



HempTrainTM

Advanced Decorticator System

March 7th, 2019



Who we are?

- ▶ Leaders in innovative engineering, technology, manufacturing, and product development in the industrial hemp industry; part of an industrial group in business for over 30 years
- ▶ Team
 - ▶ Mike Pildysh, M.E., P.E. - President
 - ▶ Stephen Christensen, Ph.D., P.Chem. - VP & GM
 - ▶ Natalie McKenzie, M.A.Sc., P.E. - Process Engineer
 - ▶ Kurt Edwards, B.A.Sc., P.E. - Mechanical Engineer
 - ▶ Apollos Obianime, B.Sc. - Mechanical Engineer
 - ▶ Matt McKay, C.E.T. - Engineering Technologist
 - ▶ Brittany McKell, BBA - Marketing Manager

HempTrain™ Advanced Decorticator

- ▶ The HempTrain™ Advanced Decorticator system is a complete decortication, separation, and industrial hemp processing solution
- ▶ Employs innovative high-speed kinematic action
- ▶ Produces intact long structural **bast fiber**, size specified **hurd**, and a refined **green microfiber (GMF)**
- ▶ Radically **reduces** harvesting costs!
 - ▶ See whitepaper for more information ([link](#))

HempTrain™

▶ Specifications for a HempTrain™ commercial module:

▶ Includes:

- ▶ Bale Opener
- ▶ Processing Units
- ▶ Dust Collection
- ▶ Electrical and Control

▶ **Throughput:** 2000 lbs/hr (approximately 10-12 million lbs /year)

▶ **Area Required:** 20' (6m) X 50' (15m)

▶ **Machine Height:** 16' (5m)

▶ **Machine Weight:** ~15000 lbs (6800 kg)

▶ **Feedstock Bale Size:** Up to 8'x5'x6' (2.4m x 1.6m x 1.8m)

▶ **Hurd Cleanliness (bast fiber content):** 15% (separate cleaner attachment is available for cleanliness of 8%)

▶ **Hurd Fiber Particle Length:** From 1/8" (3mm) to 2" (50mm)

▶ **Bast Fiber Cleanliness (Hurd content):** 15% (separate cleaner attachment is available for cleanliness of 8%)

▶ **Power Requirement:** ~60 HP (50KW)

HempTrain™



How HempTrain™ works ([video](#))

See HempTrain™ in operation ([video](#))

HempTrain™ - Production Streams & Potential Uses



HempTrain™ Product Streams



Field Fiber Feedstock

HEMPTRAIN®
Decorticator System

FIBER

HURD

GMF



NForce-Fiber™
NForce-Pro™
For Concrete Reinforcement

Composite Fiber™
For Applications Requiring High Strength Reinforcement

Hemp Mulch Pro™

Hemonica™
Potting Mix

Hemp Cat Litter™

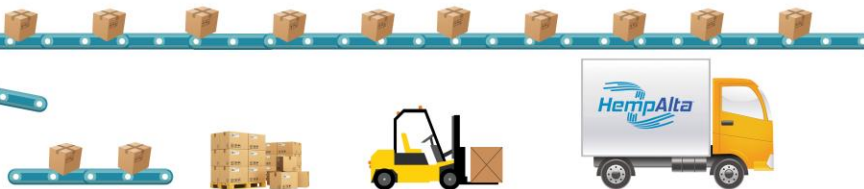
Hemp-Fresco™
Food Preservation Pads

Hemp-Pak™
Nutrient Rich Soil Amendment

Hemp-Scrub Extra™
For CBD Infused Skincare Products

Hemp CBD-Fiber™
For Pet Health

Current CGT Product Lines
(may require additional processing)



Markets

▶ Bast Fiber

- ▶ Concrete Fibre: \$3 billion in 2021¹
- ▶ Other markets - composites, animal bedding, insulation, etc.

▶ Hurd Fiber

- ▶ Cat Litter: \$2.8 billion in North America²
- ▶ Small Dog Litter: 40 million small dog owners in the U.S.³
- ▶ Potting Mix: \$2 billion with 20-45% increase per year⁴
- ▶ Food Preservation: \$91 billion in fresh veg. sold in U.S., ~60% wasted⁵
- ▶ Other markets - hempcrete, insulation, mulch, composites, etc.

