October 6, 2011

Tim Winter
Ag Advantage Ltd.
PO Box 5
Marquette MB R0H 0V0

Dear Mr. Winter:

Enclosed is Environment Act Licence No. 1796 R dated October 6, 2011 issued in accordance with The Environment Act to Ag Advantage Ltd. for the construction, installation and continued operation of the Development being a crop protection products warehouse and distribution facilities located on the legal sub-division 16 of 13-12-02 WPM in the Rural Municipality of Rosser (Meadows), and in accordance with the Proposal filed under The Environment Act on February 24, 1994 and proposed alteration dated August 29, 2011.

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. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Mark Stephens, Environment Officer @ (204) 945-7072.

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
   Public Registries

NOTE: Confirmation of Receipt of this Licence No. 1796 R (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 October 20, 2011.

On behalf of Ag Advantage Ltd. Date

**A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
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 Sections 10(1) and 14(2) / Conformément au Paragraphes 10(1) et 14(2)

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

AG ADVANTAGE LTD. - MEADOWS;
"the Licencee"

for the construction, installation and continued operation of the Development being a crop protection products warehouse and distribution facilities located on the legal sub-division 16 of 13-12-02 WPM in the Rural Municipality of Rosser (Meadows), and in accordance with the Proposal filed under The Environment Act on February 24, 1994 and proposed alteration dated August 29, 2011 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means any 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;

"chemical" includes, but is not limited to petroleum products, fertilizers and pesticides;

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

"Environment Officer" 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**
"noise nuisance" means an unwanted sound in an affected area, which is annoying, troublesome, 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 unwanted sound

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 noise 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;

"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 of 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;

"opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"particulate matter" means any finely divided liquid or solid matter other than water droplets;

"particulate residue" means that part or portion of an atmospheric emission which is deposited onto a surface;

"pesticide storage structure(s)" means any building(s) where agricultural crop protection products are stored for either commercial or retail purposes;

"point source" means any point of emission from a Development where pollutants are ducted into the atmosphere;
"secondary containment area" means an area designed and constructed to contain any liquids, including chemicals and fire water, resulting from a significant event such as a fire, and prevents the release of pollutants beyond the containment area; and "sewage" means human body, toilet, liquid, waterborne culinary, sink or laundry waste.

**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 provide to the Director, upon request, all information required under this Licence, in writing and in such form and content (including number of copies), as may be specified by the Director, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.

2. The Licencee shall, in addition to any of the following specifications, limits, terms and conditions specified in this Licence, upon the request of the Director:
   a) sample, monitor, analyze or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge emission rates, 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 Development;
   c) conduct specific investigations in response to the data gathered during environmental monitoring programs; or
   d) 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.

3. 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;
   c) only utilize an accredited laboratory for analytical determinations; and
   d) report the results to the Director within 60 days of the samples being taken, or within another timeframe as specified by the Director.

4. The Licencee shall meet or exceed the current guidelines for Agrichemical Warehousing Standards Association (AWSA) certification regarding the handling and storage of crop protection chemicals.
5. The Licencee shall install and maintain, for all pesticide storage structure(s), an automatic system(s) for fire detection and security.

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

7. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.

SPECIFICATIONS, LIMITS AND CONDITIONS

Respecting Construction and Operation

8. The Licencee shall construct and maintain concrete floors with a minimum of 10 centimetres retention curbing around the perimeter of all pesticide storage structure(s) so as to prevent spilled liquids from leaking into the soil.

9. The Licencee shall adequately dyke the Development to provide a secondary containment area, and install a gate valve at the lowest elevation point that controls surface water run-off from the secondary containment area. The gate valve shall remain in the closed position except for the supervised release of accumulated surface water runoff where there have been no documented spills, or as authorized by an Environment Officer.

10. The Licencee shall ensure that the secondary containment area is protected with a minimum of 45 centimetres of compacted clay material or other materials approved by the Director.

11. The Licencee shall create and maintain a current duplicate inventory of all pesticides stored at the Development, with one copy stored at the premises of the Development, and the other copy stored at a location off-site from the Development.

12. The Licencee shall store only pesticides registered under the Pest Control Products Act of Canada at the Development.

13. The Licencee shall locate the pesticide storage structure(s) a minimum distance of:
   a) 100 metres from any property zoned residential; and
   b) 100 metres from single residences
      unless a written consent form is obtained from the owner(s).

Respecting Air Emissions

14. The Licencee shall not emit particulate matter from the Development such that:
   a) particulate matter:
      i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide for processes involving combustion from any point source of the Development;
ii) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or

iii) results in the deposition of visible particulate residue at any time beyond the property line of the Development; or

b) opacity from any point source of the Development equals or exceeds:
   i) 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
   ii) 20 percent for more than 16 individual opacity observations within any 1 hour period; or
   iii) 40 percent for any individual opacity observation.

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

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

Respecting Liquid Emissions

17. The Licencee shall notify Manitoba Conservation when any spill has occurred in the secondary containment area. If the accumulated liquid within the secondary containment area may be contaminated, it shall be sampled and the sample shall be analyzed by an accredited laboratory prior to requesting authorization for release. The results of the analysis shall be included in the request for authorization for release. Following a spill, no accumulated liquid within the secondary containment area shall be released with the prior authorization of an Environment Officer.

18. The Licencee shall not direct any spillage, contaminated run-off or pollutant, other than sewage, to an approved sewage disposal system.

19. The Licencee shall contain and clean up immediately any pesticide or chemical spills in order to prevent soil, surface water or ground water contamination.

Respecting Emergency Contingency Plans

20. The Licencee shall submit, within ninety (90) days of the issuance of this Licence, an emergency response contingency plan to be approved by the Director. This plan shall include, but not be limited to, items which will address: measures implemented for spill prevention and containment; security; personnel training; fire and other response arrangements.

21. The Licencee shall during construction and operation of the Development:
   a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 945-4888, and
b) at the request of the Director, provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and propose corrective action to prevent reoccurrence.

Respecting Site Decommissioning

22. 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.

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

REVIEW AND REVOCATION

A. Environment Act Licence 1796 is hereby rescinded.

B. 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.

C. If construction of the development is not commenced within three years of the date of this Licence, the Licence is rescinded.

D. 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

Client File No.: 3746.00