



Manitoba Association for Resource Recovery Corp.

**MARRC
2010 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.

Family Lake

Photo by Don Sullivan

Table of Contents

● Overview of MARRC	2
● Letter from Minister of Conservation, Manitoba	3
● Members of MARRC	4
● Highlights of 2010	5
● Collection Activity	14
● EcoCentre Network	16
● Financial Statements	18
● Board of Directors and Staff	30

Annual General Meeting

Tuesday, May 3, 2011
10:00 am

Sheraton Cavalier Hotel
612 Spadina Crescent East
Saskatoon, Saskatchewan
S7K 3G9

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.
ADP Distributors Inc.
AGCO Corporation
AMSOIL Inc.
ATP-Inc.
AUTO-CAMPING Ltd.
Acklands-Grainger Inc.
Advic Bearing and Auto Ltd.
Affinia Canada Corporation
Air BP Canada Ltd.
Aircparts Network Ltd.
Altrom Canada Corp.
American Agip Company Inc.
American Grease Stick Co.
Applied Industrial Technologies Ltd.
Atlas Copco Compressors Canada
BMW Canada Inc.
BOSS Lubricants
Barrett Marketing Group Ltd.
Baldwin Filters Inc.
Beck/Arnley Worldparts, Inc.
BestBuy Distributors Limited
Bluewave Energy
Bombardier Recreational Products Inc.
Bosch Rexroth Canada Corp.
Buhler Versatile Inc.
CG Power Systems Canada 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 Kawasaki Motors Inc.
Canadian Tire Corporation, Limited
Castrol Industrial North America Inc.
Chalifour Canada
Champion Laboratories, Inc.
Chevron Lubricants Canada Inc.
Chrysler Canada Inc.
Churchill Marine Tank Farm Co.
Cleanair Filter Service
Coastal Blending & Packaging
Cognis Canada Corporation
Costco Wholesale Canada Ltd.
Cummins Western Canada
Daimler Trucks North America LLC
Fastenal Canada Ltd.
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 Limited
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.
JKL Enterprises Inc.
Land Rover Group Canada Inc.
Jimmy Diesel Parts Co.
John Deere Limited
Kia Canada Inc.
Kinacor Inc.
King-O-Matic Industries Limited
Kleen-Flo Tumbler Industries Limited
Kubota Canada Ltd.
Larry Penner Enterprises Inc.
Lemky Rural Repair
Lubricon Industries Canada Limited
MFTA Canada Inc.
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
Mitsubishi Motor Sales of Canada, Inc.
Modern Sales Co-op
Mopac Auto Supply Ltd.
Mopac Auto Supply (Alberta) Ltd.
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/Alline Supply Inc.
PACCAR Parts, A Division of Paccar of Canada, Ltd
PSC-Power Source Canada Ltd.
Parker Hannifin Canada
Parts Canada
Pennzoil-Quaker State Canada Inc.
Petro-Canada Lubricants Inc.
Polaris Industries Inc.
Porsche Cars North America Inc.
Precambrian Wholesale Limited
Prévost, a Division of Volvo Group Canada Inc.
Radiator Specialty Company of Canada Ltd.
Robert Bosch Inc.
SC CLS Holding ULC
SMS Equipment Inc.
Safety-Kleen Canada Inc.
Sears Canada Inc.
7-11 Canada
Shell Canada Products Ltd.
Société Laurentide Inc.
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.
Total Lubricants Canada Inc.
Toyota Canada Inc.
Tranist Warehouse Distribution
TruServ Canada Inc.
UAP Inc.
USI - AGI Prairies Inc.
Valvoline Canada Ltd.
Vermeer Canada Inc.
Viscosity Oil Company
Volkswagen Canada Inc.
Volvo Cars of Canada Corp.
Volvo Group Canada Inc.
Wainbee
Wajax Industries Limited
Wakefield Canada Inc.
Wallace & Carey Ltd.
Wal-Mart Canada Inc.
Waterous Power Systems
Westcon Equipment & Rentals Ltd.
Westec Distributors Inc.
Western Turbo & Fuel Injection Ltd.
Westfair Foods Ltd.
Westfalia Surge Inc.
Worldpac Canada Inc.
Yamaha Motor Canada Ltd.
Yetman's Ltd.
Zellers / Hudson's Bay Co.

