

ENVIRONMENTAL COMPLIANCE APPROVAL

NUMBER 8975-8YNNYU

Issue Date: March 15, 2013

2112247 Ontario Inc.
Canadian Ammunition Disposal Services (CADS)
762 Book Rd W
Ancaster, Ontario
L9G 3L1

You have applied under section 20.2 of Part II.1 of the Environmental Protection Act, R.S.O. 1990, c. E. 19 (Environmental Protection Act) for approval of:

A Mobile Ammunition Combustion System, Disposal Unit, (up to 5 Mobile Units) serving the Province of Ontario

For the purpose of this environmental compliance approval, the following definitions apply:

PART I - Waste Management**DEFINITIONS**

"Approval" means this Environmental Compliance Approval:

"Director" means one or more of the persons who, from time to time, are so designated for the purposes of Section 39 of the Environmental Protection Act;

"Company or Applicant" means 2112247 Ontario Inc., Canadian Ammunition Disposal Services (CADS);

"Operator" means Canadian Ammunition Disposal Services;

"District Manager" means the District Manager of the Ministry of the Environment for the geographic area in which the waste processing will be located;

"Certificate" means the entire Environmental Compliance Approval including its schedules, if any, issued in accordance with Section 27 of the Environmental Protection Act;

"Ministry" or "MOE" means the Ontario Ministry of the Environment;

"EPA or Act" means the Environmental Protection Act, R.S.O. 1990, Chapter E.19, as amended;

"Mobile Unit" means the mobile waste disposal system (processing) that is approved to operate pursuant to this Environmental Compliance Approval;

"O.Reg. 347" means Ontario Regulation 347 entitled "General Waste Management", (formerly Ontario Regulation 309), under the Act;

You are hereby notified that this environmental compliance approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

GENERAL

1. Except as otherwise provided by these conditions, the waste management system shall be operated in accordance with the application submitted for this Approval dated September 17, 2010 and with the supporting information submitted to the Ministry of the Environment as part of the application listed in Schedule "A".
2. The requirements specified in this Approval are the requirements under the **Environmental Protection Act**, R.S.O. 1990. The issuance of this Approval in no way abrogates the Applicant's legal obligations to take all reasonable steps to avoid violating other applicable provisions of this legislation and other legislation and regulations.
3. The requirements of this Approval are severable. If any requirement of this Approval, or the application of any requirement of this Approval to any circumstance, is held invalid, the application of such requirement to other circumstances and the remainder of this Approval shall not be affected in any way.
4. The Applicant shall ensure compliance with all the terms and conditions of this Approval. Any non-compliance constitutes a violation of the **Environmental Protection Act**, R.S.O. 1990 and is grounds for enforcement.
5. (a) The Applicant shall, forthwith upon request of the Director, District Manager, or Provincial Officer (as defined in the Act), furnish any information requested by such persons with respect to compliance with this Approval, including but not limited to, any records required to be kept under this Approval; and
(b) In the event the Applicant provides the Ministry with information, records, documentation or notification in accordance with this Approval (for the purposes of this condition referred to as "Information"),
 - (i) the receipt of Information by the Ministry;

- (ii) the acceptance by the Ministry of the Information's completeness or accuracy; or
- (iii) the failure of the Ministry to prosecute the Applicant, or to require the Applicant to take any action, under this Approval or any statute or regulation in relation to the Information;

shall not be construed as an approval, excuse or justification by the Ministry of any act or omission of the Applicant relating to the Information, amounting to non-compliance with this Approval or any statute or regulation.

