

This lease 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 LESSEE**"

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 Lessee was issued Aquaculture Lease No. 1040 on March 28, 2012 for four years and eight months term from September 16, 2011 to May 15, 2016;

AND WHEREAS the Lessee wishes to renew aquaculture Lease No. 1040;

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

1. The Administrator hereby grants to the Lessee a lease to use a 8.21 hectare area located in the body of waters known as Annapolis Basin, more particularly described in Schedule "A" attached to and forming part of this Agreement (the "site") for the Marine suspended cage cultivation of *Salmo salar* (Atlantic salmon).
2. The term of this lease shall be for twenty years commencing on the 16th day of May, 2016 to the 16 day of May, 2036 with the right of renewal, in accordance with the terms of the Act and the Regulations.
3. The Lessee 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 lease. Late payments are subject to a fee as set out in the Regulations.
4. The undertakings set out in Schedule "B" to this lease (the "undertakings"), form part of this Agreement, and the Lessee 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 Lessee is responsible for confirming any undertakings and ensuring compliance with them.
5. The Lessee 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 Lessee is responsible for confirming any licensing requirements and ensuring compliance with them.

6. This lease must not be assigned except with the written approval of the Administrator. If the Lessee 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 Lessee 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 lease 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 Lessee must adhere to the Farm Management Plan, as it is in effect for this lease from time to time, and any failure to adhere to the Farm Management Plan is a breach of this lease.
9. The Lessee 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 Lessee's use and the productivity of the site.
10. The Lessee is hereby prohibited from using the site in any way that would interfere with other leased aquaculture operations.
11. If the Administrator, in his or her sole discretion, is of the opinion that the aquaculture activities authorized by this lease are detrimental to or interfere with other leased facilities, the Administrator may revoke this lease without compensation.
12. Following the completion of a performance review, in accordance with the Regulations, of the aquacultural operation subject to this lease, the Administrator may vary any terms or conditions of this lease in order to address any concerns raised in the performance review.
13. The Administrator may revoke this lease without advance notice or compensation if the Lessee 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 Lessee fails to perform any of its obligations under this lease, 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 Lessee is in breach of any term of this lease and such breach is not corrected within the time period set out in the notice from the Administrator, the Administrator may revoke this lease without further notice or compensation.
16. Should it become necessary for Her Majesty to expropriate the Lessee's rights under this lease, it is hereby agreed that the value of the lease for purposes of expropriation compensation shall not exceed the depreciated value of improvements made by the Lessee that cannot be removed from the site. No compensation may be claimed for the cancellation of this lease where compensation is paid or payable in relation to the expropriation of a lease for the same area.
17. Any notices required to be given under this lease 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 Lessee 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 Lessee 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 lease shall be subject to the laws of the Province of Nova Scotia and the parties hereby agree to attorn to its courts.
- 20. This lease 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 block]

Witness

[Redacted signature block]



Administrator, Nova Scotia Department
of Fisheries and Aquaculture

Kelly Cove Salmon Ltd.
Per:

[Redacted signature block]

Glenn Cooke

[Redacted signature block]

Witness



Schedule A

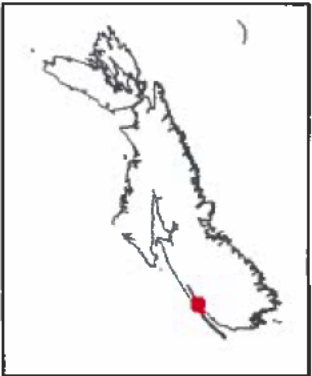
GPS COORDINATE INFORMATION SHEET

Application #:	1040		
Applicant:	Kelly Cove Salmon Ltd.		
Location:	Annapolis Basin	County:	Annapolis
Hydrographic Chart:	4235	Orthophoto #:	98 314-143
Dimensions of site:	Approx. 550 m x 150 m	Size:	Approx. 8.21 ha

Approximate Coordinates of Application:

Datum used:	NAD 83		
Centre coordinates (approx.)	Lat.	44° 40' 07.20"	
	Long.	-65° 43' 16.74"	
Corner #1	Lat.	44° 40' 05.76"	Corner #2
	Long.	-65° 43' 29.52"	Lat.
			Long.
			-65° 43' 06.60"
Corner #3	Lat.	44° 40' 08.34"	Corner #4
	Long.	-65° 43' 03.90"	Lat.
			Long.
			-65° 43' 26.88"

NOTE: THESE COORDINATES ARE NOT FROM A LEGAL SURVEY.



