Saint-Lambert, September 13th 2007

9132-6207 Quebec Inc.
C/O Mr. Sylvain Richer
800 Ardoise Street
Sherbrooke, Quebec
J1C 0J6

Subject: Verification report on the reduction of green house gas emission (GHG) Ferti-Val Inc. and Agrior Inc.

Period: For the period of 2002 to 2007 inclusively

Mr. Richer,

Such as requested, we have proceeded with the verification report on the reduction of green house gas emission of Ferti-Val Inc. and Agrior Inc. for the period of 2002 to 2007 inclusively.

This mandate of verification has been carried out in conformity with the International Standards ISO 14064-3 entitled: Specifications and managing lines for validation and verification of notification of green house gas emission (2006).

We have examined in depth the reduction of the green house gas emission (GHG) report that you will find annexed and we have corroborated most of the information included in this one by asking the necessary questions. However, we where not able to carry out the extent of the confirmation of data included in this report since the reports detailing such data where not available at the time of our verification. During the course of our verification, we also visited the premises of the company and where able to notice the important elements of green house gas emission.

This report indicates the reduction of emission of 12,004 t CO2e for 2002, of 30,931 t CO2e for 2003, for 28,833 t CO2e for 2004, of 21,199 t CO2e for 2005, of 19,438 t CO2e for 2006 as well as 7,073 t CO2e for 2007. The total reduction for the period of 2002 to 2007 inclusively is 119,478 t CO2e.

In our opinion, and with a **limited degree of assurance** this report represents the reduction of green house gas emission (GHG) obtained by Ferti-Val Inc. and Agrior Inc. for the period of 2002 to 2007 inclusively while taken in to account a high degree of uncertainty.

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For more details, please consult the attached report also the report on reduction of green house gas emission (GHG) prepared by the firm of L2i Financial Solutions Inc.

Roger Fournier CA
President
Carbon Quantum Foundation

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VERIFICATION REPORT ON THE REDUCTION OF GREEN HOUSE GAS EMISSION

Ferti-Val Inc. and Agrior Inc.
File no 070307

Presented to:

Mr. Maurice Labbé
and Sylvain Richer
Ferti-Val Inc.
800 Ardoise Street
Sherbrooke, Quebec
J1C 0J6

Prepared by:

Roger Fournier CA
President
Carbon Quantum Foundation

Verification report of green house gas emission
File no 070307- Ferti-Val Inc and Agrior Inc.

1. Objectives, criterion and standard of assurance of the verification

The steps taken in the verification of documents to support the declaration of green house gas emission (GHG) for Ferti-Val Inc. and Agrior Inc, as well as the visit of the premises which where held August 31st and September 5th 2007 had for objective to permit Carbon Quantum to issue a verification notice concerning the reduction of GHG presented for Ferti-Val Inc. and Agrior Inc.

The verification work was realized from the requirements of ISO 14064-3 entitled: Specifications and management lines for validation and verification of the reduction for green house gas emission (2006).
The reader must understand that the report is on the reduction of green house gas emission GHG and not on the validity of the project. Also, it is important to specify that Ferti-Val Inc. as well as Agrior Inc. have abandon there goods in March 2007 and are no longer in operation since that date.

The verification notice is formerly presented in section 6.0. However, it is important that the content of the present verification notice be taken into consideration for all decisions taken related to this project.

2. Verification team

The team who carried out the verification is:

- Roger Fournier CA, auditor responsible for the verification

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

The report defines clearly the description of the project, the reference scenario used, the sources of emission of GHG, the types of GHG as well as the period covered by this project. It was judged, not necessary to report all the information in the smallest detail. However, the summary listed below can help in the reading of the present report of verification.

Project scenario

Ferti-Val Inc. and Agrior Inc. specialize in enhancing the value, by the composting of different materials such as wood residue, yard residue, residential organic residue, agri-food, also industrial organic residue, commercial and institutional. The company makes compost answering to the standards of the horticultural industry.

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Reference scenario

The reference scenario is based on land filling waste

Emission source (Table taken from the project report)

Table 1: Sources and Sinks comparison

($t\ CO_2\ e$)

Reference Scenario Land filling		**Project Scenario Composting**	
Emission Sources and sinks		Emission Sources and sinks	
SR1 : Waste transportation	Not quantified Same in the two scenarios	**SP1** : Feedstock Transportation	Not quantified Same in the two scenarios
SR2 : Waste reception	Quantified	**SP2** : Feedstock Reception	Quantified
SR3 : Waste Land filling	Quantified	**SP3** : Composting production and maturation	Quantified
SR4 : Leachate transportation for external treatment	Quantified	**SP4** : Wastewater transportation	Quantified
SR5 : Storage	Quantified	**SP5** : Fine Screening and bagging	Quantified
		SP6 : Distribution	Not quantified Source outside the boundaries
Carbon Capture (sink)		Carbon Capture (sink)	
STR1 : soil	Quantified	**STP1** : soil	Quantified

SR: CO_2 source emissions, reference scenario
SP: CO_2 source emissions, project scenario
STR: CO2 storage $_s$ (sink) reference scenario
STP: $CO_{2\ storage}$ (sink) project scenario

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Period covered by the project

From 2002 to 2007. Please note the company has rendered their goods and stopped all operations in March 2007

Organization's declaration of GHG

Table 4: Total GHG Emission Reductions (food discards and yard trimmings)

Année	Food discards (reductions) (t CO_2 e)	Yard Trimming (net emissions) (t CO_2 e)	Total Reductions (t CO_2 e)
2002	-12 004	0	-12 004
2003	-30 938	7	-30 931
2004	-28 849	16	-28 833
2005	-21 220	21	-21 199
2006	-19 822	383	-19 438
2007	-7 073		-7 073
Total	-119 906	**427**	**-119 478**

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. However you must take into consideration that we where unable to verify the data included in this report.

