Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-48-2016)

On August 11, 2016, the Department of Natural Resources received your request for access to the following records/information:

Request detailed breakdown of all consultants used by department between December 1, 2015 to August 11, 2016. Please include agreements/contracts, amount paid to date as well as scope of work and associated time frames.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to some of the requested information. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

40 Disclosure harmful to personal privacy
(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party’s personal privacy.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible; in accordance with your request for a copy of the records, the records have been included with this correspondence.
Third Party Business Information

You will note a number of redactions in the response package with the notation, “Third Party Notification”. These redactions pertain to third party business information which the department has determined does not clearly meet the three-part “harms” test set out in under section 39 of the Act. As a result, the department has decided that access to the record must be granted to you.

Before releasing this information to you, however, and as required by section 19(5) of the Act, the department has notified the third party of this decision. You will be given access to these records unless the third party files a complaint with the Information and Privacy Commissioner under section 42, or makes an appeal to the Supreme Court, Trial Division under section 53 within 15 business days of the date of this letter.

If we have not heard from the third party, or if the third party consents to the release of the record, within 15 business days, the department will consider this matter resolved and provide the information to you.

Right to Request Review/File Appeal

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide partial access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P.O. Box 13004, Stn. A
St. John’s, NL A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.
Response to be Made Public

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at 729-3214 or by e-mail at andreamarshall@gov.nl.ca. Alternatively, please contact Tanya Noseworthy, the department’s primary access to information coordinator at 729-1466 or tanyanoseworthy@gov.nl.ca.

Sincerely,

[Signature]

Andrea Marshall
Departmental ATIPP Coordinator
<table>
<thead>
<tr>
<th>Consultant Name</th>
<th>Description</th>
<th>Invoice Dates</th>
<th>Invoice Amounts</th>
<th>Consultant Total</th>
<th>Contract Page Number</th>
<th>Reference</th>
</tr>
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<tbody>
<tr>
<td>ALS Inspection UK Limited (formerly Stewart Inspection &amp; Analysis Limited)</td>
<td>Laboratory analysis: Voisey's Bay mine.</td>
<td>25-Feb-16</td>
<td>3,255.00</td>
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<td>7-Apr-16</td>
<td>3,875.00</td>
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<td>11-Feb-16</td>
<td>4,650.00</td>
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<td>4-Jan-16</td>
<td>6,045.00</td>
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<td></td>
<td>28-Jan-16</td>
<td>6,200.00</td>
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<td>24,025.00</td>
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<td>Euxinic Exploration</td>
<td>Geoscience technical services, analysis and advice.</td>
<td>7-Jan-16</td>
<td>3,000.00</td>
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<td>19-Feb-16</td>
<td>10,187.25</td>
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<td>13,187.25</td>
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<td>Knowles Consultancy Services Inc.</td>
<td>Review progress toward design/construction of Long Harbour Processing Plant.</td>
<td>10-Feb-16</td>
<td>255.36</td>
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<td></td>
<td></td>
<td>25-Jul-16</td>
<td>940.13</td>
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<td></td>
<td>9-Jun-16</td>
<td>9,420.02</td>
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<td></td>
<td></td>
<td></td>
<td>10,615.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Noseworthy</td>
<td>Professional services associated with department’s review of draft report prepared by the consultant for the Review of the Newfoundland and Labrador Electricity System.</td>
<td>21-Mar-16</td>
<td>7,350.00</td>
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<td>7,350.00</td>
<td></td>
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<tr>
<td>Skybattle Resources Ltd.</td>
<td>Geoscience technical services, analysis and advice.</td>
<td>31-Mar-16</td>
<td>4,200.00</td>
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<td>25-Feb-16</td>
<td>13,200.00</td>
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<td>17,400.00</td>
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<td>SNC-Lavalin GEM Quebec Inc.</td>
<td>Engineering consulting services for tailings dam repairs at former Buchans mine site.</td>
<td>3-May-16</td>
<td>4,496.91</td>
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<td>3-May-16</td>
<td>38,872.97</td>
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<td>43,369.88</td>
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<tr>
<td>HSB Soloman Associates Canada Ltd. (formerly Ziff Energy Group)</td>
<td>Petroleum industry expertise, analysis and advice.</td>
<td>24-May-16</td>
<td>2,764.36</td>
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<td></td>
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<td>2,764.36</td>
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<tr>
<td><strong>Consultant Cost Subtotal</strong></td>
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<td></td>
<td>$ 118,712.00</td>
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<td><strong>Adjustments</strong></td>
<td>Costs related to Hibernia Arbitration, incurred by Dept. of Justice (Consultant: Curtis Dawe)</td>
<td>16-Feb-16 &amp; 16-Mar-16</td>
<td>418,755.75</td>
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<td></td>
<td>Costs related to White Rose Arbitration, incurred by Dept. of Justice (Consultant: Curtis Dawe)</td>
<td>24-Mar-16</td>
<td>85,000.00</td>
<td></td>
<td></td>
<td>N/A</td>
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<td></td>
<td>Costs related to White Rose Arbitration, incurred by Dept. of Justice (Consultant: Curtis Dawe)</td>
<td>29-Jul-16</td>
<td>87,500.00</td>
<td></td>
<td></td>
<td>591,255.75</td>
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<tr>
<td><strong>Adjustment Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>591,255.75</td>
<td></td>
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</tr>
<tr>
<td><strong>Other</strong></td>
<td>Transfer to Natural Resources Canada for costs related to the Frontier Offshore Regulatory Renewal Initiative (FORRI), including the contracting of technical experts to perform analysis on policy intentions.</td>
<td></td>
<td>65,000.00</td>
<td></td>
<td></td>
<td>N/A</td>
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<td></td>
<td></td>
<td></td>
<td>65,000.00</td>
<td></td>
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</tr>
<tr>
<td><strong>Total Cost of Consultants from December 1, 2015 to August 11, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td>$ 774,967.75</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 This is the date the invoice is entered into Government’s Financial Management System (FMS) for payment processing. Actual payment typically occurs within 7 business days.

2 Consultant(s) retained under this initiative were contracted through Natural Resources Canada.
AGREEMENT

THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, on this day of June 20, 2012.

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources

("the Client")

AND: Stewart Inspection & Analysis Limited

("the Consultant")

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants expressed, and as amended, the Parties agree as follows:

1. **Definitions**

   In addition to the terms defined in the General Terms and Conditions attached as Schedule "C", the following words and phrases shall have the following meanings:

   a. "Contract Documents" shall mean and include:
      i. This head agreement (the "Head Agreement");
      ii. The Scope of Work attached as Schedule "A";
      iii. There are no Special Terms and Conditions and no Schedule "B";
      iv. The General Terms and Conditions attached as Schedule "C"; and
      v. Protocols for Security of Government Information on Information Technology assets of Contractors attached as Schedule "D".

   b. "Representatives" means directors, officers, employees, consultants, sub-consultants, agents, advisors or partners.

2. **The Consultant's Work**

   The Consultant shall do all things necessary to fulfill all of the obligations of the Consultant as set out in the Contract Documents (the "Work"). The Work shall be performed by the Consultant to the satisfaction of the Client.
3. **Payment**

1.1 **Consideration**

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with either Option 1 below.

**Payment Option #1**

Subject to Article 3.1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, $[Redacted] dollars Canadian per analysis of a nickel concentrate sample for nickel and cobalt ([Redacted] Canadian) in accordance with the following payment schedule:

(i) Periodic payments – within 30 days of receipt of consultant’s invoice.

1.2 **Reimbursement of Expenses**

It is agreed and understood that reimbursements for the Consultant’s expenses pursuant to this Agreement shall be made in accordance with either Option A below.

**Reimbursement Option A**

(a) The Client shall only be responsible for the following reimbursable expenses, payable at cost, provided the Consultant can demonstrate to the Client that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Client, is provided in support of the reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement:

(i) The consultant will be reimbursed CAD $[Redacted] per analysis of a nickel concentrate sample consisting of both nickel and cobalt contents. (Quote No 42954 Cost Proposal - 7.1.3)

(b) All claims submitted for reimbursable expenses in accordance with this Article 3.1.2 shall be reimbursed at rates not to exceed those established by Treasury Board pursuant to the guidelines and policies of the Client even if such rates are lower than the actual costs incurred by the Consultant.
1.3 Payment General

(a) Regardless of the payment option selected in Article 1.1 and/or 1.2, the Parties agree and confirm that total amounts payable for the Work shall not exceed a monetary ceiling of Ninety three thousand dollars Canadian per fiscal year / Authorization ($93,000.00 Canadian per fiscal year).

(b) The Consultant shall remain obligated to complete the Work notwithstanding that the actual costs of the Consultant, whether in respect of professional services or in respect of costs or expenses incurred, may exceed the total aggregate sum set out in Article 1.3(a).

(c) The Parties agree and confirm that as set out in section 25(6) of the Financial Administration Act, RSNL1990 cF-8, as amended, all fees payable in accordance with this Agreement are subject to there being an appropriation for the work for the fiscal year in which payment under this Agreement is due.

(d) Payment will be made within 30 calendar days of receipt of a properly documented invoice.

(e) The Consultant shall conform to any request that may be made by the Client to alter the form of invoice customarily used by the Consultant as may be reasonably required for the purposes of the Client's internal accounting systems. The Consultant agrees that each invoice shall clearly show and identify the work or service which is being charged under that invoice to the Client. The invoice shall have appended thereto any documentation required by the Client.

(f) The Client shall not be responsible to pay any amounts invoiced by the Consultant which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Consultant is responsible.

(g) The Consultant shall submit invoices to:
Assistant Deputy Minister (Mines)
Department of Natural Resources
Government of Newfoundland and Labrador
7th Floor, 50 Elizabeth Avenue
P.O. Box 8700
St. John's, NL
A1B 4J6 Canada
4. **Notices**

All notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are as follows:

**For the Client:**

Assistant Deputy Minister (Mines)  
Department of Natural Resources  
Government of Newfoundland and Labrador  
7th Floor, 50 Elizabeth Ave  
P.O. Box 8700  
St. John's, NL A1B 4J6  
Canada  
Phone: 709.729.2768  
Fax: 709.729.2871  
Email: dlierman@gov.nl.ca

**For the Consultant:**

Isabelle Douglas  
Stewart Inspection & Analysis Limited  
Caddick Road, Knowsley Business Park  
Prescot L34 9HP  
England UK  
Phone: +44 151 548 7777  
Fax: +44 151 548 0714  
Email: isabelle.douglas@stewartgroupglobal.com

Notices, requests or documents shall be deemed to have been received by the addressee as follows:

(a) As of the date on which they are delivered where delivery is by a party or by messenger or special courier service;
(b) As of the date on which they are sent where delivery is by telex or other means of electronic communication; and
(c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

5. **Entire Agreement**

It is hereby agreed that the Contract Documents constitute the entire agreement between the parties (the "Agreement"). There are no understandings, representations or warranties of any kind except as expressly set forth herein. No changes, alterations,
modifications or amendments of this Agreement shall be effective unless made in writing and signed by those persons designated for such purpose. This Agreement may be amended or otherwise modified by e-mail.

6. **Representations and Warranties**

The Consultant hereby represents and warrants that every fact stated or represented by the Consultant or its Representatives to the Client in connection with any proposal made by the Consultant in respect of the Work is true and agrees that the Client shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

7. **Conflict Between Provisions**

In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Head Agreement, second the Special Terms and Conditions, third the General Terms and Conditions, fourth the Protocols for Security of Government Information on Information Technology assets of Contractors, fifth the Scope of Work, and last, Stewart Inspection & Analysis Limited, Quote No 42954 – Technical Proposal.

8. **Start and Completion Date**

The Consultant shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:

| Start Date: | April 1, 2012 |
| Completion Date: | March 31, 2016 |

9. **Effective Date**

The effective date of this Agreement shall be the earlier of the start date referred to in Clause 8 or the date on the first page of this Head Agreement.

10. **Paragraph Numbering**

In the event that the General Terms and Conditions are modified, the numbering references in the General Terms and Conditions shall remain unchanged.

11. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.
HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

Minister of Natural Resources, or his/her authorized designate

STEWART INSPECTION & ANALYSIS LIMITED

Authorized Signature
Date: 31st August 2012
SCHEDULE "A"

SCOPE OF WORK

The Consultant shall complete the work and/or perform the following services, the documents of which are hereby incorporated by reference into this Agreement:

1. Terms of Reference for Sample Analysis, March 10, 2009 (attached)

2. Schedule 1, Assaying Procedures (Schedule 4.13.2) of the Voisey's Bay agreement (attached)


4. Stewart Inspection & Analysis Limited – Cost Proposal No 42954 for the Government of Newfoundland and Labrador – February 20, 2012 (attached)
AGREEMENT

THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, on this 6th day of April, 2015.

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources ("the Client")

AND: EUXINIC EXPLORATION

("the Consultant")

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants expressed, and as amended, the Parties agree as follows:

1. Definitions
   In addition to the terms defined in the General Terms and Conditions attached as Schedule "C", the following words and phrases shall have the following meanings:
   
   a. "Contract Documents" shall mean and include:
      i. This head agreement (the "Head Agreement");
      ii. The Scope of Work attached as Schedule "A";
      iii. The Special Terms and Conditions attached as Schedule "B";
      iv. The General Terms and Conditions attached as Schedule "C"; and
      v. Protocols for Security of Government Information on Information Technology assets of Contractors attached as Schedule "D".

   b. "Representatives" means directors, officers, employees, consultants, sub-consultants, agents, advisors or partners.

2. The Consultant's Work
   The Consultant shall do all things necessary to fulfill all of the obligations of the Consultant as set out in the Contract Documents (the "Work"). The Work shall be performed by the Consultant to the satisfaction of the Client.
3. Payment

1.1 Consideration

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with either Option 1, 2 or 3 below.

Payment Option #1 [Not Applicable]

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, Insert text of dollar value (\$ Insert numeric dollar value) (plus HST) in accordance with the following payment schedule:

(i) Periodic payments – set out time or milestones for payments

Payment Option #2 [Applicable]

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, the following time rate schedule for activities actually expended in performance of the Work (plus HST):

(i) Dr. Michael Enachescu, Ph.D, P. Geoph. (AB), P. Geo. (NL) - [Redacted] hr.

Payment Option #3 [Not Applicable]

Subject to Article 1.3, upon the satisfactory completion of the Work and the presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, Insert Absolute Limit on Cost of Services (plus HST).

1.2 Reimbursement of Expenses

It is agreed and understood that reimbursements for the Consultant’s expenses pursuant to this Agreement shall be made in accordance with either Option A or B below.

Reimbursement Option A [Applicable]

(a) The Client shall only be responsible for the following reimbursable expenses, payable at cost, provided the Consultant can demonstrate to the Client that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Client, is provided in support of the
reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement:

(i) Travel, meals, accommodations, registrations, printing and duplicating, courier, long distance telephone and/or facsimile charges, and other approved third party purchases.

(b) All claims submitted for reimbursable expenses in accordance with this Article 1.2 shall be reimbursed at rates not to exceed those established by Treasury Board pursuant to the guidelines and policies of the Client even if such rates are lower then the actual costs incurred by the Consultant.

Reimbursement Option B [Not Applicable]

The Client shall not be responsible for any expenses incurred by the Consultant, including, without limitation, out of pocket expenses such as travel, meals, accommodations, legal advice, support staff, printing and duplicating, courier, long distance telephone and/or facsimile charges, without the prior written approval of the Client.

1.3 Payment General

(a) Regardless of the payment option selected in Article 1.1 and/or 1.2, the Parties agree and confirm that total amounts payable for the Work shall not exceed a monetary ceiling of Thirty Thousand Dollars ($30,000) and that a minimum of ten percent (10%) of the total fees payable for the Work will be withheld until such time as the project is completed to the satisfaction of the Client.

(b) The Consultant shall remain obligated to complete the Work notwithstanding that the actual costs of the Consultant, whether in respect of professional services or in respect of costs or expenses incurred, may exceed the total aggregate sum set out in Article 1.3(a).

(c) The Parties agree and confirm that as set out in section 25(6) of the Financial Administration Act, RSNL1990 cF-8, as amended, all fees payable in accordance with this Agreement are subject to there being an appropriation for the work for the fiscal year in which payment under this Agreement is due.

(d) Payment will be made within 60 calendar days of receipt of a properly documented invoice.

(e) All invoices shall clearly show the amount of HST billed by the Consultant as a separate item.

(f) The Consultant shall conform to any request that may be made by the Client to alter the form of invoice customarily used by the Consultant as may be reasonably required for the purposes of the Client's internal accounting systems. The Consultant agrees that each invoice shall clearly
show and identify the work or service which is being charged under that invoice to the Client. The invoice shall have appended thereto any documentation required by the Client.

(g) The Client shall not be responsible to pay any amounts invoiced by the Consultant which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Consultant is responsible.

(h) The Consultant shall submit invoices to:
Department of Natural Resources
P.O. Box 8700
St. John’s, NL A1B 4J6
Attention: Mr. Wes Foote, P. Eng., ADM, Petroleum Development

4. Notices

All notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are as follows:

For the Client:
Mr. Wes Foote, P. Eng., ADM, Petroleum Development
Department of Natural Resources
P.O. Box 8700, St. John’s, NL A1B 4J6
Phone: (709) 729-2206
Fax: (709) 729-2871
Email: wesfoote@gov.nl.ca

For the Consultant:
Dr. Michael Enachescu, Ph.D., P. Geoph. (AB), P. Geo. (NL)
Euxinic Exploration
119 Stravanan Bay S.W.
Calgary, Alberta T3H 1H3
Phone: (403) 246-1877
Fax: (403) 781-7802
Email: michaelen@mun.ca

Notices, requests or documents shall be deemed to have been received by the addressee as follows:

(a) As of the date on which they are delivered where delivery is by a party or by messenger or special courier service;

(b) As of the date on which they are sent where delivery is by telexcopier or other means of electronic communication; and
(c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

5. **Entire Agreement**
   It is hereby agreed that the Contract Documents constitute the entire agreement between the parties (the "Agreement"). There are no understandings, representations or warranties of any kind except as expressly set forth herein. No changes, alterations, modifications or amendments of this Agreement shall be effective unless made in writing and signed by those persons designated for such purpose. This Agreement may be amended or otherwise modified by e-mail.

6. **Representations and Warranties**
   The Consultant hereby represents and warrants that every fact stated or represented by the Consultant or its Representatives to the Client in connection with any proposal made by the Consultant in respect of the Work is true and agrees that the Client shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

7. **Conflict Between Provisions**
   In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Head Agreement, second the Special Terms and Conditions, third the General Terms and Conditions, fourth the Protocols for Security of Government Information on Information Technology assets of Contractors, fifth the Scope of Work, and last, any documents incorporated by reference in any of the foregoing.

8. **Start and Completion Date**
   The Consultant shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:

   - **Start Date:** April 1, 2015
   - **Completion Date:** March 31, 2016

9. **Effective Date**
   The effective date of this Agreement shall be the earlier of the start date referred to in Clause 8 or the date on the first page of this Head Agreement.
10. **Paragraph Numbering**

In the event that the General Terms and Conditions are modified, the numbering references in the General Terms and Conditions shall remain unchanged.

11. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

[Signature]

Minister of Natural Resources,
of his/her authorized designate

EUXINIC EXPLORATION

Authorized Signature

Date: 03/03/2015
SCHEDULE “A”

SCOPE OF WORK

The Consultant shall complete the work and/or perform the following services:

The consultant will provide expert technical advice as required relating to the Department’s mandate in relation to geoscience activities, including training. This may include, but is not limited to, serving as a technical advisor, providing assessments, critique, analysis, advice relating to geoscience developments locally, provincially, nationally and internationally. The Consultant is expected to draw upon its own resources, expertise, contacts, networks and previous experience in providing technical assessments, critique and advice and input to the Client.

While the specific work and assignments of the consultant will be determined as required, some general duties include:

- Providing updates, summaries, briefings, information and assessments to the Client concerning issues, initiatives, discussions, news and events relating to the geoscience field locally, provincially, nationally and internationally;
- Providing advice related to ongoing daily exploration and drilling operations;
- Providing advice on implementation of the geoscience initiatives articulated in the Energy Plan;
- Providing training to geoscience staff on an as needed basis related to basin and resource assessments, data acquisition and processing, with a particular focus on seismic interpretation;
- Providing advice on the development of a strategic plan indicating the elements and timing of a Call For Postings in the Newfoundland and Labrador onshore region;
- Providing technical input and advice on the development of a strategic plan focusing on a regional geological assessment in the Newfoundland and Labrador onshore region;
- Preparing geoscience based reports and presentations in support of Call for Bids for the NL offshore region or Request for Bids in the NL onshore region.
- Providing advice and geoscience materials, where applicable, to assist in the promotion of the oil and gas prospectivity of our onshore and offshore region, including speaking engagements at approved geoscience technical meetings and conferences;
- Assessing opportunities and help facilitate speaking opportunities, conferences, meetings and other events related to petroleum geoscience, for Newfoundland and Labrador representatives; and
- Advising on what may be required in terms of its own planning and resource allocation in order to facilitate the necessary level of awareness, understanding and knowledge of opportunities regarding Newfoundland and Labrador energy resources to the geoscience community to help the Client achieve its strategic goals.

