KGS GROUP

KON AMANIS ▪ GRAUMANN ▪ SMIT MACMILLAN INC.
CONSULTING ENGINEERS & PROJECT MANAGERS

This is Exhibit....A.....referred to in the affidavit of ...PAUL DEMARE.....
sworn before me at ...WINNIPEG, MANITOBA.
this 25 day of ...July.....20.06.

A NOTARY PUBLIC
in and for the Province of Manitoba

PHASE II
ENVIRONMENTAL SITE ASSESSMENT

PA D'OR MANUFACTURING
2201 LOGAN AVENUE
WINNIPEG, MANITOBA

REPORT

April, 2005

KGS Group Project 05-1232-01

Privileged and Confidential

Prepared for:
Pa D'or Holdings
2201 Logan Avenue
Winnipeg, MB, R2R 0J3

KGS Group
Prepared by:

Ardis Oleksyn, C.E.T.
Environmental Technologist

KGS Group
Reviewed by:

Robert D. Sinclair, P. Eng.
Manager, Environmental Services

KGS GROUP

KONTZAMANIS ▪ GRAUMANN ▪ SMITH ▪ MACMILLAN INC.
CONSULTING ENGINEERS & PROJECT MANAGERS

April 22, 2005

File No. 05-1232-01

Pa D'or Holdings
2201 Logan Avenue
Winnipeg, Manitoba
R3R 0J3

ATTENTION: Mr. Paul Demare

RE: Phase II Environmental Site Assessment Report
Pa D'or Manufacturing
2201 Logan Avenue
Winnipeg, Manitoba

Dear Mr. Demare:

Please find enclosed two copies of the Phase II Environmental Site Assessment (ESA) Report for the Pa D'or Manufacturing property located at 2201 Logan Avenue, in Winnipeg, Manitoba.

KGS Group sincerely appreciates the opportunity to have been of service on this project. If you have any questions regarding this report please contact Mr. Ardis Oleksyn or the undersigned.

Regards,

Robert D. Sinclair, P.Eng.
Manager, Environmental Services

AO/jr
Enclosure

STRUCTURAL■GEOTECHNICAL■ENVIRONMENTAL■HYDRAULICS■HYDROGEOLOGY■MUNICIPAL■MECHANICAL■ELECTRICAL
3RD FLR – 865 WAVERLEY ST., WINNIPEG, MANITOBA, R3T 5P4 PH: (204) 896-1209 FAX: (204) 896-0754
560 SQUIER PLACE, THUNDER BAY, ONTARIO, P7B 6M2 PH: (807) 345-2233 FAX: (807) 345-3433

EXECUTIVE SUMMARY

Kontzamanis, Graumann, Smith and Macmillan Inc. (KGS Group) was contracted by Pa D'or Holdings to conduct a Phase II Environmental Site Assessment (ESA) on the Pa D'or Manufacturing property located at 2201 Logan Avenue in Winnipeg, Manitoba. The purpose of the assessment was to conduct exploratory investigations to assess the degree and nature of any surface and subsurface impacts at the subject property.

Although no previous in-depth investigations had been conducted on the subject property, the results of two previous investigations that had been conducted on the adjoining property (Northwest Smelting and Refining, 2185 Logan Avenue) were made available. Review of these studies identified two previous testholes and potential concerns at 2201 Logan Avenue associated with surface and subsurface lead impacts on the adjoining property (2185 Logan Avenue).

KGS Group were on-site on April 8, 2005 to conduct a surface and subsurface investigation and collect soil samples for laboratory analysis of lead at the subject property. A total of seven testpits were excavated along the east boundary of the subject site, with two soil samples collected from each. In addition, a total of 10 surface soil samples were collected from various locations throughout the property.

Metals impacts in soil are generally not made immediately evident by obvious soil staining or odours. Therefore, testpit locations and sample depths were determined based on the results of lead analyses performed on samples collected from nearby testholes during the previous studies. These previous studies indicated significant lead impacts, both surficial and in the subsurface, over the entire property at 2185 Logan Avenue.

