August 16, 2010

Ernie Gilroy, C.E.O.
Manitoba Floodway and East Side Road Authority
200 - 155 Carlton St.
Winnipeg MB R3C 3H8

Dear Mr. Gilroy:

Enclosed is Environment Act Licence No. 2929 dated August 16, 2010 issued in accordance with The Environment Act to Manitoba Floodway and East Side Road Authority for the construction, operation, and maintenance of the Development being an all-season road linking Bloodvein and Berens River First Nations to Provincial Road 304 in accordance with the Proposal filed under The Environment Act on January 30, 2009, the Environment Impact Assessment filed on October 21, 2009, and supplementary information filed on April 23, 2010.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with.

For further information on the administration and application of the Licence, please feel free to contact Darrell Ouimet, Environment Officer at (204) 945-7067.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.
c: Don Labossiere, Director, Environmental Operations
    Doug Peterson, P. Eng., MB Floodway and East Side Road Authority
    Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2929 (by the Licencee only) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by August 31, 2010.

On behalf of Manitoba Floodway and East Side Road Authority ___________________________ Date ____________

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
Licence No. / Licence n° 2929
Issue Date / Date de délivrance August 16, 2010

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 11(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

MANIToba FLOODWAY AND EAST SIDE ROAD AUTHORITY;
"the Licencee"

for the construction, operation, and maintenance of the Development being an all-season road linking Bloodvein and Berens River First Nations to Provincial Road 304 in accordance with the Proposal filed under The Environment Act on January 30, 2009, the Environment Impact Assessment filed on October 21, 2009, and supplementary information filed on April 23, 2010, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

"affected area" means a geographical area, excluding the property of the Development;

"noise nuisance" means a continuous or repeated noise in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:
   a) residing in an affected area;
   b) working in an affected area; or
   c) present at a location in an affected area which is normally open to the members of the public;
   if the noise
   d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
   e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted sound had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household, and

"wetlands" means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet conditions.

**A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencsee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencsee shall establish any fuel handling and storage areas required for the construction and operation of the Development:
   a) a minimum distance of 100 metres from any waterbody unless otherwise authorized by the Director; and
   b) in compliance with the requirements of Manitoba Regulation 188/2001, or any future amendment thereof, respecting Storage and Handling of Petroleum Products and Allied Products.

2. The Licencsee shall ensure fuel storage containers incorporate secondary containment satisfactory to an Environment Officer.

3. The Licencsee shall at the completion of the construction, landscape and vegetate all areas disturbed during construction with native plant species in order to restore and enhance the site and to protect against soil erosion. This includes but is not limited to access roads no longer used for construction and operation purposes.

4. The Licencsee shall collect and dispose of all used petroleum products and other hazardous wastes generated by the machinery used in the construction and operation of the Development in accordance with Manitoba Conservation and legislative requirements.

5. The Licencsee shall, at all times during the construction of the Development, have available at the construction sites, materials to contain and recover spills of fuel and other fluids associated with construction machinery.

6. The Licencsee shall during construction and operation of the Development:
   a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888 pursuant to Manitoba Regulation 439/87 or any future amendment thereof, respecting Environmental Accident Reporting; and
   b) provide a follow-up report to the Director on any reportable environmental accidents outlining the cause(s) and proposed corrective actions to prevent recurrence.

7. The Licencsee shall, during the full term of the construction of the Development, cleanup and deposit all debris from the construction site, including demolition debris, at a Waste Disposal Ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91 or any future amendment thereof, respecting Waste Disposal Grounds.
8. The Licencee shall, during construction, dispose of all sewage and septage from on-site sanitary facilities in accordance with *Manitoba Regulation 83/2003* or any future amendment, respecting *Onsite Wastewater Management Systems*.

9. The Licencee shall, during construction, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996*.

10. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.

11. The Licencee shall, during construction, maintenance, and operation of the Development, take all appropriate measures to prevent erosion and the deposition of sediment into any waterbodies.

12. The Licencee shall construct individual stream crossings in accordance with approvals obtained from the Department of Fisheries and Oceans and Transport Canada and in consultation with Manitoba Water Stewardship.

