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Upgrades and Modernization of Saw Mill Operation

Proponent:

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- (ii.) P.O. Box 5019
Clareville, NL
A0E 1J0
- (iii.) **Chief Executive Officer**
Keith Stanley, Vice President
P.O. Box 5019; Clareville, NL; A0E 1J0
(709) 466-3550
- (iv.) **Principal Contact Person for purposes of environmental assessment:**
Jason Strickland
Junior Engineer
SGE Acres Limited; Postal Service 1086, 45 Marine Drive; Clareville,
A0E 1J0
Telephone (709) 466-2685

The Undertaking:

- (i.) **Nature of Undertaking:**

O.K. Ventures Limited intends on acquiring a vacant commercial building (formerly Trinity Brick Limited) to enable to upgrade and modernize their current saw mill operation.
- (ii.) **Purpose/Rationale/Need for the Undertaking**

Realizing that “wasted” birch hardwood sawn log slabs could be further produced into a valuable product, O.K. Ventures Limited decided to build on this opportunity by upgrading and modernizing their current saw mill set-up. Also, through an extensive market research, this company discovered that the market for hardwood lumber products has not been fully developed and an opportunity exists to supply companies such as Newfoundland Hardwoods and Jamestown Lumber Company Limited, as well as retail stores with high quality hardwood lumber products. To do this, an indoor facility is needed to accommodate the new equipment necessary to produce the intended products up to industry standards.

Description of the Undertaking:

(i.) Geographical Location:

The proposed site that O.K. Ventures intends on using for its new sawmill operation has been previously developed, with an abandoned building currently existing there. This facility was the former brickyard for Trinity Brick Limited, and is located in Milton, Newfoundland, approximately 8 km north of Clarenville on Route 230 (Cabot Highway). The site boundaries consist of a steep hill to the east that separates the site and the Cabot Highway. To the east, the site is bounded by crown land that was formerly owned by Canadian National Railways where the rail bed was situated. This strip of land separates Smith Sound (Atlantic Ocean) and the building that is trying to be acquired by O.K. Ventures. The north boundary is a parcel of land currently or formerly owned by Fredrick Pelley, and the south boundary is land currently or formerly owned by Malcolm Pelley. A copy of the legal survey for the site where the vacant building is situated can be found in Appendix B of this report.

(ii.) Physical Features:

The building that will contain the sawmill operation is the only building situated at this site. An access road permits vehicles to travel to the site and is sufficient to accommodate traffic in two directions. On three sides of the building (north, south, east west), paved lots exist, allowing vehicles to gain access to shipping and receiving areas of the building. This site is situated at the toe of a steep hill that separates the building and the main road running through Milton (Cabot Highway). The only area where activity will occur outside the premises of the building is on the west side of the building where raw materials (timber) will be stored until it is ready to be processed. There will be a shipping and receiving area to the west of the building on the paved lot where materials will be transported in and out of the building before and after it is processed into finished product. There is sparse vegetation throughout the area, comprised of small shrubs, but the presence of thick forest or other vegetation is absent in this area. The building is situated approximately 40 meters from the ocean, but no activity will be performed outside of the building adjacent to the ocean because there is no vehicular access to this portion of the site. There are no brooks or streams flowing through or nearby the parcel of land on which the vacant building is situated. The only wildlife that may be potentially affected by this venture is small birds that may frequent the nearby shrubs.

(iii.) Construction:

There will be minimal construction activity during the start-up phase of this project. All construction activities will be performed in the confines of the vacant building and will consist of renovations to the warehouse/factory area that will be necessary to accommodate milling equipment and to provide space for sawing operations. The office area will also be renovated to suit the needs of the management team for O.K. Ventures Limited. None of the construction activity will present any environmental concerns because all construction activities will be performed inside the building and all waste material that will occur during demolition and renovations of existing building components, and any waste material that will arise during the construction of new facilities inside the building will be disposed of in appropriate manners as regulated by the municipality bylaws. Also, bathroom facilities are present in this serviced building, eliminating the need for portable toilets during the construction phase. All tools used during construction will be electrically powered; eliminating potential airborne pollutants that result from fuel powered tools.

(iv.) Operation:

O.K. Ventures Limited was incorporated in 2002, derived from the divisional parting of former business operations of WoodCo. Enterprise Limited. This business is engaged in both log harvesting and purchasing both softwood and hardwood timber for production. The principles of O.K. Ventures Limited have been engaged in logging operations for about ten years under the former company, involved in the production of pulpwood and dressed lumber.

