

Vimax Industries, LLC

9542 Squirrel Hollow Lane, Charlotte, N.C. 28270 Phone/fax (704) 849-9111

REGISTRATION FORM
PERSUANT TO SECTION 6 OF THE
ENVIRONMENTAL ASSESSMENT ACT FOR THE PROPOSED
SODIUM HYDROSULFITE BIN FILLING OR DISSOLVING FACILITY
IN PASADENA, NEWFOUNDLAND

SUBMITTED BY:

JAMES P. GLAUSER
PRESIDENT
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9542 SQUIRREL HOLLOW LANE
CHARLOTTE, NC 28270

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REGISTRATION FORM PURSUANT TO SECTION 6 OF THE ENVIRONMENTAL ASSESSMENT ACT

NAME OF THE UNDERTAKING:

Sodium hydrosulfite (SHS) bin filling or dissolving operation in Pasadena to supply SHS bleach formulations to the paper mills located in Stephenville, Corner Brook and Grand Falls-Windsor at reduced costs and improved security of supply.

PROPONENT:

- I. NAME OF CORPORATION BODY: VIMAX INDUSTRIES, LLC.
- II. ADDRESS: 9542 SQUIRREL HOLLOW LANE
CHARLOTTE, NC 28270
- III. CHIEF EXECUTIVE OFFICER: JAMES P. GLAUSER
PRESIDENT
(704) 849-9111
- IV. PRINCIPAL CONTACT FOR THE PURPOSE OF ENVIRONMENTAL
ASSESSMENT: JAMES P. GLAUSER
PRESIDENT

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THE UNDERTAKING

I. NATURE OF THE UNDERTAKING

Vimax Industries plans on operating a dry SHS bin filling or dissolving operation in Pasadena, Newfoundland to supply either dry SHS formulations in bulk bins, or dissolve and formulate with alkaline stabilizers and performance additives to provide a liquid version to supply the paper mills in Stephenville, Corner Brook and Grand Falls-Windsor. The option has been left open to supply either dry or liquid based on the mill's preference. The product will be sold under the name "Pulp Brite".

II. PURPOSE/RATIONALE FOR THE UNDERTAKING

There currently is no source of dry sodium hydrosulfite in Canada. Current supplies of this material used to bleach mechanical pulp or for the bleaching and decolorizing of secondary fiber are imported from either Europe or the United States. In addition, there currently exists a 30,000 metric ton production shortage of sodium hydrosulfite in North America. Some of this will be supplied from China or other Far Eastern countries.

Vimax has secured a long-term supply contract for dry SHS in drums (or ocean-going bulk bins) from a Chinese producer. We will maintain a large supply of SHS for bin filling or dissolving, enabling the mill's to have a dedicated facility in Pasadena. In the past, the mill's on occasion had to borrow product from each other to keep their operations running. The site in Pasadena will make it less expensive and more reliable than what is currently being done by just in time delivery.

Sodium hydrosulfite accounts for the largest chemical expenditure in these mills. Only wood supply, labor and electricity are greater expenditures. Having a local supply facility will not only reduce the mill's cost to produce newsprint and other specialty papers, it will also guarantee a source of supply during the unpredictable winter months.

The plant in Pasadena will employ 10 people. All of these positions will be permanent. An additional 3 to 6 truck drivers will be employed by an outside trucking firm to transport the finished product to the customer. Dedicated trucks will be used to ensure on-time delivery. Vimax will be responsible for training of all parties. Additional job creation should also occur, due to the multiplying effect in the region.

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The site in Pasadena will also be the center for technical support to the mills. Presently, the mills receive technical support from Montreal or South Carolina. The mill's have noted technical support has taken up to 8 months from their current supplier. Local technical support will enable the mill's to optimize usage on a more timely basis.

Vimax intends to build on the idea of providing "Brightness" to the paper mills, developing a broader systems approach in offering products and services. Additional products will be added that help the customers attain higher brightness, or that can further help the mills improve performance and/or reduce costs.

The plant is environmentally friendly. It will be a zero discharge facility. Spills, if any, will be contained in protective dikes, and reused within the process. The plant is also designed for no air emissions. There will be a dust collection system on the system(s) to fill the bins from drums or ocean-going bins, or to the dissolving operation. The dissolving tank and finished liquid SHS tank(s) will be blanketed with either nitrogen or by a thin layer of mineral oil to prevent the product from decomposing with contact with air.

DESCRIPTION OF THE UNDERTAKING

I. GEOGRAPHICAL LOCATION

The site chosen is the Annex Building at the Venture Centre on Stentaford Avenue in Pasadena. This building was owned by the town of Pasadena, but it is now owned by Purdy's Waste Management. The Pasadena site is preferred because it is centrally located between the three mills, with good access to the Trans Canada Highway. The highway is within 200 meters of the Annex Building. Raw materials can be received and finished goods shipped without having to have trucks going into the town of Pasadena. The nearest houses are at least one half to a full kilometre away from the site.

