In accordance with the Manitoba Environment Act (C.C.S.M. c. E125)

THIS LICENCE IS ISSUED TO:

CANADIAN AGRA CORPORATION; “the Licencee”

STAGE 2 LICENCE

pursuant to sections 10(8) and 13(1) of the Act for the construction and startup of the Development being a Canola Crushing Plant proposed pursuant to the Environment Act on July 18, 1995, to be located on River Lots 555, 557, 559, except all the portion which lies to the East of the Western limit of Right of Way on Railway Plan 5560 WLTO and Water Control Work Plan 8418 WLTO in the Rural Municipality of Niverville and the installation of equipment therein, and subject to the following specifications, terms and conditions:

DEFINITIONS

In this Licence,

“affected area” means a geographical area beyond the boundary of the property on which the Development is located;

“approved” means approved by the Minister in writing;

“appurtenances” means furniture, appliances, or auxiliary structures attached to a main structure to enable it to function, but not deemed an integral part of it;

“commissioning period” means the period of preparing the processing equipment and appurtenances and conducting performance testing on the plant production equipment and appurtenances;

“days” means calendar days unless otherwise indicated;

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

“effluent” means treated wastewater flowing or pumped out of the development;

“five-day biochemical oxygen demand” means that part of the oxygen demand usually associated with biochemical oxidation of organic matter within five days at a temperature of 20°C;

“fugitive dust emissions” means particulate matter escaping from sources within the plant property into the atmosphere other than through any of the emission stacks or vents;
“hazardous waste” means a product, substance or organism that meets the criteria set out in the Classification Criteria for Products, Substances and Organisms Regulation, Manitoba Regulation 282/87, and that is intended for treatment or disposal and includes recyclable material;

“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;
(e) is the subject of at least one written complaint 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 from 5 different persons and who do not live in the same household within a 90 day period.

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

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

“operation” means processing canola seeds for the purpose of commercial sale;

“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;

“PM10” means particulate matter that is 10 micrometre (μm) or less in diameter;
Canadian Agra Corporation  
Licence No. 2092 §2  
Page 3 of 6

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

“recyclable material” means a waste that is intended for reuse, recovery or recycling but does not include a product, substance or organism:
   (a) that is to be applied into or onto land; or
   (b) that is to be disposed of in a thermal destruction process;

GENERAL SPECIFICATIONS

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 is hereby authorized, subject to the limits, terms, conditions, and specifications of this Licence, to undertake only the following activities at the Development:
   a) site preparation activities;
   b) canola plant and ancillary structures construction;
   c) equipment installation;
   d) preparing the processing equipment and appurtenances; and
   e) processing canola seed only for the purpose of conducting performance testing on the plant production equipment and appurtenances.

2. The Licencee shall implement good housekeeping and operational practices with respect to the Development, at all times.

3. Unless otherwise specified, all information required to be provided to the Director under this Licence shall be in writing, in such form (including number of copies), and of such content, as may be required by the Director.

4. The Licencee shall, as deemed necessary, carry out any remedial measures, modifications, or alterations required to matters authorized under this Licence.

The Licencee shall not, after May 1, 1997, discharge any wastewater into a wastewater collection or treatment system unless the Licencee has first entered into an industrial use agreement with the owner of the wastewater collection or treatment system and provides a copy of the industrial use agreement to the Director. This agreement shall specify the quality, quantity and timing of discharges into the wastewater collection system and shall require the Licencee to advise the owner of any changes to these parameters.

6. The Licencee shall submit, to the Director for approval, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, an emission monitoring plan whereby the emission rates for any pollutant is established at full production levels. Subsequent to the approval of the emission monitoring plan, the Licencee may submit, to the Director for approval, proposed amendments to the plan. The Licencee shall implement any amendments
approved by the Director in a manner and within the time frames specified by the Director.