Currently, O.K. Ventures is at the growth stage of “value added hardwood manufacturing”. It is the intention of this company to obtain the vacant commercial building discussed earlier to enable to upgrade and modernize their present outside, unsheltered sawmill operation. The vacant building contains 600 ft² of office space and 20,000 ft² of factory / warehouse space, which is adequate for present and future needs. This building is fully serviced with water and sewer services, and is still provided with electricity.

The need for an indoor factory / warehouse area was realized when O.K. Ventures entered the growth stage of developing a “value added hardwood manufacturing” operation. The unique feature of “value added hardwood board products” is the production of valuable hardwood boards derived from the re-sawing of slabs of birch, juniper and aspen logs that were formerly sold from carriage mills for firewood purposes.

In addition to the above method of acquiring slabs to be re-processed into a valuable finished product, the raw materials that are needed to produce finished hardwood products will be attained by several alternative means.

Currently, O.K. Ventures is engaged in log harvesting, but will require additional timber from other sources. Jamestown Lumber Co. has agreed to allow O.K. Ventures Limited to harvest 1000 m³ of birch logs annually from their timber stands in Forest Management District 5. This will help ensure a future raw timber inventory necessary to market its hardwood board products on a viable basis. In addition, this company has a sound relationship with a number of hardwood logging suppliers who have formally confirmed their intention to provide birch saw logs to O.K. Ventures Limited. Therefore no additional stress will be placed on timber resources in the immediate area because no additional timber will be cut, only a re-allocation of timber that is cut such that O.K. Ventures is supplied with enough raw material to accommodate this venture.

With the installation of a drying kiln, all hardwood timber will be kiln dried to specifications governed by market requirements. To do this, a need exists to expand and modernize into this proposed facility, which will have all components of the mill operation operating under electrical power. In addition to the drying kiln, other equipment that will be installed into the factory / warehouse, all needing electrical power for operation are as follows: 6 head planer / molder equipment; band saw equipment; shaper and board edger.

As previously mentioned, all of this equipment will be powered by electricity, eliminating any airborne pollutants that are emitted during the current use of equipment by O.K. Ventures Limited, which is powered by diesel fuel. With the presence of electrically operated equipment, there are virtually no sources of pollution regarding this operation. The only equipment that will be powered by diesel fuel that may cause emissions of exhaust fumes is machinery that will be used to maneuver logs so that they are brought to the factory area. The management of O.K. Ventures Limited have ensured that all equipment, including machinery necessary to transport raw materials and product will be in good working order and will be well maintained to meet industry standards and regulations, ensuring exhaust from machinery used will not pose a threat to the environment.

Also, during the operation of this mill, there will be no use of toxic or hazardous chemicals, eliminating additional environmental concerns. All waste material such as sawdust and shavings will be collected and sold to Newfoundland Hardwoods who use this as a fuel source. Thus, no wastage material will be accumulating on this site, ensuring a more environmental friendly operation.

Re-iterating the absence of any activities that may cause environmental impact, and examining the following list, it can be concluded that the presence of this mill will in fact be beneficial to the environment. Here is a list of factors that allows this mill to be more environmentally friendly as compared

to operations of other surrounding mills, including O.K. Ventures current set-up:

- The presence of electrically powered equipment will eliminate the operation of diesel powered sawmill equipment that is currently used by O.K. Ventures Limited.
- Unlike the outdoor facility, all waste material such as sawdust and shavings from this indoor operation can be easily contained, and sold to Newfoundland Hardwoods to be used as an additional fuel source. This eliminates heaps of sawdust and shavings that frequently accumulate during the operation of an outdoor mill, and eventually enter the surrounding environment.
- The production of “value added birch hardwood will benefit the environment by maximizing the usage of each log, thereby eliminating the amount of wastage associated with milling logs. Re-processing sawn cut slabs, that are normally treated as waste and sold as firewood, into a valuable hardwood product, would reduce the stress associated to the local timber population because it reduces the number of trees that need to be harvested to acquire a certain quantity of finished product.

(v.) **Occupations:**

The revised business upgrading and expansion will help ensure future long-term employment for 6-10 displaced workers. These individuals have been log cutters in past years and have recently lost their jobs to mechanical log harvesters. O.K. Ventures plan to seek qualified training assistance in the kiln drying procedure of the plant operation.

