

2011

ENVIRONMENTAL ASSESSMENT REGISTRATION DOCUMENT

**PENNEY HOLDINGS LTD
PROPOSED AGRICULTURE DEVELOPMENT**

GANDER BAY

Prepared by:

***Penney Holdings LTD
100 Waniandy Way, Fort McMurray***

Alberta T9H 5H2

Shawn Penney
Penney Holding Ltd.
2/16/2011



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2.0 PROPONENT

- 2.1 Name of Corporate Body
- 2.2 Address
- 2.3 Chief Executive Officer
- 2.4 Principal Contact Person

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Figure 1. Site Location

Figure 2. Agriculture Development Location

1.0 NAME OF UNDERTAKING: Agricultural Land Development
Gander Bay

2.0 PROPOSER

2.1 Name of Corporate body: Penney Holdings LTD

2.2 Address: Horwood General Delivery

 Newfoundland and Labrador
 A0G 2T0

2.3 Chief Executive officer:

 Name: Shawn Penney
 Official Title: Owner/Operator
 Address: Same as above
 Telephone: (780) 799 – 9331

2.4 Principal Contact Person:

 Name: Shawn Penney
 Official Title: Owner/Operator
 Address: Same as above
 Telephone Number: (780) 799-9331

3.0 THE UNDERTAKING:

3.1 Nature of Undertaking: This undertaking will involve the development of approximately 1020 Acres of agricultural lease of 1482.6 Acres. The development will consist of four way farm rotations; forage, sod, vegetables and Christmas trees (400 acres for Christmas trees, 400 acres for sod, 400 acres for forage and 20 acres for vegetables). The remainder of 1482.6 acres (more or less) will allow for irrigation access and other approved necessities.

3.2 Purpose/Rational/Need for the Undertaking: The Christmas tree portions of farms are significant addition to four way rotation. There are

currently approximately 20 farms in the province that produce predominately Balsam Fir. It is a developing industry with the majority of sites on cutovers. There are many opportunities for this industry because of the abundance of areas containing Balsam Fir, the limited capital investment that is required, the positive market opportunities and it provides supplementary income on farms.

http://www.nr.gov.nl.ca/nr/agrifoods/crops/christmas_trees.html The lease would allow the utilization of the partial cutovers and take advantage of allocated prime farm land for proposed crops. This lease will increase the productive land base and enhance four way farm rotations efficiency. This agricultural lease would also compliment private land development of 20 acres adjoining the proposed farm operation. The private granted land is to be used for any/all farm structures and not leased land.

4.0 DESCRIPTION OF UNDERTAKING:

4.1 Geological Location: The project is located in Gander Bay South. Gander Bay is a natural bay located on the island of [Newfoundland](#), in the [Canadian province of Newfoundland and Labrador](#). Gander Bay takes its name from the lake and river which terminates within the inner reaches of this bay. The project is located on Route 330 and approximately 37 km from Gander. The project is located outside the boundaries of Gander Bay. This project is also located outside the boundaries of the Town of Gander.

4.2 Physical Features: While there is currently access to the proposed area (TCH and Haulroads), this project will include a Class C-2 gravel access road for development of four way farming production and process; Forage, Sod, vegetables and Christmas Trees. The topography of the land is gentle sloping with abundance of organic deposits of various depths and water cover. Several small streams drain the area and the predominant forest cover is a mix of balsam fir and black spruce. There has been a history of domestic wood cutting in the area and cutovers are numerous. Permits are allowed and have been issued for development in the protected area in the past. The developments

must conform to the policies and objectives for development as described in the protected area plan and summarized as follows:

- (a) forestry, agriculture and other related activity may be permitted in accordance with the plan, and activities like reforestation may take place throughout, including areas shown as non-productive forests;
- (b) recreation development shall be confined to recreational areas, and may include commercial lodges, camping sites, parks and private cottages;
- (c) buffers may, at the discretion of the authority, contain wharves, jetties and boathouses;
- (d) mineral exploration and extraction activity shall not reduce the quality of water in any waterbody or watercourse, and, where considered appropriate or necessary, that development shall be subject to an environmental impact study; and
- (e) chemical spray areas shall be reserved solely for that purpose and in addition development may not take place within 400 metres of that area as defined and designated.

