

CONTRACT NUMBER: [REDACTED]
THIS CONTRACT MADE THE 35th DAY OF FEBRUARY 2019
BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA,

as represented by the Minister of Environment and Parks
(the "Province")

- and -

Athabasca Minerals Inc.
(the "Contractor")

BACKGROUND

Pursuant to a request for proposals issued by the Province and a proposal submitted by the Contractor, the Contractor has agreed to provide certain services related to the construction, operation and management of a Public Pit located on public land in the Coffey Lake area north of Fort McMurray.

Therefore the parties agree as follows:

DEFINITIONS

1. In this Contract:

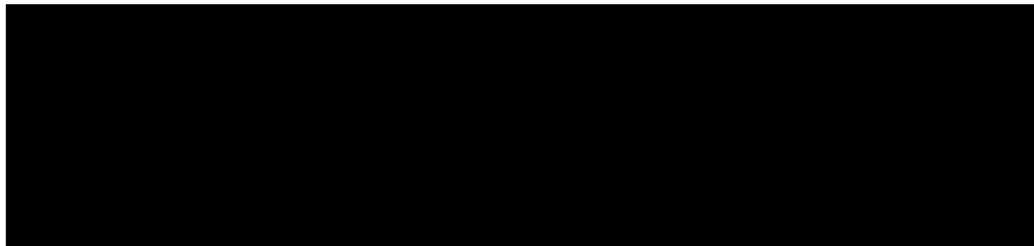
- (a) "Business Day" means 8:15 am to 4:30 pm in Alberta from Monday through Friday excluding holidays observed by the Province;
- (b) "Contract" means this document, Schedule A and Schedule B;
- (c) "Effective Date" means the date on which the condition precedent set out in clause 2 is either satisfied by the Contractor or waived by the Department;
- (d) "FOIP Act" means the *Freedom of Information and Protection of Privacy Act* (Alberta), as amended from time to time;
- (e) "Materials" means any work, information, records or materials, regardless of form, which are made, generated, produced or acquired by the Contractor or its employees, subcontractors or agents in the course of performing the Services;
- (f) "Pit or "Pit Area" means the Public Pit as shown in the RFP;

- (g) "Personal Information" means personal information as defined in the *FOIP Act*;
- (h) "Proposal" means the proposal submitted by the Contractor dated November 9, 2018;
- (i) "Public Pit" means a pit for the surface removal of Surface Material that is on public land and is designated for use by one or more operators;
- (j) "Reclamation Surcharge" means the fee charged by the Contractor to operators who access the Public Pit for the removal of Surface Material in accordance with the Ministerial Order 28/2015 Public Lands Rents, Fees and Other Amounts Payable Order as amended or replaced;
- (k) "RFP" means the Request for Proposal issued by the Province dated September 11, 2018; and updates dated September 12, 2018 and September 28, 2018;
- (l) "Royalty" means the sum of money payable to the Province with respect to Surface Material under Ministerial Order 28/2015 Public Lands Rents, Fees and Other Amounts Payable Order as amended or replaced;
- (m) "Services" means the work, duties, functions and deliverables described in Schedule A;
- (n) "Surface Material" means clay, marl, sand, gravel, topsoil, silt and peat;
- (o) "Term" means the contract period specified in clause 3; and
- (p) "User Fee" means the fee charged by the Contractor, as compensation for the Services, to operators who access the Public Pit for the removal of Surface Material. The amount of the User Fee is set out in clause 5(b) of this Contract.

CONDITION PRECEDENT

2.

(a)



Condition 2(a) has been satisfied.

- (b) The condition in clause 2(a) is inserted for the sole benefit and advantage of the Province. The satisfaction or waiver of this condition will be determined in the sole discretion of the Province. This condition may only be satisfied or waived by the Province giving written notice (the "Province's Notice") to the Contractor on or before the Condition Date.

- (c) If the Province fails to give the Province's Notice to the Contractor on or before the Condition Date, then this Contract will terminate, and all agreements, documents, materials and written information exchanged between the Parties will be returned to the Contractor and the Province respectively, unless the Parties agree in writing to an extension of the Condition Date.

TERM

3.

- (a) Subject to subclause (b) this Contract will be effective for a period of 15 years from the Effective Date until Feb 28, 2034 unless terminated in accordance with this Contract.
- (b) The Province is under no obligation but may agree with the Contractor to extend this Contract for an additional term or terms. The combined length of all additional terms will not exceed 10 years in total. The Province may extend the Contract, under the same terms and conditions, for additional terms at the Province's sole discretion. The extension may include an increase in the User Fee to take into account inflation or other similar increases.

PERFORMANCE OF SERVICES

4.

