

ENVIRONMENTAL COMPLIANCE APPROVAL

NUMBER 6535-DJPQ46

Issue Date: September 12, 2025

Cyclic Materials Inc.
650 Cataraqui Woods Dr, No. 108
Kingston, Ontario
K7P 2Y4

Site Location: 650 Cataraqui Woods Drive, Unit 108
City of Kingston, County of Frontenac

You have applied under section 20.2 of Part II.1 of the Environmental Protection Act, R.S.O. 1990, c. E. 19 (Environmental Protection Act) for approval of:

Materials processing and recovery facility for the extraction of rare earth metals
to be used for the transfer and processing of the following types of waste:

- Solid non-hazardous waste

Note: Use of the site for any other type of waste is not approved under this environmental compliance approval, and requires obtaining a separate approval amending this environmental compliance approval.

For the purpose of this environmental compliance approval, the following definitions apply:

"Approval" means this Environmental Compliance Approval and includes any schedules to it, the application and the Supporting Documentation;

"Design and Operations Report" means the document describing all on-site operations, procedures and environmental protection measures, further described in the conditions of this Approval;

"Director" means the person(s) appointed for the purposes of Part II.1 of the Environmental Protection Act;

"District Manager" means the District Manager of the local district office of the Ministry in which the Site is geographically located;

"EPA" means the *Environmental Protection Act*, R.S.O. 1990, C.E-19 as amended;

"Ministry" means the Ontario Ministry of the Environment, Conservation and Parks;

"NMA" means *Nutrient Management Act* , 2002, S.O. 2002, c. 4, as amended from time to time;

"Operator" means any person, other than the Owner's employees, authorized by the Owner as having the charge, management or control of any aspect of the site;

"Owner" means any person that is responsible for the establishment or operation of the Site being approved by this Approval, and includes Cyclic Materials Inc., its successors and assigns;

"OWRA" mean the *Ontario Water Resources Act* , R.S.O 1990, Chapter O.40;

"PA" means the *Pesticides Act* , R.S.O. 1990, c. P-11, as amended from time to time;

"Regulation 347" means Regulation 347 R.R.O. 1990;

"Site" means the Site located at 650 Cataraqui Woods Drive, Unit 108
City of Kingston, County of Frontenac; and

"SDWA" means *Safe Drinking Water Act* , 2002, S.O. 2002, c. 32, as amended from time to time.

You are hereby notified that this environmental compliance approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

Compliance

1. The Owner shall ensure compliance with all the conditions of this Approval and shall ensure that any person authorized to carry out work on or operate any aspect of the Site is notified of this Approval and the conditions herein and shall take all reasonable measures to ensure any such person complies with the same.
2. Any person authorized to carry out work on or operate any aspect of the Site shall comply with the conditions of this Approval.
3. The Site shall be operated and maintained at all times including management and disposal of all waste in accordance with the EPA, Reg. 347 and the conditions of this Approval. At no time shall the discharge of a contaminant that causes or is likely to cause an Adverse Effect be permitted.

In Accordance

4. Except as otherwise provided for in this Approval, the Site shall be designed, developed, built, operated and maintained in accordance with the original application for this Approval, the

conditions herein this Approval and the supporting documentation listed in Schedule "A".

- a. Construction and installation of the aspects of the described in Schedule "A" must be completed within 5 years of the later of:
 - i. the date this Approval is issued; or
 - ii. if there is a hearing or other litigation in respect of the issuance of this Approval, the date that this hearing or litigation is disposed of, including all appeals.
- b. This Approval ceases to apply in respect of the aspects of the Site noted above that have not been constructed or installed before the later of the dates identified in Condition 4. a. above.

Interpretation

5. Where there is a conflict between a provision of any document, including the application, referred to in this Approval, and the conditions of this Approval, the conditions in this Approval shall take precedence.
6. Where there is a conflict between the application and a provision in any documents listed in Schedule "A", the application shall take precedence, unless it is clear that the purpose of the document was to amend the application and that the Ministry approved the amendment.
7. Where there is a conflict between any two documents listed in Schedule "A", other than the application, the document bearing the most recent date shall take precedence.
8. The conditions of this Approval are severable. If any condition of this Approval, or the application of any condition of this Approval to any circumstance, is held invalid or unenforceable, the application of such condition to other circumstances and the remainder of this Approval shall not be affected thereby.