4.3 Construction: All phases of farm project construction will be carried out in accordance with terms of land lease requirements or sooner (10% 2 years, 25% 5 years, 50% 10 years and 75% in 15 years) and compliance with local authorities. Areas that are too wet as well as buffers along water bodies will be maintained in their natural condition and will not be developed. Priority will be given to the numerous cutovers as they are least labour intensive. All structures for farm operation will be constructed on adjacent granted land. There are no significant pollutants and each phase of all farm work activities will be carried out in accordance to Environmental Farm Practice Guidelines for Livestock and Producers (2001, Department of Natural Resources). All

relative authorities will be informed on all aspects of development.

4.3.1 Site Access:

Access to site will be from TCH and Class 2 gravel access road/haul road as per protected area plan, Gander River Protected Area Plan.

4.3.2 Salvage Timber (Clearing) and Grubbing:

Merchantable timber removed during clearing and grubbing will be salvaged. All grubbed materials will be stockpiled for future use.

4.3.3 Farm Development:

The proposed site requires the development of 1428.6 acres to be developed over 15 year period. All phases of farm project construction will be carried out in accordance with terms of land lease requirements or sooner (10% 2 years, 25% 5 years, 50% 10 years and 75% in 15 years) and compliance with local authorities.

4.5 Operation: Once the access road is complete and all consultations with contracted specialist are completed (Farm Center Ottawa, Agrologist and local authorities), the fields will be developed and all arable land will be put into forage, sod, Christmas tree, and vegetable production, on an ongoing basis for the duration of the farm and lease. The development of the farm will require the removal of vegetation, stumps, stones, levelling and the addition of soil amendments and planting of seeds. There are currently many cutovers on lease. Depending on the specific crop, this will include the regular addition of soil amendments such as approved fertilizers and/or organic applications. One of the significant applications will be the utilization of abundant local by - products for compost; sawdust, kelp, fish plant products and onsite clearing roundup (complimented by Canadian

National Award winning organic farmer in St. Johns, Newfoundland and Labrador). Upon mature status, hay will be harvested twice per year, sod four times per year, Christmas trees as they mature and vegetables in season harvest. Any and all fertilizers and or herbicides will be applied by licensed applicator and as per guidelines to ensure that there are no impacts on the environment and the surrounding area.

4.6 Potential Sources of Pollution during Operation

All fuel storage and refuelling will be done at local approved fuel stations in the area. In the community there are four gas stations and the closest one to proposed project is Saunders (approximately 3 kms). There are three others; Deckers Convenience, Gillinghams Convenience and Irvings Convenience.

Any necessary lubricants and associated products to be used on site will be minimal and stored in CSA approved cans and containers. Any refuelling if needed, by these products, will be done closet to access road and on level surface. All refuelling/maintenance will be carried out on drop sheets and any waste products will be stored in CSA approved containers and transported to local gas station to be deposited in approved storage containers.

Field Level Risk Assessment Performances; all site work will undergo ongoing inspection of equipment use and risk associated with potential machinery leaks.

All ditching performed on site will require the installation of water filtration material to ensure no sediment will enter any water body or stream outlet and to ensure protection from site runoff.

All domestic waste and debris will be contained in domestic approved containers and transported to local dump, located 12km from proposed development.

All human waste will be handle by mobile facilities and taken away by supplier (Porta Potty)

All soil debris accumulation will be utilized for onsite organic composting, to enhance farm development.

There will be no onsite fuel storage and all refuelling of equipment will be done offsite to protect the amenities of the area.

4.7 Potential Resources Conflicts during Operation

The proposed development is outside the Local Service District and approximately 3km from nearest residence. We have not had any concern or conflict in the area. Many projects have been development by me in the past and the enthusiasm is still buzzing from locals. The seriousness of development is real, jobs potential is real and employment is needed in an economic depressed area.