- (a) The Contractor agrees to perform the Services to the satisfaction of the Province in accordance with the provisions of this Contract and follow any directions from the Province regarding the performance of the Services.
- (b) The Contractor warrants that it has the qualifications and expertise to perform the Services, and statements regarding the performance of Services made by the Contractor in its Proposal that is incorporated into, attached to or otherwise included in Schedule A are representations and warranties of the Contractor and form part of this Contract.
- (c) The Contractor must, at all times during the Term, maintain all required regulatory authorizations in good standing.

PAYMENT

5.

- (a) The Contractor will perform the Services without receiving any compensation directly from the Province. The Contractor acknowledges that the Province has no obligation or liability to the Contractor to pay the Contractor for the performance of the Services.

- (b) As compensation for the performance of the Services, the Contractor may collect the User Fee from operators who access the Public Pit for removal of Surface Material. [REDACTED]

COLLECTION OF ROYALTY AND RECLAMATION SURCHARGE

6.

- (a) Subject to clause 6(b), the Contractor shall collect the Royalty and Reclamation Surcharge from operators.
- (b) The Contractor must not charge or collect Royalty for documented volumes of Surface Material used for public works. It is the responsibility of the Contractor to confirm that operators removing Surface Material from the Pit have appropriate documentation supporting a claim that the Surface Material is being used for public works purposes.
- (c) All Royalties collected by the Contractor are held in trust by the Contractor for the Province. The Contractor must hold all Royalties in a dedicated bank account separate and apart from any other money held by the Contractor.
- (d) On the last day of each month of the Term the Contractor must remit to the Province all Royalties collected by the Contractor in that month.
- (e) All Reclamation Surcharges, and any interest earned on the Reclamation Surcharges, must be held and retained by the Contractor for the sole purpose of reclamation of the Pit Area and may not be used for any other purpose.
- (f) All Reclamation Surcharges must be deposited by the Contractor into a dedicated interest bearing bank account separate and apart from any other money held by the Contractor. When managing, using, or investing the Reclamation Surcharges the Contractor must adhere to generally accepted and sound investment and business practices, standards and procedures that a reasonable and prudent person would apply in order to avoid risk of loss of the Reclamation Surcharges.

RECORDS AND REPORTING

7. The Contractor shall:

- (a) keep and maintain in accordance with Canadian generally accepted accounting principles complete and accurate books, records and accounts relating to this Contract including but not limited to:
 - i. Reclamation Surcharges charged and collected;
 - ii. Royalties charged and collected;
 - iii. User Fees charged and collected; and
 - iv. Surface Material removed from the Pit Area by operators.

- (b) on demand, provide or produce to the Province these documents, including electronic records, to examine, audit and make copies and take extracts; and
 - (c) keep the documents referred to in clause 7(a) for four years following the completion or termination of this Contract.
- 8. The Contractor shall submit written status reports to the Province in accordance with, and containing the information described in, Schedule B to this Contract and shall comply with all other obligations set out in Schedule B.

NON-ASSIGNABILITY AND SUBCONTRACTING

- 9.
 - (a) The Contractor shall not:
 - i. assign or otherwise dispose of any of its rights, obligations or interests in this Contract; or
 - ii. subcontract the Serviceswithout the prior written consent of the Province, which shall not be unreasonably withheld.
 - (b) When the Contractor retains any subcontractor(s) in connection with performance of the Services, the Contractor shall:
 - i. be responsible for remunerating the subcontractor(s);
 - ii. be responsible for the performance and activities of the subcontractor(s); and
 - iii. contractually obligate the subcontractor(s) to take action, or refrain from taking action, as necessary to enable the Contractor to fulfill its obligations under this Contract.

PERSONNEL REPLACEMENT

- 10.
 - (a) The Contractor shall not replace any personnel expressly identified in its Proposal without the prior written approval of the Province, which approval shall not be unreasonably withheld.

COMPLIANCE

11.

- (a) The Contractor shall comply with the provisions of:
 - i. all laws now in force or in force after the signing of this Contract,
 - ii. any rules, policies or standards, and
 - iii. any dispositions, licences, approvals, or other regulatory authorizations, that expressly or by implication apply to the Contractor in performing the Services. If in the Province's opinion the Contractor has defaulted upon the Contractor's obligations under this clause, the Contractor shall, upon receipt of notice of default from the Province, immediately suspend its work with respect to the work site and the Province may, in its sole discretion but subject to clause 20, terminate this Contract in accordance with clause 21 or 22, as the case may be.
- (b) The Contractor shall maintain Workers' Compensation Insurance in the amount required by the Workers' Compensation Board. In the event that the Contractor is performing work as defined in the *Occupational Health and Safety Act* or regulations and the Contractor is a proprietor or performs an exempt activity as defined by the Worker's Compensation Board, then the Contractor shall hold and maintain Workers' Compensation Insurance personal coverage throughout the length of this Contract.
- (c) Prior to performance of the Services the Contractor shall provide to the Province a Clearance Certificate certifying that the Contractor's WCB account is in good standing.
- (d) The Contractor shall inform itself, and cause its employees to inform themselves, as to their respective legal responsibilities under the *Occupational Health and Safety Act*, regulations and adopted code.
- (e) If an injury or incident described in subsection 40(2) of the *Occupational Health and Safety Act* occurs at a worksite as a result of the performance of the Services, the Contractor shall immediately report the injury or incident to the Province and the Contractor shall, if required by statute or regulation, report the injury or incident to the Workers' Compensation Board and to Alberta Labour.