13. The Licencee shall not, during construction, maintenance or decommissioning of the Development, clear, compact, grade or fill any areas of natural vegetation including wetlands, native upland habitat or private or Crown lands other than lands required for the Development. All construction related traffic shall be restricted to the development right-of-way and associated access routes used for construction and maintenance purposes. Existing trails, portages and other travel ways shall not be altered adjacent to the Development other than as required for the Development.

14. The Licencee shall, during construction and operation of the Development, apply measures to protect heritage resources, as directed by the Historic Resources Branch of Manitoba Culture, Heritage and Tourism.

15. The Licencee shall, prior to commencement of any construction activity, submit to the Director for approval, an Environmental Management Plan (EMP) for the Development. If appropriate, separate EMPs can be submitted for the construction and operation phases, as well as for different components of the project, if prior approval by the Director is obtained. The EMP shall describe the approach to be used by the Licencee to monitor environmental conditions during the construction and operation of the Development to ensure that mitigative measures are applied systematically, and in a manner consistent with the commitments made in the PR 304 to Berens River All-Season Road Environmental Impact Assessment. Specifically, the EMP shall for all phases of the development:
   a) describe the protocol for reporting on compliance monitoring;
   b) compare and describe the pre-development baseline conditions to projected or predicted conditions and the actual conditions during the different phases of the Development;
   c) define the parameters to be measured and the methods to be used to evaluate the environment effects of the Development;
   d) describe how the performance and effectiveness of the recommended mitigation measures will be evaluated during implementation;
c) plan for ensuring monitoring and follow-up are implemented correctly;
f) provide a plan to describe how adverse effects will be adaptively managed, and;
g) include, as a minimum, the following components:
   i) Environmental Protection Plan
   ii) Wildlife and Vegetation Monitoring Plan
   iii) Water Quality Monitoring Plan
   iv) Aquatic Environment Monitoring Plan 
   v) Erosion and Sediment Control Plan
   vi) Dust Control Plan
   vii) Waste Management Plan
   viii) Hazardous Materials Management Plan 
   ix) Decommissioning Plan related to closure and reclamation of temporary construction facilities and borrow pits
   x) Winter Road Closure and Reclamation Plan
   xi) Emergency Response Plan for environmental accidents and spills

16. The Licencee shall ensure any right of way vegetation control is conducted in a manner that prevents pesticide drift and/or runoff into the Atikaki Provincial Park.

17. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or maintenance of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

18. The Licencee shall provide a detailed calculation of greenhouse gas emission of the Development in relation to the existing baseline conditions within three months of the date of this licence.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Construction

19. The Licencee shall notify the assigned Environment Officer not less than two weeks prior to beginning construction of the Development. The notification shall include the intended starting date of construction.

20. The Licencee shall not undertake construction activities in connection with the Development in fish bearing waters or potentially fish bearing waters between April 1 and July 15 of any year, or during periods of high stream flow.

21. The Licencee shall not construct other roads connected to the Development. Short access routes for construction and maintenance purposes shall be approved in writing by the Integrated Resource Management Team, Eastern Region prior to construction.

22. The Licencee shall not remove, destroy or disturb species pursuant to Manitoba Regulation 25/98, or any future amendment thereof, respecting Threatened, Endangered and Extirpated Species, or species listed in the federal Species at Risk Act.
23. The Licencee shall, during construction, maintain a minimum distance of 30 meters from all streams and waterbodies, with the exception of approaches to water crossings, unless separation of less than 30 meters has been authorized by the Integrated Resource Management Team, Eastern Region.

24. The Licencee shall for dust control measures during construction, obtain water from a source other than waste water treatment facilities.

25. The Licencee shall, during construction, undertake temporary erosion control measures to reduce siltation from erosion prone areas.


27. The Licencee shall restrict access to work areas including construction activities and blast areas.

**Respecting Operation**

28. The Licencee shall not use chemical means for dust or ice control within 100m of any stream crossing.

29. The Licencee shall ensure that access roads necessary for on-going maintenance of the Development are gated and securely locked or access otherwise restricted to prevent access of unauthorized vehicles not directly related to the maintenance of the Development.

**Respecting Alterations to the Development**

30. The Licencee shall obtain approval from the Director for any proposed alterations to the Development before proceeding with the alteration.

**REVIEW AND REVOCATION**

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.
C. If construction of the Development has not commenced within three years of the date of this Licence, this Licence is revoked.

Tracey Braun

Tracey Braun, M. Sc.
Director
Environment Act

Client File: 5388.00