▶ Green Microfiber (GMF)

- ▶ Beauty Products: \$430 billion by 2022⁷
- ▶ CBD Oil: \$2 billion by 2020⁸
- ▶ Animal Supplements: \$580 million in 2016⁶
- ▶ Soil Amendment: \$500 million with 20-45% increase per year⁴

1 <https://www.marketsandmarkets.com/Market-Reports/concrete-fibers-market-122792577.html>

2 <https://www.prnewswire.com/news-releases/in-28-billion-cat-litter-market-small-dogs-present-a-big-opportunity-300546724.html>

3 <https://blog.marketresearch.com/blog-home-page/bid/251231/small-dogs-vs-big-dogs-pet-owners-choose-small-marketresearch-com>

4 <http://nbpostgazette.com/2018/02/09/growing-opportunity-for-startups-in-the-global-potting-mix-industry/>

5 <https://www.ibisworld.com/industry-trends/market-research-reports/wholesale-trade/nondurable-goods/fruit-vegetable-wholesaling.html>

6 <https://www.alliedmarketresearch.com/cosmetics-market>

7 <http://naturallysplendid.com/resources/2017/01/cbd-market-estimated-grow-2-1b-2020-report-finds-hemp-derived-cbd-estimated-account-450-million/>

8 <https://www.prnewswire.com/news-releases/united-states-pet-supplements-market-2012-2021-2017-report---research-and-markets-300459078.html>

HempTrain™ : Envisioned Financial Forecast

	Year 1		Year 2		Year 3		Year 4		Year 5	
	Sales (1000 Lbs)	Revenue (\$1000)	Sales (1000 Lbs)	Revenue (\$1000)	Sales (1000 Lbs)	Revenue (\$1000)	Sales (1000 Lbs)	Revenue (\$1000)	Sales (1000 Lbs)	Revenue (\$1000)
% of full capacity	12%		24%		48%		80%		100%	
Revenue (\$1000)										
Bast fiber	180	\$180	360	\$360	720	\$720	1200	\$1,200	1500	\$1,500
Hurd	780	\$780	1560	\$1,560	3120	\$3,120	5200	\$5,200	6500	\$6,500
Green microfiber (GMF)	240	\$3,600	480	\$7,200	960	\$14,400	1600	\$24,000	2000	\$30,000
Total		\$4,560		\$9,120		\$18,240		\$30,400		\$38,000
Expenses (\$1000)										
Feedstock		-\$120		-\$240		-\$480		-\$800		-\$1,000
Labour		-\$250		-\$250		-\$250		-\$250		-\$250
Utilities		-\$30		-\$30		-\$30		-\$30		-\$30
Premises		-\$120		-\$120		-\$120		-\$120		-\$120
Overhead/Maintenance/ Marketing		-\$200		-\$400		-\$800		-\$1,000		-\$1,000
Total		-\$720		-\$1,040		-\$1,680		-\$2,200		-\$2,400
Capital Expenditure (\$1000)		-\$1,850								
EBIDTA (\$1000)		\$1,990		\$8,080		\$16,560		\$28,200		\$35,600

Notes:

- 1) This is an example only. Actual values will depend on project/market specifics.
- 2) Input assumptions:

COSTS: OPERATION 5000 HOURS PER YEAR

- 1) up-front capital: \$1,850,000
- 2) Labor: 2 operators x 5000 hours x \$25 per hour = \$250,000 per year
- 3) Utilities: 60 kilowatt x 5000 hours x \$0.10 kilowatt hours = \$30,000 per year
- 4) Premises: \$10,000 per month x 12 months = \$120,000 per year
- 5) Feedstock: \$200 per ton = \$0.10 per 1 lb of any product

PRICES:

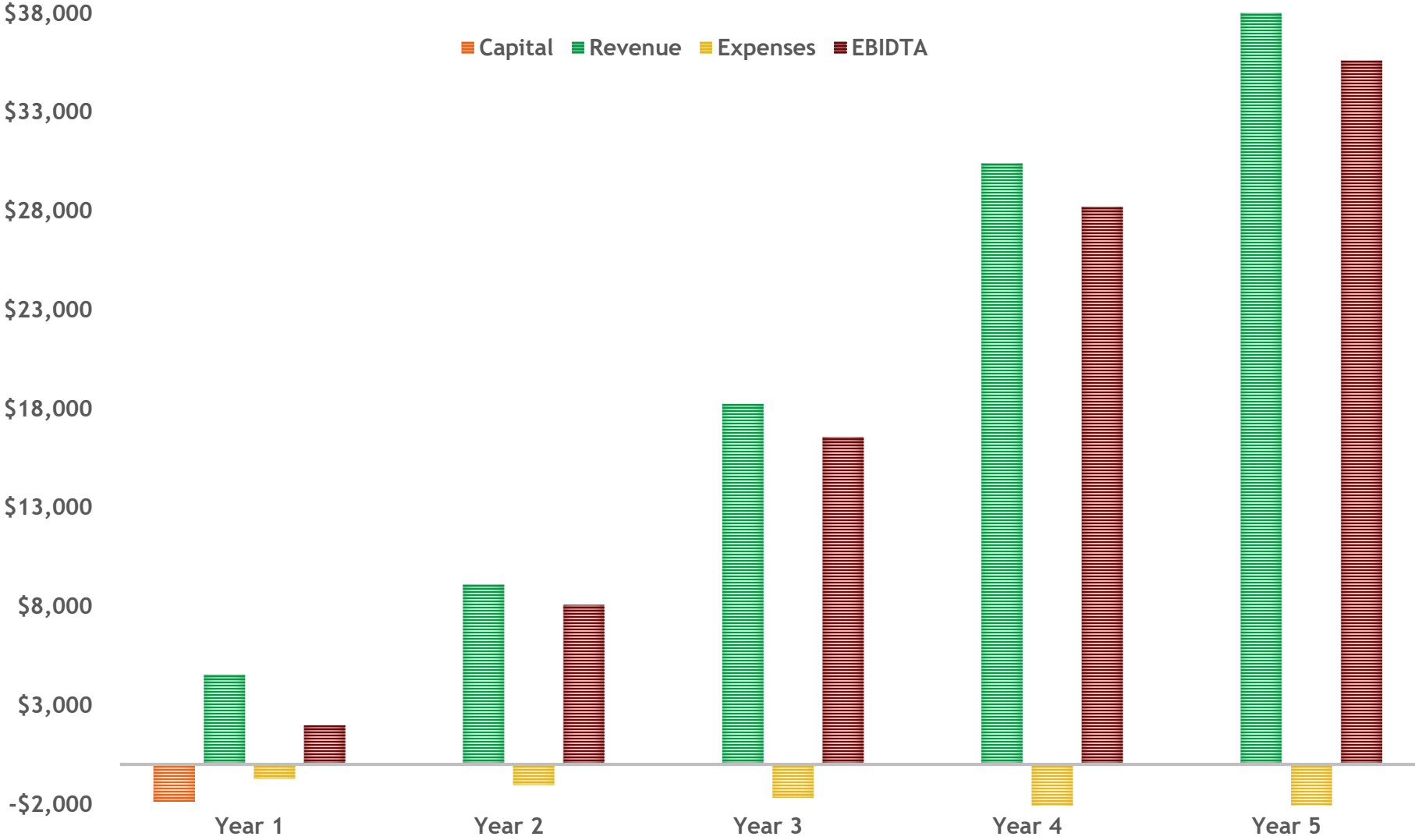
- 1) Fiber fraction: \$1.00 per lb (as feedstock for \$6-7 per lb products - i.e. reinforcement fiber, etc.)
- 2) Hurd fraction: \$1.00 per lb (as feedstock for \$5 per lb products - i.e. cat litter, etc.)
- 3) Green fraction: \$15 per lb (as 10% of the current market value of CBD in each 1 lb of the product, at documented 0.7% CBD)

TOTAL ANNUAL OUTPUT CAPACITY:

- 1) Bast fiber: 1,500,000 lbs (15%)
- 2) Hurd: 6,500,000 lbs (65%)
- 3) Green microfiber (GMF) - (CBD containing): 2,000,000 lbs (20%)



HEMPTRAIN™: EVISIONED FINANCIAL FORECAST*



*NOTE: This is an example only. Actual values will depend on project/market specifics.

Call to Action

- ▶ Purchase of HempTrain™ Advanced Decorticator System
 - ▶ CGT Proposal / Buyer Acceptance
 - ▶ Contract - signing & deposit of 50%
 - ▶ Demonstration of unit prior to shipment (at CGT Premises)
 - ▶ Payment of 50% balance
 - ▶ Shipment to buyer / Commissioning / Transfer of Ownership to Buyer / Training

Contact Information

- ▶ Stephen Christensen, Ph.D., P.Chem. - VP & GM
 - ▶ stephen.Christensen@canadiangreenfield.com
 - ▶ +1-587-392-1669