

This experimental lease made in duplicate this 18th day of August, 2023

BETWEEN:

HIS MAJESTY THE KING, 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 -

WE'KOQMA'Q FIRST NATION
PO Box 149
Whycocomagh, NS
BOE 3M0

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 grant special experimental leases;

AND WHEREAS Aquaculture Lease No. 5010 was first issued to the Lessee for a term of one year from August 23, 2019 to August 23, 2020;

AND WHEREAS Aquaculture Lease No. 5010 has been consecutively renewed for three additional one-year terms, most recently for a term from August 24, 2022 to August 23, 2023;

AND WHEREAS under the Regulations, a special experimental lease may be renewed annually for up to 5 years;

AND WHEREAS the Lessee wishes to renew Aquaculture Lease No. 5010 for a fifth term;

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

1. The Administrator hereby grants to the Lessee a special experimental lease to use a 10.89 hectare area located in the body of waters known as North Aberdeen, Whycocomagh Bay, Inverness County, more particularly described in Schedule "A" attached to and forming part of this Agreement (that area, the "site") for the marine cage cultivation of Rainbow trout (*Oncorhynchus mykiss*).
2. The term of this lease shall be for one year from August 24, 2023 to August 23, 2024, in accordance with the terms of the Act and the Regulations.
 - a. This being the fifth and final renewal permissible under the Regulations, should the Lessee desire to convert this lease to a commercial purpose (further to section 51 of the Regulations), the Lessee shall submit an application to the Minister of Fisheries and Aquaculture prior to the end of the term of this lease.
 - b. Should an application identified in subsection (a) be received prior to the end of the term of this lease, the Lessee is authorized to retain any aquaculture gear and produce on the site, pending the Aquaculture Review Board decision on such application. No

new produce shall be introduced to the site following the end of the term of this lease, pending the Aquaculture Review Board decision.

- c. Should no application identified in subsection (a) be received prior to the end of the term of this lease or should an application identified in subsection (a) be rejected by the Aquaculture Review Board, the Administrator shall discontinue the lease and the Lessee shall within thirty (30) days, as applicable, of the lease being discontinued or of the Aquaculture Review Board rejecting an application to convert this lease to a commercial purpose, request a Certificate of Discharge per Section 60 of the Regulations.
3. The Lessee shall pay to the Minister of Finance 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 lease, 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. Except to the extent restricted by an enactment or this lease, the Lessee has, for aquacultural purposes, the exclusive right to use the leased sub-aquatic lands and water column.
6. 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.
7. The Lessee must use this lease only for the research purposes set out in Schedule "C" attached to and forming part of this lease.
8. This lease must not be assigned. If the Lessee is a corporation, any change in the right to control the corporation shall be deemed to be an assignment.
9. 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 His Majesty the King in right of the Province of Nova Scotia ("His Majesty") to claim for damages.
10. 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.
11. This lease does not include any rights as to minerals in or on the site.
12. 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.
13. 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.
14. The Lessee is hereby prohibited from using the site in any way that would interfere with other leased aquaculture operations.

15. 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.
16. 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.
17. 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 His Majesty, for which His Majesty shall have a first priority charge on the aquacultural produce within the site.
18. 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.
19. Should it become necessary for His 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 licence for the same site.
20. 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.
21. 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.
22. This lease shall be subject to the laws of the Province of Nova Scotia and the Parties hereby agree to attorn to its courts.
23. 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

[Redacted]

Witness

[Redacted]

Witness

) **HIS MAJESTY THE KING**
) in right of the Province of Nova Scotia, as
) represented by the Administrator, Nova Scotia
) Department of Fisheries and Aquaculture
)

) [Redacted]

) Administrator - Nova Scotia Department
) of Fisheries and Aquaculture
)

) **WE'KOMA'Q FIRST NATION**
) Per:
)

) [Redacted]

) **CHIEF ANNIE BERNARD-DAISLEY**
)



