



Mr. Oil Drop

Manitoba Association for Resource Recovery Corp.

**MARRC
2018 ANNUAL REPORT**

THE FINE ART OF THE WILDERNESS

A legacy of diverse and pristine wilderness for us and future generations to cherish and protect.

Black Lake, Nopiming Provincial Park.

Photo by Mike Karakas

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Annual General Meeting

Tuesday, April 30, 2019

10:00 am

Delta Saskatoon Downtown

405 – 20th Street East

Saskatoon, SK

S7K 6X6

Overview of MARRC

The Manitoba Association for Resource Recovery Corp. (MARRC) is a non-profit corporation established in 1997 by manufacturers and marketers of lubricating products in Manitoba. Its mandate is to develop, implement and administer a cost-effective, sustainable, user-financed, province-wide stewardship program for used oil, used oil filters and used oil containers.

MARRC was incorporated under The Corporations Act of Manitoba on April 1, 1997. It operates in accordance with a Letter of Approval issued by Manitoba Environment on February 26, 1998 under Section 7 of the “Used Oil, Oil Filters and Containers Stewardship Regulation” of the Waste Reduction and Prevention Act.

Further to earlier approvals of 5 year terms, MARRC received a letter of approval dated September 25, 2013, from the Minister of Conservation extending the Stewardship Plan term for an additional five years to December 15, 2017.

On May 1, 2011 the Corporation was also approved to operate the Used Antifreeze Stewardship Program by the Minister of Conservation. The Used Antifreeze Stewardship Program commenced operation August 1, 2011. The approval from the Minister of Conservation expires December 31, 2016. On October 22, 2015, the Minister approved an extension to the “Condition of Approval”. This approval expires on December 15, 2017. The Corporation submitted Applications for Renewal for both the Used Lubricating Products Stewardship Program and The Antifreeze Stewardship Program in August of 2017 and has received approval of these Applications from the Minister of Sustainable Development on July 26, 2018 through to June 30, 2023, with Diesel Exhaust Fluid containers included in the approval.

The Corporation derives revenue principally in the form of Environmental Handling Charges (EHCs) applied to the sale or consumption of selected lubricating and antifreeze products in Manitoba. The Corporation’s primary expenses are related to the:

- establishment and operation of a publicly-accessible network of licensed collection facilities for used lubricating and antifreeze products,
- payment of Return Incentives to companies licensed by the province and registered with MARRC to collect used lubricating and antifreeze products and transfer them to approved processors and end-users,
- payment of Processing Incentives to companies licensed by the province and registered with MARRC to recycle used lubricating and antifreeze products, and
- development and distribution of public education materials.

MARRC’s affairs are managed by a six-person Board of Directors drawn from the member companies of MARRC and from other stakeholder organizations, including a Director representing the Antifreeze industry.



**MINISTER OF
SUSTAINABLE DEVELOPMENT**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

JUL 26 2018

Mr. Ron Benson
Executive Director
Manitoba Association for Resource Recovery Corp.
35-1313 Border Street
Winnipeg MB R3H 0X4

Dear Mr. Benson:

I am pleased to issue an Approval to the Manitoba Association for Resource Recovery Corp. (MARRC) for the Manitoba Stewardship Program Plan for Used Oil and Antifreeze Products (the Program) effective July 1, 2018. This Approval will expire June 30, 2023, pursuant to Section 7(4) of the both the Used Oil, Oil Filters and Containers Stewardship Regulation and the Household Hazardous Material and Prescribed Material Stewardship Regulation (the Regulations) under the Waste Reduction and Prevention Act (WRAP Act).

This Approval is issued to MARRC under Section 7(2) of the Regulations and is subject to MARRC meeting the conditions as set forth in "Attachment A" of this letter, and which forms part of this Approval.

If I am not assured that MARRC is implementing or operating the Program substantially in accordance with its intent, or where I or my officials have concluded, based on relevant circumstances, that the Program or terms of this Approval, including "Attachment A: Conditions of Approval" should be reviewed, then pursuant to Section 7.1 of the Used Oil, Oil Filters and Containers Stewardship Regulation and Section 8 of the Household Hazardous Material and Prescribed Material Stewardship Regulation, new or additional conditions may be imposed as deemed appropriate so as to ensure that the environmental outcomes and regulatory requirements are fulfilled.

The Department intends to establish guidelines for third party assurance of non-financial information to be reported by all approved stewardship program operators in the Province of Manitoba. My officials in Manitoba Sustainable Development will work with MARRC to establish guidelines to provide the Manitoba government with a reasonable level of assurance that key performance measures of the Program are reported accurately.

It is a priority of this department that the Program provide convenient, province-wide accessibility to all Manitoba communities including Manitoba's northern, remote and First Nations communities. I expect MARRC to work collaboratively with other Producer Responsibility Organizations to maximize synergies and deliver program outcomes in a cost effective and efficient manner.

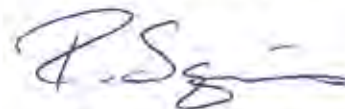
I will take this opportunity to remind you that under Section 10(1) of the Used Oil, Oil Filters and Containers Stewardship Regulation and Section 11(1) of the Household Hazardous Material and Prescribed Material Stewardship Regulation, as Minister, I have the authority to suspend or cancel the Approval of the Program at any time if there is a breach or contravention by MARRC as the operator of the Program, of either the WRAP Act or the Regulations or the conditions set forth in this Approval and, if applicable, subsequent amendments of this Approval.

Any notices to be provided to department officials pursuant to this Approval shall be submitted in writing to: Senior Manager, Waste Diversion and Recycling Unit, Manitoba Sustainable Development, Box 38, 200 Saulteaux Crescent, Winnipeg, Manitoba, R3J 3W3.

MARRC should submit their next application for renewal of this Approval by January 31, 2023 to allow adequate time for review and public consultations.

I look forward to the continued operation of the Program in the Province of Manitoba.

Yours sincerely,



Rochelle Squires
Minister

Attachment

c: Joe Casciano, Chair of the Board
Glen Holmes

Highlights of 2018

Ambassador Program - Calendar of Events for 2018

MARRC employed 3 full time and some part-time Ambassadors to travel around to various tradeshow and exhibitions in Manitoba for the purpose of enhancing awareness towards improving the recovery of used oil and antifreeze products. Below is a Calendar of Events that MARRC participated in with the Ambassador Program.

MARCH

| |
|-----------------------|
| 16-18 World of Wheels |
|-----------------------|

APRIL

| | |
|--|----------------|
| 4 Team up to Clean up - BellMTS Centre | 27-29 Rodorama |
|--|----------------|

MAY

| |
|------------------------|
| 27 Teddy Bear's Picnic |
|------------------------|

JUNE

| | | |
|--|--|---------------------------------|
| 1-3 Transcona Hi Neighbour Festival & Parade | 6-10 Brandon Exhibition | 8-9 Lundar Fair |
| 14 RM of St. Andrews Open House | 8-9 Niverville Fair & Parade | 15-24 Wpg. Red River Exhibition |
| 15-17 Steinbach Summer in the City | 13 CTR Habanero Fish Fry & Burger Take 2 | 22 Town of Neepawa Open House |
| 19 RM of St. Clements Open House | 22-23 Killarney Summer Fair & Parade | 30-1 Osborne Village Canada Day |

JULY

| | | |
|--|--|---|
| 4 Rivers Ag Fair | 6-7 Falcon Lake Fun Fest | 6-8 Minnedosa Fun Fest & Parade |
| 6-8 Portage Exhibition | 8 Gimli Car Show | 12-14 Carman County Fair |
| 12-14 St. Pierre Frog Follies Parade | 13-15 Selkirk Triple S Fair & Rodeo & Parade | 19-22 Morris Stampede & Parade |
| 27-29 Winnipeg Beach Boardwalk Days & Parade | 27-29 Altona Sunflower Festival & Parade | 26-29 Austin Thresherman's Reunion & Parade |

AUGUST

| | | |
|---|--|--------------------------------------|
| 1 Dauphin Annual Street Fair Dance | 3-6 Gimli Icelandic Festival & Parade | 10 Rumble in Roblin |
| 10-12 Winkler Harvest Festival & Parade | 11 Portage la Prairie Potatoe Festival | 15 Northern Association Trade Show |
| 16-19 Hanover Ag Fair & Parade | 17-19 Stonewall Quarry Days Parade | 24-26 Modern Corn and Apple Festival |

SEPTEMBER

| | |
|------------------------|-------------------------|
| 8 Garden City Car Show | 8 Sherbrook Street Fest |
|------------------------|-------------------------|

Car Shows:



World of Wheels at the RBC Convention Centre March 16-18



Rodorama Car Show April 27 - 29



Garden City Car Show Sept 7-8-9

Highlights of 2018

Ambassador Program - Partners in Progress!

The main focus of the Ambassador Program was to engage with the visitors by highlighting the importance of recycling. MARRC participated in over 40 exhibitions, tradeshows and parades this year. Visitors received information on recycling used oil and antifreeze products as well as valuable prize giveaways. MARRC also partnered with two other Producer Responsible Organizations (PROs) and distributed their brochures and informational material as well:



Health Product Stewardship Association (HPSA) – Responsible for recovering medications that have expired or no longer needed and handling of them in a safe and responsible manner before they are disposed of as waste or poured down sewers and drains.



Call2Recycle – This program is a free and easy way for people to dispose of old batteries and cell phones, safely and reliably diverting them away from landfills.



Ambassador Program – Brochures Distributed

The Ambassadors also distributed brochures which detail important information about the MARRC Stewardship Program such as what happens to the products once they are collected; where people can take the products throughout Manitoba; our collection progress to date as well some of our communication initiatives.

Wrapped Vans



MARRC rented a van for the Ambassador Program which was wrapped with colourful advertising for used oil & antifreeze recycling. The van was at each of the trade shows, exhibitions and parades and was very well received.

How are we doing? What percent is recovered?

