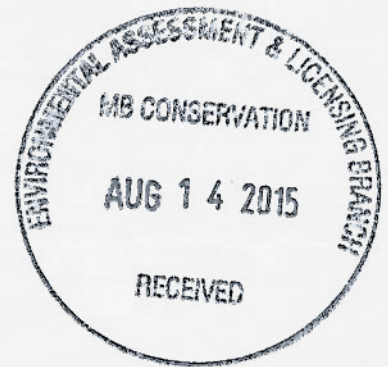


Asmundsson Engineering
PO Box 174
Riverton, MB
ROC 2R0

August 6, 2015

Tracey Braun
Manitoba Conservation and Water Stewardship
Environmental Approvals
2nd floor 123 Main Street (Box 80)
Winnipeg MB R3C 1A5
CANADA



Re: Revised Notice of Alteration, Erosion Control Blanket, Riverton, MB
EAL 2600

Dear Ms. Braun,

As you may recall; I submitted a Notice of Alteration (NOA) on behalf of Erosion Control Blanket Inc., dated May 22, 2015.

That NOA contained descriptions of all anticipated changes and expansion foreseen for the next few years. That NOA prompted yourself to respond by letter, dated July 20, 2015. In your letter, you stated:

"The proposed changes to the Development as Licenced are as follows:

- 1. Install a new waste fibre recovery system.*
- 2. Increase the production capacity of stenlog.*
- 3. Install a dust collection system to control fugitive dust emission.*
- 4. Construction of waste fibre storage and handling system.*

Based on the information provided, and after much consideration, I have determined that the potential environmental effects of the proposed changes to the facility are significant. Therefore, Erosion Control Blanket.com is required to submit an Environment Act Proposal..."

At this time, the owner wishes to revise the May 22 Notice of Alteration to address only the Increase in Stenlog production (your item 2). The rationale for revising the NOA is that of the four items listed above, only your item 2 – Increase the production of Stenlog is planned for the immediate future. The other items listed are anticipated to be implemented in the future.

The owner agrees that before implementation of your items 1, 3 and 4, a new Environment Act Proposal may be required, but he is hoping that the implementation of your item 2 can occur immediately.

We do not consider the implementation of only your item 2 to be a major alteration. It represents a potential increase in production capacity of about 30% coupled with a potential decrease in useable dry straw fibre to landfill of 100%. On that basis the owner wishes to start production of the new stenlog production line immediately.

Following is a narrative description of the changes planned for the immediate future to implement the stenlog production capacity, and the resulting environmental effects:

Technical Narrative

At the present time, erosion control blankets (the main product) are manufactured in the main blanket building. This process involves shredding straw bales or coconut bales (or occasionally synthetic fibre bales) and blowing the loose fibres onto a mesh and then laying a second mesh on top and stitching the blanket together.

At the present time, waste fibre and dust from the blanket manufacturing process is collected by the dust collection system and blown into a Quonset hut located at the back of the site. This waste fibre is presently collected by truck and disposed of offsite. Reportedly this has been the practice for several years.

The Company Erosion Control Blanket Inc. also manufactures stenlogs which are a variation on the blanket concept. Whereas the blanket product is a flat sheet of straw fibre held together in sheets of mesh, the stenlog is a cylindrical tube of straw fibre held together in a mesh tube.

The blanket production process (both machines combined) requires new straw feed at a rate of about 4,100 lbs per hour. The waste is generated at a rate of about 1400 lbs per hour. At this time we are working with a rough estimate to indicate the waste rate is about 30% of input rate.

The new stenlog equipment is capable of utilizing waste fibre as feed stock at a rate of up to 2,250 lbs per hour.

extra 40%

The new stenlog production line is technically capable of reducing the useable, dry straw fibre shipped to landfill by 100%

The issue here is timing. The new stenlog production line is ready to begin production now. The other three items listed in your letter dated July 20, 2015 are all still in the preliminary engineering phases.

The effect that the other three items have on the production of stenlogs is as follows:

Your item 1 Install a new waste fibre recovery system –

the intent of this system is to divert waste fibre from the Quonset to the stenlog production line. Until this system is designed and installed, the intent is to deliver the waste fibre from the Quonset to the stenlog production line using a tractor with front end loader bucket/gripper attachment.

Your item 3 Install a dust collection system to control fugitive dust emissions

– the intent of this system is to reduce the heating costs associated with pre-heating 28,800 cfm of make-up air for the main building which is necessary for the dust collection system. This system has nothing to do with the new stenlog production line.