4. Verification context and activities

Carbon Quantum Foundation has been mandated by 9132-6207 Quebec Inc. and by Fiducie Familiale Lapointe-Labbe Inc. to realize the verification. The first version of the project was handed over to us for verification July 11th 2007. Later on, a visit to the 2 plants was realized August 31st and September 5th 2007. A verification plan was given to management.

9132-6207 Quebec Inc. and Fiducie Familiale Lapointe- Labbe acting of behalf of Ferti-Val Inc. and Agrior Inc. since both enterprises have ceased their activities in March 2007.

We have acknowledged a contractual agreement taken place between Ferti-Val Inc. and Agrior Inc. and 9132-6207 Quebec Inc. and Fiducie Maurice Labbe and Doris Lapointe which stipulated that the carbon credits generated between January 1st 2002 and December 31st 2006 by Ferti-Val In. and Agrior Inc. where given up to 9132-6207n Quebec Inc. and Fiducie Maurice Labbe and Doris Lapointe in equal shares. This agreement has been ratified by a resolution from the administration committee of Gestion Ferti-Val Inc. who holds the majority shares of Ferti-Val Inc. and Agrior Inc.

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An annex to this agreement dated December 12th 2006 stipulates also that the credits generated after December 31st 2006 belong to Ferti-Val Inc. and Agrior Inc. but the carbon units derived from waste accepted on the sites of the two companies before the end of the operations being an integral part of the contractual agreement. This annex was not ratified by a resolution by the board of directors.
We also verified the different structures of the implicated companies with the registry of companies with the system CIDREQ of the government of Quebec to assure the different powers of the companies involved.

Preparations for the on site visit and the verification steps on the visited premises

A first revue of the documentation was realized August 14th before a visit of the premises in order, among others, to plan the visit. In order to pursue the verification at Ferti-Val Inc. and Agrior Inc., we met Mr. Maurice Labbe, administrator of both companies. We revised with Mr. Labbe the following:

- Internal control in the company in order to determine the inherent risks of the verification
- Understanding the different steps of the production
- The environmental Aspects
- The sources of emission

The necessary documents to our verification procedures by sampling that where asked for before our visit of the premises where not given to us because our customer did not have access data processing system.

Beside the fact that the documents where not available, we obtained, in general our request for information, the necessary Co-operation from the company and all during our visit.

Preparation of the verification report

The preparation of the verification notice was performed with reference to our visit of the premises also the revision of the documents. The demand of information also the demands for correctives action where transmitted to the quantifier in order to complete the verification notice. Certain information where however missing concerning the data which does not allow us to accomplish our verification as we had planned. The data not being available, the two administrators of the company Mr. Labbe and Richer handed over an Affidavit taken under oath mentioning among other that the data supplied and used by L2i-Solutions Financieres for the quantification where veracious. The final version of the report was given to us September 13th 2007.

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

Reference utilize

As per the information supplied by the quantifier the project report has been prepared in part inspired by the ISO 14064-2. However, the verification objectives where not consisting in providing an opinion in accordance with this norm.

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Quantifying method, choices of sources and types of GHG pertinent

The quantifier has evaluated certain choices in methods of quantification and finally support a study lead by the Environmental Protection Agency (EPA)in 2006 which has the following name: Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emission and Sinks.
In the absence of data emission directly overseen and measured, this method is recognized as being adequate. Also, the choice of emission factors is based primarily on the references supplied by the EPA (2006).

The choice of the study by the quantifier is satisfactory.

The approach that was chosen for the quantification of the GHG project relies on the use of emission factors (determined in the study by the EPA) which are combined with the quantities received by the client. We where able to corroborate the factors used with the EPA study but our verification on the data was limited to receive one conformation of the share holders of Ferti-ÀVal Inc. and Agrior Inc. to the effect that the data registered in the report was true. We are not completely at ease with this situation. The data was not accessible at this time on account of the activities stopped in March 2007 and the administrative personnel had left. Management infirmed us that said data would be available for verification as soon as possible.

Choice of the reference scenario

The reference scenario chosen is the one of land filling composting and taken into account the following activities:

- Receiving waste
- Land filling of waste
- Transportation of lixivat for exterior treatment
- Storage

We are comfortable with the use of this reference scenario since it supports a study that we consider adequate.

Evaluation and consideration of the uncertainty

The notion of uncertainty is approached in this report. Due to difficulties encountered in the verification of data, the quantifier clearly establishes the high level of uncertainty which is fair. We are in agreement with the position of the quantifier as to the level of uncertainty.

Quality Project management and conservation of documents

Concerning the management of data and the conservation of documents, the report is explicit about this. We have corroborated with the company the validity of the internal control in place when the company was in operation. The control points were good. However, in the light of the additional information received, it presently appears evident that the data is difficult to access from there our questioning on the control of these and there preservation.

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Verification notice on the declaration of reduction of GHG

It is in our opinion and with a **limited** degree of assurance that the declaration of reduction of GHG of Ferti-Val Inc. and Agrior Inc. dated September 13th 2007 represents the situation.

We confirm, by the present a total reduction of about 119,478 t CO2e for the period of 2002 to 2007 inclusively and in taken into consideration a degree of uncertainty judged to be elevated.

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 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.

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