The soil profile at the subject property was characterized by a thin upper layer of sand and gravel fill, generally ranging from 0.2m to 0.5m thick, and followed by native soft silt mixed with soft intermediately plastic clay to approximately 2m depth. This silt was generally underlain by firm, low to intermediately plastic silty clay to the maximum depth of the excavations, in the 2 to 3 metre range.

Laboratory results from the samples analysed indicated that the concentrations of lead in three samples were above the CCME Tier I criteria for industrial land use (600 mg/kg). Two of these samples were collected from the testpits along the east boundary of the site. These samples were identified as TP1-1 (1,180 mg/kg, 0.25m - 0.3m depth) and TP2-1 (25,200 mg/kg, 0.25m - 0.3m depth). The remaining exceedence was from a surface sample in the central area of the site, identified as SS-6 (1,080 mg/kg, 0m – 0.5m depth). The remainder of the samples analysed showed concentrations of lead ranging from 17.1 mg/kg (TP4-2) to 453 mg/kg (TP2-2), and were within the CCME criteria.

Since these exceedences were noted, the CCME Tier II Guidelines (For Pathways Applicable to Site) were examined, and due to the site usage, the Environmental Health Guideline for Soil Contact was chosen as the applicable guideline for Tier II comparison. This Tier II guideline sets the maximum lead concentration at 600 mg/kg, which is equal to the concentration set out in the Tier I guideline for industrial sites.

In addition to the aforementioned samples that were in exceedence of the CCME criteria (TP1-1 and TP2-1), all soil samples analysed from the testpits along the east boundary of the site from depths of less than 1m showed lead concentrations elevated above the expected background concentrations. Soil samples collected and analysed from locations just east of these testpit locations during the previous studies (on the 2185 Logan Avenue property) also showed elevated lead concentrations at these depths, but at greater concentrations. All soil samples analysed from depths of greater than 1m at 2201 Logan Avenue contained lead concentrations more representative of the expected background concentrations.

A surface soil sample analysed from a location in the middle of the 2201 Logan Avenue property (SS-6) was also in exceedence of the CCME Tier I and Tier II criteria. This sample had a lead concentration of 1,080 mg/kg. The surficial sample collected from testpit TP5 (called TP5-1) which is located directly east of SS-6 showed an elevated lead concentration of 126 mg/kg. Additionally, the surface samples collected from locations near SS-6 (SS-5 and SS-7) also contained elevated concentrations of lead (76.1 mg/kg and 1910 mg/kg respectively).

Of the remaining surface samples analysed, four (SS-1, SS-4, SS-8, and SS-10) contained lead concentrations elevated above expected background concentrations but within the CCME criteria (158 mg/kg, 94.0 mg/kg, 93.2 mg/kg, and 77.4 mg/kg respectively). The remaining three samples (SS-2, SS-3, and SS-9) contained lead concentrations more representative of expected background levels (41.9 mg/kg, 28.7 mg/kg, and 29.3 mg/kg respectively).

Based upon the findings of the 2005 field and laboratory results, lead impacted surficial soil above CCME Industrial Land Use criteria was identified along the east boundary of 2201 Logan Avenue, and at one other location in the central area of the property. In addition, surficial soil throughout the property showed elevated concentrations of lead within the CCME criteria.

All lead impacts noted at the subject site during this investigation were in surficial soils at depths of less than 1m below grade. Review of the previous studies on the adjoining property (2185 Logan Avenue) shows significant lead impacts in both surficial and subsurface soils across the site. Evaluation of the findings of those previous reports, coupled with the results of this investigation, indicate that migration of the surficial impacts from 2185 Logan Avenue are likely to have been the source of the impacts found at the subject site. Because the impacts are at depths of less that 1m, the possibility of migration from the subject site exists through various pathways, including air discharge from the adjacent property (2185 Logan Avenue); long term wind carried sediment, runoff, or human contact.

