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Ministry of the Environment
Ministère de l'Environnement

ENVIRONMENTAL COMPLIANCE APPROVAL
NUMBER 6067-9B7J6U
Issue Date: September 6, 2013

Sunrise Metals Inc.
500 Sherman Ave N 2nd Floor
Hamilton, Ontario
L8L 8J6

Site Location: 445 Sherman Avenue North
Hamilton City, Ontario

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 metal recycling facility consisting of the following equipment:

- one (1) oxypropane metal cutting and torching area with a maximum cutting capacity of 4.1×10^{-3} cubic meters per hour when processing large pieces of carbon steel; and with a maximum cutting capacity of 5.7×10^{-3} cubic metres per hour when processing thin pieces of carbon steel, complete with two enclosure walls located in the east and south side of the torching area, and a portable dust suppression misting system operating in accordance with the document titled " Sunrise Metals Inc. - Torch Cutting Procedure" for visible smoke control;

all in accordance with the Application for Approval (Air) dated May 15, 2013 and signed by Amandeep Singh Kaloti, and all information associated with the application including the document titled " Sunrise Metals Inc. - Torch Cutting Procedure" sent via email by Ajai Sahore on September 4, 2013.

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

- (1) "Approval" means this Environmental Compliance Approval and any Schedules to it, including the application and supporting documentation.
- (2) "Best Management Practices Plan" means a document or a set of documents which describe measures to minimize dust emissions from the Facility and/or Equipment.
- (3) "Company" means Sunrise Metals Inc. that is responsible for the construction or operation of the Facility and includes any successors and assigns.
- (4) "Director" means any Ministry employee appointed by the Minister pursuant to Section 5 of the EPA.
- (5) "District Manager" means the District Manager of the appropriate local district office of the Ministry, where the Equipment is geographically located and operated.
- (6) "EPA" means the Environmental Protection Act , R.S.O. 1990, c.E.19, as amended.

(7) "Equipment" means the oxypropane metal cutting and torching process described in the Company's application, this Approval and in the supporting documentation referred to herein, to the extent approved by this Approval.

(8) "Facility" means the entire operation located on the property where the Equipment is located.

(9) "Manual" means a document or a set of documents that provide written instructions to staff of the Company.

(10) "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.

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

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

(13) "Torch Cutting Procedure" means the procedure outlined in the document titled "Sunrise Metals Inc. - Torch Cutting Procedure" dated June 4, 2013 or as amended from time to time, and approved by the District Manager.

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

TERMS AND CONDITIONS

OPERATION AND MAINTENANCE

1. The Company shall ensure that the Equipment is properly operated and maintained at all times. The Company shall:

(1) conduct all torching operations in accordance with the Torch Cutting Procedure;

(2) 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 and as recommended by the Equipment suppliers;

(b) emergency procedures;

(c) procedures for any record keeping activities relating to operation and maintenance of the Equipment;

(d) all appropriate measures to minimize noise and odorous emissions from all potential sources;

(2) implement the recommendations of the Manual.

BEST MANAGEMENT PRACTICES PLAN FOR FUGITIVE DUST

2. The Company shall ensure that reasonable efforts are made to keep the access road used by vehicles to enter and leave the Facility free of mud, dirt, and dust.

3. The Company shall develop, in consultation with the District Manager and acceptable to the Director, a Best Management Practices Plan for the control of fugitive dust emissions. This Best Management Practices Plan shall include, but not be limited to:

(1) identification of the main sources of fugitive dust emissions such as:

- (a) metal cutting and torching area
- (b) on-site traffic;
- (c) paved roads/areas;
- (d) unpaved roads/areas;
- (e) material stock piles;
- (f) loading/unloading areas and loading/unloading techniques;
- (g) material spills;
- (h) material conveyance systems;
- (i) exposed openings in process and storage buildings; and
- (j) general work areas.

(2) potential causes for high dust emissions and opacity resulting from these sources;

(3) preventative and control measures in place or under development to minimize the likelihood of high dust emissions and opacity from the sources of fugitive dust emissions identified above. Details of the preventative and control measures shall include:

- (a) a description of the control equipment to be installed;
- (b) a description of the preventative procedures to be implemented; and/or
- (c) the frequency of occurrence of periodic preventative activities, including material application rates, as applicable.

