

TRANSLATION

November 14th 2007

Mister Mike Carroll
Pituvik Landholding Corporation
P.O. Box 285
Inukjuak (Québec) J0M 1M0

**Objet : Demonstration project Micro Auto Gasification System (MAGS)
Terragon Environmental Technologies inc.**

Sir :

Following the reception of your letter and our phone conversation concerning the aforementioned subject, you will find below the procedure to follow to obtain the necessary authorization from the Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) for the realization of your project.

First, you must send a project notification at the deputy-minister office at the following address :

M^{me} Madeleine Paulin, sous-ministre
Administrateur provincial de la Convention de la Baie-James et du
Nord québécois
Ministère du Développement durable, de l'Environnement et des Parcs
Édifice Marie-Guyart, 30^e étage,
675, boulevard René-Lévesque Est, boîte 02
Québec (Québec) G1R 5V7

The project notification must contain the following information :

- a. Applicant identification;
- b. Project title;
- c. Project location;
- d. Project justification and objectives;
- e. Project description;
- f. Intention of studying other site alternatives, if necessary;

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- g. In the case of if only one site is proposed for the project, explain the reasons why it is impossible to look at other site alternatives;
- h. The main components of human and biophysic environments;
- i. Project realization schedule;
- j. In the case of a project that is not automatically subject to the environmental impact assessment and review procedure nor automatically exempted, in accordance to the projects listed in appendix A and B of the Environmental Quality Act (EQA), technical data must be sufficient to evaluate the effects of the project on the environment and decide if the project should be submitted or not to the environmental impact assessment.

For more information concerning the project notification, you can refer to our web site at the following address : <http://www.mddep.gouv.qc.ca/evaluations/renseign-prelim.htm>. This notification project will allow us to evaluate if the project is submitted to an environmental impact assessment. If an environmental impact assessment is necessary, the ministry will send you guidelines indicating the scope and content of the impact assessment study. Following the deposit and analysis of the study, an authorization will be emitted (in accordance to section 201 of the EQA). If the ministry thinks it is not necessary to do an environmental impact assessment, we will send you an exemption certificate.

Following this procedure, your project will then be analysed by the regional office of MDDEP (in Rouyn-Noranda) in order to emit the certificate of authorization in accordance to section 22 of the EQA. Additional information could then be asked such as plans and specifications and other technical information concerning the system.

If you should have any other questions, don't hesitate to contact the undersigned at 819 763-3333, extension 261.

Please accept, Sir, our best regards.

Josée Brazeau, biologiste M.env.
Service municipal, hydrique et milieu naturel

JB/lrp

c.c. Mister Robert Joly, DÉE
Mister Michael Barrett, ARK

Le 14 novembre 2007

Monsieur Mike Carroll
Pituvik Landholding Corporation
Boîte postale 285
Inukjuak (Québec) J0M 1M0

**Objet : Projet-pilote d'incinérateur à déchets Micro Auto Gasification System (MAGS)
de Technologie Environnementale Terragon inc.**

Monsieur,

Suite à la réception de votre lettre ainsi qu'à notre conversation téléphonique concernant le sujet cité en rubrique, voici la procédure à suivre pour obtenir les autorisations du ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) pour la réalisation de votre projet.

Tout d'abord, vous devez faire parvenir un avis de projet au bureau de la sous-ministre à l'adresse suivante :

M^{me} Madeleine Paulin, sous-ministre
Administrateur provincial de la Convention de la Baie-James et du Nord
québécois
Ministère du Développement durable, de l'Environnement et des Parcs
Édifice Marie-Guyart, 30^e étage,
675, boulevard René-Lévesque Est, boîte 02
Québec (Québec) G1R 5V7

L'avis de projet doit contenir les éléments suivants :

- a. L'identification de l'initiateur de projet;
- b. Le titre du projet;
- c. La localisation du projet;
- d. Les objectifs et la justification du projet;
- e. La description du projet;
- f. L'intention d'étudier d'autres emplacements pour le projet, le cas échéant;

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- g. Dans le cas où un seul emplacement est proposé pour le projet, les raisons pour lesquelles il est impossible d'envisager d'autres emplacements;
- h. Les principales composantes des milieux biophysiques et humains;
- i. Le calendrier de réalisation du projet;
- j. Dans le cas d'un projet qui n'est ni obligatoirement assujéti à la procédure d'évaluation et d'examen des impacts sur l'environnement et le milieu social ni obligatoirement soustrait à cette procédure, selon les projets énumérés dans les annexes A et B de la Loi sur la qualité de l'environnement (LQE), des données techniques suffisantes pour permettre d'évaluer sommairement les effets du projet sur l'environnement et sur le milieu social, pour pouvoir déterminer s'il y a lieu d'assujétiir ou non le projet à la procédure d'évaluation et d'examen.

