



St-Lambert, October 30th 2007

Royal Mat Inc
C/o Mr. Michel Hould
President Director General
132, 181^e Street
Beauceville, Quebec
Canada
G5X 2S8

Subject: Verification Notice of the report on the reduction of green house gas emission (GHG) at Royal Mat Inc.

Period: January 1st 2007 to September 30th 2007

Mr. Hould,

As requested, we carried out the verification of your report on reduction of green house gas emission of Royal Mat Inc. for the period of January 1st 2007 to September 30th 2007.

This verification mandate was performed in accordance with ISO 14064-3 International Norm entitled: Specifications and management lines for validation and verification of the reduction of green house gas emission (2006).

Our mandate is limited to verifying the data of reduction of green house gas emission for the period of January 1st 2007 to September 30th 2007. We have examined in detail the report on reduction of green house gas emission (GHG) that you will find the appendix and have corroborated the information included in this one by asking the necessary questions and have obtained the answers to our questions, and this, to our entire satisfaction.

This report indicates the reduction of gas emission of 15,941 t co2 for the period January 1st 2007 to September 30th 2007.

It is our opinions, this report represents faithfully the reduction of green house gas emission (GHG) obtained by Royal Mat Inc. for the period mentioned and this with a degree of reasonable assurance.



For more information, please consult the attached report as well as the report of reduction of green house gas emission (GHG) prepared by the firm of Lagacé & Legault International Inc.

A handwritten signature in grey ink, appearing to read "Roger Fournier". The signature is fluid and cursive, written over a horizontal line.

Roger Fournier CA
President
Carbon Quantum Foundation



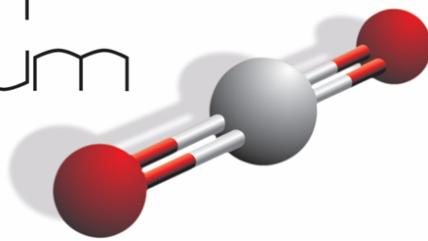
**VERIFICATION NOTICE OF THE REPORT ON THE REDUCTION OF GREEN HOUSE GAS
EMISSION**

Royal Mat Inc.
File 070309

Presented to:

Mr. Michel Hould
President Director General
132, 181^e Street
Beauceville, Quebec
Canada
G5X 2S8

Prepared by:



Verification report on the reduction of green house gas emission

File #070309 Royal Mat Inc.

1. Objectives, Criteria and level of assurance of the verification

The steps taken in the verification of documents to support the declaration of green house gas emission (GHG) for Royal Mat Inc. as well as the meeting with the President and the Director of Administration were held October 18th 2007, had for objective to allow Carbon Quantum to issue a Verification Notice concerning the project of green house gas emission for Royal Mat Inc. and this with a degree of reasonable assurance.

The verification work was realized from the requirements of ISO 14064-3 norm entitled: Specifications and management lines for validation and verification of the reduction of green house gas emission (2006).

The reader must understand that the verification Notice rest on the verification report on reduction GHG and not on the validity of the project. Also, the verification rest only on the data written in the report of the quantifier for the period of January 1st 2007 to September 30th 2007.

The verification Notice is presented formally in section 6.0. However it is important that the entirety of the Verification Notice taken into consideration for all decisions taken related to this project.

2. Verification Team

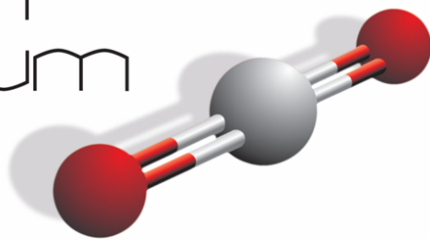
The team who conducted the verification is composed of the following:

- Roger Fournier CA, Auditor in charge
- Sara Choucino, Auditor

3. Information on the organization aimed at by the verification of the project.

The report defines clearly the project's description, the reference scenario used, the emission sources of GHG as well as the period covered by the project.

We have judged it not necessary to take back in this Notice in detail of all the information contained in this project. However, the reader will find below the pertinent information needed to making a decision.



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Verification report on the reduction of green house gas emission

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Project

Royal Mat Inc. specializes in the recycling of tires no longer in use coming from cars and trucks. Royal Mat manufactures from these tires different new rubber products.