Your item 4

Construction of a waste fibre storage and handling system

- I consider this to be the same thing as or an extension of your item 1 – install a new waste recovery system.
- The intent of this system is to deliver the recovered waste fibre from the main blanket building to the new stenlog building as an input feed for the new stenlog production line, and provide some intermediate storage as to accommodate day to day differences in production rate between the main blanket production lines and the stenlog production line.

Attachments

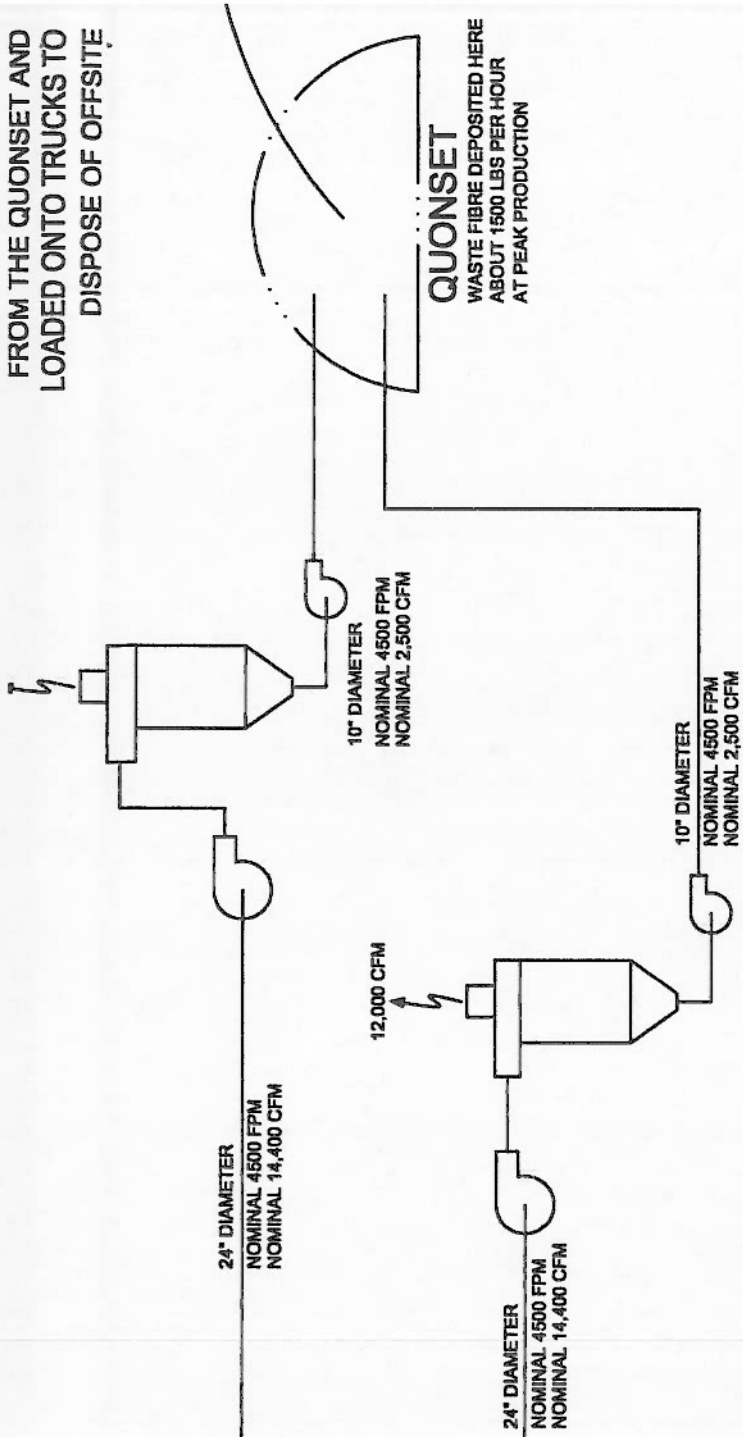
| | |
|------|---|
| PFD1 | Process Flow Diagram, Existing Conditions |
| PFD2 | Process Flow Diagram, Phase 1 – 2015 |
| L1 | Site Plan |