We have not had any resource conflict in the area and there is no known competition at all; due to central location, organic product and size of market. Conversations have taken place with other farm developers and producers and we complement each other with resources and services. All conversations that have taken place with other farmers in the area, feedback is positive and upbeat. The potential spinoff from development has many businesses excited and enthused.

The promises of organic farm products are real and the supply to local aging farm community is needed. The organic production is a blessing and market is strong. The central location and the potential market for products is 200,000 plus.

The local and or domestic timber in the area has been exploited and or utilized over many years and cutovers are numerous. There is no harvestable resource to be had.

DIRECT QUOTE AND EMAIL FROM GAMBO

"Good morning Mr. Penney,

An appropriate review of the area you have proposed for a 600 ha farm on the Gander Bay Road cannot be conducted until all the details that are normally contained within an Environmental Assessment are known.

Once I receive the official EA request for review, the District would have a period of approximately a month to review and respond.

As for your questions re conflicts, at first glance, there is merchantable volume inside the area you have proposed. This area is currently not inside a domestic cutting area, however; residents have requested that it be opened up to domestic wood cutting in the past. We are currently undergoing our 5-Year Plan Public Consultations and I would suggest that this issue will surface as a conflict.

Any person with approval to clear land that is not private, is required to obtain a Commercial Cutting Permit from the District Office.

The Department of Environment and Conservation are responsible for hunting areas.

DFO is responsible for regulating fisheries and areas eligible for fishing/seasons etc.

I am not aware of recreational trails, if the area falls within Municipal boundaries, it would be their area of responsibility. The Municipality would have to be contacted during review."

Thanks,
Rebecca
Rebecca Parsons, BScF, RPF
District Ecosystem Manager
Dept. of Natural Resources
Gambo District Office
P.O. Box 310
A0G 1T0

4.8 Occupation: All work for this project will be carried out by local farm employees and machinery will be purchased and/or contracted out

to minimized standing pollutants and or potential leakage. The outsourcing of machinery and operation (as per farm Agrologist) would also allow for increased employment. We anticipated that during construction phases and throughout the life of farm, an ongoing local hire of students will be predominant. These local hires will have significant dealings with organic roundup and hiring will be in the surrounding communities. It is anticipated that the number of local hire would amount to 29 persons and encompass 6 to 10 communities. We are also certain that the farm lease operations will employ 25 to 26 seasonal and or full time positions and compliment the hiring of many more employees as the granted land is potentially developed.

OCCUPATION	NOC	F -TIME P-TIME	LENGTH TIME	# PERSONNEL
General Manager	1122.1	Full Time	ongoing	1
Design Engineer	2148.1	Part Time	24 weeks	1
Grower	8431	Full Time	ongoing	4
Labourer	8431	Part Time	20 weeks Seasonal	6
Excavator Operator	7421	Part Time	20 weeks per year	2
Electrician	7241/7242	Part Time	20 weeks	2
Mechanic	7312	Full Time	ongoing	1
Plumber	7231	Part Time	20 weeks	2
Carpenter	7271	Part Time	20 weeks	4
Students	8431	Part Time	20 weeks	6

General Manager

Management are contracted by organizations to provide independent and objective advisory services in areas such as strategic planning, facilitation, quality assurance, education and training, investment, information technology, identification and analysis of management problems, solution development or strategy implementation.

Design Engineer

Agricultural engineers integrate engineering science and design with applied biological science to solve problems in agriculture, food and other resource industries.

Student Employment and Advancement

Student Farm workers work long hours particularly in the summer months, often outdoors in all kinds of weather. Although automation and mechanization have helped to make the work less tedious and physically demanding, repetitive manual labour often is required. Farm workers may routinely lift items weighing 20 kilograms or more.

Farm Worker/Technician Employment

Farm workers/technicians plant, cultivate and harvest crops, raise livestock and poultry, operate and maintain farm equipment, and maintain and repair farm buildings.

Heavy Equipment Operator Employment

Heavy equipment operators control equipment by moving levers or foot pedals, operating switches or turning dials. Their job titles generally reflect the types of machines they operate (for

Heavy equipment operators use a variety of mobile machines and attachments to excavate, grade and landscape earth or move workers, materials and equipment.