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1.0 INTRODUCTION

Kontzamanis, Graumann, Smith and Macmillan Inc. (KGS Group) was contracted by Pa D'or Manufacturing to conduct a Phase II Environmental Site Assessment (ESA) on property located at 2201 Logan Avenue in Winnipeg, Manitoba (Figure 1). The purpose of the assessment was to conduct exploratory investigations to assess the degree and nature of any surface and subsurface impacts at the subject property.

This report summarizes the results of a field investigation conducted by KGS Group on April 8, 2005. Figure 1 shows the site location and Figure 2 illustrates the current features of the site together with the current testpit and surface sample and historical borehole and monitoring well locations.

1.1 OBJECTIVES

The objectives of the Phase II ESA were as follows:

- Review all previous studies conducted on the subject and adjacent properties;
- Investigate and characterize the soil for all areas identified in previous studies to determine the presence and/or absence of soil impacts and/or groundwater impacts;
- Identify all underground infrastructure, which could act as migration pathways; and
- Evaluate the probability of off-site migration of any impacts above applicable criteria.

1.2 SCOPE OF WORK

The scope of work for the Phase II ESA at the subject property was to investigate the Pa D'or Manufacturing property to determine the degree and nature of any potential subsurface impacts. Specifically, KGS Group performed the following tasks:

- Contacted the appropriate authorities, located and marked out all underground utilities;
- Excavated testpits along the east property boundary and submitted selected soil samples for analysis of lead;

- Described the soil profile encountered in all testpits, especially for evidence of contamination;
- Collected surface soil samples from various locations throughout the Pa D'or Manufacturing property; and
- Prepared a report detailing the results of the investigation, complete with a site plan of the property showing the locations of all current testpit and surface sample and historical testhole and monitoring well locations, testpit logs, and laboratory certificates of analyses.

The results of the investigation are discussed in subsequent sections of this report. A table summarising the results of the laboratory analyses (Table 1) is provided following the text, as is a detailed site plan illustrating the location of all current testpit and surface sample and historical testhole and monitoring well locations (Figure 2). Testpit logs are provided in Appendix A and the laboratory certificates of analysis are in Appendix B.

1.3 SUMMARY OF PREVIOUS STUDIES

No previous studies conducted on the subject property were available; however, studies conducted on the adjacent property (Northwest Smelting and Refining) at 2185 Logan Avenue were obtained and reviewed. These studies showed the presence of concentrations of lead exceeding the concentration guidelines defined in the *Canadian Council of Ministers of the Environment (CCME) Canadian Soil Quality Guidelines - Industrial Land Use*[1] in samples collected from locations throughout the property. Since this site is immediately adjacent to the subject property, it was determined that the potential for lead impacts at 2201 Logan Avenue existed. In addition, as a part of these studies, two testholes were installed on the 2201 Logan Avenue property. Laboratory results from samples collected from these testholes showed lead concentrations elevated above expected background levels, but within the CCME criteria. The previous studies identified no lead impacts in groundwater in the area of the subject property.

2.0 FIELD INVESTIGATION METHODOLOGY

2.1 TESTPIT EXCAVATION AND SAMPLING

Testpit Excavation

Testpit excavation and soil sampling was conducted on April 8, 2005, under the supervision of KGS Group personnel. Underground utility locates including MTS, Manitoba Hydro, and Shaw Cable were completed prior to the commencement of drilling. The City of Winnipeg Water and Waste Department was not contacted as the property owner had record of all water and sewer lines buried beneath the property. Seven testpits, identified as TP1, TP2, TP3, TP4, TP5, TP6, and TP7, were excavated along the east boundary of the subject property using a rubber tired backhoe provided by Kelvin Kartage Ltd. of Winnipeg, Manitoba. Stratigraphic logs of subsurface conditions were recorded at the time of excavation and are included in Appendix A.

Testpit locations along the east boundary of the site were chosen in areas of greatest potential for lead impacts based on proximity to the adjacent site, where the previous studies indicated that lead impacts were present.