Sincerely,



Asi Asmundsson, P.Eng

FROM THE QUONSET AND
LOADED ONTO TRUCKS TO
DISPOSE OF OFFSITE



QUONSET
WASTE FIBRE DEPOSITED HERE
ABOUT 1500 LBS PER HOUR
AT PEAK PRODUCTION

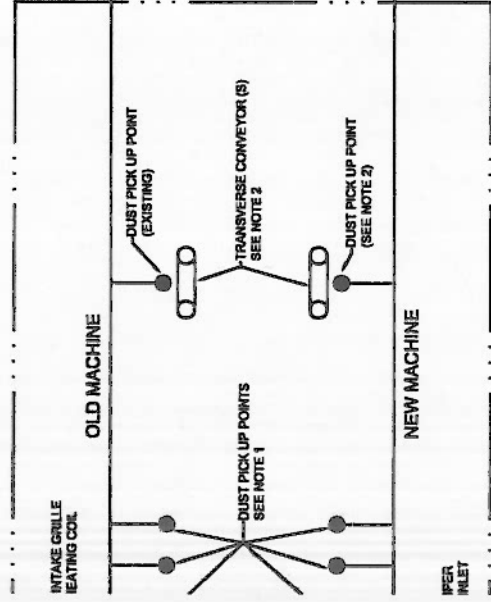
24" DIAMETER
NOMINAL 4500 FPM
NOMINAL 14,400 CFM

10" DIAMETER
NOMINAL 4500 FPM
NOMINAL 2,500 CFM

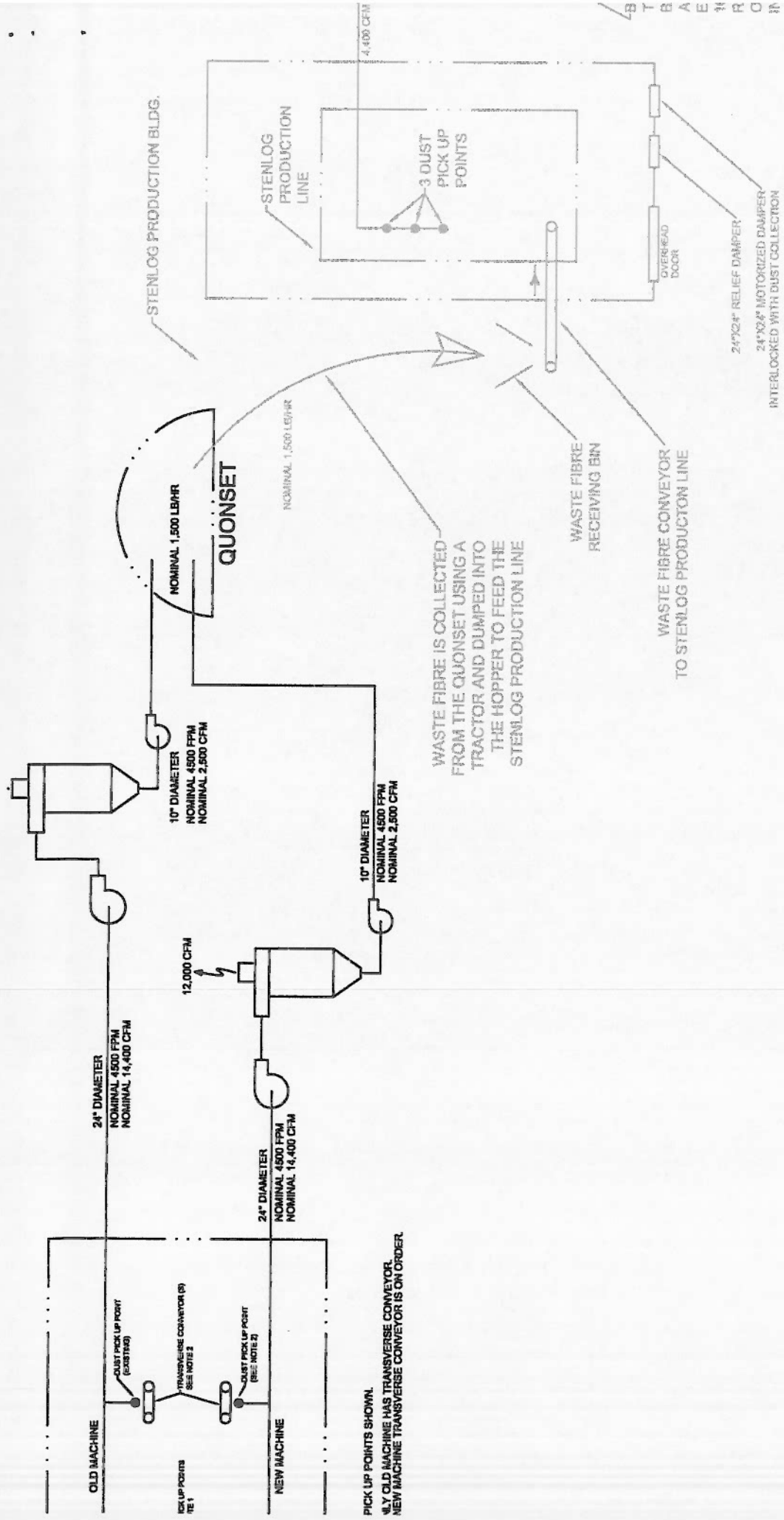
10" DIAMETER
NOMINAL 4500 FPM
NOMINAL 2,500 CFM