SCHEDULE A

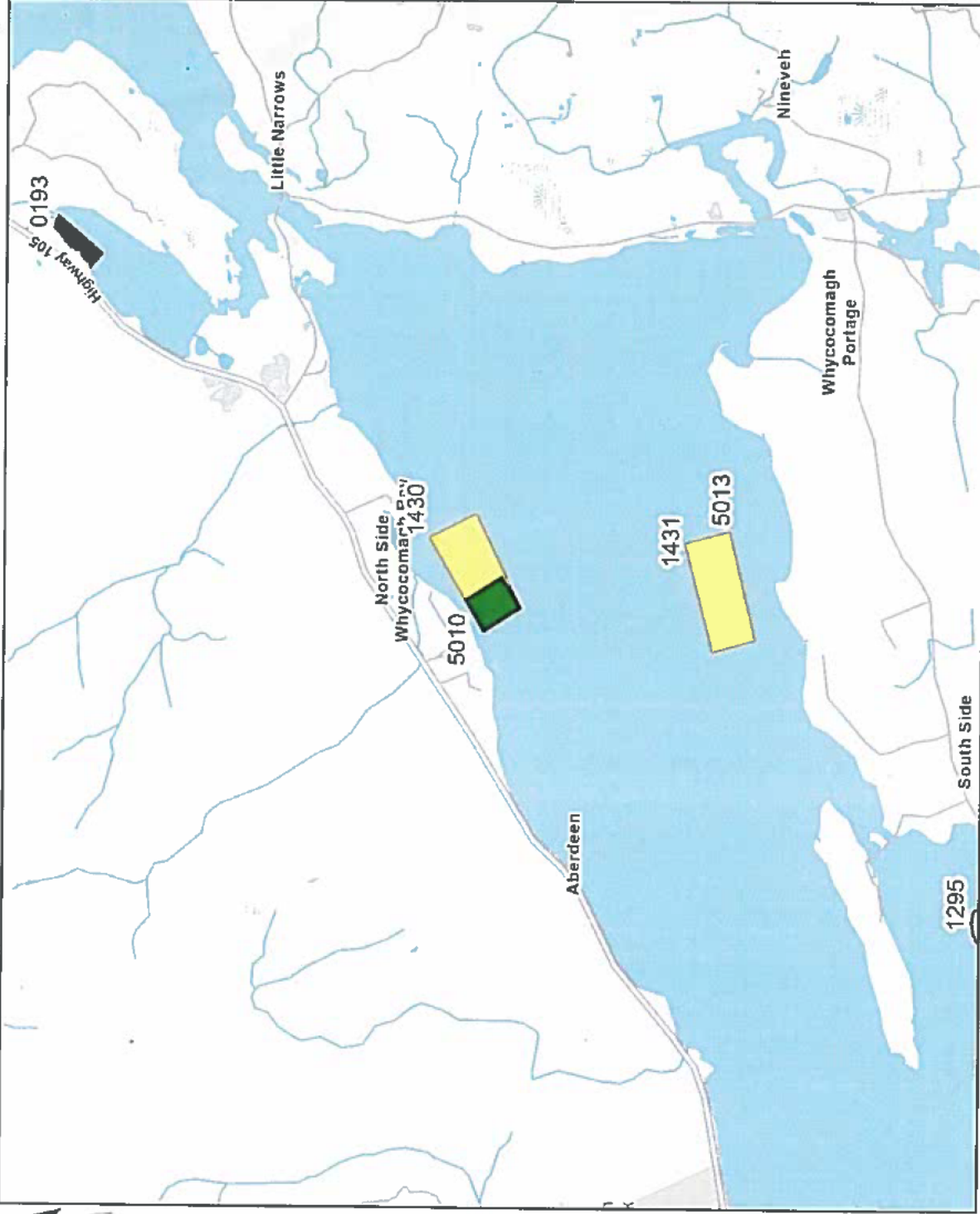


Aquaculture Site

5010

Corner	Latitude	Longitude
1	45° 58' 40.400"	-61° 1' 51.510"
2	45° 58' 30.400"	-61° 1' 42.650"
3	45° 58' 35.187"	-61° 1' 30.479"
4	45° 58' 45.124"	-61° 1' 39.165"
Centre	45° 58' 37.781"	-61° 1' 40.674"

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



License/Lease Holder	County	Waterbody	Hectares	Species Type	Culture Type	Chart
We'Koqma'q First Nation	Inverness	Whycomagh Bay	10.89	Finfish	Suspended Culture	4278

 Renewal Application
 Issued Experimental



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Data: 2021.05.28
Created By: MK