Oil

| Year | Estimated total recoverable in 2017 (Million Litres) | Actual Recovered (Million Litres) | Percent Recovered |
|------|--|-----------------------------------|-------------------|
| 2014 | 18.8 | 14.4 | 77% |
| 2015 | 18.1 | 13.9 | 77% |
| 2016 | 18.2 | 14.0 | 77% |
| 2017 | 18.3 | 14.1 | 77% |

Antifreeze

| Year | Estimated total recoverable in 2017 (Litres) | Actual Recovered (Litres) | Percent Recovered |
|------|--|---------------------------|-------------------|
| 2014 | 1,043 | 229 | 22% |
| 2015 | 1,043 | 229 | 22% |
| 2016 | 1,043 | 229 | 22% |
| 2017 | 1,043 | 229 | 22% |

Public Awareness Continues to Grow

MARRC's successful Ambassador Program featured the Wheel of Fortune at Tradeshows and Fairs throughout Manitoba, to help generate high numbers of visitors to our booth!

MARRC assisted with the City of Winnipeg's One-Stop-Shop Collection Centres:

- World of Wheels
- Produce
- Golden City Car Show

MARRC attended Car Shows to spread awareness of recycling used oil and antifreeze products, appealing to our core demographic of car enthusiasts and Used Oil Do-It-Yourselfers.

Manitoba Association for Resource Recovery Corp.

usedoilrecycling.com
1-888-410-1440

MARRC's mandate is to develop, implement and administer a cost-effective, sustainable, user-financed, province-wide stewardship program for used oil, used oil filters and used oil containers, antifreeze and its containers.



MARRC also contracted to have an ambassador drive their own personal van which was also wrapped with advertising, during the course of an entire year.

How to recycle?

Your role in our success is simple.

- Collect the used oil from your vehicle, lawnmower, farm equipment, fishing vessels or other machinery and recycle them at a licensed facility.
- Do not contaminate the oil with other liquids. Solvents, paint thinner, bleaches, antifreeze, gasoline, PCBs, household chemicals, insecticides, herbicides, pesticides, grease or water are not accepted. EcoCentre staff have information on where to take contaminated oil.
- Collect your used oil, filters and containers and recycle them at a licensed facility.
- Collect your used antifreeze and containers and recycle them at a licensed facility.

1-888-410-1440
usedoilrecycling.com
Manitoba's Used Oil Recycling Program

What happens to the products that are collected?

- Used oil can be re-refined into lube oil and other petroleum products. As well it can be used for energy recovery.
- Used oil filters contain 85% recyclable metal that becomes steel rebar used in construction.
- Used oil and antifreeze containers can be shredded and used in the manufacture of parking lot curbs, fence posts and landscaping ties.
- Used antifreeze is shipped to licensed processors and recycled into new antifreeze.

Where can I take the used oil and antifreeze products?

In the City of Winnipeg the licensed depots are as shown on the map below

Manitoba's Licensed Used Oil & Antifreeze Depots

1-888-410-1440
usedoilrecycling.com
Manitoba's Used Oil Recycling Program

Highlights of 2018

Ambassador Program – Survey

Over 10,000 visitors completed the survey!

The Ambassadors participated with the visitors by having them respond to the sample survey.



The participants then spun our Wheel of Fortune for a chance to win some great prizes

The participants also entered for a chance to win a \$50 Canadian Tire Gift Card.



You could win a Canadian Tire Gift Card worth \$50!

Please complete the following: For Steinbach

- Do you change your own oil and antifreeze or do you take your vehicle in for service?
 Do it yourself _____ Take In For Service _____
- If you change your own oil, what oil and antifreeze products do you recycle (ignore if you take your vehicle in)?
 Oil _____ Filters _____ Containers _____
 Antifreeze _____ None of the above _____
- Where do you recycle your used oil and antifreeze products:
 EcoCentre _____ Canadian Tire _____ Dealer / FastLube / GCOC _____
 No Vehicle _____ Other _____
- Did you know that you can recycle your used oil & antifreeze products at the Hanover Landfill in Steinbach?
 YES _____ NO _____

Name _____
 Phone # _____

| Ambassador Survey Results Summer 2018 | |
|--|---------------|
| Location | Total Entries |
| Gimli Icelandic Festival | 1650 |
| Red River Ex Winnipeg | 1387 |
| Morden Corn & Apple Festival | 987 |
| Osborne Village Canada Day | 957 |
| World of Wheels | 710 |
| Transcona Hi Neighbour Festival Inc. | 440 |
| Morris Stampede | 406 |
| Stonewall Quarry Days | 380 |
| Austin Thresherman's Rodeo | 375 |
| Steinback Summer in the City | 350 |
| Selkirk Triple S Fair & Rodeo | 349 |
| Brandon Exhibition | 335 |
| Granden City Car Show | 250 |
| Winkler Harvest Festival | 231 |
| CTR | 214 |
| Altona Sunflower Festival | 206 |
| Gimli Car Show | 154 |
| Winnipeg Beach Boardwalk Days | 152 |
| Rodorama | 145 |
| Portage la Prairie Exhibition | 138 |
| Hanover Ag Fair | 102 |
| Carman Country Fair | 79 |
| St. Andrews Open House | 70 |
| Rivers Ag Fair | 60 |
| Falcon Lake Fun Fest | 51 |
| Northern Association of Community Councils | 29 |
| Minnedosa Fun Fest | 28 |
| Killarney Summer Fair | 11 |
| Total | 10,246 |

There were 600 Radio ads on 9 rural radio stations as well as 800 ads on Winnipeg radio stations promoting each specific local event. Both City of Winnipeg as well as Rural Map Fridge Magnets were distributed. They displayed the locations of Licensed collection depots throughout Manitoba.

Sign Board displayed at events

FREE DRAW
 FOR A
CANADIAN TIRE
\$50.00
GIFT CARD!

Manitoba Association for Resource Recovery Corp.
 Useoilrecycling.com
 1-888-410-1440

Manitoba's Licensed Used Oil & Antifreeze Depots

Legend:
 - Green circle: Licensed Collection Depots in Winnipeg
 - Red triangle: Licensed Collection Depots in Manitoba

Winnipeg's 18 Licensed Used Oil Depots

- Unicity - 3615 Portage Avenue
- St. Boniface - Farmor & Beaverhill
- Grant Park - 1080 Grant Avenue
- Transcona - 1519 Regent Avenue
- Fort Garry - McGillivray & Kenaston
- Polo Park - 750 St. James Street
- 2407 Pembina Hwy
- 1109 St. Mary's Road
- 622 Archibald Street
- 3226 Portage Avenue
- 2470 Main Street
- Brady Road Landfill
- 1120 Pacific Avenue
- 429 Panet Road
- Green for Life - 1090 Kenaston Blvd.
- A-1 Environmental - 1447 Dugald Road
- Frank Motors - 575 Notre Dame Ave.
- EK Import Auto Service - 1043 Springfield Rd.

1-888-410-1440 | www.usedoilrecycling.com
Manitoba's Used Oil & Antifreeze Recycling Program

Highlights of 2018

Ambassador Program

MARRC utilized an LED flashing Wheel of Fortune to generate excitement at the Ambassador booth. After visitors completed the used oil recycling survey, they could spin the wheel to determine what prize had been won. Participation at the MARRC booth was very high with long line-ups at the booth in many cases. All prizes featured used oil recycling branding and were very well received. Bookmarks, wristbands and brochures were distributed at tradeshow, exhibitions and parades as well.



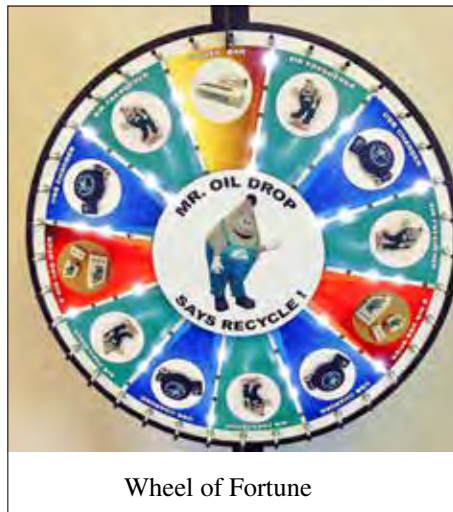
Lanyards



Bookmarks →



Hats



Wheel of Fortune



Mrs. Oil Drop Beanie Babies



Magnetic Fridge Clips



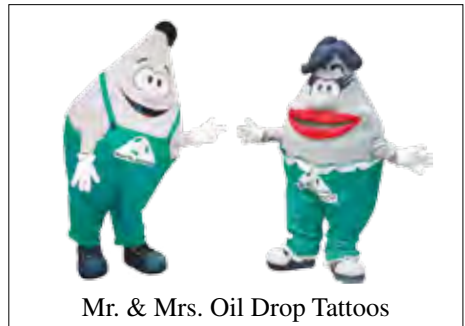
Tape Measures



Sport Sacks



4 Different Colour Wristbands



Mr. & Mrs. Oil Drop Tattoos

Highlights of 2018



Students gathering at the MARRRC booth at the Team up to Clean up event at the Bell MTS Place



Mrs. Oil Drop participates in the Icelandic Parade in Gimli



Canada Day Osborne Village Street Festival



Participants at the Red River Exhibition



Rivers Fair Parade



Teddy Bear's Picnic

Highlights of 2018

MARRC Television and Radio Media Partnerships



270 Animated Ads on Global TV during the summer



MARRC produced a 30 second commercial video which depicts the recycling of used oil & antifreeze products and displays the consequences of unsafe disposal practices.



CTV News highlighting the 5,000 derelict cars in St. Theresa Point and Solomon Mason's role in obtaining a crushing unit to help solve the problem.



700 ads on Winnipeg radio stations CJOB AM and Power 97 FM promoting each specific local Ambassador event during the summer



There were 600 Radio ads on 9 Manitoba rural radio stations promoting each specific local Ambassador event during the summer as well.



Highlights of 2018

MARRC Advertisies in the Manitoba Association of Auto Clubs (MAAC) Event Guide, First Nations Voice & Manitoba Mining Review.

- MAAC is recognized as the voice of collector car and specialty vehicle enthusiasts across Manitoba. This comprehensive Guide lists all car clubs and events taking place in Manitoba in 2018. Over 50,000 copies are delivered throughout Manitoba to all Winnipeg Free Press Subscribers, car dealerships, doctor's offices, dental offices, uptown racks, MAAC Membership and numerous other retail locations.
- First Nations Voice is a privately owned newspaper with a distribution of 47,000 that provides an educational and information-sharing vehicle for both First Nations / Aboriginal communities and non-Aboriginal communities in Manitoba. The purpose is to educate, inspire and inform the general public from a First Nations / Aboriginal perspective.
- The Manitoba Mining Review is distributed to association members, all pertinent government officials and to all companies with an interest in Manitoba mining.



