CARBOTURA

The Engagement Path — Follow the Numbers

From first signature to Circular Royalties · one page, seven steps

THE SEVEN STEPS

1 LOI / MOU — engagement begins

A non-binding Letter of Intent / Memorandum of Understanding opens the engagement. It establishes the joint working group and the data exchange — no cost and no obligation for the community.

2 Term Sheet — verification & terms

The verification phase. Feedstock streams, volumes, and the community's current disposal-cost basis (FWDC) are confirmed, the site is selected, and per-tonne commercial terms are agreed before anything is signed long-term.

3 CSA — execution = T0

The Circular Supply Agreement — a minimum 30-year supply contract with perpetual continuation. Execution starts the project clock (T0) and locks the Beneficiation Fee, the Circular Royalty™, the feedstock commitment, and site access.

4 Underwriting — Carbotura-financed

Carbotura arranges 100% of facility financing under its Build-Own-Operate model. The community contributes zero capital and carries no construction or financing risk; an 18-month Parent Performance Guarantee backs all payment obligations.

5 Permitting — manufacturing basis

The facility is permitted as manufacturing (NAICS 31–33), never as waste processing. Maintaining that manufacturing classification is a standing condition of every engagement.

> **Steps 1–5 are paper** — documentation, verification, and approvals. Typically 3–18 months in total, depending on the community's pace.

6 Deployment — build · 12–18 months

The facility is manufactured and deployed in standardized 100 TPD modular increments rather than built as one-off construction — a 12–18 month build from CSA execution to commissioning.

7 COD & Royalties — the destination

Commercial Operations Date: the facility begins accepting feedstock. The Beneficiation Fee applies to delivered tonnage, and the first Circular Royalty™ payment follows 13 months after the first fee payment — then monthly, escalating every year for the life of the agreement.

THE BUSINESS MODEL

Carbotura finances, builds, owns, and operates the Advanced Circular Manufacturing facility. Material the community already collects is delivered to the facility gate as **manufacturing feedstock** — not waste — and is converted through elemental dissociation into synthetic graphite, graphene compounds, and recovered minerals.

The community pays a per-tonne **Beneficiation Fee (TMC Fee)** on delivered material, replacing its current disposal cost, and receives the **Circular Royalty™** — which exceeds the fee in every year of the agreement, with a margin that widens over time.

WHAT TO EXPECT

- No capital outlay, no construction risk, no financing risk — at any stage.
- Steps 1–5 are administrative: 3–18 months of joint work, at the community's pace.
- A 12–18 month modular build once the CSA is executed.
- First Circular Royalty™ payment 13 months after the first fee payment, then monthly with annual escalation.
- A minimum 30-year partnership with perpetual continuation.

WHAT YOUR COMMUNITY PROVIDES

- Verified feedstock data: streams, volumes, and current disposal-cost basis (FWDC).
- Site selection support and site access under the CSA.
- The feedstock commitment: agreed tonnage delivered to the facility gate.
- Permitting cooperation on the manufacturing classification.
- A designated counterpart for the joint working group.

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