Highlights of 2010

Ambassador Program 2010

MARRC submitted a proposal for financial assistance in funding an Ambassador Program to embark on initiatives for improving the recovery of used oil plastic containers within the overall MARRC Stewardship Program. A Grant in the amount of \$12,500 was approved by the Minister of Conservation.

MARRC employed two Ambassadors to travel around to various tradeshow and exhibitions in Manitoba for the purpose of enhancing awareness towards improving the recovery of used plastic oil containers. Below is a calendar of events for the 4 months MARRC participated with the Ambassador Program.

MAY

12 th Baldur Open House	27 th RM of Fisher Open House	30 th Teddy Bear's Picnic
------------------------------------	------------------------------------------	--------------------------------------

JUNE

4 th 4H Rally in Boissevain	5 th Academy Road Street Party	6 th St. Claude Rodeo
7 th Brooklands School Assembly	9 th to 13 th Brandon Summer Fair	11 th Lunday Ag Fair and Parade
14 th Boissevain School Assembly 9am	14 th Douglas School Assembly 1pm	15 th Westview School Assembly
17 th Victor Major School Assembly	18 th to 19 th Steinbach Summer in the City	18 th to 30 th Wpg. Red River Exhibition
21 st Champlain School Assembly	22 nd RF Morrison School Assembly	24 th St. Andrews Open House

JULY

2 nd to 3 rd Carberry Ag Fair and Parade	3 rd to 4 th Manitou Ag Fair and Parade	10 th Minnedosa Heritage Days
10 th to 12 th Portage Exhibition	16 th to 18 th Selkirk Triple S Fair & Rodeo	22 nd to 25 th Morris Stampede
23 rd to 25 th Altona Sunflower Festival	28 th Canadian Tire St. Boniface	29 th to 30 th Austin Thresherman's Stampede

AUGUST

31 st to Aug 1 st Brandon Super Run	2 nd Gimli Icelandic Festival	6 th Birtle Ag Fair
7 th Cypress River 125 th Celebration	11 th Canadian Tire McPhillips	13 th to 15 th Winkler Harvest Festival
17 th to 18 th Northern Association Trade Show	20 th to 22 nd Stonewall Quarry Days	20 th to 22 nd Hanover Ag Fair
24 th Canadian Tire Polo Park	25 th Canadian Tire Unicity	27 th to 29 th Morden Corn & Apple Festival

Below is a sample survey conducted at each event along with a summary by site of the participant numbers.



You could win a Lottery Ticket Tree worth \$50!

Please complete the following:

- Do you recycle your used oil containers?
YES _____ NO _____
- Did you know that you can recycle your used oil products in Morden at Pembina Valley Containers?
YES _____ NO _____

NAME _____

ADDRESS _____

CITY _____ PHONE # _____

Red River Ex. Wpg.	1,158
Brandon Ex.	293
Brandon Super Run	110
Portage Ex.	138
Morden Corn & Apple	128
Winkler Harvest Festival	126
Stonewall Quarry Days	125
Morris Stampede	106
Selkirk	101
Austin	93
Cypress River	62
Dunnottar	52
Altona Sunflower Festival	35
Gimli Icelandic Festival	34
Cdn. Tire Polo Park	194
Cdn. Tire McPhillips	150
Cdn. Tire Regent	114
Cdn. Tire Unicity	100
Cdn. Tire St. Boniface	43

Highlights of 2010

Ambassador Program

School Assembly Presentations

MARRC made presentations at school assemblies teaching the children about the merits of recycling used oil products. Mr. & Mrs. Oil Drop were also on hand distributing bookmarks and beanie babies to all the students. Below is the list of schools in which MARRC participated:

Brooklands School	June 7
Boissevain School	June 14 9am
Douglas School	June 14 1pm
Westview School	June 15
Victor Major School	June 17
Champlain School	June 21
RF Morrison School	June 22



Canadian Tire Survey Research

MARRC conducted field survey research at 5 Canadian Tire locations in Winnipeg. Customers were asked if they were recycling used oil products and also if they knew that Canadian Tire stores in Winnipeg recycled used oil products. The 5 stores and number of customers surveyed are listed below:

July 19	Canadian Tire Regent	- 114
July 28	Canadian Tire Southdale	- 43
August 11	Canadian Tire Garden City	- 150
August 24	Canadian Tire Polo Park	- 194
August 25	Canadian Tire Unicity	- 100



Highlights of 2010

Ambassador Program



Brandon Summer Fair June 9th – 13th



Red River Exhibition Winnipeg June 18th – 27th



Mr. Oil Drop in the parade at the Icelandic Festival in Gimli July 30th – August 2nd



Mr. Oil Drop in the parade at the Icelandic Festival in Gimli July 30th – August 2nd



Announcing the prize winner to the crowd in Brandon



Portage la Prairie Exhibition July 10 & 11

Highlights of 2010 Ambassador Program



Boissevain 4H Club Rally June 4th



Fisher Branch Open House May 27th



Teddy Bear's Picnic May 30th Assiniboine Park in Winnipeg



Make every drop count.

