



Manitoba Association for Resource Recovery Corp.

MARRC 2008 ANNUAL REPORT

THE FINE ART OF MANITOBA'S WILDERNESS

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

Bloodvein River

Photo by Don Sullivan

Table of Contents

● Overview of MARRC	3
● Letter from Minister of Conservation, Manitoba	4
● Members of MARRC	5
● Highlights of 2008	6
● Collection Activity	12
● EcoCentre Network	14
● Financial Statements	16
● Board of Directors and Staff	28

Annual General Meeting

Tuesday, April 21, 2009
10:00 am

Delta Bessborough
601 Spadina Crescent East
Saskatoon, Saskatchewan
S7K 3G8



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.

MARRC received a letter of approval dated December 21, 2007 from the Minister of Conservation extending the Stewardship Plan term for an additional five years to December 14, 2012.

The Corporation derives revenue principally in the form of Environmental Handling Charges (EHCs) applied to the sale or consumption of selected lubricating 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 products,
- payment of Return Incentives to companies licensed by the province and registered with MARRC to collect used lubricating 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 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.



MINISTER OF CONSERVATION

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

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

DEC 21 2007

Dear Mr. Benson:

I am pleased to issue an Approval to the Manitoba Association for Resource Recovery Corp. (MARRC), for a used oil products and material stewardship program. Pursuant to 7(4) of the *Used Oil, Oil Filters and Containers Stewardship Regulation of The Waste Reduction and Prevention Act*, this approval expires on December 14, 2012.

This approval is issued under Section 6 of the *Used Oil, Oil Filters and Containers Stewardship Regulation of The Waste Reduction and Prevention Act* and is subject to MARRC meeting the following conditions:

1. That MARRC implement the Used Lubricating Products Stewardship Program substantially in accordance with its original Application for Approval dated July 11, 1997 as amended by its submission dated December 1997 and the Applications for Renewal dated June 2002 and August 2007 (the Stewardship Program Plan);
2. That MARRC provide my officials with regular updates as to the progress of MARRC's implementation of the Stewardship Program Plan;
3. That MARRC shall cooperate with my officials and provide such assistance as they may deem necessary so that my officials are able to prepare and provide me with a report no later than June 17, 2011, assessing whether MARRC has implemented the Stewardship Program Plan substantially in accordance with its intent and in accordance with the conditions of this approval for the period up to December 31, 2010;
4. That MARRC submit an application for renewal of this approval by no later than August 31, 2012, to ensure adequate time for public review;
5. That MARRC shall advise my officials about any proposed changes to the details of the plan, prior to making any changes to the Stewardship Program Plan so that my officials may consider whether the proposed changes are inconsistent with the conditions of this approval and in particular whether the proposed changes may impact on the continued effectiveness of the Stewardship Program Plan;
6. That retained earnings shown on the financial statements of MARRC (total revenues less total expenditures), as determined by an external auditor, do not at any time during the term of this approval exceed \$3,000,000;
7. That MARRC work with my officials to improve performance in the recovery of containers and maintaining and expanding the collection infrastructure;
8. That where I am not satisfied that MARRC is implementing the plan substantially in accordance with its intent, or where I have concluded, based on such other factors as I or my officials have determined to be relevant in the circumstances, that the plan or these terms of this approval should be amended, then amended conditions may be imposed as deemed appropriate.

Yours sincerely,

Stan Struthers
Minister

Members of MARRC

49 North Forwarding Ltd.
 AGCO Corporation
 AMSOIL Inc.
 ATP-Inc.
 Auto-Camping Ltd.
 Acklands-Grainger Inc.
 Advic Bearing and Auto Ltd.
 Affinia Canada Corporation
 Air BP Canada Ltd.
 Airparts Network Ltd.
 Altrom Canada Corp.
 American Agip Company Inc.
 Applied Industrial Technologies Ltd.
 BMW Canada Inc.
 BOSS Lubricants
 Barrett Marketing Group Ltd.
 Baldwin Filters Inc.
 Beck/Arnley Worldparts, Inc.
 BestBuy Distributors Ltd.
 Bombardier Recreational Products Inc.
 Bosch Rexroth Canada Corp.
 Brenntag Canada Inc.
 Buhler Versatile Inc.
 CNH Canada Ltd.
 COMAIRCO LTD.
 CORE-MARK International Inc.
 CPT Canada Power Technology Limited
 CanAgro Exports Inc.
 Canadian Pacific Railway
 Canada Safeway Limited
 Canadian Tire Corporation, Limited
 Canwell, Hardware Inc.
 Castrol Canada Inc.
 Castrol Industrial North America Inc.
 Champion Laboratories, Inc.
 Chevron Lubricants Canada Inc.
 Chrysler Canada Inc.
 Churchill Marine Tank Farm Co.
 Cleanair Filter Service
 Coneco Equipment - Div of KCL West Holdings Inc.
 Costco Wholesale Canada Ltd.
 Cummins Western Canada
 Daimler Trucks North America LLC
 F.L. Viscosity Oil Company
 Federated Co-operatives Limited
 Ford Motor Company of Canada Ltd.
 Fort Garry Industries Ltd.
 Fred Deeley Imports Ltd
 Fuchs Lubricants Canada Ltd.
 G.K. Industries Ltd.

