



Energy, Mines and Resources
 Oil and Gas Resources
 Box 2703 K-11
 Whitehorse, Yukon, Y1A 2C6
 Telephone: (867) 667-5087
 Fax: (867) 393-6262

Construction Authorization
LNG Facility Licence No. 1140-0

Yukon Oil and Gas Act
 Gas Processing Plant Regulation OIC 2013/162 ("GPPR")

Effective Date: July 11, 2014
 Construction Period July 11, 2014 to January 31, 2015

Pursuant to the *Oil and Gas Act*, Section 19 of the GPPR, and subject to the terms and conditions contained herein, the Licensee is hereby approved to proceed with construction.

PARTICULARS

Licensee: Yukon Energy Corporation
 Identification Code: 522472
 Address: PO Box 5920, Whitehorse, Yukon, Y1A 6S7
 LNG Facility Licence: No. 1140
 Facility Name: The Whitehorse Diesel - Natural Gas Conversion Project (the "Facility")
 General Construction Contractor(s): Allnorth Consultants Limited
 Name of Licensee's Agentⁱ: Janna Gillick P.Eng, Allnorth Consultants Limited

DESIGNS AND SPECIFICATIONS SUBMITTED:

Description	Date
Project Quality Management Plan, Allnorth	December 4, 2014
Winterization Philosophy, YEC	June 2, 2014
Design Basis Memorandum – Civil, KGS Group, Rev 0	May 29, 2014
Design Basis Memorandum – Structural, KGS Group, Rev 0	May 29, 2014
Design Basis Memorandum – Electrical, KGS Group, Rev 0	June 4, 2014
Design Basis Memorandum – Instrumentation, KGS Group, Rev 0	June 4, 2014
Design Basis Memorandum – Mechanical, KGS Group, Rev 0	June 4, 2014
Design Basis Memorandum – Vapourizer, GP Strategies	March 2014
Equipment Data Sheets (424 pages)	June 6, 2014
Major Equipment Design Specs, Cryogenic Experts Inc, Quote Q104-14	April 1, 2014
LNG Storage Vessel Design Specs, Taylor-Wharton Cryogenics, #1755 Rev 3	January 15, 2014
Inspection and Test Plan, Taylor-Wharton (Beijing) Cryogenics	June 16, 2014

ⁱ Pursuant to Section 20(1)(b) of the GPPR

Inspection Schedule, Taylor-Wharton (Beijing) Cryogenics	June 26, 2014
Sump Pumps Technical Specification, KGS Group, Rev 0	June 4, 2014
Factory Acceptance Test Forms	June 16, 2014
Piping and Instrumentation Diagrams M01 to M08, GP Strategies, Rev 5	June 4, 2014
Electrical Single Line Diagram E03, GP Strategies, Rev A	June 6, 2014
Scope of Work – Civil Works, YEC, Rev 1	March 27, 2014
Scope of Work – Mechanical & Electrical Works, YEC, Rev 0	June 4, 2014
Scope of Supply and Services – Communications and Control, YEC, 1826-SOS-C&C, Rev 0	June 18, 2014
Control Narrative Table, YEC, Rev 1	June 6, 2014
Confidential Flow Model, GP Strategies	June 2, 2014
Process Skid General Arrangement, GP Strategies, Rev 2	June 4, 2014
Cause and Effect Glycol Loop, YEC, ELEC_LST-004 Rev 0	June 4, 2014
Cause and Effect Diagram, YEC, Rev 0	June 3, 2014
Civil Site Layout, KGS Group, DWG_WG0-D-C100-01, Rev 0	May 29, 2014
Civil Site Surfacing Plan, KGS Group, DWG_WG0-D-C201-01, Rev 2	May 13, 2014
Civil Site Grading Plan, KGS Group, DWG_WG0-D-C202-01, Rev 2	May 13, 2014
Miles Canyon Road E Ditch, KGS Group, DWG_WG0-D-C203-01, Rev 1	May 13, 2014
Miles Canyon Road W Ditch, KGS Group, DWG_WG0-D-C204-01, Rev 1	May 13, 2014
Structural Partial General Arrangement, KGS Group, DWG_WG0-D-S003-01, Rev 3	May 29, 2014
Structural Concrete Notes, KGS Group, DWG_WG0-D-S100-01, Rev 3	May 13, 2014
Structural Impoundment Pit, KGS Group, DWG_WG0-D-S101-01, Rev 4	May 29, 2014
Structural LNG Impoundment GPS Skid & Truck Offloading, KGS Group, DWG_WG0-D-S102-01, Rev 4	May 29, 2014
Structural E-House, Fluid & LNG Utility Module, KGS Group, DWG_WG0-D-S103-01, Rev 3	May 13, 2014
Structural LNG Storage Tank Pedestals, KGS Group, DWG_WG0-D-S106-01, Rev 2	May 29, 2014
Structural LNG Impoundment Sections & Details, KGS Group, DWG_WG0-D-S302-01, Rev 4	May 29, 2014
Structural LNG Storage Tank Pedestals Sections & Details, KGS Group, DWG_WG0-D-S306-01	May 13, 2014
Electrical Substation S151 Grounding Plan, KGS Group, DWG_S151-D-E400-03, Rev 2	June 4, 2014
Electrical Site Lighting Plan, KGS Group, DWG_WG0-D-E400-01, Rev 2	June 5, 2014
Electrical Area Classification Plan – Composite, KGS Group, DWG_WG0-D-E401-01, Rev 0	June 4, 2014