Recycle your Used Oil, filters and Containers.

FREE
1 litre bottle of Pennzoil Oil!

Just for bringing in your used oil products!
(1 bottle per person)

Bring your used oil, used oil filters & used plastic oil containers (1 to 30 litre sizes) for recycling to any of the following:

Enviro West Inc.	1090 Kenaston Blvd.
Miller Environmental Corp.	1893 Hekla Ave.
WRS Environmental	940 Redonda
A-1 Environmental Services	1447 Dugald Rd.

Sunday, May 16th 12:00pm – 4:00pm

Sponsored by the
Manitoba Association for Resource Recovery Corp. (MARRC)

For more information on Manitoba's Used Oil Recycling Program,
Call Toll Free 1-888-410-1448.
Visit our website at www.usedoilrecycling.com

Free Oil Giveaway May 16

On May 16th MARRC with the assistance of 4 used oil collectors (listed on the left), provided 1 litre of Pennzoil Oil to every customer who delivered used oil products on that day. MARRC contracted with Brian Barkley of CJOB for 60 second commercial radio remote broadcasts several times an hour throughout the day at each of the 4 Licensed Collection sites.



Customers drop off used oil products and receive a 1 litre bottle of Pennzoil Oil

Highlights of 2010

EcoFather's Day at Dauphin's EcoCentre

On June 19, 2010, EcoOil Recycling in Dauphin held an EcoDay to promote the recycling of used oil products.

A BBQ was held with hotdogs distributed to those coming in on that day with used oil products. CKDM radio station was on hand as well as Mr. Oil Drop to promote the EcoDay.



Academy Road Live Street Party, June 5, 2010



Highlights of 2010

MARRC Participates with Winnipeg Goldeyes



12345

12345

Tear off and deposit this portion of the ticket.
One ticket per person per game only please.



MARRC participated as a key partner with the Winnipeg Goldeyes professional baseball team. The partnership included advertising in 104 games on the 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. Bookmarks were handed out to the fans. (Attendance averaged 6,000 per game).

MARRC also conducted an exciting promotion whereby each fan was presented on the promenade with a Lucky Lotto Sweepstakes Ticket for a chance to win a Playstation Portable 3000 at each of the 12 selected home games. There were 36,000 fans in total over the 12 games that entered the promotion. Fan interest was overwhelming. MARRC also featured an onfield "Race to the EcoCentre" promotion wherein 2 children raced while carrying empty oil containers to replica EcoCentre buildings setup on the field near 1st and 3rd base with Mr. & Mrs. Oil Drop cheering them on. Public address on-field announcements were made during the event promoting the recycling of used oil. The winners were also projected on the jumbotron.



Highlights of 2010

Search for Mr. Oil Drop

Based on the success in the past of previous promotional activities carried out by the Winnipeg Sun, MARRC initiated its own similar promotional campaign called "Search for Mr. Oil Drop" with the Winnipeg Free Press. During three separate weeks, June 28-July 2, July 12-16 & July 26-30, a certificate depicting Mr. Oil Drop was hidden somewhere on public property inside the city of Winnipeg and was worth \$5,000 to the individual who found it. Clues to find the certificate could be found in each day's newspaper during the week of each promotion. A code located in the paper could be entered onto the Free Press website giving the individual a clue to find the prize. The Winnipeg Free Press advertised in its paper daily promoting the Search for Mr. Oil Drop campaign. MARRC also advertised on both HOT 103 and CJOB 680 radio and distributed promotional flyers to 20,000 households in the City of Winnipeg.

Winnipeg Free Press

Search for Mr. Oil Drop

Mr. Oil Drop wants you to win a share of **\$15,000!**

He's hidden a certificate somewhere in Winnipeg
Find it & you win \$5,000!
Watch for details starting June 28

Manitoba's Used Oil Recycling Program, Striving to keep Manitoba Clean.
usedoilrecycling.com winnipegfreepress.com

On each Wednesday during the promotion, a **Bonus Clue** was provided at any one of four Winnipeg Collector locations for those people bringing in used oil products.