Reference scenario

In Quebec the tires no longer in use are either used for enhancing energy or recycling. (Ref. Recyc Quebec). Always according to Recyc Quebec, 35% of tires no longer in uses are sent for the enhancement of energy while the other 65% is used for recycling purposes.

The reference scenario used for this project is the same as the one used in the previous (GHG Emission Reductions Recycling Project (2000-2010) version of October 4th 2007) that covered the period from 2000 to 2006.

We suppose that, if the activities of Royal Mat had not taken place during the period from January 2007 to September 2007, 35% of its consumption of tires no longer in use for the manufacturing of new rubber products would have been directed to the enhancing of energy.

Emission sources

The GHG concerned are: dioxide of carbon (CO₂), methane (CH₄) and oxide nitrate (N₂O). The emission sources are well described in the report of quantification and are similar to those described in the previous report covering the period from 2000-2006. **Our verification mandate does not rest on the confirmation and corroboration of the emission sources.**

Period covered by the project

January 1st 2007 to September 30th 2007

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Declaration GHG of the organisation (Table taken from the project report)

Table 5: Total Emission Reductions 2000-2007
(t CO₂ eq)

Year	Input Material (used tires) (t) A	35 % of input material (t) B	Baseline Scenario	Project Scenario		Reductions (t CO ₂ eq) F=C-(D+E)
			Emissions (t CO ₂ eq) C	Avoided Émissions (t CO ₂ eq) D	Actual Emissions (t CO ₂ eq) E	
2000	18 471	6 465	1 045	-13 326	3 684	10 687
2001	22 083	7 729	1 250	-15 932	4 505	12 676
2002	25 690	8 992	1 454	-18 535	5 463	14 525
2003	32 854	11 499	1 859	-23 703	6 691	18 871
2004	28 220	9 877	1 597	-20 360	6 728	15 228
2005	29 495	10 323	1 669	-21 279	5 773	17 176
2006	31 878	11 157	1 804	-22 998	6 931	17 872
Total	188 691	66 042	10 677	-136 133	39 776	107 035
2007/1- 2007/9	27 501	9 625	1 556	-19 841	5 456	15 941
Total 2007/1- 2007/9	216 192	75 667	12 233	-155 974	45 231	122 976

Notion of relative importance

The planning of the verification must take into consideration the notice of relative importance. The relative importance in this report has been evaluated at a relative value for this report. This relative value has not been obtained on the whole of this report.



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4. Context and Verification Activities

Carbon Quantum has been mandated by Royal Mat Inc. to realize the Verification. The project report was handed over to us for verification on October 11th 2007. Later on, a meeting with the President as well as the Director of administration was held October 18th 2007.

The verification mandate was based exclusively on the validity of the data for the period of January 1st 2007 to September 30th 2007.

We have acquainted ourselves with the previous quantification report based on the period from 2000 to 2006 as well as the Notice of verification that was submitted to us for that period.

This verification Notice was emitted with a reasonable assurance.

We have ensured ourselves that there are no major differences between the previous quantification reports and this one.

The concerned GHG, the emission sources, the quantifying method are identical in both reports.

Also, the management of the company has confirmed to us that no major facts (such as major modifications in the production able to affect the concerned GHG, the emission sources, the environmental impact) did not happen during the period of January 1st 2007 to September 30th 2007.

Our verification does not have as objective to validate the reference scenario, neither the quantification method that were validated from the previous verification Notice.

Preparation for the meeting with management from the company and verification steps from that meeting.

A first revue of the documentation was realised on October 15th before the meeting.

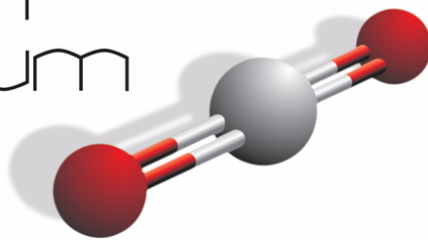
We met on October 18th, Mr. Michel Hould, President, Director general from Royal Mat as well as Mrs. Lucie Vermette, CA,CMA Director of Administration.

We have revised the following points with the concerned persons:

- Internal control in the company in order to determine the inherent risks to the verification
- Comprehension of certain steps of production with the particular aim to validate the quantities used as in the calculation of emission reduction.
- Objective of start up credits on the OTC market (Over the counter)

The necessary documents to the process of verification by sampling were given to us.

