

# LICENCE

Licence No. / Licence n° 2856 R  
Issue Date / Date de délivrance December 22, 2008  
REVISED: November 4, 2009

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 :**

**6539963 CANADA LTD. operating as INDUSTRIAL METALS (2006) LP; "the  
Licencee"**

for the construction and operation of the Development being a scrap metal processing operation located at 550 Messier Street in Winnipeg, in accordance with the proposal filed under The Environment Act on May 22, 2008 and supplementary information provided July 23, 2008, July 30, 2008, July 31, 2008 and Oct 27 2009 and subject to the following specifications, limits, terms and conditions:

## **DEFINITIONS**

In this Licence,

**"accredited laboratory"** means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

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

**"approved"** means approved by the Director, or an assigned Environment Officer, in writing;

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

**"as constructed drawings"** means engineering drawings complete with all dimensions which indicate all features of the Development as it has actually been built;

**"ASR"** means the residue generated by shredding a motor vehicle or white goods;

**"dangerous good"** means any product, substance or organism designated in the regulations, or conforming with the criteria set out in the regulations, or in any regulation adopted in accordance with The Dangerous Goods Handling and Transportation Act, and includes hazardous wastes;

**"Director"** means an employee so designated pursuant to the Environment Act;

**"Environment Officer"** means an employee so designated pursuant to The Environment Act;

**"materials"** means scrap metal which has been or is waiting to be processed;

**"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;

**"odour nuisance"** means a continuous or repeated odour, smell or aroma, 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 odour, smell or aroma

- 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 odour, smell of aroma 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;

**"opacity"** means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

**"particulate matter"** means any finely divided liquid or solid matter other than water droplets;

**"particulate residue"** means that part or portion of an atmospheric emission which is deposited onto a surface;

**"point source"** means any point of emission from the Development where pollutants are emitted to the atmosphere by means of a stack;

**"pollutant"** means any solid, liquid, gas, smoke, waste, odour, heat, sound, vibration, radiation or any combination of any of them that is foreign to or in excess of the natural constituents of the environment, and

- a) affects the natural, physical, chemical or biological quality of the environment,  
or
- b) is or is likely to be injurious to the health or safety of persons or injurious or damaging to property or to plant or animal life, or
- c) interferes with or is likely to interfere with the comfort, being, livelihood or enjoyment of life by a person.

**"Standard Methods for the Examination of Water and Wastewater"** means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation;

**"start up"** means when the shredder is being used for the testing just after it has been installed.

**"white goods"** means kitchen appliances such as stoves, dishwashers and refrigerators

### **GENERAL TERMS AND CONDITIONS**

This Section of the Licence contains requirements intended to provide guidance to the Licencee 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 Licencee shall implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the Development, at all times.
2. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
3. The Licencee shall, upon the request of the Director and in addition to any of the limits, terms or conditions specified in this Licence:
  - a) sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
  - b) determine the environmental impact associated with the release of any pollutants from the said Development; or
  - c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.
4. The Licencee shall, unless otherwise specified in this Licence:
  - a) carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
  - b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
  - c) ensure that all analytical determinations are undertaken by an accredited laboratory; and
  - d) report the results to the Director within 60 days of the samples being taken.
5. The Licencee shall, during construction and operation of the Development,
  - a) immediately report any reportable spills to the Manitoba Conservation Emergency Response Line at (204) 944-4888; and

- b) provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposing corrective action to prevent a reoccurrence.
6. The Licencee shall provide to the Director, upon request, all information required under this Licence, in writing and in such form and content (including number of copies), as may be specified by the Director.
  7. The Licencee shall prevent the seepage or surface flow of any liquid waste emanating from the said operation from entering any land or body of water off the site of the said operation.
  8. The Licencee shall prior to processing scrap metal assemblies and components:
    - a) carry out a thorough and continuous program of inspection of the scrap metal to discover potentially explosive components;
    - b) remove or render safe all tanks, pressure vessels or other potentially explosive components;
    - c) remove all radioactive material, dangerous goods, and hazardous wastes and dispose of these materials in accordance with applicable legislation; and
    - d) maintain and keep available for inspection by an Environment Officer, a log of:
      - i) all inspections carried out pursuant to (a);
      - ii) all and any explosions that take place on the site of the development giving time, intensity and cause; and
      - iii) all potentially explosive components removed prior to processing together with a description of the assemblies removed and where practical, identification of the source or supplier of the said assemblies.
  9. The Licencee shall minimize dust emissions from the shredder by use of skirts installed on all dropping chutes of the shredder.
  10. The Licencee shall install and use a radiation detector to monitor all incoming waste metals at the Development.
  11. The Licencee shall install and use a radiation detector to monitor the in-feed conveyor of the shredder.
  12. The Licencee shall not allow any combustible materials collected from the shredding process to be burned at the Development.
  13. The Licencee shall only store materials in a manner that prevents pollution to groundwater, surface water, and/or soil.

14. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.
15. The Licencee shall not utilize used oil as a road dust suppressant.
16. The Licencee shall dispose of wood and office waste generated at the Development, which is not recycled, only to a waste disposal ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91 or any future amendment thereof, or a Licence issued pursuant to The Environment Act.