- (f) The Contractor represents and warrants that it has a valid Certificate of Recognition ("COR") which is relevant to the Contractor's industry and is recognized by Alberta Labour. The Contractor shall maintain the COR throughout the Term of this Contract.

[REDACTED]

The Contractor shall, during the Term of this Contract, maintain and ensure compliance with a written safety plan outlining the hazards of the Services to be performed, the measures that shall be implemented to eliminate or reduce the risks of the hazards to a reasonable level, and the first aid and medical services and measures that shall be activated in event of an injury, accident, or emergency. The Contractor shall, if requested by the Province, provide a copy of the safety plan to the Province. The Province may review the provided safety plan and may monitor the Contractor's compliance to the safety plan. Such review and monitoring does not relieve the Contractor of its responsibilities pursuant to the *Occupational Health and Safety Act* and regulations or of the responsibilities assigned to it by this Contract.

Prime Contractor

- (g) If a prime contractor is required under the *Occupational Health and Safety Act*, in respect of the Pit Area, the Contractor acknowledges and agrees that it is the person in control of the work site as contained in the *Occupational Health and Safety Act*, and thereby designates itself as the prime contractor. The Contractor acknowledges that it understands the responsibilities of a prime contractor and will perform those responsibilities.

- (h) As prime contractor, the Contractor shall:

- i. As a condition of this Contract, establish and maintain a system or process to ensure compliance with the *Occupational Health and Safety Act*, regulations and adopted code with respect to the worksite; and
- ii. If required by the Province, submit to the Province the Contractor's written plan outlining this system or process. The Province may review the provided safety plan and may monitor the Contractor's compliance to the safety plan. Such review and monitoring does not relieve the Contractor of its responsibilities pursuant to the *Occupational Health and Safety Act* and regulations or of the responsibilities assigned to it by this Contract.

- (i) In the event that the worksite(s) of two or more "prime contractors" coincide, they shall elect one of them to be the prime contractor with respect to the coinciding worksite(s) and shall forthwith notify the Province in writing of the election. If the "prime contractors" cannot agree upon which of them to elect, work at the coinciding worksite(s) shall cease and the Province shall decide which "prime contractor" shall be the prime contractor for the coinciding worksite(s). The Province's decision is final and binding upon the "prime contractors".
- (j) The Contractor shall be responsible for meeting owner obligations under the Occupational Health and Safety Act. The Contractor acknowledges that it understands the responsibilities of an owner and will perform those responsibilities.



MATERIAL OWNERSHIP

12.

- (a) Ownership of all Materials including any associated copyright, patent, trade secret, industrial design or trade mark rights belongs to the Province as they are made, prepared, developed, generated, produced or acquired under this Contract. The Materials shall be delivered to the Province upon completion or termination of this Contract, or upon request of the Province.
- (b) Ownership of any work, information, records or materials, regardless of form, including copyright, patent, industrial design or trademark which was owned by the Province, the Contractor or a third party prior to the Effective Date remain the property of each party respectively.
- (c) Where any work, information, records or materials, regardless of form, including copyright, patent, industrial design or trademark owned by the Contractor prior to the Effective Date ("Contractor Materials") is reproduced or incorporated in the Materials, the Contractor grants to the Province a perpetual, irrevocable, non-exclusive, royalty-free license to use, reproduce or distribute those Contractor Materials, for any purpose.
- (d) The Contractor
 - i. irrevocably waives in whole all moral rights, and
 - ii. shall ensure that its employees, subcontractors and agents irrevocably waive in whole all moral rights,

in and to the Materials in favour of the Province and the Province's assignees and licensees. Upon request of the Province, the Contractor shall deliver to the Province copies of the waivers obtained from its employees, subcontractors and agents engaged in providing the Services.

- (e) Prior to reproducing or incorporating any third party copyright materials into the Materials, the Contractor must obtain written permission from the copyright holder and provide the Province with copies of the written permissions that are satisfactory to the Province.
- (f) The Contractor shall cooperate with the Province in protecting the Province's ownership or intellectual property rights in the Materials.

NON-DISCLOSURE OF INFORMATION

13.