Gates Canada Inc.
 General Motors of Canada Ltd.
 Greenland Corporation
 Hastings Filters
 Henkel Canada Corporation
 Home Hardware Stores Limited
 Honda Canada Inc.
 Honeywell ASCA Inc.
 Husky Energy Inc.
 Husqvarna Canada Corp.
 Hyundai Auto Canada Corp.
 Imperial Oil Ltd.
 Importations Thibault Ltée
 Industrial Truck Service Ltd.
 International Truck & Engine Corporation Canada
 Irving Oil Marketing Limited
 JKL Enterprises Inc.
 Jaguar Land Rover Canada
 Jimmy Diesel Parts Co.
 John Deere Limited
 Kia Canada Inc.
 Kinecor Inc.
 King-O-Matic Industries Limited
 Kleen-Flo Tumbler Industries Limited
 Kubota Canada Ltd.
 Land Rover Group Canada Inc.
 Lemky Rural Repair
 Lubricon Industries Canada Limited
 Magnum Oil Mb. Ltd.
 Manitoba Hydro
 Maxim Transportation Services Inc.
 Mazda Canada Inc.
 Mercedes-Benz Canada Inc.
 Mid-Canada Filtration Solutions
 Midwest Hydraulics Inc.
 Mining Technologies International Inc.
 Mr. Lube Canada Limited Partnership
 MFTA Canada Inc.
 Modern Sales Co-op
 Motion Industries (Canada) Inc.
 Motor Coach Industries Limited
 Motovan Corporation
 Navistar Canada Inc.
 NemCo Resources Ltd.
 New Flyer Industries Ltd.
 Newalta Corporation
 Nissan Canada Inc.
 Northern Industrial & Auto Ltd.
 Nynas Canada Inc.
 Oak Point Auto Distributors

Oil Depot Limited
 Oil Mart Ltd.
 Outboard Rebores/Aline Supply Inc.
 PACCAR Parts, A Division of Paccar of Canada, Ltd.
 PSC-Power Source Canada Ltd.
 Parker Hannifin Canada
 Parts Canada
 Pauwels Canada Inc.
 Pennzoil-Quaker State Canada Inc.
 Petro-Canada Lubricants
 Porsche Cars Canada Ltd.
 Precambrian Wholesale Limited
 Prévost Car Inc.
 Radiator Specialty Company of Canada Ltd.
 Robert Bosch Inc.
 SC CLS Holdings ULC
 Safety-Kleen Canada Inc.
 Sears Canada Inc.
 7-11 Canada
 Shell Canada Products
 Southwestern Petroleum Canada Ltd.
 Subaru Canada Inc.
 Suzuki Canada Inc.
 Tex Lubricants
 Texas Refinery Corp. of Canada Limited
 The North West Company Inc.
 Toromont Industries Ltd.
 Toyota Canada Inc.
 TruServ Canada Inc.
 UAP Inc.
 USI - AGI Prairies Inc.
 Valvoline Canada Ltd.
 Volkswagen Canada Inc.
 Volvo Cars of Canada Corp.
 Volvo Group Canada Inc.
 Wainbee
 Wajax Industries
 Wakefield Canada Inc.
 Wallace & Carey Ltd.
 Wal-Mart Canada Corp.
 Waterous Power Systems
 Westcon Equipment & Rentals Ltd.
 Western Turbo & Fuel Injection Ltd.
 Westfair Foods Ltd.
 Westfalia Surge Canada Co.
 Worldpac Canada Inc.
 Yamaha Motor Canada Ltd.
 Yetman's Ltd.
 Zellers / Hudson's Bay Co.

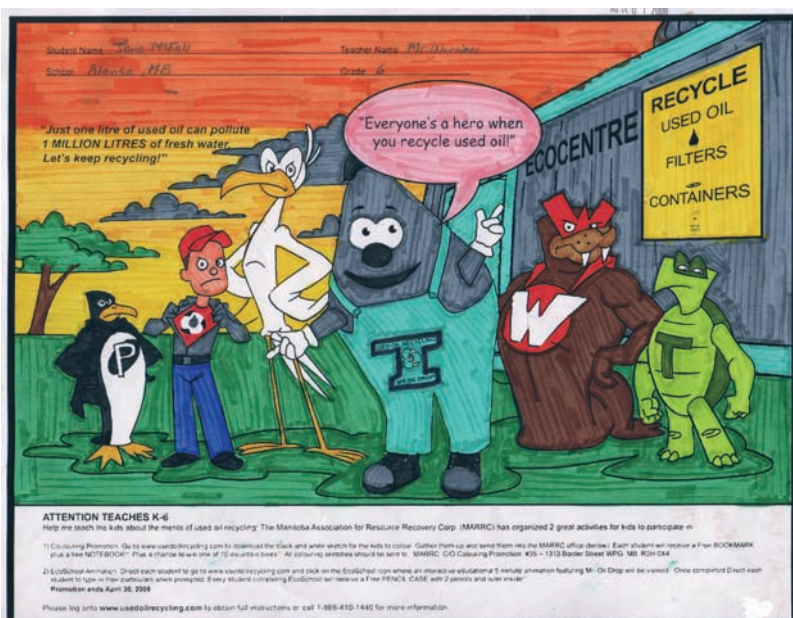
Highlights of 2008

Initiatives drive awareness and support.

Colouring Promotion Grades K-6

MARRC developed locally its fourth Colouring Promotion for school grades K-6 throughout Manitoba. The Department of Education assisted by distributing the "Attention Teachers" poster to those schools in Manitoba. A sample of the colouring poster is shown below. MARRC is very proud of the results. 5,736 students from 80 rural and 73 city schools participated. Students were also encouraged to participate in the EcoSchool animation on the website. They were rewarded with a Bookmark, a Mr. Oil Drop Pencil Case and a Used Oil Recycling Notebook.

Bookmarks



One of 5,736 Submissions
(Colouring by Students)

Teacher's Poster

Highlights of 2008

Coverage in the Winnipeg Free Press and posted on MARRC website

The Manitoba Association for Resource Recovery Corp. (MARRC)...

5,736 students entered the Used Oil Recycling Coloring Contest from a total of 153 schools (80 Rural, 73 Winnipeg). All students who participated received free bookmarks, pencil cases and notebooks. The 10 grand prize winners won mountain bikes courtesy of Canadian Tire. They were presented May 29, 2008, by the Assistant Deputy Minister of Conservation, Serge Scrafield, Joe Casciano of Canadian Tire and Ron Benson of the Manitoba Association for Resource Recovery Corp. (MARRC).