Electrical Area Classification Plan – Impoundment, KGS Group, DWG_WG0-D-E401-02, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 1, KGS Group, DWG_WG0-D-E401-03, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 2, KGS Group, DWG_WG0-D-E401-04, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 3, KGS Group, DWG_WG0-D-E401-05, Rev 0	June 4, 2014
Electrical Site Grounding Plan, KGS Group, DWG_WG0-D-E404-01, Rev 3	June 4, 2014
Electrical Key Plan – Heat Trace, KGS Group, DWG_WG0-D-E405-01, Rev 2	June 4, 2014
Electrical Impoundment Pit Sump – Heat Trace, KGS Group, DWG_WG0-D-E405-02, Rev 2	June 4, 2014
Electrical Impoundment Pit Heat Trace Schematics and BOM, KGS Group, DWG_WG0-D-E405-03, Rev 2	June 4, 2014
Electrical Key Plan Systems, KGS Group, DWG_WG0-D-E407-01, Rev 0	June 4, 2014
Electrical Systems Plan South, KGS Group, DWG_WG0-D-E407-02, Rev 0	June 4, 2014
Electrical Systems Plan North, KGS Group, DWG_WG0-D-E407-03, Rev 0	June 4, 2014
Instrumentation Key Plan – Instruments, KGS Group, DWG_WG0-D-E450-01, Rev 0	June 4, 2014
Instrumentation Plan South, KGS Group, DWG_WG0-D-E450-05, Rev 0	June 4, 2014
Instrumentation Plan North, KGS Group, DWG_WG0-D-E450-06, Rev 0	June 4, 2014
Electrical Single Line Diagram, KGS Group, DWG_WG0-D-E500-01, Rev 0	June 4, 2014
Electrical Single Line Diagram – Station Service, KGS Group, DWG_WG0-D-E500-02, Rev 0	June 4, 2014
Mechanical General Arrangement Site Plan, KGS Group, DWG_WG0-D-M001-01, Rev 0	June 4, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M002-01, Rev 0	June 4, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M003-01, Rev 0	June 4, 2014
Mechanical General Arrangement LNG Area Plan, KGS Group, DWG_WG0-D-M004-01, Rev 0	June 4, 2014
Mechanical General Arrangement Generator Area Plan, KGS Group, DWG_WG0-D-M005-01, Rev 0	June 4, 2014
Mechanical LNG Impoundment Pit Water Drainage Sump Plan and Section, KGS Group, DWG_WG0-D-M007-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M035-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Section, KGS Group, DWG_WG0-D-M036-01, Rev 0	June 4, 2014