- (a) Except as provided in clauses 13 and 14, all information, regardless of form, including Personal Information, that is obtained, generated, provided or collected by the Contractor in the performance of the Services (the "Province's Information"), shall not be disclosed or published by the Contractor without the prior written consent of the Province. The Contractor may disclose the Province's Information to employees, subcontractors or agents of the Contractor who have a need to know for the purpose of performing the Services, provided that the Contractor has a confidentiality agreement with the agent or permitted subcontractor containing confidentiality provisions substantially similar to this Contract.
- (b) Subject to clause 14(b), the Contractor's obligations in clause 13(a) do not apply to information or documents which:
 - i. are or become publicly available through no act or omission of the Contractor;
 - ii. are independently developed without benefit of the Province's Information;
 - iii. are received by or from a third party without restriction and without a breach of an obligation of confidentiality;
 - iv. are required to be disclosed
 - 1. in the process of obtaining regulatory authorizations or
 - 2. otherwise pursuant to regulatory authorizations.
- (c) The Contractor shall retain the Province's Information as confidential and shall make reasonable security arrangements against unauthorized access, use, disclosure, loss, destruction or alteration of the Province's Information. The Contractor shall immediately advise the Province of any unauthorized access, use, disclosure, loss or destruction of the Province's Information, and shall provide the Province any assistance reasonably required to rectify such a situation.

- (d) The Contractor shall return or deliver the Province's Information to the Province upon completion or termination of this Contract, or upon request of the Province.
- (e) The Province's Information may be disclosed to the extent required by law or court order, provided that the Province is given reasonable notice and opportunity to seek to prevent or limit its disclosure.
- (f) No press release, public announcement or other public commentary relating to this Contract shall be made by the Contractor without the prior written approval of the Province.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

14.

- (a) The Contractor acknowledges that this Contract, including without limitation the name of the Contractor, the Term, and details of the Services may be subject to disclosure under the *FOIP Act*. The Contractor further acknowledges that the *FOIP Act* applies to the Province's Information collected, used or disclosed in the performance of Services, and the Contractor shall adhere to the *FOIP Act* in its collection, use and disclosure of any Personal Information.
- (b) The Contractor shall not collect, use or disclose any Personal Information under this Contract except as reasonably required to fulfill its obligations under this Contract, or as otherwise expressly authorized in writing by the Province.
- (c) Upon request, the Contractor shall, at the Contractor's expense, and within five Business Days, provide to the Province any records that are requested under the access provisions of the *FOIP Act* that are in the custody or under the control of the Contractor. Should the Contractor receive an access request under the *FOIP Act*, the Contractor shall not respond to it, but shall immediately forward the access request to the Province for further handling.
- (d) In providing the Services the Contractor shall make every reasonable effort to ensure that Personal Information that is to be or is actually used to make a decision that directly affects an individual, is both complete and accurate. At the Province's request, the Contractor must correct, within five Business Days of the request, Personal Information that the Contractor may have either collected or compiled about an individual pursuant to this Contract.
- (e) The Contractor shall:
 - i. protect Personal Information against any unauthorized access, use, disclosure, loss, destruction or alteration;
 - ii. immediately advise the Province of any actual or potential unauthorized access, use, disclosure, destruction or alteration of Personal Information and provide all reasonable assistance to the Province to prevent or remedy the same; and

- iii. provide the Province with any information regarding the Contractor's security measures that the Province may require to verify compliance with the *FOIP Act*.
- (f) The Contractor shall store only in Canada all records of Personal Information which are disclosed to the Contractor under this Contract, including records that are collected, used or stored on behalf of the Province.
- (g) The Contractor shall act on any direction that the Province may provide with regard to the use, collection, access, security, disclosure, alteration, loss or destruction of the Personal Information.

INDEMNITY AND LIABILITY

15.

- (a) Each party shall indemnify and hold harmless the other, its employees and agents against and from any and all third party claims, demands, actions, or costs (including legal costs on a solicitor-client basis) to the extent arising from
 - i. that party's breach of this Contract, or
 - ii. the negligence, other tortious act or wilful misconduct of that party, or those for whom it is legally responsible, in relation to the performance of its obligations under this Contract.
- (b) The Contractor shall indemnify and hold harmless the Province against and from any loss or damage to the real or personal property of the Province to the extent arising from the Contractor's breach of this Contract or from the negligence, other tortious act or wilful misconduct of the Contractor, or those for whom it is legally responsible.

INSURANCE

16.