The following is a list of jobs that would arise with the implementation of this project:

Log Harvesting Manager	1 position
Business Manager	1 position
Mill Manager	1 position
Sawing Machine Setters, Operators, and Tenders	3-5 positions

Log Harvesters: 3-5 positions

(vi.) **Project Related Documents:**

To date, there has been one document prepared in relation to this project. This document is the “Business Plan for O.K. Ventures Limited”, prepared December 9, 2002. The contact person for information regarding this business plan is the vice president of the company, Mr. Keith Stanley.

Approval of the Undertaking:

The following is a list of permits, licences, approvals, and other forms of authorization that has been obtained for this venture:

- **Development Permit;** Department of Government Services and Lands; Permit No. 14-E-00
- **Proposal Development Approval;** by the local Services District Committee of George’s Brook / Milton.
- **Valid Commercial Cutting Permits;** #02-02-01213, #02-02-01356, #02-02-01356/02, #02-02-01375, #02-02-02068.
- **Commercial Saw Milling Licences;** Newfoundland Government; Department of Forestry and Lands; #02-02-02068, #02-02-02073.
- **Valid Wood Grading Licence Agreement;** Newfoundland and Labrador Lumber Producers Association; #174;
- **Electrical Plans** to upgrade building lighting and three phase hydro-electric hook-up to all equipment and safety controls will be performed by a licensed contractor under a valid permit from the Government Services Center.

Schedule:

The projected start of construction date is April 1, 2003, after all necessary permits and regulations have been obtained and adhered to. The construction period will be a month in duration, with production scheduled to begin May 1, 2003.

Funding:

The management of O.K. Ventures have requested funding assistance from the following agencies:

ACOA (Atlantic Canada Opportunities Agency) P.O. Box 355, 58 Manitoba Drive Clareville, NL, A0E 1J0	\$99,000.00
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DITRD (Department of Industry Trade & Rural Development) McCurdy Complex, 1 Markham Place Gander, NL, A1V 2N9	\$50,000.00
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Program Costs:

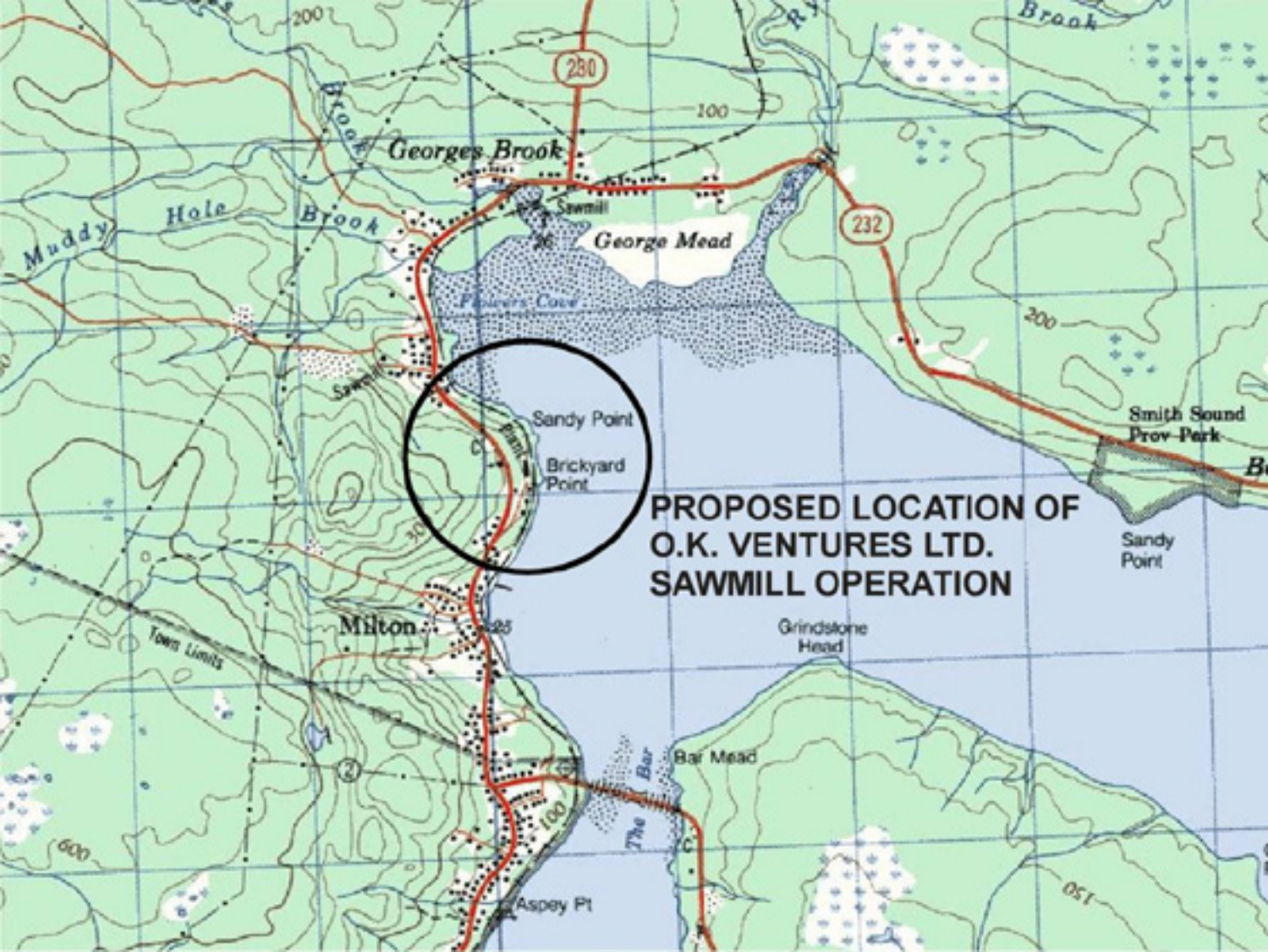
Complete building renovations and live log bed feed:	\$33,000.00
Complete electrical development:	\$25,875.00
Complete Nyle Kiln installation:	\$35,000.00
Purchase of Equipment:	<u>\$105,125.00</u>