Aquaculture Site

1040

Centre
 Lat 44° 40' 07.02" Long -65° 43' 16.74"
 Corner 1
 Lat 44° 40' 05.76" Long -65° 43' 29.52"
 Corner 2
 Lat 44° 40' 12.78" Long -65° 43' 06.60"
 Corner 3
 Lat 44° 40' 08.34" Long -65° 43' 03.90"
 Corner 4
 Lat 44° 40' 01.32" Long -66° 43' 26.88"

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



Application Information

Proponent : Kelly Cove Salmon Ltd.
 Site Location : Annapolis Basin
 Dimensions : Approx. 550m x 150m
 Area : Approx. 8.21 ha

Chart No.

4396

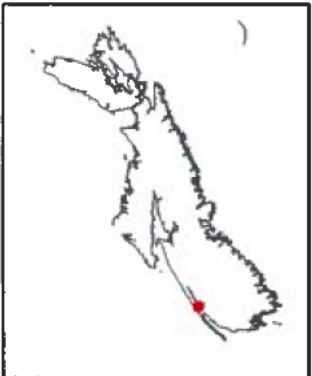


Disclaimer

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

MK-1040-MAY-2018

Issued Lease Low Water Mark



Aquaculture Site
1040

Centre
 Lat 44° 40' 07.20" Long -65° 43' 16.74"
 Corner 1
 Lat 44° 40' 05.76" Long -65° 43' 29.52"
 Corner 2
 Lat 44° 40' 12.78" Long -65° 43' 06.60"
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 Area : Approx. 8.21 ha

Chart No.
4396



- Issued Lease
- Proposed Lease
- NS Bathymetry
- Low Water Mark

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MK-1040-MAY-2016

Schedule "B"

This Schedule sets out any undertakings required of the Lessee.

There are no undertakings required of the Lessee.

AMENDMENT TO LEASE

THIS INDENTURE made in duplicate the 21st day of September 2022.

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.

874 Main Street
Black's Harbour, NB
E5H 1E6

hereinafter referred to as "**the Lessee**"

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 amend existing aquaculture licenses and aquaculture leases;

AND WHEREAS pursuant to the Act the Lessee was issued Aquaculture Lease No. 1040 on August 15, 2016 for a term of twenty years from May 16, 2016 to May 16, 2036, authorizing the Marine Cage cultivation of Atlantic Salmon (*Salmo salar*);

AND WHEREAS the Lessee is desirous of amending Lease No. 1040 to permit the Marine Cage cultivation of Lump fish (*Cyclopterus lumpus*), subject to whatever undertakings are prescribed by the Administrator;

AND WHEREAS the Administrator consents to amend Lease No. 1040 to permit the cultivation of Lump fish (*Cyclopterus lumpus*);

NOW THEREFORE, in consideration of the mutual covenants and agreements herein and the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1. Lease No. 1040 is hereby amended by adding thereto "and Lump fish (*Cyclopterus lumpus*)" at the end of clause 1.
2. Except as expressly amended herein Lease No. 1040 shall continue in full force and effect.