- (a) The Contractor shall, at its own expense, and without limiting its liabilities or obligations under this Contract, insure its operations under a contract of general liability insurance in an amount not less than \$10,000,000 inclusive per occurrence, insuring against bodily injury, personal injury, and property damage including loss of use thereof.
- (b) The Contractor shall maintain automobile liability insurance on all vehicles owned, operated or licensed in the name of the Contractor and used in the performance of the Services in an amount not less than \$5,000,000.
- (c) The Contractor shall provide the Province with acceptable evidence of insurance, in the form of a detailed certificate of insurance, prior to commencing the Services and at any other time upon request of the Province.
- (d) The Contractor shall ensure that all its subcontractors obtain and maintain general liability insurance sufficient to meet the requirements in clause 16(a).

- (e) When requested by the Province, the Contractor shall provide evidence of endorsement to provide the Province with 30 days advance written notice of cancellation of insurance coverage.

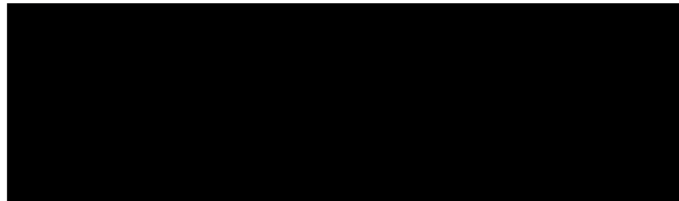
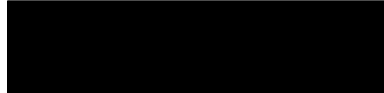
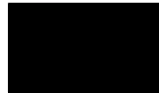
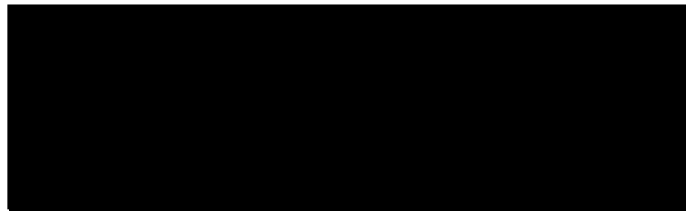
RELATIONSHIP OF PARTIES

- 17. The relationship of the Contractor to the Province in performing the Services under this Contract is that of an independent contractor, and nothing in this Contract is to be construed as creating an agency, partnership, joint venture or employment relationship between the Contractor and the Province.

NOTICES

18.

- (a) Any notice to be made under this Contract is to be made in writing, and is effective when delivered to the address or transmitted by email as follows:



The parties respectively designate for the time being, the individuals identified in this clause as having the authority to give notice, and notice given by these individuals is binding on the party giving the notice.

- (b) Either party may change its information in clause 18(a) by giving notice to the other in the manner described in clause 18(a).

- (c) Any notice personally served or sent by email shall be deemed received when actually delivered or received, if delivery or email transmission is on a Business Day, or if not on a Business Day, on the following Business Day.

TERMINATION OF AGREEMENT WITH NOTICE

19.

- (a) The Province may at any time immediately terminate this Contract, without cause, upon written notice of at least 90 days to the Contractor.
- (b) During the notice period referred to in (a) the Contractor must not enter into any or incur any new commitments or obligations with respect to the Services and shall undertake to preserve and, if possible, to complete, any work in progress in accordance with the provisions of this Agreement.

NOTICE TO REMEDY BREACHES

20.

- (a) If the Contractor breaches this Agreement, the Province may provide the Contractor with a notice describing the breach and the Province's intention to terminate the Contract should the breach not be rectified to the satisfaction of the Province.
- (b) If within 14 days of the notice, the Contractor is able to rectify the breach to the satisfaction of the Province or provide a plan to correct the breach, including a timeframe for doing so, to the satisfaction of the Province, then the Contract will continue as if the breach had not occurred.
- (c) However, should the Contractor:
 - i. be unable or unwilling to rectify the breach to the satisfaction of the Province or provide a plan satisfactory to the Province within the notice period; or
 - ii. not meet the timeframe set out in the approved plan to rectify the breach,then the Province may terminate this Contract in accordance with clause 21.

TERMINATION FOR CAUSE

21. The Province may terminate the Contract if:

- (a) the Contractor is adjudged bankrupt or makes a general assignment for the benefit of creditors, or if a receiver of any type is appointed on account of the

Contractor's insolvency, or if in the opinion of the Province the Contractor appears to be insolvent;

- (b) The Contractor has been unable or unwilling to rectify, to the satisfaction of the Department, a breach referred to in clause 20, within the notice period referred to in that clause; or
- (c) In the opinion of the Province, the Contractor breaches clause 11 (a)(i).

AUTOMATIC TERMINATION - REGULATORY AUTHORIZATIONS

22. If the regulatory authorizations required to be held by the Contractor for the performance of the Services:

- (a) are surrendered by the Contractor;
- (b) are cancelled or terminated by the regulatory authority; or
- (c) expire or otherwise come to an end without the issuance of a replacement regulatory authorization,

this Contract will automatically terminate upon the surrender, cancellation, termination, expiry or ending of any of the required regulatory authorizations.