### **LIMITS, TERMS AND CONDITIONS**

17. 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 and the name of the contractor responsible for the construction.
18. The Licencee shall, during construction of the Development, operate, maintain and store all materials and equipment in a manner that prevents any pollutants (fuel, oil, grease, hydraulic fluids, coolant, paint, uncured concrete and concrete wash water, etc.) from entering any watercourses or groundwater.
19. The Licencee shall comply with the requirements of *Manitoba Regulation 188/2001* respecting *Storage and Handling of Petroleum Products and Allied Products Regulation* or any future amendment thereof, with respect to all storage tank systems located at the Development, where applicable.
20. The Licencee shall not alter local drainage patterns by the construction of the Development.
21. The Licencee shall install and maintain a fence around the Development to limit access. The fence shall be a minimum of 1.2 meters high and have a locking gate, which shall be locked at all times except to allow access to the Development.
22. The Licencee shall:
  - a) prepare "as constructed drawings" for the Development and shall label the drawings "As Constructed"; and
  - b) provide to the Director, on or before the March 31<sup>st</sup>, 2010, two sets of "as constructed drawings" of the Development.

**Respecting Automotive Shredder Residue**

23. The Licencee shall collect ASR from the shredder in a covered bin to minimize dust emissions.
24. The Licencee shall dispose of ASR from the shredder regularly each second or third day, unless approved by the Director.
25. Notwithstanding Clause 24 the Licencee shall, at start up of the shredder, store ASR from the shredder on site temporarily while the ASR analysis results are pending from the analytical laboratory.
26. The Licencee, unless otherwise approved by the Director, shall dispose of all ASR generated at the Development at a waste disposal ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91 or any future amendment thereof, or a Licence issued pursuant to The Environment Act.
27. The Licencee shall comply with Manitoba Regulation 113/2003 respecting Special Waste (Shredder Residue) whenever ASR generated at the Development is disposed of at a waste disposal ground.
28. The Licencee shall, beginning in the year 2010, sample the ASR residue in accordance with the sampling protocol described in Attachment A of this Licence, and shall provide to the Director an annual report of the sampling prior to March 1 of the following calendar year.

**Respecting Noise Management**

29. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.
30. The Licencee shall maintain a noise management programme consisting of, but not limited to:
  - a) a supplier information and education programme regarding acceptable scrap materials;
  - b) a thorough inspection protocol to characterize all inbound scrap metal loads; and
  - c) continuous investigation of new noise reduction and explosion prevention technologies.
31. The Licencee shall only operate the Development between the hours of 7 a.m. and 7 p.m., on the weekdays.

32. The Licencee shall not operate the shredder on any weekday earlier than 8 a.m. nor later than 5 p.m.
33. The Licencee shall not operate the shredder at anytime on the weekend or a holiday.
34. The Licencee shall not operate the shredder at anytime on a weekday for more than 8 hours per day.
35. The Licencee shall report all explosions that occur at the Development to the Director within 24 hours of their occurrence on a form approved by the Director.

#### **Respecting Monitoring**

36. The Licencee shall submit for the Director's approval, within 30 days of the issuance of this Licence, a standard operating procedures and monitoring programme manual for the Development which will include details of operating procedures for the shredder and shear as well as details of monitoring that will be carried out at the Development with respect to noise, soil contamination and ASR collection and analysis.
37. The Licencee shall undertake the monitoring programme as described in Clause 36 as approved by the Director.
38. The Licencee shall submit, by March 1, of each calendar year, starting in the year 2011, an annual report regarding the details of the monitoring programme results, the number of explosions with causes during the year and other procedures as required by Clause 36.
39. The Licencee shall appoint an Environmental Manager responsible for compliance with this Licence.

#### **Respecting Air Emissions**

40. The Licencee shall not emit from the Development:
  - a) particulate matter in any air emission that:
    - i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide from any point source of the Development;
    - ii) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or
    - iii) results in the deposition of visible particulate residue at any time beyond the property line of the Development; or

- b) particulate matter from any point source with an opacity that equals or exceeds:
  - i) 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
  - ii) 20 percent for more than 16 individual opacity observations within any 1 hour period; or
  - iii) 40 percent for any individual opacity observation.
- 41. The Licencee shall direct all air streams, which contain a pollutant(s) of concern to the Director, to a pollution control device which has been designed for and demonstrated to be capable of reducing, altering, eliminating or otherwise treating the pollutant(s).
- 42. The Licencee shall cease operation of any equipment served by air pollution control equipment during the time the said air pollution control equipment is inoperable and shall not resume operation of the said equipment until the air pollution control equipment is again placed in operation.

#### **Respecting Financial Assurance**

- 43. The Licencee shall post with the Manitoba Department of Conservation in the amount of \$200,000:
  - a) a permit bond issued by a surety company licenced to do business in the Province of Manitoba;
  - b) an irrevocable letter of credit; or
  - c) another acceptable security satisfactory to the Director.