6. The Applicant shall allow Ministry personnel, or a Ministry authorized representative(s), upon presentation of credentials, to:

- a) carry out any and all inspections authorized by Section 156, 157 or 158 of the Environmental Protection Act, R.S.O. 1990, Section 15, 16 or 17 of the Ontario Water Resources Act, R.S.O. 1990, or Section 19 or 20 of the Pesticides Act, R.S.O. 1990, as amended from time to time, of any place to which this Approval relates; and,

without restricting the generality of the foregoing, to:

- (b)
 - (i) enter upon the premises where the records required by the conditions of this Approval are kept;
 - (ii) have access to and copy, at reasonable times, any records required by the conditions of this Approval;
 - (iii) inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations required by the conditions of this Approval; and
 - (iv) sample and monitor at reasonable times for the purposes of assuring compliance with the conditions of this Approval.

7. (a) Where there is a conflict between a provision of any document referred to in Schedule "A", and the conditions of this Approval, the conditions in this Approval shall take precedence; and

b) Where there is a conflict between documents listed in Schedule "A", the document bearing the most recent date shall prevail.

8. The Applicant shall ensure that all communications/correspondence made pursuant to this Approval includes reference to the Approval number.

9. The Applicant shall notify the Director in writing of any of the following changes within thirty (30) days of the change occurring:

- (a) change of Applicant or operator of the Site or both;
- (b) change of address or address of the new Applicant;

- (c) change of partners where the Applicant or operator is or at any time becomes a partnership, and a copy of the most recent declaration filed under the Business Names Act, 1991 shall be included in the notification to the Director;
 - (d) any change of name of the corporation where the Applicant or operator is or at any time becomes a corporation, and a copy of the most current "Initial Notice or Notice of Change" (form 1 or 2 of O. Reg. 182, Chapter C-39, R.R.O. 1990 as amended from time to time), filed under the Corporations Information Act shall be included in the notification to the Director; and
 - (e) change in directors or officers of the corporation where the Applicant or operator is or at any time becomes a corporation, and a copy of the most current "Initial Notice or Notice of Change" as referred to in 9(d), supra.
10. In the event of any change in ownership of the Site, the Applicant shall notify, in writing, the succeeding owner of the existence of this Approval, and a copy of such notice shall be forwarded to the Director.
 11. Any information relating to this Approval and contained in Ministry files may be made available to the public in accordance with the provisions of the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, C. F-31.
 12. All records and monitoring data required by the conditions of this Approval must be kept on the Owners's premises for a minimum period of two (2) years from the date of their creation.

Operations

13. The mobile waste ammunition unit shall be operated according to the operational design features outlined and submitted for approval to the Director in the application supporting documents in Schedule "A".
14. Only one Unit is approved to operate at any one site at a time pursuant to the Air and Noise conditions listed below. This approval only considered one Unit operating at any one site and at any one time.
15. This Approval allows for up to five (5) Mobile Units to be operated, but each Unit shall require a separate Financial Assurance to be submitted to the Director, prior to it being put into operation.
16. All residual metals typically brass, steel, lead and copper, can be transported to a site where they will be wholly utilized in an ongoing metals recycling facility.
17. All residual ash wastes resulting from the operation of the Mobile Disposal Unit shall be controlled and collected in appropriate containers. The disposal of these wastes shall meet the requirements of O. Reg. 347, as amended, and if required shall be transported to approved waste management facilities.
18. The Company shall maintain records of the waste management activities undertaken pursuant to this Approval. These should include the location of the waste processing, the amount of waste processed, the number of burn cycles undertaken/completed per day and the weight of the residual ash wastes.

Financial Assurance

19. Within twenty (20) days of issuance of this notice the Owner shall submit to the Director, Financial Assurance, as defined in Section 131 of the Act, for the amount of \$20,000.00 per Mobile Unit. This Financial Assurance shall be in a form acceptable to the Director and shall provide sufficient funds for the analysis, transportation, Site clean-up, monitoring and disposal of all quantities of waste on the Site at any one time.
20. The amount of Financial Assurance is subject to review at any time by the Director and may be amended at his/her discretion. If any Financial Assurance is scheduled to expire or notice is received, indicating Financial Assurance will not be renewed, and satisfactory methods have not been made to replace the Financial assurance at least sixty (60) days before the Financial Assurance terminates, the Financial Assurance shall forthwith be replaced by cash.