Used Oil & Antifreeze Recycling:
NORTHERN OPPORTUNITIES!
 The Manitoba Association for Resource Recovery Corp. (MARRC) manages the Used Oil & Antifreeze Recycling Programs. We are very much interested in assisting communities in the north with recycling their used oil, filters, containers as well as antifreeze and its containers.
 Please contact us at 1-888-410-1440 for more information or visit our website at www.usedoilrecycling.com

MARRC Participated with the Northern Association of Community Councils (NACC)

Their 48th Annual tradeshow was held at the CanadInns Polo Park Hotel in Winnipeg on August 15th. The NACC represents the interests of 52 northern and remote communities under the jurisdiction of aboriginal leaders and northern affairs. Over 200 delegates from the northern communities federal and provincial affiliates, private sector and non-profit organizations attended.



Bursaries awarded for a Fifteenth year

Bursaries were awarded to students (2 x \$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon, the University of Winnipeg and Red River Community College.

EcoCentre / Collection Depot licensed network

MARRC provides support for **94** of the 102 provincially Licensed EcoCentres and exceeds the minimum network objective established by the province's multi stakeholder Used Oil Management Committee in 1996. The network includes the northern locations of Churchill, St. Theresa Point, The Pas, Flin Flon and Thompson, plus Cranberry Portage, Grand Rapids, Bloodvein & Hollow Water.

City of Winnipeg

There are also **18** locations in Winnipeg, 6 of which are Canadian Tire, 5 are Great Canadian Oil Change and 3 City of Winnipeg One-Stop-Shops now at the Brady Road Landfill, 1120 Pacific Avenue as well as 429 Panet Road at Mission.

Training and audits promote safety and compliance

MARRC as part of its contractual arrangements with owners/operators of licensed collection facilities, provides initial and recurrent on-site training for management and staff. The training and follow-up audits are designed to promote a safe operation and compliance with each facility's operating license issued by Manitoba Conservation. During 2018, inspections were conducted at all of the licensed EcoCentres and collection depots in the Province of Manitoba.

Manitoba Association of Regional Recyclers (MARR) Forum November 8

MARRC presented at 2 breakout sessions on Waste Management Action at the MARR Forum held on November 8 in Winnipeg. A MARRC booth was also in place. There were 172 delegates that included Mayors, Reeves and Councillors from Municipalities all across Manitoba that were in attendance.



Highlights of 2018

Local Initiatives



Mr. Oil Drop participated with grades 2 & 3 students for Earth Day in the *Town of Pilot Mound*.



City of Steinbach's Annual Used Oil EcoDay – June 13
 119 Customers delivered 4,450 litres of used oil.
 Customers received 1 litre of new oil free for every 5 litres of used oil delivered (max 5 litres per person).

Oil Recycling Day!!
 Saturday, July 21, 2018
 9 am to 4 pm

For every 5L of used oil brought to the Poplarfield Disposal Site (Site located @ 16.5 km west from Pilot Mound), You will receive **1L of NEW OIL FREE!!!** (Limit of 2- 1L per customer)

**Customer must be a resident to use a free litre of 15W-40 oil!
 (There will be limit of 5 litres of oil per customer)
 Motor oil, antifreeze, oil, motor oil, gear oil, hydraulic oil, transmission, paint oil, etc. are NOT an exception.

Customers received 1 litre of new oil free for every 5 litres of used oil (max 2 litres per person)

Advertising took place in the North of 68 Paper plus the RM of Fisher Newsletter which circulated to all residents

RM of Fisher Oil Recycling Day on July 21 for all used oil products.

Community Recycling Event

SEPTEMBER 18th
 10 AM to 2 PM
 OLD SCHOOL PUBLIC WORKS YARD

Come on out on Tuesday, September 18th and recycle everything you can! We will be set up with participating recycling partners

WE WILL BE ACCEPTING:

— PAINT — AEROSOL CANS — FLAMMABLE MATERIALS — FLUORESCENT LIGHTS (excluding CFL bulbs) — TOXIC MATERIALS — USED OIL, ANTIFREEZE, FILTERS & CONTAINERS — ELECTRICAL WASTE — REFRIGERATORS — CRYSTALLINE SOLIDS — CEMENTS — TESTING EQUIPMENT (both hand and auto) — WRITING INSTRUMENTS (pens, mechanical pencils, markers, highlighters) — EYE GLASSES, PRESCRIPTION SUNGLASSES, READERS — BATTERIES (any and all) — FUSES (must be in their case) — PLASTIC BAGS (including shopping bags, garbage bags, package wrapping, bubble wrap, all must be clean) —



RM of Ethelbert's EcoDay on September 18 for all hazardous waste.



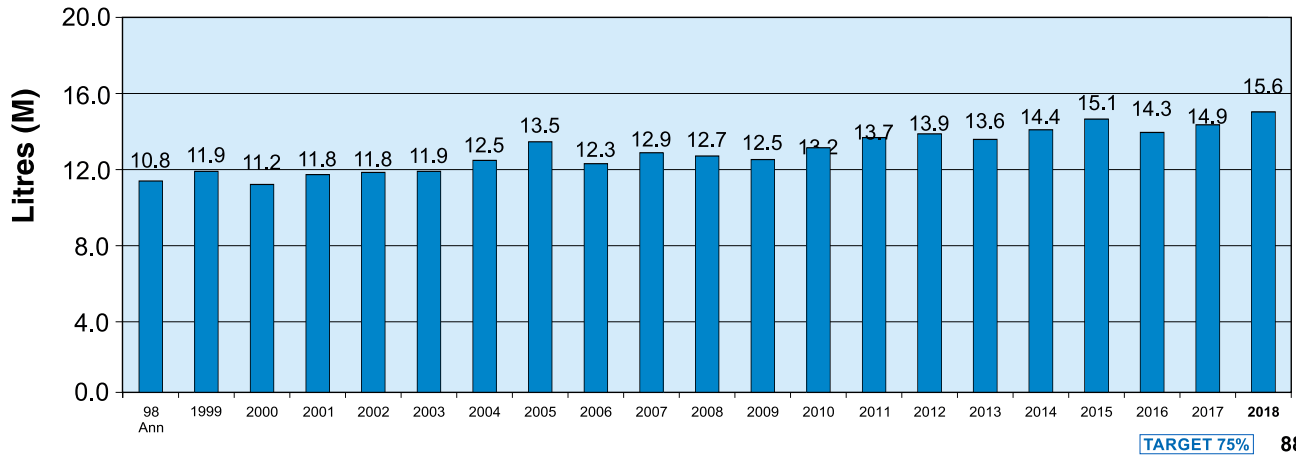
The *City of Dauphin*, EcoOil Recycling held an EcoDay on June 16

CKDM Radio in Dauphin advertised for 2 weeks and was present with their radio remote at the event. Over 100 people participated and delivered 1,800 litres of used oil that day. Free food and drinks were distributed to all who attended and a grand prize of a \$3,000, 65" Smart Screen TV was awarded as well.

Collection Activity by Product 2018

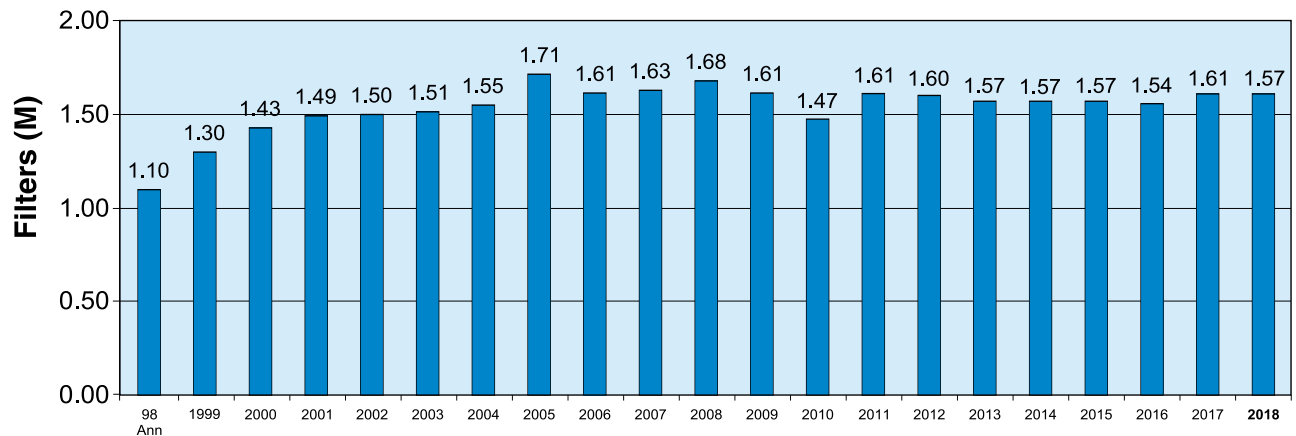
Oil

Litres Sold 27.2 M Litres
 Less Lost in Service 35% -9.5
 Net Recoverable 17.7 M Litres



Filters

Filters sold 2.28
 Filters recoverable 2.28
 11,629 drums x 135 filters per drum = 1.57 M filters collected

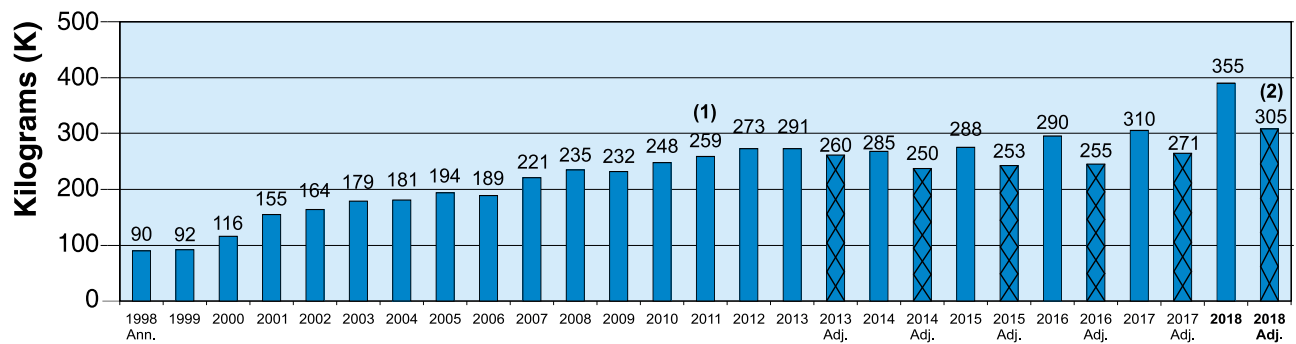


* Historical pick-up volumes from Generators in January are very limited following the year-end push in December. Also, our policy is that weigh scale ticket dates determine the cut-off between December and January. Following year end there was \$185,000 of Collector claims that would normally have been completed before year end but were pushed back to January due to year-end plant closures. Upon extrapolating, the volume of filters collected would have resulted in a collection rate of 73%.