Pour plus d'information concernant l'avis de projet, vous pouvez vous référer à l'adresse internet suivante : <http://www.mddep.gouv.qc.ca/evaluations/renseign-prelim.htm>. Cet avis de projet permettra d'évaluer si le projet est soumis à une évaluation environnementale. Si une évaluation environnementale est jugée nécessaire, le ministère vous fera parvenir une directive vous énonçant l'ampleur et le contenu de l'étude à réaliser. Suite au dépôt et à l'analyse de cette étude, un certificat d'autorisation (en vertu de l'article 201 de la LQE) vous sera émis. Si le ministère juge qu'une évaluation environnementale n'est pas requise, il vous fera parvenir une attestation de non-assujétiissement à la procédure.

Suite à cette procédure, votre projet sera analysé par la direction régionale du MDDEP (bureau de Rouyn-Noranda), afin d'émettre le certificat d'autorisation en vertu de l'article 22 de la Loi sur la qualité de l'environnement. D'autres informations techniques pourront à ce moment vous être demandées comme les plans et devis ainsi que les caractéristiques techniques du système.

Si vous avez des questions supplémentaires concernant la procédure d'autorisation, n'hésitez pas à communiquer avec la soussignée au numéro 819 763-3333, poste 261.

Veillez agréer, Monsieur, l'expression de nos sentiments les meilleurs.



Josée Brazeau, biologiste M.env.
Service municipal, hydrique et milieu naturel

JB/lrp

c.c. Monsieur Robert Joly, DÉE
Monsieur Michael Barrett, ARK ✓

Pituvik Landholding Corporation

Tel: 819 254 8101
Fax 819 254 8252
Pituvik@tamaani.ca

<http://www.pituvik.com>

P.O. Box 285
Inukjuak, Quebec
JOM 1M0

Fax

To: Michael Barrett	From: Mike Carroll
KRG Environment	
Fax: 819 964 2267	Pages: 10
Phone:	Date: October 2 nd , 2007
Re: Micro Auto Gasification	CC:
System	

Hi Michael,

We have made progress with this project both with the NV, GMF, SDTC and Terragon.

I would like to have an idea of the procedures to follow to apply for the permits to operate such a system with the municipal limits of Inukjuak.

Please contact me.

Thanks

Regards

Mike

Pituvik Landholding Corporation

Tel: 819 254 8101
Fax 819 254 8252
Pituvik@tamaani.ca

<http://www.pituvik.com>

P.O. Box 285
Inukjuak, Quebec
J0M 1M0

Fax

To: Reynald Gagnon
Environment Quebec
From: Mike Carroll

Fax: 819 763 3202 **Pages:** 9

Phone: **Date:** September 27, 2007

Re: PERMIT(S) **CC:**

Sir;

This company, in coordination with the municipality of Inukjuak (Northern Village of Inukjuak) intends on hosting a pilot project (Demonstration Project-Micro Auto Gasification System-MAGS-Phase 3) as per the brief description attached hereto. At the earliest 2008 but most likely 2009 will be the target year for the demonstration. Inukjuak is going to be the 3rd host for the project.

I was talking to Gaetan Murray, the chief mechanic at the garage in Inukjuak about this project. I understand that you helped him in acquiring certain permits for their used fuel furnace.

I am doing some preparations for our MAGS project and coordinating with our other partner, Terragon Environmental Technologies Inc. based in Montreal, the designer of the technology.

I request your help in steering our efforts to the right people in Environment Quebec to help us get the appropriate permits for this demonstration.

The Northern Village of Inukjuak applied for funds from GMF (Green Municipal Fund) to do an analysis of the garbage stream (flow) in Inukjuak. The GMF approved the project. We are just waiting for the contract details to be finalized and intend to carry out this analysis as soon as possible.

Terragon is also finalizing the contract details to the research funding from "Sustainable Development Technologies Canada" (SDTC) which recently approved the project.

www.terragon.net

Soon we will be going into contract negotiations with Terragon to host and operate the demonstration in the community. If the project is successful, the community will decide if it is a feasible operation to maintain and operate into the future.

Ideally, the equipment (MAGS) would operate within the community, but this depends on the prior 2 demonstrations which are a hospital and hotel. Depending on the outcome of these tests, then a suitable location either in the community or out of the community will be selected. But, the project would be placed within the municipal limits.

I am of course, very open to sharing any information or answering any questions you may have.

Please also feel free to visit the company website as per above, it will help you get a better idea of Pituvik Landholding Corporation and its interests.

Look forward to hearing from you.

