March 12, 2013

John Dyck, Terminal Manager
Agrico Canada Limited
P.O. Box 10
Oak Bluff, MB R0G 1N0

Dear Mr. Dyck:

Enclosed is revised Environment Act Licence No. 1896 R, dated March 12, 2013 issued to Agrico Canada Limited in accordance with the Environment Act proposal filed on February 22, 1994 and the Notice of Alteration filed on January 18, 2013. The development consists of a bulk granular/liquid fertilizer storage and handling facility located within Legal Subdivisions 2, 7, and 10 in Section 36-9-1 EPM in the Rural Municipality of Macdonald.

Environment Act Licence No. 1896 was amended based on the Notice of Alteration request to update the Licence to construct an additional granular storage building to store granular urea (46-0-0) at the site. Environment Act Licence No. 1896 is hereby rescinded.

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 contact Ms. Donna Smiley, Regional Supervisor at 204-945-7072 or by e-mail at donna.smiley@gov.mb.ca.

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 and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

“Original Signed by”

Tracey Braun, M.Sc.
Director
Environment Act

NOTE: Confirmation of Receipt of this Licence No. 1896 R (by the Licencee only) is required by the Director of Environmental Approvals Branch. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by March 26, 2013.
Licence No. / Licence n° 1896 R
Issue Date / Date de délivrance August 24, 1994
Revised: March 12, 2013

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:

AGRICANADA LTD. – RURAL MUNICIPALITY OF MACDONALD: "the Licencsee"

for the continued operation of the Development being a liquid/granular fertilizer storage and handling facility located within Legal Subdivisions 2, 7, and 10 in Section 36-9-1 EPM in the Rural Municipality of Macdonald and in accordance with the Proposal filed under The Environment Act on February 22, 1994 and Notice of Alteration filed on January 18, 2013 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

"accredited laboratory" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation and Water Stewardship 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 pest control products;

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

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

"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

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
c) present at a location in an affected area which is normally open to 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 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;

"point source" means any point of emission from a Development where pollutants are ducted into the
atmosphere; and

"sewage" means human body, toilet, liquid, waterborne culinary, sink or laundry waste.

**TERMS AND CONDITIONS**

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.

SPECIFICATIONS, LIMITS AND CONDITIONS

Respecting Construction and Operation

4. Licencee shall obtain all necessary municipal, provincial and federal permits and approvals for construction of relevant components of the Development prior to commencement of construction.

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

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

7. The Licencee shall, in the event of a release, spill, leak or discharge of a pollutant or contaminant in an amount or concentration, or at a level or rate of release, that exceeds the limit that is expressly provided under this Licence, The Environment Act, another Act of the Legislature, or an Act of Parliament, or in regulation, licence, permit, order, instruction, directive or other approval or authorization issued or made under one of those Acts, immediately report the release, spill, leak or discharge by calling 204-944-4888. The report shall indicate the nature of the release, leak, spill or discharge, the time and estimated duration of the event and the reason for the release, spill leak or discharge.
Respecting Liquid Fertilizers

8. The Licencee shall surface, grade, dyke, and/or curb all areas where liquid fertilizers is stored, loaded, blended, transferred or otherwise handled in a manner and using materials approved by the Director, such that all product spillage and contaminated run-off water from these areas is contained.

9. The Licencee shall provide containment within any curbed liquid fertilizer tank farm storage area for a volume of liquid equal to 110% of the volume of the largest storage tank located therein.

10. The Licencee shall maintain the containment area volume capacity of Clause 9 of this Licence by the immediate removal and disposal, in a manner approved by an Environment Officer, of all accumulated fluids.

Respecting Granular Fertilizer

11. The Licencee shall surface, grade, dyke, and/or curb all areas where granular fertilizers is stored, loaded, blended, transferred or otherwise handled in a manner and using materials approved by the Director, such that all product spillage and contaminated run-off water from these areas is contained.

Respecting Air Emissions (Respecting Emissions)

12. 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.

13. 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.

14. 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

15. The licenese shall document all releases, spills, leaks or discharges of chemicals that occur within the Development in an incident log. The incident log shall document at a minimum the date, time, chemical, estimated volume and the clean up actions taken for each release, spill, leak or discharge. The incident log shall be updated within 24 hours of an incident occurrence.

16. The Licencee shall only remove or permit removal of storm water or surface water that has accumulated in the secondary containment area if there have been no documented releases, spills, leaks or discharges of chemicals (from the previous removal to the current). In the event a documented incident has occurred, the Licencee must receive authorization from an Environment Officer from the designated Regional Office of Manitoba Conservation and Water Stewardship prior to removal of any accumulated liquid. If any accumulated liquid may be contaminated, it shall be sampled and tested for appropriate parameters by an accredited laboratory prior to any request for removal.

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

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

19. The Licencee shall remediate, within a time frame stipulated by the Director, all on and off-site environmental impacts as a result of any release of a chemical.

Respecting Emergency Response Planning

20. The Licencee shall prepare and maintain an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety “Emergency Response Planning Guide” or other emergency planning document acceptable to the Director.

Respecting Site Decommissioning

21. 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.

22. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.
REVIEW AND REVOCATION

A. This Licence replaces Environment Act Licence No. 1896 which is now 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, 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.

“Original Signed by”

Tracey Braun, M.Sc.
Director
Environment Act

Client File No.: 3825.00