TARGET 75% * 69%

Containers under 50 litres capacity

Units Sold in Litres 10,431 K Litres
 Converted to Kgs ÷ 16.86
 Net Recoverable 618.7 K Kgs



(1) Impacted by Fire at Xpotential October 2, 2011

(2) Total K Kgs excluding Antifreeze Containers

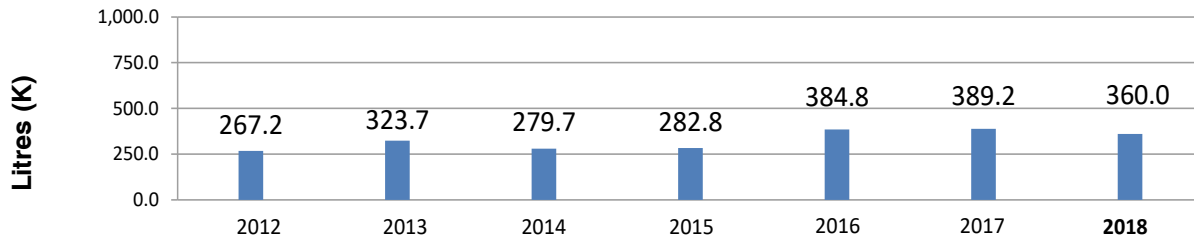
49%
 Plus re-use estimate 20%
 = 69%

Collection Activity by Product 2018

Antifreeze

Fluid

| | | |
|------------------------|--------------|-------------------------|
| Litres Sold - | Concentrate | 1,273.9 x 2 = 2,547.8 |
| | Pre-Mix | <u>+2,101.4</u> |
| | TOTAL | 4,649.2 |
| Less Lost in Service | 55% | <u>-2,557.0</u> |
| Net Recoverable | | 2,092.2 K Litres |



17%

Antifreeze Fluid Recovery Review

The Antifreeze Recovery Rate in the Province and indeed throughout Canada has been relatively low while sales of Antifreeze fluid have been stable as confirmed in the EHC numbers. This brings up the question, where is the used product going? MARRC developed and conducted through a website a detailed Survey that concluded in 10 days with 1251 respondents

The results indicate that top-ups and burst hoses, which are non recoverable (i.e. Lost in Service), are responsible for 86% of generator antifreeze purchases which will result in a Lost in Service number in the range of 80% rather than 55% leading to a recovery of approximately **60%**.

The results are as follows:

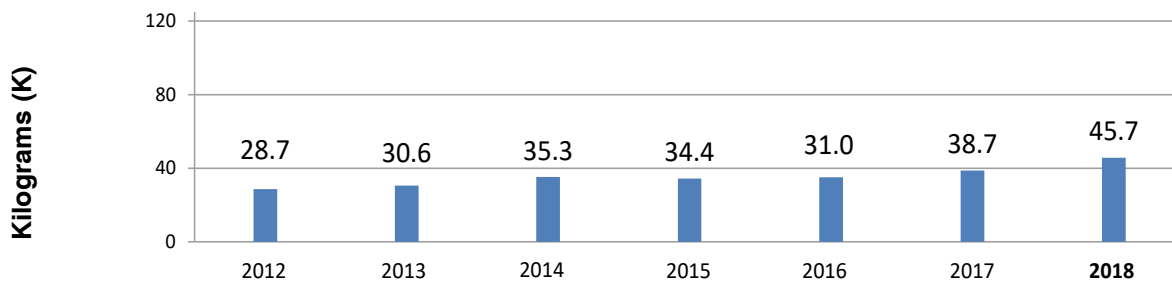
| | | |
|---------------------|-------------|-------------|
| Top-up | 920 | 82% |
| Burst Hose | 44 | 4% |
| Other | 45 | 4% |
| <u>Engine Flush</u> | <u>111</u> | <u>10%</u> |
| TOTAL | 1120 | 100% |

| | | | |
|--------------|-------------|---------------------|-------------|
| Wpg. | 706 | Total Respondents | 1251 |
| Rural | <u>414</u> | Less Non-Purchasers | <u>-131</u> |
| Total | 1120 | | 1120 |

Details covering an extensive Antifreeze National Study currently underway are included on page 15.

AF Containers

| | | |
|------------------------|--|-------------------|
| Units Sold in Litres | | 2,086.7 K Litres |
| Converted to Kgs | | <u>÷ 22.37</u> |
| Net Recoverable | | 93.3 K Kgs |

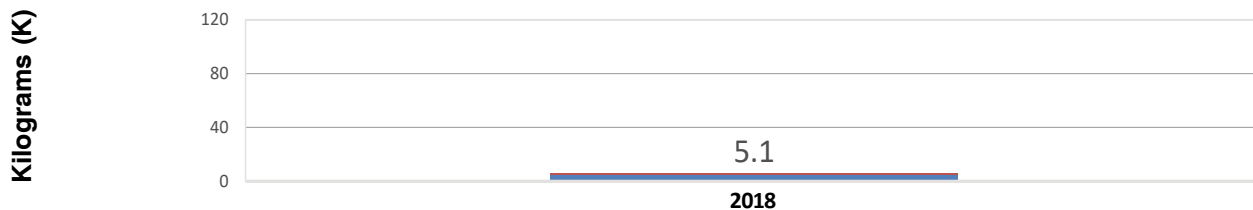


49%

DEF Containers

Effective November 5

| | | |
|------------------------|--|-------------------|
| Units Sold in Litres | | 241.9 K Litres |
| Converted to Kgs | | <u>÷ 23.34</u> |
| Net Recoverable | | 10.4 K Kgs |



49%

Antifreeze recovery rates in the Province and indeed throughout Canada have been relatively low while sales of Antifreeze fluid have been stable as confirmed in the EHC numbers. This brings up the question, where is the used product going?

The Used Oil Management Programs across Canada initiated a detailed Antifreeze Recoverable Rate Study by using Chamard Environmental Strategies to determine how much antifreeze is actually “lost in service”. (See Sector Approach below)

Methodology recap

Garages and bodyshops

1. List of antifreeze generators
2. Cold calls for 5-10 minutes interview
3. Collect data on annual quantities
 1. Bought
 2. Recovered
4. Calculate % of unrecoverable antifreeze

Recyclers

1. Liste of recyclers
2. Cold calls for 5-10 minutes interviews
3. Collect data on average quantity recovered per vehicle

3 Main Sectors for More Precision



AUTOMOTIVE SECTOR



ROAD TRANSPORTATION SECTOR



OTHER SECTORS (MINING SITES, LOGGING CAMPS, AGRICULTURE, CONSTRUCTION)

Subsectors – Automotive and Road Transport

Mechanical Garages

Body Shops

Vehicle recyclers

Subsectors – Other Sectors


Mining sites

Logging camps

Farms

Other

Work Tools



- UOMA Members lists
- Green Garages lists (Québec)
- Excel CRM system
- Survey Monkey

Difficulties and solutions

- Multi sectorial body shops and vehicle recyclers
- Very few specialized recyclers
- Lack of precision of the collection dates for some respondents
- Lack of precision of annual quantities bought
- Turnover rate of call agents
- Participation rate

Adjustments and improvements



Precision / clarity of the questions



Quality of the targeted respondents



Hiring of experienced call agents



Difference between collected Qty and claimed Qty

What's next?

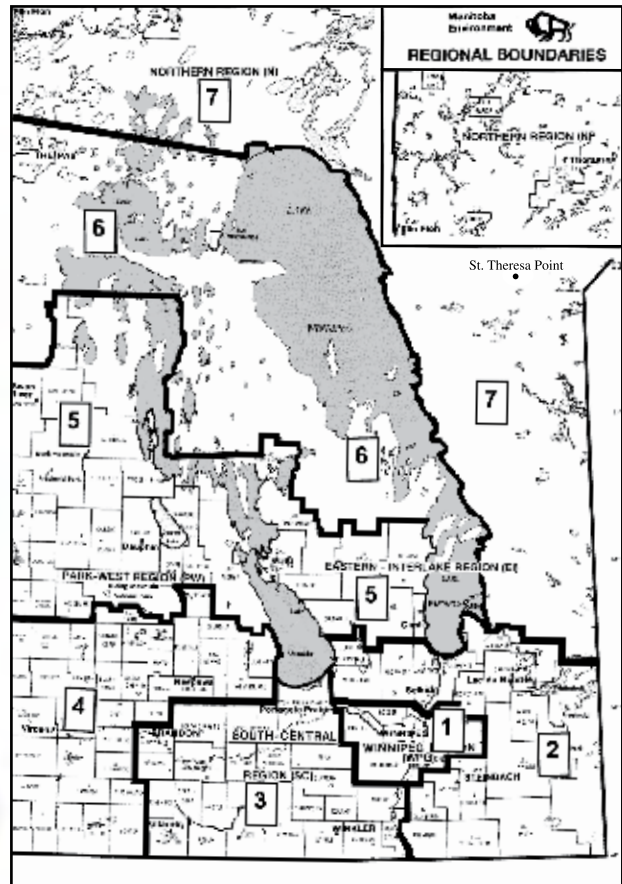
- Complete surveys
- Collect complementary data
- Run a pre-analysis
- Expand number of surveys if required
- Run a complete analysis by province and overall
- Report

