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

ASPEN INDUSTRIES MANITOBA LTD.; "the Licencee"

for the operation of the Development being a sawmill plant, located in Lot 6 Plan 1044
DLTO in part of the NE 1/4 of Section 8-26-28 WPM in the Rural Municipality of Shell
River, in accordance with the Proposal filed under The Environment Act on
October 15, 1993, and submissions dated October 23, 1995 and October 7, 1996, and
subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"affected area" means a geographical area, affected by a noise or odour nuisance,
excluding the property of the Development;

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

"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;

"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;

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

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

"waste(s)" means waste products of any kind whatsoever or the run-off from such waste products and includes both liquid and solid materials; and

"wood fines" means any wood by-product, including but not limited to, sawdust, grindings, chips, etc., created by a process at the Development, whose largest dimension is less than 2.5 centimetres.

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" published jointly by the American
      Public Health Association, the American Waterworks Association and the
      Water Pollution Control Federation, or in accordance with an equivalent
      analytical methodology approved by the Director;
   b) carry out all sampling of, and preservation and analyses on, air samples in
      accordance with methodologies approved by the Director;
   c) ensure that all analytical determinations are undertaken by an accredited
      laboratory or a laboratory approved by the Director; 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.

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

   **SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

7. The Licencee shall operate the wood fired boilers such that the manufacturer's
   operational design specifications and conditions are not exceeded.

8. 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.

9. The Licencee shall not operate the wood saws unless:
   a) there is emission collection equipment specifically designed to collect all
      emissions from the process and said collection equipment is fully operational
      and in service at the time of operation of the processing; and
   b) the collected emissions are directed to fully operational air pollution control
      devices which are in service and are suitable for the treatment or removal of
      potential contaminants of concern.
10. The Licenclee shall configure, maintain and operate the emission collection equipment and all air pollution control devices to the manufacturers recommendations and specifications.

11. The Licenclee shall handle and store all wood fines generated at the Development such that they are protected from entrainment into the air.

12. The Licenclee shall dispose of all wood fines a minimum of once per week, and shall not store or accumulate more than 7 days of wood fines production at the Development.

13. The Licenclee shall submit a wood fines management plan for the Director’s approval by July 31, 2001. The management plan shall identify programs, supported by firm timelines of implementation, to minimize the generation of wood fines and to increase the recycling of wood fines such that the disposal of this material by means of land filling or combustion is reduced.

14. The Licenclee 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.

15. The Licenclee 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.

16. The Licenclee shall construct and maintain, when requested by the Director, stack sampling facilities at the Development. These facilities shall be constructed as needed and within time frames and specifications as specified by the Director.

17. The Licenclee shall dispose of any waste ash from the Development in accordance with The Environment Act and the regulations issued thereunder.

**REVIEW AND REVOCATION**

A. If, in the opinion of the Director, the Licenclee 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.

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Larry Strachan, P. Eng.
Director
Environment Act