CONSEQUENCES OF TERMINATION

23. If this Contract is terminated:

- (a) The Province will have no liability or financial obligation to the Contractor with respect to the termination; and
- (b) all Materials made, prepared, developed, generated, produced or acquired by the Contractor, or its employees, subcontractors or agents under this Contract are the property of the Province.

24. Upon the effective date of the termination of this Contract, the Contractor must immediately surrender custody of and deliver to the Department, or the Department's designate,

- (a) all Materials referred to in clause 23(b),
- (b) all Royalties held for the Province by the Contractor.

PERFORMANCE GUARANTEE

25.

- (a) If requested by the Province, the Contractor shall, at its own expense, provide a money order, bank draft, a certified cheque, performance bond or irrevocable letter of credit in a form and with carriers satisfactory to the Province in the amount of [REDACTED] as a guarantee and security for the due and faithful

performance of the Contract by the Contractor and to protect the Province against any loss or damage arising by reason of the acts and omissions of the Contractor. The Province shall not pay interest on any such guarantee and security. As an alternative to a certified cheque the Contractor may consider a performance bond or letter of credit in the appropriate form.

- (b) Any bid deposit or letter of credit accompanying the bid or tender submitted by the Contractor in this matter may be held and applied by the Province as further guarantee and security for the due performance of the Contract by the Contractor, in addition to the money order, bank draft, certified cheque, performance bond or irrevocable letter of credit referred to in clause 25(a).
- (c) Any performance bond or letter of credit shall name as obligee or beneficiary the Government of Alberta and must be issued by a chartered bank, the Province of Alberta Treasury Branch, or a credit union (in the case of a performance bond, must be issued by a commercial bonding or insurance company licensed in Alberta). The performance bond or letter of credit shall, in any event, be irrevocable, unconditional and be in a form, content and effective term satisfactory to the Province. A certified cheque must be payable to the Government of Alberta and must be certified by the chartered bank, the Province of Alberta Treasury Branch, or credit union upon which the cheque is drawn.
- (d) In addition to and without restricting the rights of the Province given elsewhere in this Contract, it is expressly agreed that upon any default or failure of the Contractor to perform this Contract, the Province shall be entitled to realize, enforce, and call upon the guarantee and security in such amount or amounts as the Province determines appropriate, in the manner appropriate to the form of guarantee and security, and such amount shall be forfeit to the Province. Such realization shall be in addition to any other remedies available to the Province.

PARTIES' REPRESENTATIVES

26.

- (a) The Province designates [REDACTED] of the Department of Environment and Parks as the Province's representative for communications and ongoing contact between the Province and the Contractor in matters relating to this Contract, other than giving notice pursuant to clause 18(a). The Province's representative is also referred to in this Contract as the "Designated Officer".
- (b) The Contractor designates [REDACTED] as the Contractor's representative for communications and ongoing contact between the Province and the Contractor in matters relating to this Contract, other than giving notice pursuant to clause 18(a).

- (c) Either party may change its designated representative above by sending written notice to the other party of such change.

CONFLICT OF INTEREST AND ETHICAL CONDUCT

27.

- (a) The Contractor shall ensure that there is not a conflict of interest or an apparent conflict of interest on the part of the Contractor or its employees, subcontractors or agents in relation to the Services, and all Services shall be performed in accordance with high ethical standards, including without limitation the following:
 - i. the Contractor and its employees, subcontractors and agents shall not influence, or seek to influence, or otherwise take part in a decision of the Province knowing that the decision might further their private interests;
 - ii. where the Services involve providing advice, making recommendations to the Province or exercising discretionary authority regarding a right, permission, privilege, status, contract or benefit, then such advice, recommendations or discretion must be provided, made or carried out impartially and without bias;
 - iii. the Contractor and its employees subcontractors or agents shall not accept any collateral gift, payment, commission or other direct benefit arising from or connected to the performance of the Services;
 - iv. the Contractor and its employees, subcontractors and agents shall not have any 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 the Services;
 - v. the Contractor, upon request by the Province, shall deliver copies of all written ethical standards, conflict of interest policies and codes of conduct established or observed by the Contractor in its business practices or in relation to its employees, subcontractors or agents; and
 - vi. the Contractor shall comply with, and ensure that, its employees, subcontractors and agents comply with, the *Lobbyists Act* (Alberta), as amended from time to time.
- (b) In the event the Contractor becomes aware of any matter that causes or is likely to cause a conflict of interest in relation to the performance of the Services, the Contractor shall immediately disclose such matter to the Province in writing. Upon such disclosure, the Contractor shall not commence or continue performance of the Services without the prior written consent of the Province. If the Province is of the opinion the Contractor or its employees, subcontractors or agents are in a conflict of interest, the Province may terminate this Contract.