7. The Licencsee shall, in case of physical or mechanical equipment breakdown or shutdown of the pollutant collection, conveyance, control or monitoring equipment; or a process upset and such breakdown, shutdown, or upset that may result in the emission, release, or discharge of a pollutant, or the failure to detect the emission, release, or discharge of a pollutant, in excess of any specification. In such term, or condition of this Licence, notify the Director, the Rural Municipality of Rockchute, and the Village of Ste. Agathe:
   a) as soon as possible but no later than within 12 hours of the occurrence; or
   b) before noon of the first business day following an occurrence on a weekend or statutory holiday.

Such notification shall be by facsimile or any other notification procedure approved by the Director, stating the nature of the occurrence, the time and estimated duration of the event and the reason for the occurrence.

8. The Licencsee shall submit to the Director, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, computer generated estimations of actual or expected pollutant concentrations or levels in the ambient air resulting from the Development and assess the impact of the resulting ambient air quality. The computer generated estimations shall include, but not be limited to, total particulate matter, particulate matter less than 10 μm in diameter, odour, and noise.

9. The Licencsee shall submit to the Director for approval, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, an emergency contingency plan as outlined in Schedule 1 attached to this Licence. The Licencsee may submit, to the Director for approval, amendments to such plan. The Licencsee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.

10. The Licencsee shall submit, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, an equipment inspection plan for the solid wastes generated by the Development for disposal either on-site at some other location and shall identify any other locations where solid wastes are to be disposed, before processing canola seeds for any purpose.

11. The Licencsee shall submit, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, a detailed plan for inspection and maintenance of emission control and monitoring equipment. The plan shall be prepared to prevent, detect, and correct malfunctions or equipment failures that may cause emission limits to be violated. Subsequent to the approval of the inspection and maintenance plan, the Licencsee may submit, to the Director for approval, proposed amendments to the plan. The Licencsee shall implement any amendments approved by the Director in a manner and within the time frames specified by the Director.

12. The Licencsee shall submit, to the Director, at least 14 days before the Development is placed into operation, or at such later date as may be approved in advance by the Director, a Detailed Design Report, including the final plant layout, final design inputs and outputs, equipment inventory and operating specifications under normal
and maximum expected operating conditions including pollution emission control systems, and drawings showing all duct work associated with the pollution control systems.

13. The Licencee shall submit, to the Director for approval, a plan for the disposal of rail car cleaning wastes.

**MONITORING AND REPORTING**

14. The Licencee shall provide, at the request of the Director, sampling facilities at designated point source stacks. The facilities shall include proper access, personnel safety features, power supply, and sampling ports, as deemed necessary by the Director and any other features as may be specified by the Director.

15. The Licencee shall be responsible for payment of costs incurred by the Director or on his behalf, deemed by the Director to be necessary for the purposes of:
   a) monitoring any pollutants for which a limit is prescribed pursuant to this Licence;
   b) reviewing the Licencee's obligation to monitor pursuant to Clause 14 of this Licence or reviewing any other obligations for monitoring imposed on the Licencee pursuant to this Licence;
   c) determining compliance with any other specification, limit, term, or condition of this Licence.

The information collected as a result of monitoring of any pollutant for which a limit is prescribed in this Licence or while determining compliance with any other specification, limit, term, or condition of this Licence, may be used in evidence in any prosecution for an offense under The Environment Act subject to evidentiary rules as applicable.

**SPECIFICATIONS LIMITS, TERMS, AND CONDITIONS**

16. The Licencee shall not remove process solid wastes from the Development unless approved by the Director.

17. The Licencee shall recycle all appropriate recyclable materials to any available regional recycling program(s).

18. The Licencee shall ensure that all domestic and office solid wastes that are not recycled are disposed at a waste disposal ground approved pursuant to Manitoba Regulation 150/91.

19. 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 on which the Development is situated; 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
   c) 40 percent for any individual opacity observation.