Colorful Recyclers Win Big Prizes!



The 10 winners in attendance were

(from left to right):

1. Thia Pink, Whyte Ridge School
2. Morgan Brandon, Waywayseecappo School
3. Kamele Fletcher, John de Graff School
4. Justyce Cox, Joseph Teres School
5. Mack Campbell, Forrest School
6. Austin Zlomanchuk, Westview School
7. Paige De Baets, Marie Anne Gaboury School
8. Nathan Wall, MacGregor School
9. Shayanne Klassen, West Park School in Altona
10. Jana McFall, Alonsa School

Ten mountain bikes courtesy of Canadian Tire were awarded from a draw and presented by Manitoba Conservation Assistant Deputy Minister, Serge Scrafield, at the Regent Avenue Canadian Tire store, May 29.



Notebooks



Pencil Cases

Promotional items awarded to all participants

Highlights of 2008

MARRC introduced a promotion for Grades 7 to 12 students.

You Could WIN an iPod!
for being creative with used oil recycling!

"C'MON YOU CAN DO IT! USED OIL RECYCLING!"

Attention Teachers 7-12!

Here's an exciting way to teach your students about the merits of used oil recycling while offering some great prizes. Give your students the opportunity to create a jingle or a creative message anywhere from 15-30 seconds long. It should communicate an idea on anything pertaining to used oil, oil filters and/or used oil container recycling. Go to www.usedoilrecycling.com, click Manitoba province then click on EcoSchool for ideas to get started. Winning students will receive a FREE IPOD. They will also be given radio studio production time to create a finished promo to be aired on no less than 10 different radio stations throughout Manitoba during the summertime! Groups of 3 or less are eligible. If a winning entry has a group of three people in it, each member of that group will receive an iPod, and can collaborate together for the studio production time.

Jingles/messages must be signed off by the teacher and can be emailed to marrc@mts.net or sent on a CD or USB memory stick to:

MARRC
C/O Jingle Promotion #35-1313 Border Street Wpg. MB. R3H 0X4.

All participants will receive a FREE \$20 gift certificate from Future Shop!

Promotion ends April 30, 2008. Please log onto www.usedoilrecycling.com to obtain full instructions or call 1-888-410-1440 for more information.

MARRC, in conjunction with their Partner for a Clean Environment, Future Shop, sponsored a promotion providing students in grades 7-12 the opportunity to help spread awareness of the need to recycle used oil products. The 48 students who participated received a \$20 gift certificate from MARRC and Future Shop. There were 4 Grand Prize winners of 16 Gig iPod Touches (shown below). These Grand Prize winners were allotted radio studio production time to create their polished commercial message which was aired on 9 Golden West radio stations throughout Southern Manitoba during the summer!



Many iPods to be won!

The Manitoba Association for Resource Recovery Corp. (MARRC)...

in conjunction with their Partner for a Clean Environment, Future Shop, sponsored a promotion giving students in grades 7-12 the opportunity to help spread awareness of the need to recycle used oil products. There were 48 students who participated. Each received a \$20 gift certificate from MARRC and Future Shop. There were 4 Grand Prize winners of 16 Gig iPod Touches. These Grand Prize winners will be given radio studio production time to create their finished message which will then be aired on Golden West radio stations throughout Southern Manitoba this summer!

Creative Recyclers Win Big Prizes!



In this picture are the following participants (left to right):

Mike Blower, General Manager Future Shop St. James, Spencer Yasui, Aidan Klassen, Sarah McKiddin, Michaela Choi, Sam Rohringer, Taylor Saydak, Sean Rohringer, Alyssa Blackey (Grand Prize winner), Alex Dawson, Katla Pacero (Grand Prize winner), Kate Thoroski (Grand Prize winner), Mr. Oil Drop, Zoe Leclair-Kennedy (Grand Prize winner), Ron Benson, Executive Director of Manitoba's Used Oil Recycling Program.

Coverage in the Winnipeg Free Press

Highlights of 2008

EcoSummer Promotion - Rural

MARRC developed its 5th Lucky Lotto Keychain promotion by partnering with Home Hardware. There was a specific "Call to Action"... *Recycle and you could WIN! Win great prizes like these just for dropping off your used oil products!* There was a 1 in 15 chance to Win (see flyer below). MARRC distributed posters to all Home Hardware locations and the 65 EcoCentres and licensed Rural collection facilities. A record 3,300 keychains were distributed (one per person) upon delivery of the used oil products.



1 IN 15 CHANCES OF WINNING GREAT PRIZES FROM MARRC AND Home hardware JUST FOR RECYCLING YOUR USED OIL PRODUCTS!

Prizes include: Palm Grip Sander, Microwave, Sirius Satellite Radio, Cordless Trimmer, Pressure Washer 1400 PSI.

RECYCLE Used Oil Filters Containers

RECYCLE AND YOU COULD WIN!

Promotion ends September 15, 2008

Recycle your used oil, filters and oil containers at any one of the 75 Licensed Used Oil Depots in Manitoba. One Entry per person. For more info call the Manitoba Association for Resource Recovery Corp. (MARRC) at 1-888-410-1440 or visit usedoilrecycling.com. One Entry per person per year. More than one entry voids ALL entries for that person.

Proud partners for a clean environment.

Rural

EcoSummer - City of Winnipeg

The Winnipeg network of 10 licensed collection depots including 6 Canadian Tire sites participated. Ballots were distributed in response to the receipt of used oil, filters and container products. MARRC secured thousands of dollars in prizes from its Partners for a Clean Environment.

