

FACT SHEET

Northern Pulp New Industrial Approval Permit (I.A.)

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Northern Pulp is committed to all aspects of its business and will strive to be a long term partner in securing the future of Pictou County and all of Nova Scotia. As part of that commitment Northern Pulp is determined to improve its environmental performance through an Industrial Approval permit that is measureable and achievable.

Paper Excellence of Canada (PEC) purchased the mill 3.5 years ago with plans to invest and modernize the plant. Since its initial start-up in 1967 Northern Pulp has earned a reputation as one of North America's leading manufacturers of northern bleached Kraft pulp. Today the Pictou County mill is the cornerstone of the local economy.

The new I.A. for Northern Pulp however imposes conditions stricter than North American industry norms. Northern Pulp and the province need to collaborate on designing an Industrial Permit that is both measurable and achievable. The current permit is flawed and does not provide the company the flexibility to move forward in what has become a truly global economy.

Impacts of New I.A. (General)

The new I.A. places a pulp production cap on the mill limiting the potential for financial stability and the ability to attract capital. Northern Pulp feels the mill should have the ability to increase production while being able to meet its environmental responsibilities. In the new I.A. Northern Pulp is required to perform many 3rd party studies at an estimated cost of \$1 million dollars. It's the company's position this money would be better invested upgrading the facility.

The new I.A. requires additional annual testing in excess of the norm. The estimated additional cost of this requirement is in excess of \$1 million dollars. It's the mill's position that this additional testing does not improvement the mill's environmental footprint.

Water Consumption/ Wastewater Treatment Impact

Based on an independent 3rd party survey of chemical pulp mills in Canada in 2013 Northern Pulp is ranked middle of the pack when it comes to water usage. The new I.A. has a new daily use limit of 63,000m³ of water/day. It's the company's position the new requirements are too dramatic a change in a short period of time and could lead to negative changes in the treated wastewater. There's concern the smell could get worse as the effluent concentrate and temperature increases. While reducing waste water is a good thing very few jurisdictions in Canada have water flow limits.

The mill's current waste water treatment facility operates well below federal regulatory levels- 60-80% below permitted levels.

The new I.A. requires total reduced sulphur (TRS) be measured and reduced in wastewater-a new requirement. In Ontario this is a brand new (optional) regulation. It is the company's position that before committing to reductions it is necessary to fully understand what the impacts are of implementing this.

Chemical Oxygen Demand (COD) is commonly tested, but not a regulated parameter in any jurisdiction in North America. The new I.A. has imposed COD as an indirect measurement of organic pollutants in the wastewater.

Air Emission Impacts

The new I.A. requires a particulate limit on the Recovery Boiler of 77mg/m³ which is a concern as this represents an 80% reduction. Setting a regulated limit so close to the expected operating level is unusual and sets Northern Pulp up for failure. The limit in the previous I.A. was 375mg/m³.