

Investor Term Sheet for Integra Bullion

Company Overview

Integra Bullion (“Integra”) is a pioneering technology startup revolutionizing financial transactions by offering a gold and silver transaction network that combines the features of Visa and ACH using precious metals. Built on a custom, high-performance, highly secure distributed ledger/blockchain technology (integratx.net), Integra enables rapid, secure transactions—processing millions daily with an average transaction time under 5ms, as validated by simulation testing. Our network connects principal members—organizations with large, verifiable, audited gold and silver holdings—and their clients, who hold and transact funds in precious metal units without the volatility of currency exchange rates. This positions Integra as a stable, innovative solution for global commerce.

- **Mission:** To create a seamless, precious metal-backed transaction ecosystem for businesses and individuals worldwide.
- **Technology:** Proprietary distributed ledger backed by blockchain ensuring scalability, security, and speed.
- **Transaction units:** 1 oz. of gold or silver bullion = 1,000 transaction units.

Business Model

Integra generates revenue by charging transaction fees to the receiving institution on account transfers, increasing logarithmically as the number of units transferred increase. Fee schedule for given number of silver units:

Units Transferred	Fee (units)	Fee (%)
1,000	10	1.00%
5,000	33	0.66%
1,000,000	1,778	0.18%

This fee structure incentivizes larger transactions while ensuring profitability as the network scales. Principal members, such as banks, allocate reserves to support their client deposits, withdrawals, and transfers, with Integra’s optimizing algorithm efficiently settling net positions among members.

Investment Opportunity

Integra’s internal unit of account for financial accounting and fund raising is the 1 oz. American Eagle Silver Dollar (“S\$”) with face value of ONE DOLLAR. Investor equity positions in Integra are established through a consistent baseline unit of account, the U.S. Silver Dollar (S\$).

- **Initial Valuation:** S\$10,000,000
- **Investment Increments:** S\$100,000 per investor
- **Equity Stake:** Investors receive a percentage ownership stake based on their contribution, enhanced by a time-value component.
- **Funding Goal:** Initial raise of S\$500,000 to cover Year 1's budget for building company precious metal reserves and infrastructure, including engineering, network development and administrative staff.

Time-Value Component

Investor equity stakes grow by **10% annually** (time-value-of-money adjustment) to reward early and long-term investment:

Example:

- **Year 1:** Investor A invests S\$100,000. Pre-money valuation = S\$10,000,000. Post-money = S\$10,500,000 (5 investors). Investor A's stake = $100,000 / 10,500,000 \approx 0.952\%$.
- **Year 2:** Investor A's effective investment becomes $100,000 \times 1.10 = \text{S\$}110,000$. If Investor B invests S\$100,000, pre-money = 10,000,000 (founders) + $5 \times 110,000$ (Year 1 investors) = **S\$10,550,000 oz.**, post-money = 10,550,000 + 100,000 = **S\$10,650,000**.

Stakes adjust to:

- Investor B: $100,000 / 10,650,000 \approx \mathbf{0.939\%}$
- Investor A: $110,000 / 10,650,000 \approx \mathbf{1.033\%}$
- Founders: $10,000,000 / 10,650,000 \approx \mathbf{93.90\%}$

Ownership percentages are recalculated with each new investment, factoring in the time-adjusted stakes of existing investors.

Financial Projections (Years 1–5)

Below are projections assuming Integra raises S\$500,000 initially from five investors (each contributing S\$100,000) to fund Year 1, with additional raises as needed to cover losses until profitability. Assumptions include network growth and increasing transaction sizes.

Assumptions

- **Principal Members:** Start at 10, grow 100% annually (10, 20, 40, 80, 160).
- **Account Holders per Member:** Start at 100, grow ~50% annually (100, 150, 225, 340, 510).
- **Total Account Holders:** 1,000, 3,000, 9,000, 27,200, 81,600

- **Transactions per Holder:** Start at 50, increase by 10 annually (50, 60, 70, 80, 90; capped at 100 in Year 6).
- **Average Transaction Size:** Increases as network matures (100,000 to 500,000 units).
- **Fee Formula:** Approximated as $F = 0.0562 \times \text{Avg. Units}^{0.75}$ (fits given data: 10 units at 1,000; 33 at 5,000; 1,778 at 1,000,000).
- **Expenses + Reserves:** Start at S\$500,000, grow 20% annually.

Financial Table

Year	Principal Members	Account Holders	Transactions	Avg. Units	Fee (Units)	Revenue (S\$)	Expenses (S\$)	Profit (S\$)
1	10	1,000	50,000	100,000	316	15,800	500,000	-484,200
2	20	3,000	180,000	200,000	532	95,760	600,000	-504,240
3	40	9,000	630,000	300,000	720	453,600	720,000	-266,400
4	80	27,200	2,176,000	400,000	894	1,945,344	864,000	1,081,344
5	160	81,600	7,344,000	500,000	1,057	7,762,608	1,036,800	6,725,808

Note: Revenue (S\$) = Transactions × Fee (Units) / 1,000 (since 1,000 units = 1 oz. = S\$1).