Other Legal Obligations

9. The issuance of, and compliance with, this Approval does not:
 - a. relieve any person of any obligation to comply with any provision of any applicable statute, regulation or other legal requirement; or
 - b. limit in any way the authority of the Ministry to require certain steps be taken or to require the Owner and Operator to furnish any further information related to compliance with this Approval;

Adverse Effects

10. The Owner and Operator shall take steps to minimize and ameliorate any adverse effect on the

natural environment or impairment of water quality resulting from the Site, including such accelerated or additional monitoring as may be necessary to determine the nature and extent of the effect or impairment.

11. Despite an Owner, Operator or any other person fulfilling any obligations imposed by this Approval the person remains responsible for any contravention of any other condition of this Approval or any applicable statute, regulation, or other legal requirement resulting from any act or omission that caused the adverse effect to the natural environment or impairment of water quality.

Change of Owner

12. The Owner shall notify the Director, in writing, and forward a copy of the notification to the District Manager, within 30 days of the occurrence of any changes in the following information:
 - a. the Ownership of the Site;
 - b. the Operator of the Site;
 - c. the address of the Owner or Operator;
 - d. the partners, where the Owner or Operator is or at any time becomes a partnership and a copy of the most recent declaration filed under the *Business Names Act*, R. S. O. 1990, c. B.17, shall be included in the notification;
13. No portion of this Site shall be transferred or encumbered prior to or after closing of the Site unless the Director is notified in advance. In the event of any change in Ownership of the Site, other than change to a successor municipality, the Owner shall notify the successor of and provide the successor with a copy of this Approval, and the Owner shall provide a copy of the notification to the District Manager and the Director.

Inspections

14. No person shall hinder or obstruct a Provincial Officer from carrying out any and all inspections authorized by the OWRA, the EPA, the PA, the SDWA or the NMA, of any place to which this Approval relates, and without limiting the foregoing:
 - a. to enter upon the premises where the approved works are located, or the location where the records required by the conditions of this Approval are kept;
 - b. to have access to, inspect, and copy any records required to be kept by the conditions of this Approval;
 - c. to inspect the Site, related equipment and appurtenances;
 - d. to inspect the practices, procedures, or operations required by the conditions of this

Approval; and

- e. to sample and monitor for the purposes of assessing compliance with the terms and conditions of this Approval or the EPA, the OWRA, the PA, the SDWA or the NMA.

Information and Record Retention

- 15. The Owner shall ensure that a copy of this Approval in its entirety, including all notices of amendments and documentation listed in Schedules of this Approval, are retained at the Site at all times.
- 16. Any information requested, by the Ministry, concerning the Site and its operation under this Approval, including but not limited to any records required to be kept by this Approval shall be provided to the Ministry, upon request, within 5 business days.
- 17. All records required by the conditions of this Approval must be retained on Site for a minimum period of five (5) years from the date of their creation.
- 18. The receipt of any information by the Ministry or the failure of the Ministry to prosecute any person or to require any person to take any action, under this Approval or under any statute, regulation or other legal requirement, in relation to the information, shall not be construed as:
 - a. an approval, waiver, or justification by the Ministry of any act or omission of any person that contravenes any term or condition of this Approval or any statute, regulation or other legal requirement; or
 - b. acceptance by the Ministry of the information's completeness or accuracy.
- 19. Any information relating to this Approval and contained in Ministry files may be made available to the public in accordance with the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, C. F-31.

Financial Assurance

- 20. Within 20 days of issuance of the Approval, the Owner shall submit to the Director financial assurance as defined in Section 131 of the EPA in the amount of \$278,971. This financial assurance shall be in a form and amount acceptable to the Director and shall provide sufficient funds to pay for compliance with and performance of any action specified in this Approval, including Site clean-up, monitoring and the disposal of all quantities of waste on-site, closure and post-closure care of the Site and contingency plans for the Site.
- 21. The amount of financial assurance is subject to review at any time by the Director and may be amended at his/her discretion. If any financial assurance is scheduled to expire or notice is received, indicating financial assurance will not be renewed, and satisfactory methods have not been made to replace the financial assurance at least 60 days before the financial assurance

terminates, the financial assurance shall forthwith be replaced by cash.

22. Commencing on September 1, 2030, and every 5 years thereafter, the Owner shall provide to the Director a re-evaluation of the amount of the financial assurance required to facilitate the actions described under Condition 20 above. Additional financial assurance, if required, must be submitted to the Director within 20 days of written acceptance of the re-evaluation by the Director.

Waste Types

23. Only solid non-hazardous waste materials consisting of magnetic equipment and waste magnets shall be accepted at the Site.