Contract Schedule

While there is no defined schedule, the consultant agrees that there is a critical turnaround time requirement on the high level review activities relating to issues as they arise. This may vary
from an immediate review with a response time of 1-4 hours to 2-3 days for a review, critique and preparation of findings and recommendations in a presentation format.

**Deliverables**

The deliverables may vary with the assigned work and may include telephone conversations, e-mail correspondence, single-page to multi-page electronic documents, power point slide presentations and complete reports.

**Contract Cost**

The total cost of this contract is CDN $30,000.00, excluding taxes. The hourly rate shall be \[\text{\_\_\_\_\_}/hr\] inclusive for advisory services.

Third Party Notification
SCHEDULE "B"

SPECIAL TERMS AND CONDITIONS (as necessary)

1. No Special Terms and Conditions
# SCHEDULE "C"

## GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

Article - 1. INFORMATION SUPPLIED BY THE CLIENT

1.1 The Client will furnish to the Consultant all available information necessary for the performance of the Work. The Client makes no guarantee either expressed or implied as to the accuracy of the information supplied. The Consultant shall review the information for accuracy and applicability.

1.2 Where discrepancies, omissions or obscurities in the information are evident, the Consultant shall bring them to the attention of the Client and secure written instructions from the Client before proceeding with any work.

Article - 2. CONFIDENTIALITY, MATERIALS AND COPYRIGHT

2.1 For the purposes of this Article "Confidential Information" means:

(a) all communications and Instructions from the Client respecting the Services, including the fact of this Agreement;

(b) all information acquired by the Consultant, his/her employees, servants and/or agents respecting policy consideration and development, business decisions, internal deliberations, discussions and considerations and any other aspect of the decision-making process of the Client;

(c) all oral, written, electronic, and machine readable information and data and any accompanying supporting materials and documentation, including without limitation, materials, documents, reports, databases, information and data of whatever nature and kind concerning the affairs of the Client, disclosed directly or indirectly to the Consultant, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(d) all personal information, as defined from time to time under the Access to Information and Protection of Privacy Act, SNL2002 cA-1.1, or the Personal Health Information Act, SNL2008 cP-7.01, to mean recorded information about an identifiable Individual, including

(i) the Individual’s name, address or telephone number;

(ii) the Individual's race, national or ethnic origin, colour, or religious or political beliefs or associations,

(iii) the Individual’s age, sex, sexual orientation, marital status or family status;

(iv) an identifying number, symbol or other particular assigned to the Individual,
(v) the individual's fingerprints, blood type or inheritable characteristics,

(vi) information about the individual's health care status or history, including a physical or mental disability,

(vii) information about the individual's educational, financial, criminal or employment status or history,

(viii) the opinions of a person about the individual, and

(ix) the individual's personal views or opinions

for any individual, which is, directly or indirectly, disclosed to or collected by the Consultant, its, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(e) all information that is developed based upon Confidential Information including the work product of the Consultant, its, his/her employees, servants and/or agents; and

(f) Confidential Information shall not include any information which:

(i) at the time such information was provided to the Consultant was or thereafter became part of the public domain through no act or omission of the Consultant or its, his/her Representatives; or

(ii) is information which the Consultant can show possession of prior to the date of this Agreement and which was received or developed by the Consultant free of obligations of confidentiality to the Client.

2.2 The Consultant shall treat all Confidential Information acquired by the Consultant in the performance of the Services as privileged and confidential and shall not divulge the same to any person or persons at any time without the express written approval of the Client, unless required to do so by law, which may include a subpoena or other similar process or in connection with litigation, arbitration or other proceeding or by virtue of an Act or Regulations. In the event that such disclosure is required, the Consultant shall give the Client prompt notice of the requirement upon becoming aware that such disclosure is required. Where circumstances did not permit the Consultant to provide such notice prior to disclosure, the Consultant shall provide such notice to the Client immediately after the required disclosure.

2.3 The Consultant shall only use the Confidential Information acquired in the performance of the Services for the purposes specified in the Scope of Work and this Agreement, and shall not permit the use of the Confidential Information for any other purposes.

2.4 All materials, data, designs, plans, drawings, specifications, research, reports, notes, estimates, summaries, calculations, surveys, papers, completed work, and work in progress and such other information and materials or parts thereof as are compiled, drawn and produced by the Consultant in performing the Services, including without limitation, computer printouts and computer models and all copyrights thereto and all patents, trademarks and Industrial designs arising therefrom, are the sole and exclusive property of the Government of Newfoundland and Labrador and the contents thereof are privileged and confidential. Nothing in this Agreement shall give the Consultant a right, however
arising, to assert any lien, claim, demand, property right, remedy or security right of any kind over the information provided to the Consultant pursuant to the terms of this Agreement. The Consultant acknowledges that the Client’s right to this information shall at all times be paramount to any rights of the Consultant, at law or in equity, and that the Consultant’s remedies against the Client for the Client’s breaches under this Agreement do not include the right to deprive the Client of access to the Client’s information in the Consultant’s possession.

2.6 The Consultant shall provide to the Client and solely to the Client upon completion of the Services or upon earlier termination of this Agreement all Confidential Information acquired during the performance of the Services, or shall, at the request of the Client, destroy any and all copies and versions of the Confidential Information in the possession of the Consultant, its/her employees, servants and/or agents, and shall certify the destruction of same to the Client.

2.6 The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in this jurisdiction, including but not limited to the Access to Information and Protection of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, the Privacy Act, RSNI1990 CP-22, and Personal Health Information Act, SNL2008 CP-7.01, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such Information relating to the treatment of Confidential Information by the Consultant, its, his/her employees, servants and/or agents. The Client may be compelled to disclose financial information pursuant to the first cited Act.

2.7 The Consultant shall ensure that it, its/her employees, servants and/or agents have in place and follow the appropriate systems, processes, protocols and policies to maintain the physical and electronic security of all Confidential Information, including but not restricted to the following:

(a) at a minimum, using the same level of physical and electronic security as the Consultant employs to avoid disclosure or dissemination of the Consultant’s own confidential information, to prevent the disclosure of any of the Confidential Information to any third party, or to any of its employees, servants or agents other than those who are required to have access to properly perform the Services under this Agreement;

(b) establish and maintain security policies, standards and safeguards to prevent unauthorized access, collection, use, disclosure or disposal of the Confidential Information;

(c) ensure all employees, servants and/or agents of the Consultant comply with all policies, standards and safeguards established under this Article;

(d) advise the Client of any changes in its, his/her security systems, procedures, standards and practices that may affect the Confidential Information and seek the Client’s consent prior to such changes; and

(e) satisfaction of the foregoing commitments includes, but is not restricted to, compliance with the requirements set out in Schedule “D”, unless otherwise advised by the Client, and this includes.
(i) complying with all alterations or updates of Schedule "D" as may be provided to the Consultant from time to time; and

(ii) adhering to any additional instructions (including oral instructions) from the Client as they relate to the subject matter contained in Schedule "D" and this Article.

2.8 The Consultant shall only disclose confidential information to persons other than its employees, servants and/or agents with the prior written consent of the Client, and then only to those persons who need to know the information in order to carry out the duties associated with this Agreement and only after confirming that such persons agree to comply with the provisions of this Article including the requirements set out in Schedule "D".

2.9 The Consultant shall:

(a) notify the Client promptly of any unauthorized possession, use or knowledge, or attempt thereof, of the Client’s information in the possession of the Consultant, including but not limited to data processing files, transmission messages or other confidential information by any person or entity which may become known to the Consultant;

(b) promptly furnish to the Client full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the Client in investigating or preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of confidential information;

(c) use reasonable efforts to cooperate with the Client in any litigation and investigation against third parties deemed necessary by the Client to protect its proprietary rights;

(d) promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of confidential information; and

(e) refer to and follow the privacy breach protocol of the Government of Newfoundland and Labrador as it exists at the time of the breach and located on the Department of Justice website at http://www.justice.gov.nl.ca/just/CIVIL/etipp/default.htm

Article 3. EMPLOYEES OF THE CONSULTANT

3.1 The Consultant shall provide employees who are competent in their field of specialization. The Client will have the right to have the Consultant remove from the Work any person, who by misconduct or by failure to properly perform his/her duties is considered by the Client to be unfit for employment on the Work. If the Consultant fails to remove any unfit person from the Work as requested by the Client, then the Client may void this Agreement or refuse to accept subsequent Work in which the person was involved and may refuse to approve payment for such Work.
3.2 The Consultant shall not alter, remove or replace the employees or Representatives indicated in the Scope of Work without prior written approval by the Client.

Article - 4. ACCESS TO FACILITIES

4.1 The Client agrees to provide, where it is deemed by the Client, in its absolute and sole discretion to be necessary for the reasonable performance of the Work, working space and equipment access for the Consultant to perform the Work during Client office hours.

4.2 When using or accessing the premises of the Client, the Consultant and all officers, employees and agents of the Consultant shall comply with all security regulations and workplace policies and procedures in effect from time to time at the Client's facilities.

Article - 5. RECORDS AND AUDIT

5.1 The Consultant shall keep records, books of account and supporting documents in accordance with accepted accounting procedures and practices. The records shall be made available to the Client or its authorized representative for observation or audit at mutually convenient times and up to one year after discharge of this Agreement.

5.2 The Consultant shall furnish reports as required by the Client for the purpose of monitoring the progress of the Work.

Article - 6. TERMINATION

6.1 This Agreement is deemed to be concluded once the Work has been completed to the satisfaction of the Client and payment(s), as stipulated in the Agreement, has been issued to the Consultant.

6.2 Notwithstanding the provisions of this Agreement, either of the Parties may at any time by way of fourteen (14) days written notice to the other, terminate this Agreement.

6.3 Where this Agreement is terminated prior to the mutually agreed upon completion date, the Consultant shall thereupon be entitled to payment in accordance with this Agreement in respect of that part of the Work completed up to the date of termination, provided however, that the Consultant shall not be entitled to any other payment in respect of such termination, including, without prejudice to the generality of the foregoing, any payment for any consequential loss or damage or loss of profits arising from termination of this Agreement or in any other way related thereto. The Client shall retain the right of set-off with respect to any earned but unpaid proceeds then owing pursuant to this Agreement.
Article - 7. LIABILITY

7.1 The Consultant agrees that in performance of the Work neither the Consultant nor any Consultant's Representative shall be or be deemed to be an officer, servant, agent or partner of the Client.

7.2 The Client shall not be liable for, and the Consultant shall indemnify and save harmless the Client and the Client's Representatives against all losses, costs, charges, or expenses incurred by the Client and its agents as a result of actions, claims or awards for compensation at law, equity or under any applicable legislation, made or brought by, against, suffered by or imposed upon the Client, or its Representatives by a third party, as a result of or related to the performance of this Agreement by the Consultant or the Consultant's Representatives.

7.3 The Consultant shall defend any and all such actions and pay all legal charges, costs and other expenses arising therefrom. Notwithstanding the foregoing, the Client may at its own discretion retain its own solicitors to defend its interests in any such suit or claim, and the legal costs of that defense shall be paid by the Consultant.

Article - 8. COMPLIANCE WITH LAW

8.1 In respect of any work within the Province of Newfoundland and Labrador connected with or arising from this Agreement, the Consultant shall provide (where requested by the Client) evidence of compliance with all requirements of the Province of Newfoundland and Labrador with respect to Worker's Compensation and or Occupational Health and Safety, including without limitation, any payments or compliance orders due or issued thereunder.

8.2 The Consultant shall ensure that the Consultant and its Representatives comply with all requirements of any governing federal, provincial or municipal legislation, by-laws or regulations applicable to the Consultant or the Consultant's Representatives in the performance of the Work.

Article - 9. ARBITRATION

9.1 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, the parties shall first attempt to resolve all matters through friendly negotiation by a meeting between their representatives upon notice. A resolution reached in this way must be reached within 10 days of both parties having knowledge and notice of the dispute and be reduced to writing.

9.2 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, (that has not been resolved pursuant to Article 9.1), either party may give the other notice of such dispute and to request arbitration thereof. If both parties agree, the parties shall, with respect to the particular matters then in dispute, submit the same to arbitration in accordance with the provisions of the Arbitration Act, RSNL1990 cA-14, including such provisions for the appointment of arbitrators.
Article - 10. LAWS GOVERNING

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.

Article - 11. USE OF WORK

11.1 The Client shall have the right to use the Work or variations thereof in other operations of the Client.

Article - 12. CONFLICT OF INTEREST

12.1 No public employee or member of the House of Assembly of the Province of Newfoundland and Labrador shall be admitted to any part or share of the payments made pursuant to this Agreement or to any benefits arising therefrom except in accordance with the Conflict of Interest Act or the House of Assembly Act.

12.2 The Consultant and the Consultant’s Representatives:

(a) shall conduct all duties related to this Agreement with impartiality;

(b) shall not influence, seek to influence, or otherwise take part in a decision of the Client, knowing that the decision might further their private interests;

(c) shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance of any duties related to this Agreement, that causes, or would appear to cause, a conflict of interest; and

(d) shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of any duties related to this Agreement.

Article - 13. SUBCONTRACTORS

13.1 The Consultant shall not subcontract all or a portion of the Work without the prior written approval of the Client.

13.2 The entry into any subcontract shall not relieve the Consultant of any of its obligations under the terms of this Agreement.
Article 14. GENERAL

(a) Articles 2 and 7 of this Agreement shall survive the termination or expiration of this Agreement.

(b) Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

(c) Time shall be of the essence of this Agreement.

(d) The failure of the Client to insist upon or enforce in any instance strict performance by the Consultant of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or a relinquishment to any extent of the Client's right to assert or rely upon any such terms or rights on any future occasion.

(e) If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

(f) The division of this Agreement into Articles and Clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, legal representatives, successors and assigns.

(h) The Consultant shall not assign this Agreement in whole or in part to any third party without the prior written approval of the Client.

END OF SCHEDULE C
SCHEDULE “D”

Protocols for Security of Government Information on Information Technology assets of Contractors

The Consultant shall confirm with the client Department whether the Consultant will be required to use information technology resources, including computers, of the Government of Newfoundland and Labrador in the conduct of the work under the Agreement. The following requirements apply where the Consultant will not be using such assets, but will instead have access to confidential information (including personal information) (“Confidential Information”) received from the Government of Newfoundland and Labrador (“Government”) and will be storing, manipulating or accessing that Confidential Information on the Consultant’s own information technology resources.

- All portable storage devices or media (e.g., flash drives, memory sticks, portable hard drives, writeable compact discs or digital video discs, etc.) may only be used to transport and / or store Confidential Information where either the Confidential Information or the device or media is encrypted.

- Unless specifically separately authorized by the Agreement or otherwise, the Consultant is not permitted to attach non-government computers or other information technology systems to any Government network.

- Consultants are expected to implement and maintain up to date versions of all ordinary business software for the reasonable protection of information on computers attached to the Internet which will have access to or store Confidential Information, including security firewall and anti-viral software.

- Consultants are not permitted to use any Peer to Peer file sharing program (e.g., Limewire, etc.) or chat program (i.e., MSN, Skype) on any information technology asset which will contain Confidential Information, or which will be connected via a network to any computer which will contain Confidential Information.

- Email should not be used as a method to transmit Confidential Information across public networks such as the Internet unless the e-mail and/or its attachments are encrypted or zipped in a secure manner.

- The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, and Management of Information Act, SNL.2005, cm-1.01, and the Privacy Act, RSNL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its employees, servants and/or agents.
• Where a Consultant will be granted access to the Government computer network during the course of the work, in addition to the requirements noted above, the Consultant shall not:
  o Share personal computer drives or folders on a computer accessing the network; or
  o Access the network remotely, either through wired or wireless connections, except through the use of secure ID and virtual private network systems.

• These requirements apply to the Consultant and all agents, employees or permitted sub-Consultants of the Consultant, and it is the responsibility of the Consultant to ensure that all such agents, employees or permitted sub-Consultants are aware of these restrictions and are in compliance with them.

END OF SCHEDULE D
AGREEMENT

THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, on this 6th day of April, 2015.

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources
(“the Client”)

AND: Skybattle Resources Ltd.

(“the Consultant”)

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants expressed, and as amended, the Parties agree as follows:

1. Definitions
In addition to the terms defined in the General Terms and Conditions attached as Schedule "C", the following words and phrases shall have the following meanings:

a. "Contract Documents" shall mean and include:
   i. This head agreement (the "Head Agreement");
   ii. The Scope of Work attached as Schedule "A";
   iii. The Special Terms and Conditions attached as Schedule "B";
   iv. The General Terms and Conditions attached as Schedule "C"; and
   v. Protocols for Security of Government Information on Information Technology assets of Contractors attached as Schedule "D".

b. "Representatives" means directors, officers, employees, consultants, sub-consultants, agents, advisors or partners.

2. The Consultant’s Work
The Consultant shall do all things necessary to fulfill all of the obligations of the Consultant as set out in the Contract Documents (the "Work"). The Work shall be performed by the Consultant to the satisfaction of the Client.
3. Payment

1.1 Consideration

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with either Option 1, 2 or 3 below.

Payment Option #1 [Not Applicable]

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, Insert text of dollar value ($ Insert numeric dollar value) (plus HST) in accordance with the following payment schedule:

(i) Periodic payments – set out time or milestones for payments

Payment Option #2 [Applicable]

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, the following time rate schedule for activities actually expended in performance of the Work (plus HST):

(i) John R. Hogg, P. Geo. (AB), P. Geol. (NWT/NU), P. Geo. (NL), AAPG Certified Petroleum Geologist $120/hr.

Payment Option #3 [Not Applicable]

Subject to Article 1.3, upon the satisfactory completion of the Work and the presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, Insert Absolute Limit on Cost of Services (plus HST).

1.2 Reimbursement of Expenses

It is agreed and understood that reimbursements for the Consultant's expenses pursuant to this Agreement shall be made in accordance with either Option A or B below.

Reimbursement Option A [Applicable]

(a) The Client shall only be responsible for the following reimbursable expenses, payable at cost, provided the Consultant can demonstrate to the Client that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Client, is provided in support of the reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement:
(i) Travel, meals, accommodations, registrations, printing and duplicating, courier, long distance telephone and/or facsimile charges, and other approved third party purchases.

(b) All claims submitted for reimbursable expenses in accordance with this Article 1.2 shall be reimbursed at rates not to exceed those established by Treasury Board pursuant to the guidelines and policies of the Client even if such rates are lower than the actual costs incurred by the Consultant.

Reimbursement Option B [Not Applicable]

The Client shall not be responsible for any expenses incurred by the Consultant, including, without limitation, out of pocket expenses such as travel, meals, accommodations, legal advice, support staff, printing and duplicating, courier, long distance telephone and/or facsimile charges, without the prior written approval of the Client.

1.3 Payment General

(a) Regardless of the payment option selected in Article 1.1 and/or 1.2, the Parties agree and confirm that total amounts payable for the Work shall not exceed a monetary ceiling of Twenty Thousand Dollars ($20,000) and that a minimum of ten percent (10%) of the total fees payable for the Work will be withheld until such time as the project is completed to the satisfaction of the Client.

(b) The Consultant shall remain obligated to complete the Work notwithstanding that the actual costs of the Consultant, whether in respect of professional services or in respect of costs or expenses incurred, may exceed the total aggregate sum set out in Article 1.3(a).

(c) The Parties agree and confirm that as set out in section 25(6) of the Financial Administration Act, RSNL1990 cF-6, as amended, all fees payable in accordance with this Agreement are subject to there being an appropriation for the work for the fiscal year in which payment under this Agreement is due.

(d) Payment will be made within 60 calendar days of receipt of a properly documented invoice.

(e) All invoices shall clearly show the amount of HST billed by the Consultant as a separate item.

(f) The Consultant shall conform to any request that may be made by the Client to alter the form of invoice customarily used by the Consultant as may be reasonably required for the purposes of the Client’s internal accounting systems. The Consultant agrees that each invoice shall clearly show and identify the work or service which is being charged under that invoice to the Client. The invoice shall have appended thereto any documentation required by the Client.

(g) The Client shall not be responsible to pay any amounts invoiced by the
Consultant which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Consultant is responsible.

(h) The Consultant shall submit invoices to:
Department of Natural Resources
P.O. Box 8700
St. John's, NL A1B 4J6
Attention: Mr. Wes Foote, P. Eng., ADM, Petroleum Development

4. Notices

All notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are as follows:

For the Client:
Mr. Wes Foote, P. Eng., ADM, Petroleum Development
Department of Natural Resources
P.O. Box 8700, St. John's, NL A1B 4J6
Phone: (709) 729-2206
Fax: (709) 729-2971
Email: wesfoote@gov.nl.ca

For the Consultant:
John R. Hogg, President
Skybattle Resources Ltd.
9256 Oakmont Drive S.W.
Calgary, Alberta T2V 4X9
Phone: [Redacted]
Cell: [Redacted]
e-mail: [Redacted]

Notices, requests or documents shall be deemed to have been received by the addressee as follows:

(a) As of the date on which they are delivered where delivery is by a party or by messenger or special courier service;
(b) As of the date on which they are sent where delivery is by telex or other means of electronic communication; and
(c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

5. Entire Agreement
It is hereby agreed that the Contract Documents constitute the entire agreement
between the parties (the "Agreement"). There are no understandings, representations or warranties of any kind except as expressly set forth herein. No changes, alterations, modifications or amendments of this Agreement shall be effective unless made in writing and signed by those persons designated for such purpose. This Agreement may be amended or otherwise modified by e-mail.