MARRC Collection Activity by Zone

Used Oil & Antifreeze Products for Collection



Collection Zones



Collection Percentages by Zone

| Zone ▶ | 1 | | 2 | | 3 | | 4 | | 5 | | 6 | | 7 | |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | '18 | '17 | '18 | '17 | '18 | '17 | '18 | '17 | '18 | '17 | '18 | '17 | '18 | '17 |
| Oil | 65 | 60 | 6 | 8 | 14 | 15 | 4 | 5 | 6 | 5 | 1 | 1 | 4 | 6 |
| Filters | 47 | 47 | 12 | 11 | 20 | 21 | 8 | 9 | 7 | 7 | 1 | 1 | 5 | 4 |
| Containers | 35 | 38 | 12 | 11 | 17 | 15 | 9 | 11 | 14 | 12 | 2 | 1 | 11 | 12 |
| Antifreeze Fluid | 61 | 64 | 8 | 9 | 17 | 15 | 5 | 3 | 5 | 5 | 1 | 1 | 3 | 3 |

%



Manitoba's Licensed Used Oil & Antifreeze Depots





EcoCentres - Reflecting Amalgamations in 2015

| | Location | Owner/Operator |
|----|--------------------|--|
| 1 | Steinbach | City of Steinbach |
| 2 | Carman | Town of Carman |
| 3 | Melita | S K L Enterprises Ltd. |
| 4 | Altona | Town of Altona / Municipality of Rhineland |
| 5 | Neepawa | Town of Neepawa |
| 6 | Selkirk | City of Selkirk |
| 7 | Russell | Municipality of Russell-Binscarth / Riding Mountain West |
| 8 | Glenboro | Municipality of Glenboro South Cypress |
| 9 | Minto | Municipality of Grassland |
| 10 | Pilot Mound | Louise Integrated Waste Management |
| 11 | Baldur | RM of Argyle |
| 12 | Swan River | Town of Swan River |
| 13 | Hamiota | Hamiota Municipality |
| 14 | Inwood | RM of Armstrong |
| 15 | Chatfield | RM of Armstrong |
| 16 | Meleb | RM of Armstrong |
| 17 | Virden | RM of Wallace-Woodworth |
| 18 | Arborg | BAR Waste Authority Co-op Inc. |
| 19 | Gladstone | Municipality of Westlake-Gladstone |
| 20 | Rosburn | Rosburn Municipality |
| 21 | Portage la Prairie | Portage & District Recycling Inc. |
| 22 | Teulon | Town of Teulon & RM of Rockwood |
| 23 | Brandon | City of Brandon |
| 24 | Earl Grey | RM of St. Andrews |
| 25 | Langruth | Municipality of Westlake-Gladstone |
| 26 | Elm Creek | RM of Grey |

| | Location | Owner/Operator |
|----|---------------|--|
| 27 | The Pas | Town of The Pas |
| 28 | Winkler | City of Winkler |
| 29 | Morris | Town of Morris |
| 30 | St. Georges | RM of Alexander Town of Powerview-Pinefalls |
| 31 | Traverse Bay | RM of Alexander & RM of Victoria Beach |
| 32 | Clandeboye | RM of St. Andrews |
| 33 | Dauphin | EcoOil Recycling Centre |
| 34 | Lac du Bonnet | RM of Lac du Bonnet |
| 35 | Waskada | Municipality of Brenda-Waskada |
| 36 | Carberry | RM of North Cypress-Langford |
| 37 | Thompson | Thompson Recycling Centre |
| 38 | St. Laurent | RM of St. Laurent |
| 39 | Erickson | Municipality of Clanwilliam-Erickson |
| 40 | Eriksdale | C.E.W.D.G. Board |
| 41 | Flin Flon | City of Flin Flon |
| 42 | Dunrea | RM of Prairie Lakes |
| 43 | MacGregor | Municipality of North Norfolk |
| 44 | Roblin | Municipality of Hillsburg-Roblin-Shell River |
| 45 | Onanole | Municipality of Harrison Park |
| 46 | Whitemouth | Whitemouth-Reynolds-North Whiteshell |
| 47 | Gimli | RM of Gimli |
| 48 | Arnes | RM of Gimli |
| 49 | St. Lazare | RM of Ellice-Archie |
| 50 | St. Pierre | RM of De Salaberry |
| 51 | Lorette | RM of Taché |
| 52 | Souris | Municipality of Souris-Glenwood |
| 53 | Birtle | Municipality of Prairie View |

Other Licensed Collection Facilities

| | | |
|----|------------|---|
| 1 | Winnipeg | A-1 Environmental Services, 1447 Dugald Rd. |
| 2 | Winnipeg | GFL Green For Life 1090 Kenaston Blvd. |
| 3 | Winnipeg | Frank Motors 575 Notre Dame Ave. |
| 4 | Winnipeg | EK Import Auto Service Ltd., 1043 Springfield Rd. |
| 5 | Winnipeg | Canadian Tire Grant Park 1080 Grant Ave. |
| 6 | Winnipeg | Canadian Tire East Kildonan 1519 Regent Ave. |
| 7 | Winnipeg | Canadian Tire Polo Park 750 St. James St. |
| 8 | Winnipeg | Canadian Tire Fort Garry McGillivray & Kenaston |
| 9 | Winnipeg | Canadian Tire St. Boniface Fermor & Beaverhill |
| 10 | Winnipeg | Canadian Tire Unicity 3615 Portage Ave. |
| 11 | Winnipeg | Great Canadian Oil Change, 1109 St. Mary's Road |
| 12 | Winnipeg | Great Canadian Oil Change, 2407 Pembina Hwy. |
| 13 | Winnipeg | Great Canadian Oil Change, 3226 Portage Ave. |
| 14 | Winnipeg | Great Canadian Oil Change, 622 Archibald St. |
| 15 | Winnipeg | Great Canadian Oil Change, 2470 Main Street |
| 16 | Winnipeg | 4R, Brady Road Landfill |
| 17 | Winnipeg | 4R, 1120 Pacific Avenue |
| 18 | Winnipeg | 4R, 429 Panet Road |
| 19 | Headingley | Recycle West 6 Sabrina Way |
| 20 | Stonewall | RM of Rockwood |
| 21 | Notre Dame | Jean Farms Ltd. |
| 22 | Morden | Penner Waste Inc., 160 Grant Ave. |

| | | |
|----|--------------------|--|
| 23 | Hartney | Southwest Recycling |
| 24 | Grand Rapids | ET Development Ltd. |
| 25 | Killarney | Town of Killarney |
| 26 | Dunnottar | Village of Dunnottar |
| 27 | Cranberry Portage | LUD of Cranberry Portage |
| 28 | Rorketon | RM of Lakeshore |
| 29 | Vita | RM of Stuartburn |
| 30 | Deloraine | Municipality of Deloraine-Winchester |
| 31 | Fisher Branch | RM of Fisher |
| 32 | Moosehorn | RM of Grahamdale |
| 33 | Ashern | Municipality of West Interlake |
| 34 | Beausejour | Beausejour Tire |
| 35 | Hillside | RM of Springfield |
| 36 | Oakwood | RM of Springfield |
| 37 | Steinbach | Great Canadian Oil Change, 41 Hwy 12 North |
| 38 | Winkler | Great Canadian Oil Change, 611 Main Street |
| 39 | Portage la Prairie | Great Canadian Oil Change, 1040 Saskatchewan Ave W |
| 40 | Brandon | Great Canadian Oil Change, 827 18th St |
| 41 | Monominto | RM of Taché |
| 42 | Shoal Lake | RM of Yellowhead |
| 43 | Minnedosa | Evergreen Environmental Technologies |
| 44 | Plumas | Municipality of Westlake-Gladstone |
| 45 | Westbourne | Municipality of Westlake-Gladstone |

Northern Remote Communities

| | | |
|---|-------------------|--------------------------------|
| 1 | St. Theresa Point | St. Theresa Point First Nation |
| 2 | Churchill | The Town of Churchill |

| | | |
|---|--------------|--|
| 3 | Hollow Water | Manitoba Aboriginal and Northern Affairs |
| 4 | Bloodvein | Bloodvein First Nation |

Highlights of 2018

Northern Remote Communities



Ron Benson, Executive Director of MARRC with Solomon Mason, Project Manager with St. Theresa Point standing in front of the used oil burner installed at the Fire Station.

Used Oil Burner at St. Theresa Point



Churchill Used Oil Burner



Used Oil Tanks at Bloodvein

Island Lake Working Group of Communities



Approvals granted for:

- St. Theresa Point
- Wasagamack
- Garden Hill

Along with

- Bloodvein
- Churchill

Highlights 2018

City of Winnipeg Collection Depot Network Expanding



5 Great Canadian Oil Change locations now accepting used oil and antifreeze products in Winnipeg and 4 more throughout Manitoba!

RECYCLE Your Used Oil & Antifreeze products only here



6 Canadian Tire Locations accepting used oil and antifreeze products in Winnipeg!

City of Winnipeg opens 3 new One-Stop-Shop Collection Centres!



Brady Road Landfill



1120 Pacific Ave.



429 Panet Raod

Winnipeg's 18 Licensed Used Oil Depots

- Unicity - 3615 Portage Avenue
- St. Boniface - Fermor & Beaverhill
- Grant Park - 1080 Grant Avenue
- Transcona - 1519 Regent Avenue
- Fort Garry - McGillivray & Kenaston
- Polo Park - 750 St. James Street
- 2407 Pembina Hwy
- 1109 St. Mary's Road
- 622 Archibald Street
- 3226 Portage Avenue
- 2470 Main Street
- Brady Road Landfill
- 1120 Pacific Avenue
- 429 Panet Road
- Green for Life - 1090 Kenaston Blvd.
- A-1 Environmental - 1447 Dugald Road
- Frank Motors - 575 Notre Dame Ave.
- EK Import Auto Service - 1043 Springfield Rd.