Mechanical Fire Protection Water Piping Inside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M037-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Supply Line from P125 Hydro Plant Underground Pipe Profile, KGS Group, DWG_WG0-D-M202-01, Rev 0	June 4, 2014
Mechanical Natural Gas & Fire Protection Water Piping Along Miles Canyon Road Section, KGS Group, DWG_WG0-D-M203-01, Rev 0	June 4, 2014
Mechanical Glycol System Process Flow Diagram, KGS Group, DWG_WG0-D-M300-01, Rev 0	June 4, 2014
Mechanical Natural Gas System Process Flow Diagram, KGS Group, DWG_WG0-D-M301-01, Rev 0	June 4, 2014
Piping P&ID Legend, KGS Group, PID_WG0-D-E000-01, Rev 0	June 4, 2014
Piping Glycol System P&ID, KGS Group, PID_WG0-D-E001-01, Rev 0	June 4, 2014
Piping Natural Gas System P&ID, KGS Group, PID_WG0-D-E002-01, Rev 0	June 4, 2014
Piping Lube Oil and Fresh Glycol P&ID, KGS Group, PID_WG0-D-E003-01, Rev 0	June 4, 2014
Piping LNG Impoundment Pit Water Drainage System P&ID, KGS Group, PID_WG0-D-E004-01, Rev 0	June 4, 2014
Piping Fire Protection Water P&ID, KGS Group, PID_WG0-D-E005-01, Rev 0	June 4, 2014

REQUIRED CHANGES IN THE DESIGNS OR SPECIFICATIONS:

The following documents must be revised, issued for construction, approved by a professional engineer, and submitted to the COO for approval prior to construction of the components they describe:

Design Basis Memorandum – Mechanical, KGS Group, Rev 0	June 4, 2014
Design Basis Memorandum – Vapourizer, GP Strategies	March 2014
Electrical Substation S151 Grounding Plan, KGS Group, DWG_S151-D-E400-03, Rev 2	June 4, 2014
Electrical Site Lighting Plan, KGS Group, DWG_WG0-D-E400-01, Rev 2	June 5, 2014
Electrical Area Classification Plan – Composite, KGS Group, DWG_WG0-D-E401-01, Rev 0	June 4, 2014
Electrical Area Classification Plan – Impoundment, KGS Group, DWG_WG0-D-E401-02, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 1, KGS Group, DWG_WG0-D-E401-03, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 2, KGS Group, DWG_WG0-D-E401-04, Rev 0	June 4, 2014
Electrical Area Classification Details – Sht 3, KGS Group, DWG_WG0-D-E401-05, Rev 0	June 4, 2014

Electrical Site Grounding Plan, KGS Group, DWG_WG0-D-E404-01, Rev 3	June 4, 2014
Electrical Key Plan – Heat Trace, KGS Group, DWG_WG0-D-E405-01, Rev 2	June 4, 2014
Electrical Impoundment Pit Sump – Heat Trace, KGS Group, DWG_WG0-D-E405-02, Rev 2	June 4, 2014
Electrical Impoundment Pit Heat Trace Schematics and BOM, KGS Group, DWG_WG0-D-E405-03, Rev 2	June 4, 2014
Electrical Key Plan Systems, KGS Group, DWG_WG0-D-E407-01, Rev 0	June 4, 2014
Electrical Systems Plan South, KGS Group, DWG_WG0-D-E407-02, Rev 0	June 4, 2014
Electrical Systems Plan North, KGS Group, DWG_WG0-D-E407-03, Rev 0	June 4, 2014
Instrumentation Key Plan – Instruments, KGS Group, DWG_WG0-D-E450-01, Rev 0	June 4, 2014
Instrumentation Plan South, KGS Group, DWG_WG0-D-E450-05, Rev 0	June 4, 2014
Instrumentation Plan North, KGS Group, DWG_WG0-D-E450-06, Rev 0	June 4, 2014
Electrical Single Line Diagram, KGS Group, DWG_WG0-D-E500-01, Rev 0	June 4, 2014
Electrical Single Line Diagram – Station Service, KGS Group, DWG_WG0-D-E500-02, Rev 0	June 4, 2014
Mechanical General Arrangement Site Plan, KGS Group, DWG_WG0-D-M001-01, Rev 0	June 4, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M002-01, Rev 0	June 4, 2014
Mechanical General Arrangement Partial Site Plan, KGS Group, DWG_WG0-D-M003-01, Rev 0	June 4, 2014
Mechanical General Arrangement LNG Area Plan, KGS Group, DWG_WG0-D-M004-01, Rev 0	June 4, 2014
Mechanical General Arrangement Generator Area Plan, KGS Group, DWG_WG0-D-M005-01, Rev 0	June 4, 2014
Mechanical LNG Impoundment Pit Water Drainage Sump Plan and Section, KGS Group, DWG_WG0-D-M007-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M035-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Piping Outside P125 Hydro Plant Section, KGS Group, DWG_WG0-D-M036-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Piping Inside P125 Hydro Plant Plan, KGS Group, DWG_WG0-D-M037-01, Rev 0	June 4, 2014
Mechanical Fire Protection Water Supply Line from P125 Hydro Plant Underground Pipe Profile, KGS Group, DWG_WG0-D-M202-01, Rev 0	June 4, 2014
Mechanical Natural Gas & Fire Protection Water Piping Along Miles Canyon Road Section, KGS Group, DWG_WG0-D-M203-01, Rev 0	June 4, 2014
Mechanical Glycol System Process Flow Diagram, KGS Group, DWG_WG0-D-M300-01, Rev 0	June 4, 2014