6. Representations and Warranties
The Consultant hereby represents and warrants that every fact stated or represented by the Consultant or its Representatives to the Client in connection with any proposal made by the Consultant in respect of the Work is true and agrees that the Client shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Head Agreement, second the Special Terms and Conditions, third the General Terms and Conditions, fourth the Protocols for Security of Government Information on Information Technology assets of Contractors, fifth the Scope of Work, and last, any documents incorporated by reference in any of the foregoing.

8. Start and Completion Date
The Consultant shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:

Start Date: April 1, 2015
Completion Date: March 31, 2016

9. Effective Date
The effective date of this Agreement shall be the earlier of the start date referred to in Clause 8 or the date on the first page of this Head Agreement.

10. Paragraph Numbering
In the event that the General Terms and Conditions are modified, the numbering references in the General Terms and Conditions shall remain unchanged.
11. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR**

[Signature]

Minister of Natural Resources, or his/her authorized designate

**Skybattle Resources Ltd.**

[Signature]

Authorized Sign.

Date: **April 6, 2015**
SCHEDULE “A”

SCOPE OF WORK

The Consultant shall complete the work and/or perform the following services:

The consultant will provide expert technical and policy advice as required relating to the Department’s mandate in relation to geoscience activities, including training. This may include, but is not limited to, serving as a geological technical advisor, providing assessments, critique, analysis, advice related to conducting specialized and/or comprehensive geological investigations of stratigraphy, structure, sedimentology and overall hydrocarbon habitat in the Province’s onshore and offshore, and advice relating to geoscience developments locally, provincially, nationally and internationally. The Consultant is expected to draw upon its own resources, expertise, contacts, networks and previous experience in providing technical assessments, critique and advice and input to the Client.

While the specific work and assignments of the consultant will be determined as required, some general duties include:

- Providing updates, summaries, briefings, information and assessments to the Client concerning issues, initiatives, discussions, news and events relating to the geoscience field locally, provincially, nationally and internationally;
- Providing advice related to ongoing daily exploration and drilling operations and the regulatory aspects;
- Providing advice on the development of a policy for the application of hydraulic fracturing, to mobilize hydrocarbons from both conventional and conventional resources;
- Provide advice on the development of policy for the protection of potable groundwater and the disposal of drilling waste fluids in subsurface aquifers for the provinces conventional and unconventional resources;
- Providing advice on implementation of the geoscience initiatives articulated in the Energy Plan;
- Providing geological training to geoscience staff on an as needed basis related to basin and resource assessments, geochemistry, petrophysics, well log interpretation with a particular focus on data integration to construct maps for use in resource and reserve calculations and to identify leads and prospects and potential play fairways;
- Providing technical input and advice on the development of a strategic plan focusing on a regional geological assessment in the Newfoundland and Labrador onshore region;
- Providing advice on the development of a strategic plan to acquire geoscience data in advance of a Request For Nominations and Call For Postings in the Newfoundland and Labrador onshore region;
- Preparing geoscience based reports and presentations in support of Call for Bids for the NL offshore region or Request for Bids in the NL onshore region.
- Providing advice and geoscience materials, where applicable, to assist in the promotion of the oil and gas prospectivity of our onshore and offshore region, including speaking engagements at approved geoscience technical meetings and conferences;
- Assessing opportunities and help facilitate speaking opportunities, conferences, meetings and other events related to petroleum geoscience, for Newfoundland and Labrador representatives; and
• Advising on what may be required in terms of its own planning and resource allocation in order to facilitate the necessary level of awareness, understanding and knowledge of opportunities regarding Newfoundland and Labrador energy resources to the geoscience community to help the Client achieve its strategic goals.

**Contract Schedule**

While there is no defined schedule, the consultant agrees that there is a critical turnaround time requirement on the high level review activities relating to issues as they arise. This may vary from an immediate review with a response time of 1-4 hours to 20-30 days for a review, critique and preparation of findings and recommendations in a presentation format.

**Deliverables**

The deliverables may vary with the assigned work and may include telephone conversations, e-mail correspondence, single-page to multi-page electronic documents, power point slide presentations and complete reports.

**Contract Cost**

The total cost of this contract is CDN $20,000.00, excluding taxes. The hourly rate shall be [redacted]hr inclusive for advisory services.

Third Party Notification
SCHEDULE "B"

SPECIAL TERMS AND CONDITIONS (as necessary)

1. No Special Terms and Conditions

Deputy Minister

[Signature]

Consultant

[Redacted]

2015/05/13

John Hogg
President
Skyhull Resources Ltd.
SCHEDULE "C"

GENERAL TERMS AND CONDITIONS

Article 1 - Information Supplied By The Client
Article 2 - Confidentiality, Materials and Copyright
Article 3 - Employees of the Consultant
Article 4 - Access to Facilities
Article 5 - Records and Audit
Article 6 - Termination
Article 7 - Liability
Article 8 - Compliance with Law
Article 9 - Arbitration
Article 10 - Laws Governing
Article 11 - Use of Work
Article 12 - Conflict of Interest
Article 13 - Subcontractors
Article 14 - General
GENERAL TERMS AND CONDITIONS

Article - 1. INFORMATION SUPPLIED BY THE CLIENT

1.1 The Client will furnish to the Consultant all available information necessary for the performance of the Work. The Client makes no guarantee either expressed or implied as to the accuracy of the information supplied. The Consultant shall review the Information for accuracy and applicability.

1.2 Where discrepancies, omissions or obscurities in the information are evident, the Consultant shall bring them to the attention of the Client and secure written instructions from the Client before proceeding with any work.

Article - 2. CONFIDENTIALITY, MATERIALS AND COPYRIGHT

2.1 For the purposes of this Article "Confidential Information" means:

(a) all communications and instructions from the Client respecting the Services, including the fact of this Agreement;

(b) all information acquired by the Consultant, his/her employees, servants and/or agents respecting policy consideration and development, business decisions, internal deliberations, discussions and considerations and any other aspect of the decision-making process of the Client;

(c) all oral, written, electronic, and machine readable information and data and any accompanying supporting materials and documentation, including without limitation, materials, documents, reports, databases, information and data of whatever nature and kind concerning the affairs of the Client, disclosed directly or indirectly to the Consultant, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(d) all personal information, as defined from time to time under the Access to Information and Protection of Privacy Act, SNL2002 cA-1.1, or the Personal Health Information Act, SNL2008 cP-7.01, to mean recorded information about an identifiable individual, including

(i) the individual's name, address or telephone number,

(ii) the individual's race, national or ethnic origin, colour, or religious or political beliefs or associations,

(iii) the individual's age, sex, sexual orientation, marital status or family status,

(iv) an identifying number, symbol or other particular assigned to the individual,
(v) the individual's fingerprints, blood type or inheritable characteristics,
(vi) information about the individual's health care status or history, including a physical or mental disability,
(vii) information about the individual's educational, financial, criminal or employment status or history,
(viii) the opinions of a person about the individual, and
(ix) the individual's personal views or opinions

for any individual, which is, directly or indirectly, disclosed to or collected by the Consultant, its, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(e) all information that is developed based upon Confidential Information including the work product of the Consultant, its, his/her employees, servants and/or agents; and

(f) Confidential Information shall not include any information which:

(i) at the time such information was provided to the Consultant was or thereafter became part of the public domain through no act or omission of the Consultant or its, his/her Representatives; or

(ii) is information which the Consultant can show possession of prior to the date of this Agreement and which was received or developed by the Consultant free of obligations of confidentiality to the Client.

2.2 The Consultant shall treat all Confidential Information acquired by the Consultant in the performance of the Services as privileged and confidential and shall not divulge the same to any person or persons at any time without the express written approval of the Client, unless required to do so by law, which may include a subpoena or other similar process or in connection with litigation, arbitration or other proceeding or by virtue of an Act or Regulations. In the event that such disclosure is required, the Consultant shall give the Client prompt notice of the requirement upon becoming aware that such disclosure is required. Where circumstances did not permit the Consultant to provide such notice prior to disclosure, the Consultant shall provide such notice to the Client immediately after the required disclosure.

2.3 The Consultant shall only use the Confidential Information acquired in the performance of the Services for the purposes specified in the Scope of Work and this Agreement, and shall not permit the use of the Confidential Information for any other purposes.

2.4 All materials, data, designs, plans, drawings, specifications, research, reports, notes, estimates, summaries, calculations, surveys, papers, completed work, and work in progress and such other information and materials or parts thereof as are compiled, drawn and produced by the Consultant in performing the Services, including without limitation, computer printouts and computer models and all copyrights thereto and all patents, trademarks and Industrial designs arising therefrom, are the sole and exclusive property of the Government of Newfoundland and Labrador and the contents thereof are privileged and confidential. Nothing in this Agreement shall give the Consultant a right, however
arising, to assert any lien, claim, demand, property right, remedy or security right of any kind over the Information provided to the Consultant pursuant to the terms of this Agreement. The Consultant acknowledges that the Client's right to this information shall at all times be paramount to any rights of the Consultant, at law or in equity, and that the Consultant's remedies against the Client for the Client's breaches under this Agreement do not include the right to deprive the Client of access to the Client's information in the Consultant's possession.

2.5 The Consultant shall provide to the Client and solely to the Client upon completion of the Services or upon earlier termination of this Agreement all Confidential Information acquired during the performance of the Services, or shall, at the request of the Client, destroy any and all copies and versions of the Confidential Information in the possession of the Consultant, his/her employees, servants and/or agents, and shall certify the destruction of same to the Client.

2.6 The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in this Jurisdiction, including but not limited to the Access to Information and Protection of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, the Privacy Act, RSNL1990 cP-22, and Personal Health Information Act, SNL2009 cP-7.01, as well as other legislation which may apply in the Jurisdiction of the Consultant's operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its, his/her employees, servants and/or agents. The Client may be compelled to disclose financial information pursuant to the first cited Act.

2.7 The Consultant shall ensure that it, his/her employees, servants and/or agents have in place and follow the appropriate systems, processes, protocols and policies to maintain the physical and electronic security of all Confidential Information, including but not restricted to the following:

(a) at a minimum, using the same level of physical and electronic security as the Consultant employs to avoid disclosure or dissemination of the Consultant's own confidential information, to prevent the disclosure of any of the Confidential Information to any third party, or to any of its employees, servants or agents other than those who are required to have access to properly perform the Services under this Agreement;

(b) establish and maintain security policies, standards and safeguards to prevent unauthorized access, collection, use, disclosure or disposal of the Confidential Information;

(c) ensure all employees, servants and/or agents of the Consultant comply with all policies, standards and safeguards established under this Article;

(d) advise the Client of any changes in its, his/her security systems, procedures, standards and practices that may affect the Confidential Information and seek the Client's consent prior to such changes; and

(e) satisfaction of the foregoing commitments includes, but is not restricted to, compliance with the requirements set out in Schedule "D", unless otherwise advised by the Client, and this includes:
complying with all alterations or updates of Schedule "D" as may be provided to the Consultant from time to time; and

adhering to any additional instructions (including oral Instructions) from the Client as they relate to the subject matter contained in Schedule "D" and this Article.

2.8 The Consultant shall only disclose confidential information to persons other than its employees, servants and/or agents with the prior written consent of the Client, and then only to those persons who need to know the information in order to carry out the duties associated with this Agreement and only after confirming that such persons agree to comply with the provisions of this Article including the requirements set out in Schedule "D".

2.9 The Consultant shall:

(a) notify the Client promptly of any unauthorized possession, use or knowledge, or attempt thereof, of the Client’s information in the possession of the Consultant, including but not limited to data processing files, transmission messages or other confidential information by any person or entity which may become known to the Consultant;

(b) promptly furnish to the Client full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the Client in investigating or preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of confidential information;

(c) use reasonable efforts to cooperate with the Client in any litigation and investigation against third parties deemed necessary by the Client to protect its proprietary rights;

(d) promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of confidential information; and

(e) refer to and follow the privacy breach protocol of the Government of Newfoundland and Labrador as it exists at the time of the breach and located on the Department of Justice website at: http://www.justice.gov.nl.ca/just/CIVIL/eipp/default.htm

Article - 3. EMPLOYEES OF THE CONSULTANT

3.1 The Consultant shall provide employees who are competent in their field of specialization. The Client will have the right to have the Consultant remove from the Work any person, who by misconduct or by failure to properly perform his/her duties is considered by the Client to be unfit for employment on the Work. If the Consultant fails to remove any unfit person from the Work as requested by the Client, then the Client may void this Agreement or refuse to accept subsequent Work in which the person was involved and may refuse to approve payment for such Work.
3.2 The Consultant shall not alter, remove or replace the employees or Representatives indicated in the Scope of Work without prior written approval by the Client.

Article - 4. ACCESS TO FACILITIES

4.1 The Client agrees to provide, where it is deemed by the Client, in its absolute and sole discretion to be necessary for the reasonable performance of the Work, working space and equipment access for the Consultant to perform the Work during Client office hours.

4.2 When using or accessing the premises of the Client, the Consultant and all officers, employees and agents of the Consultant shall comply with all security regulations and workplace policies and procedures in effect from time to time at the Client's facilities.

Article - 5. RECORDS AND AUDIT

5.1 The Consultant shall keep records, books of account and supporting documents in accordance with accepted accounting procedures and practices. The records shall be made available to the Client or its authorized representative for observation or audit at mutually convenient times and up to one year after discharge of this Agreement.

5.2 The Consultant shall furnish reports as required by the Client for the purpose of monitoring the progress of the Work.

Article - 6. TERMINATION

6.1 This Agreement is deemed to be concluded once the Work has been completed to the satisfaction of the Client and payment(s), as stipulated in the Agreement, has been issued to the Consultant.

6.2 Notwithstanding the provisions of this Agreement, either of the Parties may at any time by way of fourteen (14) days written notice to the other, terminate this Agreement.

6.3 Where this Agreement is terminated prior to the mutually agreed upon completion date, the Consultant shall thereupon be entitled to payment in accordance with this Agreement in respect of that part of the Work completed up to the date of termination, provided however, that the Consultant shall not be entitled to any other payment in respect of such termination, including, without prejudice to the generality of the foregoing, any payment for any consequential loss or damage or loss of profits arising from termination of this Agreement or in any other way related thereto. The Client shall retain the right of set off with respect to any earned but unpaid proceeds then owing pursuant to this Agreement.
Article 7. LIABILITY

7.1 The Consultant agrees that in performance of the Work neither the Consultant nor any Consultant's Representative shall be or be deemed to be an officer, servant, agent or partner of the Client.

7.2 The Client shall not be liable for, and the Consultant shall indemnify and save harmless the Client and the Client's Representatives against all losses, costs, charges, or expenses incurred by the Client and its agents as a result of actions, claims or awards for compensation at law, equity or under any applicable legislation, made or brought by, against, suffered by or imposed upon the Client, or its Representatives by a third party, as a result of or related to the performance of this Agreement by the Consultant or the Consultant's Representatives.

7.3 The Consultant shall defend any and all such actions and pay all legal charges, costs and other expenses arising therefrom. Notwithstanding the foregoing, the Client may at its own discretion retain its own solicitors to defend its interests in any such suit or claim, and the legal costs of that defense shall be paid by the Consultant.

Article 8. COMPLIANCE WITH LAW

8.1 In respect of any work within the Province of Newfoundland and Labrador connected with or arising from this Agreement, the Consultant shall provide (where requested by the Client) evidence of compliance with all requirements of the Province of Newfoundland and Labrador with respect to Worker's Compensation and or Occupational Health and Safety, including without limitation, any payments or compliance orders due or issued thereunder.

8.2 The Consultant shall ensure that the Consultant and its Representatives comply with all requirements of any governing federal, provincial or municipal legislation, by-laws or regulations applicable to the Consultant or the Consultant's Representatives in the performance of the Work.

Article 9. ARBITRATION

9.1 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, the parties shall first attempt to resolve all matters through friendly negotiation by a meeting between their representatives upon notice. A resolution reached in this way must be reached within 10 days of both parties having knowledge and notice of the dispute and be reduced to writing.

9.2 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, (that has not been resolved pursuant to Article 9.1), either party may give the other notice of such dispute and to request arbitration thereof. If both parties agree, the parties shall, with respect to the particular matters then in dispute, submit the same to arbitration in accordance with the provisions of the Arbitration Act, RSNL1990 cA-14, including such provisions for the appointment of arbitrators.
Article - 10. LAWS GOVERNING

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.

Article - 11. USE OF WORK

11.1 The Client shall have the right to use the Work or variations thereof in other operations of the Client.

Article - 12. CONFLICT OF INTEREST

12.1 No public employee or member of the House of Assembly of the Province of Newfoundland and Labrador shall be admitted to any part or share of the payments made pursuant to this Agreement or to any benefits arising therefrom except in accordance with the Conflict of Interest Act or the House of Assembly Act.

12.2 The Consultant and the Consultant's Representatives:

(a) shall conduct all duties related to this Agreement with impartiality;
(b) shall not influence, seek to influence, or otherwise take part in a decision of the Client, knowing that the decision might further their private interests;
(c) shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance of any duties related to this Agreement, that causes, or would appear to cause, a conflict of interest; and
(d) shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of any duties related to this Agreement.

Article - 13. SUBCONTRACTORS

13.1 The Consultant shall not subcontract all or a portion of the Work without the prior written approval of the Client.

13.2 The entry into any subcontract shall not relieve the Consultant of any of its obligations under the terms of this Agreement.
Article - 14. GENERAL

(a) Articles 2 and 7 of this Agreement shall survive the termination or expiration of this Agreement.

(b) Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

(c) Time shall be of the essence of this Agreement.

(d) The failure of the Client to insist upon or enforce in any instance strict performance by the Consultant of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or a relinquishment to any extent of the Client's right to assert or rely upon any such terms or rights on any future occasion.

(e) If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

(f) The division of this Agreement into Articles and Clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, legal representatives, successors and assigns.

(h) The Consultant shall not assign this Agreement in whole or in part to any third party without the prior written approval of the Client.

END OF SCHEDULE C
SCHEDULE “D”

Protocols for Security of Government Information on Information Technology assets of Contractors

The Consultant shall confirm with the client Department whether the Consultant will be required to use information technology resources, including computers, of the Government of Newfoundland and Labrador in the conduct of the work under the Agreement. The following requirements apply where the Consultant will not be using such assets, but will instead have access to confidential information (including personal information) (“Confidential Information”) received from the Government of Newfoundland and Labrador (“Government”) and will be storing, manipulating or accessing that Confidential Information on the Consultant’s own information technology resources.

- All portable storage devices or media (e.g., flash drives, memory sticks, portable hard drives, writable compact discs or digital video discs, etc.) may only be used to transport and/or store Confidential Information where either the Confidential Information or the device or media is encrypted.

- Unless specifically separately authorized by the Agreement or otherwise, the Consultant is not permitted to attach non-government computers or other information technology systems to any Government network.

- Consultants are expected to implement and maintain up to date versions of all ordinary business software for the reasonable protection of information on computers attached to the Internet which will have access to or store Confidential Information, including security firewall and anti-viral software.

- Consultants are not permitted to use any Peer to Peer file sharing program (e.g., Limewire, etc.) or chat program (i.e., MSN, Skype) on any information technology asset which will contain Confidential Information, or which will be connected via a network to any computer which will contain Confidential Information.

- Email should not be used as a method to transmit Confidential Information across public networks such as the Internet unless the e-mail and/or its attachments are encrypted or zipped in a secure manner.

- The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, and Management of Information Act, SNL2005, cM-1.01, and the Privacy Act, RSNL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its employees, servants and/or agents.
• Where a Consultant will be granted access to the Government computer network during the course of the work, in addition to the requirements noted above, the Consultant shall not:
  o Share personal computer drives or folders on a computer accessing the network; or
  o Access the network remotely, either through wired or wireless connections, except through the use of secure ID and virtual private network systems.

• These requirements apply to the Consultant and all agents, employees or permitted sub-Consultants of the Consultant, and it is the responsibility of the Consultant to ensure that all such agents, employees or permitted sub-Consultants are aware of these restrictions and are in compliance with them.

END OF SCHEDULE D
NORTH AMERICAN GAS STRATEGY
RETAINER SERVICE AGREEMENT

Between

Ziff Energy Group
("Ziff Energy")

And

Government of Newfoundland and Labrador
Department of Natural Resources
("Client")

1.0 OBJECTIVE:

Ziff Energy's North American Gas Strategy ("NAGS") Retainer Service is designed to provide clients with timely, strategic information on the business and competitive environment of the North American natural gas industry.

2.0 SERVICES:

Ziff Energy will provide topics reports, custom visit, and advisory services as described in Schedule "A" Description of Services - Ziff Energy North American Gas Strategy Retainer Service.