This **Bonus Clue** was advertised as substantially aiding in finding the \$5,000 prize certificate!

Winnipeg Free Press

Search for Mr. Oil Drop

Mr. Oil Drop wants you to win a share of **\$15,000!**

He has hidden a certificate somewhere in Winnipeg
Find it and you win \$10,000!
BONUS CLUE!

Bring your used oil containers or oil products to any of the following 4 locations Wednesday to Friday to receive that week's BONUS CLUE:

- Enviro West 1090 Kenaston Blvd. 987-8600
- Miller Environmental 1803 Hekla Ave. 925-9600
- A-1 Environmental 1447 Dugald Rd. 237-3683
- WRS Environmental 940 Redonda St. 661-3683

For more information check winnipegfreepress.com, usedoilrecycling.com or call toll free: 1-888-410-1440.

Today's Promo Code:
W99_F573_p5

Enter Today's Promo Code at winnipegfreepress.com/oildrop to receive today's clue & full contest details.

Manitoba's Used Oil Recycling Program
UsedOilRecycling.com
Winnipeg Free Press | winnipegfreepress.com

Winnipeg Free Press

Search for Mr. Oil Drop

Congratulations **LINDA SCOTT**

Linda Scott was our first Search for Mr. Oil Drop winner and found **\$10,000!**

This week there is \$5,000 hidden somewhere in Winnipeg!

Manitoba's Used Oil Recycling Program, Striving to keep Manitoba Clean.
usedoilrecycling.com winnipegfreepress.com

Winnipeg Free Press

Search for Mr. Oil Drop

Congratulations **MICHAEL NAIMSMITH**

Michael Naismith was our Weekly Search for Mr. Oil Drop winner and found **\$5,000!**

Manitoba's Used Oil Recycling Program, Striving to keep Manitoba Clean.
usedoilrecycling.com winnipegfreepress.com

Highlights of 2010

EHC Container Increase Approved

MARRC applied for and received approval from the Minister of Conservation to increase the fee on oil containers from 5 to 10 cents per litre capacity. Given the 90 days notice to the Members as required by the Membership Agreement, this increase will take effect on January 1, 2011 and will allow MARRC to improve its recycling program.

In December, MARRC advertised in 13 newspapers across the province. In addition MARRC hired a representative to deliver shelf-talkers and other informational material to all retail locations in Winnipeg, Brandon, Selkirk, Steinbach and Portage la Prairie informing them of the upcoming change. MARRC mailed out shelf talkers to the balance of retail sites in rural Manitoba.

Sample of Shelf Talker at

Wal-Mart



Zellers



Canadian Tire



Make every drop count.

Recycle Your used oil, filters and containers.



Manitoba's Used Oil Recycling Program

For a recycle centre near you:

- call 1-888-410-1440
- visit www.usedoilrecycling.com

As of January 1, 2011, the fee on oil containers will increase from 5 to 10 cents per litre capacity. Oil will remain at 5 cents per litre.

This increase will allow the Manitoba Association for Resource Recovery Corp. (MARRC) to improve the recycling program.

Highlights of 2010



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 an eighth year

Bursaries were awarded to 4 students (\$500 each) qualifying in Environmental Studies at the University of Manitoba, University of Brandon and the University of Winnipeg.

Strategic Planning Session (August 16-19)

MARRC attended the Combined Strategic Planning Meeting of SARRC, AUOMA, BCUOMA and SOGHU Directors and Staff in Waskesiu, Saskatchewan. The session focused on addressing key strategic issues and team building.

The Northern Association of Community Councils annual tradeshow

MARRC participated with the Northern Association of Community Councils (NACC) 40th annual tradeshow at the CanadInns Polo Park Hotel in Winnipeg on August 17th and 18th. 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.

EcoCentre / Collection Depot network maturing at 79

MARRC's rural EcoCentre network 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, Grand Rapids, Fisher Branch, Hollow Water, Ashern and Moosehorn.

In addition there are 26 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 2010, inspections were conducted at 100% of the licensed EcoCentre and collection depot facilities in the province.

