In accordance with the Manitoba Environment Act (C.C.S.M. c. E125)

THIS STAGE 1 LICENCE IS ISSUED TO:

Akiut Aerospace Incorporated:
"the Licencee"

for the construction of Phase 1 of the Development being facilities for launching Scout-class rail launched expendable launch vehicles, foundation works at and access road base courses to sites for facilities to launch small and medium sized expendable launch vehicles (SELV's & MELV's), and the monitoring of the SELV and MELV foundations for a one year period after completion of construction. The Development is to be located at and on lands adjacent to the existing Churchill Research Range, 20 kilometers east of the L.G.D. of Churchill (in Townships 112-1 East of 94° longitude and 112-2 East of 94° longitude) and will be developed subject to the following specifications, limits, terms and conditions:

Specifications, Limits, Terms and Conditions


2. Prior to beginning Phase 1 construction activities, the Licencee shall submit, for the approval of the Director, a report which provides the following information:

i. a preliminary botanical survey identifying the existence of threatened or endangered flora at each of the construction sites;

ii. the results of the detailed Heritage Resources Impact Assessment required under Section 12 of the Heritage Resources Act;

iii. a preliminary survey of nesting bird activity at each of the construction sites;

iv. the results of a preliminary investigation of potential non-lethal polar bear deterrent methods; and

v. the initial results of an evaluation of potential site-specific revegetation techniques, relevant to the Development, capable of returning areas damaged by Phase 1 construction activities to their pre-construction condition.
3. The Licencsee shall, during Phase 1 construction activities, complete and submit for the approval of the Director, a report which provides a detailed botanical survey identifying the existence of threatened or endangered flora at each of the construction sites, and a detailed survey of nesting bird activity at each of the construction sites.

4. The Licencsee shall, prior to withdrawing water in excess of 1000 litres from Lake 58, submit, for the approval of the Director, a report which provides a hydrologic and zoological study of Lake 58. The objective of the study will be to verify the existence of fish species in the lake and establish the potential impacts of using the lake as a water source during Phase 1 construction activities.

5. The Licencsee shall, prior to beginning Phase 1 construction activities, prepare and submit, for the approval of the Director, a detailed environmental protection plan for Phase 1 construction activities. The plan shall include:

   i. terms of reference for the person(s) or agency which will conduct the environmental inspection function throughout the construction activities;
   
   ii. identification of all areas of sensitive environment potentially affected by the construction activities;
   
   iii. identification of all areas where environmental impact mitigation measures are to be implemented during the construction activities;
   
   iv. specifications with respect to planned site-specific environmental impact mitigation measures for the construction activities;
   
   v. identification of the party(s) responsible for implementing the site-specific environmental impact mitigation measures identified in item iv above;
   
   vi. proposed types of vehicles to be used in the construction activities;
   
   vii. proposed locations or technologies to be employed for the development of the various components of the construction activities including siting and/or design of bulk fuel storage and fueling areas, portable concrete batch plants, waste water containment facilities, etc.;
   
   viii. proposed timing of the specific construction activities;
   
   ix. proposed types of materials to be used as components of the mitigation proposals identified in item iv above;
   
   x. plans for notification of environmental regulatory personnel and scientists conducting research in the general area during the construction activities;
   
   xi. plans for disposal of excess excavated materials generated by the construction activities;
   
   xii. interim plan for post-construction cleanup, restoration and revegetation measures for the construction activities;
   
   xiii. interim plan to deal specifically with polar bear/human interactions during the construction activities;
xiv. an emergency response plan to manage contingency events during the construction activities; and

xv. a management plan for the safe disposal of special and hazardous waste generated during the construction activities.

6. The Licencee shall, prior to beginning Phase 1 construction activities, submit to the Director for his approval, a plan for the establishment of a local liaison committee. The committee will be established to ensure there are on-going community based communications regarding scheduling of Phase 1 construction activities, the plans to mitigate environmental impacts, and a review process to ensure the effectiveness of implementation of the mitigation measures. The Committee should include representation from the L.G.D. of Churchill, the Churchill Northern Studies Centre, Manitoba Environment, Parks Canada, Manitoba Natural Resources and the local residents.

7. The Licencee shall, during and at the conclusion of Phase 1 construction activities, cleanup and deposit all non hazardous waste and debris from the construction activities into the L.G.D. of Churchill waste disposal ground or any other waste disposal ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91R respecting waste disposal grounds.

8. The Licencee shall ensure that all waste oil products, including lubricating oils such as transmission fluids etc., generated by the machinery used in the Phase 1 construction activities are collected and disposed of in accordance with applicable Environment Act and other legislative requirements.

9. The Licencee shall conduct all works with respect to the necessary stream crossings related to Phase 1 construction activities in accordance with the Manitoba Natural Resources' Guidelines titled Recommended Fish Protection for Stream Crossings in Manitoba.

**Revocation**

If, in the opinion of the Minister, the Licencee has exceeded or is exceeding the limits, or has not complied or is not complying with the specifications, terms or conditions set out herein, the Minister may revoke this Licence either temporarily or permanently.

[Signature]
Larry Strachan, P. Eng.
Director,
Environment Act

File No: 3336.00