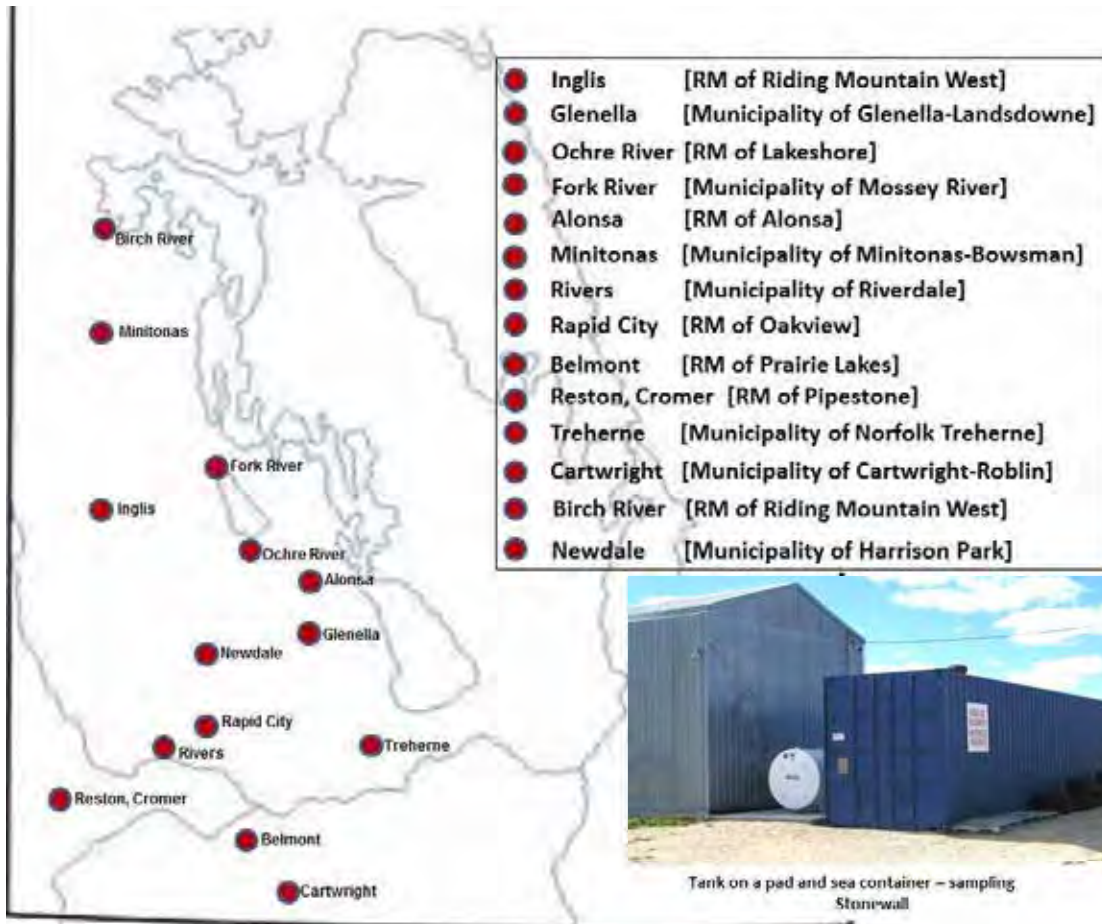
1-888-410-1440 | www.usedoilrecycling.com
Manitoba's Used Oil & Antifreeze Recycling Program

Highlights of 2018

Waste Management Example of Clean-up activities of Used Oil & Antifreeze and other products



*Further to the Licensed EcoCentre locations shown with the map on page 17,
MARRC will be working with the following
communities to assist them with appropriate compliance.*



Tank on a pad and sea container – sampling
Stonewall

MARRC's

“Consultation Process”

Included in the consultation process are the following:

- Members
- Collectors
- Processors
- EcoCentres
- The Public
- The Governments

In particular, with the Members, 5 Newsletters were distributed through NUOMAAC, the National Used Oil Material and Antifreeze Advisory Council.

Volume 1 Issue 3

In keeping with the objective of harmonizing the programs throughout Canada, a National Survey was circulated to the entire Member complement across Canada to determine the Members' satisfaction with the current Used Oil Management Association (UOMA) Program.

Volume 1 Issue 4

UOMA Members of Canada's Used Oil Management Recycling Programs have spoken.

Most stewards are satisfied (or very satisfied) with their experiences with the UOMA Program. Members' comments also strongly encouraged improved national planning and cooperation amongst the UOMAs including:

- A “One-Window” approach to EHC remittances;
- Further harmonization on communications; and
- Much further national harmonization as possible for programs, product lists and definitions, EHCs and EHC compliance auditing

In response, the National Used Oil Material and Antifreeze Advisory Council (NUOMAAC) is:

- Beginning work immediately to develop a “**One-Window**” approach for EHC remittances.

Since that time and to ensure we meet Member needs, we have directly engaged our Members to be as responsive and inclusive as possible as we move forward with this project. A focus group was established to provide valuable input.

A market scan was performed and with that we moved forward with a product design that would meet the requirements identified by the focus group.

In spring 2019 the focus group will be invited to participate in a demonstration of the One Window system.

Strategic Planning Session (SPS) Aug 21-23

MARRC hosted the combined Strategic Planning Session (SPS) of BCUOMA, AUOMA, SARRC, SOGHU & Ontario Directors and Staff. The session focused on addressing key strategic issues and team building. Below are pictures of the SPS, City of Winnipeg 4R site tour at 429 Panet Road.



Minister of Sustainable Development, Rochelle Squires participated at the SPS along with Ron Benson of MARRC, Dennis Neufeld of EPRA, & Randy Webber of Product Care

Members of MARRC

49 North Lubricants Ltd.
6195785 Manitoba Ltd.
6232389 Manitoba Ltd.
A & I Products Canada Inc.
ABB Inc.
ADP Distributors Inc.
AGCO Corporation
AMSOIL Inc.
ATP-Inc.
Acklands-Grainger Inc.
Agricity Crop & Nutrition Ltd.
Air BP Canada Ltd.
Airparts Network Ltd.
Altrom Auto Group Ltd.
Applied Industrial Technologies Lp
Arctic Cat Sales Inc.
Atlas Copco Compressors Canada
Aviall Canada Ltd.
BASF Canada Inc.
BMW Canada Inc.
BOSS Lubricants
BP Lubricants USA Inc.
Baldwin Filters, Inc.
Beck/Arnley Worldparts, Inc.
BestBuy Distributors Limited
Blue Streak - Hygrade Motor Products
Blue Water West Limited
Bombardier Recreational Products Inc.
Bosch Rexroth Canada Corp.
Brandt Tractor Ltd.
Buhler Versatile Inc.
CG Power Systems Canada Inc.
CNH Canada Ltd.
CORE-MARK International Inc.
CPT Canada Power Technology Limited
CanAgro Exports Inc.
Canada Safeway Limited
Canadian Kawasaki Motors Inc.
Canadian Pacific Railway
Canadian Tire Corporation, Limited
Canadian Tire Petroleum
Castrol Industrial North America Inc.
Cervus Equipment Corporation
Chalifour Canada
Champion Laboratories, Inc.
Chevron Canada Limited
Churchill Marine Tank Farm Co.
Cleanair Filter Service
Comairco Ltd.
Costco Wholesale Canada Ltd.
Cummins Western Canada
D.A.S. Distributors Inc.
Daimler Trucks Canada Ltd.
Davanac Inc.
Echo Power Equipment (Canada)
Eni USA R&M Co. Inc.
Eskimo Point Lumber
FCA Canada Inc.
FRAM Group Canada Inc.
Fastenal Canada Ltd.
Federated Co-operatives Limited
Ford Motor Company of Canada Ltd.
Fort Garry Industries Ltd.
Fuchs Lubricants Canada Ltd.
Full-Bore Marketing Ltd.
G.F. Thompson Company Limited
G.K. Industries Ltd.
GEA Westfalia Surge Inc.

GFL Environmental Corp.
Gamma Sales Inc.
Gates Canada Inc.
General Motors of Canada Limited
Greenland Corporation
Harley-Davidson Canada L.P.
Hastings Filters
Henkel Canada Corporation
Hino Motors Canada Ltd.
Home Depot of Canada Inc.
Home Hardware Stores Limited
Honda Canada Inc.
Husky Energy Inc.
Husqvarna Canada Corp.
Hyundai Auto Canada Corp.
ITW Permatex Canada
Imperial Oil Ltd.
Importations Thibault Ltée
Industrial Truck Service Ltd.
Irving Blending & Packaging
Isuzu Commercial Truck of Canada Inc.
Jaguar Land Rover Group Canada Inc.
John Deere Canada ULC
KLONDIKE Lubricants Corporation
KTM Canada Inc.
Kadex Aero Supply Ltd.
Kaeser Compressors Canada Inc.
Kia Canada Inc.
Kimpex Inc.
King-O-Matic Industries Limited
Kleen-Flo Tumbler Industries Limited
Kubota Canada Ltd.
LCT Lubricants Inc.
Larry Penner Enterprises Inc.
Laurentide Automotives Products Inc.
Loblaw Inc.
Lubricon Industries Canada Limited
Lucas Oil Products (Canada) Company
MANN & HUMMEL Filtration Technology Canada ULC
MFTA Canada Inc.
Macdon Industries Ltd.
Machinerie R. Gagnon Inc.
Mahle Aftermarket Inc.
Manitoba Hydro
Maryn international Ltd.
Maxim Transportation Services Inc.
Mazda Canada Inc.
Mercedes-Benz Canada Inc.
Mid-Canada Filtration Solutions
Midwest Sales
Miller Supply Ltd.
Mitsubishi Motor Sales of Canada, Inc.
Modern Sales Co-op
Mopac Auto Supply (Alberta) Ltd.
Mopac Auto Supply Ltd.
Motion Industries (Canada) Inc.
Motor Coach Industries Limited
Motosel Industrial Group Inc.
Motovan Corporation
NCH Canada Inc.
National Energy Equipment Inc.
Navistar Canada Inc.
NemCo Resources Ltd.
New Flyer Industries Ltd.
Nissan Canada Inc.
Noco Lubricants LP
Nynas Inc.
Oil Depot Limited