YOU COULD WIN! THESE GREAT PRIZES JUST FOR RECYCLING YOUR USED OIL PRODUCTS. 1 IN 15 CHANCES OF WINNING!

Twelve x 4 seasonal oil changes from Canadian Tire and Quaker State. Retail value of \$200.00 each!

- One weekend night's stay at the Winnipeg Airport Hilton.
- One trip for two anywhere in Canada WestJet flies.
- One of these great prizes from Canadian Tire.

Prizes include: Microwave, Tent, Grill, Camp Chair, Camp Table, Camp Stove.

RECYCLE Used Oil Filters Containers

PROMOTION ENDS SEPTEMBER 15, 2008

Name _____
Address _____
Phone Number _____

Proud partners for a clean environment.

Recycle your used oil, filters and oil containers at any one of the 10 Licensed Used Oil Depots in Winnipeg. One Entry per person per year. More than one entry voids ALL entries for that person. For more information call the Manitoba Association for Resource Recovery Corp. (MARRC) at 1-888-410-1440 or visit usedoilrecycling.com

Winnipeg

Highlights of 2008

Community Participation

Winnipeg Goldeyes Professional Baseball


MARRC participated as a key partner with the Winnipeg Goldeyes professional baseball team. The partnership included advertising in 104 games on radio with 60 second commercials featuring the used oil recycling jingle and a specific message regarding the EcoSummer promotion. MARRC also participated in 12 games at the entrance promenade with the fans, including an on-field introduction of Mr. Oil Drop for "Race the Mascot" each game. Bookmarks and Fridge Magnets highlighting the 10 Licensed Depots in Winnipeg were handed out to the fans. (Attendance averaged 6,000 per game).



**MARRC ...
Managers of
Manitoba's Used
Oil Recycling
Program ...**

is pleased to announce that more than 26,000 fans at 12 selected home games throughout the Goldeyes season entered the promotion for a chance to win one of 12 Nintendo Wii's. One 42" LCD TV was also available to be won. Mr. Oil Drop and Goldie were on hand along with Ron Benson and Aaron Strub of (MARRC) for the presentation. Prizes were sponsored by MARRC and Future Shop all in the name of spreading the message of recycling your used oil products. Just 1 litre of used oil can pollute 1 million litres of fresh water!

Goldeyes Fans Win Big Prizes!



The following people have won a Nintendo Wii at selected home games throughout the season: Margaret Morran, Alex Hebert, Richard Bronk, Lorraine Paquet, April Fry, Ryan Loewen, Jessie Ratzka, Judy Eliuk, Tyler Bolly, Bruce Brunton, Lindsay Kaczir.

Patti Leech (centre) is the grand prize winner of the 42" LCD TV courtesy of Manitoba's Used Oil Recycling Program and Future Shop. Mr. Oil Drop, Aaron Strub, Ron Benson and Goldie were on hand to make the presentation.



Winnipeg Free Press Coverage

MARRC at the same time produced an exciting promotion whereby each fan was presented with a Lucky Lotto Sweepstakes Ticket for a chance to win a Nintendo Wii at each of the 12 selected home games. MARRC participated with Future Shop in the promotion. A 42" LCD TV was the grand prize. 26,000 fans in total entered the promotion. Fan interest was overwhelming. Public address on-field announcements were made during the Race the Mascot, promoting the recycling of used oil.

Highlights of 2008

Community Participation

Mr. Oil Drop attends...

July - Children's Fringe Festival



June - Academy Road Street Party



Green Manitoba EcoCalendar

MARRC participated financially, with other Partners for a Clean Environment, in the development of the EcoCalendar coordinated by Green Manitoba.

Bursaries awarded for a sixth year

Bursaries are awarded to 6 students (\$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon and the University of Winnipeg.

EcoCentre / Collection Depot network maturing at 75

MARRC's rural network of EcoCentres stands at **53** exceeding the minimum network objective established by the province's multi stakeholder Used Oil Management Committee in 1996. The network includes the northern locations of The Pas, Flin Flon and Thompson, plus Cranberry Portage and Grand Rapids.

In addition there are **22** other facilities licensed by Manitoba Conservation for the collection of used lubricating products including 10 locations in Winnipeg (6 of which are Canadian Tire).

Training and audits promote safety and compliance

MARRC, as part of its contractual arrangements with owners/operators of 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 2008, inspections were conducted at all of the licensed EcoCentre and collection depot facilities in the province.

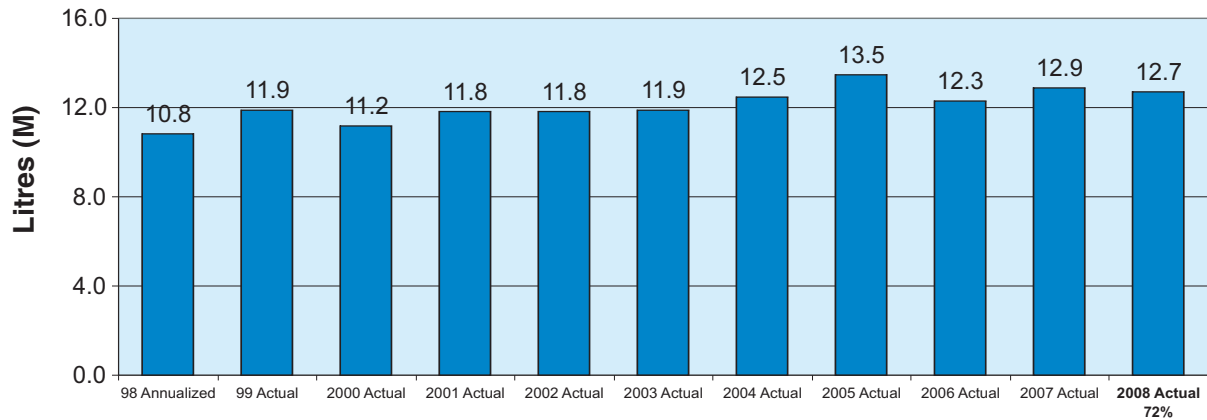
Collection volumes for 2008 extending in all zones

