March 23, 2012

Mark Milne
Ag Compost Inc.
41 Jefferson St.
Morden, MB R6M 0B8

Dear Mr. Milne:


In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Ryan Coulter, Environmental Engineer (204) 945-7023.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.
c: Don Labossiere, Director, Environmental Operations
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2999 (by the Licencee only) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by April 5, 2012.

Enviroclean Landfill Solutions Ltd.

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

ENVIROCLEAN LANDFILL SOLUTIONS LTD.;
"the Licencee"

for the construction and operation of the Development being an organic waste processing facility at 41 Jefferson Street in the Town of Morden, in accordance with the Proposal dated October 5, 2011, 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 assigned Environment Officer in writing;

"compost" means solid mature product resulting from composting;

"composting" means a managed process of bio-oxidation of a solid heterogeneous organic substrate including a thermophilic phase;

"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;

"industrial use agreement" means a signed agreement between an industry and a municipality to discharge industrial wastewater into a specified municipal wastewater collection and treatment system;

"industrial wastewater" means wastewater derived from an industry which manufactures, handles or processes a product and does not include wastewater from commercial or residential buildings;

"noise nuisance" means an unwanted sound, in an affected area, which is annoying, troublesome, 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 unwanted sound

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 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 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;

"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 a Development where pollutants are emitted to the atmosphere by means of a stack;

"sewage" means household and commercial wastewater that contains human waste;

"Specified Risk Material" means:
  a) the skull, brain, trigeminal ganglia (nerves attached to the brain), eyes, tonsils, spinal cord and dorsal root ganglia (nerves attached to the spinal cord) of cattle aged 30 months or older; and
  b) the distal ileum (portion of the small intestine) of cattle of all ages;

"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

"wastewater" means any liquid containing a pollutant as defined in The Environment Act, associated with or resulting from the Development which is discharged into the environment.

**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. In addition to any of the limits, terms or conditions specified in this Licence, the Licencee shall, upon the request of the Director:
   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 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, in the event of a release, spill, leak, or discharge of a pollutant or contaminant in an amount or concentration, or at a level or rate of release, that exceeds the limit that is expressly provided under this Act, another Act of the Legislature, or an Act of Parliament, or in a regulation, licence, permit, order, instruction, directive or other approval or authorization issued or made under one of those Acts, immediately report the release, spill, leak, or discharge by calling 204-944-4888. The report shall indicate the nature of the release, leak, or discharge, the time and estimated duration of the event and the reason for the release, spill, leak, or discharge.

5. 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, compost, and air samples in accordance with methodologies approved by the Director;
c) have all analytical determinations undertaken by an accredited laboratory; and
d) report the results to the Director, in writing and in an electronic format acceptable to the Director, within 60 days of the samples being taken.

6. The Licencee shall carry out any remedial measures, modifications, or alterations, as deemed necessary by the Director, in respect to matters authorized under this Licence.

7. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be specified by the Director, and each submission shall be clearly labelled with the Licence Number and Client File Number associated with this Licence.

8. The Licencee shall designate an employee, within 60 days of the date of issuance of this Licence, as the Licencee’s Environmental Coordinator, whose job description will include assisting the Licencee in complying with the limits, terms and conditions in this Licence and assisting Senior Management of the Licencee to manage environmental issues at the Development. The name of the Environmental
Coordinator shall be submitted in writing to the Director within 14 days of appointment.

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

**Respecting Air Emissions – Limits**

9. The Licencee shall not emit particulate matter from the Development such that:
   a) particulate matter:
      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) opacity from any point source of the Development 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.

10. The Licencee shall not emit any chemical or compound from the facility that results in any concentration of that chemical or compound in the ambient air that exceeds the Maximum Acceptable Level Concentration as described in the Manitoba Ambient Air Quality Criteria.

11. The Licencee shall monitor, on a continuous basis, hydrogen sulphide and ammonia concentrations within the organic waste processing facility and shall provide alarm notification at any time that the hydrogen sulphide and/or ammonia concentration reach a level that is potentially harmful to human health.

12. 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.