PART II - Air and Noise Emmisions

One (1) Mobile Ammunition Combustion System, situated on a trailer, consisting of an oven with two (2) combustion chambers (one primary chamber and one secondary chamber), fired by two (2) propane burners at a maximum capacity of 303,000 kilojoules per hour, operated with a maximum load of 30 kg, discharging to the atmosphere through one (1) exhaust stack, vented passively with an exit diameter of 0.2 metres, extending 0.3 metres above the Combustion System and 1.6 metres above grade.

all in accordance with the application for a Environmental Compliance Approval, and all supporting information dated July 23, 2012, and signed by Tom Braithwaite, President of 21 12247 Ontario Inc.

DEFINITIONS

"Acoustic Assessment Report" means the report, prepared in accordance with Publication NPC-233 submitted in support of the application, that documents all sources of noise emissions and Noise Control Measures present at the Facility. "Acoustic Assessment Report" also means the Acoustic Assessment Report prepared by HGC Engineering, dated July 4, 2012 and signed by Corey Kinart, P.Eng.;

"Approval" means this Environmental Compliance Approval, including the application and supporting documentation listed above;

"Class 1 Area" means an area with an acoustical environment typical of a major population centre, where the background sound level is dominated by the urban hum;

"Class 2 Area" means an area with an acoustical environment that has qualities representative of both Class 1 and Class 3 Areas, and in which a low background sound level, normally occurring only between 23:00 and 07:00 hours in Class 1 Areas, will typically be realized as early as 19:00 hours.

Other characteristics which may indicate the presence of a Class 2 Area include:

- (a) absence of urban hum between 19:00 and 23:00 hours;
- (b) evening background sound level defined by natural environment and infrequent human activity; and
- (c) no clearly audible sound from stationary sources other than from those under impact assessment;

"Class 3 Area" means a rural area with an acoustical environment that is dominated by natural sounds having little or no road traffic, such as the following:

- (a) a small community with less than 1000 population;
- (b) agricultural area;
- (c) a rural recreational area such as a cottage or a resort area; or
- (d) a wilderness area;

"Company" means 2112247 Ontario Inc., Canadian Ammunition Disposal Services (CADS), that is responsible for the construction or operation of the Facility and includes any successors and assigns;

"Director" means any Ministry employee appointed by the Minister pursuant to Section 5 of the EPA;

"District Manager" means the District Manager of the District Office of the Ministry, responsible for the geographic area where the Equipment is to be operated;

"EPA" means the Environmental Protection Act, R.S.O. 1990, c.E.19, as amended;

"Equipment" means the Mobile Ammunition Combustion System described in the Company's application, this Approval and in the supporting documentation submitted with the application, to the extent approved by this Approval;

"Manual" means a document or a set of documents that provide written instructions to staff of the Company;

"Ministry" means the ministry of the government of Ontario responsible for the EPA and includes all officials, employees or other persons acting on its behalf;

"Noise Control Measures" means measures to reduce the noise emissions from the Facility and/or Equipment including, but not limited to, silencers, acoustic louvers, enclosures, absorptive treatment, plenums and barriers, described in the Company's application, this Approval and in the supporting documentation referred to herein, to the extent approved by this Approval.