3.0 TERM:

Twelve month term commencing March 1, 2012. This Agreement will renew automatically for a consecutive twelve month period at the end of the initial term and each succeeding twelve month period. The Client may cancel the renewal of this Agreement by delivering a written notice of cancellation to Ziff Energy one month prior to the end of the then current term.

4.0 RETAINER SERVICE FEE:

The retainer fee for the NAGS Service is [REDACTED] per month for the term of the initial period plus any applicable Services Tax. Payments will be billed quarterly. The Client will also pay Ziff Energy's travel costs in relation to the spring and fall debriefings (shared among other clients when possible) if briefings occur outside Calgary.

5.0 CONFIDENTIALITY:

Reports and information provided under the NAGS Service are confidential and for the internal use of the Client, including unlimited circulation. The copyright of all information and reports rests with Ziff Energy. The Client agrees not to release any information or reports provided under the NAGS Service to any party who is not an employee of the Client without Ziff Energy's written consent.
6.0 CONTACTS:

For the Client:
Department of Natural Resources
7th Floor, 50 Elizabeth Avenue
St. John’s NL A1B 4J6
Attention: Charles Bown
Associate Deputy Minister, Energy

For Ziff Energy:
Ziff Energy Group
1117 Macleod Trail S. E.
Calgary, Alberta T2G 2M8
Attention: W. P. (Bill) Gwozd, P. Eng.
Vice President, Gas Services

8.0 APPROVALS:

If the above terms meet with your agreement, please sign below.

Department of Natural Resources

[Signature]

Ziff Energy Group

[Signature]

Charles Bown
Printed Name
February 18/12
Date

W. P. (Bill) Gwozd, P. Eng.
Printed Name
February 16, 2012
Date

**Fax to (403) 261-4631**
Schedule "A" Description of Services
Ziff Energy North American Gas Strategy Retainer Service

The NAGS Retainer Service comprises four deliverables:

1. Topic Reports

The Retainer Service’s topic reports provide our clients with concise and informative analysis of issues affecting the North American natural gas industry. The topic reports focus on future trends in the U.S. and Canada and cover a broad spectrum of energy related issues. Each month we issue a topic report. Recent topics have focused on fundamental issues such as: Henry Hub Price Forecast to 2018, Shale Gas Outlook to 2020, Industrial Demand Outlook to 2020, Western Canada Gas Production Outlook to 2020, and Mexico Natural Gas Supply/Demand Outlook to 2016.

2. Custom Presentations (2 annually)

Ziff Energy’s senior consultants provide a customized presentation in the spring and fall wherein we present our current assessment of key issues affecting the natural gas industry in North America. Conducted in the privacy of your offices and lasting 1 ½ hours, each client meeting is structured to address the client’s particular areas of interest. Rather than present a standard “road show”, or hold a large multi-client meeting, you provide input to our suggested agenda to ensure that your priorities are met. Our goal is to encourage an open discussion and interchange of ideas on issues significant for you, in a private setting. Our consultants are noted for their technical depth and ability to explain the importance and impact of the issues to you.

3. Client Advisory Service- on Demand

Responding to your questions or small requests is offered to you on a no charge, priority basis. Ziff Energy’s senior consultants and analysts respond to your telephone queries or e-mails to discuss general issues that concern your company. This component of the basic service ensures that we are available to respond to your needs for those issues that need a quick response.

4. Other Benefits:

- receive 10% discount on our gas multiclient studies
- 3 past monthly topic reports of your choice at no cost
- higher priority on custom gas consulting service (we arrange workload to deliver NAGS retainer clients’ custom assignments first).
Senior Gas Consultants

Our ability to provide our service is due in good part to the knowledge of our senior executives coupled with their extensive “hands on” industry experience. A brief summary:

- **Paul Ziff, CEO** focuses on *industry strategies and producer economics*. Paul was involved in government price setting, and deregulation, prior to establishing Ziff Energy Group. He provides deep insight on producer gas strategies and is well respected for his depth of knowledge on finding and development costs, operating drivers/costs, and trends. He is a frequent advisor of corporate boards and government bodies. Several times he has been retained as an expert witness; he is well versed in international issues and carries significant experience in many countries.

- **Bill Gwozd, P.Eng., Vice President, Gas Services**, is responsible for all aspects of the gas service business, and has over 3 decades of producer (planning/marketing) and utility gas supply planning/contracting, natural gas liquids, gas control, gas storage, and gas transportation experience. Has led our expert witness and regulatory testifying group many times. Undertaken numerous customized gas consulting assessments for clients in many North America regions for a wide variety of clientele. He is widely and extensively quoted.

- **Edward Kallio, Director, Gas Consulting**, has over a quarter century of gas industry experience in trading, marketing, portfolio management, gas supply, forecasting, and policy analysis in both the private and public sectors. Mr. Kallio has in-depth “hands-on” experience in most major Canadian and U.S. supply basins and market regions.

- **Simon Mauger, P. Geol., Director, Gas Supply and Economics**, has 3 decades of broad exploration and development and evaluation experience. He leads our finding and development cost benchmarking and full cycle cost analysis of 24 North American gas basins. He led numerous customized gas supply and economics consulting assignments for various clients. Experience as an expert witness.

- **Cameron Gingrich, Senior Manager, Gas Services**, has a decade of natural gas experience in research, analysis and authoring complex gas demand studies. He is responsible for analytics and in-depth customized data analysis, trending, and price modeling for the Gas Services team. In addition to undertaking numerous gas consulting assignments, he has acted as an expert witness.

- plus external consultants, lead analysts, and supporting staff.

A summary of our professional experience is posted on our website [www.ziffenergy.com](http://www.ziffenergy.com) and copies of our detailed CV’s are available upon request.
AGREEMENT

THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, on the 29th Day of July 2015

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources

("the Client")

AND: Mr. Robert Noseworthy

("the Consultant")

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants expressed, and as amended, the Parties agree as follows:

I. Definitions

In addition to the terms defined in the Special Terms and Conditions attached as Schedule "B", (if any), and the General Terms and Conditions attached as Schedule "C", the following words and phrases shall have the following meanings:

a. "Contract Documents" shall mean and include:
   i. This head agreement (the "Head Agreement");
   ii. The Scope of Work attached as Schedule "A";
   iii. The Special Terms and Conditions attached as Schedule "B";
   iv. The General Terms and Conditions attached as Schedule "C"; and
   v. Protocols for Security of Government Information on Information Technology assets of Contractors attached as Schedule "D".

b. "Representatives" mean directors, officers, employees, consultants, sub-consultants, agents, advisors or partners.

II. The Consultant's Work

The Consultant shall do all things necessary to fulfill all of the obligations of the Consultant as set out in the Contract Documents (the "Work"). The Work shall be performed by the Consultant to the satisfaction of the Client.
III. Payment

1.1 Consideration

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with either Option 1, 2 or 3 below.

Payment Option #1 Not Applicable

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, $x (plus HST). The contract may be increased, to a maximum of $x, at the request of the client, in accordance with the following payment schedule:

(i) Periodic payments – set out time or milestones for payments

Payment Option #2 Applicable

Subject to Article 1.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, the following time rate schedule for activities actually expended in performance of the Work, to a maximum of $10,000 (plus HST)

(i) The Consultant will invoice the Client on or before March 31, 2015 for services provided on a time and materials basis according to an hourly billing rate of [REDACTED] per hour. In no event shall the consulting fees and expenses exceed C$10,000 (plus HST where applicable).

Payment Option #3 Not Applicable

Subject to Article 1.3, upon the satisfactory completion of the Work and the presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant $x (plus HST), to a maximum of $x.

1.2 Reimbursement of Expenses

It is agreed and understood that reimbursements for the Consultant’s expenses pursuant to this Agreement shall be made in accordance with either Option A or B below.

Reimbursement Option A Applicable
(a) The Client shall only be responsible for the following reimbursable expenses, payable at cost, provided the Consultant can demonstrate to the Client that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Client, is provided in support of the reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement:

(i) Travel

(b) All claims submitted for reimbursable expenses in accordance with this Article 1.2 shall be reimbursed at rates not to exceed those established by Treasury Board pursuant to the guidelines and policies of the Client even if such rates are lower than the actual costs incurred by the Consultant.

Reimbursement Option B Not Applicable

The Client shall not be responsible for any expenses incurred by the Consultant, including, without limitation, out of pocket expenses such as travel, meals, accommodations, legal advice, support staff, printing and duplicating, courier, long distance telephone and/or facsimile charges, without the prior written approval of the Client.

1.3 Payment General

(a) Regardless of the payment option selected in Article 1.1 and/or 1.2, the Parties agree and confirm that total amounts payable for the Work shall not exceed a monetary ceiling of $10,000 and that a minimum of ten percent (10%) of the total fees payable for the Work will be withheld until such time as the project is completed to the satisfaction of the Client.

(b) The Parties agree and confirm that as set out in section 25(6) of the Financial Administration Act, RSNL1990 cF-8, as amended, all fees payable in accordance with this Agreement are subject to there being an appropriation for the work for the fiscal year in which payment under this Agreement is due.

(c) Payment will be made within 60 calendar days of receipt of a properly documented invoice.

(d) All invoices shall clearly show the amount of HST billed by the Consultant as a separate item.

(e) The Consultant shall conform to any request that may be made by the Client to alter the form of invoice customarily used by the Consultant as may be reasonably required for the purposes of the Client's internal accounting systems. The Consultant agrees that each invoice shall clearly show and identify the work or service which is being charged under that invoice to the Client. The invoice shall have appended thereto any documentation required by the Client.
(f) The Client shall not be responsible to pay any amounts invoiced by the Consultant which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Consultant is responsible.

(g) The Consultant shall submit invoices to:

Charles Bown  
Deputy Minister  
Department of Natural Resources  
P.O. Box 8700  
St. John’s, NL, A1B 4J6

IV. Notices

All notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are as follows:

For the Client:

Charles Bown  
Deputy Minister  
Department of Natural Resources  
P.O. Box 8700  
St. John’s, NL  
A1B 4J6

Phone: 729-2766  
Email: cbown@gov.nl.ca

For the Consultant:

Mr. Robert Noseworthy  

Phone:  
Email:  

Notices, requests or documents shall be deemed to have been received by the addressee as follows:

(a) As of the date on which they are delivered where delivery is by a party or by messenger or special courier service;
(b) As of the date on which they are sent where delivery is by telecopier or other means of electronic communication; and

(c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

V. Entire Agreement

It is hereby agreed that the Contract Documents constitute the entire agreement between the parties (the “Agreement”). There are no understandings, representations or warranties of any kind except as expressly set forth herein. No changes, alterations or modifications or amendments of this Agreement shall be effective unless made in writing and signed by those persons designated for such purpose. This Agreement may be amended or otherwise modified by e-mail.

VI. Representations and Warranties

The Consultant hereby represents and warrants that every fact stated or represented by the Consultant or its Representatives to the Client in connection with any proposal made by the Consultant in respect of the Work is true and agrees that the Client shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

VII. Conflict Between Provisions

In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Head Agreement, second the Special Terms and Conditions, third the General Terms and Conditions, fourth the Protocols for Security of Government Information on Information Technology assets of Contractors, fifth the Scope of Work, and last, any documents incorporated by reference in any of the foregoing.

VIII. Start and Completion Date

The Consultant shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:

Start Date: July 29, 2015
Completion Date: March 31, 2016

IX. Effective Date

The effective date of this Agreement shall be the earlier of the start date referred to in Clause VIII or the date on the first page of this Head Agreement.
X. **Paragraph Numbering**

In the event that the General Terms and Conditions are modified by the Special Terms and Conditions, the numbering references in the General Terms and Conditions shall remain unchanged.

XI. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

**HER MAJESTY IN RIGHT OF**

**NEWFOUNDLAND AND LABRADOR**

[Signature]

Minister of **Natural Resources**, or his/her authorized designate

Date: **August 13/15**

**Consultant**

[Redacted]

Robert Noseworthy

[Redacted]
SCHEDULE "A"

SCOPE OF WORK

Subject: Provision of professional services to advise the Department of Natural Resources (the Client) regarding the review of consultant draft report and other pertinent issues related to the Review of the Newfoundland and Labrador Electricity System and the transition from an isolated electricity system to an interconnected system.

Objective: The objective of the work is to assist the Client in reviewing the draft report prepared by the consultant for the Review of the Newfoundland and Labrador Electricity System and to provide advice on relevant issues that may arise during the course of the review, as well as on issues related to the transition from an isolated electricity system to an interconnected system.

Scope:

In fulfilling the requirements of the contract, the Consultant will, at a minimum:

- Review, analyse and provide strategic advice on the submitted draft consultant report for the Review of the Newfoundland and Labrador Electricity System.
- Review, analyse and provide strategic advice related to the transition from an isolated electricity system to an interconnected system.
- Participate, if required, in meetings and/or conference calls with the Client, the consultant, Nalcor Energy (and its subsidiaries) and others during the course of the work.
- Provide advice on other pertinent issues that may arise during the course of the review.

Deliverable:

The Deliverable will be the review of the submitted draft report and provision of strategic advice related to the review of the electricity system in Newfoundland and Labrador and the transition from an isolated electricity system to an interconnected system.

The final deliverable will be provided to the Client in a mutually agreeable format.

Schedule:

All work must be completed by March 31, 2016. The Client will not be liable to pay the Consultant for any work completed after that date.

Payment:
Payment terms shall be in accordance with the head agreement.
SCHEDULE “B”

SPECIAL TERMS AND CONDITIONS (as necessary)

All Special Terms and Conditions must be reviewed by both the Department of Justice of the Government of Newfoundland and Labrador (the “Department of Justice”) and the Deputy Minister of the Department requesting the Work (the “Deputy Minister”). These Special Terms and Conditions shall not be of any effect unless initialed by both a lawyer assigned by the Department of Justice and the Deputy Minister.

____________________________________

Insert Name of Counsel or Deputy Minister

The Special Terms and Conditions of this Agreement are follows:

OR

1. No Special Terms and Conditions

____________________________________

Department of Justice

____________________________________

Deputy Minister
SCHEDULE “C” GENERAL TERMS AND CONDITIONS

Article 1 - Information Supplied By The Client
Article 2 - Confidentiality, Materials and Copyright
Article 3 - Employees of the Consultant
Article 4 - Access to Facilities
Article 5 - Records and Audit
Article 6 - Termination
Article 7 - Liability
Article 8 - Compliance With Law
Article 9 - Arbitration
Article 10 - Laws Governing
Article 11 - Use of Work
Article 12 - Conflict Of Interest
Article 13 - Subcontractors
Article 14 - General
GENERAL TERMS AND CONDITIONS

Article - 1. INFORMATION SUPPLIED BY THE CLIENT

1.1 The Client will furnish to the Consultant all available information necessary for the performance of the Work. The Client makes no guarantee either expressed or implied as to the accuracy of the information supplied. The Consultant shall review the information for accuracy and applicability.

1.2 Where discrepancies, omissions or obscurities in the information are evident, the Consultant shall bring them to the attention of the Client and secure written instructions from the Client before proceeding with any work.

Article - 2. CONFIDENTIALITY, MATERIALS AND COPYRIGHT

2.1 For the purposes of this Article "Confidential Information" means:

(a) all communications and instructions from the Client respecting the Services, including the fact of this Agreement;

(b) all information acquired by the Consultant, his/her employees, servants and/or agents respecting policy consideration and development, business decisions, internal deliberations, discussions and considerations and any other aspect of the decision-making process of the Client;

(c) all oral, written, electronic, and machine readable information and data and any accompanying supporting materials and documentation, including without limitation, materials, documents, reports, databases, information and data of whatever nature and kind concerning the affairs of the Client, disclosed directly or indirectly to the Consultant, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(d) all personal information, as defined from time to time under the Access to Information and Protection of Privacy Act, SNL2002 cA-1.1, to mean recorded information about an identifiable individual, including

(i) the individual's name, address or telephone number,

(ii) the individual's race, national or ethnic origin, colour, or religious or political beliefs or associations,

(iii) the individual's age, sex, sexual orientation, marital status or family status,
(iv) an identifying number, symbol or other particular assigned to the individual,
(v) the individual's fingerprints, blood type or inheritable characteristics,
(vi) information about the individual's health care status or history, including a physical or mental disability,
(vii) information about the individual's educational, financial, criminal or employment status or history,
(viii) the opinions of a person about the individual, and
(ix) the individual's personal views or opinions
for any individual, which is, directly or indirectly, disclosed to or collected by the Consultant, its, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(e) all information that is developed based upon Confidential Information including the work product of the Consultant, its, his/her employees, servants and/or agents; and

(f) Confidential Information shall not include any information which:
   (i) at the time such information was provided to the Consultant was or thereafter became part of the public domain through no act or omission of the Consultant or its, his/her Representatives; or
   (ii) is information which the Consultant can show possession of prior to the date of this Agreement and which was received or developed by the Consultant free of obligations of confidentiality to the Client.

2.2 The Consultant shall treat all Confidential Information acquired by the Consultant in the performance of the Services as privileged and confidential and shall not divulge the same to any person or persons at any time without the express written approval of the Client, unless required to do so by law, which may include any subpoena or other similar process or in connection with litigation, arbitration or other proceeding or by virtue of an act or regulations. In the event that such disclosure is required, the Consultant shall give the Client prompt notice of the requirement upon becoming aware that such disclosure is required. Where circumstances did not permit the Consultant to provide such notice prior to disclosure, the Consultant shall provide such notice to the Client immediately after the required disclosure.

2.3 The Consultant shall only use the Confidential Information acquired in the performance of the Services for the purposes specified in the Scope of Work and this Agreement, and shall not permit the use of the Confidential Information for any other purposes.

2.4 All materials, data, designs, plans, drawings, specifications, research, reports, notes, estimates, summaries, calculations, surveys, papers, completed work, and work in progress and such other information and materials or parts thereof as are compiled, drawn and produced by the Consultant in performing the Services, including without limitation computer printouts and computer models and all copyrights thereto and all patents, trademarks and industrial designs arising therefrom are the sole and exclusive
property of the Government of Newfoundland and Labrador and the contents thereof are privileged and confidential. Nothing in this Agreement shall give the Consultant a right, however arising, to assert any lien, claim, demand, property right, remedy or security right of any kind over the information provided to the Consultant pursuant to the terms of this Agreement. The Consultant acknowledges that the Client’s right to this information shall at all times be paramount to any rights of the Consultant, at law or in equity, and that the Consultant’s remedies against the Client for the Client’s breaches under this Agreement do not include the right to deprive the Client of access to the Client’s information in the Consultant’s possession.

2.5 The Consultant shall provide to the Client and solely to the Client upon completion of the Services or upon earlier termination of this Agreement all Confidential Information acquired during the performance of the Services, or shall, at the request of the Client, destroy any and all copies and versions of the Confidential Information in the possession of the Consultant, his/her employees, servants and/or agents, and shall certify the destruction of same to the Client.

2.6 The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, and the Privacy Act, RSNL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its, his/her employees, servants and/or agents.

2.7 The Consultant shall ensure that it, his/her employees, servants and/or agents have in place and follow the appropriate systems, processes, protocols and policies to maintain the physical and electronic security of all Confidential Information, including but not restricted to the following:

(a) at a minimum, using the same level of physical and electronic security as the Consultant employs to avoid disclosure or dissemination of the Consultant’s own confidential information, to prevent the disclosure of any of the Confidential Information to any third party, or to any of its employees, servants or agents other than those who are required to have access to properly perform the Services under this Agreement;

(b) establish and maintain security policies, standards and safeguards to prevent unauthorized access, collection, use, disclosure or disposal of the Confidential Information;

(c) ensure all employees, servants and/or agents of the Consultant comply with all policies, standards and safeguards established under this Article;

(d) advise the Client of any changes in its, his/her security systems, procedures, standards and practices that may affect the Confidential Information and seek the Client’s consent prior to such changes; and

(e) satisfaction of the foregoing commitments includes, but is not restricted to, compliance with the requirements set out in Schedule “D”, unless otherwise advised by the Client, and this includes:
(i) complying with all alterations or updates of Schedule "D" as may be provided to the Consultant from time to time; and

(ii) adhering to any additional instructions (including oral instructions) from the Client as they relate to the subject matter contained in Schedule "D" and this Article.
2.8 The Consultant shall only disclose confidential information to persons other than its employees, servants and/or agents with the prior written consent of the Client, and then only to those persons who need to know the information in order to carry out the duties associated with this Agreement and only after confirming that such persons agree to comply with the provisions of this Article including the requirements set out in Schedule "D".

2.9 The Consultant shall:

(a) notify the Client promptly of any unauthorized possession, use or knowledge, or attempt thereof, of the Client's information in the possession of the Consultant, including but not limited to data processing files, transmission messages or other confidential information by any person or entity which may become known to the Consultant;

(b) promptly furnish to the Client full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the Client in investigating or preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of confidential information;

(c) use reasonable efforts to cooperate with the Client in any litigation and investigation against third parties deemed necessary by the Client to protect its proprietary rights;

(d) promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of confidential information; and

(e) refer to and follow the privacy breach protocol of the Government of Newfoundland and Labrador as it exists at the time of the breach and located on the Department of Justice website at:

http://www.justice.gov.nl.ca/just/CIVIL/atipp/default.htm
Article - 3. EMPLOYEES OF THE CONSULTANT

3.1 The Consultant shall provide employees who are competent in their field of specialization. The Client will have the right to have the Consultant remove from the Work any person, who by misconduct or by failure to properly perform his/her duties is considered by the Client to be unfit for employment on the Work. If the Consultant fails to remove any unfit person from the Work as requested by the Client, then the Client may void this Agreement or refuse to accept subsequent Work in which the person was involved and may refuse to approve payment for such Work.

