

# **MEMORANDUM OF UNDERSTANDING**

## **CARBONSCAPE LIMITED**

(NZBN 9429030553392)

**and**

## **GREEN DISTILLATION TECHNOLOGY CORPORATION LIMITED**

(ABN 44 154 895 539)

**THIS AGREEMENT** is made the 25<sup>th</sup> day of September 2019

**BETWEEN**

**GREEN DISTILLATION TECHNOLOGIES CORPORATION LIMITED** (ABN 44 154 895 539) a Company incorporated in Victoria with its registered office at level 1, 429 Toorak Road Toorak, Victoria 3142 (hereinafter called "**GDTC**")

**AND**

**CARBONSCAPE LIMITED** (NZBN 9429030553392) a Company incorporated in New Zealand with its registered office at Buddle Findlay, 83 Victoria Street, Christchurch Central, Christchurch 8013, New Zealand (hereinafter called "**CARBONSCAPE**")

Collectively called "**THE PARTIES**"

**WHEREAS:**

- A GDTC is engaged in the business of recovering Oil, Carbon & Steel from End of Life Tyres ("ELT's")
- B CARBONSCAPE is engaged in the business of manufacturing Graphite.
- C GDTC has supplied CARBONSCAPE with Carbon.
- D CARBONSCAPE has manufactured Graphite from the GDTC Carbon.
- E CARBONSCAPE and GDTC wish to work together to commercialise the Opportunity of CARBONSCAPE Graphite from the GDTC Carbon.

**IT IS AGREED AS FOLLOWS:**

**1. DEFINITIONS**

"**GDTC DESTRUCTIVE DISTILLATION TECHNOLOGY**" means the GDTC IP capable of processing ELT's to produce Oil, Carbon, Scrap Steel.

"**CARBONSCAPE TECHNOLOGY**" means the CARBONSCAPE IP capable of processing Carbon into Graphite

"**CARBON**" means the Carbon produced from ELT'S using the GDTC DESTRUCTIVE DISTILLATION TECHNOLOGY.

**"CONVERSION GOAL"** the commercial conversion of GDTC Carbon to Graphite capable of use in high value applications such as Lithium Ion Batteries.

**"OIL"** means the Oil produced from ELT'S using the GDTC DESTRUCTIVE DISTILLATION TECHNOLOGY.

**"SCRAP STEEL"** means scrap steel recovered from ELT's using the GDTC DESTRUCTIVE DISTILLATION TECHNOLOGY.

**"GRAPHITE"** means the Graphite produced from Carbon using the CARBONSCAPE TECHNOLOGY.

**"OPPORTUNITY"** means the opportunity for the Parties to commercialise and exploit the CONVERSION GOAL for mutual benefit.

**2. VARIATION OF MOU**

This MOU entered into by the parties varies and replaces any other agreement previously entered into by the parties.

**3. CONVERSION GOAL**

GDTC will work with CARBONSCAPE to achieve commercial conversion of GDTC Carbon to Graphite capable of use in high value applications such as Lithium Ion Batteries ("Conversion Goal").

**4. COLLABORATIVE APPROACH**

The parties will work collaboratively to achieve the CONVERSION GOAL and to develop and exploit the OPPORTUNITY.

**5. PRODUCTION OF CARBON FIT FOR PURPOSE**

GDTC will work towards producing a Carbon fit for input process to achieve the Conversion Goal.

**6. CARBON CONVERSION TO GRAPHITE**

CARBONSCAPE will work collaboratively with GDTC to treat the GDTC carbon using the CARBONSCAPE technology to achieve the CONVERSION GOAL.

**7. LICENCE TO USE CARBONSCAPE TECHNOLOGY**

GDTC will become a licensed user of the CARBONSCAPE technology subject to mutually acceptable terms.

**8. LICENCE AGREEMENT TERMS**

The Licence Agreement for the CARBONSCAPE technology will have terms reflective and respectful of the technologies employed in the CONVERSION GOAL.

**9. CARBON FEEDSTOCK SUPPLY**

GDTC will become a feedstock supplier of Carbon from tyres to CARBONSCAPE.

**10. EQUITY INVESTMENT IN CARBONSCAPE**

GDTC will become a 7.3% equity stake holder in CARBONSCAPE for NZ\$3.5m invested assuming a current total capital raising of NZ\$6m.