"Point of Reception" means:

- (a) for Class 1 and Class 2 Areas, any point on the premises of a person where sound or vibration originating from other than those premises is received;

- (b) for Class 3 Areas, any point on the premises of a person within 30 m of a dwelling or a camping area, where sound or vibration originating from other than those premises is received;
- (c) for the purpose of approval of new sources, including verifying compliance with Section 9 of the Act, the point of reception may be located on any of the following existing or zoned for future use premises:
- (i) permanent or seasonal residences,
 - (ii) hotels/motels,
 - (iii) nursing/retirement homes,
 - (iv) rental residences,
 - (v) hospitals,
 - (vi) camp grounds, and
 - (vii) noise sensitive buildings such as schools and places of worship.
- (d) for equipment/facilities proposed on premises such as nursing/retirement homes, rental residences, hospitals, and schools, the point of reception may be located on the same premises;

"Publication NPC-205" means Ministry Publication NPC-205 "Sound level Limits for Stationary Sources in Class 1 & 2 Areas (Urban)", October 1995 as amended;

"Publication NPC-232" means Ministry Publication NPC-232 "Sound Level Limits for Stationary Sources in Class 3 Areas (Rural)", October 1995 as amended;

"Publication NPC-233" means the Ministry Publication NPC-233, "Information to be Submitted for Approval of Stationary Sources of Sound", October, 1995 as amended; and

"Sensitive Receptor" means any location where routine or normal activities occurring at reasonably expected times would experience an adverse effect related to emissions from the Equipment, including one or a combination of:

- (a) residences or facilities where people sleep (e.g.: single and multi-unit dwellings, nursing homes, hospitals, trailer parks, camping grounds, etc.),
- (b) institutional facilities (e.g.: schools, churches, community centres, day care centres, recreational centres, etc.),
- (c) outdoor recreational areas (e.g.: trailer parks, play grounds, picnic areas, etc.), and
- (d) other public areas where there are continuous human activities (e.g.: commercial plazas and office buildings).

You are hereby notified that this environmental compliance approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

Operational Requirements

1. The Company shall operate the Equipment in such a manner that:
 - (1) The burner flame in the secondary chamber is established before the primary chamber is turned on;
 - (2) The temperature in the secondary chamber, as measured by the thermocouple, is maintained at a minimum of 760 degrees Celsius at all times when the primary chamber is loaded and the combustion process is in progress; The thermocouple shall comply with the requirements outlined in Schedule "B".
2. The Company shall ensure that the noise emissions from the Equipment comply with the limits determined in accordance with Publication NPC-205 or Publication NPC-232, as applicable.

Operation and Maintenance Manual

3. The Company shall ensure that the Equipment is properly operated and maintained at all times. The Company shall:
 - (1) prepare, not later than three (3) months after the date of this Approval, and update, as necessary, a Manual outlining the operating procedures and a maintenance program for the Equipment, including:
 - (a) routine operating and maintenance procedures in accordance with good engineering practices;
 - (b) emergency procedures;
 - (c) procedures for any record keeping activities relating to operation and maintenance of the Equipment; and
 - (d) procedures for recording and responding to environmental complaints relating to the operation of the Equipment.
 - (2) implement the recommendations of the Manual.

Minimum Separation Distance to the Nearest Sensitive Receptor

4. The Company shall ensure a minimum separation distance of 500 metres between the Equipment and the nearest Sensitive Receptor.

Minimum Separation Distance(s) to the Nearest Point of Reception

5. The Company shall ensure a minimum separation distance between the Equipment and the nearest Point of Reception as specified in Schedule "D".

Time Restriction

6. The Company shall ensure that the Equipment is not operated more than sixty (60) calendar days per year at any one site.

Noise Control Measures

7. The Company shall ensure that the Noise Control Measures described in the Acoustic Assessment Report, when required, are implemented at all times during the operation of the Equipment.
8. The Company shall ensure that the acoustical barrier, when required, is a minimum 8 metres high, continuous without holes, gaps and other penetrations, and having a surface mass of at least 20 kilograms per square metre, and that it will be positioned in between the Equipment and Points of Reception that require shielding according to the Acoustic Assessment Report.
9. The Company shall ensure that the acoustical barrier, when required, is positioned in such a way that the distance from the acoustical barrier to the Equipment is not greater than 20 metres.
10. The Company shall ensure that the Noise Control Measures are properly maintained and continue to provide the acoustical performance outlined in the Acoustic Assessment Report.