Collection volumes for 2010 extending in all zones

- Used Oil: 13.2M (75% of total recoverable) – based on 35% Consumed in Use
- Used Oil Filters: 1.47M (69% of total recoverable) – based on 135 filters per drum
- Used Oil Containers: 248,000 Kgs (29% of total recoverable + 20% re-used*)

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

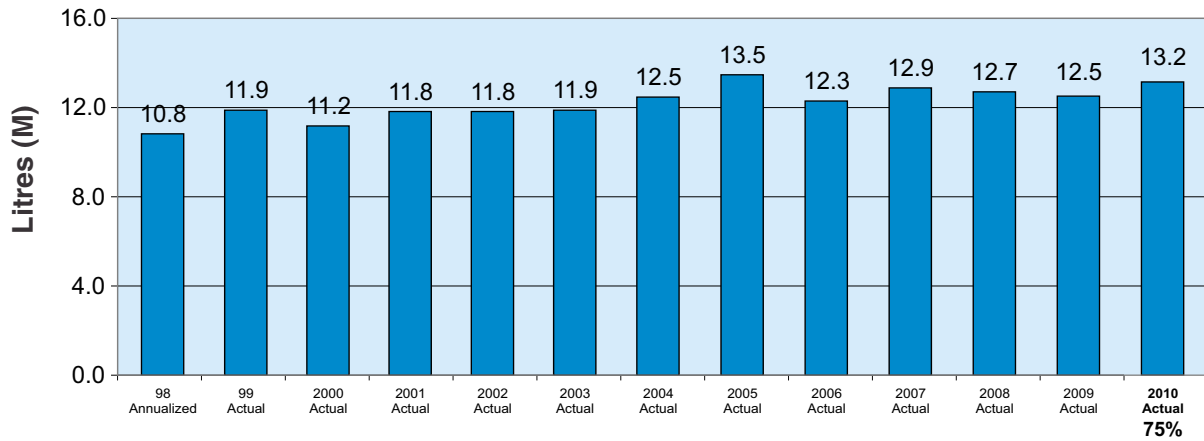


Calendar Sponsors

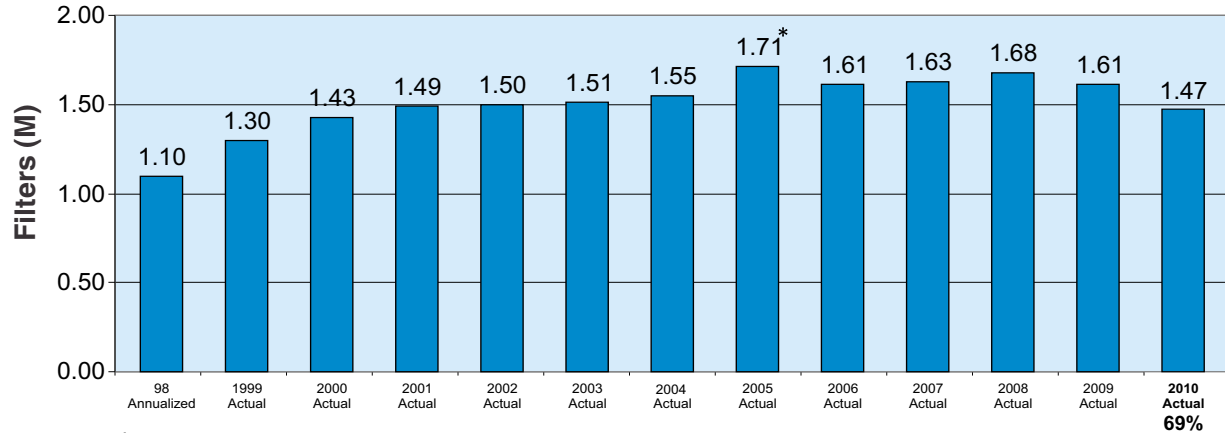


Collection Activity by Product

Oil (estimated total recoverable in 2010: 17.7 million litres)

