Environment Act Licence
Loi sur l’environnement Licence

Licence No./Licence n° 2641
Issue Date/Date de délivrance March 10, 2004

IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125)
THIS LICENCE IS ISSUED PURSUANT TO SECTION 10(1) TO:

PRAIRIE FOREST PRODUCTS LTD.; "the Licencee"

for the operation of the existing Development being a fence post peeling facility, located
at the north west junction of Highway 10 and Provincial Road 365 on portions of the NW
¼ of Section 14, Township 40, Range 26 W.P.M. within the Rural Municipality of
Mountain, and the NE ¼ of Section 15, Township 40, Range 26 W.P.M within the
Porcupine Provincial Forest, in accordance with the Proposal dated March 30, 2001, and
subsequent information dated October 22, 2003, and subject to the following
specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means facilities accredited by the Standard Council of Canada
(SCC), or facilities accredited by another accrediting agency recognized by Manitoba
Conservation to be equivalent to the SCC, or facilities which can demonstrate to
Manitoba Conservation, upon request, that quality assurance/quality control (QA/QC)
procedures are in place equivalent to accreditation based on the Canadian Standard
Can/CSA-Z753, extension of the international standard ISO 9000, Guide 25;

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

"approved" means approved by the Director in writing;

"authorized representatives" means an individual(s) so designated by the respective
Department;

"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;

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT
ALL TIMES**
"Environment Officer" means an employee so designated pursuant to The Environment Act;

"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 or 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;

"open burning" means the process of disposing of uncontaminated wood residue by combustion where the process has no approved control of combustion air and burn retention time, and where the gaseous products from the combustion are not directed through a stack;

"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;

"QA/QC" means quality assurance/quality control;

"sanitary wastes" means sewage containing human body, toilet, liquid, waterborne culinary, sink or laundry waste;

"sewerage system" means all sewers, appurtenances, pumping stations, treatment works, and all physical properties of the system, but does not include extensions to the collection systems;

"stack" means a duct, pipe, chimney, vent, or similar opening through which pollutants are emitted to the atmosphere;

"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; and

"uncontaminated wood residue" means any wood fibre by-product of the peeling process at the Development which has not been in contact with a pollutant which might result in a significant negative environmental or health impact if subjected to the burning process.

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 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.

LIMITS, TERMS AND CONDITIONS

Respecting Air Emissions – Limits

6. The Licencee shall not emit from the Development:
a) particulate matter from any point source 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 for processes involving combustion, 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.
7. 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.

8. 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.

**Respecting Ambient Air Quality Monitoring**

9. The Licencee shall submit, upon the written request and for the approval of the Director, a program for:
   a) the sampling, analysis and reporting of levels of pollutants, as determined by the Director, at a selected location(s) beyond the property boundaries of the Development; and
   b) the location, installation and operation of a meteorological monitoring station.

10. The Licencee shall:
    a) implement the approved program submitted pursuant to Clause 9 of this Licence within a timeframe stipulated by the Director; and
    b) submit a report within 60 days of the receipt of the analytical results of the sampling plan pursuant to Clause 9 of this Licence for the approval of the Director containing at minimum:
        i) the raw data collected;
        ii) a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis; and
        iii) a discussion of the significance of the data gathered with specific attention to:
            1) the significance for potential acute and chronic impacts to health or environment from exposure to concentrations of the compounds detected;
            2) the need for risk assessment of the impact of emissions;
            3) the need for the establishment of ambient air monitoring stations;
            4) results and conclusions of the QA/QC program; and
            5) other issues as may be determined by the Director.

**Respecting Management of On-Site Wood Residue**

11. The Licencee, within 60 days of the issuance of this Licence, shall conduct a survey of the Development by a certified Manitoba Land Surveyor to determine:
    a) the boundaries and dimensions of the Development which are to be clearly marked;
    b) the boundaries and dimensions of the piles of stored wood residue at the Development; and
    c) the volume of each pile of the stored wood residue.
12. The Licencee, within 90 days of the issuance of this Licence, shall submit a report of the findings of the survey conducted pursuant to Clause 11 of this Licence to the Director.

13. The Licencee shall establish, within 180 days of the issuance of this Licence, a zone which has been cleared of all combustible materials and which separates each pile of stored wood residue from the property boundaries of the Development by at least 6 meters. This perimeter zone shall be maintained such that combustible materials are not allowed to accumulate.

14. The Licencee, within 360 days of the issuance of this Licence, shall reduce and thereafter maintain the total amount of wood residue stored at the Development to a volume of not more than 20,000 cubic metres.

