

**Environmental Assessment Registration
Labrador Wood Products
Charlottetown, Labrador**

**Submitted to:
Director of Environmental Assessment**

**Submitted by:
Powell Consulting
86 Bonavista Street
St. John's, NL**

**On Behalf of:
Labrador Wood Products
Charlottetown, Labrador**

Construction and Operation of Manufacturing Facility Secondary Wood Products

Proponent:

- i) Silas Noel and Selma Noel
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- iii) Chief Executive Officer
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- iv) Contact Person for purpose of environmental assessment:
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The Undertaking:

1) Nature of Undertaking

Labrador Wood Products intend to acquire a parcel of land within the boundary of the Community of Charlottetown, on the southeast coast of Labrador, for the purpose of erecting a building that will house kilns, saws, planers, moulders and other ancillary equipment required in the manufacture of various wood products, such as flooring, panels and siding.

Labrador Wood Products has also requested a commercial cutting permit for 12,000 M³ of wood in the Charlottetown area from the Department of Natural Resources. If granted, the wood will be harvested by existing operators under contract.

11) Purpose/Rationale/Need for the Undertaking

The forest resources of Labrador represent a significant potential for sustained development. A large proportion of wood currently being harvested in Southeastern Labrador is shipped to the Island to be made into paper. Some of the timber of sawlog quality is sawn into squares and also shipped out of the area. Labrador Wood Products intends to purchase up to 2000 square feet of these squares daily for the production of value-added wood products. The market for such products in this Province, the Eastern Arctic and throughout Canada is significant. To accommodate the technologically advanced drying and manufacturing equipment, a building is required.

Description of the Undertaking

I) Geographical Location

Labrador Wood Products intends to develop a greenfield site within the Town of Charlottetown for its mill. An application has been made to Crown Lands to acquire the land (Application No. 127653). The north side of the site is immediately adjacent to the Trans Labrador Highway, just before it enters the Community. It is approximately one-half kilometer from privately held land to the east. The south and west sides border Crown Land for an undetermined distance. A plot plan showing where the land is situated is attached as Appendix B of this Report.

II) Physical Features

The building to contain the manufacturing equipment is the only building planned for the site. An off-ramp from the Trans Labrador Highway will be required for site access. The land on the east, south and west sides of the building will be developed to provide access to loading doors and for storage of raw material, finished product and waste materials. Waste materials will be either burned on site to provide heat to the kilns and other areas of the building or disposed of in an approved manner. The area around the site consists of low wooded hills. A small stream flows through a valley approximately 150 meters east of the site. The only wildlife that may be affected by this venture are small birds, rabbits and other rodents.

III) Construction

A significant portion of the site will be clear cut and leveled to accommodate the building (600 square meters) and storage areas required for operation of the facility. A structural fill will be placed to take a concrete slab which together will form the foundation of the building. Further construction activity will be as required to erect a pre-fab steel building and install the associated equipment. Any waste material that will arise during construction will be disposed of in an approved manner. Portable toilets will be used during construction and waste will be disposed as per normal operating requirements of such facilities. All tools used during construction will be electrically powered, thereby eliminating potential airborne pollutants that result from fuel powered tools.

IV) Operation

Labrador Wood Products will be incorporated under the laws and regulations of the Province of Newfoundland and Labrador. This business will be engaged in the purchase of softwood and eventually hardwood timber for production. If granted an allowable cut of timber, the wood will be harvested by existing operators under contract. Resulting pulpwood will be exported to the Island while sawlogs will be used for production. The principles of Labrador Wood Products have experience in the operation of a small business, while Silas Noel is a carpenter with extensive knowledge of construction and industrial maintenance activities.

The concept of value-added processing of wood products became more viable with the completion of the Trans Labrador Highway in the area, providing ready access to markets for a significant part of the year. The availability of timber is the other key factor for the new venture. The 600 sq. meter building required for operations will be serviced for domestic needs and provided with electricity from a nearby power line.

As indicated, Labrador Wood Products will obtain its raw material from existing saw milling operators in the area. The Company will not engage in harvesting activity. There will be no increase required in the annual allowable cut of Forest Management District 21 to allow this facility to succeed. Some re-allocation of existing quotas in Districts 20 and 21 may occur as part of planning activity currently taking place within the Department of Natural Resources. This re-allocation may benefit the Company.

With the installation of drying kilns, all 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 mill, all needing electrical power operation are as follows: 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. With the presence of electrically operated equipment, there are virtually no sources of pollution regarding this operation. The only equipment that may be powered by diesel fuel that may cause emissions of exhaust fumes is machinery that will be used to handle raw material and finished product in and around the mill. The management of Labrador Wood Products 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 used 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 environmentally friendly:

- The presence of electrically powered equipment will eliminate the operation of diesel powered sawmill equipment.

- All waste material such as sawdust and shavings from this indoor operation can be easily contained, and used as an additional fuel source. This eliminates heaps of sawdust and shavings that frequently accumulate during the operation of a mill, and eventually enter the surrounding environment.
- The production of “value-added products” will benefit the environment by maximizing the usage of each log, thereby eliminating the amount of wastage associated with milling logs. This reduces the stress on the local timber lands because it reduces the number of trees that need to be harvested to acquire a certain quantity of finished product.

V) Occupations

This venture will provide future long-term employment for 4-6 workers. Labrador Wood Products plans to seek qualified training assistance in the kiln drying procedure of the plant operations.

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

Business Manager	1 position
Mill Manager	1 position
Sawing Machine Setters, Operators and Tenders	3-4 positions

VI) Project Related Documents

The Business Plan for this venture is currently being prepared. The contact person for information regarding this Plan is Mr. Ken Powell.

Approval of the Undertaking

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

- **Development Permit;** Department of Government Services and Lands;
- **Proposal Development Approval;** by the Town of Charlottetown.
- **Commercial Saw Milling Licences;** Newfoundland and Labrador Government; Department of Natural Resources;
- **Valid Wood Grading Licence Agreement;** Newfoundland and Labrador Lumber Producers Association;
- **Electrical Plans** for 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 November, 2005, after all necessary permits and regulations have been obtained and adhered to. The construction and equipment start-up period will take place during winter of 2005-06, with production scheduled to begin July 1, 2006.

Funding

The management of Labrador Wood Products will request assistance from the following agencies:

Aboriginal Business Canada
Labrador Native Friendship Centre
P.O. Box 1120, Stn. B
Happy Valley-Goose Bay, NL
A0P 1E0

Atlantic Canada Opportunities Agency (ACOA)
Labrador District Office
P.O. Box 430, Stn. C
Happy Valley-Goose Bay, NL
A0P 1C0

Department of Innovation, Trade & Rural Development
P.O. Box 116
Charlottetown, NL
A0K 5Y0

Program Costs

Complete building construction	\$245,000
Purchase of equipment	\$250,000
Electrical Supply	<u>\$ 15,000</u>
Total Program Cost	\$510,000

July 26, 2005

Chief Executive Officer