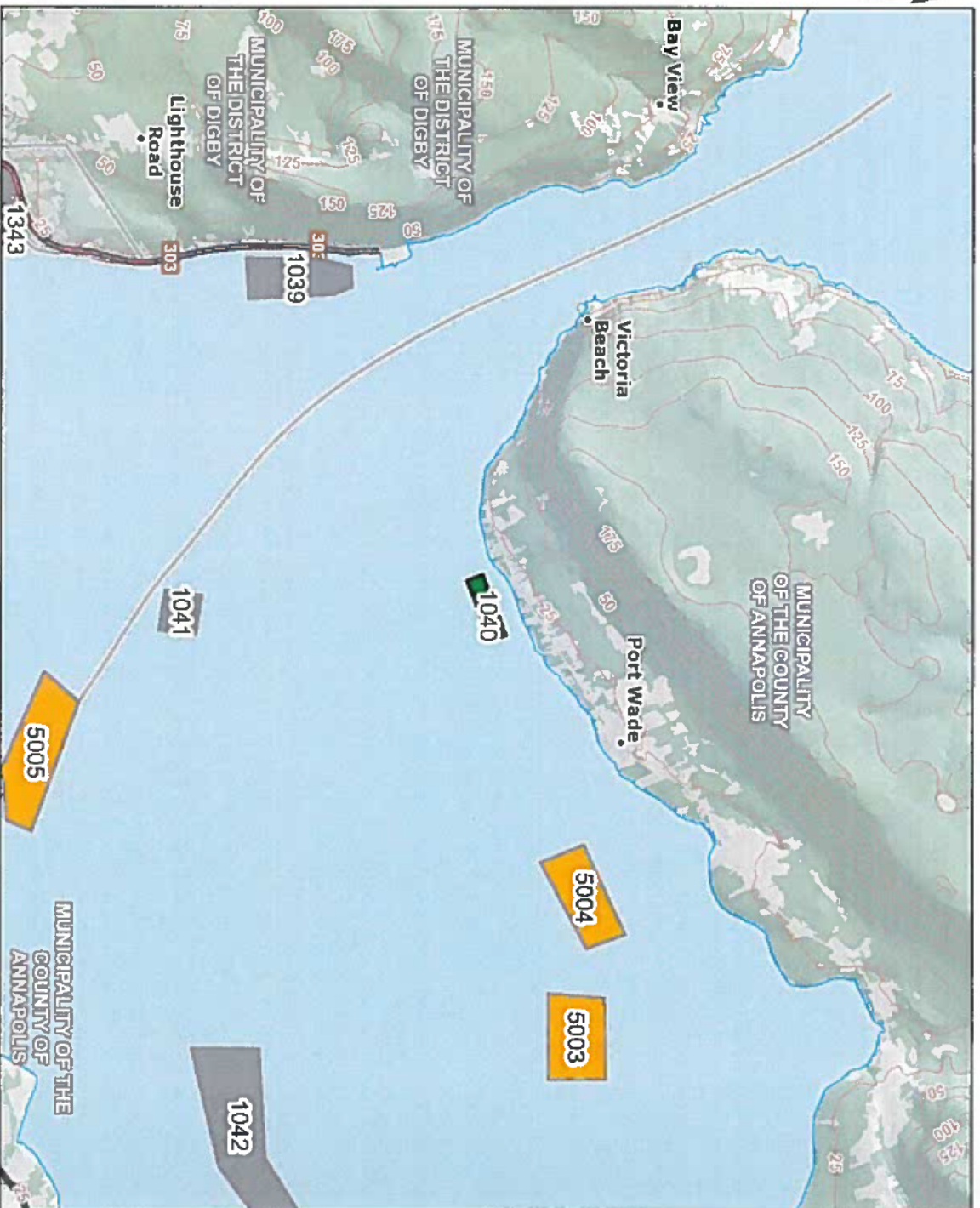
SCHEDULE A



Aquaculture Site 1040

Corner	Latitude	Longitude
1	44° 40' 5.760"	-65° 43' 29.520"
2	44° 40' 12.780"	-65° 43' 6.600"
3	44° 40' 8.340"	-65° 43' 3.900"
4	44° 40' 1.320"	-65° 43' 26.880"
Centre	44° 40' 6.982"	-65° 43' 16.633"

DATUM NAD 83 CSRS UTM Zone 20
The above coordinates are not from a legal survey



License/Lease Holder
Kelly Cove Salmon Ltd.