Maximum Capacity

24. The following limits apply to the receipt and storage of waste:
 - a. The amount of material received at the Site shall not exceed 24,000 tonnes per year.
 - b. The amount of material received at the Site shall not exceed 640 tonnes per day.
 - c. The amount of waste material (processed and unprocessed) present at the Site at any one time shall not exceed 17,812 tonnes.
25. The Owner shall refuse any load if the receipt of that load could reasonably be expected to cause non-compliance with the receipt and storage limitations described above and elsewhere in this Approval.

Operating Hours

26. Waste may be received at and shipped from the Site Monday to Friday from 7:00 AM to 8.00 PM, unless otherwise restricted by municipal by-laws.
27. Notwithstanding Condition 26 above, waste generated through emergency clean-up activities, including waste resulting from the clean-up of natural disasters, spills or accidents, may be received at the Site 24 hours per day, 7 days per week, unless otherwise restricted by municipal by-laws.
28. The operating hours can be changed after receiving approval from the District Manager.

Signage

29. A sign shall be posted, such that it is visible from the nearest public road, with the following information:
 - a. The name of the Site and Owner;

- b. This Approval Number;
- c. The name of the operator;
- d. Days and hours of operation;
- e. Allowable material that maybe accepted at the Site;
- f. Contact telephone number(s) in the event of an emergency and/or complaint; and
- g. a twenty-four hour (24) hour emergency telephone number (if different from above).

Site Security

- 30. The Site shall be operated and maintained in a secure manner, such that unauthorized persons cannot enter the Site.

Nuisances

- 31. The Site shall be operated and maintained such that vermin, vectors, dust, litter, odour, noise and traffic do not create a nuisance. The Owner shall implement nuisance control measures as required to address any nuisances.

Staff Training

- 32. The Owner shall ensure the following:
 - a. No waste is received or processed at the Site except when the Site is under the direct supervision of Trained personnel.
 - b. Only Trained personnel shall operate any aspect of the Site, or carry out any activity required under this Approval.
- 33. The Owner shall ensure that all employees are trained, and receive annual refresher training, on the operation and management of the Site, or area(s) within the Site, in accordance with the specific job requirements of each individual, including but not limited to:
 - a. An outline of the responsibilities of employees;
 - b. Waste receiving, refusal, on-Site management, processing, transfer, and record keeping procedures and requirements;
 - c. Any environmental concerns pertaining to the wastes accepted at the Site;
 - d. Occupational health and safety concerns for operators of the Site, including those

- related to waste handling;
 - e. Procedures for the safe operation of equipment;
 - f. Procedures to be followed in the event of a process upset;
 - g. The use of equipment and the procedures to be followed in the event of an emergency;
 - h. Recording procedures as required throughout this Approval;
 - i. Site inspection procedures;
 - j. Preventative maintenance procedures;
 - k. Procedures for recording and responding to public complaints;
 - l. Relevant waste management legislation, including but not limited to Regulation 347; and
 - m. The terms, conditions and operating requirements of this Approval.
34. The Owner shall keep a written record of all staff training, including the following as a minimum:
- a. The date and time of training;
 - b. The name of the staff member being trained; and
 - c. The training provided.

Complaints

35. If at any time the Owner receives a complaint regarding an Adverse Effect due to operation of the Site, the Owner shall respond to the complaint according to the following procedure:
- a. The Owner shall record and number each complaint, either electronically or in a separate log book, along with the following information:
 - i. the nature of the complaint;
 - ii. the name, address and telephone number of the complainant (if provided);
 - iii. the date and time the complaint was received;
 - iv. a description of the weather conditions at the time of the complaint; and
 - v. a description of the known or suspected activity causing the complaint.
 - b. The Owner shall:

- i. initiate appropriate steps to determine all possible causes of the complaint;
 - ii. proceed to take the necessary actions to eliminate the cause of the complaint;
 - iii. notify the District Manager of the complaint within 24 hours of receiving the complaint;
 - iv. forward a report to the District Manager, including a copy to the complainant if they have identified themselves, within 24 hours of receiving the complaint that describes the response to the complaint; and
 - v. forward routine updates to the District Manager until the complaint is resolved.
- c. The Owner shall complete and retain on-site a report written within one (1) week of the complaint date, including:
- i. the information required in Conditions 35 a. and 35 b. above;
 - ii. a list of the actions taken to resolve the complaint; and
 - iii. recommendations for any remedial measures, managerial changes or operational changes that would reasonably avoid the recurrence of similar incidents in the future.