Funding Strategy

- **Year 1:** Raise S\$500,000. from 5 investors (0.952% stake each, total 4.76%; founders retain 95.24%).
- **Year 2:** Raise S\$600,000 from 6 investors to cover losses and reserves for Years 1 and 2, adjusting stakes.
- **Year 3:** Raise additional funds (S\$1,500,000 cumulative by Year 3), e.g., 6 investors in Year 2 (S\$600,000), 4 in Year 3 (S\$400,000), adjusting stakes.
- **Year 4+:** Self-sustaining with profits; no further raises needed unless accelerating growth.

Equity Evolution (Simplified)

Assuming initial 5 investors at t=1, 6 in Year 2 and 4 in Year 3:

- **Year 1** (S\$500,000 raised):
 - Each investor: 100,000 / 10,500,000 ≈ 0.952%; Total investors: 4.76%; Founders: 95.24%
- **Year 2** (S\$600,000 more, total S\$1,100,000 raised):
 - Original 5 effective investment = S\$110,000 each (550,000 total). Pre-money = S\$10,550,000. Post-money = S\$10,550,000 + S\$600,000 = S\$11,150,000.
 - Original 5: 110,000 / 11,150,000 ≈ 0.986% each; New 6: 100,000 / 11,150,000 ≈ 0.896% each; Founders: 10,000,000 / 11,150,000 ≈ 89.69%

- **Year 3** (S\$400,000 more, total S\$1,500,000 oz. raised):
 - o Original 5 at S\$121,000 each (605,000 total), Year 2 at S\$110,000 each (660,000 total). Pre-money = 10,000,000 + 605,000 + 660,000 = \$11,265,000. Post-money = 11,265,000 + 400,000 = S\$11,665,000
 - o Original 5: $121,000 / 11,665,000 \approx 1.037\%$ each; Year 2: $110,000 / 11,665,000 \approx 0.943\%$ each; Year 3: $100,000 / 11,665,000 \approx 0.857\%$ each; Founders: $10,000,000 / 11,665,000 \approx 85.77\%$

Profits are distributed proportionally to stakeholders when available (Years 4–5 and beyond).

Investor Benefits

- **Early Advantage:** 10% annual equity growth rewards early investment.
- **Profit Share** (Year 5):
 - o Year 5 profit = S\$6,725,808
 - o Each Year 1 investor's share (1.332%): $6,725,808 \times 0.01332 \approx \text{\$89,588}$
 - o For comparison:
 - Year 2 investor (1.101%): S\$74,051 each.
 - Year 3 investor (1.001%): S\$67,325 each.
- **Growth Potential:** Year 5 revenue \approx \$287M USD (1 oz. silver \approx \$37 USD), with potential for multi-billion-dollar-equivalent valuation (e.g., 10x–20x Year 5 profits \approx \$2.9B–\$5.8B USD).

Strategic Initiative: Potential Integration with X Payments

Integra Bullion is actively exploring integration opportunities with X Payments, the emerging payment system from X, which is set to launch investment, trading, and peer-to-peer features in 2025. This collaboration could enable seamless on-ramps for precious metal units directly within the X platform, allowing users to transact in gold and silver-backed assets alongside everyday payments. By leveraging X's global user base of over 500 million and its push toward a super app ecosystem, this integration would accelerate adoption, enhance liquidity, and further our mission of establishing a stable, volatility-free alternative to fiat currencies. While discussions are preliminary, this positions Integra to capitalize on X's innovative infrastructure, potentially driving exponential growth in transaction volumes and valuation.

Key Benefits:

- **Expanded Reach:** Access to X's social and financial tools for instant, secure metal-backed transfers.
- **Synergy with Sound Money:** Aligns with Elon Musk's vision for efficient, user-centric finance, reducing reliance on traditional systems.
- **Valuation Upside:** Could mirror successful partnerships (e.g., X's Visa collaboration), boosting revenue projections by 5-10x through network effects.

This initiative is subject to regulatory approvals and partnership agreements.

Benefits to Account Holders & Humanity

- **Stability:** Precious metal units eliminate currency volatility.
- **Efficiency:** Fast, secure global transactions.
- **Inclusion:** Enables businesses and individuals to participate in a stable financial ecosystem.
- **Trade:** Facilitates international commerce with a trusted medium.

Governance

- **Board of Directors:** Voting rights proportional to equity stakes.
- **Major Decisions:** Require 51% shareholder approval.
- **Transparency:** Regular financial adjustments per investor start date.

Conclusion

Integra offers a unique opportunity to invest in a revolutionary financial network combining precious metal stability with cutting-edge technology. With profitability projected by Year 4 and significant growth potential, Integra is poised to become a multi-billion-dollar-equivalent enterprise. Invest now to secure your stake in the future of global finance.

Call to Action: Join us with a S\$100,000 investment and shape the future of finance. Contact rick@integratx.net for further details.

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