

Licence No.: 1911 S1

Licence Issued: September 6, 1994

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

THIS LICENCE IS ISSUED TO:

ISOBORD ENTERPRISES INC.; "the Licencee"

STAGE 1 LICENCE

pursuant to sections 10(8) and 13(1) of the Act for the construction of the Development being a Particle Board Plant proposed pursuant to The Environment Act on May 24, 1994, to be located on all that portion of the east half of NE 1-11-3 WPM situated north of the Canadian National Railway Right-of-Way, Plan 917 PLTO excepting Lot 1, Plan 26065 PLTO, and all that portion of the east 500 feet of the west half of NE 1-11-3 WPM situated north of the Canadian National Railway Right-of-Way in the R. M. of Cartier and the installation of equipment therein, and subject to the following specifications, limits, terms and conditions:

GENERAL SPECIFICATIONS

1. The Licencee is hereby authorized to undertake only the following activities at the Development :
 - a. site preparation activities;
 - b. particle board plant and ancillary structures construction; and
 - c. equipment installation.
2. The Licencee shall not store or handle particle board production chemicals nor engage in particle board production activities at the Development until so authorized by a subsequent stage of this Licence which may be issued under the Act.
3. The Licencee shall, as deemed necessary by the Director, carry out any remedial measures or modifications in respect to matters authorized under Clause 1 of this Stage 1 Licence, in any subsequent stage in the licensing of the Development.
4. The Licencee shall submit, to the Director for approval, not later than November 1, 1994, an Environmental Monitoring Plan to identify the environmental conditions prior to the operation of the Development, the environmental conditions after the Development commences operation, and any changes to the environmental conditions resulting from the operation of the Development. The Environmental Monitoring Plan shall address:
 - a. ambient air quality;
 - b. ambient surface water quality;
 - c. vegetation inventory and assessment; and
 - d. emissions from the Development.
5. The Licencee shall implement the approved Environmental Monitoring Plan in a manner and within the time frames specified by the Director. Subsequent to the approval of the Environmental Monitoring Plan, the Licencee may submit, to the Director for approval, amendments to the plan. The Licencee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.
6. The Licencee shall submit, to the Director for approval in consultation with the Department of Health, not later than November 1, 1994, a baseline health status study plan and shall undertake the implementation of the approved study plan within the time frames specified and in a manner approved by the Director. Subsequent to the approval of the baseline health status study plan the Licencee may submit, to the Director for approval, amendments to the plan. The Licencee shall implement any amendments approved by the Director in a manner

and within the time frames specified by the Director.

7. The Licencee shall submit, to the Director for approval, not later than November 1, 1994, a test program to evaluate the potential for volatile organic compound emission during the straw drying process, and shall implement the approved test program in a manner and within the time frames specified by the Director. Subsequent to the approval of the test program, the Licencee may submit, to the Director for approval, amendments to the test program. The Licencee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.
8. The Licencee shall submit to the Director not later than January 1, 1995, the results of the test program conducted pursuant to Clause 7 of this Licence.
9. The Licencee shall submit to the Director, not later than January 1, 1995, computer generated estimations of the maximum pollutant concentrations in the ambient air, resulting from the Development, based on a computer model approved by and for such pollutants prescribed by the Director.
10. The Licencee shall submit, to the Director for approval, not later than April 1, 1995, a detailed Contingency Plan that addressed actions to be taken respecting, but not limited to, process equipment upsets or malfunctions, emission control equipment upsets or malfunctions, chemical spills or accidental releases both inside and outside the plant building, transportation accidents or accidental releases, releases from the runoff retention pond, and fires both inside or outside the plant building. The Licencee shall implement the approved plans as required. Subsequent to the approval of the Contingency Plan, the Licencee may submit, to the Director for approval, amendments to the plan. The Licencee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.
11. The Licencee shall submit, to the Director for approval, not less than two weeks prior to commencement of construction, a plan for fuel storage and handling practices during construction and shall undertake the implementation of the approved plan within the time frames specified and in a manner approved by the Director. Subsequent to the approval of the plan, the Licencee may submit, to the Director for approval, amendments to the plan. The Licencee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.

CONSTRUCTION SPECIFICATIONS

12. The Licencee shall construct the runoff collection ditch network with clay or other suitable soil material such that all interior surfaces of the runoff collection ditch network are lined with a minimum of 0.5 metres of soil having a hydraulic conductivity of 1×10^{-7} centimetres per second or less.
13. The Licencee shall, prior to the construction of the runoff retention pond remove all organic topsoil from the area where the dykes will be constructed.
14. The Licencee shall construct the runoff retention pond with clay or other suitable soil material such that all interior surfaces of the runoff retention pond are lined with a minimum of 1.0 metres of soil having a hydraulic conductivity of 1×10^{-7} centimetres per second or less.
15. The Licencee shall arrange with the designated Environment Officer a mutually acceptable time and date, for any soil sampling required by Clause 16 of this Licence, between the 15th day of May and the 15th day of October of any year.
16. The Licencee shall either:
 - a. subject undisturbed soil samples from the constructed runoff collection ditch network and the runoff retention pond to hydraulic conductivity tests, the number and location of samples to be specified by the Environment Officer designated by the Director up to a maximum of twenty samples; or

- b. where undisturbed soil samples cannot be taken, test the soil of plane surfaces from the constructed runoff collection ditch network and runoff retention pond for hydraulic conductivity by an insitu method as prescribed by the designated Environment Officer.
17. The Licencee shall, within 30 days of performing the tests carried out pursuant to Clause 16 of this Licence, submit to the Director, the results of the tests carried on those samples.
18. The Licencee shall protect the Development from a maximum flood event with an expected 1% frequency.
19. The Licencee shall submit, to the Director, not later than April 1, 1995, a Detailed Design Report, including the final plant layout, final design inputs and outputs, equipment inventory and operating specifications under normal and maximum expected operating conditions including air emission control systems, and all associated duct work.

REVOCATION

20. If in the opinion of the Director, the Licencee is in contravention of or has contravened the specification, limits, terms, or conditions set out herein, the Director may revoke, temporarily or permanently, this Licence.

"original signed by"

Larry Strachan, P. Eng.
Director
Environment Act

Client File No.: 3811.00