

TMG's "Approach to Livestock"

A Natural and Sustainable Solution for Organic Waste Management

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 Centennial CO 80121

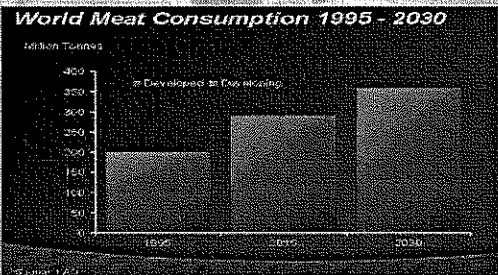
www.approachit.net
 303-474-4649

MISSION CAPABILITIES VALUE PROPOSITION

- We Eliminate ORGANIC Wastes ... **on site...**
 - Clear Air in Days
 - Clean Water in Weeks
 - Eliminate Solids in Months

TMG Mission:
 Delivering improved value-added technology for on-site, organic and sustainable waste handling and remediation

A DOMESTIC AND WORLD ISSUE



World Meat Consumption 1995 - 2030

US CAFOs Produce Manure Wastes
**1 Trillion Pounds /year AND Foul
 600 Billion Gallons Water /year
 13 Times the Mass Humans Produce
 Totals Only 0.2 % of the World Bioremediation Market**

A NATIONAL ISSUE

- 9.2 Million Dairy cows
- 2.1 Million metric tons of Methane. (8%)
- 120 pounds of manure waste per cow per day
- 3.98 x10¹¹ pounds of Manure per year
- 70 Million Hogs
- ZERO waste treatment plants
- Uneven nitrate values, lost or overused

A STATE OF COLORADO ISSUE

- Dairy herd population 132,000 (up from 100,000)
- Milk production 23,000 pounds per cow/year

- Manure waste/head/day 120
- Ammonia - NH₃ 7,000 tons
- Hydrogen Sulfide - H₂S 1,100 tons
- Methane - CH₄ 22,000 metric tons
- Water used to process ???? Loads

Markets / Stakeholders

Domestic US Animal Waste

- \$5 to \$15 Billion per year in farmer Op Ex
- Cap Ex for CAFOs and Transport waste is \$8 to \$20 Billion per year

Farmers, CAFO Operators and Contractors
22,000 CAFOs

NGOs (EDF, Sierra Club, Ducks Unlimited, et al.)

600 Billion gallons of Water/year

Regulators (Fed EPA, State DENR/DWQ)

1 Trillion Pounds of Solid Manure in CAFOs

Point Source Nutrient Loading Regulatory Issues in Soil and Water

TMG's Approach ..Technology

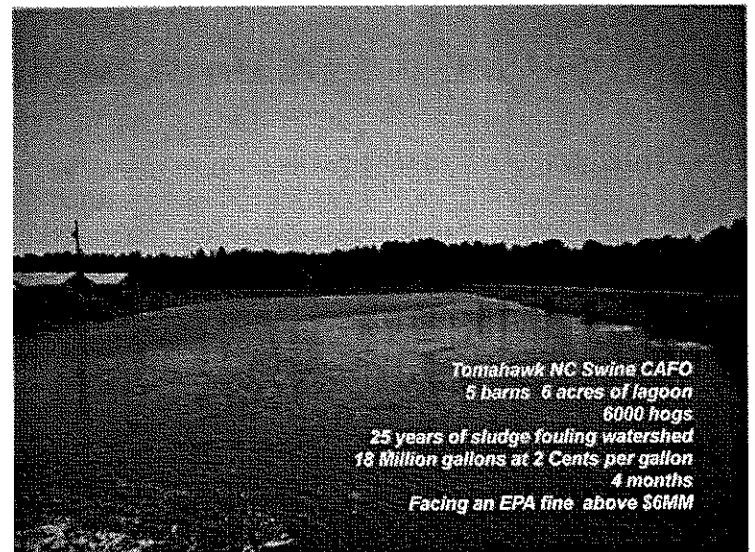
Our Proprietary IP and our Service Accelerates Natural & Sustainable Digestion 10⁶ to 10⁹ times

WE APPLY EXTANT NATURAL PROCESSES using

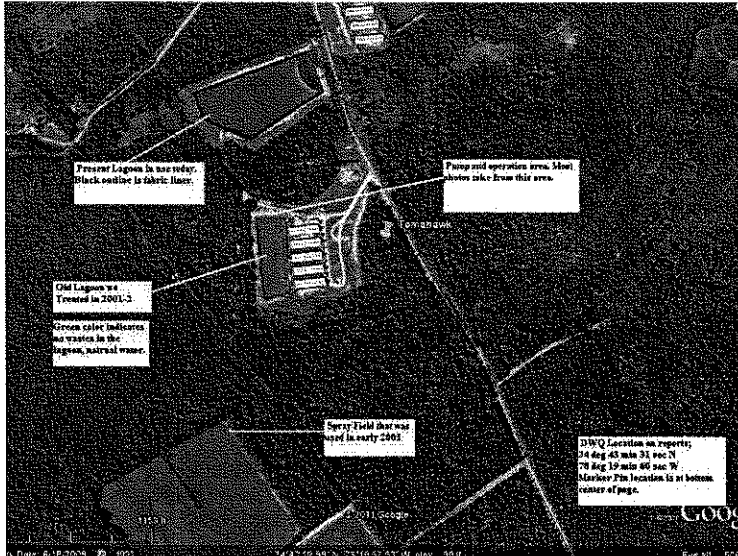
- The Biochemistry of Enzymes
- The Physics of SAR
- The Chemistry of Valence Electrons
- Fulfilling the Nitrogen Cycle
- Achieving De-Nitrification

PS...