Emergency Response Plan

- 36. The Owner shall prepare and provide copies of an emergency response plan to the Fire Department within 60 days of the issuance of this Approval, and shall inform the District Manager in writing within 10 days of receiving acceptance of the plan by the Fire Department.
- 37. The emergency response plan submitted to the Fire Department shall include, at a minimum, a list of all potential fire and explosion hazards at the site, including those associated with wastes and process chemicals/reagents, along with all emergency response equipment, infrastructure and procedures to be employed in the event of an emergency.
- 38. The emergency response plan shall be kept up to date, and a copy shall be retained and accessible to all staff at all times.
- 39. The equipment, materials and personnel requirements outlined in the emergency response plan shall be immediately available on the Site at all times. The equipment shall be kept in a good state of repair and in a fully operational condition.
- 40. Each staff member that operates the Site shall be fully trained in the use of the equipment required under the emergency response plan and in the procedures to be employed in the event of an emergency.
- 41. The Owner shall immediately take all measures necessary to contain and clean up any spill (as defined in the EPA) which may result from the operation of this Site and immediately implement

the emergency response plan if required.

Annual Report

42. By March 31st of each year, the Owner shall prepare a written report for the previous calendar year that shall be kept on-site and made available to any Provincial Officer upon request. The report shall include, at a minimum, the following information:
- a. a detailed monthly summary of the type, quantity and origin of all wastes received, processed and transferred from the Site, including the destination, type and quantity of waste destined for final disposal and also including any reconciliations on mass balances made;
 - b. any environmental and operational problems that could negatively impact the environment, encountered during the operation of the Site and during the facility inspections, and any mitigative actions taken;
 - c. a statement as to compliance with all Terms and Conditions of this Approval and with the inspection and reporting requirements of the Conditions herein;
 - d. a descriptive summary of any spills or other emergency situations which have occurred at the Site, the remedial measures taken and the measures taken to prevent future occurrences;
 - e. a summary of all rejected loads, including quantity, waste class, reason for rejection and origin of the rejected waste;
 - f. a summary of the types and amounts of the waste received, processed, transferred or disposed through the Site; and
 - g. a summary of complaints received and the manner in which they were handled.

Design and Operations Report

43. No later than 30 days from the date of issuance of this Approval, the Owner shall prepare and retain on-site a consolidated Design and Operations Report that reflects the Conditions of this Approval and includes the following as a minimum:
- a. details of all on-site operations, including site plans and drawings showing designated waste management areas at the Site, drawings and written descriptions of all waste management infrastructure in use at the Site, and written descriptions of all waste management activities taking place on-site;
 - b. details of all environmental protection measures required by the conditions of this Approval, including drawings and written descriptions of all infrastructure in place and written descriptions of procedures to be followed; and
 - c. details of all procedures required by the conditions of this Approval, including

written descriptions of staff training procedures, site security procedures, site inspection procedures, complaint response procedures, emergency response procedures and record keeping procedures.

44. The Design and Operations Report shall be kept up-to-date, with any substantive changes to the Design and Operations Report being submitted to the Director for approval prior to implementation.

Closure Plan

45. A Closure Plan shall be submitted to the Director for approval, with a copy to the District Manager, no later than six (6) months before the planned closure date of the Site. The Closure Plan shall include, at a minimum, a description of the work that will be done to facilitate closure of the Site and a schedule for completion of that work.
46. The Site shall be closed in accordance with the approved Closure Plan.
47. Within 10 days after closure of the Site, the Owner shall notify the Director, in writing, that the Site is closed and that the approved Closure Plan has been implemented.

Schedule "A"

1. Environmental Compliance Approval application dated April 14, 2025 and received on April 21, 2025 and all supporting documentation;
2. Design and Operations Report titled "Site Operations Plan- Kingston Material Recovery Facility" dated April 17, 2025; and
3. Emails from Gary Muloin, C.E.T dated June 20, 2025, June 26, 2025, and July 2, 2025.

The reasons for the imposition of these terms and conditions are as follows:

The reason for Conditions 1 to 3, 5 to 11, and 15 to 19 is to clarify the legal rights and responsibilities of the Owner and Operator.

The reason for Condition 4 is to ensure that the Site is operated in accordance with the application and supporting documentation submitted by the Company, and not in a manner which the Director has not been asked to consider.

The reason for Condition 12 is to ensure that the Site is operated under the corporate name which appears on the application form submitted for this approval and to ensure that the Director is informed of any changes.

The reason for Condition 13 is to restrict potential transfer or encumbrance of the Site without the approval of the Director and to ensure that any transfer of encumbrance can be made only on the basis that it will not endanger compliance with this Approval.