(4) an implementation schedule for the Best Management Practices Plan, including training of Facility personnel;

(5) inspection and maintenance procedures and monitoring initiatives to ensure effective implementation of the preventative and control measures; and

(6) a list of all Ministry comments received, if any, on the development of the Best Management Practices Plan, and a description of how each Ministry comment was addressed in the Best Management Practices Plan.

4. The Company shall submit the Best Management Practices Plan to the Director and the District Manager not later than six (6) months after the date of this Approval.

(1) The Director may not accept the Best Management Practices Plan if the minimum requirements described in this Approval were not included in the Best Management Practices Plan;

(2) If the Best Management Practices Plan is not accepted by the Director, the Company shall submit a Best Management Practices Plan acceptable to the Director not later than nine (9) months after the date of this Approval.

5. Upon acceptance of the Best Management Practices Plan by the Director, the Company shall immediately implement the Best Management Practices Plan for the control of fugitive dust emissions to provide effective dust suppression measures to any potential sources of fugitive dust emissions resulting from the operation of the Facility.

NOISE

6. The Company shall ensure that the noise emissions from the Facility comply with the limits set in Publication NPC-205 or Publication NPC-232, as applicable..

DOCUMENTATION REQUIREMENTS

7. The Company shall record, in a log book, each time a specific preventative and control measure described in each Best Management Practices Plan is implemented. The Company shall record, as a minimum:

(1) the date when each emission control measure is installed, including a description of the control measure;

(2) the date when each new preventative measure or operating procedure to minimize emissions is implemented, including a description of the preventative measure or operating procedure; and

(3) the date, time of commencement, and time of completion of each periodic activity conducted to minimize emissions, including a description of the preventative measure/procedure and the name of the individual performing the periodic activity.

RECORD RETENTION

8. 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 recording 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) the log book which contains all records on the preventative and control measures implemented for each source of fugitive dust emission identified in the Best Management Practices Plan

(3) all records on the environmental complaints; including:

(a) a description, time, date and location of each incident;

(b) wind direction and other weather conditions at the time of the incident;

(c) the name(s) of Company personnel responsible for handling the incident;

(d) the cause of the incident;

(e) the Company response to the incident; and

(f) a description of the measures taken to address the cause of the incident and to prevent a similar occurrence in the future, and the outcome of the measures taken.

NOTIFICATION OF COMPLAINTS

9. The Company shall notify the District Manager, in writing, of each environmental complaint within two (2) business days of the complaint. The notification shall include:

(1) a description of the nature of the complaint;

(2) the time, date and location of the incident;

(3) the wind direction and other weather conditions at the time of the incident; and

(4) the name(s) of Company personnel responsible for handling the incident.

PERFORMANCE

10. The Company shall submit the Torch Cutting Procedure to the District Manager for review no later than June 15 of each year.

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

1. Conditions No. 1, 2, 3, 4, 5 and 10 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.

2. Condition No. 6 is included to outline the minimum performance requirements considered necessary to prevent an adverse effect resulting from the operation of the Equipment.

4. Conditions No. 7 and 8 are 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.

5. Condition No. 9 is included to require the Company to notify staff of 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, the Environmental Review Tribunal and in accordance with Section 47 of the Environmental Bill of Rights, 1993, S.O. 1993, c. 28 (Environmental Bill of Rights), the Environmental Commissioner, within 15 days after receipt of this Notice, require a hearing by the Tribunal. The Environmental Commissioner will place notice of your appeal on the Environmental Registry. 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 Environmental Commissioner 1075 Bay Street, Suite 605 Toronto, Ontario M5S 2B1	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
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*** 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**

This instrument is subject to Section 38 of the Environmental Bill of Rights, 1993, that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek leave to appeal within 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry at www.ebr.gov.on.ca , you can determine when the leave to appeal period ends.

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

DATED AT TORONTO this 6th day of September,
2013

Rudolf Wan, P.Eng.
Director
appointed for the purposes of Part II.1 of
the *Environmental Protection Act*

FC/
c: District Manager, MOE Hamilton - District
Christina Wright, M.Env.,Sc., EP, BCX Environmental Consulting