Marking of Portable Equipment

11. The Company shall place a sign on the Equipment, clearly identifying:
 - (1) the Company name; and
 - (2) the number of this Approval.

Keeping of a Valid Approval

12. The Company shall ensure that a copy of this Approval, as well as any subsequent Amended Environmental Compliance Approvals or Notices that amend this Approval, are available at each site where the Equipment is operated.

Record Retention

13. The Company shall retain, for a minimum of two (2) years from the date of their creation, all records and information related to or resulting from the operation, maintenance and monitoring activities required by this Approval, and make these records available for review by staff of the Ministry upon request. The Company shall retain:
- (1) all records on the maintenance, repair and inspection of the Equipment;
 - (2) all records of any upset conditions associated with the operation of the Equipment;
 - (3) all records on any environmental complaints, including:
 - (a) a description, time and date of the incident;
 - (b) wind direction at the time of the incident; and
 - (c) a description of the measures taken to address the cause of the incident and to prevent a similar occurrence in the future.

Waste Processing Location

14. The Company shall notify the District Manager at least five (5) business days, or as soon as reasonably possible, in advance of any intended location of the Equipment at each operating site, by submitting a completed Form 1, set out in Schedule "C" of this Approval.

Notification of Complaints

15. The Company shall notify the District Manager, of the District in which the Unit is operating, in writing, of each environmental complaint within two (2) business days of the complaint with a copy to the District Manager of the Company home address. The notification shall include:
- (1) a description of the nature of the complaint; and
 - (2) the time and date of the incident.

The following Schedules form part of this Environmental Compliance Approval

SCHEDULE "A"

1. Application for a Certificate of Approval for a Waste Management System for Mobile Waste Processing, dated Sept 17, 2010, complete with enclosed mobile unit description and specifications.
2. Correspondence (e-mail) dated July 23, 2012 from Mr. T. Braithwaite to the MOE, requesting that up to five (5) Units be covered by the above application.
3. Acoustic Assessment Report prepared by HGC Engineering, dated July 4, 2012 signed by Corey Kinart, P.Eng.
4. Application for Approval (Air and Noise) and all supporting information dated July 23, 2012, and signed by Tom Braithwaite, President of 2112247 Ontario Inc.
5. Correspondence (e-mail) dated January 30, 2013 from the Company with attachment, Certificate of Analysis, reporting on the results of the residual ash testing, dated December 20, 2012, by ALS Environmental.

SCHEDULE "B"

PARAMETER: Temperature

LOCATION: The sample point for the continuous temperature monitoring and recording system shall be located at a location where the measurements are representative of the minimum temperature of the gases leaving the secondary chamber of the Equipment.

PERFORMANCE: The continuous temperature monitoring and recording system shall meet the following minimum performance specifications for the following parameters.

PARAMETERS SPECIFICATION

1. Type: shielded "K" type thermocouple, or equivalent.
2. Accuracy: +/- 1.5 percent of the minimum gas temperature

DATA RECORDER: The data recorder shall be capable of registering continuously the measurement of the monitor without a significant loss of accuracy and with a time resolution of 1 minute or better.

RELIABILITY: The monitor shall be operated and maintained so that accurate data is obtained during a minimum of 95 percent of the time for each calendar quarter.

SCHEDULE "C"

Form 1

MOBILE AMMUNITION COMBUSTION SYSTEM

NOTICE OF INTENDED LOCATION

1. Owner/Operator:

2. Contact person and telephone number:

3. Environmental Compliance Approval Number and Date of Issuance:

4. Proposed location of the Mobile Ammunition Combustion System:
(street address and municipality or lot and concession number)

5. Land use in the immediate vicinity:

6. Operating Schedule:

Date and time of commencement: _____

Estimated duration: _____

7. Please attach the following:

(a) A copy of the Environmental Compliance Approval.