3.2 The Consultant shall not alter, remove or replace the employees or Representatives indicated in the Scope of Work without prior written approval by the Client.

Article - 4. ACCESS TO FACILITIES

4.1 The Client agrees to provide, where it is deemed by the Client, in its absolute and sole discretion, to be necessary for the reasonable performance of the Work, working space and equipment access for the Consultant to perform the Work during Client office hours.

4.2 When using or accessing the premises of the Client, the Consultant and all officers, employees and agents of the Consultant shall comply with all security regulations and workplace policies and procedures in effect from time to time at the Client's facilities.

Article - 5. RECORDS AND AUDIT

5.1 The Consultant shall keep records, books of account and supporting documents in accordance with accepted accounting procedures and practices. The records shall be made available to the Client or its authorized representative for observation or audit at mutually convenient times and up to one year after discharge of this Agreement.

5.2 The Consultant shall furnish reports as required by the Client for the purpose of monitoring the progress of the Work.

Article - 6. TERMINATION

6.1 This Agreement is deemed to be concluded once the Work has been completed to the satisfaction of the Client and the payment(s), as stipulated in the Agreement, has been issued to the Consultant.
6.2 Notwithstanding the provisions of this Agreement, either of the Parties may at any time by way of fourteen (14) days written notice to the other, terminate this Agreement.

6.3 Where this Agreement is terminated prior to the mutually agreed upon completion date, the Consultant shall thereupon be entitled to payment in accordance with this Agreement in respect of that part of the Work completed up to the date of termination, provided however, that the Consultant shall not be entitled to any other payment in respect of such termination, including, without prejudice to the generality of the foregoing, any payment for any consequential loss or damage or loss of profits arising from termination of this Agreement or in any other way related thereto.

The Client shall retain the right of set off with respect to any earned but unpaid proceeds then owing pursuant to this Agreement.

Article - 7. LIABILITY

7.1 The Consultant agrees that in performance of the Work neither the Consultant nor any Consultant's Representative shall be or be deemed to be an officer, servant, agent or partner of the Client.

7.2 The Client shall not be liable for, and the Consultant shall indemnify and save harmless the Client and the Client's Representatives against all losses, costs, charges, or expenses incurred by the Client and its agents as a result of actions, claims or awards for compensation at law, equity or under any applicable legislation, made or brought by, against, suffered by or imposed upon the Client, or its Representatives by a third party, as a result of or related to the performance of this Agreement by the Consultant or the Consultant's Representatives.

7.3 The Consultant shall defend any and all such actions and pay all legal charges, costs and other expenses arising therefrom. Notwithstanding the foregoing, the Client may at its own discretion retain its own solicitors to defend its interests in any such suit or claim, and the legal costs of that defense shall be paid by the Consultant.

Article - 8. COMPLIANCE WITH LAW

8.1 In respect of any work within the Province of Newfoundland and Labrador connected with or arising from this Agreement, the Consultant shall provide (where requested by the Client) evidence of compliance with all requirements of the Province of Newfoundland and Labrador with respect to Worker's Compensation and or Occupational Health and Safety, including without limitation, any payments or compliance orders due or issued thereunder.
8.2 The Consultant shall ensure that the Consultant and its Representatives comply with all requirements of any governing federal, provincial or municipal legislation, by-laws or regulations applicable to the Consultant or the Consultant's Representatives in the performance of the Work.

Article - 9. ARBITRATION

9.1 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, the parties shall first attempt to resolve all matters through friendly negotiation by a meeting between their representatives upon notice per Article 8. A resolution reached in this way must be reached within 10 days of both parties having knowledge and notice of the dispute and be reduced to writing.

9.2 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, (that has not been resolved pursuant to Article 11.1), either party may give the other notice of such dispute and to request arbitration thereof. If both parties agree, the parties shall, with respect to the particular matters then in dispute, submit the same to arbitration in accordance with the provisions of the Arbitration Act, RSNL990 cA-14, including such provisions for the appointment of arbitrators.

Article - 10. LAWS GOVERNING

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.

Article - 11. USE OF WORK

11.1 The Client shall have the right to use the Work or variations thereof in other operations of the Client.

Article - 12. CONFLICT OF INTEREST

12.1 No member of the House of Assembly of the Province of Newfoundland and Labrador shall be admitted to any part or share of the payments made pursuant to this Agreement or to any benefits arising therefrom.

12.2 The Consultant and the Consultant's Representatives:

(a) shall conduct all duties related to this Agreement with impartiality;
(b) shall not influence, seek to influence, or otherwise take part in a decision of the Client, knowing that the decision might further their private interests;

(c) shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance of any duties related to this Agreement, that causes, or would appear to cause, a conflict of interest; and

(d) shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of any duties related to this Agreement.

Article - 13. SUBCONTRACTORS

13.1 The Consultant shall not subcontract all or a portion of the Work without the prior written approval of the Client.

13.2 The entry into any subcontract shall not relieve the Consultant of any of its obligations under the terms of this Agreement.

Article - 14. GENERAL

(a) Articles 3 and 9 of this Agreement shall survive the termination or expiration of this Agreement.

(b) Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

(c) Time shall be of the essence of this Agreement.

(d) The failure of the Client to insist upon or enforce in any instance strict performance by the Consultant of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or a relinquishment to any extent of the Client's right to assert or rely upon any such terms or rights on any future occasion.

(e) If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

(f) The division of this Agreement into Articles and Clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, legal representatives, successors and assigns.

(h) The Consultant shall not assign this agreement in whole or in part to any third party without the prior written approval of the Client.
END OF SCHEDULE C
SCHEDULE D

Protocols for Security of Government Information on Information Technology assets of Contractors

The Consultant shall confirm with the client Department whether the Consultant will be required to use information technology resources, including computers, of the Government of Newfoundland and Labrador in the conduct of the work under the contract. The following requirements apply where the Consultant will not be using such assets, but will instead have access to confidential information (including personal information) ("Confidential Information") received from the Government of Newfoundland and Labrador ("Government") and will be storing, manipulating or accessing that Confidential Information on the Consultant's own information technology resources.

- All portable storage devices or media (e.g., flash drives, memory sticks, portable hard drives, writeable compact discs or digital video discs (DVDs), etc.) may only be used to transport and/or store Confidential Information where either the Confidential Information or the device or media is encrypted.

- Unless specifically separately authorized by the Consultant's contract or otherwise, the Consultant is not permitted to attach non-government computers or other information technology systems to any Government network.

- Consultants are expected to implement and maintain up to date versions of all ordinary business software for the reasonable protection of information on computers attached to the Internet which will have access to or store Confidential Information, including security firewall and anti-viral software.

- Consultants are not permitted to use any Peer to Peer file sharing program (e.g. Limewire, etc.) or chat program (i.e., MSN, Skype) on any information technology asset which will contain Confidential Information, or which will be connected via a network to any computer which will contain Confidential Information.

- Email should not be used as a method to transmit Confidential Information across public networks such as the Internet unless the e-mail and/or its attachments are encrypted or zipped in a secure manner.

- The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, and the Privacy Act, RSNL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant's operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its employees, servants and/or agents.
- Where a Consultant will be granted access to the Government computer network during the course of his/her work, in addition to the requirements noted above, the Consultant shall not:
  - Share personal computer drives or folders on a computer accessing the network; or
  - Access the network remotely, either through wired or wireless connections, except through the use of secure ID and virtual private network systems.

- These requirements apply to the Consultant and all agents, employees or permitted sub-Consultants of the Consultant, and it is the responsibility of the Consultant to ensure that all such agents, employees or permitted sub-Consultants are aware of these restrictions and are in compliance herewith.

END OF SCHEDULE D
AGREEMENT

THIS AGREEMENT made at St. John’s, in the Province of Newfoundland and Labrador, on this day of September 9, 2014.

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources ("the Client")

AND: BAE Newplan Group, SNC-Lavalin Inc.

("the Consultant")

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants expressed, and as amended, the Parties agree as follows:

1. Definitions

In addition to the terms defined in the General Terms and Conditions attached as Schedule "C", the following words and phrases shall have the following meanings:

a. "Contract Documents" shall mean and include:
   i. This head agreement (the "Head Agreement");
   ii. The Scope of Work attached as Schedule "A";
   iii. There are no special Terms and Conditions nor Schedule "B";
   iv. The General Terms and Conditions attached as Schedule "C"; and
   v. Protocols for Security of Government Information on Information Technology assets of Contractors attached as Schedule "D".

b. "Representatives" mean directors, officers, employees, consultants, sub-consultants, agents, advisors or partners.

2. The Consultant’s Work

The Consultant shall do all things necessary to fulfill all of the obligations of the Consultant as set out in the Contract Documents (the "Work"). The Work shall be performed by the Consultant to the satisfaction of the Client.
3. **Payment**

3.1 **Consideration**

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with the following:

(a) **Payment Option**

Subject to Article 3.3, upon presentation of itemized and substantiated invoices satisfactory to the Client, the Client shall pay to the Consultant, for the satisfactory performance of the Work, fifty-three thousand, four hundred dollars ($53,400) (plus HST) in accordance with the following payment schedule:

(i) **Periodic payments** – Upon receipt of invoices, in accordance with Section 3.3 (d) of this Head Agreement

3.2 **Reimbursement of Expenses**

It is agreed and understood that reimbursements for the Consultant's expenses pursuant to this Agreement shall be made in accordance with the following:

(a) The Client shall be responsible for only those reimbursable expenses identified in Table II of Schedule A-3 provided the Consultant can demonstrate to the Client that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Client, is provided in support of the reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement.

3.3 **Payment General**

(a) Regardless of the payment option selected in Article 3.1 and/or 3.2, the Parties agree and confirm that total amounts payable for the Work shall not exceed a monetary ceiling of fifty-three thousand, four hundred dollars ($53,400) (plus HST), and that a minimum of ten percent (10%) of the total fees payable for the Work will be withheld until such time as the project is completed to the satisfaction of the Client.

(b) The Consultant shall remain obligated to complete the Work notwithstanding that the actual costs of the Consultant, whether in respect of professional services or in respect of costs or expenses incurred, may exceed the total aggregate sum set out in Article 3.3(a).

(c) The Parties agree and confirm that as set out in section 25(6) of the *Financial Administration Act*, RSNL1990 cF-8, as amended, all fees payable in accordance with this Agreement are subject to there being an
appropriation for the work for the fiscal year in which payment under this Agreement is due.

(d) Payment will be made within 60 calendar days of receipt of a properly documented invoice.

(e) All invoices shall clearly show the amount of HST billed by the Consultant as a separate item.

(f) The Consultant shall conform to any request that may be made by the Client to alter the form of invoice customarily used by the Consultant as may be reasonably required for the purposes of the Client's internal accounting systems. The Consultant agrees that each invoice shall clearly show and identify the work or service which is being charged under that invoice to the Client. The invoice shall have appended thereto any documentation required by the Client.

(g) The Client shall not be responsible to pay any amounts invoiced by the Consultant which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Consultant is responsible.

(h) The Consultant shall submit invoices to:

Len Mandville  
Mineral Development Division  
Department of Natural Resources  
3rd Floor, Natural Resources Building  
50 Elizabeth Avenue  
St. John's, NL A1A 1W5

4. **Notices**

All notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are as follows:

**For the Client:**

Len Mandville  
Mineral Development Division  
Department of Natural Resources  
3rd Floor, Natural Resources Building  
50 Elizabeth Avenue  
St. John's, NL A1A 1W5

Tel: (709) 729-6439  
Fax: (709) 729-3493  
e-mail: lenmandville@gov.nl.ca

**For the Consultant:**
Andrew Peach, P.Geo.
SNC-Lavalin Inc (BAE – Newplan Group),
1133 Topsail Road,
Mount Pearl, NL
A1N 5G2
Email: Andrew.Peach@snc-lavalin.com
Phone: (709) 368-0119 (ext 54891)
Fax: (709) 368-0188

Notices, requests or documents shall be deemed to have been received by the addressee as follows:

(a) As of the date on which they are delivered where delivery is by a party or by messenger or special courier service;

(b) As of the date on which they are sent where delivery is by telex or other means of electronic communication; and

(c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

5. Entire Agreement
It is hereby agreed that the Contract Documents constitute the entire agreement between the parties (the “Agreement”). There are no understandings, representations or warranties of any kind except as expressly set forth herein. No changes, alterations, modifications or amendments of this Agreement shall be effective unless made in writing and signed by those persons designated for such purpose. This Agreement may be amended or otherwise modified by e-mail.

6. Representations and Warranties
The Consultant hereby represents and warrants that every fact stated or represented by the Consultant or its Representatives to the Client in connection with any proposal made by the Consultant in respect of the Work is true and agrees that the Client shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Head Agreement, second the Special Terms and Conditions, if any, third the General Terms and Conditions, fourth the Protocols for Security of Government Information on Information Technology assets of Contractors, fifth the Scope of Work, and last, any documents incorporated by reference in any of the foregoing.

8. Start and Completion Date
The Consultant shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:

Start Date: September 9, 2014
Completion Date: March 31, 2015

9. **Effective Date**
   The effective date of this Agreement shall be the earlier of the start date referred to in Clause 8 or the date on the first page of this Head Agreement.

10. **Paragraph Numbering**
    In the event that the General Terms and Conditions are modified, the numbering references in the General Terms and Conditions shall remain unchanged.

11. **Counterparts**
    This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

---

**HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR**

[Signature]
Minister of Natural Resources, or his/her authorized designate

**SNC-Lavalin Inc.**

[Signature]
Authorized Signature

10-9-14
Date
SCHEDULE "A"

SCOPE OF WORK

The Consultant shall complete the work and/or perform the following services:

A-1 Request for Proposals: Terms of Reference - Provision of Engineering Consultant Services for Tailings Dam Repairs at the Former Buchans Mine Site
August 13, 2014
(9 pages)

ADDENDUM NO. 1
August 20, 2014
(2 pages)

ADDENDUM NO. 2
August 20, 2014
(2 pages)

ADDENDUM NO. 3
August 21, 2014
(1 page)

ADDENDUM NO. 4
August 22, 2014
(1 page)

A-2 Technical Proposal: Provision of Engineering Consulting Services - Tailings Dam Repairs at the Former Buchans Mine Site
August, 28, 2014
(27 pages)

A-3 Cost Proposal: Provision of Engineering Consulting Services - Tailings Dam Repairs at the Former Buchans Mine Site
August, 28, 2014
(3 pages)
**SCHEDULE “C”**

**GENERAL TERMS AND CONDITIONS**

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GENERAL TERMS AND CONDITIONS

Article - 1. INFORMATION SUPPLIED BY THE CLIENT

1.1 The Client will furnish to the Consultant all available information necessary for the performance of the Work. The Client makes no guarantee either expressed or implied as to the accuracy of the information supplied. The Consultant shall review the information for accuracy and applicability.

1.2 Where discrepancies, omissions or obscurities in the information are evident, the Consultant shall bring them to the attention of the Client and secure written instructions from the Client before proceeding with any work.

Article - 2. CONFIDENTIALITY, MATERIALS AND COPYRIGHT

2.1 For the purposes of this Article "Confidential Information" means:

(a) all communications and instructions from the Client respecting the Services, including the fact of this Agreement;

(b) all information acquired by the Consultant, his/her employees, servants and/or agents respecting policy consideration and development, business decisions, internal deliberations, discussions and considerations and any other aspect of the decision-making process of the Client;

(c) all oral, written, electronic, and machine readable information and data and any accompanying supporting materials and documentation, including without limitation, materials, documents, reports, databases, information and data of whatever nature and kind concerning the affairs of the Client, disclosed directly or indirectly to the Consultant, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(d) all personal information, as defined from time to time under the Access to Information and Protection of Privacy Act, SNL2002 CA-1.1, to mean recorded information about an identifiable individual, including

(i) the individual's name, address or telephone number,

(ii) the individual's race, national or ethnic origin, colour, or religious or political beliefs or associations,

(iii) the individual's age, sex, sexual orientation, marital status or family status,

(iv) an identifying number, symbol or other particular assigned to the individual,
(v) the individual's fingerprints, blood type or inheritable characteristics,

(vi) information about the individual's health care status or history, including a physical or mental disability,

(vii) information about the individual's educational, financial, criminal or employment status or history,

(viii) the opinions of a person about the individual, and

(ix) the individual's personal views or opinions

for any individual, which is, directly or indirectly, disclosed to or collected by the Consultant, its, his/her employees, servants and/or agents during the performance of the Services or in any way related thereto;

(e) all information that is developed based upon Confidential Information including the work product of the Consultant, its, his/her employees, servants and/or agents; and

(f) Confidential Information shall not include any information which:

(i) at the time such information was provided to the Consultant was or thereafter became part of the public domain through no act or omission of the Consultant or its, his/her Representatives; or

(ii) is information which the Consultant can show possession of prior to the date of this Agreement and which was received or developed by the Consultant free of obligations of confidentiality to the Client.

2.2 The Consultant shall treat all Confidential Information acquired by the Consultant in the performance of the Services as privileged and confidential and shall not divulge the same to any person or persons at any time without the express written approval of the Client, unless required to do so by law, which may include a subpoena or other similar process or in connection with litigation, arbitration or other proceeding or by virtue of an Act or Regulations. In the event that such disclosure is required, the Consultant shall give the Client prompt notice of the requirement upon becoming aware that such disclosure is required. Where circumstances did not permit the Consultant to provide such notice prior to disclosure, the Consultant shall provide such notice to the Client immediately after the required disclosure.

2.3 The Consultant shall only use the Confidential Information acquired in the performance of the Services for the purposes specified in the Scope of Work and this Agreement, and shall not permit the use of the Confidential Information for any other purposes.

2.4 All materials, data, designs, plans, drawings, specifications, research, reports, notes, estimates, summaries, calculations, surveys, papers, completed work, and work in progress and such other information and materials or parts thereof as are compiled, drawn and produced by the Consultant in performing the Services, including without limitation, computer printouts and computer models and all copyrights thereto and all patents, trademarks and industrial designs arising therefrom, are the sole and exclusive property of the Government of Newfoundland and Labrador and the contents thereof are privileged and confidential. Nothing in this Agreement shall give the Consultant a right, however
arising, to assert any lien, claim, demand, property right, remedy or security right of any kind over the information provided to the Consultant pursuant to the terms of this Agreement. The Consultant acknowledges that the Client’s right to this information shall at all times be paramount to any rights of the Consultant, at law or in equity, and that the Consultant’s remedies against the Client for the Client’s breaches under this Agreement do not include the right to deprive the Client of access to the Client’s information in the Consultant’s possession.

2.5 The Consultant shall provide to the Client and solely to the Client upon completion of the Services or upon earlier termination of this Agreement all Confidential Information acquired during the performance of the Services, or shall, at the request of the Client, destroy any and all copies and versions of the Confidential Information in the possession of the Consultant, his/her employees, servants and/or agents, and shall certify the destruction of same to the Client.

2.6 The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, and the Privacy Act, RSNSL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its, his/her employees, servants and/or agents.

2.7 The Consultant shall ensure that it, his/her employees, servants and/or agents have in place and follow the appropriate systems, processes, protocols and policies to maintain the physical and electronic security of all Confidential Information, including but not restricted to the following:

(a) at a minimum, using the same level of physical and electronic security as the Consultant employs to avoid disclosure or dissemination of the Consultant’s own confidential information, to prevent the disclosure of any of the Confidential Information to any third party, or to any of its employees, servants or agents other than those who are required to have access to properly perform the Services under this Agreement;

(b) establish and maintain security policies, standards and safeguards to prevent unauthorized access, collection, use, disclosure or disposal of the Confidential Information;

(c) ensure all employees, servants and/or agents of the Consultant comply with all policies, standards and safeguards established under this Article;

(d) advise the Client of any changes in its, his/her security systems, procedures, standards and practices that may affect the Confidential Information and seek the Client’s consent prior to such changes; and

(e) satisfaction of the foregoing commitments includes, but is not restricted to, compliance with the requirements set out in Schedule ‘D’, unless otherwise advised by the Client, and this includes:
(i) complying with all alterations or updates of Schedule “D” as may be provided to the Consultant from time to time; and

(ii) adhering to any additional instructions (including oral instructions) from the Client as they relate to the subject matter contained in Schedule “D” and this Article.

2.8 The Consultant shall only disclose confidential information to persons other than its employees, servants and/or agents with the prior written consent of the Client, and then only to those persons who need to know the information in order to carry out the duties associated with this Agreement and only after confirming that such persons agree to comply with the provisions of this Article including the requirements set out in Schedule “D”.