Soil Sampling

Soil samples from the testpits were recovered directly from the backhoe bucket at varying depths determined at the discretion of KGS Group site personnel based on the previous studies conducted on the adjacent property. Soil samples were placed into heavy polyethylene bags until all testpit activities were completed. The soil samples were then placed in EPA approved sample containers, and stored at 4°C in a cooler chest. The cooler chest was transported to EnviroTest Laboratories in Winnipeg, Manitoba, an accredited analytical testing laboratory.

Surface Soil Sampling

Surface soil samples were recovered by utilising the backhoe to scrape away the surface soil to a depth of approximately 0.2m. To ensure that the sample was representative of the actual site conditions, it was then collected from the exposed face. The use of the backhoe to remove the immediate surface soil was necessitated by frozen conditions at the site. The surface sample

locations were also selected by KGS Group site personnel. These surface soil samples were then placed into heavy polyethylene bags until all surface sampling activities were completed. The soil samples were then placed in EPA approved sample containers, and stored at 4°C in a cooler chest. The cooler chest was transported to EnviroTest Laboratories in Winnipeg, Manitoba, an accredited analytical testing laboratory.

2.2 LABORATORY ANALYSES

Due to the lead concentrations present on the adjacent site, identified in the previous studies, all samples collected at the subject site (a total of 24 samples) were submitted to the laboratory for analysis of lead. Of these samples, 14 were collected at varying depths from the testpits along the east boundary of the site, and 10 were surficial samples.

3.0 PHYSICAL CHARACTERISTICS OF THE SITE

3.1 PHYSIOGRAPHIC SETTING AND CLIMATE

The City of Winnipeg is located at the confluence of the Red and Assiniboine Rivers in the broad plain of the Red River Valley. The subject property is located at 2201 Logan Avenue in Winnipeg, Manitoba.

The mean monthly air temperature ranges from approximately +19.5°C in July to –17.8°C in June[(2)]. The average annual precipitation is 513.7 mm, with 235.1 mm falling as rain in the months of June, July and August[(2)].

3.2 GEOLOGY

Regional Geology

The soil profile in the vicinity of the subject site consists of an upper complex zone approximately 3 m in thickness[(3)]. The complex zone consists mainly of stratified silty clay and silt, with varying amounts of alluvial silts and sands and man-made fill[(4)]. The upper zone is underlain by approximately 10 to 12 m of silty glaciolacustrine clay, followed by approximately 8 m of glacial till[(5)]. The underlying bedrock is generally encountered at approximately 18m to 20m below the ground surface and consists of Red River Formation limestone and dolomite[(6)]. The Red River Formation is approximately 100 m thick and is underlain by shale and sandstone deposits of the Winnipeg Formation[(3)].

Site Geology

The soil profile at the subject property was characterized by a thin upper layer of sand and gravel fill, generally ranging from 0.2m to 0.5m thick, and followed by native soft silt mixed with soft intermediately plastic clay to approximately 2m depth. This silt was generally underlain by firm, low to intermediately plastic silty clay to the maximum depth of the excavations. The soil profile at the testpit locations is summarized on the stratigraphic logs in Appendix A.

3.3 HYDROGEOLOGY

Regional Hydrogeology

The regional hydrogeology of the Winnipeg area consists of two main hydrostratigraphic units: the bedrock aquifers and the overlying unconsolidated sediments. The silty clay and glacial till deposits overlying the bedrock in the Winnipeg area tend to have low hydraulic conductivities and thus act as an aquitard, restricting groundwater flow[3]. The low hydraulic conductivity of the aquitard can also retard the migration of contaminants dissolved in groundwater, thus providing a measure of natural protection to the underlying aquifers. However, the presence of natural fractures and man-made features, such as the sand backfill used for underground water and sewer pipelines, can facilitate the migration of contaminants.

