

MEMORANDUM OF UNDERSTANDING

BETWEEN

Sustane Technologies Inc.

(hereinafter referred to as "Sustane")

AND

Township of McNab/Braeside

(hereinafter referred to as "McNab/Braeside")

ALSO

Sustane and McNab/Braeside sometimes referred to as the "Parties"

1. PURPOSE:

This Memorandum of Understanding ("MOU") outlines the basis upon which Sustane and McNab/Braeside have agreed to collaborate to develop a municipal solid waste (MSW) advanced recycling project (the "Project"), to be located at an existing site to be determined.

The new facility would accept Municipal Solid Waste (MSW) supply volumes that are currently received at the existing waste management facility and will separate the waste into the following by-products:

- a) Low contaminant recovered biomass fuel pellets
- b) Low-density plastics fraction for synthetic diesel & naphtha production
- c) Cleaned aluminum for recycling
- d) Cleaned steel for recycling
- e) Cleaned PET plastics for recycling or other value-added activities
- f) Inert material (sand, glass, ash)

The goals of the facility are as follows:

- a) Provide McNab/Braeside and other adjacent communities a long term, cost competitive alternative to landfilling of MSW
- b) Provide employment to the region in the form of full time semi skilled and skilled positions (approximately 25)
- c) Significantly increase recycling rates for McNab/Braeside to the highest levels in Ontario
- d) Reduce the carbon footprint of the community by approximately 150,000 tonnes per year of CO₂e by fixing the carbon (avoiding CH₄ emissions from landfill) as well as replacing fossil fuels with products having a much lower carbon intensity.

2. BASIS FOR AGREEMENT

The Parties will work together to develop agreements that cover the following items:

MSW volumes:	Approximately 70,000 tonnes per year, to be provided by McNab/Braeside and other surrounding communities, to Sustane
Tipping fees:	To be negotiated. [REDACTED]
Term:	To be developed (expected to be in the range of 20 years)
Site arrangements:	To include lease of land, use of weigh scale, maintenance synergies, and other
Use of landfill:	Potential disposal of inert by-products in the landfill (~10% of MSW) for a disposal fee

3. AREAS OF COOPERATION AND FOCUS

The Parties agree to cooperate fully and pro-actively support each other to aid in the development of the optimal solution, to mitigate project risks and to seek further mutual opportunities in related areas. The areas of focus for this development work would include but not be limited to the following:

- MSW and organics supply and logistics
- Site construction and operating permits
- Financial and business case analysis
- Shared services evaluation
- Utilities provision (water, electricity)
- Provincial & Federal funding
- Environmental assessments and permits
- Review of Provincial MSW regulations
- Technical evaluations
- Land and equipment leasing
- By-product disposition (landfill or other)

4. DEVELOPMENT PERIOD

The parties agree to work collaboratively up to December 31, 2025 to further develop the project to a point that each party can reach an agreeable set of project conditions and eventually a formal agreement. During this Development period McNab/Braeside agrees not to enter into any binding arrangements that could impede the terms contemplated by this MOU. The Development period can be extended by agreement of the Parties.

5. CONFIDENTIALITY AND NON-DISCLOSURE

Regarding this MOU and the Project generally, Sustane and McNab/Braeside may be receiving, reviewing, and analyzing Confidential Information.

The Confidential Information will be kept strictly confidential by the receiving Party. The receiving Party shall safeguard the Confidential Information from unauthorized disclosure and keep the Confidential Information in the same manner that the receiving Party keeps its own Confidential information or to a

standard of no less than reasonable care, whatever standard is higher. The Confidential Information shall not be used by the receiving Party for any purpose other than relating to the Project. This confidentiality obligation shall remain in force for three (3) years from the date of signing hereof, notwithstanding the termination or lapse of this MOU.

Neither Sustane nor McNab/Braeside shall make release to any third party, public announcement, statement or acknowledgment of existence of this Memorandum of Understanding or the transaction(s) or agreements contemplated hereby except their respective counsel, without the agreement of the other Party, except as required by applicable law, regulation or policy statements of governmental or regulatory authorities, including decisions of the office of the Privacy Commissioner.

6. NON-BINDING MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding constitutes an expression of intention only and is not intended to create any legal rights or obligations upon Sustane or McNab/Braeside other than an obligation to work in good faith to develop the project during the Development Period.

7. COUNTERPARTS AND FACSIMILE EXECUTION

This Memorandum of Understanding may be executed in several parts in the same form and by facsimile and such parts as so executed shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of the Memorandum of Understanding.

Sustane Technologies Inc.

Township of McNab/Braeside

Per: _____

Per: Lindsey Lee

Name: _____

Name: Lindsey Lee

Title: _____

Title: CAO/Clerk

Date: _____

Date: Feb. 7, 2022

Per: _____

Per: [Signature]

Name: _____

Name: Tom Peckett

Title: _____

Title: Mayor

Date: _____

Date: February 7, 2022