County
Annapolis

Waterbody
Annapolis Basin

Hectares
8.21

Species Type
Finfish

Culture Type
Suspended Culture

Chart
4396

Amendment Application
 Other Issued Lease

Other Proposed Application
 Issued Experimental



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Date: 2022-05-18
Created By: MK

SCHEDULE A

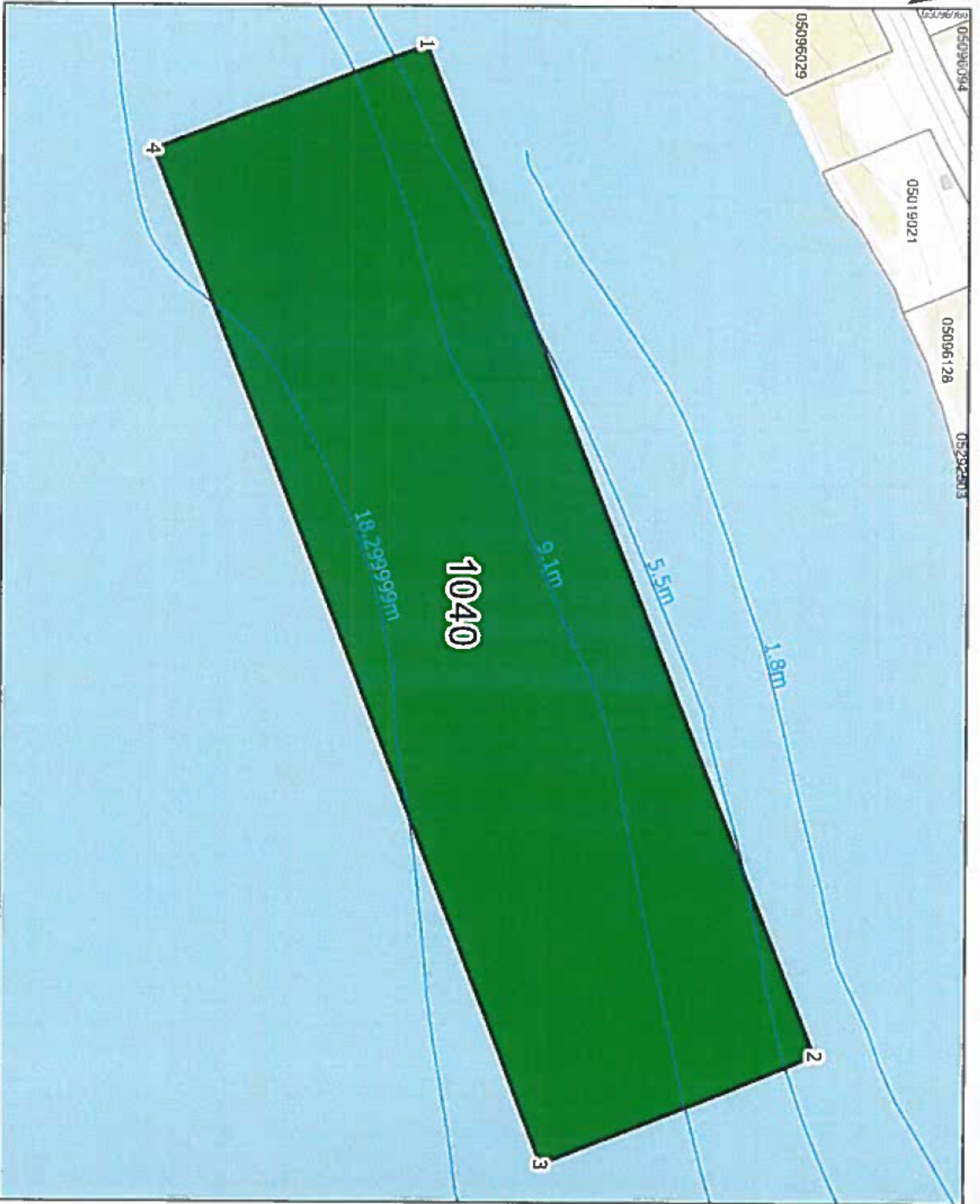


Aquaculture Site

1040

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License/Lease Holder Kelly Cove Salmon Ltd.
County Annapolis
Waterbody Annapolis Basin
Hectares 8.21
Species Type Finfish
Culture Type Suspended Culture
Chart 4396

- Amendment Application
- Other Issued Lease



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Data: 2022 05/16 Created By: MK