- Used oil: 12.7 million litres (72% of total recoverable) - based upon 40% Consumed in Use
- Used oil Filters: 1.68 million (85% of total recoverable) - based upon 135 filters per drum
- Used oil Containers: 235,000 kilograms (27% of total recoverable +20% re-used*)

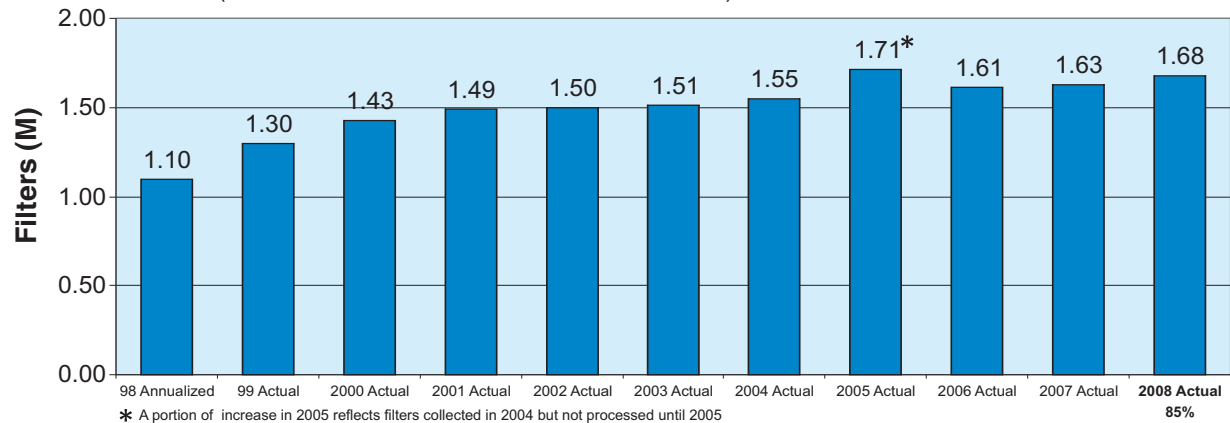
*Source: Pulse Research Ltd. Container Study 2004/2005

Collection Activity by Product

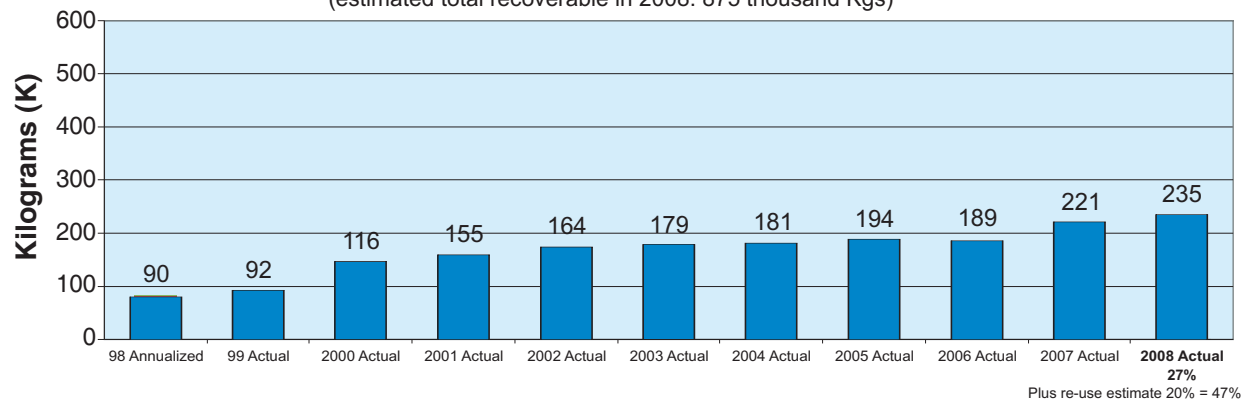
Oil (estimated total recoverable in 2008: 17.6 million litres)



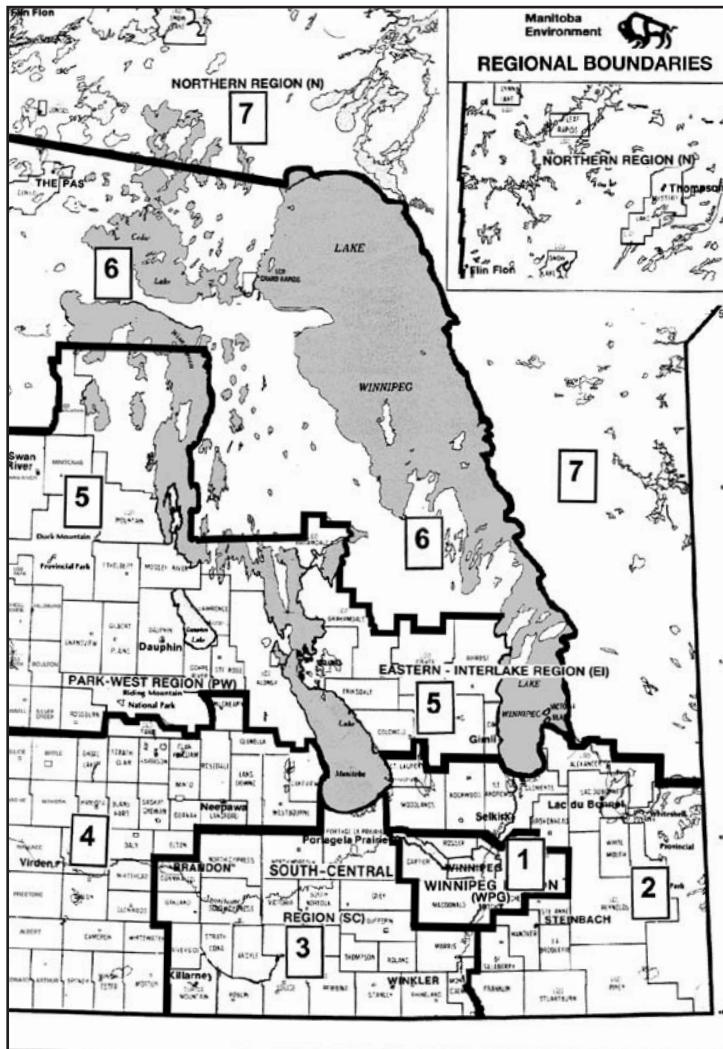
Filters (estimated total recoverable in 2008: 1.97 million)