Total Program Cost:	\$199,000.00
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February 17, 2003

original signed by Keith Stanley

Chief Executive Officer



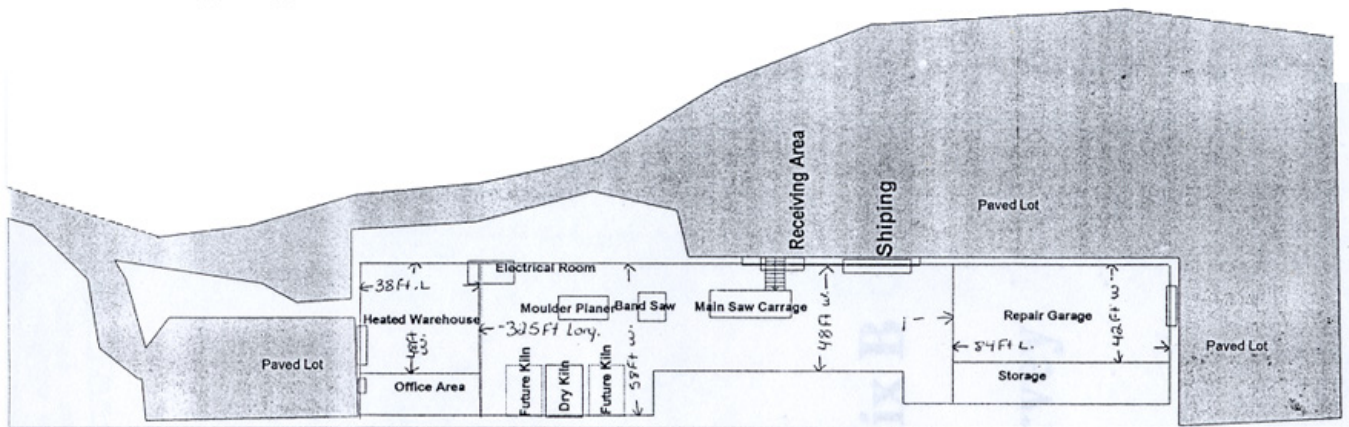
**PROPOSED LOCATION OF
O.K. VENTURES LTD.
SAWMILL OPERATION**

