated total area of 81.81 hectares North of Herring Cove, Bonne Bay, Hermitage Bay (47°36.972'N, 55°51.100'W) in reference to the plans submitted with any and all applications for installation and operation of the said facility and the application and information to add a new species (Cunner) provided by the Department of Fisheries and Land Resources received June 29, 2018.

1. The designated purpose of the water use is Commercial (Marine Aquaculture).
2. The Licensee/Holder shall not impair, pollute or cause to be polluted the quality of the water.
3. The Licensee/Holder shall secure the aquaculture gear by suitable anchors to prevent dislodgement due to wave action and clearly mark the perimeter of the facility with cautionary buoys.
4. The Licensee/Holder shall immediately notify the Minister if any problem arises which may adversely affect water or public safety or any and all water users. The Licensee/Holder shall be responsible for any environmental or property damage, or personal injury arising from dislodgement caused by wind, wave, or ice action, or structural failure or from other water related problems.
5. In the event that the site is no longer being used during the term created by this Licence/Permit, the Licensee/Holder shall remove the aquaculture gear and other work(s)/system(s) associated with and restore all areas affected by this facility to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources and all areas affected by this facility can and will be specified, if necessary in the opinion of this Department.
6. The Licensee/Holder acknowledges and agrees that this Licence/Permit does not grant any interest in land or any right to construct onshore facilities.
7. The Licensee/Holder agrees to abide by such further terms and conditions and directives as may be issued by the Minister of Municipal Affairs and Environment from time to time in relation to the site referenced in this Licence/Permit.
8. Ownership of water rights remains with the Crown and is not transferred. The Licence/Permit only provides permission for the Licensee/Holder to use water for the purpose indicated herein. The rights and liberties granted by this Licence/Permit may only be sold, assigned, transferred, leased, mortgaged, sublet or otherwise given away by the Licensee/Holder by obtaining prior written approval from the Minister of Municipal Affairs and Environment.
9. This Licence/Permit shall remain in force and effect until such time as the Aquaculture Licence of the Licensee/Holder is not renewed by the Licensee/Holder or is cancelled by the Minister of Fisheries and Land Resources of the Province of Newfoundland and Labrador or his successor in office pursuant to the provisions of the Aquaculture Act, RSN 1990, c.A-13 or until such time as it is revoked by the Minister of Municipal Affairs and Environment of the Province of Newfoundland and Labrador or his successor in office for failure to comply with one or more of the provisions of this Licence/Permit (as amended from time to time) or with the provisions of the Water Resources Act, SNL 2002 c.W-4.01 and any regulations in effect thereunder from time to time and any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
10. The Licensee/Holder indemnifies and holds the Minister and Government harmless against any and all liabilities, losses, claims, demands, damages or expenses including legal expenses 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/Permit, systems and works associated with this aquaculture facility, or any act or omission of the Licensee/Holder, or arising out of a breach or non-performance of any of the terms and conditions, and provisions of this Licence/Permit by the Licensee/Holder.
11. This Licence/Permit shall expire on September 7, 2023 or earlier if suspended or modified or cancelled by the Minister due to reasons that include, but not limited to, non-compliance with the Water Resources Act, SNL 2002 c.W-4.01 and terms and conditions, reservations, exceptions, and provisions; lack of utilization of authorized water for the designated purpose or prompt reporting pursuant to this Licence/Permit. Also, this Licence/Permit may be renewed by the Minister for such renewal

