

Background

C M T inc. (CMT) is a technical design and project management company, and most recently, an environmental products supplier. CMT met Mr. Seamus Butler of Butler Manufacturing Systems Ltd. (BMS) during an Ireland-Newfoundland Trade Mission to review his packaged sewage treatment systems, and were successful in obtaining a licensee agreement to sell and manufacture this product in Canada, with the first right of refusal for the NAFTA Market. Resulting from this Ireland-Newfoundland Trade Mission in September 1999, the licensee part of this Agreement was signed in Ireland on November 26/99, with the manufacturing part signed April 12/00. A Memorandum of Understanding between CMT and the Town of Bishop's Falls, Nfld. was signed in Dublin, Ireland in October 2000, stating that with the successful demonstration of the first Blivet™ in Newfoundland & Labrador at Bishop's Falls, CMT would give consideration to the manufacture of the plants in the town.

The manufacturing plant will provide full time non-seasonal employment for people in the increasingly demanding environmental industry. The first unit in North America, a BMS BL3500, was installed in Bishop's Falls, Nfld. and commenced operation July 13/01. This unit is being successfully demonstrated to meet environmental regulations, and we feel confident that the continued performance of this unit will result in additional sales for the sewage treatment plants. Our business concept is to create a manufacturing business in Newfoundland & Labrador based on the successful patented technologies of BMS, to manufacture and distribute environmental protection products to the local, national and international markets. The initial stage is to import the treatment plants from Ireland to establish the market.

The BMS Blivet™ is marketed as the world's leading "all in one" package sewage treatment plant. It is a pre-engineered, prefabricated, cost-effective solution to the sewage problem in Newfoundland & Labrador and others provinces of Canada. BMS has successfully supplied and installed packages in over 25 countries world-wide. All packages are road transportable and sized to be efficiently container shipped.

The greatest opportunity and advantage of the Blivet™, is its ability to provide a cost-effective approach to sewage treatment to a greater number of people, with less infrastructure to maintain. Over the last decade, increased public awareness has created a demand for a cleaner, healthier environment worldwide. Environmental industries have emerged as an area for economic growth at the regional and global levels. In fact, the growing worldwide demand for environmental technologies, products and services is expected to increase by 8% annually for the next decade. The number of communities that need wastewater treatment in Canada alone is staggering. The most recent statistics, from 1994, reveal that of those municipalities with a wastewater collection system, the level of wastewater treatment varies greatly across Canada with only 7% of Canadian communities receiving no treatment. In Atlantic Canada that percentage increases to 52% of municipalities with no treatment, and in Newfoundland & Labrador the percentage is increased again with 86% of municipalities that have wastewater collection systems discharging its wastewater totally untreated.

With the NAFTA geographical marketplace (Canada, United States, & Mexico) within it's manufacturing/selling area, CMT is confident that the future market and potential for the BMS environmental product range, that will be manufactured in Newfoundland & Labrador, is quite significant.

The Blivet™ is an ideal solution to waste water treatment for small to medium sized communities. It is mainly installed as an efficient "end of line" treatment to existing sewage lines.