



Conservation

Climate Change and Environmental Protection Division
Environmental Assessment and Licensing Branch
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www.gov.mb.ca/conservation/eal

CLIENT FILE NO.: 5466.00

September 14, 2010

Robert Jin
Plains Industrial Hemp Processing Inc.
1230 Lee Boulevard
Winnipeg MB R3G 2P5

Dear Mr. Jin:

Enclosed is **Environment Act Licence No. 2935** dated September 14, 2010 issued in accordance with The Environment Act to the **Plains Industrial Hemp Processing Ltd.** for the construction and operation of the Development being a hemp fibre processing facility located on SE 09-25-22 WPM in the Rural Municipality of Gilbert Plains, in accordance with the Proposal filed on May 18, 2010 and additional information provided on August 13, 2010.

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 Rafiqul Chowdhury, Environmental Engineer at 204-945-2614.

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
Iain D.A. Pimlot, Senior Environmental Scientist, Genivar
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2935 (*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 September 28, 2010.

On behalf of Plains Industrial Hemp Processing Inc.

Date

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

THE ENVIRONMENT ACT
LOI SUR L'ENVIRONNEMENT
LICENCE



Licence No. / Licence n°

2935

Issue Date / Date de délivrance

September 14, 2010

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:

PLAINS INDUSTRIAL HEMP PROCESSING LTD.; "the Licencee"

for the construction and operation of the Development being a hemp fibre processing facility located on SE 09-25-22 WPM in the Rural Municipality of Gilbert Plains, in accordance with the Proposal filed on May 18, 2010 and additional information provided on August 13, 2010 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"**access road**" means a road that leads from a Provincial Trunk/Highway, Provincial Road, or a municipal road;

"**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;

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"chemical" includes, but is not limited to petroleum products, fertilizers and pesticides;

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

"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;

"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 analysis/quality control;

"sanitary wastewater" means human body, toilet, liquid, waterborne culinary, sink or laundry waste;

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

"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.

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.
6. 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

LIMITS, TERMS AND CONDITIONS

Respecting Air Emissions – Limits

7. 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) 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.
8. 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.

9. 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 Control of Point Source and Fugitive Emissions

10. The Licencee shall control, capture and direct any airborne emissions containing particulate matter created by cutting, shredding, hammering, screening or other processing of hemp fibre products to air pollution control devices in such a manner that particulate matter is not emitted from the Development in exceedance of limits contained in this Licence.
11. The Licencee shall handle and store all unprocessed hemp materials in such a manner that particulate matter is not emitted from the Development in exceedance of limits contained in this Licence.

Respecting Air Pollution Control Devices

12. The Licencee shall direct, as required in Clause 10 of this Licence, all air streams containing particulates to a pollution control device which has been designed for and demonstrated to be capable of reducing, altering, eliminating or otherwise treating the pollutants(s).
13. 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.
14. The Licencee, pursuant to Clauses 12 and 13 of this Licence, shall not operate any process which has the potential to emit, or to originate the emission of, airborne pollutants from the Development, in such concentrations that may be of concern to the Director unless:
 - a) all emissions of concern have been directed to a fully operational air pollution control device(s) which eliminates or reduces, by means of appropriate treatment, the concentration of pollutant(s) such that the treated emissions:
 - i) are in compliance with any limit stipulated in this Licence or any other applicable legal instrument including an Act, Regulation or by-law;
 - ii) are in compliance with any limit that might be stipulated for the Development by the Director at a future date; or
 - iii) do not create a significant health or environmental impact beyond the boundaries of the Development;
 - b) all treated emissions from the air pollution control device(s) are immediately directed to and discharged from a stack which meets the conditions as stipulated in this Licence; and
 - c) a Standard Operating Procedure manual for the operation and maintenance of the air handling and air pollution control equipment is submitted to and approved by the Director.
15. The Licencee shall maintain a log book of the most recent 24 months of downtimes of any air pollution control equipment due to either the breakdown or maintenance of any air pollution control equipment. 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 unit and the process(s) it serves;
- b) time/date of log entry;
- c) nature of event;
- d) duration of event;
- e) the accumulated downtime of this equipment for the events for each calendar year; and
- f) signature of employee or manager.

16. The Licencee shall handle, store and dispose of all pollutant 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

17. The Licencee, upon written request from the Director, shall provide a stack or stacks 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 Manitoba Conservation Guideline, *Guideline for Stack Sampling Facilities*, unless otherwise approved by the Director.

18. The Licencee, upon 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, etc.; 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.

19. 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.

20. The Licencee shall arrange the scheduling of the sampling program submitted pursuant to Clause 18 of this Licence such that a representative of Manitoba Conservation is available to monitor and audit the implementation of the sampling program.

21. The Licencee shall complete the sampling of emissions according to the approved plan submitted pursuant to Clause 18 of this Licence, within a timeframe to be determined by the Director.

22. The Licencee shall submit a report, for the approval of the Director, of the completed sampling and analysis plan approved pursuant to Clause 18 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 modelling of emissions;
 - v) results and conclusions of the QA/QC program; and
 - vi) other issues as may be determined by the Director.

23. 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 or 22 of this Licence.

Respecting Solid Waste

24. The Licencee shall dispose of all solid waste generated from any activity 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.

Respecting Sanitary Wastewater

25. The Licencee shall discharge sanitary wastewater only to a registered and approved sewage disposal system.

Respecting Emergency Contingency Plan

26. The Licencee shall, within 60 days of the issue date of this licence, submit an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety emergency planning guidelines.
27. The Licencee shall during construction and operation of the Development:
- a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting 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 propose corrective action to prevent reoccurrence.

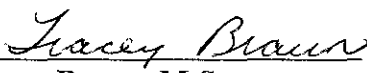
Respecting Site Decommissioning

28. 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.

29. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.

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 construction of the development is not commenced 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 of this Licence, the Director may require the filing of a new Proposal pursuant to Section 10 of The Environment Act.


Tracey Braun, M.Sc.
Director
Environment Act

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