D. Ediger Consulting Services

April 22, 2014

Mr. Raj Rathamano
Environmental Approvals
Manitoba Conservation
Ste. 160- 123 Main Street
Winnipeg MB R3C 1A5

Dear Sir:

Re: Future Scrap, DGH&T Act Proposal, Supplementary Information

This is reply to your request for additional information in respect to the Dangerous Goods Act proposal submitted to Manitoba Conservation on behalf of XPotential Products Inc. The requested information is provided below.

1. Battery Storage
   Batteries will be stored on a raised asphalt pad designed to ensure that surface drainage from the surrounding area cannot entre the storage area. In order to prevent precipitation from coming into contact with stored batteries, either the pad will be covered by a roof or the batteries will be covered by a tarp. The perimeter of the pad will include curbing to contain any accumulated liquids on the pad until they can be properly managed.

   The proponent is not intending to store batteries in a heated enclosure. Prior experience in this regard has not indicated a significant risk of battery casings cracking or leaking as result of being exposed to freezing conditions.

2. Handling Broken or Leaking Batteries
   Batteries with cracked or broken casings, but which are not leaking, will be stacked on a pallet with the other batteries in preparation for shipment to a processer. Damaged batteries will be placed near the centre of the stack to ensure that the stability of the load is not compromised when it is shrink-wrapped.

   Leaking batteries will be placed directly on one of the layers of corrugated cardboard on a pallet if the rate of leakage is thought to be minor. The remainder of the pallet load will be assembled in the normal manner. A layer of neutralizing absorbent may be spread over the cardboard layer if the potential leakage rate is thought to be more significant.

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Any battery acid released onto the storage pad will be recovered with a commercially available neutralizing absorbent. An excess volume of absorbent will be used to ensure that the residue does not exceed hazardous waste criteria and that no free phase liquid is present.

3. Maximum storage volume on site is estimated at 2000 batteries or approximately 35,000 kg. Batteries will be shipped whenever a trailer load or approximately 21,000 kg has been collected and prepared for shipment.

4. Fluid Extraction
   Fluid extraction from vehicles will occur in the vehicle depolluting compound as indicated in the original proposal. Vehicles will be placed on an elevated paved pad. A roof will be constructed over the pad to protect the area from precipitation.

   During the extraction process the vehicle will be raised above ground level to provide staff with access beneath the vehicle. Engine oil and antifreeze will be drained by gravity through the drain openings intended for that purpose. Crankcase oil will be drained into a portable container, which will then be emptied into the double walled collection tank. Engine antifreeze will be drained into a portable container, which will then be transferred into a 205 litre closed head steel drum for storage. In both cases these fluids will manually poured into the storage container. The transfer will take place after each vehicle is processed.

   In order to remove residual fuel, an opening will be made into the bottom of the fuel tank using a non-sparking puncturing tool. The vehicle will be grounded during this operation to prevent a spark/fire hazard. An alternate method whereby fuel is extracted through the fill pipe with a specially designed suction system is also being considered.

   Windshield washer fluid is not removed during the depolluting process. The proponent's prior experience in the industry suggests that volume of this fluid is not significant in vehicles being brought into a wrecking yard.

   The proponent is not intending to remove transmission fluid from the vehicles.

5. Fluid Transfer for Off-Site Shipment
   Used crankcase oil is stored in a double walled tank designed specifically for that purpose. These tanks are equipped with a pump-out connection where a vacuum truck can withdraw oil directly from the tank. Used oil will be removed by a collector registered under the Manitoba Association for Resource Recovery Corporation (MARRC) program.

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Where there is a demand, antifreeze will be sold to customers. The storage drum will be fitted with a hand pump and the fluid will be transferred to the customer's container. In the event that an excess volume of antifreeze accumulates on site, full drums will be shipped out using collectors registered under the MARRC program

In the event that air conditioning refrigerant is to be removed by certified staff on site, the storage containers used for the extraction of the fluid from the vehicle will be shipped to a recycler when full.

6. Disposition of Recovered Fuels
   As indicated in the initial proposal, gasoline and diesel fuel recovered from vehicles will be stored in portable containers designed to UL standards for the storage of flammable liquids. These fuels will be used in motorized equipment on the Future Scrap site as much as possible.

   Any fuel that is surplus to the needs of the site operation will be sold to customers. Customers will be required to provide fuel containers that are compliant with the provisions of the Manitoba Fire Code. These containers will be filled directly from the collection containers in storage in the vehicle depollution yard.

7. Status of Oil Filters
   The proponent is not intending to remove oil filters from vehicles prior to sending them to the shredder.

I trust that this provides adequate information in response to your questions. If any additional clarification is required, please contact me.

Sincerely,

David Ediger, P.Eng.

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