Sincerely,


Mike Carroll

The Elimination of Waste in the Village of Inukjuak

Presented by:
Terragon Environmental Technologies Inc.
Dr. Peter G. Tsantrizos

May 2006



The challenge of eliminating waste in small isolated communities

Small communities

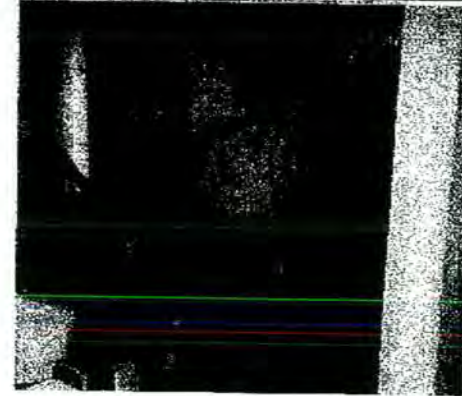
- ❑ generate small amounts of diverse waste
- ❑ cannot operate conventional waste treatment facilities
- ❑ cannot easily transport waste to other communities
- ❑ don't have large budgets to deal with waste management problem

Conventional technologies do not offer economical viable and environmentally acceptable solutions.



Terragon Environmental Technologies Inc.

- Created in 2004 to develop technology that offers small communities an economically viable option for the safe local treatment of their waste.
- Has a highly skilled team with extensive experience in development and commercialization of waste treatment technologies.
- Has received contracts from Canadian Military and the US Navy for development of its MAGS technology.



Terragon is committed to enabling communities to treat their waste locally.

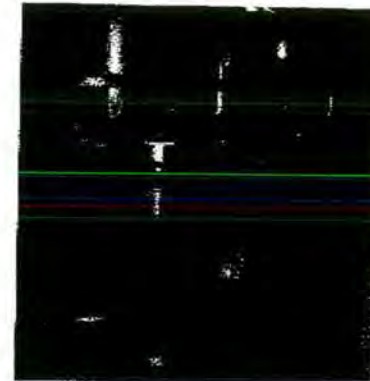
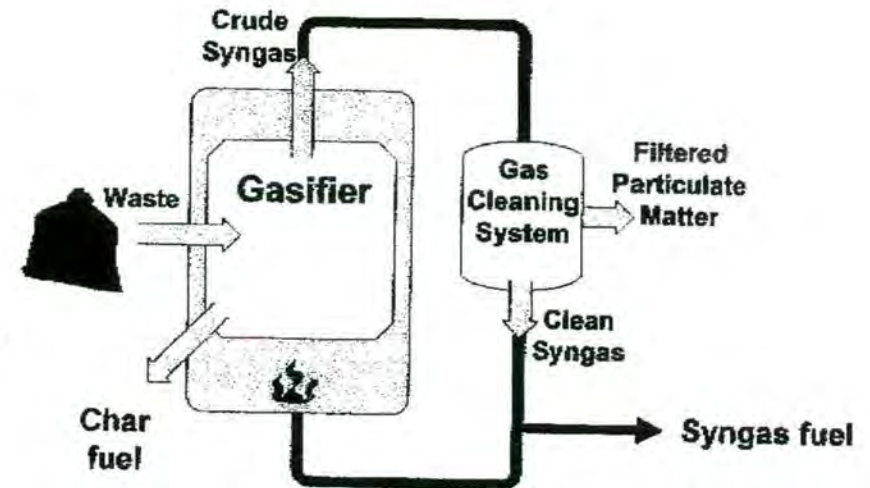


TERRAGON
Environmental Technologies Inc.

MAGS

Micro Auto Gasification System

- Eliminates all types of waste (household, liquid, industrial).
- Converts waste into two types of fuel:
 - Char fuel
 - Syngas fuel
- Capable of treating 500 kg of mixed waste per day.
- Excellent environmental performance.
- Very compact and affordable.
- Easy and safe to operate.
- Minimum fuel and electricity requirements.



The best solution for small isolated communities.

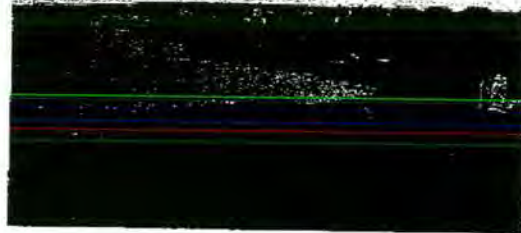


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Benefits for Inukjuak

- Viable clean solution to waste management problem at minimal cost.
- Production and recovery of fuel from waste.
- Support from Terragon for installation of system, training of personnel and operation for one year.

Inukjuak will become the leader in environmentally sustainability in Canada.



Activities to be undertaken by community

- Provide adequate location for installation of MAGS.
- Help Terragon to assess waste management problem in Inukjuak.
- Form a committee to focus on project.
- Identify people to be trained as operators of the system.
- Assist Terragon in the installation of the system.
- Operate MAGS.
- Provide Terragon access to performance data for a period of one year.

Terragon will build and test the system in its facilities prior to delivery.



Contributing Partners

The project will be funded by:

- ❑ Terragon
- ❑ Sustainable Development Technology Canada
- ❑ Aboriginal and Northern Communities Action Plan
- ❑ Department of National Defense (Canadian Navy)
- ❑ US Office of Naval Research

Terragon will lead the effort in funding the project so as to minimize the cost to Inukjuak.



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Environmental Technologies Inc.