Containers under 30 litres capacity (estimated total recoverable in 2008: 875 thousand Kgs)



Collection Activity by Zone



Containerization at Pump Island

Winnipeg Pilot Project at
36 Retail Gasoline Locations



Collection Percentages by Zone

Zone ►	1		2		3		4		5		6		7	
	'08	'07	'08	'07	'08	'07	'08	'07	'08	'07	'08	'07	'08	'07
Oil	61	62	8	8	16	15	4	4	5	5	1	1	5	5
Filters	51	54	10	10	20	19	8	7	7	6	1	1	3	3
Containers	40	38	11	12	19	18	9	9	13	13	2	2	6	8

%

EcoCentre Network at December 31, 2008





EcoCentres

	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 / RM of Rhineland
5	Neepawa	Town of Neepawa
6	Selkirk	City of Selkirk
7	Russell	Town of Russell / RM of Russell / RM of Silver Creek
8	Glenboro	RM of South Cypress / Village of Glenboro
9	Minto	RM of Whitewater
10	Pilot Mound	Town of Pilot Mound
11	Baldur	RM of Argyle
12	Swan River	Town of Swan River
13	Hamiota	Town of Hamiota
14	Inwood	RM of Armstrong
15	Chatfield	RM of Armstrong
16	Meleb	RM of Armstrong
17	Virden	RM of Wallace
18	Arborg	Town of Arborg / RM of Bifrost / Village of Riverton
19	Gladstone	Town of Gladstone
20	Rosburn	Town of Rosburn / RM of Rosburn
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	RM of Lakeview
26	Elm Creek	RM of Grey
27	The Pas	Town of The Pas

	Location	Owner/Operator
28	Winkler	City of Winkler
29	Morris	Town of Morris
30	St. Georges	RM of Alexander
31	Traverse Bay	RM of Alexander
32	Clandeboyne	RM of St. Andrews
33	Dauphin	EcoOil Recycling Centre
34	Lac du Bonnet	RM of Lac du Bonnet
35	Waskada	RM of Brenda / Village of Waskada
36	Carberry	RM of North Cypress
37	Thompson	Thompson Recycling Centre
38	St. Laurent	RM of St. Laurent
39	Erickson	Town of Erickson / RM of Clanwilliam
40	Eriksdale	RM of Eriksdale
41	Flin Flon	City of Flin Flon
42	Dunrea	RM of Riverside
43	MacGregor	RM of North Norfolk / Village of MacGregor
44	Roblin	RM of Shell River / RM of Hillsburg
45	Onanole	RM of Park
46	Gimli	RM of Gimli
47	Arnes	RM of Gimli
48	Whitemouth	RM of Whitemouth / RM of Reynolds / North Whiteshell Provincial Park
49	St. Lazare	RM of Ellice / Village of St. Lazare
50	St. Pierre	RM of De Salaberry / Village of St. Pierre-Jolys
51	Lorette	RM of Taché
52	Souris	Town of Souris / RM of Glenwood
53	Birtle	Town of Birtle / RM of Birtle

Other Licenced Collection Facilities

1	Winnipeg	A-1 Environmental Services 1447 Dugald Road
2	Winnipeg	Enviro West Inc. 1090 Kenaston Blvd.
3	Winnipeg	Miller Environmental Corporation 65 Trottier Bay
4	Winnipeg	WRS Waste & Recycling Services 940 Redonda
5	Winnipeg	Canadian Tire Garden City 2303 McPhillips
6	Winnipeg	Canadian Tire East Kildonan 1519 Regent Ave.
7	Winnipeg	Canadian Tire Polo Park 750 St. James
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	Stonewall	Southside Service

12	Notre Dame	Jean Farms Ltd.
13	Morden	Pembina Valley Containers Ltd. .
14	Hartney	Southwest Recycling
15	Grand Rapids	ET Developments Ltd.
16	Killarney	Town of Killarney
17	St. Jean	Miller Environmental Corporation
18	Dunnottar	Village of Dunnottar
19	Cranberry Portage	LUD of Cranberry Portage
20	Rorketon	RM of Lawrence
21	Vita	RM of Stuartburn
22	Deloraine	RM of Winchester

Manitoba Association for Resource Recovery Corp.

Financial Statements
December 31, 2008



PricewaterhouseCoopers LLP
Chartered Accountants
One Lombard Place, Suite 2300
Winnipeg, Manitoba
Canada R3B 0X6
Telephone +1 (204) 926 2400
Facsimile +1 (204) 944 1020

March 18, 2009

**To the Members of
Manitoba Association for Resource Recovery Corp.**

We have audited the balance sheet of **Manitoba Association for Resource Recovery Corp.** ("the Corporation") as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Manitoba Association for Resource Recovery Corp.