Plumber Employment

Plumbers plan, install and service plumbing systems, fixtures, piping equipment and controls. Piping systems may be used to transport

water, waste, gases or hot liquids.

Electrician Employment

Electricians install, alter, repair and maintain electrical systems that are designed to provide heat, light, power, control, signals or fire alarms for all types of buildings, structures and premises.

Agriculture Mechanic

Agricultural equipment technicians repair, overhaul and maintain agricultural equipment including tractors, tillage equipment, seeding equipment and harvesting equipment.

Carpenter

Carpenters construct, erect and repair buildings and other structures made of wood, wood substitutes, steel and other materials.

4.9 Project Related Documents: Exhibits A, B, C, D, E
(attached)

5.0 APPROVAL OF UNDERTAKING:

Approval/Certificate/Licenses/Permit

Signs approval, from Department of Works Service and Transportation
Traffic Engineering Division

Beach material (for composting) from, Natural Resources

Crown Lands - Aerial Photography Air Photo & Map Library from Environment & Conservation at Howley Building

Operating Permit/Fire Season (to burn) from, Natural Resources Newfoundland Forest Services

Permit to Cut Timber from, Natural Resources Newfoundland Forest Services

Pesticides - Applicator/Operator/Vendor license from, Environment & Conservation Pollution Prevention Division

Recycling/Composting Information from, Environment & Conservation Environmental Management Division

Water and Sewer Works For Private and municipal, Certificate of Environment Approval from, Environment & Conservation Environmental Management

Water Resources General Application for Water Use Authorization (For all beneficial uses of water from any source), Domestic, Alter, Well Drilling, Crossing, etc. from, Environment & Conservation Water Resources Management

Workplace Hazards from, Government Services Occupational Health & Safety Division

I will be utilizing the by – products from other complimentary business and may be subject to one or more or many of the mentioned agencies also (beach kelp, local mill saw dust, fish plant waste, animal manure, etc.)

5.1 THE GANDER RIVER STUDY (THE PROTECTED AREA PLAN)

Basic Assumptions

- That the area will continue to be an important source of raw material for the pulp and paper industry.
- That the tourism potential of the Gander River itself will be developed more fully.
- That the demand for private cottages and other development will continue.
- That mining exploration will increase and that development is a possibility.
- That all activities mentioned above create a potential for conflict which must be addressed.

Goal

- To conserve the resource and plan for the orderly development of the Gander River Protected Area.

5.2 Government Service Centre

To conserve the resource and plan for the orderly development of the Gander River Protected Area.

5.3 Agriculture Division

To protect lands of high Agricultural potential and preserve them as renewable resource.

5.4 Forestry Division

To conserve the forest resources of the area for both domestic and commercial use.

To maintain a land base for reforestation and perpetuation of the

forest resource and for the sustained supply of timber and other benefits in perpetuity.

5.5 Water Resources Management

To ensure and maintain amenities of the area and facilitate orderly development.

5.6 Department of Mines & Energy

To seek and exploit mineral deposits of proven economic value.

To ensure that mineral extraction is carried out without adversely affecting other approved land uses or the waters of the Gander River.

5.7 Historic Resources Division

To ensure the protection and preservation of Archaeological remains throughout the area.

5.8 Department Works Services and Transportation

To ensure safe access to and from area and maintain amenities of the area and ensure orderly development.

5.9 Environment Assessment Division

To preserve the amenity of the area.

To ensure the Gander River is either directly or indirectly polluted by development or any other cause.

To protect more sensitive areas adjacent to the river, e.g., salmon pools and spawning areas.

6.0 SCHEDULE:

Subject to approvals and or local authorities, land clearing will commence spring of 2011. Land clearing will be carried out over the term of Lease as per Lease guidelines. All operations, schedules and timelines will be funnelled through consultants, specialist and local authorities as per business plan and living document, to ensure farm is on target and come to fruition.

7.0 FUNDING

Funding for this project will be funded by Joint Ventures within Penney Holdings LLP

8.0 SUBMISSION

Signature

Date