



Conservation

Environmental Stewardship Division
Environmental Assessment and Licensing Branch
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FAXED

CLIENT FILE NO.: 488.10

November 4, 2009

Mr. Kelly Penner, President & GM
Keystone Processors Ltd.
663 Marion Street
Winnipeg, MB R2J 0K3

Dear Mr. Penner:

On June 24, 2008, the Environmental Assessment and Licensing Branch of Manitoba Conservation approved the Notice of Alteration which was submitted on June 12, 2008 by DGH Engineering Ltd. on behalf of Keystone Processors Ltd. (then Natural Prairie Beef Inc.).

The Notice of Alteration approval was conditional upon Keystone Processors Ltd. accepting a revised Environment Act Licence that reflects the conversion of the existing facility from hog processing to cattle and to incorporate current limits, terms and conditions.

Enclosed is Environment Act Licence No. 2907 dated November 4, 2009 issued in accordance with The Environment Act to Keystone Processors Ltd. for the construction and operation of the Development being a cattle processing facility located at 663 Marion Street in the City of Winnipeg, in accordance with the Notice of Alteration filed under The Environment Act on June 12, 2008.

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.

For further information on the administration and application of the Licence, please feel free to contact Jennifer Winsor, Environmental Engineer at (204) 945-7012.

Yours truly,

Tracey Braun, M.Sc.
Director
Environment Act

Enc.

c. Don Labossiere, Director – Environmental Operations, Manitoba Conservation
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2907 (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 November 19, 2009.

On behalf of Keystone Processors Ltd.

Date

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

LICENCE

Licence No. / Licence n° 2907

Issue Date / Date de délivrance 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 Sections 11(1) and 14(2) / Conformément au Paragraphes 11(1) et 14(2)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

KEYSTONE PROCESSORS LTD.; "the Licencee"

for the expansion and operation of the Development being a cattle processing facility located at 663 Marion Street in the City of Winnipeg in accordance with the Notice of Alteration submitted under The Environment Act on June 12, 2008 and approved on June 24, 2008 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 in writing;

“**ASTM**” means the American Society for Testing and Materials;

“**day**” or “**daily**” means any period of 24 consecutive hours;

“**Director**” means an employee so designated pursuant to The Environment Act;

“**Environmental Management System (EMS)**” means the part of the overall management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes, and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy;

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

"MSDS" means material safety data sheets;

"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 noise 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, and 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;

"pollutant" means a pollutant as defined in The Environment Act;

"process wastewater" means all wastewater excluding sanitary sewage and surface runoff from the property of the Development;

"wastewater" means any polluted fluid streams generated by or originating from the Development;

"week" or "weekly" means a calendar week (Monday to Sunday); and

“WHMIS” means Workplace Hazardous Materials Information System.

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. In addition to any of the limits, terms and 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 pollutant(s) 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.

2. 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 "Standard Methods for the Examination of Water and Wastewater" or in accordance with an equivalent analytical methodology approved by the Director;
 - b) have all analytical determinations undertaken by an accredited laboratory; and
 - c) report the results to the Director, in writing or in a format acceptable to the Director, within 60 days of the samples being taken.

3. 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 required by the Director.

4. The Licencee shall, in case of physical or mechanical breakdown of the wastewater collection systems:
 - a) notify the Director immediately;
 - b) identify the repairs required to the wastewater collection systems;
 - c) undertake all repairs to minimize unauthorized discharges of wastewater; and
 - d) complete the repairs in accordance with any written instructions of the Director.