Clareville

Cabot Highway

Bonavista

Appendix A Building Layout



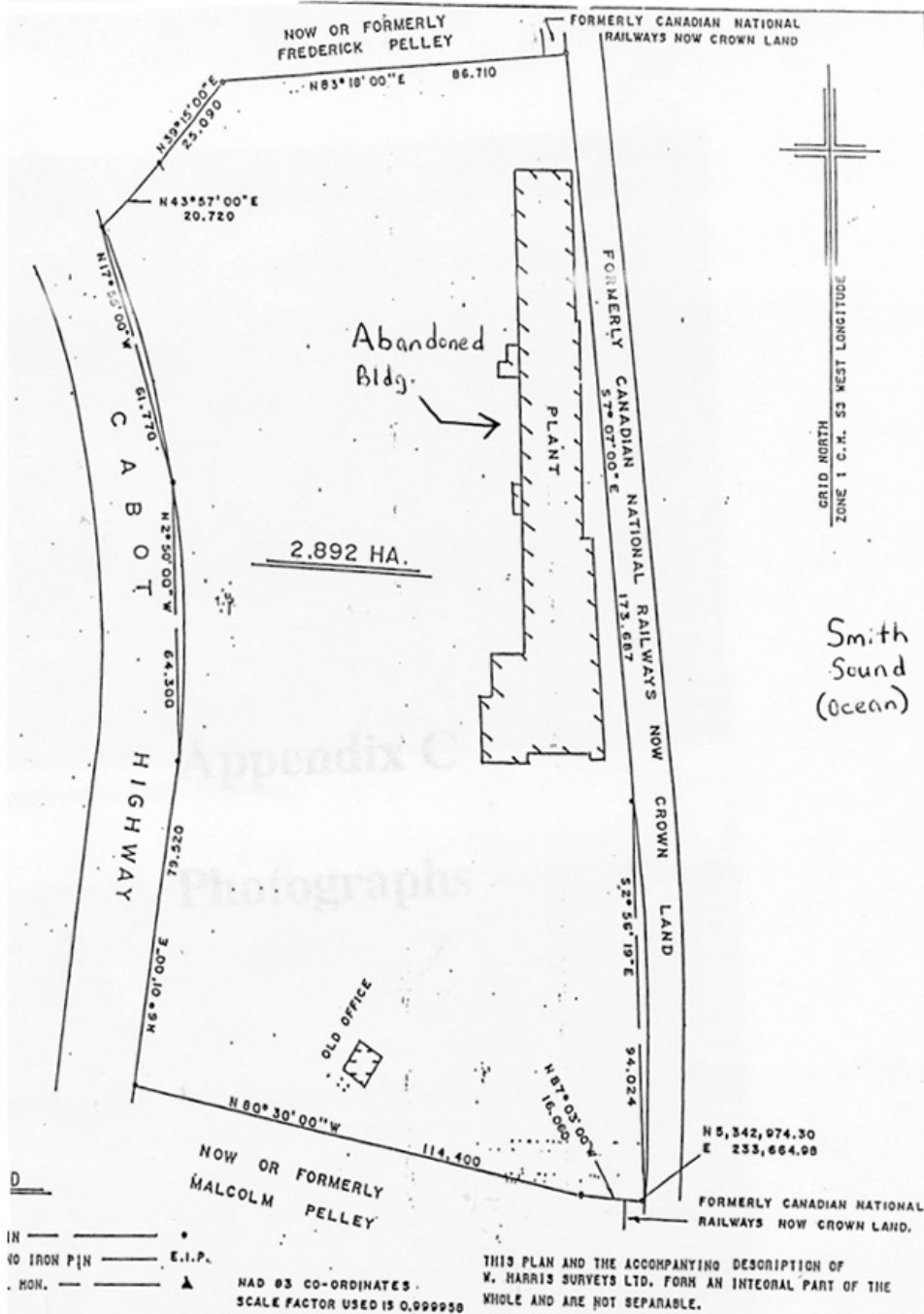
Clareville

Rail Line

Bonavista

Smiths Sound

Appendix B - Site Survey



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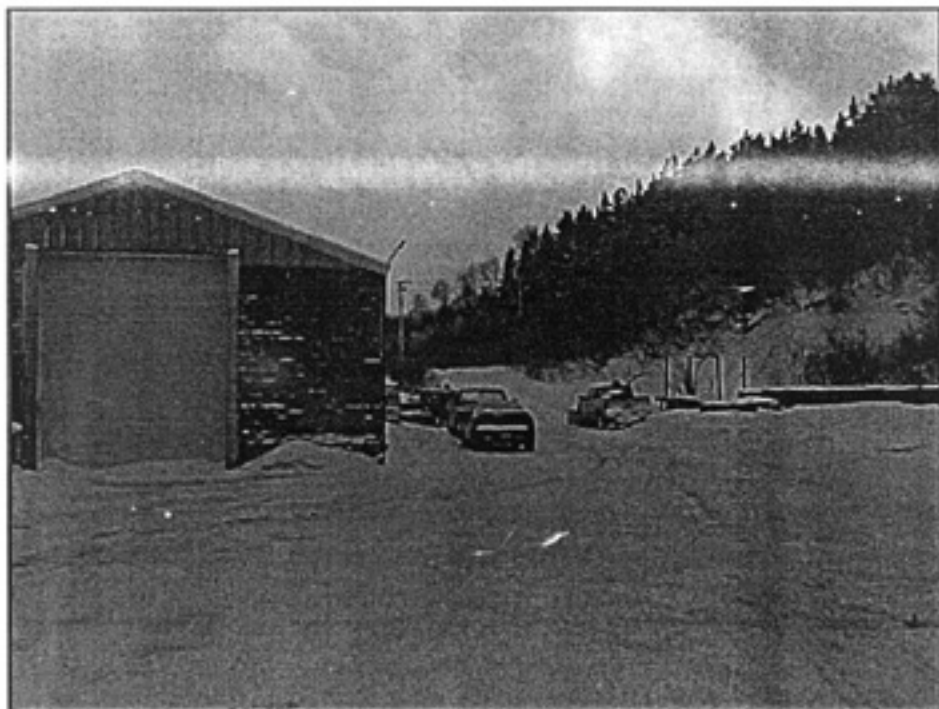