SURVIVAL OF TERMS

28. Notwithstanding any other provision of this Contract, those clauses which by their nature continue after the conclusion or termination of this Contract shall continue after such completion or termination, including without limitation the following:

- (a) clause 6 Reclamation Surcharges;
- (b) clause 7 Records and Reporting;
- (c) clause 12 Material Ownership;
- (d) clause 13 Non-Disclosure of Information;
- (e) clause 14 Freedom of Information and Protection of Privacy;
- (f) clause 15 Indemnity and Liability; and
- (g) clause 29 *Limitations Act*;

LIMITATIONS ACT

29. The two year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act* is, for any claim (as defined in that Act) arising in connection with this Contract, extended to
- (a) for claims disclosed by an audit, two years after the time this Contract permitted that audit to be performed; and
 - (b) for all other claims, four years.

GENERAL

30. In the case of conflicts or discrepancies among this document and the Schedules attached to this document, the documents shall take precedence and govern in the following order:
- (a) The body of this document, and
 - (b) The Schedules to this document.
31. Time is of the essence of this Contract.
32. This Contract contains the entire agreement of the parties concerning the subject matter of this Contract and except as expressed in this Contract, there are no other understandings or agreements, verbal or otherwise, that exist between the parties.
33. Any waiver by either party of the performance by the other of an obligation under this Contract must be in writing, and such waiver does not constitute a continuing waiver of the performance of that obligation unless a contrary intention is expressed in writing.
34. The rights and remedies of the Province under this Contract are cumulative and any one or more may be exercised.

35. Nothing in this Contract changes or derogates from the authority that any department, agency, employee of the Province may have under legislation which may apply to the performance of the Services under this Contract
36. The Parties may amend this Contract only by mutual written agreement signed by the parties.
37. This Contract shall be governed by and interpreted in accordance with the laws in force in Alberta, and the parties irrevocably attorn to the exclusive jurisdiction of courts in Alberta.
38. This Contract shall be for the benefit of and binds the successors and assigns of the parties.
39. The headings in this Contract are inserted for convenience of reference only and shall not affect the meaning or construction of this Contract.
40. In this Contract words in the singular include the plural and words in the plural include the singular.
41. This Contract may be executed in counterparts, in which case (i) the counterparts together shall constitute one agreement, and (ii) communication of execution by fax transmission or e-mailed in PDF shall constitute good delivery.

The Parties have made this Contract by the representatives authorized to do so.

HER MAJESTY THE QUEEN IN RIGHT
OF ALBERTA, as represented by the
Minister of Environment and Parks.

Athabasca Minerals Inc.

Per:

Signature

Print Name

Title

Date

Per:

Signature

Print Name

Title

Date

Schedule A
(Services)

1. Services

The Contractor shall perform the Services as they are described in this Schedule, in the RFP and in the Proposal. The RFP and Proposal are incorporated into and form part of this Schedule.

2. Order of Precedence

In the case of conflicts, discrepancies, errors or omissions among the RFP and the Proposal; the documents and amendments to them shall take precedence and govern in the following order:

- (a) the RFP; and
- (b) the Proposal.

3. Overview of Services

A. Additional Services

In addition to the Services described in the RFP and the Proposal the Contractor will do the following:

- (a) meet with the Designated Officer as reasonably required by the Designated Officer for such purposes including but not limited to discussion of the scope of the Contract, expectations for any deliverables, format of any deliverable documents and presentations, specific issues that may, in the opinion of the Designated Officer require review, and expected timelines;
- (b) on an annual basis, obtain estimates of Surface Material needs for the year from operators;
- (c) plan and prepare roads for use by operators to access the active portions of the Pit Area;
- (d) allocate Surface Material sites according to type and grade of Surface Material;
- (e) require stock piling of appropriate types of Surface Material where necessary at an operator's expense.
- (f) measure volumes and weights of Surface Material leaving Pit Area;
- (g) maintain open, clear and consistent communication with the Designated Officer.

B. Calculations in Cubic Yards

- (a) Royalty, User Fee and Reclamation Surcharge must be calculated by the Contractor based on cubic yards;

(b) All volumes and weights must be converted by the Contractor to cubic yards to 3 decimal places and charged at the prescribed rate.

(c) The weight conversion factors to be used by the Contractor are as follows:

Gravel – 1.632 tonnes = 1 Loose Cubic Metre

Sand – 1.365 tonnes = 1 Loose Cubic Metre

1.308 cubic yards = 1 Cubic Metre

C. Royalties

(a) The Contractor must collect Royalties for sand on material up to 5.0 mm in size.

(b) The Contractor must collect Royalties for gravel on material 5.0 mm and larger in size.