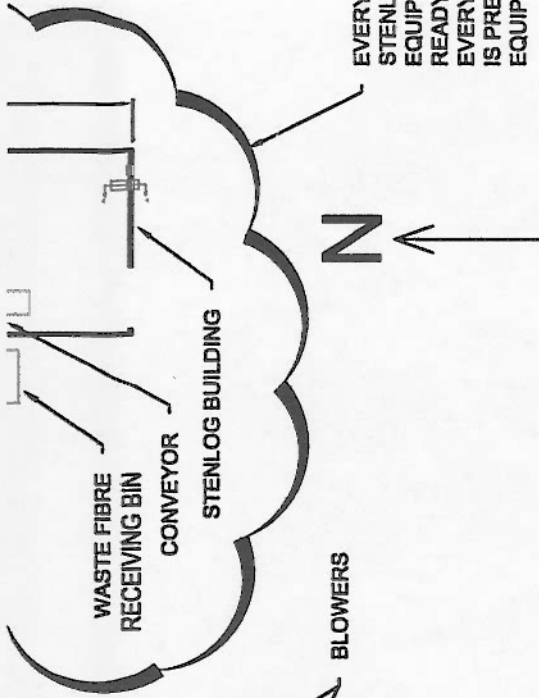
12,000 CFM

24" DIAMETER
NOMINAL 4500 FPM
NOMINAL 14,400 CFM

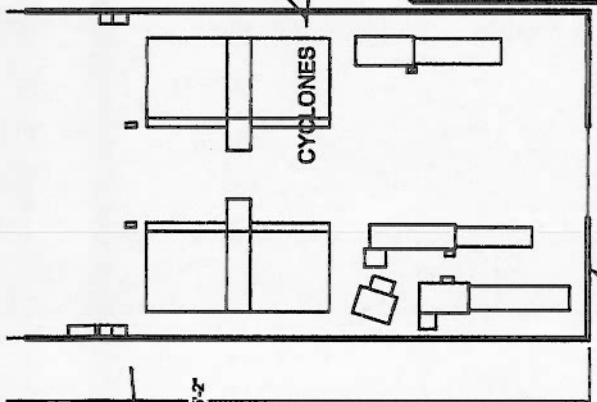


NOT ALL DUST PICK UP POINTS SHOWN.
RECENTLY, ONLY OLD MACHINE HAS TRANSVERSE CONVEYOR.
REPORTEDLY, NEW MACHINE TRANSVERSE CONVEYOR IS ON ORDER.



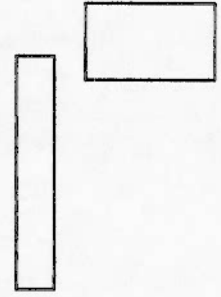


EVERYTHING IN THIS CLOUD IS THE STENLOG PRODUCTION BUILDING. EQUIPMENT INSTALLED 2014, 2015 READY TO BEGIN PRODUCTION IMI EVERYTHING OUTSIDE OF THIS CLOUD IS PREVIOUSLY EXISTING BUILDING EQUIPMENT.

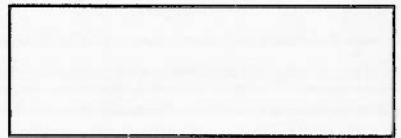
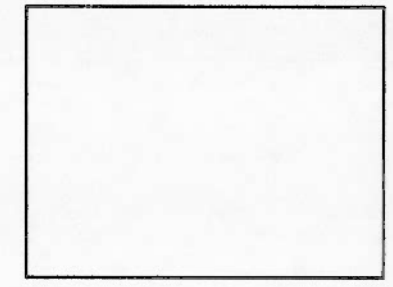
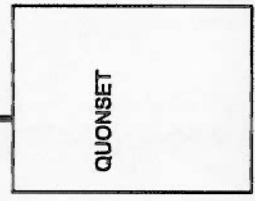


175'-2"

MAIN BLANKET BUILDING



10" PIPES DELIVER WASTE FIBRE TO QUONSET



CONFIRM MORE PRECISE DISTANCE B/W BLANKET BUILDING AND QUONSET. CONFIRM MORE PRECISE DISTANCE B/W BLANKET BUILDING AND QUONSET.

RM OF GIMLI

DATE APPROVED

EROSION CONTROL