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**Appendix C
Photographs**



Photograph 1: North Exterior Wall of Building

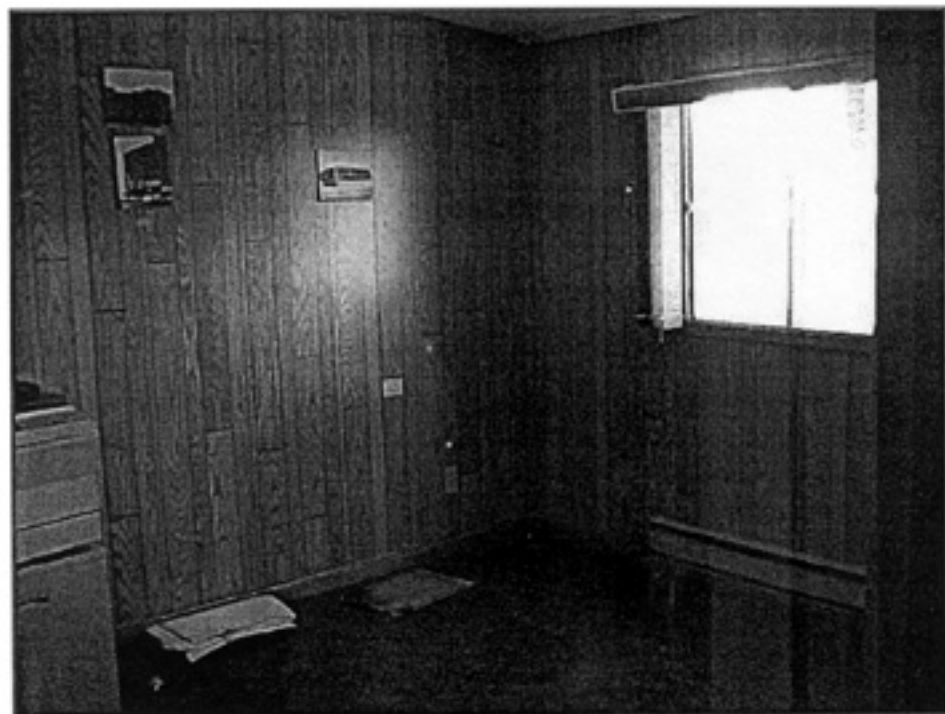


Photograph 2: Warehouse / Factory Area Inside Building

**Appendix C
Photographs**



Photograph 3: Looking Out Window Facing Smith Sound



Photograph 4: Office Area