13. 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 Air Pollution Control Devices**

14. 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).

15. The Licencee shall submit for the Director's approval, within 90 days of the issuance of this Licence, a standard operating procedural manual and a maintenance schedule for each air emission pollution control device based on the manufacturer's specifications and recommendations.

16. The Licencee, upon receiving the Director's approval as required in Clause 15 of this Licence, shall not operate any process directing an emission to an air pollution control device at the Development unless:
   a) the operating and maintenance measures and status of the device are in full compliance with the approved procedures and timetables;
   b) all emissions from the process are directed to the fully operational air pollution control device;
   c) all discharges of treated emissions from the air pollution control devices are immediately directed to a stack; and
   d) the emissions do not contain concentrations of pollutants which:
      i) are in violation of any other applicable legal instrument including an Act, Regulation or by-law; or
      ii) otherwise create a significant negative environmental or health impact in the affected area.

17. The Licencee shall maintain a log book of the most recent 24 month period to record any downtime of an air pollution control device due to either the breakdown or maintenance of that air pollution control device. 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 air pollution control device and the process(es) it serves;
   b) time/date of log entry;
   c) nature of event;
   d) duration of event;
   e) the accumulated downtime of this air pollution control device for the events for each calendar year; and
   f) signature of the Environmental Coordinator.

18. The Licencee shall handle, store and dispose of all pollutants collected by the air pollution control equipment in a manner suitable to their characterization as type of waste or dangerous good.

Respecting Air Emissions – Sampling, Analysis, Reporting

19. The Licencee, upon written request from the Director, shall provide a stack or stacks at any area of the Development including all necessary sampling facilities for the sampling of air emissions at the Development. The stack or stacks shall be provided:
   a) at a location(s) and within a time frame satisfactory to the Director; and
b) to the specifications and in accordance with the most recent version of
unless otherwise approved by the Director.

20. The Licencee, upon a written request from the Director, shall submit a detailed plan
which is acceptable to and approved by the Director, for the sampling and analysis
of potential air pollutants, released as stationary point and fugitive emissions,
including any compounds determined by the Director. The plan shall identify the
rationale for the sampling, the ways and means by which the sampling program will
be implemented including any special measures or methods which would be
necessitated by influencing factors such as unfavourable weather conditions, the
need for large or additional sample volumes, the need for multiple sampling runs,
the methods used for the sampling and the analysis for each compound, the
detection level to be attained, a comprehensive QA/QC program, and other items as
may be identified by the Director.

21. The Licencee shall perform all stack sampling in accordance with the most recent
version of Manitoba Conservation Report No. 96-07, *Interim Stack Sampling
Performance Protocol*, unless otherwise approved by the Director.

22. The Licencee shall arrange the scheduling of the sampling plan, approved pursuant
to Clause 20 of this Licence, such that a representative of Manitoba Conservation
and Water Stewardship is available to monitor and audit the implementation of the
sampling program.

23. The Licencee shall complete the sampling of emissions according to the approved
plan submitted pursuant to Clause 20 of this Licence, within a timeframe to be
determined by the Director.

24. The Licencee shall submit a report, for the approval of the Director, of the
completed sampling and analysis plan approved pursuant to Clause 20 of this
Licence, within 60 days of the receipt of the analytical results of that sampling plan.
The report shall contain at minimum:
   a) the raw data collected;
   b) a discussion of the sampling and analytical portions of the program including
      any anomalies of sampling and analysis; and
   c) a discussion of the significance of the data gathered with specific attention to:
      i) the significance for potential acute and chronic impacts to health or
         environment from exposure to concentrations of the compounds detected;
      ii) the need for risk assessment of the impact of emissions;
      iii) the need for the establishment of ambient air monitoring stations;
      iv) the need for dispersion modeling of emissions;
      v) results and conclusions of the QA/QC program; and
      vi) other issues as may be determined by the Director.

25. The Licencee, upon the written request of and in a timeframe stipulated by the
Director, shall comply with any air emission or ambient air quality criteria specified
by the Director for any pollutant of concern to the Director which has been identified pursuant to Clauses 3, 9, 10, 11, 14 or 24 of this Licence.

