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NAME OF UNDERTAKING: POWDER COATING FACILITY

PROPONENT:

(i) Name of Corporate Body: APC Industrial Ltd

(ii) Chief Executive Officer:

Name: Kyle McGrath O'rourke

Official Title: Owner/Director

(iii) Principal Contact Person:

Name: Kyle McGrath O'rourke

Official Title: Owner/Director

Proposed Location: 858 Torbay Road Unit 2B

W: 709-853-1055

THE UNDERTAKING:

- (i) Name of the Undertaking: Powder Coating Facility
- (ii) Purpose: To facilitate the need/want for powder coating, the proposal includes processes inside the location to efficiently and productively perform all tasks associated with the completion of all work in a safe manner and compliant manner.

THE DESCRIPTION OF THE UNDERTAKING:

(i) Geographical Location:

858 Unit 2B is strategically located just a couple of minutes from busy Stavanger Drive, this location is also a main vein for citizens that live in the jurisdictions of Torbay, Portugal Cove/St. Philips (PC&SP), Flat Rock, Bauline and Pouch Cove. Around the area are popular commercial, and light industrial buildings including Cahill Fabrication, Auto Shops, A safety PPE store and Canada Post is in the unit right next to APC Industrial Ltd (lots of foot traffic). Behind the unit, approximately 150 feet lays a small conjunction of houses that space 75-200 feet between each other, currently there are 8 houses that situate on the land.

Map 1 Showcasing the province of Newfoundland, we are located on the eastern part of the peninsula.



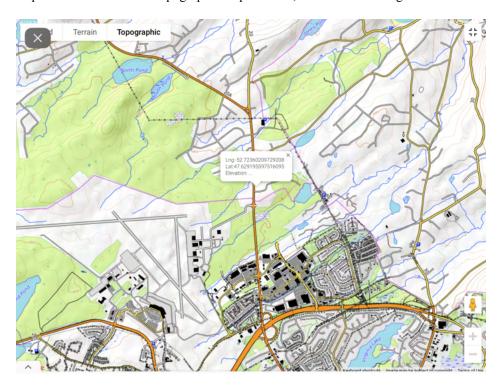
Map 2: Indicated by the marker, the region known as "The Avalon" in retrospect to building location.



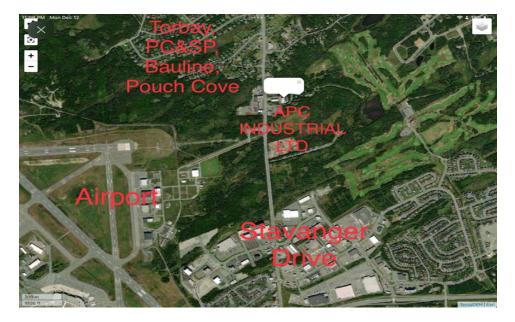
Map 3: Close up view of the building situated on a large lot in a light industrial and commercial zone.



Map 4: This serves as the Topographic map featured, within there is longitude and latitude coordinates.



Map 5: Showcasing APC Industrial Ltd and key areas indicated by red.



(ii) Physical Features:

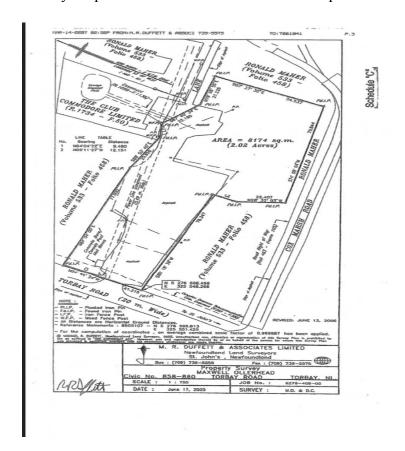
Physical features include adjoining corrugated metal building that serves as a rented unit, adjacent lays 3 separate units identical to the undertaking with a parking lot separating the units that are adjacent. Accessible by Torbay

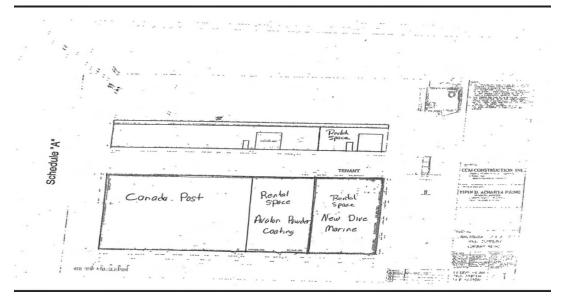
Road which is a two lane road which stretches 12 kilometers in distance. This is one of the main roads used in the East, Southeast side of the city of Torbay and St. John's. The size of the undertaking is 1769 sq/feet which includes open space, clean, behind the units structure lays a residential road with 8 houses.

There are no expected biological adverse conditions to occur.