2.9 The Consultant shall:

(a) notify the Client promptly of any unauthorized possession, use or knowledge, or attempt thereof, of the Client's information in the possession of the Consultant, including but not limited to data processing files, transmission messages or other confidential information by any person or entity which may become known to the Consultant;

(b) promptly furnish to the Client full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the Client in investigating or preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of confidential information;

(c) use reasonable efforts to cooperate with the Client in any litigation and investigation against third parties deemed necessary by the Client to protect its proprietary rights;

(d) promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of confidential information; and

(e) refer to and follow the privacy breach protocol of the Government of Newfoundland and Labrador as it exists at the time of the breach and located on the Department of Justice website at http://www.justice.gov.nl.ca/just/CIVIL/atipp/default.htm

Article - 3. EMPLOYEES OF THE CONSULTANT

3.1 The Consultant shall provide employees who are competent in their field of specialization. The Client will have the right to have the Consultant remove from the Work any person, who by misconduct or by failure to properly perform his/her duties is considered by the Client to be unfit for employment on the Work. If the Consultant fails to remove any unfit person from the Work as requested by the Client, then the Client may void this Agreement or refuse to accept subsequent Work in which the person was involved and may refuse to approve payment for such Work.
3.2 The Consultant shall not alter, remove or replace the employees or Representatives indicated in the Scope of Work without prior written approval by the Client.

Article - 4. ACCESS TO FACILITIES

4.1 The Client agrees to provide, where it is deemed by the Client, in its absolute and sole discretion to be necessary for the reasonable performance of the Work, working space and equipment access for the Consultant to perform the Work during Client office hours.

4.2 When using or accessing the premises of the Client, the Consultant and all officers, employees and agents of the Consultant shall comply with all security regulations and workplace policies and procedures in effect from time to time at the Client’s facilities.

Article - 5. RECORDS AND AUDIT

5.1 The Consultant shall keep records, books of account and supporting documents in accordance with accepted accounting procedures and practices. The records shall be made available to the Client or its authorized representative for observation or audit at mutually convenient times and up to one year after discharge of this Agreement.

5.2 The Consultant shall furnish reports as required by the Client for the purpose of monitoring the progress of the Work.

Article - 6. TERMINATION

6.1 This Agreement is deemed to be concluded once the Work has been completed to the satisfaction of the Client and payment(s), as stipulated in the Agreement, has been issued to the Consultant.

6.2 Notwithstanding the provisions of this Agreement, either of the Parties may at any time by way of fourteen (14) days written notice to the other, terminate this Agreement.

6.3 Where this Agreement is terminated prior to the mutually agreed upon completion date, the Consultant shall thereupon be entitled to payment in accordance with this Agreement in respect of that part of the Work completed up to the date of termination, provided however, that the Consultant shall not be entitled to any other payment in respect of such termination, including, without prejudice to the generality of the foregoing, any payment for any consequential loss or damage or loss of profits arising from termination of this Agreement or in any other way related thereto. The Client shall retain the right of set off with respect to any earned but unpaid proceeds then owing pursuant to this Agreement.
Article - 7.  LIABILITY

7.1 The Consultant agrees that in performance of the Work neither the Consultant nor any Consultant’s Representative shall be or be deemed to be an officer, servant, agent or partner of the Client.

7.2 The Client shall not be liable for, and the Consultant shall indemnify and save harmless the Client and the Client’s Representatives against all losses, costs, charges, or expenses incurred by the Client and its agents as a result of actions, claims or awards for compensation at law, equity or under any applicable legislation, made or brought by, against, suffered by or imposed upon the Client, or its Representatives by a third party, as a result of or related to the negligence or willful misconduct of the Consultant under this Agreement, including the negligence or willful misconduct of any sub-consultant chosen by the Consultant. Except to the extent that such losses, costs, charges or expenses as are referenced in this clause are caused by the negligence or default of the Client under this Agreement, the Consultant shall defend any and all such actions and pay all legal charges, costs and other expenses arising therefrom. Where the Consultant fails to defend such an action, the Client may at its own discretion retain its own solicitors to defend its interests in any such suit or claim, and the legal costs of that defense shall be paid by the Client.

Article - 8.  COMPLIANCE WITH LAW

8.1 In respect of any work within the Province of Newfoundland and Labrador connected with or arising from this Agreement, the Consultant shall provide (where requested by the Client) evidence of compliance with all requirements of the Province of Newfoundland and Labrador with respect to Worker’s Compensation and or Occupational Health and Safety, including without limitation, any payments or compliance orders due or issued thereunder.

8.2 The Consultant shall ensure that the Consultant and its Representatives comply with all requirements of any governing federal, provincial or municipal legislation, by-laws or regulations applicable to the Consultant or the Consultant’s Representatives in the performance of the Work.

Article - 9.  ARBITRATION

9.1 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, the parties shall first attempt to resolve all matters through friendly negotiation by a meeting between their representatives upon notice. A resolution reached in this way must be reached within 10 days of both parties having knowledge and notice of the dispute and be reduced to writing.

9.2 In the case of a dispute arising between the Client and the Consultant as to their respective rights and obligations under this Agreement, (that has not been resolved pursuant to Article 9.1), either party may give the other notice of such dispute and to request arbitration thereof. If both parties agree, the parties shall, with respect to the particular matters then in dispute, submit the same to
arbitration in accordance with the provisions of the Arbitration Act, RSNL1990 cA-14, including such provisions for the appointment of arbitrators.

Article - 10. LAWS GOVERNING

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.

Article - 11. USE OF WORK

11.1 The Client shall have the right to use the Work or variations thereof in other operations of the Client.

Article - 12. CONFLICT OF INTEREST

12.1 No public employee or member of the House of Assembly of the Province of Newfoundland and Labrador shall be admitted to any part or share of the payments made pursuant to this Agreement or to any benefits arising therefrom except in accordance with the Conflict of Interest Act or the House of Assembly Act.

12.2 The Consultant and the Consultant's Representatives:

(a) shall conduct all duties related to this Agreement with impartiality;

(b) shall not influence, seek to influence, or otherwise take part in a decision of the Client, knowing that the decision might further their private interests;

(c) shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance of any duties related to this Agreement, that causes, or would appear to cause, a conflict of interest; and

(d) shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of any duties related to this Agreement.

Article - 13. SUBCONTRACTORS

13.1 The Consultant shall not subcontract all or a portion of the Work without the prior written approval of the Client.
13.2 The entry into any subcontract shall not relieve the Consultant of any of its obligations under the terms of this Agreement.

Article - 14. GENERAL

(a) Articles 2 and 7 of this Agreement shall survive the termination or expiration of this Agreement.

(b) Neither party shall be considered in default in performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

(c) Time shall be of the essence of this Agreement.

(d) The failure of the Client to insist upon or enforce in any instance strict performance by the Consultant of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or a relinquishment to any extent of the Client's right to assert or rely upon any such terms or rights on any future occasion.

(e) If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

(f) The division of this Agreement into Articles and Clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(g) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, legal representatives, successors and assigns.

(h) The Consultant shall not assign this Agreement in whole or in part to any third party without the prior written approval of the Client.

Article - 15. INSURANCE

15.1 The Consultant shall obtain and continuously carry until the Work is finally completed and accepted, at his own expense and cost, the following insurance:

(a) A Comprehensive General Liability Policy containing the following terms and conditions:

(i) Providing for a combined single limit of $1,000,000 for each occurrence or accident.

(ii) Providing coverage for damage because of bodily injury (including death at any time resulting therefrom) sustained by
any person or persons or because of injury to or destruction of
property caused by an occurrence or accident arising out of any
operations in connection with the Work subject to all exclusions
set for in the said policy.

(iii) The General Liability Insurance shall include coverage for
contractual liability, tortuous liability, the Consultant’s protective
liability, and products/completed operations liability.

(b) Professional errors and omissions liability (EOIL) insurance in the amount of
two million dollars ($2,000,000.00 CDN);
(c) Environmental Impairment Liability (EIL) in the amount of two million dollars
($2,000,000.00 CDN);
(d) Automobile insurance in the amount of one million dollars ($1,000,000.00
CDN).

15.2 Where permissible, all such insurance shall include the Client as a named
insured.

15.3 Such insurance shall contain a waiver of any right of subrogation of the insurers
against the Client, its Representatives and the officers and employees of the
Client and its Affiliates.

15.4 It is further understood that such insurance is to be primary and any insurance
maintained by the Client is excess and non-contributory.

15.5 In no event will the Client be responsible for premium payment, deductible, self-
insured retention or claims reporting provisions.

15.6 Prior to the commencement of the Work, the Consultant shall provide to the
Client the appropriate certificates required to verify such insurance which
certificates shall be subject to the Client’s approval of adequacy of protection and
the satisfactory character of the insurer.

15.7 During the course of the Work, the Consultant shall, upon the request of the
Client, provide to the Client updated certificates of insurance, which certificates
shall be subject to the Client’s approval for adequacy of protection and the
satisfactory character of the insurer.

15.8 The amount of insurance contained in Articles 15.1 shall not be construed to be a
limitation of the liability of the part of the Consultant.

15.9 Such insurance shall provide that thirty days written notice shall be given to the
Client prior to any material changes or cancellation of any such policy or policies.

END OF SCHEDULE C
SCHEDULE "D"

Protocols for Security of Government Information on Information Technology
assets of Contractors

The Consultant shall confirm with the client Department whether the Consultant will be required to use information technology resources, including computers, of the Government of Newfoundland and Labrador in the conduct of the work under the Agreement. The following requirements apply where the Consultant will not be using such assets, but will instead have access to confidential information (including personal information) ("Confidential Information") received from the Government of Newfoundland and Labrador ("Government") and will be storing, manipulating or accessing that Confidential Information on the Consultant’s own information technology resources.

- All portable storage devices or media (e.g., flash drives, memory sticks, portable hard drives, writeable compact discs or digital video discs, etc.) may only be used to transport and/or store Confidential Information where either the Confidential Information or the device or media is encrypted.

- Unless specifically separately authorized by the Agreement or otherwise, the Consultant is not permitted to attach non-government computers or other information technology systems to any Government network.

- Consultants are expected to implement and maintain up to date versions of all ordinary business software for the reasonable protection of information on computers attached to the Internet which will have access to or store Confidential Information, including security firewall and anti-viral software.

- Consultants are not permitted to use any Peer to Peer file sharing program (e.g., Limewire, etc.) or chat program (i.e., MSN, Skype) on any information technology asset which will contain Confidential Information, or which will be connected via a network to any computer which will contain Confidential Information.

- Email should not be used as a method to transmit Confidential Information across public networks such as the Internet unless the e-mail and/or its attachments are encrypted or zipped in a secure manner.

- The Consultant acknowledges that, in addition to the requirements of this Agreement, the Confidential Information acquired by the Consultant, its employees, servants and/or agents in the performance of the Services and in particular personal information, is subject to privacy legislation in various jurisdictions, including but not limited to the Access to Information and Protection of Privacy Act, and Management of Information Act, SNL2005, cM-1.01, and the Privacy Act, RSNL1990 cP-22, as well as other legislation which may apply in the jurisdiction of the Consultant’s operation. The Consultant is responsible to ensure the compliance with and satisfaction of the legislative requirements of all such information relating to the treatment of Confidential Information by the Consultant, its employees, servants and/or agents.
• Where a Consultant will be granted access to the Government computer network during the course of the work, in addition to the requirements noted above, the Consultant shall not:
  
  o Share personal computer drives or folders on a computer accessing the network; or

  o Access the network remotely, either through wired or wireless connections, except through the use of secure ID and virtual private network systems.

• These requirements apply to the Consultant and all agents, employees or permitted sub-Consultants of the Consultant, and it is the responsibility of the Consultant to ensure that all such agents, employees or permitted sub-Consultants are aware of these restrictions and are in compliance with them.

END OF SCHEDULE D
Wayne Manuel, P. Eng.,
SNC-Lavalin Inc (BAE-Newplan Group)
1133 Topsail Road
Mount Pearl, NL
A1N 5G2

Dear Mr. Manuel:

RE: Approval for Buchans Dam Repair Contract Amendment

With reference to the contract dated September 9, 2014 (the Contract) between Her Majesty in Right of Newfoundland and Labrador and SNC-Lavalin Inc. for consulting services in relation to the repair of the Buchans tailings dam, please be advised that, in accordance with Section 5, the Contract is amended as follows:

1. Increasing the contract amount by $3200 + HST. It is understood that the reason for the extra work is to conduct a tender site meeting at Buchans. The meeting will be conducted by an intermediate SNC-Lavalin engineer and will provide contractors with additional information on the tendered project.

2. Extending the completion date from August 15, 2015 to November 30, 2015.

All other terms and conditions of the Contract will remain the same.

Please acknowledge your agreement with the amendment by signing in the appropriate space and returning a copy of this letter to Abigail Steel, Mineral Development Division.

Sincerely,

[Signature]
CHARLES W. BOWN
Deputy Minister

I acknowledge the above noted amendment to the contract.

Wayne Manuel, P.Eng.
SNC-Lavalin Inc.
THIS AGREEMENT made in duplicate this 8th day of April, 2009.

BETWEEN:

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Honourable Deputy Premier and Minister of Natural Resources

(hereinafter called "GNL")

- and -

VALE INCO LIMITED
a corporation incorporated under the laws of Canada;

(herinafter called "Vale Inco")

- and -

VALE INCO NEWFOUNDLAND & LABRADOR LIMITED:
a corporation incorporated under the laws of the Province of Newfoundland and Labrador

(herinafter called "Vale Inco NL")

- and -

KNOWLES CONSULTANCY SERVICES INC.
a corporation incorporated under the laws of Canada registered to carry on business in the Province of Ontario

(herinafter called the Engineer)

WITNESSES THAT:

WHEREAS, Vale Inco, Vale Inco NL and GNL ("the Clients") have requested the Engineer, and the Engineer has agreed to perform certain professional services in accordance with the terms and conditions hereinafter set forth.

IN CONSIDERATION of the premises and of the covenants herein set forth, the parties hereto agree as follows:
1. DEFINITIONS

1.1 In the Contract Documents, the following terms shall have the following meanings respectively:

"Contract Documents" shall mean and include:

(a) this Agreement hereinafter referred to as the "Engineer Agreement";
(b) the Scope of Work, attached as Schedule "A";
(c) the Compensation Schedule, attached as Schedule "B";
(d) the Coordination Procedure, attached as Schedule "C".

"Cost Time Resource (CTR)" means the form completed by the Engineer in response to a Work Task Order (WTO) and includes the named resources to be assigned to the work, estimated time in hours to be expended by each named resource in executing the work, and estimated cost for the work to be performed.

"Diligent Progress Certification" means the Engineer’s certification as to whether the proponent is proceeding diligently with completion of engineering work for and the construction of the Processing Plant for completion on or before 28 February 2013 in accordance with the Implementation Plan.

"Development Agreement" means Voseys’s Bay Development Agreement as amended.

"Implementation Plan" means the plan to be submitted by the Proponents to GNL as set out in the third amendment to the Voseys’s Bay Development Agreement.

"Milestone" means the specific key events with target dates agreed between the Clients as defined in the fourth amendment to the Voseys’s Bay Development Agreement.

"Milestone Determination" means the process by which the Engineer issues a Milestone Notice.

"Milestone Date" means the actual dates assigned to Milestones in the fourth amendment to the Voseys’s Bay Development Agreement.

"Milestone Notice" means a written notice of a determination by the Engineer as to whether the Proponents have met or failed to meet a Milestone by the applicable Milestone Date. Each Milestone Notice shall be accompanied by a report setting forth the detailed basis for the determination.

"Processing Plant" means the hydromet nickel processing plant to be constructed and operated by the Proponents at Long Harbour, Newfoundland & Labrador.

"Proponents" means Vale Inco Limited and Vale Inco Newfoundland and Labrador Limited.

"Suspension Notice" means GNL’s notice to the Proponents of the suspension of their right to export nickel and copper concentrate from the Province.
"the Work" means all things necessary to fulfill all of the obligations of the Engineer as set out in the Contract Documents.

"Work Task Order (WTO)" means the form issued by either Client to the Engineer formally requesting the completion of any tasks or activity contemplated by the Work.

1.2 In the event of any conflict or inconsistency between provisions in the Contract Documents, the Contract Documents shall have precedence as follows: first the Engineer Agreement, second the Confidentiality Agreement, third the Scope of Work, fourth the Compensation Schedule, fifth the Coordination Procedure and last, any documents incorporated by reference in any of the foregoing.

2. BASIS OF ENGINEER'S WORK

The Engineer shall do all things necessary to complete the Work to the satisfaction of the Clients and upon the terms and conditions hereinafter set forth.

(a) The Engineer shall supply, provide and perform, with all due and reasonable diligence, professional skill and competence, to the satisfaction of the Clients, the professional services set forth in Schedule "A", attached hereto, hereinafter called the "Scope of Work", in accordance with the terms and conditions therein and hereinafter set forth or as may otherwise be mutually agreed to in writing.

(b) The Engineer shall obtain the prior written approval of the Clients for the employment, engagement or retaining of additional staff or any sub-contractors and shall be solely responsible for the payment of any such persons so employed, engaged or retained by the Engineer.

(c) The Engineer shall provide employees who are competent in their field of specialization. The Clients will have the right to have the Engineer remove from the Work any person, who by misconduct or by failure to properly perform his/her duties is considered by the Clients to be unfit for employment on the Work. If the Engineer fails to remove any unfit person from the Work as requested by the Clients, then the Clients may void this Agreement or refuse to accept subsequent work in which the person was involved and may refuse to approve payment for such work.

(d) The Engineer shall not alter, remove or replace the employees indicated in Schedule "B" - Compensation Schedule without prior written approval by the Clients.

(e) The Engineer shall take direction from the Clients in the performance of the Work under this Agreement per Schedule "C", Coordination Procedures.

(f) The Engineer shall coordinate the services of all sub-contractors employed, engaged or retained by the Engineer pursuant to subparagraph (b) hereof and, without limiting the generality of clause 7 of this Agreement, the Engineer shall be liable to the Clients for money and all costs or damages arising from errors or omissions of such sub-contractors.
3. INTELLECTUAL PROPERTY

All reports, assessments or other work products prepared by the Engineer pursuant to this Agreement shall be and become the sole and absolute property of the Clients without the payment of any compensation therefore by the Clients to the Engineer except as provided for under Clause 5 hereof and shall be delivered to the Clients upon completion of the Work or as may otherwise be required by the Clients.

4. CONFIDENTIALITY

4.1 Information Supplied By The Clients

The Clients shall each furnish to the Engineer all information that the Engineer deems necessary for the performance of the Work.

Where discrepancies, inaccuracies, omissions or obscurities in the information are evident, the Engineer shall bring them to the attention of the Client from whom the information was received and obtain written explanation before proceeding with any Work, subject to the requirements of the WTO pursuant to which the Engineer is engaged.

4.2 Confidentiality, Materials and Copyright

(a) For the purposes of this Article "Confidential Information" means:

(b) all communications and instructions from any of the Clients respecting the Work, including the fact of the Contract Documents;

(c) all information acquired by the Engineer, its employees, servants and/or agents respecting policy consideration and development, business decisions, internal deliberations, discussions and considerations and any other aspect of the decision-making process of any of the Clients;

(d) all oral, written, electronic, and machine readable information and data and any accompanying supporting materials and documentation, including without limitation, materials, documents, reports, databases, information and data of whatever nature and kind concerning the affairs of any of the Clients, disclosed directly or indirectly to the Engineer, its employees, servants and/or agents during the performance of the Work or in any way related thereto;

(e) all personal Information, as defined from time to time under the Access to Information and Protection of Privacy Act, SNL2002 cA-1.1, to mean recorded Information about an identifiable Individual, including

(i) the individual's name, address or telephone number,

(ii) the Individual's race, national or ethnic origin, colour, or religious or political beliefs or associations,

(iii) the Individual's age, sex, sexual orientation, marital status or family status,
(iv) an identifying number, symbol or other particular assigned to the individual;

(v) the individual's fingerprints, blood type or inheritable characteristics,

(vi) information about the individual's health care status or history, including a physical or mental disability;

(vii) information about the individual's educational, financial, criminal or employment status or history;

(viii) the opinions of a person about the individual, and

(ix) the individual's personal views or opinions

for any individual, which is, directly or indirectly, disclosed to or collected by the Engineer, its, its employees, servants and/or agents during the performance of the Work or in any way related thereto;

(f) all Information that is developed based upon Confidential Information including the work product of the Engineer, its employees, servants and/or agents; and

(g) Confidential Information shall not include any information which:

(i) at the time such information was provided to the Engineer was or thereafter became part of the public domain through no act or omission of the Engineer or its Representatives or through no act of another person subject to obligations of confidentiality; or

(ii) is information which the Engineer can show possession of prior to the date of the Contract Documents and which was received or developed by the Engineer free of obligations of confidentiality to the Clients.