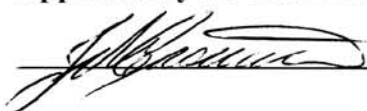
Balance Sheet

As at December 31, 2008

	2008 \$	2007 \$
Assets		
Current assets		
Cash and short-term investments	2,184,648	2,082,935
Environmental handling charges receivable	685,222	787,530
Accrued interest receivable	39,906	42,778
Other receivables	121,669	11,412
Prepaid expenses and deposits	905	905
	<u>3,032,350</u>	<u>2,925,560</u>
Restricted cash (note 3)	<u>-</u>	<u>50,068</u>
Capital assets		
Office furnishings, equipment and leaseholds	23,595	23,595
Less: Accumulated amortization	<u>19,691</u>	<u>17,953</u>
	<u>3,904</u>	<u>5,642</u>
	<u>3,036,254</u>	<u>2,981,270</u>
Liabilities and Net Assets		
Current liabilities		
Return and processing incentives payable	232,162	219,794
Accounts payable and accrued liabilities	<u>237,950</u>	<u>213,341</u>
	<u>470,112</u>	<u>433,135</u>
Net Assets		
Unrestricted	2,562,238	2,492,425
Restricted (note 3)	-	50,068
Invested in capital assets	<u>3,904</u>	<u>5,642</u>
	<u>2,566,142</u>	<u>2,548,135</u>
	<u>3,036,254</u>	<u>2,981,270</u>

Commitments (note 4)

Approved by the Board of Directors



Director



Director

Manitoba Association for Resource Recovery Corp.

Statement of Changes in Net Assets
For the year ended December 31, 2008

	2008			2007
	Unrestricted \$	Restricted \$	Invested in capital assets \$	Total \$
Balance - Beginning of year	2,492,425	50,068	5,642	2,548,135
Excess (deficiency) of revenue over expenses	18,680	1,065	(1,738)	18,007
Transfer of funds	51,133	(51,133)	-	-
Balance - End of year	2,562,238	-	3,904	2,566,142

Manitoba Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2008

	2008 \$	2007 \$
Revenue		
Environmental handling charges	3,203,364	3,258,388
Investment income	96,256	94,454
Membership fees	600	1,000
	<u>3,300,220</u>	<u>3,353,842</u>
Expenses		
Return and processing incentives	2,624,215	2,566,919
EcoCentre support costs (note 5)	268,313	257,289
Wages, contract and benefits	166,938	159,663
Public relations and promotion (note 6)	126,662	139,154
Professional fees	56,571	29,958
Office and administration	27,728	34,746
Compliance audits	23,660	28,180
Rent	15,733	15,006
Travel and automobile	10,520	13,859
Directors	10,069	17,126
Insurance	7,525	7,553
Telephone and fax	5,795	5,570
Containerization	5,640	107
Meetings	5,635	2,754
Bursaries	3,000	2,000
Amortization	1,738	1,738
Bank charges and interest	1,115	768
	<u>3,360,857</u>	<u>3,282,390</u>
Excess (deficiency) of revenue over expenses before the following	(60,637)	71,452
Recovery of costs from settlement (note 3)	78,644	-
Excess of revenue over expenses	<u>18,007</u>	<u>71,452</u>

Manitoba Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2008

	2008 \$	2007 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	18,007	71,452
Item not affecting cash		
Amortization	1,738	1,738
	19,745	73,190
Net change in non-cash working capital items	31,900	(99,183)
	51,645	(25,993)
Investing activities		
Restricted cash	50,068	(1,525)
Purchase of capital assets	-	(854)
	50,068	(2,379)
Increase (decrease) in cash	101,713	(28,372)
Cash and short-term investments - Beginning of year	2,082,935	2,111,307
Cash and short-term investments - End of year	2,184,648	2,082,935
Cash and short-term investments consists of		
Cash in bank	260,777	178,653
Guaranteed investment certificates	1,923,871	1,904,282
	2,184,648	2,082,935

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

1 Incorporation and purpose

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.

As a non-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 Significant accounting policies

Changes in accounting policies

The following accounting standard changes referenced by the Canadian Institute of Chartered Accountants ("CICA") handbook sections are effective for the Corporation's fiscal year beginning January 1, 2008:

Assessing going concerns

The Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400, *"General Standards of Financial Statement Presentation"*, to include requirements for management to assess an entity's ability to continue as a going concern and to disclose material uncertainties related to events and conditions that may cast significant doubt on an entity's ability to continue as a going concern. The Corporation adopted the new standard effective January 1, 2008. The adoption of this section did not impact the financial statements for the year ended December 31, 2008. Management noted no issues with the Corporation's ability to continue as a going concern.

Future accounting changes

Capital disclosures

The AcSB issued CICA 1535, *"Capital Disclosures"*, which the Corporation must apply for its fiscal year beginning January 1, 2009. CICA 1535 requires an entity with externally imposed capital requirements to disclose the nature of those requirements and how an entity manages its capital to meet them. Furthermore, the entity is required to disclose compliance with the requirements and if it has not complied, the consequences of such non-compliance.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

Financial instruments

CICA published several new Handbook Sections regarding the recognition and measurement of financial instruments and related disclosures. These recommendations are found in Section 3862, "*Financial Instruments - Disclosures*" and Section 3863, "*Financial Instruments - Presentation*".

Management is currently assessing the impact of these proposed accounting changes on the Corporation's financial statements.

Not-for-profit organizations

In September 2008, the CICA issued a series of amendments to existing standards for not-for-profit organizations ("NPOs") and a new Section 4470, "*Disclosures of Allocated Expenses by Not-for-Profit Organizations*".

Section 4470 requires NPOs that make allocations of general support and fundraising costs to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated, the basis on which such allocations have been made, and the functions to which they have been allocated.

Amendments have been made to Section 4400, "*Financial Statement Presentation by Not-for-Profit Organizations*", and EIC-123, "*Reporting Revenue Gross as a Principal Versus Net as an Agent*", to clarify that revenues and expenses must be recognized on a gross basis when an NPO is acting as a principal in the subject transactions and may only be reported on a net basis when acting as an agent.