**Respecting On-Site Open Burning of Wood Residue**

15. The Licencee shall open burn only uncontaminated wood residue.

16. The Licencee shall open burn wood residue only at a location on the Development which has been approved in writing by the Director.

17. The Licencee shall not initiate any open burn event at the Development unless:
   a) a Standard Operating Procedure manual for open burning is prepared for and approved by the Director;
   b) written permission has been received from the Department of Transportation and Government Services and the Department of Conservation to allow each open burn event, and authorized representatives from both Departments are provided sufficient opportunity to either observe or monitor each burn event;
   c) notwithstanding any limits, terms or conditions of this Licence, compliance is maintained with any additional conditions stipulated by authorized representatives from the Department of Transportation and Government Services or the Department of Conservation; and
   d) the emissions do not result in conditions which would create a significant public safety, health or environmental impact beyond the boundaries of the Development.

18. The Licencee shall maintain a log book of all open burn events at the Development. The log book shall be kept at the Development and shall be available upon request for inspection by an Environment Officer. The log book shall record, at minimum, the following information:
   a) identification of the material burned;
   b) start time, end time and date of open burn;
   c) amount of material burned;
   d) weather conditions during open burn including:
      i) wind speed and direction;
      ii) ambient temperature;
      iii) amount of precipitation;
   e) the names of authorized representatives present during the open burn and the organizations represented; and
   f) signature of responsible company official.
19. The Licencee, notwithstanding any other clause in this Licence, shall cease all open burning at the Development within 5 years from the date of issuance of this Licence.

Respecting Management of Wood Residue Ash

20. The Licencee shall handle, store and dispose of all wood residue ash produced as a result of burning activities at the Development prior to the issuance of this Licence in a manner approved by the Director.

21. The Licencee shall handle, store and dispose of all wood residue ash produced as a result of each burn in a manner approved by the Director, and as conditions allow, within 5 days of the end of each burn event.

22. The Licencee shall record the volume of wood residue ash that is stored or disposed of and the date of the generation of the ash. The records shall be kept at the Development and shall be available upon request for inspection by an Environment Officer.

Respecting Surface Water Discharge

23. The Licencee shall not discharge to the ground surface beyond the property boundaries of the Development, any water which is contaminated from contact with any material or process at the Development.

Respecting Ground Water

24. The Licencee, upon the written request and within a time frame stipulated by the Director, shall submit a plan, prepared by a professional engineer registered with the Association of Professional Engineers and Geoscientists of the Province of Manitoba, or other qualified person, for the study of potential impacts to groundwater caused by any activities at the Development.

25. The Licencee, upon the written request and within a time frame stipulated by the Director, shall implement the study referenced in Clause 24 of this Licence.

26. The Licencee shall submit a report of the findings of the study conducted pursuant to Clause 25 of this Licence, within 60 days of the final receipt of the analytical results.

27. The Licencee shall implement all abatement measures requested by the Director as a result of the Director’s assessment of the report submitted pursuant to Clause 26 of this Licence.

Respecting Sanitary Waste Disposal

28. The Licencee shall discharge only sanitary wastes to a sewerage system.
Respecting Solid Waste

29. The Licencee shall dispose of all solid waste generated from any activity at the Development, which is not recycled or burned, 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.

Respecting On-Site Maintenance of Equipment

30. The Licencee shall perform on-site maintenance of equipment, including mechanical repair and lubricant changes, only in an area that has been constructed to contain any spillage of hydrocarbon products or other pollutants so as to prevent contamination of the soil or groundwater.

Respecting Chemical Storage and Spill Containment

31. The Licencee shall comply with all the applicable requirements of:
   a) Manitoba Regulation 188/2001, or any future amendment thereof, respecting the Storage and Handling of Petroleum Products and Allied Products;
   b) The Dangerous Goods Handling and Transportation Act, and regulations issued thereunder, respecting the handling, transport, storage and disposal of any dangerous goods brought onto or generated at the Development; and
   c) the Office of the Fire Commissioner – Province of Manitoba.

32. The Licencee shall provide containment for all vessels containing chemicals and in each area of the development where the chemicals are stored, loaded, transferred, used or otherwise handled, in compliance with the National Fire Code of Canada (1995), or any future amendment thereof such that any product leakage or spillage and any contaminated liquid generated is contained within the Development and contamination of groundwater is prevented.

33. The Licencee shall, in a manner approved by the Director, remove and dispose of all spilled dangerous goods.

Respecting Emergency Response Planning

34. The Licencee shall submit to the Director for approval, within 90 days of the issuance 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. 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 10 of The Environment Act.

[Signature]

Larry Strachan, P. Eng.
Director
Environment Act

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