

USA - MSW to Activated Carbon

ProForma Financial Statements- ATS 2000 Plant processing 37,500 Tons of pre-sorted and dried Municipal Solid Waste (MSW) operating 330 days per year in USA

REVENUE	Assumptions Conversion %	Sale Price	% post	Total Ton	Revenue	1st year	2nd year	3rd year	4th year	5th Year
		per Ton	sorting prod.	Production/day	per day					
Biomass & yard Trimmings	Biochar 25%	2,000	33%	9.38						
Cardboard & paper	Biochar 35%	2,000	31%	12.33						
Wood	Biochar 30%	2,000	7%	2.39						
Ash Soil Misc carbon base	Biochar 15%	2,000	3%	0.51						
TOTAL Activated Carbon 95% biochar		2000		23.37	46,744	15,425,454	15,425,454	15,425,454	15,425,454	15,425,454
Plastics	Fuel Oil 70%	300	15%	5.58	1,674	552,420	552,420	552,420	552,420	552,420
Textile ,rubber & leather	Fuel oil 50%	300	10%	2.76	828	273,240	273,240	273,240	273,240	273,240
TOTAL					2,502	825,660	825,660	825,660	825,660	825,660
Metal - Sorted prior Production	Metal 100%	300	0%	17.42	5,226	1,724,580	1,724,580	1,724,580	1,724,580	1,724,580
Glass -sorted prior Production	Glass 100%	100	0%	16.78	1,678	553,740	553,740	553,740	553,740	553,740
TOTAL					6,904	2,278,320	2,278,320	2,278,320	2,278,320	2,278,320
Tippling Fee	1	50		116.40	5,820	1,920,600	1,920,600	1,920,600	1,920,600	1,920,600
GROSS REVENUE					61,970	20,450,034	20,450,034	20,450,034	20,450,034	20,450,034
Royalty % of gross revenue	28		5%		3,098	1,022,502	1,022,502	1,022,502	1,022,502	1,022,502
Gross Less Royalty					58,871	19,427,532	19,427,532	19,427,532	19,427,532	19,427,532
Operational Expense										
Diesel or natural gas	29					10,000	10,000	10,000	10,000	10,000
Electricity Equipment	2					200,000	200,000	200,000	200,000	200,000
Water	3					14,000	14,000	14,000	14,000	14,000
Maintenance Equipment	4					125,000	125,000	125,000	125,000	125,000
Water Sewage Treatment	5					9,800	9,800	9,800	9,800	9,800
Landfill waste disposal fee	6					66,000	66,000	66,000	66,000	66,000
CB Packaging	7					170,000	170,000	170,000	170,000	170,000
Chemical Catalyst	8					120,000	120,000	120,000	120,000	120,000
Filter, Gasket Replacements	9					66,000	66,000	66,000	66,000	66,000
Plant Rental	10					180,000	180,000	180,000	180,000	180,000
Triple Net costs	11					120,000	120,000	120,000	120,000	120,000
Electricity Plant Office	12					18,000	18,000	18,000	18,000	18,000
Misc. Waste Disposal	13					8,400	8,400	8,400	8,400	8,400
Cleaning	14					18,000	18,000	18,000	18,000	18,000
Water, Coffee ect. - Office	15					7,000	7,000	7,000	7,000	7,000
Total						1,132,200	1,132,200	1,132,200	1,132,200	1,132,200
Employee Expense			No.	Salary						
Plant Manager			1	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Marketing and Product Manager			1	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Asst Plant Manager			1	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Foreman			3	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Equipment Operators			22	36,000	792,000	792,000	792,000	792,000	792,000	792,000
Engineers			3	60,000	180,000	180,000	180,000	180,000	180,000	180,000
Chemist			1	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Administrative Assistants			2	24,000	48,000	48,000	48,000	48,000	48,000	48,000
Marketing & Sales Staff			2	48,000	96,000	96,000	96,000	96,000	96,000	96,000
Accounting Dept			1	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Total	30 & 31		37		1,434,000	1,434,000	1,434,000	1,434,000	1,434,000	1,434,000
Payroll Taxes	16		10%		143,400	143,400	143,400	143,400	143,400	143,400
Medical	17		37	11,000	407,000	407,000	407,000	407,000	407,000	407,000
401 K	18		5%		-	71,700	71,700	71,700	71,700	71,700
Total					-	2,056,100	2,056,100	2,056,100	2,056,100	2,056,100
Liability and Insurance										
Liability	19					31,500	31,500	31,500	31,500	31,500
Property	20					30,000	30,000	30,000	30,000	30,000
Auto	21		3			7,500	7,500	7,500	7,500	7,500
Umbrella	22					15,000	15,000	15,000	15,000	15,000
Worker's Comp	23		3%			43,020	43,020	43,020	43,020	43,020
Total						127,020	127,020	127,020	127,020	127,020
Office & Yard Expense										
Office & Lab supplies	24					96,000	96,000	96,000	96,000	96,000
Yard Maintenance	25					24,000	24,000	24,000	24,000	24,000
Postage & Courier						36,000	36,000	36,000	36,000	36,000
Cell Phones			15			9,000	9,000	9,000	9,000	9,000
Office phone & fax						4,500	4,500	4,500	4,500	4,500
Security system						12,000	12,000	12,000	12,000	12,000
Total						181,500	181,500	181,500	181,500	181,500
Administrative Expenses										
Marketing/Advertising	26		1.5%			306,751	306,751	306,751	306,751	306,751
Legal						12,000	12,000	12,000	12,000	12,000
Testing						96,000	96,000	96,000	96,000	96,000
Fees & Licenses						36,000	36,000	36,000	36,000	36,000
Commission	27		5%			1,022,502	1,022,502	1,022,502	1,022,502	1,022,502
Total						1,473,252	1,473,252	1,473,252	1,473,252	1,473,252
Total Operating Expenses						4,970,072	4,970,072	4,970,072	4,970,072	4,970,072
Net Profit Before Tax (USD)						14,457,460	14,457,460	14,457,460	14,457,460	14,457,460

