The Rubber Price Challenge

<table>
<thead>
<tr>
<th>Year</th>
<th>NR ($/100lbs)</th>
<th>Crude Oil (USD$ Basket)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$22</td>
<td>$23</td>
</tr>
<tr>
<td>2002</td>
<td>$35</td>
<td>$24</td>
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<tr>
<td>2003</td>
<td>$49</td>
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<td>2004</td>
<td>$59</td>
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<td>2005</td>
<td>$68</td>
<td>$51</td>
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<tr>
<td>2006</td>
<td>$96</td>
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<td>2007</td>
<td>$104</td>
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<td>2008</td>
<td>$119</td>
<td>$94</td>
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<tr>
<td>2009</td>
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<td>$61</td>
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<td>2010</td>
<td>$166</td>
<td>$77</td>
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<tr>
<td>2011</td>
<td>$224</td>
<td>$107</td>
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</tbody>
</table>
Lots of Scrap Tires
More Scrap Tires
The Global Challenge
Low Value Uses
Devulcanization Challenge

- Mechanical
- Ultrasonic
- Chemical
- Microwaves
- Micro-organisms

Rubber molecules
Sulphur links

Tyromer
Tyromer: The Solution

Diagram of the Tyromer system:
- Feeder
- Control Panel with 50 rpm 200°C
- Valve
- Syringe Pump
- CO₂ Cylinder
- Gearbox
- Extruder
- Thermocouples
- Pressure Transducers
- Computer monitor
Customer Benefit
Improving the Value

• Prove that you can deliver what you say you can do

• Get the maximum commitment from potential customers

• Government support programs
  • General programs (Federal Economic Development Agency)
  • Sector specific programs (Ontario Tire Stewardship -OTS, Sustainable Technology Development Canada – STDC)

• Try to get a comfortable mix of Debt versus equity financing

• Be able to list the advantages and exit strategy for investors

• Be flexible (tranches, dilution)
Financial Structure

1. Exclusivity Agreement
2. Minimum Purchase & Supply Guarantee
4. Cash Flow Agreement
5. Financing Agreement
6. Purchase
7. Delivery

Tyromer Inc. Sub-Licensor/PP Manager

Material P.O.s Licensing Agreements

Leistritz Extrusion Equipment

Capital Lessor Equipment Financing

Payment

UofW/CT Licensor/Shareholders

Other Shareholders

New Investors

Government Programs

Dilution

Tyromer
SUMMARY

• Patented Devulcanization Process
• Prove commercial viability of technology
• Greatest commitment of customers
• Optimize Equity, Debt and Government mix
• Be flexible