

Emailed prior to mailing

April 2, 2018

Scott Tessier
Chair and Chief Executive Officer
Canada-Newfoundland and Labrador Offshore Petroleum Board
Suite 101, TD Place
140 Water Street
St. John's, NL A1C 6H6

Dear Mr. Tessier:

Corridor Resources Inc. (Corridor) is planning to re-activate the Environmental Assessment (EA) for the Old Harry Licence (Exploration Licence (EL) 1153). As you are aware, this EA was initiated in 2011, but has, essentially, been "on hold" for the past year while Corridor was obtaining the results from a Controlled Source Electromagnetic ("CSEM") survey. We refer to our letter dated March 15, 2017 and your reply on April 7, 2017.

We have written this letter to outline our key assumptions, proposed approach and the anticipated timelines for completing the EA. We welcome the Canada-Newfoundland and Labrador Offshore Petroleum Board's ("C-NLOPB") feedback.

Key Assumptions

Corridor's key assumptions regarding the EA process is as follows:

1. The EA for EL 1153 is not subject to the *Canadian Environmental Assessment Act, 2012* and the requirements of the original Scoping Document will be applied while the EA is updated; and
2. As Corridor intends to seek a partner to conduct the drilling program at Old Harry, that:
 - a. Should Corridor secure a partner prior to the C-NLOPB issuing a final determination on Corridor's EA, Corridor shall be permitted to assign the "in-progress" EA to such partner, in order that the partner complete any remaining work remaining to complete the EA;
 - b. Should the C-NLOPB issue a EA determination prior to Corridor securing a partner, Corridor shall be permitted to assign the EA determination to such partner; and
 - c. That nothing in the regulations would prevent a partner from initiating an application for an Operations Authorization (utilizing the key information in Corridor's EA) prior to the C-NLOPB issuing a final determination letter pursuant to Corridor's EA.
 - d. Notwithstanding the foregoing, Corridor acknowledges that any response to an accidental event would be conducted under that partners Oil Spill Response Plan.

Environmental Assessment Update

Corridor plans to amend the existing EA report (2013) to update the following information:

- Commercial fisheries information (including 2016 data);
- Species at risk information (with particular emphasis on the North Atlantic right whale);
- Special areas, including any new proposed Marine Protected Areas;
- Marine fish and fish habitat (specifically related to corals and sponges); and
- Other Valued Environmental Components (VECs) as appropriate (marine mammals and sea turtles, marine and migratory birds)

The oceanographic conditions, especially pertaining to sea ice will also be updated as appropriate. Corridor intends to update the 2013 EA Report using EMGS's EA for the CSEM survey conducted in 2017, supplemented with new information where available (e.g., 2016 fisheries data, information on North Atlantic right whale).

Oil Spill Modelling

The spill probability analysis is presently being updated by RPS using their SIMAP model. Based on the workshop held last September in Saint John's with the C-NLOPB, Environment Canada and the Department of Fisheries, we ask that you please confirm that the model will use Cohasset Crude Oil (API° Gravity of 47.5%) as the oil type input. The results will be incorporated into the environmental effects assessment. The spill response section will be expanded to incorporate new technologies such as capping stack and dispersant use.

Consultation and Engagement

We intend to finalize the EA for circulation for consultation by August 1, 2018. Corridor proposes to consult with commercial fishers and other stakeholders as per the original EA and with the Indigenous communities identified by Natural Resources Canada. The results of the consultation will be incorporated into the EA for formal submission to the C-NLOPB by September 30, 2018.

Engagement with Indigenous communities would be initiated as soon as possible with letters describing our intent to proceed with the EA, an overview of the Project, a description of the new oil spill modelling (with a commitment to provide the results of the modelling when they become available), and an invitation to meet to discuss the Project. If possible, with permission from the Indigenous communities, any traditional use information provided by the groups during engagement would be incorporated into updating the EA. If Natural Resources Canada has conducted a Traditional Use Study associated with this project, we would request a copy for review and use in updating the EA. While the use of a third-party [Indigenous] consultation company to collect traditional use knowledge could be investigated, it may be difficult to find one company that is acceptable to the various Indigenous groups.

Consultation with fishers would be initiated as soon as possible with a similar approach as mentioned above for Indigenous communities' engagement and meetings in St. John's.

Updated EA Review and Response to Comments

As no project activities have changed since submission of the original EA, the revised document would include updating the EA. However, Corridor recognizes the sensitivities associated with this project given its location and assumes it would be subject to the same timelines as an EA Amendment (i.e., the updated EA will be posted for regulator and stakeholder comment for four weeks, and Corridor will be expected to address any comments received on the updated EA).

We have assumed that the period between October 1, 2018 to January 31, 2019, will be sufficient time for the updated EA to be reviewed and responses/replies undertaken, so that the EA would receive approval by January 31, 2019.


Closing

We would welcome the opportunity meet with you at your earliest convenience to discuss our approach, assumptions and deadlines. Ideally, we would secure the C-NLOPB's concurrence on the proposed approach and related timelines.

We look forward to hearing from you.

Regards,

Corridor Resources Inc.



Steve Moran
President and CEO