(c) Any sand, which is produced by the crushing process from screened pit run (referred to as manufactured fines) will be subject to the royalties for gravel.

4. Operations and Management of the Pit

1. The Contractor shall ensure that:

a) The Coffey Lake Pit is open and available for operation and use on or before



b) The Pit is open to the public during regular business hours Monday through Friday. The hours of operation must be clearly and professionally posted at the entrance to the Pit.

c) The Contractor is present at the Pit during all hours of operation.

d) If hours of operation are extended or reduced, the Contractor shall notify and obtain the approval of the Designated Officer one week prior to implementation of the revised hours of operation which shall also be posted at the Pit.

e) Operational procedures are equivalent to, or exceed existing industry standards.

2. The Contractor shall manage and operate the Pit so as to maximize utilization of the Surface Material resource including all types and grades of aggregate.

3. The Contractor shall not use any reclaimed lands for any purpose.

4. The Contractor shall ensure all material up to 500 mm in size is either crushed or else purchased as a desired oversize material.

5. Material over 500 mm is considered a resource, and shall be set-aside by the Contractor in one designated un-reclaimed area and used progressively as needed.

6. The Contractor shall salvage and stockpile reject crush material according to material grade, size and type.
7. The Contractor shall salvage and stockpile and utilize according to material grade, size and type all material including crush material.
8. The Contractor shall, at its own expense, install and maintain one or more 90 tonne weigh scales as needed at the Pit Area.
9. The Contractor shall:
 - a) operate each scale in a safe, reliable, and efficient manner.
 - b) have each scale inspected and certified by the appropriate government authority once a year.
10. Stockpiles shall be staked by the Contractor for identification.
11. The Contractor will coordinate quarterly site visits with the Designated Officer in the first year of the Term.
12. In subsequent years of the Term, the frequency of these site visits, may, at the discretion of the Designated Officer, be adjusted based on performance of the Contractor and findings of the Designated Officer in the previous year. The Designated Officer may visit and enter the site as they see fit in order to monitor performance of Services under this Contract.
13. The Contractor is permitted, acting reasonably, to refuse access to any operator to the Pit Area or to Surface Material located within the Pit Area, upon grounds of safety, breaches of operating conditions by that operator or non-payment of User Fees, Royalties or Reclamation Surcharges by that operator.

5. Record of Material

1. The Contractor shall:
 - a) issue three part tickets, for aggregate hauled, in a form acceptable to the Province, to all operators.
 - b) log the daily volumes in an approved computer format, which includes user name, product type, and volume and ticket number.
 - c) maintain a tare weight book in a form acceptable to the Province for identification of all trucks hauling from the Pit;
 - d) complete daily computer truck summary reports and provide the report to any user who requests a summary of their own activity;
 - e) provide the Designated Officer with monthly and yearly summaries of the users, volume and type of material taken, User Fees and Royalties and Reclamation Surcharges assessed and received and such other summary information as the Designated Officer may require;

2. The Contractor must not permit any Surface Material to be removed from the Pit without the documentation listed above in clause 1(a) having been completed and without first recording all information that the Contractor is required to report under this Contract.

6. Road Maintenance

1. The Contractor shall be responsible for providing safe access throughout the Pit.
2. The Contractor must ensure that access roads within the Pit Area are of sufficient size and quality for all operators who regularly access the Pit Area.
3. The Contractor is responsible to obtain all necessary regulatory authorizations and road use agreements required to access the Pit Area.
4. All roads outside the Pit Area, developed by the Contractor, must be maintained by the Contractor in accordance with the required regulatory authorizations or, if no regulatory authorizations are required, to applicable Alberta Transportation standards.

Schedule B
(Reporting)

1. All documents, reports, briefing notes, and correspondence generated by the Contractor during the Term must be prepared in English using Microsoft Word for Windows for word processing, Microsoft Excel for Windows for data management, and Microsoft Power Point for Windows for presentations and other graphics.
2. The Contractor shall within 30 days of the last day of each month provide to the Province a monthly summary of the type and volume of Surface Material removed from the Pit for the preceding month along with a summary of the Royalties collected on behalf of the Province.
3. The Contractor shall submit an Annual Report and Operating Plan, on or before March 31st of each year to the Designated Officer:

The **Annual Report** shall include the following:

- a volumetric audit conducted of the Pit in that calendar year;
- a yearly summary of the Surface Material removed by type and volume;
- a yearly summary of operators who have removed Surface Material from the Pit;
- a yearly summary of Royalties paid by the Contractor;
- a yearly summary of User Fees paid by operators to the Contractor;
- a yearly summary of road use agreement fees paid by the Contractor and the fees collected by the Contractor from the operators in this regard;
- a yearly summary of any other revenue collected by the Contractor relating to the Pit and its operation;