Respecting Chemical Storage and Spill Containment

26. 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 (2010), 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 and surface water is prevented.

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

Respecting Composting

28. The Licencee shall establish the appropriate Carbon to Nitrogen ratio (C:N) for each batch of compost prior to beginning the composting process for that batch.

29. The Licencee shall only accept and use leaves, grass, straw, straw bedding, wood waste, food waste, and meat waste as feedstock at the Development.

30. The Licencee shall not accept livestock manure at the Development, unless otherwise approved by the Director.

31. The Licencee shall not accept Specified Risk Materials at the Development unless authorized to do so by the Canadian Food Inspection Agency, and if so authorized shall manage Specified Risk Materials at the Development, and dispose of any material containing Specified Risk Materials, only in a manner acceptable to the Canadian Food Inspection Agency.

32. The Licencee shall not store any food waste or meat waste outdoors.

33. The Licencee shall not store any processed material or compost outdoors.

34. The Licencee shall only accept organic material at the Development during regular business hours.

35. The Licencee shall only accept food waste and meat waste at the Development in sealed containers, and shall process meat waste within 12 hours of receiving it.

36. The Licencee shall generate compost at the Development that achieves the quality requirements and specifications as contained in the most recent edition of the Canadian Council of Ministers of the Environment publication entitled “Guidelines for Compost Quality – PN1340”.
37. The Licencee shall not sell or make available to any third party compost generated at the Development that does not achieve the quality requirements and specifications as contained in the most recent edition of the Canadian Council of Ministers of the Environment publication entitled “Guidelines for Compost Quality – PN1340”.

38. The Licencee shall dispose of any process material that does not achieve the compost quality as required by Clause 36 of this Licence only in a manner that is acceptable to the Director.

39. The Licencee shall conduct a compost monitoring program that includes:
   a) daily measurements of pH, moisture content, oxygen, and temperature; and
   b) monthly measurements of ammonia, nitrate, sulphur, phosphorus, potassium, zinc, magnesium, iron, copper, boron, sodium, and calcium;
   c) daily record of type and quantity of material processed;
   d) daily record of quantity of compost generated;
   e) weekly record of disposal method for compost or other processed material; and
   f) any other parameter at any frequency as required by the Director.

40. The Licencee shall submit a compost sampling and monitoring plan, that addresses at a minimum those items identified in clause 39 of this Licence, to the Director for approval within 45 days of the date of this Licence. The sampling and monitoring plan must identify the sampling methods that will be used.

41. The Licencee shall maintain a record of the sampling and monitoring results, obtained pursuant to Clause 39 of this Licence, at the Development and shall provide those records to an Environment Officer upon request.

42. The Licencee shall submit the sampling results, obtained pursuant to Clause 39 of this Licence, in an annual report containing at minimum but not limited to:
   a) the raw data collected; and
   b) a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis.

43. The Licence shall submit, to the Director prior to March 1 of each year beginning in 2013, the annual report required by Clause 42 of this Licence.

44. The Licencee shall maintain sufficient carbon source on site to achieve the desired C:N ratio as determined pursuant to Clause 28 of this Licence.

Respecting Wastewater

45. The Licencee shall direct all sewage to the Town of Morden wastewater collection system.

46. The Licencee shall not allow any industrial wastewater generated in the organic material processing system to enter the Town of Morden wastewater collection system unless an Industrial Use Agreement that authorizes that practice has been
established between the Licencee and the Town of Morden and that agreement remains valid and in force.

47. The Licencee shall not discharge any wastewater from the facility except where authorized by this Licence.

**Respecting Emergencies**

48. The Licencee shall, within 60 days of the issue date of this licence, submit to the Director an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety emergency planning guidelines.

**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 the Licencee has not commenced construction of the Development within three years of the date of this Licence, the Licence is revoked.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions set out in this Licence, the Director may require the filing of a new proposal pursuant to the Environment Act.

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Tracey Braun, M.Sc.
Director
Environment Act

Client File No.: 5543.00