5. The Licencee shall:
 - a) develop an Emergency Response Plan (ERP) for the Development, in accordance with the “Manitoba Industrial Accidents Council (MIAC) Industrial Emergency

- Response Planning Guide”;
- b) submit the ERP for approval of the Director, in written and electronic format, on or before May 1st, 2010; and
 - c) implement the ERP in accordance with the approval of the Director.
6. The Licencee shall:
- a) develop an Environmental Management System (EMS) for the Development;
 - b) submit the EMS plan for approval of the Director, in written and electronic format, on or before May 1st, 2010; and
 - c) implement the EMS plan in accordance with the approval of the Director.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting the Operation of the Development

- 7. The Licencee shall direct all delivered, live and unloaded cattle as soon as possible into the cattle pens but shall not exceed the storage of 200 cattle in the pens at any time.
- 8. The Licencee shall limit the rate of cattle processing to 3500 cattle per week.
- 9. The Licencee shall minimize the loss of blood to the process wastewater sewers by maximizing the efficiency of blood collection to the satisfaction of the Director.
- 10. The Licencee shall dispose of the blood collected in the kill area by having the blood hauled to either APC Nutrition in Calgary or Sanimax in Montreal, unless otherwise approved by the Director, in vehicles utilizing containment provisions satisfactory to the Director.

Respecting Wastewater Management

- 11. The Licencee shall, unless otherwise approved by the Director:
 - a) direct all sewage and process wastewater generated at the Development into the existing septic tank which discharges into the City of Winnipeg’s sanitary sewage collection system serving the Development in compliance with all applicable City of Winnipeg Bylaws and Overstrength Wastewater Discharge Licensing; and
 - b) have the sludge solids from the septic tank removed, as needed, and transported to a Licensed municipal sewage treatment facility which is agreeable to receiving such wastewater.
- 12. The Licencee shall not permit pollutants to be directed into, or transported by, any surface drainage route leading off the property of the Development or seeping into the local groundwater.

Respecting Solid Wastes

13. The Licencee shall not undertake any on-site burning of solid waste.
14. The Licencee shall minimize the generation of domestic solid waste and maximize, wherever possible, the collection and recycling of recyclable wastes generated through the operation of the Development.
15. The Licencee shall:
 - a) collect and transport all dry cattle manure from the unloading docks, truck trailers and holding pens on a regular basis to a facility approved by the Director; and
 - b) direct all of the cattle manure collected inside the cattle processing plant, or washed off the floor of the cattle holding pens, or washed out of the cattle transporting truck trailers, to the process wastewater sewers, unless otherwise approved by the Director.
16. The Licencee shall not deposit domestic solid waste into the environment except into a waste disposal ground operating under the authority of:
 - a) a permit issued pursuant to *Manitoba Regulation 150/91*, or any future amendment thereof; or
 - b) a Licence issued pursuant to The Environment Act.

Respecting Air Emissions

17. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation or alteration of the cattle processing facility and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.
18. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation or alteration of the cattle processing facility and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

Respecting Dangerous Good or Hazardous Wastes

19. The Licencee shall comply with all the applicable requirements of:
 - a) *Manitoba Regulation 240/2004*, or any future amendments thereto, respecting the storage and handling of petroleum products and allied products;
 - b) the *Manitoba 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) *Manitoba Regulation 439/87*, or any future amendment thereto, respecting the reporting of environmental accidents.
20. The Licencee shall ensure that used oil or hydraulic fluids removed from on-site machinery are collected, transported or stored in secure, properly labeled, non-leaking containers and regularly sent to a recycling facility or a facility approved to accept hazardous wastes.

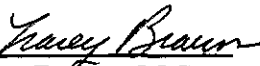
21. The Licencee shall ensure that spill recovery equipment is available on-site at all times.

MONITORING REQUIREMENTS

22. The Licencee shall continually maintain an up-to-date inventory of any process and cleaning chemicals used and/or stored on-site that would be captured by any applicable federal/provincial WHMIS regulations and protocols, and make this information and applicable MSDS sheets available to any Environment Officer upon request.
23. The Licencee shall, during each week of operation:
- a) determine and record the number of cattle processed by the end of each week; and
 - b) submit the recorded information to the Director, in a format acceptable to the Director, no later than 30 days after the end of each successive 4 week period during which the information was being determined.

REVIEW AND REVOCATION

- A. This Licence replaces Licence No. 243 V 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 the Licencee has not commenced construction of the Development within three years of the date of this Licence, the Licence is revoked.
- D. 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 11 of The Environment Act.


Tracey Braun, M.Sc.
Director
Environment Act