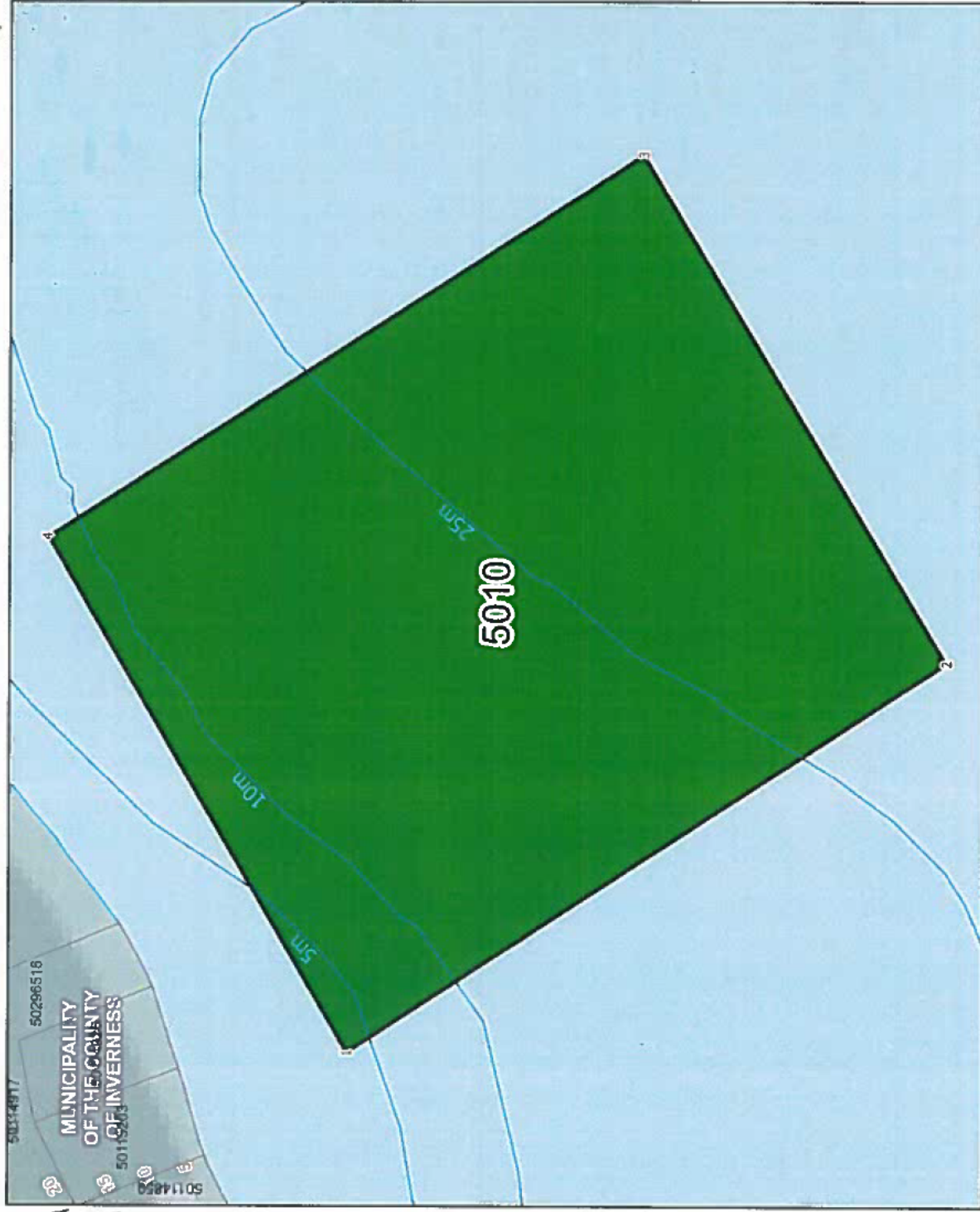
SCHEDULE A



Aquaculture Site 5010

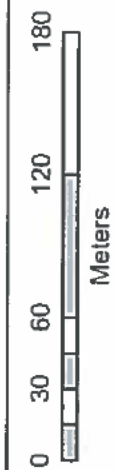
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Renewal Application
 Other Issued Lease



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Date: 2024-05-26
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Schedule "B"

This Schedule sets out any undertakings required of the Lessee.

There are no undertakings required of the Lessee.

Schedule "C"

Research purposes

This lease has been granted to enable the Lessee to research new production methods and to assess the technical feasibility of an aquaculture site in an effort to support the sustainable expansion of finfish aquaculture in Bras d'Or Lake.

In particular, further to this lease, the Lessee will be involved in the following activities:

- Testing the effectiveness and efficiencies of 100 m polar circle cages for rainbow trout aquaculture by comparing fish production characteristics and production costs with those of traditional cage sizes (60 m polar circle cages) while using standard husbandry practices.
- Evaluation of harvested fish in terms of size and size variation, percent yield, colour and other quality characteristics for comparison of each cage size.
- Evaluation of fish production characteristics including growth, feed conversion ratio and product quality for comparison of each cage size.
- Evaluation of cost of production per kg calculated from feed, equipment use and labour cost for comparison of each cage size.
- Comparison of time spent by employees working on the cages will be monitored and recorded for each cage size.
- Evaluation of the use of a feed barge to support the operation of a 10-cage array of 100 m cages.
- Evaluation of the replacement from 60 m polar circles cages to 100 m polar circle cages as the fish grow, to assess the size variability experienced in fish grown in 100 m cages only.