II. PHYSICAL FEATURES

The site is in excellent condition. The building is only eleven years old, being made of brick and metal construction. Improvements have made on the inside of the building. The building has 20,000 square feet of space, and sit's on 2.3 acres. Dimension of the plant is 100 feet by 200 feet.

The building will be shared with Purdy's Waste Management. Vimax will use 10,000 square feet of the building for warehousing, bin filling or dissolving operations. Purdy's intends to use 8,000 square feet for existing operations.

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The offices covering 2,000 square feet will be shared by both parties. This area will have sufficient space for bathroom/shower facilities, and laboratory space for quality control and laboratory bleaching studies for the mill's. The existing building will require very little modification to the interior. New drawings of the interior and exterior layout of the plant site will be provided. The building is well insulated and is currently heated by electricity.

No exterior alterations will be necessary to the building. There are sufficient number of doors in the structure. Even the existing water supply is adequate. The fresh water is of excellent quality and quantity, should the mill's decide on having a liquid SHS formulation delivered. The building is serviced by an existing 8 inch line from the City of Pasadena's water supply.

Should the mill's decide on switching to a liquid SHS formulation, there will be a nitrogen tank on the outside of the building, and a finished good(s) tank. These tanks will be situated so that trucks can make nitrogen deliveries to the nitrogen tank, and that the finished "Pulp Brite" formulation can be delivered to the mill's.

Minimal construction is required for this project. The building already exists. The only modifications necessary include the installation of the process tanks chiller for shipment of liquid, or hoppers/dust control system for filling bulk bins from drums or ocean-going bins should the mill's decide on using a dry SHS formulation. All modifications will meet the necessary codes.

In addition, there will be finished goods tanks for the liquid customer(s). There will also be catwalks for easy access and safety of the operators, whether we do a dry or liquid formulation. We will also have a containment area for spills, or for dissolving the dry SHS in case of emergency.

Dry SHS is a spontaneously combustible material. You want to keep it separated from moisture and heat. However, should it catch on fire, it should be dissolved. We will check the drums or ocean-going bins, and finished bins daily to ensure the dry SHS is stable. It is important to note, a SHS fire is not like a normal fire. It is a fire with a lot of heat and the evolution of sulphur dioxide, a poisonous gas.

The finished goods tanks, should the mill's go to liquid will be made of either 316 stainless steel, fibreglass or polypropylene. They will be insulated to protect the "Pulp Brite" from extremes in temperature. The "Pulp Brite" will be shipped at 5-10° C, at a pH of 12-12.49. It is not considered a corrosive material and does not need to be placarded.

Other than the sanitary sewer, there will not be any discharge flow to the City of Pasadena's sewer system.

III. OPERATION

The proposed SHS bin filling or dissolving operation will be designed to handle up to 8,000 metric tons of dry SHS in drums or ocean-going bins, and convert it to bulk bins or liquid. The three mills currently consume 7,000 metric tons of dry SHS a year.

All raw materials will be delivered by truck, and shipped to the customer by truck. For filling of bulk bins from 50 or 100 kg drums or ocean-going bulk bins (2,000 kg), the appropriate amount of dry SHS will be poured into the bulk bins. The normal capacity of these bulk bins is 2,000 kg. Any dust from filling

the bins will be captured with a dust collector. Empty drums will be crushed and sold for their scrap value. Ocean-going bulk bins will be stacked in a trailer, and when full, the full container will be shipped back to the supplier in China to be refilled.

Should the mill's decide to go to a liquid "Pulp Brite" formulation, and the indication is that they will, the dry SHS in drums or ocean-going bins will be dissolved in a dissolving tank, blanketed by a nitrogen pad to prevent air decomposition. Alkaline stabilizers and performance additives will be added to improve the "Pulp Brite's" stability and performance.

The facility will be operated around the clock, 365 days a year, to meet the mill's needs. Typically however, most of the production will be accomplished during the day shift.

No effluent will leave the plant, with the exception of the sanitary sewer. All tanks and manufacturing areas will be diked. Spills, if any, will be sent to a containment area, where they will be recycled back to the process.

A sprinkler system will not be installed in the facilities production and storage area's. This is what is recommended by the existing fire codes for dry SHS. However, a containment dike for drums or bins heating up will be installed in the building. Drums or bins that are found to be decomposing will be dissolved immediately, eliminating the risk of a fire and resultant discharge of sulphur dioxide.

Dry SHS is considered spontaneously combustible. Vimax recognizes the hazard of handling dry SHS, and will undertake a responsible care policy. This includes the storage and use in filling bulk bins or dissolving, without

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compromising human health, the environment, or safety. We will provide technical information and support to those who will handle the product, or who would need to respond to an emergency situation. We will provide the operators, lab personnel, the community, emergency response authorities who are responsible for the health, safety and environment with data on product characteristics, as well as safe handling procedures. We will maintain systems, including community emergency response programs, to minimize harm to health or the environment from accidental exposure. Training will be provided to the operators, truck drivers, and the appropriate authorities. Material Safety Data Sheet (MSDS) enclosed.