The bedrock beneath Winnipeg has three defined aquifers. The deepest is the Winnipeg Formation Aquifer, also called the Sandstone Aquifer. The Winnipeg Formation Aquifer is generally not used in the Winnipeg region because the water is generally too saline. The Red River Formation contains two aquifers, generally designated as Upper and Lower Carbonate Aquifers. The Lower Carbonate Aquifer, located in a fractured zone within the lower part of the Red River Formation, has limited use in the Winnipeg area. The water quality in the Lower Carbonate Aquifer is generally poor and the quantity of water available is not as great as in the Upper Carbonate Aquifer. The Upper Carbonate Aquifer is located within the upper fractured limestone and dolomite bedrock of the Red River Formation and is considered a source of potable water. The piezometric level of the upper carbonate aquifer beneath the subject site is approximately 12 m below grade[3]. The City of Winnipeg does not use groundwater as a potable water source. The City of Winnipeg obtains potable water from Shoal Lake, located at the Manitoba-Ontario border, via the Winnipeg Aqueduct.

Site Hydrogeology

No groundwater elevation measurements were taken during this study as previous studies showed no groundwater impacts in the area, therefore eliminating the need to analyse groundwater. However, the previous studies showed apparent groundwater flow at the subject property to be in a south-southwest direction.

3.4 HYDROLOGY

The closest major surface water body to the subject property is the Assiniboine River, located approximately 5.75 km south of the subject property. Omand's Creek, a subsidiary of the Assiniboine River, is located approximately 750 m west of the subject property. Local surface drainage appears to be towards storm drains in the surrounding streets and back lanes and towards a retention pond on the adjoining property to the west.

4.0 DATA AND ANALYSIS

4.1 ASSESSMENT GUIDELINES

Useful tools to assess the significance of laboratory results are comparative criteria published by regulatory agencies and organizations such as the Canadian Council of Ministers of the Environment (CCME) and Manitoba Conservation. Guidelines for assessing the significance of contamination at a site in Manitoba are published under the *Guideline for Environmental Investigations in Manitoba.* The guideline specifies the use of the *Canadian Environmental Quality Guidelines* (EQG) published by CCME when evaluating the significance of contamination, except where specific provincial guidelines have been published. If CCME has not published an EQG for a specific contaminant, the usual practice in Manitoba is to use comparative criteria published by other regulatory agencies, such as the Ontario Ministry of the Environment (MOE).

For this investigation, Industrial Land Use guidelines from CCME *Canadian Environmental Quality Guidelines 1999 (Updated 2003)*[1] were used to assess parameter concentrations in soil for lead.

4.2 FIELD OBSERVATIONS

The KGS Group field representative met on site with representatives of Manitoba Hydro and MTS to obtain underground utility location information. A 114mm natural gas line and a telephone line were identified and marked. The natural gas line ran in a southerly direction from the west side of Building #1, while the telephone line ran in a westerly direction from the west side of Building #1. Neither of these lines were a concern as the excavation activities took place east and north of Building #1. In addition, the property owner identified a buried sewer line that entered the site from the east and ran in a westerly direction to the front of Building #3, and then turned to the south and ran off of the site. The sewer line location was identified by the presence of manholes and avoided during excavation activities. All electrical service on the site was provided by overhead power cables, and no cable television service was provided to the site.

No unusual observations were made by the KGS Group representative while excavating the testpits along the east boundary of the site and collecting the surface samples; however, metals impacts in soils are not immediately evident by obvious soil staining or odours. Therefore, sample depths were determined based on the depths of impacts noted in nearby testholes during the previous studies.

The upper layer of the soils in each testpit was frozen to depths varying from 0.25m to 1m. This was also true for each of the surface samples; therefore, the backhoe was utilised to break the frost so the sample could be obtained.

4.3 RESULTS OF LABORATORY SOIL ANALYSES

Laboratory results indicated that the concentrations of lead in three samples were above the CCME criteria for industrial land use (600 mg/kg). Two of these samples were collected from the testpits along the east boundary of the site. These samples were identified as TP1-1 (1,180 mg/kg, 0.25m - 0.3m depth) and TP2-1 (25,200 mg/kg, 0.25m - 0.3m depth). The remaining exceedence was in the surface sample in the central area of the site, identified as SS-6 (1,080 mg/kg, 0m – 0.2m depth). The remainder of the samples analysed showed concentrations of lead ranging from 17.1 mg/kg (TP4-2) to 453 mg/kg (TP2-2), and were within the CCME criteria. Detailed laboratory results are presented in Table 1, while the laboratory certificates of analysis are included as Appendix B.

