Doug Marvin
Airfield Organics Ltd.
Box 58 RR#5 Site 520
Brandon MB R7A 5Y5

Dear Mr. Marvin,


In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with.

For further information on the administration and application of the Licence, please feel free to contact Peter Crocker, Environment Officer at (204) 726-6565.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director, Environment Act

Enc.
c: Don Labossiere, Director, Environmental Operations
   Council of the R.M. of Elton / Ben Neufeld, D.C.
   Phil Dorn / Brent Hansen, Samson Engineering Inc.
   Public Registries
   Anne Tenner / Sheldon Stott

NOTE: Confirmation of Receipt of this Licence No. 2891 (by the Licencee only) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by Aug 6, 2009.

On behalf of Airfield Organics Ltd.________________________________________ Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
Licence No. / Licence n° 2891
Issue Date / Date de délivrance July 23, 2009

In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 10(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

Airfield Organics Ltd.: "the Licencee"

for the operation of the Development being a composting facility on W 7-11-17W and E 12-11-18W, using three asphalt runways ("north", "east", and "west"), approximately 10 km south of Justice in the Rural Municipality of Elton, in accordance with the Proposal filed under The Environment Act on February 13, 2009, and additional information dated May 14, 2009, June 17, 2009, and July 10, 2009, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

"affected area" means a geographical area excluding the property of the Development;

“compost” means solid mature product resulting from composting;

“composting” means managed process of bio-oxidation of a solid heterogeneous organic substrate including a thermophilic phase;

“Director” means an employee so designated pursuant to The Environment Act;

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant, or disagreeable to a person:

a) residing in an affected area;
b) working in an affected area; or
c) present at a location in an affected area which is normally open to the members of the public;

if the odour, smell or aroma
d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household; and

f) is deemed by the Director, based on available information, to be valid.

“reportable spill” means a spill of a specified quantity of a hazardous substance, as defined by Manitoba Regulation 439/87 regarding Environmental Accident Reporting, or a spill of livestock manure, as defined by Manitoba Regulation 42/98 regarding Livestock Manure and Mortalities Management.

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall, at all times during the operation of the Development, implement a high standard of equipment maintenance and good housekeeping and operational practices.

2. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
3. The Licencee shall, upon the request of the Director:
   a) sample, monitor, analyse or investigate specific areas of concern regarding any
      segment, component or aspect of pollutant storage, containment, treatment,
      handling, disposal or emission systems, for such duration and at such
      frequencies as may be specified;
   b) determine the environmental impact associated with the release of any
      pollutants from the said Development;
   c) conduct soil, air, ground water, surface water or noise monitoring at or
      adjacent to the Development;
   d) conduct specific investigations in response to the data gathered during
      environmental monitoring programs; or
   e) provide the Director, within such time as may be specified, with such reports,
      drawings, specifications, analytical data, flow rate measurements and such
      other information as may from time to time be requested.

4. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples in accordance
      with the methods prescribed in the most current edition of Standard
      Methods for the Examination of Water and Wastewater or in accordance
      with equivalent preservation and analytical methodologies approved by the
      Director;
   b) carry out all sampling of, and preservation and analyses on, soil and air
      samples in accordance with methodologies approved by the Director; and
   c) ensure that all analytical determinations are undertaken by an accredited
      laboratory.

5. The Licencee shall not cause or permit an odour nuisance to be created as a result of
   the construction or operation of the Development, and shall take such steps as the
   Director may require to eliminate or mitigate an odour nuisance.

6. The Licencee shall establish and maintain an undisturbed native vegetation area
   located upslope from the ordinary high water mark and adjacent to all waterbodies
   and waterways connected to the provincial surface water network, in consultation
   with Manitoba Water Stewardship.

7. The Licencee shall:
   a) prepare "As Constructed" drawings for the Development and shall label the
      drawings "As Constructed"; and
   b) provide to the Director, within three months of the completion of construction
      of the Development, two sets of "As Constructed" drawings.
SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Construction and Operation

8. The Licencsee shall submit a Site Drainage Plan for approval of the Director. The plan shall include, but not be limited to, construction of containment berms on the runways, a site plan complete with geodetic elevations and natural water flow pathways, any ditching or swales, and calculations for sizing of a stormwater retention pond to collect the rainfall from not less than a 75 mm rainfall event falling over the compost area.