Dry SHS, a spontaneously combustible material will be kept in large quantities. It is classified as follows: Health 3, Fire 1, Reactivity 2. It is considered a water reactive product, thus the requirement not to have a sprinkler system in the area where it is being stored or handled.

It will be stored separately in a dry area in either 50 or 100 kg drums, or 2,000 kg ocean-going bins. Filled bulk bins will also be kept in this designated area. There will not be a sprinkler system in this area. The proper procedure is to check the drums or bins by hand every day. We will also monitor the drums or bins with a hand held temperature probe, and by having a sulphur dioxide detector(s) in the facility.

Should a drum or bin be found to be generating heat, or releasing sulphur dioxide, that drum or bins will be taken to the spill containment area. The drum or bin is then carefully opened and flooded with water to dissolve the SHS. The SHS solution is then put back into the process. The operators will wear protective equipment, including rubber gloves, boots, suits, along with protective face shields and acid canister breathing apparatus.

All the mill's have noted a desire to switch to a liquid "Pulp Brite" formulation. This liquid product is safer. It is considered to have the following classification: Health 1, Fire 0, Reactivity 0. This compares to dry with a 3-1-2 classification. In addition, it is not considered corrosive by Department of Transportation standards. It is not placarded.

The facility will handle various alkaline stabilizers, including caustic soda and soda ash. Performance additives could include chelants to tie up metals which could cause loss in brightness in pulps, or brightness reversion. Caustic is considered corrosive, but is not considered combustible. Soda ash, used in swimming pools to raise pH and alkalinity is not considered a hazardous ingredient. Nitrogen, to be used over the dissolving and finished goods tanks will be used to prevent oxidation of the "Pulp Brite" and is not considered a hazardous chemical.

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Protective dikes will be built to prevent spills and will be built to meet the applicable provincial regulations. This material will be used back into the process, thus eliminating the need to discharge to the City of Pasadena sewer system.

Environmental concerns, as a result of this process, are limited to worker health and safety. There is no waste stream from this process. All materials will be properly stored and handled, following the guidelines laid out by the Department of Environment, Safety, Health and Transportation. There will not be any conflicts with the environmental elements, including air, water, ground, wildlife, or vegetation.

IV. OCCUPATION

Our plans are to hire local people, train them in the safe handling of all the products and equipment on-site. This includes the operators, technical personnel and truck drivers. We anticipate the hiring of 10 people. All the positions will be permanent. An additional 3 to 6 truck drivers will be needed on a permanent basis to deliver the dry or liquid SHS formulations to the mill's.

Employment in this facility will include an administrative chemist or engineer, and laborers. Maintenance (both electrical and mechanical) is initially designed to be provide by outside firms. The annual payroll is expected to be from \$300,000 to \$500,000 per year. This does not include the jobs associated with the trucking firm or maintenance.

It is expected this plant will have a multiplying effect on job creation and the general economy of the area. We are not certain what multiplier is to be expected, but believe reasonably it could be 3 to 7 times.

APPROVAL OF THE UNDERTAKING

PERMITS

Vimax will work with both the provincial and local governmental authorities so that all the relevant construction and environmental permits will be properly obtained. We ask that a facilitator be appointed by the Government of Newfoundland and Labrador, Department of Industry, Trade and Technology to help expedite the process. We anticipate the local mayor, fire marshall, and regional environmental agencies will help expedite the process.

Vimax will hire local engineers and contractors to ensure that all work will be done in accordance with local laws, codes and regulations.

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The following is a list of permits, approvals, and authorizations which will be necessary for the proposed undertaking:

PERMIT/APPROVAL

CONTACT

CERTIFICATE OF APPROVAL FOR THE
UNDERTAKING

DERRICK MADDOCKS,
DIRECTOR OF THE ENVIRONMENT

MUNICIPAL APPROVAL

TOWN OF PASADENA

TRANSPORTATION OF GOODS

TRANSPORT CANADA,
ENVIRONMENT CANADA, DEPT OF
WORKS, SERVICES AND TRANSPORT -
ATION

EMPLOYEE HEALTH & SAFETY

DEPT. OF PROVINCIAL AND
MUNICIPAL AFFAIRS

FIRE PROTECTION

FIRE MARSHALL, CITY OF PASADENA

SCHEDULE

Providing approval of the paper mill's and permits on a timely manner, the plant
Could be in production by June 1, 2004.

FUNDING

The total capital investment, excluding the building, which will be leased, is in
the \$500,000 range. Funds will be from equity capital and bank loans. We
will also petition to be approved as part of the EDGE Program.

May 16, 2004
Date

James P. Glauser
President
Vimax Industries, LLC