Section 4400 has also been amended to clarify the different treatment accorded internal and external restrictions on net assets. In addition, NPOs are no longer required to report net assets invested in capital assets as a separate component of net assets. The AcSB concluded that an amount shown as net assets invested in capital assets is consistent with, and should be treated in the same manner as other net asset amounts internally restricted by NPOs.

Other changes add improved guidance related to the application of the GAAP hierarchy and capital assets standards, and require NPOs to apply the same standards as profit-oriented enterprises with respect to interim financial statements and statements of cash flows.

The changes are intended to improve financial reporting by NPOs and make NPO standards consistent with those of profit-oriented enterprises when they address the same issues.

The amendments and new Section 4470 are effective for fiscal years beginning on or after January 1, 2009, and require retroactive application to prior period financial statements.

Management is currently assessing the impact of the amendments and Section 4470 on the Corporation's financial statements.

(2)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

Significant accounting policies are as follows:

Short-term investments

Short-term investments consist of Guaranteed Investment Certificates ("GICs"). Purchases and sales of investments are recognized using trade date accounting. Transaction costs attributable to the investments are netted to investment income.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization of office furnishings, equipment and leaseholds is calculated on a straight-line basis at an annual rate of 20% based on the estimated useful lives of these assets.

Revenue recognition

- Environmental handling charges

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.

- Investment income

Interest income is recognized when earned and is recorded as investment income in general operations if related to unrestricted funds, or in restricted operations if related to restricted funds.

- Membership fees

The one-time membership fees are recorded as revenue when the participating companies join the Corporation.

Return and processing incentives

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

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

Financial instruments

Fair values

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments.

Classification

Short-term investments	Held for trading
Environmental handling charges receivable	Loans and receivables
Accrued interest and other receivables	Loans and receivables
Return and processing incentives payable	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading ("HFT")

Short-term investments are designated as HFT. Investment income arising from these financial assets is recognized in operations in the year it is earned. Investments are recorded at fair value being the quoted market value on December 31, 2008, which approximates the last bid price.

Loans and receivables

Environmental handling charges receivable, accrued interest and other receivables are designated as loans and receivables and are measured at amortized cost. Revenue arising from these items is recognized in operations in the year it arises.

Other liabilities

Return and processing incentives payable and accounts payable and accrued liabilities are designated as other financial liabilities and are measured at amortized cost. Expenses arising from these items are recognized in operations in the year they arise.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

3 Restricted cash and recovery from settlement

As of December 31, 2008, the Corporation settled its dispute with the former building supplier of the Corporation's EcoCentres. The Corporation's share of the settlement amounts to \$121,669 which includes a recovery of costs previously incurred to install liners in 28 EcoCentres, other accrued costs related to the construction of an EcoCentre and the release of monies held in trust. The Corporation's Board of Directors has moved that the monies held in trust be transferred to unrestricted net assets.

4 Commitments

Operating lease

The annual minimum rental for leased premises under a lease to February 28, 2013 is as follows:

	\$
Fiscal year ending December 31, 2009	15,388
2010	15,651
2011	15,694
2012	15,694
2013	2,616

General

The Corporation is obligated to use its unrestricted net assets, in future years, to fund the return and processing incentives, the operation of EcoCentres and to provide stakeholder communication and public education materials for the used lubricating products stewardship program.

EcoCentres

The Corporation has entered into three-year renewal agreements with 60 EcoCentres and licensed collection facilities that were established to provide no-cost drop-off centres for used oil materials.

As part of its contractual agreement with each EcoCentre owner-operator, the Corporation is committed to provide annual operating support until July 31, 2010. The operating support payment for the EcoCentres currently in operation is estimated to be as follows:

	\$
Fiscal year ending December 31, 2009	239,000
2010	227,000

(5)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2008

5 EcoCentre support costs

	2008 \$	2007 \$
Operating support	254,255	245,054
Operational audits, training and supplies	14,058	12,235
	<u>268,313</u>	<u>257,289</u>

6 Public relations and promotion

	2008 \$	2007 \$
EcoSummer	48,926	70,608
Youth Awareness	51,131	44,874
Winnipeg Goldeyes Baseball Club Inc.	16,301	12,159
Green Manitoba Calendar	5,000	-
Website	2,834	7,139
Advertising and promotional material	2,470	3,339
Charitable donations	-	1,035
	<u>126,662</u>	<u>139,154</u>

7 Risk management

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

Credit risk

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

The Corporation's exposure to interest rate risk pertains to short-term investments, which are subject to future changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet 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. The Corporation expects to be able to meet its financial obligations in the foreseeable future.

(6)



*Manitoba Association
for Resource Recovery Corp.*

Board of Directors and Staff



Back Row:

Lutz Ehrentraut, Keith Penner, Paul Miller, Ron Benson (Executive Director).

Front Row:

Aaron Strub (Administrative Services Manager), Richard Waller,
Keith Micklash (Secretary-Treasurer), Joe Casciano (Chairman).

Board of Directors

Joe Casciano, Canadian Tire Corporation, Limited
Chairman

Keith Micklash, Magnum Oil Mb. Ltd.
Secretary-Treasurer

Richard Waller, Imperial Oil
Director

Paul Miller, Shell Canada Products
Director

Keith Penner, Affinia Canada Corp.
Director

Lutz Ehrentraut, former Director Canadian Automobile Association (CAA)
Director

Legal Counsel

Fillmore Riley, Barristers & Solicitors

Auditors

PricewaterhouseCoopers LLP, Chartered Accountants

Staff

Ron Benson - Executive Director
Aaron Strub - Administrative Services Manager

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Mr. Oil Drop



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