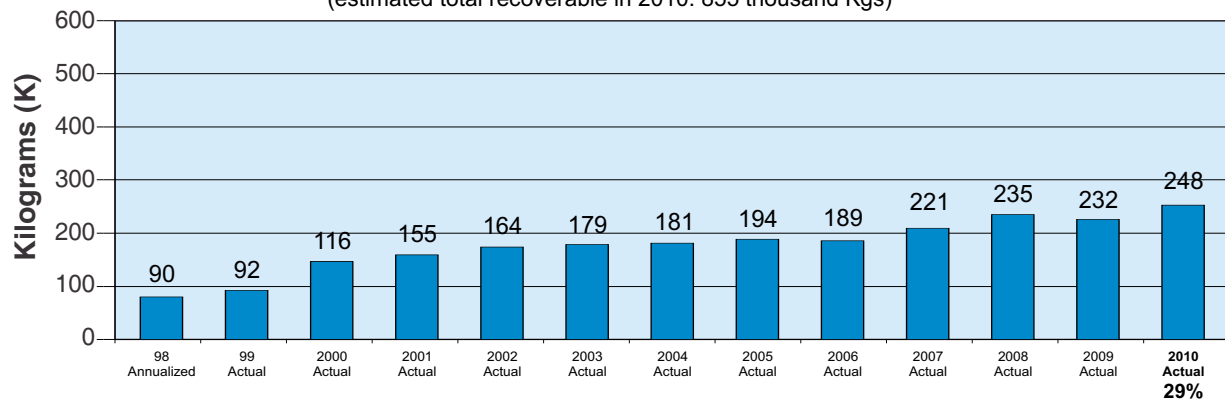


Filters (estimated total recoverable in 2010: 2.13 million)



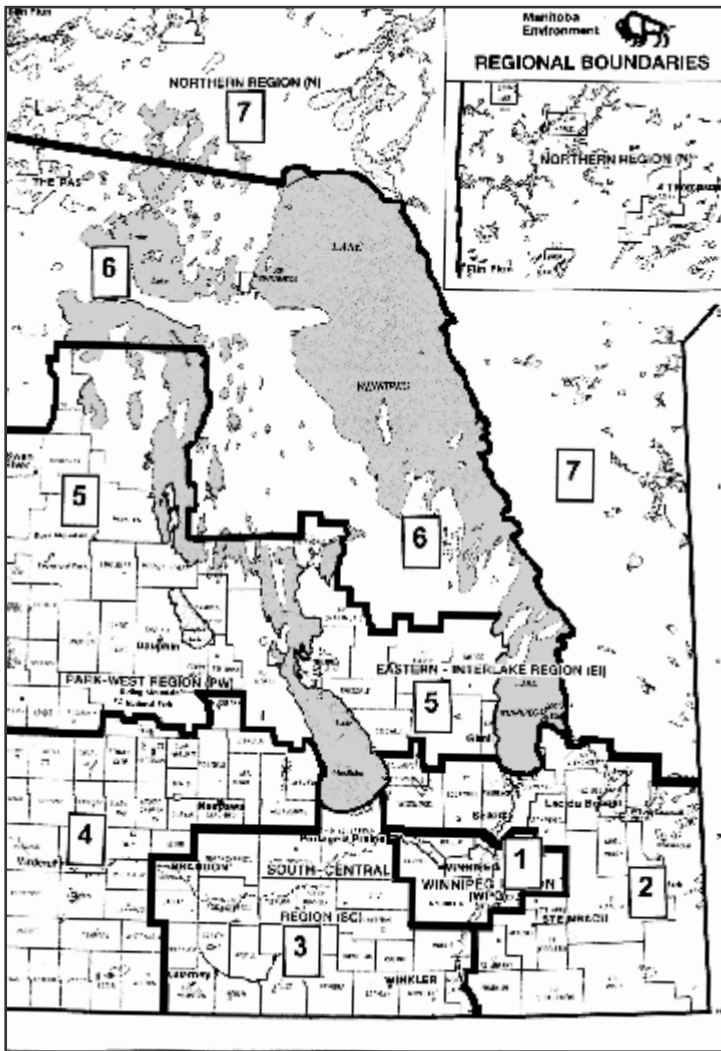
* A portion of increase in 2005 reflects filters collected in 2004 but not processed until 2005

Containers under 30 litres capacity (estimated total recoverable in 2010: 855 thousand Kgs)



Plus re-use estimate 20% = 49%

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	
	'10	'09	'10	'09	'10	'09	'10	'09	'10	'09	'10	'09	'10	'09
Oil	61	61	8	8	15	15	5	4	5	5	1	1	5	6
Filters	49	51	11	10	20	21	8	7	8	7	1	1	3	3
Containers	40	38	10	12	18	19	10	10	11	12	1	1	10	8

%

**Manitoba Association for Resource
Recovery Corp.**

Financial Statements
December 31, 2010

March 14, 2011

Independent Auditor's Report

To the Members of Manitoba Association for Resource Recovery Corp.