(b) A site plan of the intended location.

SCHEDULE "D"

MINIMUM SEPARATION DISTANCE(S) TO THE NEAREST POINT OF RECEPTION

Separation Distances for the Mobile Facility									
	Class 1			Class 2			Class 3		
	0700 - 1900 hrs	1900 - 2300 hrs	2300 - 0700 hrs	0700 - 1900 hrs	1900 - 2300 hrs	2300 - 0700 hrs	0700 - 1900 hrs	1900 - 2300 hrs	2300 - 0700 hrs
Applicable Limit	50 dBA	47 dBA	45 dBA	50 dBA	45 dBA	45 dBA	45 dBA	40 dBA	40 dBA
Separation Distance	500 (m)	500 (m)	500 (m)	500 (m)	500 (m)	500 (m)	500 (m)	660 (m)	660 (m)

Note: "m" means metre(s)

The reasons for the imposition of these terms and conditions are as follows:

REASONS

Part I

- (1) The reason for Conditions 1 and 13 to 18, inclusive, is to ensure that the Site is operated in accordance with the application and supporting documentation submitted by the Company, and not in a manner which the Director has not been asked to consider.
- (2) The reason for Conditions 2, 3, 4, 7, 8, 9, 10, 11 and 12 is to clarify the legal rights and responsibilities of the Company.
- (3) The reason for Conditions 5 and 6 is to ensure that the appropriate Ministry staff have ready access to information and the operations of the Mobile Waste Unit which are approved under this Environmental Compliance Approval. Condition 6 is supplementary to the powers of entry afforded a Provincial Officer pursuant to the *Environmental Protection Act*, the *Ontario Water Resources Act*, and the *Pesticides Act*, as amended.
- (4) The reason for Conditions 19 and 20 is to ensure that sufficient funds are available to the Ministry to clean up the Site in the event that the Company is unable or unwilling to do so

Part II

- (5) Conditions 1 to 12, inclusive, are included to emphasize that the Equipment must be maintained and operated according to a procedure that will result in compliance with the EPA, the regulations and this Approval.
- (6) Condition 13 is included to require the Company to keep records and to provide information to staff of the Ministry so that compliance with the EPA, the regulations and this Approval can be verified.
- (7) Conditions 14 and 15 are included to require the Company to report to the Ministry so that compliance with the EPA, the regulations and this Approval can be verified.

In accordance with Section 139 of the Environmental Protection Act, you may by written Notice served upon me and the Environmental Review Tribunal within 15 days after receipt of this Notice, require a hearing by the Tribunal. Section 142 of the Environmental Protection Act provides that the Notice requiring the hearing shall state:

1. The portions of the environmental compliance approval or each term or condition in the environmental compliance approval in respect of which the hearing is required, and;
2. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

3. The name of the appellant;
4. The address of the appellant;
5. The environmental compliance approval number;
6. The date of the environmental compliance approval;
7. The name of the Director, and;
8. The municipality or municipalities within which the project is to be engaged in.

And the Notice should be signed and dated by the appellant.

This Notice must be served upon:

The Secretary*
Environmental Review Tribunal
655 Bay Street, Suite 1500
Toronto, Ontario
M5G 1E5

AND

The Director appointed for the purposes of
Part II.1 of the Environmental Protection Act
Ministry of the Environment
2 St. Clair Avenue West, Floor 12A
Toronto, Ontario
M4V 1L5

*** Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal at: Tel: (416) 212-6349, Fax: (416) 314-4506 or www.ert.gov.on.ca**

The above noted activity is approved under s.20.3 of Part II.1 of the Environmental Protection Act.

DATED AT TORONTO this 15th day of March, 2013



Ian Parrott, P.Eng.
Director
appointed for the purposes of Part II.1 of the
Environmental Protection Act

JG/

c: District Manager, MOE Hamilton - District
Tom Braithwaite, 2112247 Ontario Inc.