5.0 DISCUSSION AND CONCLUSIONS

Based on the findings of the 2005 KGS Group Phase II ESA, lead impacts were identified in samples collected throughout the property. Of the samples analysed, concentrations of lead exceeding the CCME Tier I criteria for industrial sites were found in three samples. These concentrations were 1,180 mg/kg (TP1-1), 25,200 mg/kg (TP2-1), and 1,080 mg/kg (SS-6).

Since exceedences were noted, the CCME Tier II Guidelines (For Pathways Applicable to Site) were examined, and due to the site usage, the Environmental Health Guideline for Soil Contact was chosen as the applicable guideline for Tier II comparison. This Tier II guideline sets the maximum lead concentration at 600 mg/kg, which is equal to the concentration set out in the Tier I guideline for industrial sites.

Samples TP1-1 and TP2-1 were both collected from the upper portions of testpits TP1 and TP2, excavated along the east boundary of the site, immediately west of the Northwest Smelting and Refining (NWSR) building on the adjacent property at 2185 Logan Avenue. The previous studies had identified elevated concentrations of lead in samples collected throughout the entire 2185 Logan Avenue property.

No testholes were advanced on the west side of the NWSR building during these previous studies, likely due to proximity to the property boundary. All other testholes advanced in proximity to the building show lead impacts in surficial soils (depths ranging from 0m – 0.2m) ranging from 12,100 mg/kg, at the southeast corner of the building, to 95,700 mg/kg, at the northeast corner of the building.

The soil sample collected from TP1 showed an elevated lead concentration of 1,180 mg/kg (TP1-1, depth of 0.25m – 0.3m), while the samples collected from TP2 showed elevated lead concentrations of 25,200 mg/kg (TP2-1, depth of 0.25m – 0.3m) and 453 mg/kg (TP2-2, depth of 0.95m – 1m). Samples collected at similar depths from TH14, the testhole from the previous studies in closest proximity to TP1 and TP2, were found to contain lead concentrations of 78,900 mg/kg (depth of 0.2m – 0.5m) and 10,100 mg/kg (depth of 0.9m – 1.1m).

The samples collected from the upper portions of testpits TP3, TP4, TP5, and TP6 all showed lead concentrations that were elevated above the expected background concentrations, with

results ranging from 102 mg/kg (TP3-1) to 396 mg/kg (TP6-1). Soil samples collected and analysed from locations just east of these testpit locations during the previous studies showed elevated lead concentrations ranging from 5,870 mg/kg (TH17, depth of 0m - 0.2m) to 197,000 mg/kg (TH8, 197,000 mg/kg, depth of 1.4m – 1.5m). The surficial sample collected from TH8 was measured at 85,500 mg/kg.

The laboratory analyses performed on soil samples collected from the testpits at depths greater than 1m showed lead concentrations more consistent with expected background concentrations, ranging from 17.1 mg/kg (TP4-2) to 44.5 mg/kg (TP3-2).

One surface soil sample collected in the main portion of the site showed an exceedence of the CCME criteria. This sample, identified as SS-6, had a lead concentration of 1,080 mg/kg. This sample is located directly west of TP5, which showed an elevated surficial concentration of 126 mg/kg. Additionally, lead concentrations from nearby surface sample locations SS-5 and SS-7 also showed elevated lead concentrations of 76.1 mg/kg and 190 mg/kg respectively, but were within the CCME criteria.

Lead concentrations at surface sample locations SS-1 (158 mg/kg), SS-4 (94.0 mg/kg), SS-8 (93.2 mg/kg), and SS-10 (77.4 mg/kg) were also elevated above the expected background concentrations but were within the CCME criteria. Samples from locations SS-2 (41.9 mg/kg), SS-3 (28.7 mg/kg), and SS-9 (29.3 mg/kg) showed concentrations more consistent with expected background concentrations.