9. The Licencsee shall implement the approved Site Drainage Plan.

10. The Licencsee shall, prior to accepting de-watered dissolved air flotation (DAF) sludge or waste activated sludge (WAS) or protein fraction as compost feedstock, arrange a site inspection with the designated Environment Officer and receive written approval from the Director.

11. The Licencsee shall, upon the request of the Director, construct a stormwater retention pond.

12. The Licencsee shall notify the assigned Environment Officer not less than two weeks prior to commencing construction of the Development in any year in which construction occurs. The notification shall include the intended starting date of construction and the name of the contractor responsible for the construction.

13. The Licencsee shall not allow compost feedstock or compost on the north runway between November 1 of one year and May 1 of the following year.

14. The Licencsee shall not stockpile compost feedstock or compost anywhere other than the north, east, and west runways at the site of the Development.

15. The Licencsee shall apply compost to agricultural land in compliance with the requirements of Manitoba Regulation 62/2008, or any future amendment thereof, respecting Nutrient Management.

16. The Licencsee shall not apply compost to agricultural land between November 10 of one year and April 10 of the following year.

17. The Licencsee shall incorporate compost after fall application.
Respecting Compost Feedstock

18. The Licencsee shall only accept and use de-watered dissolved air flotation (DAF) sludge, waste activated sludge (WAS), protein fraction, straw, manure, and wood shavings as compost feedstock at the Development.

Respecting Compost

19. The Licencsee shall generate compost at the Development that achieves the quality requirements and specifications as contained in the most recent edition of the Canadian Council of Ministers of the Environment publication entitled "Guidelines for Compost Quality – PN1340".

20. The Licencsee shall not sell or make available to any third party compost generated at the Development that does not achieve the quality requirements and specifications as contained in the most recent edition of the Canadian Council of Ministers of the Environment publication entitled "Guidelines for Compost Quality – PN1340".

Respecting Monitoring and Reporting:

21. The Licencsee shall implement sampling and analysis procedures of the following, as described in Section 4.6.3 of the Environment Act Proposal:
   a) compost feedstock, on a monthly basis, analyzed for pH, ammonia, nitrate, total kjeldahl nitrogen, total metals, percent moisture, volatile solids, and total carbon;
   b) compost, on a quarterly basis, analyzed for pH, ammonia, total kjeldahl nitrogen, available phosphorus, potassium, total metals, percent moisture, volatile solids, total carbon, nutrient available, and stability;
   c) groundwater, on a quarterly basis, analyzed for specific conductivity, nitrate/nitrite-N, ammonia-N, and chloride;
   d) surface water on Willow Creek, up-stream and downstream from the Development, in April, July and October of each year, analyzed for fecal coliform (most probable number), total kjeldahl nitrogen, nitrate/nitrite-N, ammonia-N, total phosphorus and dissolved phosphorus; and
   e) soil from receiving fields, prior to land application, for available and recommended nutrient levels.

22. The Licencsee shall submit the sampling results, pursuant to Clause 21 of this Licence, in an annual report containing at minimum but not limited to:
   a) the raw data collected; and
   b) a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis.
Respecting Emergency Response Planning

23. The Licencee shall submit, within ninety (90) days of the issuance of this Licence, an emergency response contingency plan for the approval of the Director. This plan shall include, but not be limited to, items which will address: measures implemented for spill prevention and containment, including spill response equipment and supplies; security; personnel training; fire and other response arrangements. The approved plan must be available at the location of the Development at all times.

24. The Licencee shall, during operation of the Development:
   a) immediately report any reportable spills to Manitoba Conservation’s Accident Reporting Line at (204) 944-4888; and
   b) provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposing corrective action to prevent reoccurrence.

Respecting Site Decommissioning

25. The Licencee shall submit within one (1) year prior to closure of the facility, for the approval of the Director, a formal detailed Decommissioning Plan for the facility.

26. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.

REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 10 of The Environment Act.

Tracey Braun, M.Sc.
Director
Environment Act

FILE: 5390.00