4.3 The Engineer shall treat all Confidential Information acquired by the Engineer in the performance of the Work as privileged and confidential and shall not divulge the same to any person or persons at any time without the express written approval of the person from whom the Information was received, unless required to do so by law, which may include a subpoena or other similar process or in connection with litigation, arbitration or other proceeding or by virtue of any Act or Regulations. In the event that such disclosure is required, the Engineer shall give the person from whom the information was received prompt notice of the requirement upon becoming aware that such disclosure is required. Where circumstances did not permit the Engineer to provide such notice prior to disclosure, the Engineer shall provide such notice to the Clients immediately after the required disclosure.

4.4 The Engineer shall only use the Confidential Information acquired in the performance of the Work for the purposes specified in the Scope of Work and the Contract Documents, and shall not permit the use of the Confidential Information for any other purposes.

4.5 All materials, data, designs, plans, drawings, specifications, research, reports, notes, estimates, summaries, calculations, surveys, papers, completed work, and work in progress and such other information and materials or parts thereof as are
compiled, drawn and produced by the Engineer in performing the Work, including
without limitation, computer printouts and computer models and all copyrights
thereof and all patents, trademarks and industrial designs arising therefrom, are
the sole and exclusive property of the person from whom the information was
received and the contents thereof are privileged and confidential. Nothing in the
Contract Documents shall give the Engineer a right, however arising, to assert
any lien, claim, demand, property right, remedy or security right of any kind over
the information provided to the Engineer pursuant to the terms of the Contract
Documents. The Engineer acknowledges that the right of the person from whom
the information was received to this information shall at all times be paramount
to any rights of the Engineer, at law or in equity, and that the Engineer’s remedies
against the Clients for the Clients’ breaches under the Contract Documents do
not include the right to deprive the person from whom the information was
received of access to the information of that person in the Engineer’s possession.

4.8 The Engineer shall provide to the person from whom the information was
received and solely to the person from whom the information was received upon
completion of the Work or upon earlier termination of the Contract Documents all
Confidential Information acquired during the performance of the Work from that
person, or shall, at the request of the person from whom the information was
received, destroy any and all copies and versions of the Confidential Information
in the possession of the Engineer, its employees, servants and/or agents, and
shall certify the destruction of same to the person from whom the information was
received.

4.7 The Engineer acknowledges that, in addition to the requirements of the Contract
Documents, the Confidential Information acquired by the Engineer, its
employees, servants and/or agents in the performance of the Work and in
particular personal information, is subject to privacy legislation in various
jurisdictions, including but not limited to the Access to Information and Protection
of Privacy Act, the Management of Information Act, SNL2005, cM-1.01, and the
Privacy Act, RSNL1980 cP-22, as well as other legislation which may apply in the
jurisdiction of the Engineer’s operation. The Engineer is responsible to ensure the
compliance with and satisfaction of the legislative requirements of all such
information relating to the treatment of Confidential Information by the Engineer,
its employees, servants and/or agents.

4.8 The Engineer shall ensure that it, its employees, servants and/or agents have in
place and follow the appropriate systems, processes, protocols and policies to
maintain the physical and electronic security of all Confidential Information,
including but not restricted to the following:

(a) at a minimum, using the same level of physical and electronic security as the
Engineer employs to avoid disclosure or dissemination of the Engineer’s own
confidential information, to prevent the disclosure of any of the Confidential
information to any third party, or to any of its employees, servants or agents
other than those who are required to have access to properly perform the Work
under the Contract Documents;

(b) establish and maintain security policies, standards and safeguards to prevent
unauthorized access, collection, use, disclosure or disposal of the Confidential
information;
(c) ensure all employees, servants and/or agents of the Engineer comply with all policies, standards and safeguards established under this Article;

(d) advise the Clients of any changes in its security systems, procedures, standards and practices that may affect the Confidential Information and seek the Clients' consent prior to such changes; and

(e) satisfaction of the foregoing commitments includes, but is not restricted to, compliance with the requirements set out in Schedule "A", unless otherwise advised by the Clients, and this includes:

(i) complying with all alterations or updates of Schedule "A" as may be provided to the Engineer from time to time; and

(ii) adhering to any additional instructions (including oral instructions) from the Clients as they relate to the subject matter contained in Schedule "A" and this Article.

4.9 The Engineer shall only disclose confidential information to persons other than its employees, servants and/or agents with the prior written consent of the person from whom the information was received, and then only to those persons who need to know the information in order to carry out the duties associated with the Contract Documents and only after confirming that such persons agree to comply with the provisions of this Article including the requirements set out in Schedule "A".

4.10 The Engineer acknowledges and agrees that the person from whom the information was received would suffer irreparable damage if any provision of this Article is not fulfilled in accordance with its terms by the Engineer and that, accordingly,

(a) the person from whom the information was received shall be, without notice to the Engineer, entitled to an injunction or injunctions to prevent any breach of this Article, and

(b) the Engineer shall be liable for and shall indemnify and save the person from whom the information was received harmless from and against all costs, losses, damages and claims that it may suffer, pay, incur or be liable for, as a result of any breach by the Engineer of this Article, without however limiting other rights and recourses to which any of the Clients may be entitled.

4.11 The Engineer shall:

(a) notify the Clients promptly of any unauthorized possession, use or knowledge, or attempt thereof, of the any of the Clients' Information in the possession of the Engineer, including but not limited to data processing files, transmission messages or other confidential information by any person or entity which may become known to the Engineer;

(b) promptly furnish to the person from whom the information was received full details of the unauthorized possession, use or knowledge, or attempt thereof, and assist the person from whom the information was received in investigating or
preventing the recurrence of any unauthorized possession, use or knowledge, or attempt thereof, of confidential information;

(c) use reasonable efforts to cooperate with the person from whom the information was received in any litigation and investigation against third parties deemed necessary by the person from whom the information was received to protect its proprietary rights;

(d) promptly use all reasonable efforts to prevent a recurrence of any such unauthorized possession, use or knowledge of confidential information; and

(e) refer to and follow the privacy breach protocol of the Government of Newfoundland and Labrador as it exists at the time of the breach and located on the Department of Justice website at:

4.12 Nothing in this Section 4 shall prevent the Engineer from disclosing any Confidential Information of Vale Inco NL and Vale Inco to specified and agreed upon GNL personnel, provided that disclosure is necessary to fulfill the Engineer's obligations with respect to the Work.

5. PAYMENT

5.1 Consideration

It is agreed and understood that payments made for the satisfactory performance of the Work pursuant to this Agreement shall be made in accordance with this Clause and Schedule B.

Subject to Clause 5.2, upon presentation of itemized and substantiated invoices satisfactory to the Client(s) who issued the WTO, the Clients shall pay to the Engineer, for the satisfactory performance of the Work, the time rate schedule in Schedule B for activities actually expended in performance of the Work (plus HST).

5.2 Reimbursement of Expenses

The Clients shall only be responsible for the reimbursable expenses as outlined in each WTO, payable at cost, provided the Engineer can demonstrate to the Clients that such expenses were incurred in relation to the Work, and that documentation, satisfactory to the Clients, is provided in support of the reimbursable expense claimed and is attached to the applicable invoice, including for example, originals of supporting receipts, invoices or statements issued by non-parties to this Agreement.

5.3 Payment General

5.3.1 The Parties agree and confirm that total amounts payable for the Work shall not exceed the monetary ceilings of each individual WTO.

5.3.2 The Engineer shall remain obligated to complete the Work notwithstanding that the actual costs incurred by the Engineer may exceed the total aggregate sum paid by the Clients on approved invoices.
5.3.3 Payment will be made within 30 calendar days of receipt of a properly documented invoice approved by the Client(s) who issued the WTO.

5.3.4 All invoices shall clearly show the amount of HST billed by the Engineer as a separate item.

5.3.5 The Engineer shall conform to any request that may be made by the Clients to alter the form of invoice customarily used by the Engineer as may be reasonably required for the purposes of the Client's internal accounting systems. The Engineer agrees that each invoice shall clearly show and identify the work or service which is being charged under that invoice to the Clients. The invoice shall have appended thereto any documentation required by the Clients.

5.3.6 The Clients shall not be responsible to pay any amounts invoiced by the Engineer which may arise from work, services or expenses incurred to remedy errors or omissions in the Work for which the Engineer is responsible.

5.3.7 The Engineer shall submit invoices to:
   
   Vale Inco Newfoundland & Labrador Limited
   Suite 700, Baine Johnston Centre
   10 Fort William Place
   St. John's, NL A1C 1K4
   Attention: Accounts Payable
   
   And
   
   Minister of Natural Resources
   Department of Natural Resources Building
   50 Elizabeth Avenue
   St. John's, NL

5.3.8 The Engineer shall attach to invoices submitted to the Clients all supporting documentation (e.g. approved timesheets, original receipts, boarding passes, etc.) for reimbursable costs identified in Schedule "B". Invoices shall be approved by the Client(s) that issued the WTO and will then be paid on a 50%-50% basis by the Clients.

6. ACCESS TO THE WORK AND FACILITIES

(a) The Engineer shall be given access to the Proponent's personnel, offices, sites or facilities and the documents, data or information, in whatever form, the Engineer deems necessary to complete the Work.

(b) The Clients have agreed that the documents, data or information, in whatever form, that the Engineer may deem necessary to review to complete the Work referenced in subclause (a) shall normally be kept at the Proponents offices, sites or facilities.
(c) The Engineer shall at mutually convenient times and up to one year after discharge of this Agreement, provide to the Clients access to the personnel, offices, sites or facilities and the documents, data or information, in whatever form, the Clients deem necessary to assess the status and progress of the Work.

(d) The Clients agree to provide the Engineer with office space and associated resources (such as telephones, computers, etc.) for administrative tasks in relation to performance of the Work, where it is deemed by the Clients, in their absolute and sole discretion to be necessary for the reasonable performance of the Work.

(e) When using or accessing the offices, sites or facilities of the Clients, the Engineer and all employees, agents and sub-contractors of the Engineer shall comply with all security regulations and workplace policies and procedures in effect from time to time at the Clients' offices, sites or facilities.

7. INSURANCE

7.1 Engineer's Insurance

Before commencing the Work, and without in any way limiting its obligations or liabilities herein, the Engineer shall and shall ensure that its Sub-contractors, agents, vendors and suppliers, from the commencement of this Agreement and continuing until final payment, or until such time as may otherwise be specified by the Clients, for the whole of the Work, shall procure and maintain at their sole cost and expense the following insurance coverage, with it understood and agreed that all such insurance coverage shall be primary and non-contributory, and that any limits referenced in the following subclauses are considered to be minimum amounts required and the Clients are not responsible for the adequacy of such limits:

(a) Workers' Compensation insurance and/or any other social insurance as is required to be effected by an employer in accordance with applicable Legislation.

(b) Employer's Liability insurance, with minimum limits of Two Million Dollars ($2,000,000) per Occurrence.

(c) Third Party Liability insurance on an Occurrence basis form, insuring against liabilities arising from bodily injury, death and property damage with minimum Policy Limits of Two Million Dollars ($2,000,000) per Occurrence. Without limiting the foregoing sub clause, this insurance shall Include the following extensions, commonly known as Products & Completed Operations; Broad Form Property Damage; Occurrence Property Damage; Blanket Contractual Liability; Non Owned Automobile Liability; Cross Liability and Severability of Interests Clause; Personal Injury; Owners and Engineers Protective; Contingent Employers' Liability; and Sudden & Accidental Pollution Liability.

(d) Automobile Liability insurance, insuring against bodily injury, death and property damage with minimum Policy Limits of Two Million Dollars ($2,000,000) per Occurrence insuring all motor vehicles owned, leased, hired or used by the Engineer and/or any sub-contractor or agent.

(e) Engineers' errors and omissions insurance (sometimes referred to as professional liability insurance) insuring against liabilities arising from
professional negligent acts, or errors or omissions with minimum Policy Limits of Two Million Dollars ($2,000,000) per Occurrence.

(f) Any other insurance, which may be relevant and/or necessary and/or required by the Clients and/or may be required by Legislation.

7.2 Sub-contractors

In the event that the Engineer fails to name a Sub-contractor as an Additional Insured under its Employer’s Liability Policy, Third Party Liability, Property Insurance and Errors & Omissions Insurance Policies referred to in Paragraphs (b), (c), (e) and (f) of Clause 7.1, then in such event the Engineer shall require such Sub-contractor to provide his own comparable policies as required by each of these noted Paragraphs of Clause 7.1.

7.3 The insurance provided by the Engineer pursuant to Clause 7.1 shall be provided in accordance with the following terms and conditions:

(a) The Engineer, and its sub-contractor, as the case may be, shall each require their respective insurers for each of their Employer’s Liability, Third Party Liability and Property insurance policies, referred to in Paragraphs (b), (c) and (e) of Clause 7.1 to name the Clients as additional insureds to these referenced insurance policies and by endorsement or otherwise on each respective policy, waive insurers’ rights of subrogation against the Clients and their respective directors, officers and employees.

(b) The Engineer shall deposit with the Clients within 15 Days of the date of the Agreement and in any event prior to commencement of any of the Work, certificates of such insurance policies in a form satisfactory to the Clients and with reliable insurers acceptable to the Clients.

(b) Such policies should provide that 30 Days written notice shall be given to Vale Inco NL prior to any material changes, termination or cancellation of any such policy or policies.

7.4 The providing of insurance by the Engineer or by the Sub-contractors in accordance with the requirements hereof, nor the insolvency, bankruptcy, or the failure of any insurance company to pay any claim accruing, shall not be held to waive or affect any other provisions of the Agreement with respect to liability of the Engineer or otherwise.

7.6 If the Engineer and/or their Sub-contractors at any time neglect or refuse to provide or renew any of the Insurance, or if any such Insurance is cancelled, the Clients shall have the right, but not the obligation, to procure such insurance at the Engineer’s cost. the Clients shall be entitled to deduct such sums from any monies due or which may become due to the Engineer In addition to any other remedies the Clients may have under this Agreement.

8. WITHHOLDING TAX

Where the Engineer is a non-resident for the purposes of the Income Tax Act, R.S.C. 1985 c.1 as amended, the Clients will withhold from the Engineer the amount equal to that prescribed in the Income Tax Act for non-residents.
9. SUSPENSION AND TERMINATION

(a) The Clients may at any time, jointly execute and issue a written notice to the Engineer to suspend or terminate the Work or any part thereof for reasons including but not limited to:

i. the Engineer failing from any cause whatsoever to perform the Work as required by this Agreement, or failing to perform same in a manner satisfactory to the Clients;

ii. the Engineer refusing or neglecting to assign or supply sufficient and properly-skilled personnel for the efficient performances of the Work hereunder;

iii. the Engineer failing to comply with the requirements of this Agreement;

iv. the Engineer becoming insolvent, permitting any act of bankruptcy, making a general assignment for the benefit of its creditors or being adjudged bankrupt;

v. a receiver, trustee or liquidator being appointed to administer any of the property or income of the Engineer;

vi. the Engineer demonstrating an inability or unwillingness to make prompt payment to its employees, agents, or Sub-contractors; or

vii. conditions arising which, in the opinion of the Clients, make it necessary or advisable that, in the best interests of the Clients, the Engineer's right to proceed with all or any part of the Work should be terminated or suspended.

(b) The Clients may exercise their rights under this Clause 9 by giving the Engineer at least 48 hours written notice of their intention to terminate (or suspend) the Work or any part thereof. In such written notice, the Clients shall specify the event(s) that are grounds for termination (or suspension), and the effective time of such termination (or suspension, which shall be no sooner than 48 hours after delivery of such notice to the Engineer;

(c) Upon termination or suspension, the Clients may complete the Work by whatever method they deem expedient, including the hiring of another Engineer(s) under such form of contact or upon such terms and conditions as the Clients may deem advisable in the circumstances;

(d) The Client's right to terminate or suspend the Work or any part thereof shall be without prejudice to any other remedy which the Clients may otherwise have hereunder or at law and shall not release the Engineer of any of its obligations under this Agreement unless such a release is expressly provided by the Clients.

(e) The Clients shall be liable for payment to the Engineer only for those costs attributable to the part of the Work performed to the satisfaction of the Clients up to the date of receipt by the Engineer of the notice of termination or suspension. In the event a suspension of the Work or any part thereof is lifted by the Clients by written notice to the Engineer, the Engineer shall resume the Work within 48 hours of the receipt of such notice.

(f) The Engineer shall have no claim against the Clients except for the portion of the Work satisfactorily performed by the Engineer up to the date of receipt of such notice as aforesaid; and
Nothing in this Agreement shall limit the rights of the Clients to recover damages from the Engineer arising from the failure of the Engineer to perform the Work satisfactorily in accordance with the terms of this Agreement.

10. LIABILITY AND INDEMNITY

(a) The Engineer agrees that in performance of the Work neither the Engineer nor any of its employees, agents, or sub-contractors shall be or be deemed to be an officer, servant, agent or partner of the Clients.

(b) The Engineer hereby agrees that the Engineer will, from time to time, and at all times hereafter, well and truly save, keep harmless and fully indemnify the Clients, and their representatives, successors and assigns from and against all actions, claims and demands whatsoever which may be brought against or made upon the Clients and against all loss, liability, judgments, costs, demands or expenses which the Clients may sustain, suffer or be put to resulting from or arising from, the work done by the Engineer or by reason of, or on account of, or resulting from or arising out of the performance or rendering of, or the failure to perform or render, or the failure to exercise reasonable care, skill or diligence in the performance or rendering of any work or service required under the Work to be performed or rendered by the Engineer, its agents, employees or sub-contractors or any of them.

(c) The Engineer shall defend any and all such actions and pay all legal charges, costs and other expenses arising there from. Notwithstanding the foregoing, the Clients may at their own discretion retain their own solicitors to defend their interests in any such suit or claim, and the legal costs of that defense shall be paid by the Engineer.

11. NOTICES

Any notice to be given pursuant to the Contract Documents shall be duly and properly made and given if made in writing and either delivered to the party for which it is intended to the address as set out below:

(a) In the case of Vale Inco NL or Vale Inco:

Vale Inco Newfoundland & Labrador Limited
Project Office
Suite W200, Bally Rou Place
280 Torbay Road
St. John's, NL A1A 3W8
Attention: Rinaldo Stefan
Facsimile: (709) 768-3353

(b) In the case of GNL:

Minister of Natural Resources
Government of Newfoundland and Labrador
Department of Natural Resources Building
P.O. Box 8700
St. John's, NL A1B 4J6
Courier Address:
Natural Resources Building
50 Elizabeth Avenue
St. John's, NL A1A 1W5

(c) in the case of the Engineer:

Knowles Consultancy Services Inc.
1599 Hurontario Street, Suite 106
Mississauga, ON L5G 4S1
Attention: Roger Bridges
Facsimile: (905) 891-5400

or to such other addresses as the parties may from time to time notify each other of in writing, and any demand, communication or notice so made or given shall be deemed to have been received on the day on which it shall have been so delivered or, if such day is not a business day, on the next business day following such date.

Any notice to be given pursuant to the Contract Documents shall be duly and properly made and given if sent by email or facsimile transmission and shall be deemed to have been given and received on the day of transmittal, or of such day is not a business day, on the next business day following such date.

12. RECORDS AND AUDIT

The Engineer shall keep records, books of account and supporting documents in accordance with generally accepted accounting principles (GAAP) and practices. The records shall be made available to the Clients or its authorized representative for observation or audit at mutually convenient times and up to one year after discharge of this Agreement.

13. COMPLIANCE WITH LAW

(a) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador.

(b) The Engineer shall ensure that the Engineer and its employees, agents and subcontractors comply with all requirements of any governing federal, provincial or municipal legislation, by-laws or regulations applicable in the performance of the Work.

14. ARBITRATION

(a) In the case of a dispute arising between the Clients and the Engineer as to their respective rights and obligations under the Contract Documents, either party shall first give written notice to the other of the nature of the dispute and of its desire to resolve it through negotiation. A meeting between the parties shall take
place within 10 days of receipt of such notice and the parties shall have 10 days from such meeting to resolve the matter through negotiation.

(b) Failing resolution of the dispute according to (a), either party may submit the matter to arbitration in accordance with the provisions of the Arbitration Act, RSNL1990 cA-14, including such provisions for the appointment of arbitrators.

15. CONFLICT OF INTEREST

(a) No member of the House of Assembly of the Province of Newfoundland and Labrador shall be admitted to any part or share of the payments made pursuant to the Contract Documents or to any benefits arising therefrom.

(b) The Engineer and the Engineer’s employee’s, agents or sub-contractors:

i. shall conduct all duties related to this Agreement with impartiality;

ii. shall not influence, seek to influence, or otherwise take part in a decision of the Clients, knowing that the decision might further their private interests;

iii. shall not accept any commission, discount, allowance, payment, gift, or other benefit that is connected, directly or indirectly, with the performance of any duties related to the Contract Documents, that causes, or would appear to cause, a conflict of interest; and

iv. shall have no financial interest in the business of a third party that causes, or would appear to cause, a conflict of interest in connection with the performance of any duties related to this Agreement.

16. ENTIRE AGREEMENT

It is hereby agreed that the Contract Documents constitute the entire agreement between the parties. There are no understandings, representations or warranties of any kind except as expressly set forth therein. No changes, alterations, modifications or amendments of the Contract Documents shall be effective unless made in writing and signed by the parties.