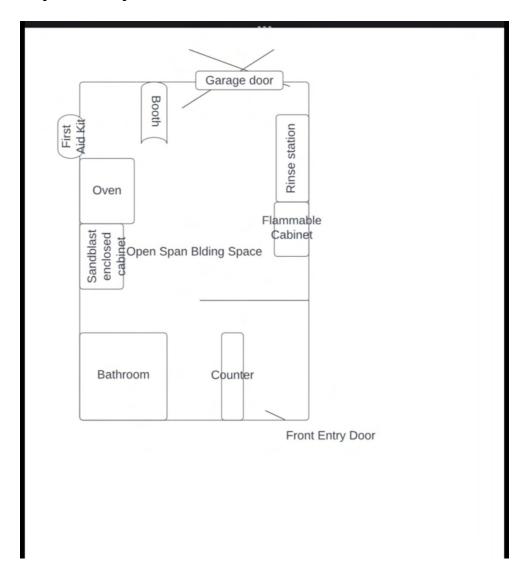
The environment behind the unit is lush with trees and hill terrain with a pond at the end of the residential road there is potential for moose and other smaller critters as well as potential for fish in the pond.

Survey Map "Schedule C" and "Schedule A" representation





Proposed floor plan inside:



(iii) Construction:

Understanding a "paint booth" and a "powder coating booth" is critical in representation of construction:

Both an open faced paint booth and an open faced powder coating booth visually look practically the same with slight differences but they have very different end results on filtration, and exhaustion. A liquid paint booth is usually required to vent outside as the paint itself is deemed hazardous biologically to humans, animals and mammals as it does not capture all contaminants, while powder coating booths are able to discharge the air in contrast as it pulls it back into the building because the dry-flowing powder is non hazardous and does not contain any VOC's (Volatile Organic Compounds). A powder coating booth relies on a cartridge or on a multi stage filter system to catch powder as it is sprayed and because powder coating is applied electrostatically typically it is caught in the filter and when the exhaust is powered off it either falls or binds to the cartridge in which it can either be swept up and thrown away or purge the filters and reclaim the powder providing less wastage. It is because of the nature of the industry and powder coating it is commonly grouped in with conventional liquid paint in the same category by regulatory standards, because of this although NFPA (National Fire Protection Association) approved and engineered for clean distributed air back inside the undertaking it is vented outside with a 2 stage filtration added from the exhaust port to the outside.

We do not expect there to be any contaminants or fumes being released into the air.



Image 1: Actual booth at location. 16 gauge sheet metal and 13 millimeter bolts and lock nuts to stabilize the structure. Open face booth style, cartridge filters.



Image 2: Actual unit at location. Enclosed sandblast cabinet, wide load style; 6 feet linear width for larger parts. All seams and joins are beaded with welds and topped with silicone to prevent any leaks. Alongside is a dust collector, this is turned on during the sandblasting to drain dust from the cabinet to increase visibility during sandblasting.



Image 3: Curing oven, 16 gauge sheet metal, double sided and included is rock wool around all seams to prevent any head from escaping. Alongside is a proportional–integral–derivative controller (PID) controller which can be used to control the temperature. As well as an internal exhaust fan to circulate the temperature throughout the oven to create a more ambient temperature throughout.

To create an outside exhaust from the spray booth to the outside of the building there is work to be performed. Total construction period on the HVAC (Heat, Ventilation and air conditioning) unit is approximately 1-1.5 days of work which includes certified HVAC and sheet metal workers to work inside the undertaking creating a penetration in the wall leading outside to create a ventilation stream from the small 4x2x7 (WxDxH) powder coating booth's exhaust located on the backside of the unit to outside. Inside the shaft of ducting lays a 2 stage filtration within the ducted work, the powder booth itself holds 2 large cartridge filters to catch powder before hitting the exhaust. According to the Town's regulations it is required to release a written summary of the proposed undertaking within the jurisdiction by the owner to citizens to get feedback or objections, then forwarded to a publisher and released via public outlets

as a newspaper release, the town will consult the feedback and comments over monthly meetings where they will deem eligibility to acquire permitting to operate.

