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 10(1) / Conformément au Paragraphe 10(1)

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

PIONEER GRAIN COMPANY LTD.; DAUPHIN "the Licencsee"

for the construction, installation and operation of the Development being a crop protection products warehouse, a bulk granular fertilizer blending/storage and distribution facilities located on Lot 1 on the NE¼ 2-25-19 WPM in the Rural Municipality of Dauphin, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"Director" means the Director of The Environment Act;

"chemical" includes but is not limited to pesticides and fertilizers.

GENERAL SPECIFICATIONS

1. The Licencsee shall comply with the current edition of the Crop Protection Institute of Canada's warehousing standards regarding the handling and storage of crop protection chemicals, and with any applicable federal or provincial regulations.

2. The Licencsee shall ensure that a high standard of equipment maintenance and good housekeeping and operational practices are carried out with respect to the Development, at all times.

3. The Licencsee shall provide for the approval of the Director and Town of Dauphin Fire Chief, and maintain, a facility emergency response contingency plan, including proposed actions in response to potential accidents related to the operation of the Development (including fires).

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
4. The Licencee shall ensure that an automatic system for fire detection and security is installed and maintained at the Development.

**LIMITS, TERMS AND CONDITIONS**

**I - LIQUID EMISSIONS**

5. The Licencee shall not discharge any liquid beyond the property line of the Development as a result of:
   i) any on-site chemical spill;
   ii) wastewater generated from any response action due to onsite release of chemicals.

6. a) The Licencee shall ensure that a synthetic impervious barrier approved by the Director is installed under and around the perimeter of the Development to prevent the escape of contaminated water resulting from fire extinguishing; or
   
   b) The Licencee shall install an automatic foam fire-extinguishing dispensing system within the storage building of the Development.

7. The Licencee shall ensure that no spillage, contaminated run-off or pollutant is directed to a sewage disposal system.

8. The Licencee shall, at the request of the Director, conduct soil and/or ground water sampling and analysis around the Development to ensure that there is no accumulation or off property movement of pollutants.

**II - CHEMICAL STORAGE / HANDLING**

9. The Licencee shall ensure that all concrete floors and curbs are constructed in such a manner and are maintained in good repair so as to prevent spilled liquids from leaking down into the soil.

10. The Licencee shall ensure that any chemical spills are contained and cleaned up immediately to prevent soil contamination and reduce possibility of surface run off into ground and/or surface waters.

11. The Licencee shall ensure that there is no mixing, filling, or re-filling of pesticide chemicals at the Development.
12. The Licencee shall maintain a current duplicate inventory of all chemical materials stored at the Development and keep one copy at the Development, and the other copy at a location off-site.

13. The Licencee shall ensure that only pesticides registered under the Pest Control Products Act of Canada are stored at the Development.

III - STORAGE LOCATION

14. The Licencee shall locate the Development a minimum distance of:

   i) 100 meters from any property zoned residential;
   ii) 100 meters from single residences unless a written consent form is obtained from owner.

15. The Licencee shall surface all areas of the Development where fertilizer is stored, loaded, blended, transferred or otherwise handled, in a manner and using materials approved by the Director.

16. The Licencee shall grade, dike or curb all areas where fertilizer is stored, loaded, blended, transferred or otherwise handled in a manner and using materials approved by the Director, such that all product spillage and contaminated run-off water from these areas is contained within the Development.

REVOCATION

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

B. This Licence replaces Licence No. 1616 R which is hereby rescinded.

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Tracey Braun, M.Sc.
Director
Environment Act

FILE: 3514.00
July 4, 2008

Mr. Perry M. Henschell
Manager, Environment, Health & Safety
James Richardson International Limited
2800 One Lombard Place
Winnipeg MB R3B 0X8

Dear Mr. Henschell:

Our records have been updated to reflect the transfer of Agricore United Environment Act Licence No. 1616 R to Pioneer Grain Company Limited. Enclosed is Revised Environment Act Licence No. 1616 RR dated July 4, 2008 re-issued in the name of Pioneer Grain Company Limited.

In addition to the enclosed Revised 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 Brandon Conservation Office at (204) 726-6060.

Please ensure that the original or copy of the revised Licence and covering letter are available on site.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.
c: B. Wright, Regional Director, Western Region, Conservation
c: R.M. of Dauphin

NOTE: Confirmation of Receipt of this Licence No. 1616 RR (by the Licencee only) is required by the Director of Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy back to the Department by July 18, 2008.

On behalf of Pioneer Grain Company Limited

Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**