ASSUMPTIONS :

The ProForma Financial statement was prepared by Magnum's manufacturing partner, MGI Thermolysis Systems Inc, with input from Emergent Waste Solutions Inc., an operational Licensee of Magnum. Updated June 2023.

The composition of feedstock varies from location to location, and this may result in different by-products being produced.

As the percentage of conversion to activated carbon produced may vary, a conservative market value of \$2,000 per ton for activated carbon is used for compensation.

The ProForma does not take into account any revenue that can be derived from carbon credits, which can be significant.

- 1 Tipping fee based on a supplier contract using median tipping fee in USA.(\$50/Ton)
 - 2 Based on usage of existing plant - Projected 3,000,000 kwh @ .0667/kwh hour - 1,000,000 kwh allocated for preprocessing equipment
 - 3 Water Projection use of 2.8 Million gallons of water@commercial rate of .005/gallon
 - 4 The projected cost of \$100,000 is reasonable based upon such plant size. (includes estimate for maintenance of pre processing equipment)
 - 5 Water Treatmentand sewage projection cost based on plant size and 70% of water usage.
 - 6 Landfill disposal fee of \$33,000 projection based on research data.
 - 7 CB packaging cost projection based on such plant size of \$50.00/T
 - 8 Chemical catalyst cost projection (if necessary) \$60,000 based on existing plant costs
 - 9 Filter & Seal replacement cost projection of \$33,000 based on Vegreville plant in Alberta, Canada.
 - 10 Plant rental for 30,000 sq ft @ \$6.00/sq ft
 - 11 Triple net costs (estimated \$4.00 per sq ft)
 - 12 Projected electricity for office, lab and office equipment to be \$18,000
 - 13 Projected waste discharge fee of \$8,400 based on research data.
 - 14 Projected cleaning of office, lab and staff room \$18,000
 - 15 Projected office water, coffee and incidental office supplies \$6,000
 - 16 Employers portion of payroll taxes (10%) including SS, UIC State & Fed, Medical
 - 17 Projected employee medical to be \$11,000 per employee (\$462,000)
 - 18 Projected 401K expenses @5% -these vary in the US states between (3-6%) (\$80,700)
 - 19 Liability Projected Insurance costs based on US quotation for Alabama
 - 20 Property Insurance based on insurance quotation for Alabama
 - 21 Auto Insurance based on insurance quotation for Alabama
 - 22 Umbrella insurance based on insurance quotation for Alabama
 - 23 Workmen's compensation - based on US median of 3%
 - 24 Office and Lab supplies based on research data for such plant size.
 - 25 Yard Maintenance (\$4,000) estimated
 - 26 Marketing and Advertising (1.5%)- based on industry standards
 - 27 Sales commission payable (5%) - industry standards
 - 28 Royalty based on 5% of gross revenue
 - 29 Diesel required for start up and for equipment fuel (estimated)
 - 30 Staff requirements include staff required for operating pre and post processing equipment totals (wages & salary \$717,600)
 - 31 Without pre&post processing equip: 13 operators, 1 foreman, 1engineer & the mark& prod mgr could be deleted from pro forma calculations (wage deletions total \$717,600)
- In addition Employee benefits would be reduced by \$261,640, workmens compensation by \$21,530 and misc expenses of approx \$5,000
- 32 a metric ton of MSW yields ~145 liters of clean diesel or 165 liters of clean gasoline