Oil Mart Limited
Orgill Canada Hardlines ULC
OBR Oil and Marine Inc.
PACCAR of Canada, Ltd. Parts Division
PSC-Power Source Canada Ltd.
Parker Hannifin Canada
Parkland Industries Ltd. (Bluewave Energy)
Partner Technologies Inc.
Parts Canada
PartsSource Inc.
Peavey Industries Limited
Petro-Canada Lubricants Inc.
Phillips 66 Canada Ltd.
Polaris Industries Inc.
Porsche Cars Canada Inc.
Prestone Canada
Prévost, a Division of Volvo Group Canada Inc.
RONA Inc.
Radiator Specialty Company of Canada Ltd.
Recochem Inc.
Revolution ORS LP (DBA Terrapure)
Robco Inc.
Robert Bosch Inc.
SC CLS Holding ULC
SMS Equipment Inc.
Safety-Kleen Canada Inc.
Sears Canada Inc.
7-11 Canada
Shell Canada Products Ltd.
Sherwin Williams Canada Inc.
Southwestern Petroleum Canada Ltd.
Spectrum Brands Canada Inc.
Stihl Limited
Subaru Canada Inc.
Suzuki Canada Inc.
TVH Canada Ltd.
Texas Refinery Corp. of Canada Limited
The North West Company Inc.
Toromont Industries Ltd.
Total Canada Inc.
Toyota Canada Inc.
Tranist Warehouse Distribution
TruServ Canada Inc.
UAP Inc.
United Chemical Services
United Farmers of Alberta Co-op Ltd.
Univar Canada Ltd.
Valvoline Canada Ltd.
Vermeer Canada Inc.
Viscosity Oil Company
Volkswagen Canada Inc.
Volvo Cars of Canada Corp.
Volvo Group Canada Inc.
Wainbee
Wajax Equipment
Wajax Industrial Components
Wakefield Canada Inc.
Wal-Mart Canada Corp.
Wallace & Carey Ltd.
Westcon Equipment & Rentals Ltd.
Western Turbo & Fuel Injection Ltd.
Westpower Equipment Ltd.
Worldpac Canada Inc.
Würth Canada Limited
Yamaha Motor Canada Ltd.
Yetman's Ltd.

Manitoba Association for Resource Recovery Corp.

Financial Statements
December 31, 2018



Independent auditor's report

To the Members of Manitoba Association for Resource Recovery Corp.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Association for Resource Recovery Corp. (the Organization) as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's financial statements comprise:

- the balance sheet as at December 31, 2018;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*PricewaterhouseCoopers LLP
One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T: +1 204 926 2400, F: +1 204 944 1020*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 15, 2019

Manitoba Association for Resource Recovery Corp.

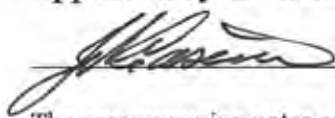
Balance Sheet

As at December 31, 2018

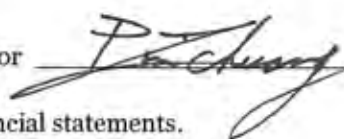
| | | | | | 2018 | 2017 |
|---|---|--|----------------------------------|--|-------------|-------------|
| | Used Lubricating Products Stewardship Program \$ | Antifreeze Stewardship Program \$ | Diesel Exhaust Fluid \$ | Invested in Capital Assets \$ | Total \$ | Total \$ |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 169,142 | 439,051 | 138 | - | 608,331 | 913,536 |
| Short-term investments (note 4) | 434,667 | - | - | - | 434,667 | 753,777 |
| Environmental handling charges receivable | 1,044,132 | 150,087 | 25,404 | - | 1,219,623 | 1,334,609 |
| Accrued interest receivable | 26,543 | - | - | - | 26,543 | 22,204 |
| Prepaid expenses and deposits | 905 | - | - | - | 905 | 905 |
| Due from Diesel Exhaust Fluid Program | 175 | - | - | - | - | - |
| Due from Antifreeze Stewardship Program | 187,452 | - | - | - | - | - |
| | 1,863,016 | 589,138 | 25,542 | - | 2,290,069 | 3,025,031 |
| Long-term investments (note 4) | 1,581,933 | - | - | - | 1,581,933 | 1,221,051 |
| Capital assets | | | | | | |
| Office furnishings, equipment and leasehold improvements | - | - | - | 48,682 | 48,682 | 44,875 |
| Less: Accumulated amortization | - | - | - | 42,683 | 42,683 | 40,890 |
| | - | - | - | 5,999 | 5,999 | 3,985 |
| | 3,444,949 | 589,138 | 25,542 | 5,999 | 3,878,001 | 4,250,067 |
| Liabilities and Net Assets | | | | | | |
| Current liabilities | | | | | | |
| Return and processing incentives payable | 467,403 | 45,232 | - | - | 512,635 | 497,759 |
| Accounts payable and accrued liabilities (note 6) | 267,847 | 9,280 | 1,210 | - | 278,337 | 340,135 |
| Due to Used Lubricating Products Stewardship Program | - | 187,452 | 175 | - | - | - |
| | 735,250 | 241,964 | 1,385 | - | 790,972 | 837,894 |
| Net Assets | | | | | | |
| Invested in capital assets | - | - | - | 5,999 | 5,999 | 3,985 |
| Unrestricted | 2,709,699 | 347,174 | 24,157 | - | 3,081,030 | 3,408,188 |
| | 2,709,699 | 347,174 | 24,157 | 5,999 | 3,087,029 | 3,412,173 |
| | 3,444,949 | 589,138 | 25,542 | 5,999 | 3,878,001 | 4,250,067 |

Commitments (note 7)

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Manitoba Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2018

| | | | | | 2018 | 2017 |
|---|---|--|----------------------------------|--|------------------|------------------|
| | Used Lubricating Products Stewardship Program \$ | Antifreeze Stewardship Program \$ | Diesel Exhaust Fluid \$ | Invested in Capital Assets \$ | Total \$ | Total \$ |
| Revenue | | | | | | |
| Environmental handling charges | 3,905,395 | 506,747 | 24,194 | - | 4,436,336 | 4,444,520 |
| Membership fees | 400 | - | - | - | 400 | 1,200 |
| | <u>3,905,795</u> | <u>506,747</u> | <u>24,194</u> | <u>-</u> | <u>4,436,736</u> | <u>4,445,720</u> |
| Expenses | | | | | | |
| Return and processing incentives | 3,468,042 | 209,953 | - | - | 3,677,995 | 3,376,244 |
| EcoCentre support costs (note 8) | 245,372 | 81,790 | - | - | 327,162 | 338,533 |
| Wages, contract and benefits | 157,589 | 52,529 | - | - | 210,118 | 197,675 |
| Container freight and plastic processing costs | 140,491 | 46,830 | - | - | 187,321 | 173,349 |
| Ambassador program (note 9) | 93,075 | 62,050 | - | - | 155,125 | 125,279 |
| Professional fees | 83,659 | 10,788 | - | - | 94,447 | 73,878 |
| Public relations and promotion (note 10) | 32,573 | 21,715 | - | - | 54,288 | 66,347 |
| Rent | 39,387 | 5,079 | - | - | 44,466 | 52,352 |
| Office and administration | 19,422 | 2,505 | - | - | 21,927 | 30,578 |
| Green Manitoba agreement | (26,782) | (3,453) | - | - | (30,235) | 30,235 |
| Director fees and expenses | 13,607 | 1,755 | - | - | 15,362 | 18,809 |
| Antifreeze study | - | 12,404 | - | - | 12,404 | 17,466 |
| Compliance reviews | 14,814 | 3,704 | - | - | 18,518 | 17,009 |
| Travel and automobile | 8,241 | 1,063 | - | - | 9,304 | 13,574 |
| Telephone and fax | 6,836 | 882 | - | - | 7,718 | 7,806 |
| Bursaries | 886 | 114 | - | - | 1,000 | 6,500 |
| Meetings | 35,901 | 4,630 | - | - | 40,531 | 5,950 |
| Insurance | 5,151 | 664 | - | - | 5,815 | 5,759 |
| Amortization | - | - | - | 1,793 | 1,793 | 3,152 |
| Bank charges and interest | 882 | 414 | 37 | - | 1,333 | 1,317 |
| | <u>4,339,146</u> | <u>515,416</u> | <u>37</u> | <u>1,793</u> | <u>4,856,392</u> | <u>4,561,812</u> |
| Excess (deficiency) of revenue over expenses from operations | (433,351) | (8,669) | 24,157 | (1,793) | (419,656) | (116,092) |
| Investment income (note 5) | 87,735 | 6,777 | - | - | 94,512 | 61,020 |
| Excess (deficiency) of revenue over expenses | <u>(345,616)</u> | <u>(1,892)</u> | <u>24,157</u> | <u>(1,793)</u> | <u>(325,144)</u> | <u>(55,072)</u> |

The accompanying notes are an integral part of these financial statements.

Manitoba Association for Resource Recovery Corp.

Statement of Changes in Net Assets

For the year ended December 31, 2018

| | | | | | 2018 | 2017 |
|---|---|--|----------------------------------|--|------------------|------------------|
| | Used Lubricating Products Stewardship Program \$ | Antifreeze Stewardship Program \$ | Diesel Exhaust Fluid \$ | Invested in Capital Assets \$ | Total \$ | Total \$ |
| Balance - Beginning of year | 3,059,122 | 349,066 | - | 3,985 | 3,412,173 | 3,467,215 |
| Excess (deficiency) of revenue over expenses | (345,616) | (1,892) | 24,157 | (1,793) | (325,144) | (55,042) |
| Purchases of capital assets | (3,807) | - | - | 3,807 | - | - |
| Balance - End of year | 2,709,699 | 347,174 | 24,157 | 5,999 | 3,087,029 | 3,412,173 |

The accompanying notes are an integral part of these financial statements.