(iv) Operation:

The Powder Coating Facility will take in parts or any metal substrate and put in a work order zone, after being tagged when starting the project it then begins the powder coating process, this is a 7 stage process the process is as follows:

- (1) The first stage is taking the parts over to the rinse bay where the proponent will begin to degrease and pressure washing parts to get a clean slate for visual inspection.
- (2) Next the substrate is inspected and accessed; this is where the proponent recognizes any unnoticed defects, cosmetic or mechanical defects are noted and handled through documentation and pictures.
- (3) Next is the "Outgassing" stage, this is where substrates are put into an oven and heated to approximately 500 degrees Fahrenheit. This opens the pores of the substrate to "sweat" out any contaminants or oils still left in the substrate.
- (4) We then sandblast the item inside an enclosed 6' wide by 3 feet high by 2 feet deep (inside working dimensions) the inside of the cabinet is welded closed and then siliconed to prevent any abrasives from escaping.
- (5) After this is where the powder coating begins, the proponent puts on a Tyvek coverall along with a half mask that is properly fitted to the individual and a pair of safety glasses. The part is grounded via an "alligator" clamp to a ground point and then sprayed with a highly technological device which includes a digital display of kilovolt, uA's which stand for micro amps which control the flow rate which is controlled via a dial on the machine, along with a electrostatic gun and hopper feed.
- (6) After spraying it is then onto the curing process, where the substrate is loaded into an oven where it will cook the powder to create a bond and crosslink the chemically driven resins, additives and makeup of the powder.
- (7) The final stage is quality assessment, where a part is inspected 360 degrees for any defects, the dry film thickness is recorded along with a visual inspection approval from the proponent.

The proponent intends to stay in the rental space at 858 Torbay Road unit 2B permanently.

The undertaking is currently only a drop off pick up service, there will be no public showroom or waiting rooms.

The customers have the option to pay online or through our terminal at our *counter* located on the "<u>Proposed floor</u> plan inside". Authorized personnel only to have access to the undertaking.

Hours of operation are Monday to Saturday from 7:00AM to 5:00PM.

It is not expected to have any airborne pollutants within the facility other than conventional chemicals available sealed inside a can such as acetone or Methyl Ethyl Ketone that is clearly visible and labeled appropriately and that is stored inside a steel paneled storage rack that contains any other flammables in the same category with the door closed at all times when not in use.

Powder Coating is made of resins, pigments, additives, modifiers, and leveling agents which are all mixed together and melted then cooled and grounded into powder form, applied as a powder and with heat temperature it activates and then cooled it performs a bonded solid uniform coating. All powder coatings are shipped in from certified manufacturers and distributors from across Canada and the US, some manufacturers used are for bulk orders while others are for anything less than 50 lbs of powder. We use multiple types of powder as different customers will want different finishes, specifications, and are used in harsh environments. Some of the main types of powder include: Epoxies, Polyesters, and Polyurethanes each of these have different chemical structures as well as finishes like high gloss, low gloss, sheen, textured powder coat, rubberized coating, veins, and much more, along with this they provide chemical resistance, oil and containment resistance, as well as corrosion resistance coatings depending on what you are looking for and the use of the substrate and the location it is set in. Some of our brands include but are not limited to: Emerald Coatings, Tiger Drylac, Akzonobel Interpon, and Columbia Coatings. All oversprayed powder will be swept up via broom or dust vac and distributed into a garbage can and taken to Robin Hood Bay when filled. All flammable containers will be disposed of at the appropriate waste disposal site.

No resource conflicts are expected. No environmental effects conflicts expected.

(v) Occupations:

There does not need to be any special training involved with using the equipment, all equipment is engineered and NFPA (National Fire Protection Association) compliant. Currently it is only the proponent that is employed at the

undertaking. The National Occupational Code (NOC) that describes the proponent and the undertaking is 9536; Industrial painters, coaters and metal finishing process operators.

Schedule:

The proponent has already moved into the rental unit and set up all equipment, tools etc. Upon approval from the Town of Torbay and the Environmental Assessment the undertaking is set to open in February of 2023.

Approval of the undertaking:

It is being requested by the Town of Torbay Planning and Development Department to obtain a permit for the operation of a powder coating facility and with approval from the Environmental Assessment division and compliance can be issued to obtain a occupancy permit through the Town of Torbay deeming authority to operate within their town. The Town has approved of the undertaking within it's zoned area they have said that it has been deemed "Light Industrial" and "Discretionary use" by the town as "the carrying out of works for the maintenance, improvements or other altercation or any building, being works which affect only the interior of the building or which do not materially affect the external appearance or use of the building".

The undertaking had been apart of a entrepreneurial program offered through CBDC Cabot in conjunction with Futurpreneur Canada, all funds have already been dispersed and allocated to the purchase of equipment, inventory, consumables etc. As well as personal funds allocated equally to 25% total overall cost.

Date: December 14th 2022

Signature of Proponent/Chief Executive Officer.

Conclusion Summary

This undertaking will serve as a fully licensed, insured, and certified facility. It supports eco-friendly coating and sandblasting options by using reclaimed materials, and powder which limits wastage. The facility is designed to have no damaging effect on the environment, animals, or humans. The undertaking provides a low cost, effective solution for clients. The proponent is confident in the approval from the Town of Torbay and remains optimistic on creating a local business with the opportunity to scale through growth and provide job opportunities in the future. Safety is a priority to the workplace as well as the environmental aspect.