We obtained all the necessary cooperation from the company during this meeting.



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Preparation of the verification report

The preparation of the verification Notice was performed following the meeting with management of the company and the revision of the documents. The demand for information and the demands for corrective action were transmitted to the quantifier in order to complete the verification Notice. The information obtained from the quantifier is satisfactory to us.

5. Evaluation of the quantification method of the GHG bound by the project

Referential utilized

As per the information supplied by the quantifier, the project report was prepared by being inspired by ISO 14064-2. However, the verification objectives were not consisting in providing an opinion in accordance with this Norm.

Quantifying method, choices of sources and types of GHG pertinent

As to the choice of emission sources as well as the pertinent GHG types, these were tackled during the previous Verification Notice for the period from 2000 to 2006 and was not the object of our mandate. We are assured however that the methodology (Solid Waste Management and Green house Gases – A life-cycle Assessment of Emission and Sinks EPA 2006) used were the same as the ones used in the previous report.

The approach that was chosen for the quantification of the GHG project relies on the use of emission factors for the enhancement of energy as well as the recycling of tires coming from the EPA study. In the absence of several data of emission directly studied and measured, this method is recognized as being adequate.

However, the factors used in the EPA study concerning the survival of tires (which the study considers as being recycling). Since Royal Mat recycle new rubber tires under different forms such as carpets for example, the quantifier has incorporated in his calculation the emissions related to the manufacturing of these carpets.

Also, estimates of GHG emissions concerning the use of electricity, natural gas, diesel and propane were realized and computed. We consider the steps taken by the quantifier as being pertinent to remedy the lack of specifics in the factors used by the EPA.

The GHG quantities issued from this project and those from the reference scenario were compared for the period from January 1st 2007 to September 30th 2007 in order to determine the reduction of GHG. The reductions are presented in metric ton CO₂ equivalent.

The data concerning the quantities produced as well as the consumption of electricity, natural gas, diesel and propane were the object of our verification.



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Choice of the reference scenario

The reference scenario chosen is the one that considers the emission issued from the enhancing of energy of 35% of the tire consumption of Royal Mat Inc. for the period of reference.

This scenario is the same used in the previous report covering the period from 2000 to 2006.

Evaluation and consideration of the uncertainty

We are in agreement with the analysis performed by the quantifier concerning the degree of uncertainty for which he considers low. In fact the emission factors used come from the EPA official source and we consider the internal control of the company as being good and limit the uncertainty related to the collection of data.

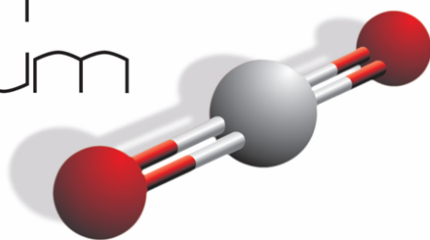
Quality Project management and conservation of documents

Concerning the management of data and the conservation of documents, the report is explicit on this subject. We have corroborated with the company the validity of there internal control that satisfies us as to the reliability of data that comes out of it. Also, the verifications that we performed on this data as well as the information received from our meeting with management has confirmed that there is adequate management of the data. Also Recyc-Quebec verifies periodically the data from Royal Mat Inc. this adds to our confidence towards the quality of data at Royal Mat Inc. as well as there conservation.

6- Verification notice on the declaration of GHG

It is our opinion and with a **reasonable degree of assurance** that the declaration of GHG reduction from Royal Mat Inc. dated October 22nd 2007 represents faithfully the situation.

We confirm, by the present a total reduction of about 15,941 tCO₂ e for the period from January 1st 2007 to September 30th 2007 and this with a degree of uncertainty judged to be low.



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Confidentiality

Carbon Quantum assures the confidentiality of all information provided to them during the course of verification as well as documents provided by the company will be preserved in there files afterwards. No relative information to the present audit will be communicated to a third party, other than the organization that accredit BNQ (in that case) without obtaining the written authorization from the client. Besides, the content of this verification report cannot be used in it's entirely or in part without obtaining the authorization from the Carbon Quantum.

Fondation

Carbon Quantum

