LICENCE AMENDMENT

PURSUANT TO THE PROVISIONS OF THE WATER ACT

Fortress Mountain Holdings Ltd.

The licence is amended as follows:

1. Change the purpose from Municipal (Urban Water Supply) to Municipal (Urban Water Supply) and Commercial (Truck Fill Station).

2. Include the following plans filed in departmental records as:

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12562-P004</td>
<td>Kananaskis Improvement District, Alberta, Fortress Mountain, Location Plan, Site Plan of Potable Water Reservoir, Updated August 14, 2019.</td>
</tr>
<tr>
<td>12562-P005</td>
<td>Fortress Mountain Holdings Ltd., Overall Site Plan (Waterworks), Sheet no. C1, July 11, 2018.</td>
</tr>
<tr>
<td>12562-P006</td>
<td>Fortress Mountain Holdings Ltd., Watermain Plan &amp; Profile, Dam to WTP, Sheet no. C2, July 11, 2018.</td>
</tr>
</tbody>
</table>
3. Delete the following plans filed in departmental records as:

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12562-2</td>
<td>Kanaka Holdings Ltd., Key Plan &amp; Water Supply Layout for Snow</td>
</tr>
</tbody>
</table>

4. Add a maximum rate of diversion of 0.009 cubic metres per second.

5. Delete condition 3.

DEFINITIONS

7.0 All definitions from the Act and the Regulations apply except where expressly defined in this licence.

7.1 In all parts of this licence:

a) "Water Use Reporting System" means the secure internet website provided by Alberta Environment and Parks at [https://www.alberta.ca/water-use-reporting-system.aspx](https://www.alberta.ca/water-use-reporting-system.aspx) for submitting measuring and monitoring results electronically to the Director;

GENERAL

8.0 The Licensee shall immediately report to the Director by telephone any contravention of the terms and conditions of this licence at 1-780-422-4505.

8.1 The terms and conditions of this licence are severable. If any term or condition of this licence is held invalid, the application of such term or condition to other circumstances and the remainder of this licence shall not be affected thereby.

8.2 The Licensee shall not deposit or cause to be deposited any substance in, on or around the source of water that has or may have the potential to adversely affect the source of water.

DIVERSION OF WATER

9.0 This licence is appurtenant to the undertaking described as:

(a) the diversion works at the point of removal from the water source at NE 32-021-09-W5M as referenced on Plan No. 12562-1; and

(b) the water supply distribution system in association with Fortress Mountain Holdings in NE 32-021-09-W5M as referenced on Plan Nos. 12562-P005, 12562-P006, 12562-P007, 12562-P008 and 12562-P009.
9.1 The Licensee shall divert water only for the purpose specified in this licence.

9.2 The Licensee shall divert water only from the source of water specified in this licence.

9.3 The Licensee shall divert water only from the following point of diversion:

(a) NE 32-021-09-W5M as referred to in Plan Nos. 12562-1 and 12562-P004.

9.4 The Licensee shall divert the water only to the following point of use:

(a) NE 32-021-09-W5M as referred to in Plan Nos. 12562-P004, 12562-P005, 12562-P006, 12562-P007, 12562-P008 and 12562-P009.

9.5 The works used to divert the water authorized by this licence shall include, at a minimum, the following:

(a) the dam, at the point of removal from the water source at NE 32-021-09-W5M described as concrete dam on Plan No. 12562-P004;

(b) the pump and intake at the point of removal from the water source at NE 32-021-09-W5M on Plan No. 12562-1;

(c) the 150mm HDPE water line, at the point of removal from the water source at NE 32-021-09-W5M on Plan No. 12562-P006;

(d) the water treatment building, water storage tank, truck filling and metering station located in NE 32-021-09-W5M on Plan No. 12562-P007; and

(e) the 300mm HDPE water line in NE 32-021-09-W5M on Plan Nos. 12562-P007, 12562-P008 and 12562-P009;

9.6 The Licensee shall not divert more than 98,678 cubic metres of water per calendar year.

9.7 The Licensee shall not divert more than 50,000 cubic metres of water per calendar year for Commercial (truck fill station).

9.8 The Licensee shall not divert water at a rate of diversion greater than 0.009 cubic metres per second.

9.9 Prior to diverting any water from the source of water, the Licensee shall equip the point of diversion with a meter, which measures:

(a) cumulatively, the quantity of all water diverted; and

(b) the instantaneous rate of diversion.
AMENDMENT

9.10 The Licensee shall maintain each measuring device referred to in 9.9 when diverting any water.

9.11 The Licensee shall calibrate each measuring device referred to in 9.9 in accordance with manufacturer's specifications.

9.12 The Director may amend this licence to establish or change the Water Conservation Objective upon a minimum of 12 months written notice to the Licensee.

9.13 The Water Conservation Objective is defined as 45% of the natural flow in the source of water.

9.14 The licensee shall divert the water authorized by this licence only when there is sufficient water flow in the source of water to meet or exceed the Water Conservation Objective set out in 9.13.

9.15 Unless otherwise authorized in writing by the Director, the Water Conservation Objective in 9.13 is to be met:

(a) in the source of water upstream of the potable water reservoir; and

(b) when diverting any water.

MONITORING AND REPORTING

10.0 Unless otherwise authorized in writing by the Director, the Licensee shall:

(a) measure the total volume of water diverted each month using the meter specified in 9.9(a).

(b) monitor the rate of diversion on a daily basis using the meter specified in 9.9(b); and

(c) measure the rate of flow of water in the source of water upstream of the potable water reservoir, prior to diverting.

10.1 The Licensee shall record and retain all of the following information for a minimum of 5 years after being collected:

(a) the place, date and time of all measuring;

(b) the results obtained pursuant to 10.0; and

(c) the name of the individual who conducted the measuring and monitoring stipulated in (a) and (b).

10.2 The Licensee shall report to the Director the results of the measuring required in 10.0(a) using the "Water Use Reporting System" and any other information required in writing by the Director.
AMENDMENT

10.3 The Licensee shall submit the report required in 10.2 on or before the end of the month following the month in which the information is based upon was collected.

COMPLAINT INVESTIGATION

11.0 The Licensee shall:

(a) investigate all written complaints accepted by the Director relating to allegations of surface water and groundwater interference as a result of the diversion of the water or operation of the works; and

(b) provide a written report to the Director, within a time specified in writing by the Director, detailing the results of the investigation relating to the complaint accepted by the Director in 11.0(a).

11.1 The Licensee shall satisfy the Director that the report submitted pursuant to 11.0(b) has identified remedial and/or mitigative measures relating to the alleged interference.

[Signature]

Anders Jevne
Designated Director under the Act

October 25, 2019
Dated (Y/M/D)