20. The Licencee shall not commission, alter or operate the Development, or permit the Development to be commissioned, altered or operated, in such a manner that causes or results in an odour nuisance, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

21. The Licencee shall not commission, alter or operate the Development, or permit the Development to be commissioned, altered or operated, in such a manner that causes or results in a noise nuisance, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

REVOCATION

A. If in the opinion of the Director, the Licence is 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. This Licence replaces Licence No. 2092 S1 and as of the date of this Licence, Licence No. 2092 S1 is no longer in effect.

[Signature]
Larry Strachan, P. Eng.
Director
Environment Act

FILE: 4039.00
Schedule 1

to

Environment Act Licence No 2092 S2

Contingency Plan Outline

1. GENERAL POLICY STATEMENT

Provide a general statement on the company's policies as they relate to emergency planning and the way in which the contingency plan addresses these policies.

2. HAZARD IDENTIFICATION

Describe the types of situations this plan will address and actions to be taken respecting but not limited to hazardous materials releases, severe weather, power failures, process equipment upsets or malfunctions, emission control equipment upsets or malfunctions, chemical spills or accidental releases both inside and outside the facility, transportation accidents or accidental releases, runoff from the log pond or releases from the runoff retention pond, and fires both inside or outside the facility.

3. COMPANY EMERGENCY PERSONNEL LIST

List the company personnel who are assigned specific functions in the case of an emergency. Include job titles, home and office phone numbers, and a description of the person's emergency response duties.

4. OUTSIDE CONTACTS

List any agencies or individuals outside the company who may have to be contacted in the case of an emergency. Include 24 hour numbers and a description of the agency's function in an emergency. Typical agencies in this section would include local fire and police departments, local ambulance, and/or hospital, provincial and federal environmental agencies, contractors and suppliers and any other agency that may be of assistance in responding to and mitigating an emergency situation. Copies of the Contingency Plan and any amendments to the plan should be provided to all outside contacts.

5. EVACUATION PLAN

Describe how employees would be evacuated from various parts of the operation, including emergency warning procedures, assembly points, and rescue operations. This section should address procedures for determining how many employees are in a work area and how those employees can be accounted for during an evacuation. Evacuation co-ordinators for each area should also be identified.

6. EMERGENCY RESPONSE PROCEDURES

For each of the hazard types identified in section 2, an outline of the steps to be taken to contain, control and correct the situation should be prepared. The outline should identify who is responsible for initiating the action and some brief statements that can be used to determine what initial actions are required (e.g., methods for containing and recovering a petroleum spill)
7. EMPLOYEE SAFETY & HEALTH

The Manitoba Department of Labour should be contacted directly respecting Workplace Safety and Health requirements.

8. EQUIPMENT LISTING

List any equipment and supplies available on or off site which may be useful during response to an emergency. This might include spill absorbents, monitoring equipment, communications gear, patching kits, and such other equipment appropriate for emergency response purposes. For each item identify where they are stored and how they can be mobilized.

9. MAPS/DRAWINGS

Provide site maps, building plans and any other material which may be required during an emergency to identify evacuation routes, hazardous material storage areas, and any other pertinent site information

10. HAZARDOUS MATERIALS LIST

Provide a complete list of materials stored or used on site which may present a hazard to the environment or public health or safety if they are involved in a release or affected by a fire. Where possible, describe the type of containment used, usual volumes on site and where they are stored. Hazardous materials that are packaged as consumer products in quantities normally used by the consumer, public, cosmetics, and drugs need not be reported.

11. LEGISLATION AND CODES OF PRACTICE

Provide a complete list of legislation, regulations which come into play in an emergency and codes of practice with which the Development is committed to complying

GENERAL COMMENTS

A contingency plan should be prepared in a quick reference format to be used as an information source either for preplanning or during an emergency. The sections of the plan should be written in point form in clear, concise wording with clear headings and a comprehensive table of contents. Since some of the information in the plan will change periodically it is important that the plan be reviewed and updated on a regular basis. A current distribution list for plan copies should be kept with the original. The contingency plan should not be used as a “how-to” manual for responding to an incident. This should be addressed in company training and pre-planning procedures.