The reason for Condition 14 is to ensure that appropriate Ministry staff have ready access to the Site for inspection of facilities, equipment, practices and operations required by the conditions in this Approval. This condition is supplementary to the powers of entry afforded a Provincial Officer pursuant to the EPA and OWRA.

The reason for Conditions 20 to 22 is to ensure that sufficient funds are available to the Ministry to clean up the Site in the event that the Company is unable or unwilling to do so.

The reason for Conditions 23 to 28 is to specify hours of operations, the approved service area from which waste may be accepted at the Site, the types of waste that may be accepted at the Site, the amounts of waste that may be stored at the Site and the maximum rate at which the Site may receive waste based on the Company's application and supporting documentation.

The reason for Condition 29 is to ensure that important information about this Approval is posted for easy public access, and to ensure that the Site is operated in a secure manner.

The reason for Condition 30 is to ensure the controlled access and integrity of the Site by preventing unauthorized access when the Site is closed and no site attendant is on duty.

The reason for Condition 31 is to ensure that the Site is constructed and operated in a manner which does not result in a nuisance or a hazard to the health and safety of the environment or people, and to describe the conditions under which processed material may be reused off-site.

The reason for Conditions 32 to 34 is to ensure that the Site is operated by properly Trained

personnel in a manner which does not result in a hazard or nuisance to the natural environment or any person.

The reason for Condition 35 is to ensure that any complaints regarding Site operations at the Site are responded to in a timely manner.

The reason for Conditions 36 to 41 is to ensure that an Emergency Response Plan is developed and maintained at the Site and that staff are properly trained in the operation of the equipment used at the Site and emergency response procedures.

The reason for Condition 42 is to ensure that regular review of site development, operations and monitoring data is documented and any possible improvements to site design, operations or monitoring programs are identified. An annual report is an important tool used in reviewing site activities and for determining the effectiveness of site design.

The reason for Conditions 43 and 44 is to ensure that a consolidated Design and Operations Report is prepared and retained on-site for use by Site staff and Ministry staff carrying out inspections.

The reason for Conditions 45 to 47 is to ensure that the Site is closed in accordance with Ministry standards and to protect the health and safety of the public and the environment.

In accordance with Section 139 of the *Environmental Protection Act*, you may by written notice served upon me, the Ontario Land Tribunal and in accordance with Section 47 of the *Environmental Bill of Rights*, 1993, the Minister of the Environment, Conservation and Parks, within 15 days after receipt of this notice, require a hearing by the Tribunal. The Minister of the Environment, Conservation and Parks will place notice of your appeal on the Environmental Registry. Section 142 of the *Environmental Protection Act* provides that the notice requiring the hearing ("the Notice") shall state:

- a. The portions of the environmental compliance approval or each term or condition in the environmental compliance approval in respect of which the hearing is required, and;
- b. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

4. The name of the appellant;
5. The address of the appellant;
6. The environmental compliance approval number;
7. The date of the environmental compliance approval;
8. The name of the Director, and;
9. The municipality or municipalities within which the project is to be engaged in.

And the Notice should be signed and dated by the appellant.

This Notice must be served upon:

Registrar*
Ontario Land Tribunal
655 Bay Street, Suite 1500

and

The Minister of the Environment,
Conservation and Parks
777 Bay Street, 5th Floor

and

The Director appointed for the purposes of
Part II.1 of the *Environmental Protection Act*
Ministry of the Environment,
Conservation and Parks

Toronto, Ontario
M5G 1E5
OLT.Registrar@ontario.ca

Toronto, Ontario
M7A 2J3

135 St. Clair Avenue West, 1st Floor
Toronto, Ontario
M4V 1P5

*** Further information on the Ontario Land Tribunal's requirements for an appeal can be obtained directly from the Tribunal at: Tel: (416) 212-6349 or 1 (866) 448-2248, or www.olt.gov.on.ca**

This instrument is subject to Section 38 of the *Environmental Bill of Rights*, 1993, that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek leave to appeal within 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry at <https://ero.ontario.ca/>, you can determine when the leave to appeal period ends.

The above noted activity is approved under s.20.3 of Part II.1 of the *Environmental Protection Act*.

DATED AT TORONTO this 12th day of September, 2025



Mohsen Keyvani, P.Eng.
Director
appointed for the purposes of Part II.1 of the
Environmental Protection Act

SF/

c: District Manager, MECP Kingston - District Office
Gary Muloin, C.E.T., Cambium Inc.