Manitoba Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2018

| | | | | | 2018 | 2017 |
|---|---|--|----------------------------------|--|-------------|-------------|
| | Used Lubricating Products Stewardship Program \$ | Antifreeze Stewardship Program \$ | Diesel Exhaust Fluid \$ | Invested in Capital Assets \$ | Total \$ | Total \$ |
| Cash and cash equivalents provided by (used in) | | | | | | |
| Operating activities | | | | | | |
| Excess (deficiency) of revenue over expenses | (345,616) | (1,892) | 24,157 | (1,793) | (325,144) | (55,042) |
| Items not affecting cash | | | | | | |
| Amortization | - | - | - | 1,793 | 1,793 | 3,152 |
| Realized gain on sale of investments | - | - | - | - | - | (22,955) |
| | (345,616) | (1,892) | 24,157 | - | (323,351) | (74,845) |
| Changes in non-cash working capital items | 98,618 | (10,699) | (24,194) | - | 63,725 | (274,161) |
| Due to (from) programs | 216,410 | (216,585) | 175 | - | - | - |
| Interfund transfers | (3,807) | - | - | 3,807 | - | - |
| | (34,395) | (229,176) | 138 | 3,807 | (259,626) | (349,006) |
| Investing activities | | | | | | |
| Purchase of capital assets | - | - | - | (3,807) | (3,807) | (2,741) |
| Purchase of investments | (795,549) | - | - | - | (795,549) | (1,428,982) |
| Proceeds on redemption and sale of investments | 753,777 | - | - | - | 753,777 | 545,507 |
| | (41,772) | - | - | (3,807) | (45,579) | (886,216) |
| Increase (decrease) in cash and cash equivalents during the year | (76,167) | (229,176) | 138 | - | (305,205) | (1,235,222) |
| Cash and cash equivalents - Beginning of year | 245,309 | 668,227 | - | - | 913,536 | 2,148,758 |
| Cash and cash equivalents - End of year | 169,142 | 439,051 | 138 | - | 608,331 | 913,536 |

The accompanying notes are an integral part of these financial statements.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

1 Nature of operations

Manitoba Association for Resource Recovery Corp. (the Corporation) was formed by oil and oil filter first sellers in Manitoba to develop, implement and administer a used lubricating products stewardship program in the province and began operation on January 1, 1997. The Corporation was incorporated as a not-for-profit corporation without share capital under The Corporations Act of Manitoba on April 1, 1997. On February 26, 1998, the Corporation received approval to operate its Used Lubricating Products Stewardship Program from the Minister of Environment, Province of Manitoba. On May 1, 2011, the Corporation was also approved to operate its Antifreeze Stewardship Program by the Minister of Conservation, Province of Manitoba. The Antifreeze Stewardship Program began active operations on August 1, 2011. On April 25, 2018, the Corporation was also approved to operate its Other MARRC Designated Materials Program by the Minister of Sustainable Development, Province of Manitoba. The Other MARRC Designated Materials Program began active operations November 5, 2018 with the collection of an environmental handling charge on diesel exhaust fluids.

On July 26, 2018, the Corporation received approval to continue to operate the Used Lubricating Products Stewardship Program and the Antifreeze Stewardship Program from the Minister of Sustainable Development, Province of Manitoba until June 30, 2023.

As a not-for-profit corporation, no provision for corporate income taxes has been made in these financial statements pursuant to paragraph 149(1)(l) of the Income Tax Act.

2 Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3 Summary of significant accounting policies

Fund accounting

The accounts of the Corporation are maintained in accordance with the principles of fund accounting. Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Corporation.

For financial reporting purposes, the accounts have been classified into several funds. The activities carried out by each fund are as follows:

- Used Lubricating Products Stewardship Program - reports funds for the operations of the Used Lubricating Products Stewardship program.
- Antifreeze Stewardship Program - reports funds for the operations of the Antifreeze Stewardship Program.
- Diesel Exhaust Fluids Program - reports funds for the operations of the Diesel Exhaust Fluid Stewardship Program.

(1)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

- Invested in Capital Assets - reports the funds for the purchase and amortization of capital assets used in the operations of the Corporation.

Significant accounting policies are as follows:

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash and cash equivalents held at banking institutions.

Investments

Investments consist of guaranteed investment certificates (GICs). Investments that are intended to be held or that have maturity dates under a year are deemed to be short-term investments, with all others classified as long-term investments. Realized and unrealized gains and losses are included as investment income in the statement of operations. Purchases and sales are recognized using trade date accounting.

Capital assets

Capital assets are carried at acquisition cost less accumulated amortization. Amortization of office furnishings, equipment and leasehold improvements is calculated on a straight-line basis at an annual rate of 20% based on the estimated useful lives of these assets. One-half of the annual rates are charged in the year of acquisition.

Revenue recognition

The Corporation follows the deferral method of accounting for revenues. Revenue from environmental handling charges is recognized in the year for which suppliers and end-users assess it, as regulated by the Used Oil, Oil Filters and Containers Stewardship Regulation, and by the Household Hazardous Material and Prescribed Material Stewardship Regulation and by the Packaging and Printed Paper Stewardship Regulation all under The Waste Reduction and Prevention Act. The one-time membership fees are recorded as revenue when the participating companies join the Corporation.

Dividend and interest income from investments and cash equivalents is recognized when earned and is recorded as investment income in the statement of operations. Other income is recognized when earned.

Return and processing incentives

The return and processing incentives are recognized as an expense in the year to which the claim relates.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

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Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, investments, environmental handling charges receivable and accrued interest receivable.

Financial liabilities measured at amortized cost include return and processing incentives payable and accounts payable and accrued liabilities.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

4 Investments

| | Maturity date | Interest rate % | 2018 \$ | 2017 \$ |
|--------------------------------|-----------------|--------------------|------------------|------------------|
| Short-term investments | | | | |
| Crosstown Credit Union GIC | August 22, 2019 | 2.15 | 225,804 | - |
| Crosstown Credit Union GIC | July 4, 2019 | 1.35 | 100,000 | - |
| Crosstown Credit Union GIC | July 4, 2019 | 1.35 | 108,863 | - |
| Canadian Western Bank GIC | January 1, 2018 | 1.80 | - | 548,000 |
| TD Mortgage Corporation GIC | July 3, 2018 | 1.20 | - | 205,777 |
| | | | <u>434,667</u> | <u>753,777</u> |
| Long-term investments | | | | |
| Crosstown Credit Union GIC | August 22, 2019 | 2.15 | - | 221,051 |
| Crosstown Credit Union GIC | July 8, 2020 | 2.65 | 557,933 | - |
| Crosstown Credit Union GIC | August 22, 2021 | 2.40 | 1,024,000 | 1,000,000 |
| | | | <u>1,581,933</u> | <u>1,221,051</u> |
| | | | <u>2,016,600</u> | <u>1,974,828</u> |

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Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

5 Investment income

| | | | 2018 | 2017 |
|--|---|--|-------------|-------------|
| | Used Lubricating Products Stewardship Program \$ | Antifreeze Stewardship Program \$ | Total \$ | Total \$ |
| Interest and dividends | 87,735 | 6,777 | 94,512 | 38,065 |
| Realized gain on sale of investment | - | - | - | 22,955 |
| | 87,735 | 6,777 | 94,512 | 61,020 |

6 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$27,501 (2017 - \$48,154) is included within accounts payable and accrued liabilities.

7 Commitments

Operating lease

The annual minimum rental for leased premises under a lease to February 28, 2023 is as follows:

| | \$ |
|--------------------------------------|--------|
| Fiscal year ending December 31, 2019 | 44,460 |
| 2020 | 45,173 |
| 2021 | 45,315 |
| 2022 | 45,315 |
| 2023 | 7,553 |

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

EcoCentres

The Corporation has entered into automatic two-year renewal agreements with 81 EcoCentres and licensed collection facilities that were established to provide no-cost drop-off centres for used oil and antifreeze materials.

As part of its contractual agreement with each EcoCentre owner-operator, the Corporation is committed to provide annual operating support until July 31, 2019. The operating support payments for the EcoCentres currently in operation are estimated to be as follows:

| | |
|--------------------------------------|---------|
| | \$ |
| Fiscal year ending December 31, 2019 | 189,146 |

8 EcoCentre support costs

| | 2018 \$ | 2017 \$ |
|---|----------------|----------------|
| Operating and capital support | 310,274 | 303,556 |
| Remote Centres support | - | 4,000 |
| New signage | - | 865 |
| Operational audits, training and supplies | 16,888 | 30,112 |
| | <u>327,162</u> | <u>338,533</u> |

9 Ambassador program

| | 2018 \$ | 2017 \$ |
|---|----------------|----------------|
| Wages | 73,364 | 69,319 |
| Handouts, bookmarks, USB chargers and draw prizes | 43,610 | 19,600 |
| Transportation, meals and accommodation | 20,486 | 22,892 |
| Trade show fees, uniforms, supplies and insurance | 17,665 | 13,468 |
| | <u>155,125</u> | <u>125,279</u> |

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2018

10 Public relations and promotion

| | 2018 | 2017 |
|---|--------|--------|
| | \$ | \$ |
| Radio | 17,945 | 18,416 |
| Website | 3,889 | 10,245 |
| Marketing, advertising and promotional material (see below) | 7,255 | 6,630 |
| Northern region advertising | 2,840 | - |
| Collection Facility advertising | 12,000 | 10,000 |
| Television commercial production | 10,019 | 15,323 |
| Mascots | 340 | 5,733 |
| | <hr/> | <hr/> |
| | 54,288 | 66,347 |

11 Financial instruments

The Corporation manages risk and risk exposures by applying policies approved by the Board of Directors.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Corporation is exposed to credit risk through its environmental handling charges receivable. The risk is minimized due to the large registrant base.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to the changes in interest rates. The Corporation's exposure to interest rate risk pertains to interest-bearing, short-term and long-term investments, which are subject to future changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations associated with financial liabilities in full. A range of alternatives is available to the Corporation including cash flow provided by operations, debt or a combination thereof.

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*Manitoba Association
for Resource Recovery Corp.*

Board of Directors and Staff



Back Row:

Lutz Ehrentraut (Secretary-Treasurer), Keith Penner, Paul Linchuang
Ron Benson (Executive Director).

Front Row:

Aaron Strub (Administrative Services Manager), Richard Waller,
Manny Micklash, Joe Casciano (Chairman).

Board of Directors

Joe Casciano, Great Canadian Oil Change, 6232389 Manitoba Ltd.
Chairman

Lutz Ehrentraut, Representing the Public
Secretary-Treasurer

Richard Waller, Imperial Oil
Director

Paul Linchuang, Fram Group Canada Inc.
Director

Manny Micklash, Valvoline Canada Corp.
Director

Keith Penner, Representing the Public
Director

Legal Counsel

Fillmore Riley, Barristers & Solicitors

Auditors

PricewaterhouseCoopers LLP, Chartered Professional Accountants

Staff

Ron Benson – Executive Director
Aaron Strub – Administrative Services Manager

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Mr. Oil Drop



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