**11. EQUITY INVESTMENT DUE DILIGENCE**

The GDTC equity investment in CARBONSCAPE will be subject to normal financial due diligence, including capital structure and valuation.

**12. GRAPHITE SAMPLE AND REPORT**

CARBONSCAPE will provide to GDTC a sample of graphite manufactured from GDTC carbon along with an appropriate third-party graphite report.

**13. INTRODUCTION TO GRAPHITE SUPPLY CHAIN**

GDTC will assist CARBONSCAPE in introductions to parties it currently deals with who have involvement in the Graphite supply chain.

**14. MUTUALLY BENEFICIAL AND COMMERCIAL TERMS**

All arrangements will be conducted on mutually beneficial and acceptable financial and commercial terms.

**15. TECHNOLOGY EXIT STRATEGY**

The parties will work towards what may be a mutually acceptable technology exit strategy.

**16. EXECUTION OF OTHER AGREEMENTS:**

The Parties will prepare and execute additional formal commercial agreements as required for the Parties to achieve the CONVERSION GOAL and to exploit the OPPORTUNITY for mutual benefit.

**17. PERIOD OF AGREEMENT**

This agreement will terminate in 24 months or earlier if formal agreements have been completed pursuant to clause 16.

**18. INTELLECTUAL PROPERTY**

Each Party's intellectual property rights of any kind existing at the date of this Agreement ("existing IP") are and will at all times be and remain the sole and exclusive property of that party and the other Party shall not acquire any right, title, or interest, whether by license or otherwise, in the other Party's Existing IP.

**19. NON-EXCLUSIVITY AND NON-BINDING**

Only the provision in clause 22 (confidentiality) of this Agreement creates legally binding obligations. Notwithstanding anything else set out in this Agreement, either party may, by notice to the other party, withdraw from the arrangements set out in this MOU, provided that, if a party executes any binding legal documentation as a consequence of this Agreement, the right of termination in respect of that agreement will be as set out in that agreement.

For the avoidance of doubt, each party's obligations under this Agreement are non-exclusive and shall not be constructed as limiting either party's ability to engage with other third parties to commercialise the Opportunity or to develop, deploy or support a similar or identical Opportunity.

**20. WAIVER**

The waiver by either Party of any breach of any term of this Agreement by the other Party shall not prevent the subsequent enforcement of that term and shall not be deemed a waiver of any subsequent breach.

**21. PROPER LAW**

This Agreement shall be governed by and construed in accordance with the laws of Victoria and the parties hereby submit to the nonexclusive jurisdiction of the courts of the State of Victoria and those Courts having the right to hear any appeals therefrom.

**22. INFORMATION TO BE CONFIDENTIAL**

The parties agree that the terms of this Agreement are confidential and may not be disclosed to any other party without the express written consent of the other party.

The Parties acknowledge that they have entered in to Non-Disclose Confidentiality Agreements

**23. VARIATION**

The provisions of this Agreement may only be varied in writing and as agreed between the parties.

**24. NOTICES**

All notices and other communications provided for or permitted hereunder shall be in writing and shall be sent by certified or registered mail with postage prepaid, hand delivered or by telefax or email as follows

(a) If to **GDTC**

Level 1,  
421 Toorak Road  
Toorak  
Victoria 3142

e-mail [craig@gdgc6.com](mailto:craig@gdgc6.com)

(b) If to **CARBONSCAPE**


PO Box 55,  
Blenheim, 7201  
New Zealand

e-mail [timothy.langley@carbonscape.com](mailto:timothy.langley@carbonscape.com)

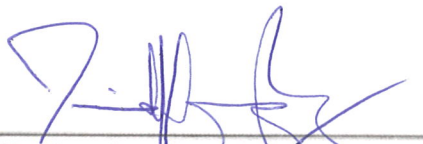
IN WITNESS WHEREOF the Parties hereto have executed this Agreement

Executed by **GREEN DISTILLATION  
TECHNOLOGIES CORPORATION LIMITED**

  
\_\_\_\_\_  
Craig Dunn (Director)

  
\_\_\_\_\_  
Trevor Bayley (Director)

Executed by **CARBONSCAPE LIMITED**

  
\_\_\_\_\_  
Tim Langley (Director)

  
\_\_\_\_\_  
Dr Suki Harding (Director)