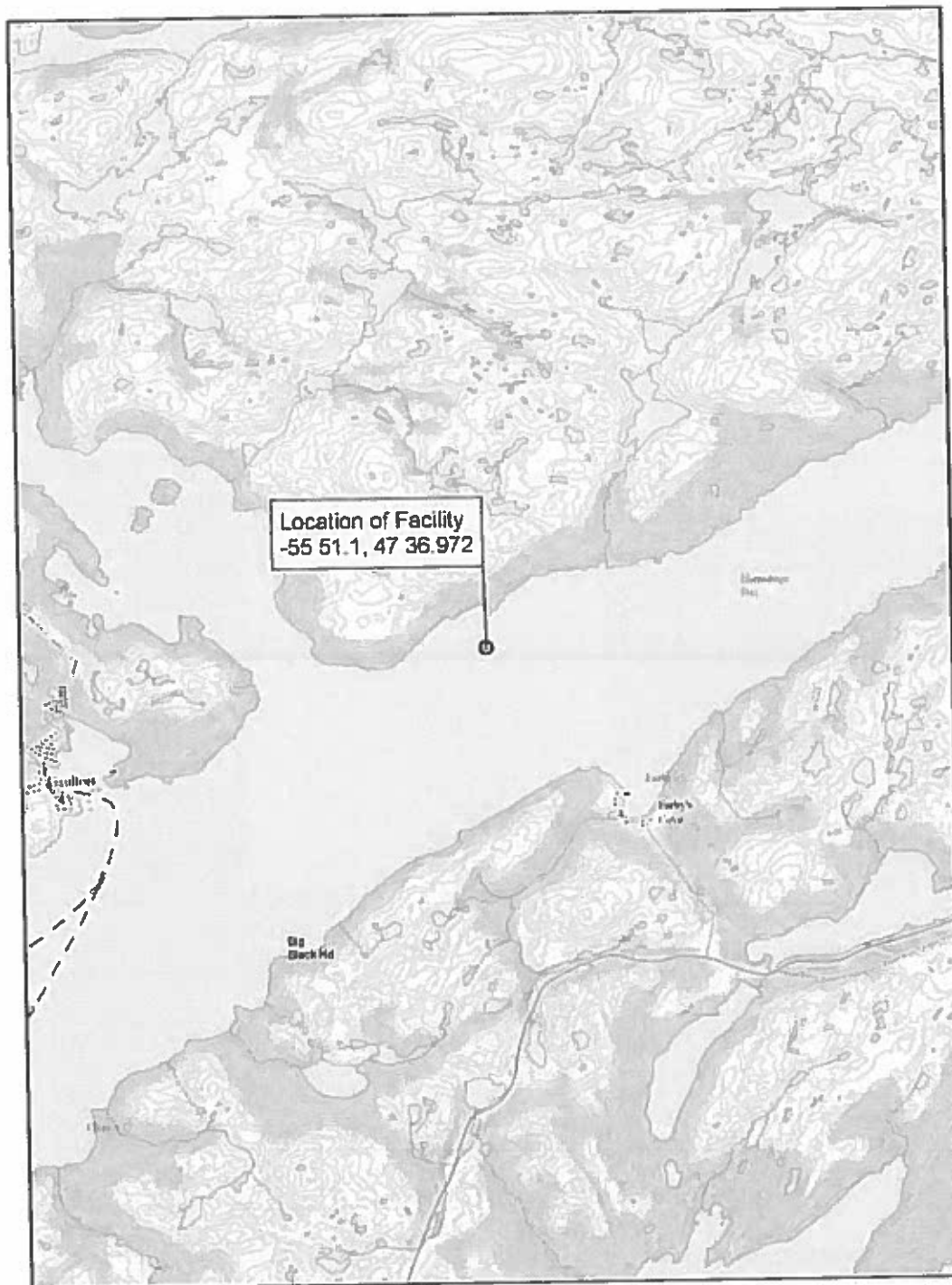
term as the Minister deems appropriate, on such terms and conditions as the Minister considers appropriate and in the public interest, provided the Licensee/Holder applies for a new Licence at least hundred and eighty (180) days before the expiry of this Licence/Permit.

12. This Licence/Permit is subject to the Water Use Charges Regulations, NLR 60/16 under the Water Resources Act, 2002 and the Licensee/Holder shall upon receipt of an invoice stating the amount owing for water use charges, pay to the Minister the full amount within thirty (30) days of the receipt of the said invoice and if imposed by provincial legislation, fees, incentives, royalties or subsidies for water use.
13. The associated fees for this licence shall be collected by Fisheries and Land Resources.
14. This Licence/Permit supersedes and cancels in whole and in part Licence/Permit No. WUL-13-024.

No: MAWUL/P-18-9895
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- cc: Amir Ali Khan. Ph.D., P.Eng.
Manager, Water Rights, Investigations and Modelling Section
Water Resources Management Division
Department of Municipal Affairs and Environment
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
akhan@gov.nl.ca
- cc: File Copy for Binder
- cc: Dave Mercer (Central)
Land Management Specialist
Crown Lands Administration Division
Department of Fisheries and Land Resources
davemercer@gov.nl.ca
- cc: Fisheries Protection Division
Ecosystem Management Branch
Fisheries and Oceans Canada
P.O. Box 5667
St. John's, NL A1C 5X1
FPP-NL@dfo-mpo.gc.ca
- cc: Renee J. Keel
Manager of Aquaculture Licensing (TA)
Department of Fisheries and Land Resources
P.O. Box 679
Grand Falls-Windsor, NL, A2A 2K2
RKeel@gov.nl.ca

Schedule A
Location Map for Permit





Government of Newfoundland and Labrador
Department of Municipal Affairs and Environment
Water Resources Management Division

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

Date: SEPTEMBER 07, 2018
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NOTIFICATION OF ACCEPTANCE OF MARINE AQUACULTURE WATER USE LICENCE/PERMIT
Aquaculture Facility North of Herring Cove, Bonne Bay, Hermitage Bay

As a Licensee/Holder of Marine Aquaculture Water Use Licence/Permit No. MAWUL/P-18-9895, issued on SEPTEMBER 07, 2018 pursuant to the *Water Resources Act*, Cold Ocean Salmon Inc. (the "Licensee/Holder"), fully understands and agrees to accept this Licence/Permit and abide by all terms and conditions, reservations, exceptions and provisions stated therein. The Licensee/Holder acknowledges that failure to abide by the terms and conditions, reservations, exceptions and provisions indicated in Appendix A of the Licence/Permit and the *Water Resources Act* will render the Licence/Permit null and void, place the Licensee/Holder and/or their agent(s) in violation of the *Water Resources Act* and regulations thereunder. In the event that the site is no longer being used during the term created by this Licence/Permit, the Licensee/Holder fully understands and agrees to accept the full responsibility for the removal of the aquaculture gear and other systems and works associated with and restore all areas affected by this facility to a state that resembles local natural conditions. Further, the Licensee/Holder fully understands and agrees to accept the full responsibility for any and all remedial measures to mitigate environmental impacts on water resources and all areas affected by this facility which can be and will be specified if necessary in the opinion of the Department of Municipal Affairs and Environment.

Signed, sealed, and delivered by
Cold Ocean Salmon Inc.,
in accordance with its rules and
regulations in that behalf
at _____, this _____ day
of _____, 2018 in the presence
of:

Witness

Per: _____
Signing Officer

Seal:

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