Mechanical Natural Gas System Process Flow Diagram, KGS Group, DWG_WG0-D-M301-01, Rev 0	June 4, 2014
Piping P&ID Legend, KGS Group, PID_WG0-D-E000-01, Rev 0	June 4, 2014
Piping Glycol System P&ID, KGS Group, PID_WG0-D-E001-01, Rev 0	June 4, 2014
Piping Natural Gas System P&ID, KGS Group, PID_WG0-D-E002-01, Rev 0	June 4, 2014
Piping Lube Oil and Fresh Glycol P&ID, KGS Group, PID_WG0-D-E003-01, Rev 0	June 4, 2014
Piping LNG Impoundment Pit Water Drainage System P&ID, KGS Group, PID_WG0-D-E004-01, Rev 0	June 4, 2014
Piping Fire Protection Water P&ID, KGS Group, PID_WG0-D-E005-01, Rev 0	June 4, 2014
Piping and Instrumentation Diagrams M01 to M08, GP Strategies, Rev 5	June 4, 2014
Electrical Single Line Diagram E03, GP Strategies, Rev A	June 6, 2014

THIS AUTHORIZATION IS SUBJECT TO THE FOLLOWING TERMS & CONDITIONS:

1. The Licensee shall not undertake any activity under this Construction Authorization unless it is undertaken in accordance with the Oil and Gas Act and regulations; any authorization issued in respect of the Facility, including this Construction Authorization, as amended from time to time; any Directions or Orders of the Chief Operations Officer ("COO"); and, to the extent they are not inconsistent with the foregoing the Licensee's Application (including the Application Form) and any representations made by the Licensee to the COO during the Construction Authorization review process.
2. An obligation of the Licensee will survive the termination or expiry of this Construction Authorization if it is expressly required or reasonably implied in pursuit of the objectives of the Oil and Gas Act.
3. An amended Construction Authorization replaces and supersedes all previous version of this Construction Authorization.
4. This Construction Authorization shall not be construed as affecting any obligation the Licensee may have under a Federal, Territorial, or Municipal law.
5. A copy of the Construction Authorization will be kept on site.
6. The Licensee will notify the COO in advance of the start of construction, and provide bi-weekly construction reports thereafter until construction is complete as determined by the COO.
7. Construction reports will be prepared by the agent appointed under Section 20(1)(b) of the GPPR.
8. Construction reports will provide details about work accomplished; personnel on site; all safety and environmental concerns; and forecast schedules and will be prepared to the satisfaction of the COO.
9. Subject to the requirements of the Oil and Gas Act and any Directions and Orders of the COO, the facility must be constructed in accordance with the drawings, designs, work scopes and specifications as listed herein. This does not exempt the Licensee from any responsibility to

prepare additional documents for engineering requirements or to abide by applicable Federal, Territorial, and Municipal laws.

10. Any application to vary or modify the designs and specifications approved by this Construction Authorization shall be submitted to the COO at least 7 days prior to the date on which the Licensee wishes for the variation or modification to take effect.
11. Final "as-built" drawings must be submitted to the COO within 60 days of construction completion as determined by the COO.



Kyle Rolling, Chief Operations Officer

JULY 11 2014

Date