We have audited the accompanying financial statements of Manitoba Association for Resource Recovery Corp. (the "Corporation") which comprise the balance sheet as at December 31, 2010, and the statements of operations, change in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2010 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 PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Manitoba Association for Resource Recovery Corp.

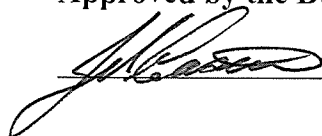
Balance Sheet

As at December 31, 2010

	2010	2009
	\$	\$
Assets		
Current assets		
Cash	96,481	92,241
Short-term investments	403,169	1,501,534
Environmental handling charges receivable	762,899	796,708
Accrued interest receivable	23,877	36,763
Prepaid expenses and deposits	905	905
	<u>1,287,331</u>	<u>2,428,151</u>
Long-term investments	<u>1,567,812</u>	<u>403,169</u>
Capital assets		
Office furnishings, equipment and leaseholds	25,523	24,451
Less: Accumulated amortization	<u>23,702</u>	<u>21,600</u>
	<u>1,821</u>	<u>2,851</u>
	<u>2,856,964</u>	<u>2,834,171</u>
Liabilities and Net Assets		
Current liabilities		
Return and processing incentives payable	224,402	159,435
Accounts payable and accrued liabilities	<u>224,884</u>	<u>206,049</u>
	<u>449,286</u>	<u>365,484</u>
Net Assets		
Unrestricted	2,405,857	2,465,836
Invested in capital assets	<u>1,821</u>	<u>2,851</u>
	<u>2,407,678</u>	<u>2,468,687</u>
	<u>2,856,964</u>	<u>2,834,171</u>

Commitments (note 3)

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, 2010

	2010		2009	
	Unrestricted \$	Invested in capital assets \$	Total \$	Total \$
Balance - Beginning of year	2,465,836	2,851	2,468,687	2,566,142
Excess of expenses over revenue	(58,907)	(2,102)	(61,009)	(97,455)
Purchase of capital assets	(1,072)	1,072	-	-
Balance - End of year	2,405,857	1,821	2,407,678	2,468,687

Manitoba Association for Resource Recovery Corp.

Statement of Operations

For the year ended December 31, 2010

	2010	2009
	\$	\$
Revenue		
Environmental handling charges	3,181,415	3,115,165
Investment income	63,088	79,242
Grant from the Minister of Conservation (note 6)	12,500	-
Membership fees	2,000	1,400
	<u>3,259,003</u>	<u>3,195,807</u>
Expenses		
Return and processing incentives	2,563,026	2,573,633
EcoCentre support costs (note 4)	244,276	257,570
Wages, contract and benefits	181,917	172,833
Public relations and promotion (note 5)	124,178	134,948
Compliance reviews	45,888	29,972
Ambassador program (note 6)	38,228	-
Professional fees	33,959	39,387
Rent	20,147	20,421
Office and administration	18,788	20,199
Director fees and expenses	14,236	12,099
Travel and automobile	11,241	12,065
Insurance	5,556	7,603
Telephone and fax	6,407	5,686
Meetings	6,891	2,909
Amortization	2,102	1,909
Bank charges and interest	1,172	1,028
Bursaries	2,000	1,000
	<u>3,320,012</u>	<u>3,293,262</u>
Excess of expenses over revenue	<u>(61,009)</u>	<u>(97,455)</u>

Manitoba Association for Resource Recovery Corp.

Statement of Cash Flows

For the year ended December 31, 2010

	2010 \$	2009 \$
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	(61,009)	(97,455)
Item not affecting cash		
Amortization	2,102	1,909
	(58,907)	(95,546)
Net change in non-cash working capital items	130,497	(91,302)
	71,590	(186,848)
Investing activities		
Purchase of capital assets	(1,072)	(856)
Purchase of investments	(1,567,813)	(1,204,703)
Redemption of investments	1,501,535	1,223,871
	(67,350)	18,312
Increase (decrease) in cash	4,240	(168,536)
Cash - Beginning of year	92,241	260,777
Cash - End of year	96,481	92,241

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

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

Future accounting changes

Accounting standards for not-for-profit ("NPO") organizations

The Accounting Standards Board issued a comprehensive set of accounting standards and guidelines applicable to NPOs. A NPO whose financial statements comply with the revised Canadian Institute of Chartered Accountants handbook will state that its financial statements are in compliance with Canadian generally accepted accounting principles ("GAAP") for NPOs. The standards and guidelines will apply for fiscal years beginning on or after January 1, 2012 and will require retroactive application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The Corporation is currently considering the impact of the adoption of such standards and guidelines.