17. REPRESENTATIONS AND WARRANTIES

The Engineer hereby represents and warrants that every fact stated or represented by the Engineer or its employee’s, agents or sub-contractors to the Clients in connection with any proposal made by the Engineer in respect of the Work is true and agrees that the Clients shall be conclusively deemed to have relied on each such representation or statement in entering into this Agreement.

18. START, COMPLETION AND EFFECTIVE DATES

The Engineer shall commence activities in relation to the Work with the start and completion dates mutually agreed upon as follows:
The effective date of this Agreement shall be the earlier of the Start Date referred to above or the date on the first page of this Head Agreement.

19. GENERAL

(a) The Engineer shall not assign this Agreement in whole or in part to any third party without the prior written approval of the Clients.

(b) This Agreement and everything herein contained shall inure to the benefit of and be binding upon the parties hereto, their successors and (where permitted) assigns.

(c) Clause 4 and Clause 10 shall survive the termination or expiration of this Agreement.

(d) Neither party shall be considered in default in performance of its obligations under the Contract Documents to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

(e) Time shall be of the essence of this Agreement.

(f) The failure of the Clients to insist upon or enforce in any instance strict performance by the Engineer of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or a relinquishment to any extent of the Clients right to assert or rely upon any such terms or rights on any future occasion.

(g) If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

(h) The division of this Agreement into Clauses and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(i) This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective heirs, legal representatives, successors and assigns.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will be considered an original of this Agreement, and which together will constitute one and the same instrument. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.
IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the day, month and year first above written.

[Signatures]

[Print names and titles]

[Signatures]

[Print names and titles]

[Signatures]

[Print names and titles]
Schedule A - Scope of Work

The Clients require the Engineer to serve as an Independent authority performing periodic reviews of the Proponent's progress towards designing and constructing the Processing Plant.

The design and construction of the Processing Plant is governed by the Development Agreement as amended. In the Development Agreement, GNL and the Proponents agreed on the Milestones to be met to complete the detailed engineering for and construction of the Processing Plant.

The Proponents will deliver the Implementation Plan for the Processing Plant to GNL on or before 31 March 2009 and thereafter shall proceed diligently to complete the detailed engineering for and construction of the Processing Plant in accordance with the Implementation Plan so that the Processing Plant shall be completed on or before 28 February 2013.

The scope of work for the Engineer specifically encompasses the following:

1) Diligent Progress Certifications

   a) At any time after the delivery of the Implementation Plan and upon the request of either Client, the Engineer shall review and provide a report to the Clients on whether the Proponents are proceeding diligently to complete the detailed engineering for and construction of the Processing Plant in accordance with the Implementation Plan so that it shall be completed on or before February 28, 2013.

   b) In addition to any review requested under subsection (a), the Engineer shall deliver reports on August 31, 2009 and February 28 and August 31 of each year after 2009 until the construction of the Processing Plant is complete, on whether the proponents are proceeding diligently to complete the detailed engineering for and construction of the Processing Plant in accordance with the Implementation Plan so that it shall be completed on or before February 28, 2013.

2) Milestone Determinations

   a) Attached hereto as Attachment "A" are the provisions of the Development Agreement containing the Milestones to be certified by the Engineer.

   b) The Engineer shall, if so requested by GNL, determine whether the Proponents have met or failed to meet Milestones 3(b), 3(c), 3(e), 3(f), 3(g), 3(h) and 3(i) as described in Attachment "A" hereto. Such determination shall be certified by written notice ("Milestone Notice") delivered to the Proponents and GNL on the day following the relevant Milestone date or as soon as reasonably possible thereafter, which in any event shall be no later than 30 days after the relevant Milestone date. Each Milestone Notice shall be accompanied by a report setting forth the detailed basis for the determination.

   c) Where the Engineer has determined that the Proponents have failed to meet any Milestone, the Engineer shall be required to provide a Milestone Notice to the Clients when and if the relevant Milestone has been met.

3) Coordination

Coordination of all activities related to Diligent Progress Certifications and Milestone Determinations shall be as described in Schedule "C" - Coordination Procedure.
ATTACHMENT A – MILESTONES

3) Milestones

Vale Inco shall proceed diligently with the engineering, procurement, construction and completion of the Plant. As such, Vale Inco shall meet each of the following milestones (the “Milestones”) by the dates set forth below and after each Milestone, shall diligently commence and continue all activities contained within the Implementation Plan.

(a) March 31, 2009 - Implementation Plan

Vale Inco shall submit the final Implementation Plan to GNL not later than March 31, 2009. A list of the content to be included in the final Implementation Plan, and available to the Engineer, is attached hereto as Schedule “A”.

The detailed project schedule included in the final Implementation Plan shall be predicated upon the Milestones and dates as agreed herein and follow the general sequence of events as set out in the draft December 31, 2008 Implementation Plan.

Failure to provide the final Implementation Plan that is consistent with the requirements of Schedule A and the Development Agreement by March 31, 2009 shall be an Event of Default.

(b)

(c) May 22, 2009 - Vale Board Project Sanction

Vale Inco shall obtain formal project sanction of the Board of Directors of its parent company Companhia Vale do Rio Doce ("Vale") not later than May 22, 2009, and shall provide GNL with notice forthwith in writing of the same.

(d)
Concrete Work

Vale Inco shall commence first Concrete Placement work in the Neutralization Building not later than ________.

February 28, 2013 - Construction Completion

Vale Inco shall complete construction of the Plant by not later than February 28, 2013.

As noted above, failure to complete the construction of the Plant by the specified date is an Event of Default.

The Engineer shall, if so requested, determine if Milestones 3(b), 3(d), 3(e), 3(f), 3(g), 3(h) and 3(i) have been met. The Engineer shall make these determinations on each of the Milestone dates or on another date as requested by GNL. GNL may take immediate action as permitted hereunder if the Engineer determines that Vale Inco has not met a Milestone.

The determination of whether Milestones 3(a) and (c) have been met shall be determined by GNL.
Schedule B - Compensation Schedule

1 - Basis of Payment

1) Only those rates specifically identified in Table 1 shall be paid by the Clients to the Engineer for work done by the individuals in Table 1 in relation to the Work. Costs not identified under Section 2 - Reimbursable Expenses are deemed to be included in the rates stated in Table 1.

2) The Engineer will be reimbursed for actual days worked by the individuals identified in Table 1 supported by timesheets attached to invoices approved by the Client(s) who issued the WTO. The day rate is based on eight (8) working hours per day (8:00AM - 5:00PM), including casual overtime. Approved overtime worked on weekends or statutory holidays will be billed at a prorated day rate to a maximum of the day rate, no overtime or premium rates shall apply. Overtime hours shall be pre-approved by the Clients.

3) All activities of the Engineer in relation to the Work performed by anyone other than the Individuals identified in Schedule 1, or acceptable named substitutes, are not chargeable to the Clients.

Table 1 - Schedule of Rates

<table>
<thead>
<tr>
<th>Engineer</th>
<th>Year</th>
<th>Per Hour</th>
<th>Per Day</th>
<th>Per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Bridges</td>
<td>2009 &amp; 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff McCain</td>
<td>2009 &amp; 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mary Ang</td>
<td>2009 &amp; 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roger Bridges</td>
<td>2011 to 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff McCain</td>
<td>2011 to 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mary Ang</td>
<td>2011 to 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 - Reimbursable Expenses

1) The Engineer’s travel expenses (including accommodation and meals), notionally approved in a CTR, will be reimbursed at actual cost in accordance with the travel and expense policies and procedures of the Client issuing the WTO.

2) Travel time to and from St. John's for the individuals identified in Table 1 will be paid to a maximum of 8 hours each per person, per trip.

3) The Engineer shall endeavor to minimize vehicle rentals. When requesting vehicle rentals in a CTR, the Engineer will provide commercial justification for vehicle rental versus the use of taxis.
Schedule C – Coordination Procedure

1.0 Control of the Work (Milestone Determination)

a) For each planned Milestone Determination the Engineer shall be issued a Work Task Order (WTO) by GNL that will outline the scope of and planned timing for the determination.

b) Following receipt of a WTO from GNL, the Engineer shall prepare a Cost-Time-Resource (CTR) form to be approved by GNL prior to commencement of the work outlined therein, with a copy to the proponents for information purposes. The CTR form shall contain the names of the persons conducting the Milestone Determination, the estimated number of work hours for each Individual, and an estimate of travel expenses.

c) The Engineer shall mobilize to St. John’s as necessary in order to meet the requirements of the WTO.

d) The Engineer shall hold a meeting with the Clients upon arrival in St. John’s to discuss the implementation of the WTO. Issues to be discussed may include, but not be limited to, confirmation of the timing for any interviews that may be required, the process required to obtain any relevant documentation and the arrangement of access to sites or facilities. Minutes of meetings shall be produced by the Engineer and issued to the Clients prior to the commencement of the Milestone Certification.

e) The Milestone Notice shall be delivered to the Clients by the Engineer on the day following the relevant Milestone Date, or as soon as is reasonably possible thereafter, which in any event shall be no later than 30 days after the relevant Milestone Date. Each Milestone Notice shall be accompanied by a report setting forth the detailed basis for the Milestone Determination.

f) Where failure to meet a Milestone has resulted in the issuance of a Suspension Notice by GNL, and subsequent to the issuance of the Suspension Notice the Proponents provide written notification to GNL and the Engineer that the Milestone has been met, the Engineer shall, on the day following receipt of such notice from the Proponents, or as soon as is reasonably possible thereafter, which in any event shall be no later than 10 days from the date of the Proponent’s notice, determine whether the Milestone has been met by delivering a Milestone Notice to the Clients. The Milestone Notice shall be accompanied by a detailed written report setting forth the basis for the determination.

2.0 Control of the Work (Diligent Progress Certification)

a) For each fixed-date Diligent Progress Certification referenced in section 1(b) of Schedule “A” - Scope of Work, the Engineer shall be issued a WTO by GNL that will outline the scope of and planned timing for the certification.

b) For any ad hoc Diligent Progress Certification of the type referenced in section 1(a) of Schedule “A” - Scope of Work, the Engineer may be issued a WTO by either Client that will outline the scope of and planned timing for the certification. The Issuing Client shall provide a copy of its WTO to the other Client on the same day it is issued to the Engineer.
c) Following receipt of a WTO from either of the Clients, the Engineer shall prepare a CTR form and submit it to the Client who issued the WTO with a copy to the other Client for information purposes. The CTR form shall contain names of the persons conducting the review, the estimated number of hours for each individual, and an estimate of travel expenses. The CTR shall also be accompanied by a brief descriptive narrative of the purpose and scope of the review, the duration of the review, the persons or locations required to be accessible during the review, and the information required to be available during the review as well as that to be provided to the Engineer prior to the review as preview material.

d) The Client issuing the WTO to the Engineer shall review this CTR and approve it prior to the commencement of the scope of work contained in the CTR.

e) The Engineer shall mobilize to St. John's as necessary in order to meet the requirements of the WTO.

f) The Engineer shall hold a meeting with the Clients upon arrival in St. John's to discuss the implementation of the WTO. Issues to be discussed may include, but not be limited to, confirmation of the timing for any interviews that may be required, the process required to obtain any relevant documentation and the arrangement of access to sites or facilities. Minutes of meetings shall be produced by the Engineer and issued to the Clients prior to the commencement of the formal Diligent Progress Certification.

g) The Engineer shall submit the Diligent Progress Certification, which shall include a detailed written report of the findings, to the Clients within 30 days of the date of the WTO.

3.0 Communications

a) All written communications from the Engineer regarding the Contract Documents shall be numbered, dated and sent by email and copy to both Clients.

b) Notification of any telephone calls with the Engineer discussing substantive issues must be provided to both Clients or designates, who may then elect to take part in the call.

c) All drawings, documents and reports issued by the Engineer shall be dated and numbered according to a numbering system proposed by the Engineer and agreed to by the Clients.

d) The Engineer shall keep a complete log of all correspondence sent and received with respect to the Contract Documents. Such log shall be provided to either Client if so requested.

e) Whilst attending Newfoundland and Labrador for work under the Contract Documents the Engineer shall not conduct any meetings or hold discussions with either of the Clients without both the Clients being present.

f) Copies of all documents required to be submitted by the Engineer pursuant to the Contract Documents shall be transmitted to the Clients simultaneously as follows:
   - 1 paper copy to each by courier.
   - Electronic (PDF) copy by e-mail.
March 23, 2016

Roger Bridges
Knowles Consultancy Services Inc.
Credit Valley Corporate Centre
202 - 1599 Hurontario St.
Mississauga, ON L5G 4S1

Dear Mr. Bridges:

Re: Professional Services Contract, Long Harbour-Independent Engineering Services

I am writing in reference to the contract dated April 3, 2009 (as amended) for professional services performing independent engineering assessments for the construction and commissioning of the Long Harbour Processing Plant and the amendment to the contract dated July 30, 2013, (the “Contract”), please be advised that the Contract is amended as follows:

1. Extending the completion date from March 31, 2016, to March 31, 2017;
2. The compensation rates will remain unchanged;
3. All other terms and conditions are to remain unchanged.

Further to the above, it is agreed that this document will be considered to be an amendment to the contract, as per Article 16 of the Contract. To formally amend the Contract, it is requested that you sign a copy of this letter and return it to Dave Liverman.

Sincerely,

[Signature]

CHARLES W. BOWN
Deputy Minister

P.O. Box 8700, St. John’s, NL, Canada A1B 4J5  T 709.729.2766  F 709.729.0059
In acknowledging that the above amends the contract dated April 3, 2009, (as amended), this letter is executed on behalf of Vale Canada Limited by

[Signature]

Vale Canada Limited

In acknowledging that the above amends the contract dated April 3, 2009, (as amended), this letter is executed on behalf of Vale Newfoundland & Labrador Limited by

[Signature]

Vale Newfoundland & Labrador Ltd.

In acknowledging that the above amends the contract dated April 3, 2009, as amended, this letter is executed on behalf of Knowles Consultancy Services Inc. by

[Signature]

Knowles Consultancy Services Inc.
April 1, 2015

Roger Bridges
Knowles Consultancy Services
1599 Hurontario Street, Suite 106
Mississauga, ON L5G 4S1

Dear Mr. Bridges:

RE: Professional Services Contract, Long Harbour

With reference to the contract dated April 3, 2009 for professional services performing independent engineering assessments for the construction and commissioning of the Long Harbour plant and the amendment to the contract dated July 30, 2013 (the Contract), please be advised that the Contract is amended as follows:

1. Extending the completion date from March 31 2014, to March 31 2016;

2. Changing the Table 1, Schedule B to adjust the compensation rates as follows:

<table>
<thead>
<tr>
<th>Engineer</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Bridges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff McCain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mary Ang</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above excludes HST and expenses at cost as before.

3. Attaching a copy of the Implementation Plan dated December 18, 2014 as referenced in the Sixth Amendment.

Further to the points above, it is agreed that this will be considered an amendment, per Article 16 of the Contract. To formally amend the Contract, it is requested that you sign a copy of this letter and return it to Dave Liverman.

Sincerely,

[Signature]

CHARLES BOWN
Deputy Minister

Attachment
In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Canada Limited by

VALE CANADA LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Newfoundland & Labrador Limited by

VALE NEWFOUNDLAND & LABRADOR LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Knowles Consultancy Services Inc. by

KNOWLES CONSULTANCY SERVICES INC.
December 5, 2014

Roger Bridges
Knowles Consultancy Services
1599 Hurontario Street, Suite 106
Mississauga, ON L5G 4S1

Dear Mr. Bridges:

RE: Professional Services Contract, Long Harbour

With reference to the contract dated April 3, 2009 for professional services performing independent engineering assessments for the construction and commissioning of the Long Harbour plant and the amendment to the contract dated July 30, 2013 (the Contract), please be advised that the Contract is amended as follows:

1. Extending the completion date from March 31 2014, to March 31 2015;

2. Changing the Table 1, Schedule B to adjust the compensation rates as follows:

<table>
<thead>
<tr>
<th>Engineer</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Bridges</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Jeff McCain</td>
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<td></td>
</tr>
<tr>
<td>Mary Ang</td>
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<td></td>
</tr>
</tbody>
</table>

The above excludes HST and expenses at cost as before.

Further to the points above, it is agreed that this will be considered an amendment, per Article 16 of the Contract. To formally amend the Contract, it is requested that you sign a copy of this letter and return it to Dave Liverman.

Sincerely,

[Signature]

CHARLES BOWN
Deputy Minister
In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Canada Limited by

VALE CANADA LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Newfoundland & Labrador Limited by

VALE NEWFOUNDLAND & LABRADOR LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Knowles Consultancy Services Inc. by

KNOWLES CONSULTANCY SERVICES INC.
July 30, 2013

Roger Bridges
Knowles Consultancy Services
1599 Hurontario Street, Suite 106
Mississauga, ON LG5 4S1

Dear Mr. Bridges:

RE: Professional Services Contract, Long Harbour

With reference to the contract dated April 3, 2009 for professional services performing independent engineering assessments for the construction and commissioning of the Long Harbour plant (the Contract), please be advised that the Contract is amended as follows:

1. Extending the completion date (p 16) from March 5 2013, to March 31 2014;

2. Changing the Table 1, Schedule B (p 21) to adjust the compensation rates as follows:

<table>
<thead>
<tr>
<th>Engineer</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Bridges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff McCain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mary Ang</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above excludes HST and expenses at cost as before.

3. Schedule A – Scope of Work is amended as per the attached.

Further to the points above, it is agreed that this will be considered an amendment, per Article 16 of the Contract. To formally amend the Contract, it is requested that you sign a copy of this letter and return it to Dave Liverman.
In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Canada Limited by

VALE CANADA LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Vale Newfoundland & Labrador Limited by

VALE NEWFOUNDLAND & LABRADOR LIMITED

In acknowledgment that the above listed amends the contract dated April 3, 2009, this letter is executed on behalf of Knowles Consultancy Services Inc. by

KNOWLES CONSULTANCY SERVICES INC.

Attachment (Schedule A - Scope of Work 2013-14)
Schedule A - Scope of Work

The Clients require the Engineer to serve as an independent authority performing periodic reviews of the Proponent’s progress towards designing and constructing the Processing Plant.

The design and construction of the Processing Plant is governed by the Development Agreement as amended. In the Development Agreement, GNL and the Proponents agreed on the Milestones to be met to complete the detailed engineering for and construction of the Processing Plant.

The Proponents delivered the Implementation Plan for the Processing Plant to GNL on or before 31 March 2009 and a Revised Implementation Plan on March 1, 2013. They thereafter shall proceed diligently to complete the detailed engineering for and construction of the Processing Plant in accordance with the Revised Implementation Plan.

The scope of work for the Engineer specifically encompasses the following:

1) Diligent Progress Certifications

a) At any time after the delivery of the Revised Implementation Plan and upon the request of either Client, the Engineer shall review and provide a report to the Clients on whether the Proponents are proceeding diligently to complete the detailed engineering for and construction of the Processing Plant in accordance with the Revised Implementation Plan.

b) In addition to any review requested under subsection (a), an Engineer’s Assessment in relation to the Processing Plant shall be delivered semi-annually as at February 28th and August 31st of each year, from 31 August 2009 until the completion of “Phase 2” of the Revised Implementation Plan, unless otherwise agreed by the parties.

Such Engineer’s Assessment shall include (among other things) the Engineer’s independent assessment as to: (i) whether the Proponent is proceeding diligently to complete the Processing Plant as required by Section 4.1A.1 of the Amended Agreement; and (ii) whether the Proponent has met or failed to meet any of the Milestones for the completion of the Processing Plant set forth in Section 4.1A.2 by the applicable Milestone Date.

Such Engineer’s Assessment shall be delivered to the Government and the Proponent within 30 days of: (1) the dates referred to in subparagraph (a), or (2) the date of a request made under subparagraph (b). The Proponent shall make available to the Engineer all such data concerning the Processing Plant project as may be required to permit the Engineer to issue such Engineer’s Assessment (including the Proponent’s monthly progress reports) and shall provide a copy of the same to the Government, if so requested.

S. 40(1)

Third Party Notification

Third Party Notification
2) Milestone Determinations

a) Attached hereto as Attachment "A" are the provisions of the Development Agreement containing the Milestones to be certified by the Engineer.

b) The Engineer shall, if so requested by GNL, determine whether the Proponents have met or failed to meet Milestones a), b), and c) as described in Attachment "A" hereto. Such determination shall be certified by written notice ("Milestone Notice") delivered to the Proponents and GNL on the day following the relevant Milestone date or as soon as reasonably possible thereafter, which in any event shall be no later than 30 days after the relevant Milestone date. Each Milestone Notice shall be accompanied by a report setting forth the detailed basis for the determination.

c) Where the Engineer has determined that the Proponents have failed to meet any Milestone, the Engineer shall be required to provide a Milestone Notice to the Clients when and if the relevant Milestone has been met.

3) Coordination

Coordination of all activities related to Diligent Progress Certifications and Milestone Determinations shall be as described in Schedule "C" - Coordination Procedure.
ATTACHMENT A - MILESTONES

In connection with the completion of the Processing Plant, Vale shall meet each of the following Milestones by the corresponding Milestone Dates set forth below:

- Third Party Notification
- S. 40(1)