WE HAVE ALREADY SOLD this System on NINE Separate SITUATIONS



Tomahawk NC Swine CAFO
5 barns 6 acres of lagoon
6000 hogs
25 years of sludge fouling watershed
18 Million gallons at 2 Cents per gallon
4 months
Facing an EPA fine above \$6MM



500,000 Food Grease Traps

DAY 1

Note: First Sample is Solid Lard

DAY 12

Note: Some digestion at top

DAY 15

Note: Zero grease solids and milky water

Church's Fried Chicken Grease Trap, Omega Management Group
 \$15,000, PLUS Subscription Service, \$75 per month, Birmingham, AL

Deliverables

- **Remediation System**
 - Proprietary On-Site Enzymatic Composition
 - Patent pending On-Site delivery Protocol
- **Subscription Service**
 - Long Term Contract for Delivery of Product
 - On site
 - Farmer applied

COMPETITORS

- Traditions Since 14,000 BC
 - Spreading /Drying (Worked Fine for Daddy)
- OLD Science
 - Anaerobic Storage (Long Term Pollution)
 - Mechanical Materials Handling (Inefficient)
- NEW Science
 - Bacteria No Novozyme's or DuPont's
 - Composite Recovery Terra Blue (Expensive)

BENEFITS ECONOMIC PROPOSITION

Lower Cap Ex Cost

- *Smaller Lagoons Save Land for Alternate Uses*
- *Smaller Lagoons Save Water*
- *Smaller Lagoons Save Money \$10,000 plus / acre to Build*
- *Increased Herd Size on the Same Lagoons*
- *Improves Operating Ratios... Current Regs*
- *Build CAFOs Closer to Markets*

Farmer Economics Op Ex

• Subscription Cost	\$18,000 / year
• 1% Feed Saving	\$26,000 / year
• Med Costs	\$ 2,000 / year
• Water Costs	variable
• Utility Costs	\$ 8,000 / year
• Waste Handling	\$18,000 / year
Operating Savings	\$36,000

BENEFITS ENVIRONMENTAL PROPOSITION

- **Water**
 - *Aerobic, Clear, Precipitate Inorganic Elements*
 - *No longer Host to Insects (Mosquitoes, Flies, etc)*
 - *No nitrates into watershed*
- **Air**
 - *Eliminated GHGs (Methane, Ammonia, H₂S)*
 - *Equivalent of 200 Metric Tons of CO₂ /year*
 - *Odors*
- **Soil**
 - *Reduced Point Source Nutrient Overloading*
 - *P, K plus Trace Elements (copper, magnesium, etc)*

BENEFITS SOCIAL PROPOSITION Sustainability

- **Health (Folks Living Downwind)**
 - *Eye Irritation, Nausea, Lung Edema, Mucous Irritation, Headache*
- **Real Estate Value**
 - *10% to 20% for Neighbors*
 - *25% to 50% for Farmers with Closed Lagoon Liens (1700 in NC)*
- **Quality of Life**
 - *\$2MM Award in Missouri for Impact of Odor on Neighbors June 2011*
 - *Mo passed a Law Limiting Compensatory Damages June 2011*

Go To Market

Capital

- *Capital / Research Grants (validation only)*
- *Family Companies Immediate market Intro*
- *Channel Partners - Strategic Allies (one candidate)*
- *Align with Govt/NGOs/Industry Ass.*
- *Use of VARs (Co-ops, Agra-suppliers, Bank of Coops)*
- *Educators & Regulators as "Sneezers"*

Go To Market

Intellectual Property

- *Proprietary Fermentation Process*
- *Proprietary Application Regimen*
- *Patent Pending on Aspects*
- *Trade Secrets on Aspects*
- *Reverse Engineering... "Bon chance" we are Organic Chemistry*
- *Informs and Drives Capital Strategy*

GoToMarket

Sustainability

- **Alignment with**
 - *NGOs*
 - *Industry Associations*
 - *Regulatory Entities*
 - *Ag Research*
 - *Distribution and Channel Partners*

Plan B

Expanding Markets

1. *Industrial Food Production Waste*
2. *Grease Traps 500,000 Food Services*
3. *Petrochemical & Petroleum Wastes & Spills (hydrocarbons v carbohydrates)*
4. *Municipal Wastewater Facilities*
- *Industrial Waste Facilities & Sites*
- *Petrochemical & Petroleum Wastes & Spills (hydrocarbons v carbohydrates)*
- *International Bioremediation Services*

Go To Market

TMG TEAM

- *Ted Hoster* Serial Entrepreneur
- *Dr. Len Bull* Ag Sci Prof, NC State
- *Bill Scruggs* Engineering Technician
- *Gary Baise* Enviro-Lawyer/Farmer
- *Phil Reeves* Strategic Sales
- *Ross Breyfogle* IP management
- *Wilson Spencer* Hog Farmer
- *To be Named* COO Integrator

SCIENCE AND TECHNOLOGY TEAM

- Prof Shawn Archibeque CSU
- Prof Bill Wailes CSU Dairyman
- Jon Slutsky LaLuna Dairy /
water commissioner
- Prof Jim Parmentier Chief biologist
- Prof Maynard Hogberg ISU
- Prof David Williams NCSU

MISSION CAPABILITIES

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