Significant accounting policies are as follows:

Investments

Short-term investments consist of Guaranteed Investment Certificates ("GICs") with terms maturing in less than one year. Long-term investments consist of GICs that mature after one year. 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.

(1)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

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.

All revenues have been recorded at their gross amount.

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 Canadian GAAP 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.

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

Classification

Short-term investments	Held for trading
Long-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 and long-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, 2010, 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.

3 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, 2011	15,694
2012	15,694
2013	2,616

(3)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

EcoCentres

The Corporation has entered into two-year renewal agreements with 64 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, 2012. The operating support payment for the EcoCentres currently in operation is estimated to be as follows:

	\$
Fiscal year ending December 31, 2011	219,000
2012	122,000

4 EcoCentre support costs

	2010 \$	2009 \$
Operating support	227,552	237,897
Operational audits, training and supplies	10,724	14,545
Investment support	6,000	5,128
	<hr/>	<hr/>
	244,276	257,570

5 Public relations and promotion

	2010 \$	2009 \$
EcoSummer	-	52,606
Youth Awareness	-	45,946
Winnipeg Goldeyes Baseball Club Inc.	14,259	20,372
Green Manitoba Calendar	8,000	8,000
Website	1,312	299
Advertising and promotional material	42,055	2,616
Mascots	2,323	5,109
Search for Mr. Oil Drop	37,654	-
Free Oil Giveaway	6,134	-
Government communication requirements for container EHC increase	12,441	-
	<hr/>	<hr/>
	124,178	134,948

(4)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

6 Ambassador program

	2010	2009
	\$	\$
Wages	15,867	-
Transportation, meals and accommodation	13,694	-
Tradeshaw fees, uniforms, prizes, supplies and insurance	8,667	-
	<u>38,228</u>	<u>-</u>

The Corporation has received a Grant from the Minister of Conservation of \$12,500 to offset the expenses incurred.

7 Financial instruments

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 and long-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.

(5)

Manitoba Association for Resource Recovery Corp.

Notes to Financial Statements

December 31, 2010

8 Capital management

The Corporation defines capital as net assets comprised of investment in capital assets and unrestricted funds. Capital is managed in accordance with policies established by the Board of Directors. The Corporation's objectives when managing its capital are to maintain its not-for-profit status and to safeguard the entity's ability to continue as a going concern. The Corporation is obligated to utilize 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.

9 Comparative figures

Certain figures from the prior year have been reclassified to conform with the current year's presentation

10 Subsequent events

In a letter received during the year from the Minister of Conservation, an increase in the EHC's of used oil containers has been approved for \$0.10 per litre of capacity from \$0.05 per litre of capacity. This increase will take effect January 1, 2011.

Subsequent to year end, the Corporation has been approved for an Antifreeze Stewardship Program where an environmental levy will be introduced on antifreeze fluid and containers.



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	Louise Integrated Waste Management
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	Clandeboye	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 Licensed Collection Facilities

1	Winnipeg	A-1 Environmental Services 1447 Dugald Road
2	Winnipeg	Enviro West Inc. 1090 Kenaston Blvd.
3	Winnipeg	Miller Environmental Corporation 1803 Hekla Ave
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	Killamey	Town of Killamey
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
23	Fisher Branch	RM of Fisher
24	Moosehorn	RM of Grahamdale
25	Ashern	RM of Siglunes
26	Hollow Water	Manitoba Aboriginal and Northern Affairs



*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, Representing the Public
Director

Legal Counsel

Fillmore Riley, Barristers & Solicitors

Auditors

PricewaterhouseCoopers LLP, Chartered Accountants

Staff

Ron Benson - Executive Director
Aaron Strub - Administrative Services Manager

MARRC Office

35-1313 Border Street
Winnipeg, Manitoba
R3H 0X4

204-632-5255 phone
204-633-9380 fax
1-888-410-1440 info number
www.usedoilrecycling.com website
marrc@mts.net e-mail





Manitoba Association for Resource Recovery Corp.

35-1313 Border Street, Winnipeg, Manitoba R3H 0X4

Phone: (204) 632-5255 Fax: (204) 633-9380

Info Number: 1-888-410-1440

Web Site: www.usedoilrecycling.com

E-mail: marrc@mts.net

All Oil Drop



Printed on recycled paper