This permit bond, irrevocable letter of credit, or other security and renewals thereof shall remain in place for the duration of the operation and decommissioning of the Development. The Director may order forfeiture of the permit bond, irrevocable letter of credit, or other security, either in whole or in part, by giving written notice to that effect to the Licencee, upon the Director being satisfied that the Licencee is in breach of any specification, limit, term or condition of this Licence, or for reimbursement of any costs or expenses incurred by the Province of Manitoba in rectifying environmental damage caused or contributed to by the operation of the facility.
- 44. The Licencee shall, on an annual basis, provide evidence of environmental liability insurance that meets Manitoba Conservation's minimum requirement of \$5,000,000 of insurance coverage for the Development and includes the following:
  - a) coverage for gradual as well as sudden and accidental pollution at the Development; and

- b) coverage for on-site and off-site clean up costs.
45. The insurance as required by Clause 44 shall be held with insurers satisfactory to the Province of Manitoba, shall include the Province of Manitoba as an Additional Insured on the policy, and shall contain a clause stating that the Insurer will give Manitoba 60 days prior written notice in case of significant reduction in coverage or policy cancellation.

#### **Respecting Decommissioning**

46. The Licencee shall submit, within one year of the date of issuance of this Licence, for the approval of the Director, a preliminary Closure and Post Closure Plan for the Development. The plan shall include, but not be limited to, information with respect to:
- a) clean up of the site including removal of all equipment;
  - b) testing for soil contamination of the site; and
  - c) financial assurance/insurance required to implement the Plan.
47. The Licencee shall submit within one (1) year prior to closure of the facility, for the approval of the Director, a formal detailed Decommissioning Plan for the facility.
48. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan

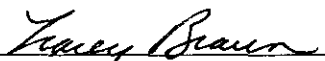
#### **Respecting Emergency Response Planning**

49. The Licencee shall submit to the Director for approval, within 180 days of the date of this Licence, a contingency plan, in accordance with the Manitoba Industrial Accidents Council (MIAC) *Industrial Emergency Response Planning Guide*, outlining procedures to be used in the event of a leak, spill, fire, or other hazardous condition at the Development.

### **REVIEW AND REVOCATION**

- A. This Licence replaces Environment Act Licence No. 2856, which is hereby rescinded.
- B. 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.

- C. 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 10 of The Environment Act.
- D. If the Development is not constructed and operational in three years from the date of issue of this licence, this licence is revoked.

  
\_\_\_\_\_  
**Tracey Braun, M.Sc.**  
**Director**  
**Environment Act**

Client File No.: 5344.00

**Attachment 'A' to  
Environment Act Licence No. 2856R – Industrial Metals (2006) LP**

**Automobile Shredder Residue Sampling Protocol**

1. Collect 50 litres of automobile shredder residue (ASR) each hour for an eight hour period.
2. Mix the 400 litre composite sample thoroughly and form into a cone.
3. Separate the cone into four quadrants.
4. Cut up any material larger than 150 millimetres into pieces less than 150 millimetres.
5. Mix opposite quadrants together to form two piles, and then mix the two piles thoroughly and form into a cone.
6. Repeat steps three to five as necessary to obtain a thorough mix.
7. Separate pile into four quadrants.
8. Mix two of the four quadrants together to form a 200 litre cone.
9. Separate the cone into three composite samples of equivalent size.
10. Store each of the three samples in a Proctor Bag and label.



**Conservation**

Environmental Stewardship Division  
Environmental Assessment and Licensing Branch  
123 Main Street, Suite 160, Winnipeg, Manitoba R3C 1A5  
T 204 945-7100 F 204 945-5229  
www.gov.mb.ca/conservation/eal

**FAXED**

**CLIENT FILE NO.: 5344.00**

November 4, 2009

Cliff Chisick  
Industrial Metals (2006) LP  
550 Messier Street  
Winnipeg MB R2J 0G5

Dear Mr. Chisick:

Enclosed is revised Environment Act **Licence No. 2856 R** dated November 4, 2009 issued in accordance with The Environment Act to **6539963 Canada Ltd.** operating as **Industrial Metals (2006) LP**, for the construction and operation of the Development being a scrap metal processing operation located at 550 Messier Street in Winnipeg, in accordance with the proposal filed under The Environment Act on May 22, 2008 and supplementary information provided July 23, 2008, July 30, 2008, July 31, 2008 and Oct 27 2009.

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 Revised Licence, please feel free to contact Adrian Jackson, Environmental Engineer at (204) 945-7108.

Yours truly,

Tracey Braun, M.Sc.  
Director  
Environment Act

Enc.

c: D. Labossiere, Director, Regional Operations  
c: Public registries

**NOTE:** Confirmation of Receipt of this revised Licence No. 2856 R (*by the Licencee only*) is required by the Director of Environmental Assessment & Licensing Branch. Please acknowledge receipt by signing in the space provided below and faxing a copy (cover letter only) back to the Department by November 19, 2009.

\_\_\_\_\_  
On behalf of Industrial Metals (2006) LP

\_\_\_\_\_  
Date