From the site investigations and subsequent assessment completed for the Pa D'or Manufacturing property located at 2201 Logan Avenue in Winnipeg, Manitoba, the following conclusions can be drawn:

- Lead concentrations elevated above the expected background concentrations were found in surficial soils (depths < 1m) throughout the Pa D'or Manufacturing property (2201 Logan Avenue). The most significant impacts were noted along the east boundary of the site, along the property line shared with the Northwest Smelting and Refining property (2185 Logan Avenue).
- Studies conducted previously on the adjoining property (2185 Logan Avenue) have shown significant lead impacts, both surficial and in the subsurface, throughout the entire property.

- Lead concentrations in exceedence of the applicable CCME Tier I criteria for industrial sites (600 mg/kg) and CCME Tier II criteria for Environmental Health (Soil Contact), also 600 mg/kg, were found in three samples collected from the site; TP1-1 (1,180 mg/kg, TP1, depth of 0.25m – 0.3m), TP2-1 (25,200 mg/kg, TP2, depth of 0.25m – 0.3m), and SS-6 (1,080 mg/kg, depth of 0m – 0.2m).

All lead impacts noted at the subject site during this investigation were in surficial soils at depths of less than 1m below grade. Review of the previous studies on the adjoining property (2185 Logan Avenue) shows significant lead impacts in both surficial and subsurface soils across the site. Evaluation of the findings of those previous reports, coupled with the results of this investigation, indicate that migration of the surficial impacts from 2185 Logan Avenue are likely to have been the source of the impacts found at the subject site. Because the impacts are at depths of less that 1m, the possibility of migration from the subject site exists through various pathways, including air discharge from the adjacent property (2185 Logan Avenue); long term wind carried sediment, runoff, or human contact.

Remediation of the Pa D'or Manufacturing property at 2201 Logan Avenue would involve excavation of all impacted soils and removal to a licensed landfill facility following soil leachate analysis. Removal and placement of impacted soils to the adjacent 2185 Logan Avenue property could also be a possible option.

6.0 RECOMMENDATIONS

The Pa D'or Manufacturing property at 2201 Logan Avenue demonstrated lead impacts very likely associated with the past operations at the adjacent property (2185 Logan Avenue). Pa D'or may want to consider legal recourses to such impacts, although the property value of 2185 Logan Avenue may well be less than the clean-up and demolition costs for the site.

7.0 STATEMENT OF LIMITATIONS

KGS Group prepared this report in a professional manner using the degree of skill and care exercised for similar projects under similar conditions by reputable and competent environmental consultants. The information contained in this report, including its conclusions, is based on the information that was made available to KGS Group during the investigation and upon the services described which were performed within the time and budgetary requirements of Pa D'or Holdings. As the report is based on available information, some of its conclusions could be different if the information upon which it is based is determined to be false, inaccurate or contradicted by additional information.

KGS Group makes no representation concerning the legal significance of its findings or the value of the property investigated. KGS Group has no contractual liability to third parties for the information or opinions contained in this report.

8.0 REFERENCES

1. Canadian Council of Ministers of the Environment. 1999. Canadian Environmental Quality Guidelines. Chapter 7. Update 2003.

2. Environment Canada. 2001. Canadian Climate Normals 1971-2000, found at http://www.msc-smc.ec.gc.ca/climate/climate_normals/index_e.cfm

3. University of Manitoba Department of Engineering. February 1983. Geological Engineering Report for Urban Development of Winnipeg.

4. University of Manitoba Department of Engineering. 1983. Geological Engineering Maps & Report for Urban Development of Winnipeg. Plate 1, Surface Topography. Scale 1:50,000.

5. University of Manitoba Department of Engineering. 1983. Geological Engineering Maps & Report for Urban Development of Winnipeg. Plate 2, Depth to Till. Scale 1:50,000.

6. University of Manitoba Department of Engineering. 1983. Geological Engineering Maps & Report for Urban Development of Winnipeg. Plate 4, Depth to Bedrock. Scale 1:50,000.