zeotech

Annual Report 2022

Zeotech Limited
ABN 29 137 984 297

CORPORATE DIRECTORY

Directors

Sylvia Tulloch (Non-Executive Chair)
Peter Zardo (Managing Director)
Robert Downey (Non-Executive Director)

Company Secretary

Neville Bassett

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Auditors

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West Perth WA 6005
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Stock Exchange Listing

Zeotech Limited securities are listed on the Australian Securities Exchange (ASX code: ZEO)

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CHAIR'S LETTER

Sylvia Tulloch BSc. MSc.

We are pleased to present the Annual Report for the 2021/22 financial year, which was characterised by significant achievements for our growing Company.

We remain focused on our vision of a sustainable future, by empowering our people to collaborate and innovate and we have made a significant investment of time and resources to position the Company well to progress our zeolite centric technology proposition.

To this end, the Company has made good progress with development of our core patent-pending mineral processing technology, with one of our largest shareholders and key collaborators, The University of Queensland. This was underscored by the findings by the Australian Patent Office, acting as Patent Co-operation Treaty (PCT) examiner, who expressed a view that all 26 claims in the Company's core process are both novel and inventive.

The progress of the dual-feed pilot program has been extremely promising, with continuous closed-loop circuits being achieved from both kaolin and lithium process by-product feedstock options. The pilot program also received further validation from the inclusion in the successful Critical Minerals Processing Trailblazer Program led by Curtin University. Under the program, the Company's lithium refinery circular solution has secured Trailblazer project funding. With partners Covalent Lithium and The University of Queensland, the Trailblazer program offers a fast-track pathway to commercialisation, by accelerating scale-up of the Company's proprietary mineral processing technology to a commercial demonstration plant.

We continue to invest in broadening the market for manufactured zeolites by researching and developing applications for the Company's products at scale and advanced by our proprietary process and low-cost advantage. The dual-stream research in agricultural nutrient management and soil carbon enhancement with Griffith University is positioned well to capitalise on the headwinds of escalating fertiliser economics and the potential for soil carbon sequestration. We are encouraged by the early March 2022 pilot trial results and capacity of Zeotech products to act as a fertiliser delivery platform, its potential for controlled release of nutrients and ability to protect and enhance soil organic carbon.

We are delighted to have recently completed the Toondoon acquisition, providing the Company with a high-grade kaolin resource under an approved mining lease. This has delivered an immediately accessible low-cost kaolin feedstock for zeolite production (high alumina and low iron) and genuine near-term revenue opportunities from direct shipping ore (DSO), supported by ongoing negotiations with potential offtake partners in India.

Fiscally, we have continued to manage the Company's cashflow in a prudent manner, and because the majority of expenditure is on our research and development activity, we obtain further leverage through the Federal Government's R&D tax incentive.

Reflecting over the last 12-months, it is encouraging to see the interest in sustainability-focussed enterprises build. That momentum has gathered pace with the incoming Government's commitment to reducing emissions by 43% by 2030 through investment in low-emissions technology and boosting renewable energy capacity.

As a Company, we are excited to have a range of strategic projects aimed at opportunities targeting these critical markets which positions us to benefit from increased attention global focus on sustainability and circularity.

On behalf of the entire Board, I would like to express my gratitude to our Managing Director, Peter Zardo, and our dedicated research team at the University of Queensland, and our in-house technical team, led by Dr. John Vogrin, for their tireless commitment to advancing the interests of our projects.

Finally, I would again like to thank you, our shareholders, for your support of the Company. We are all stakeholders in building an innovative Australian technology company and have much to look forward to in the exciting year ahead.

Yours sincerely,

Sylvia Tulloch
Chair

DIRECTORS' REVIEW OF ACTIVITIES

MINERAL PROCESSING TECHNOLOGY: DUAL-FEED PILOT PROGRAM

Following the announcement of the pilot plant program in February 2021, extensive test-work was undertaken to optimise the flowsheet of the Company's proprietary zeolite processing technology.

During calendar 2021, the pilot program team at The University of Queensland ("UQ") completed more than 155 batch and continuous test runs.

In November 2021, the Company successfully completed its first continuous closed-loop circuit, utilising kaolin feedstock to produce pure Linde Type A zeolite product. This milestone marked a significant step in progressing the Company's dual-feed pilot program.

The program remained focussed on further optimisation of the Company's proprietary process, which informed the configuration and design of a scaled-up pilot line, and accelerated procurement of plant and equipment which would be commissioned in 1Q 2022.

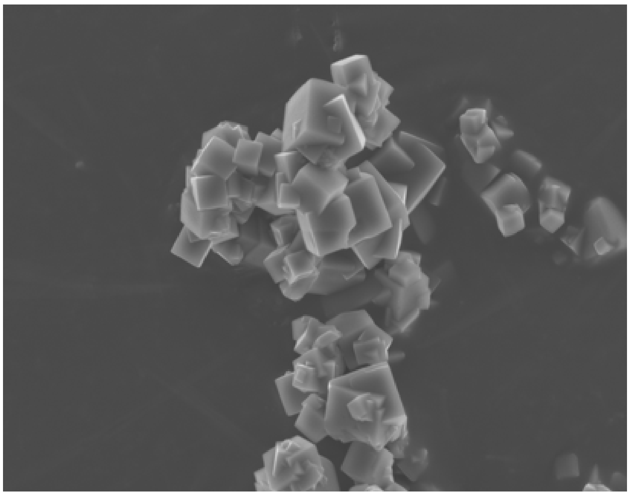
Lithium Refinery Circular Solution

After the successful closed-loop circuit utilising kaolin feedstock, effort was targeted at scale-up and optimisation of a continuous operation utilising Covalent Lithium ("Covalent") process by-product samples received from December 2021.

Lithium process by-product
Courtesy of Dr. John Vogrin, Zeotech

Over 80 optimisation batch tests and 25 continuous tests completed on individual process steps, involving leaching, filtration, and precipitation were undertaken on lithium process by-product (leached spodumene) samples before the pilot program achieved a successful continuous closed-loop circuit, utilising the by-product to produce Linde Type A manufactured zeolite.

This demonstration of the Company's dual-feed pilot was a significant advancement in the program with both leached spodumene and kaolin feedstock options being processed through the circuit.



Linde Type A zeolite produced during piloting
Courtesy of Dr. Hong (Marco) Peng, UQ Chem Eng.

The delivery of multiple closed-loop circuit runs utilising lithium process by-product was important validation of the Company's proprietary flowsheet and enabled personnel from UQ and Zeotech to commence project planning for the University Trailblazer Program ("Trailblazer") with lithium industry partner, Covalent.

The positive results from the dual-feed pilot program, together with the successful Trailblazer announcement led to the decision to extend the current program for 3-months.

The extension, which was enacted under the existing UQ research agreement, will take the current program through to November 2022 and focus on continued process optimisation and scaled-up performance runs.

FERTILISER DELIVERY & SOIL CARBON

To deliver an integrated business model, Zeotech continues to cultivate markets for large-scale applications which are made possible by leveraging the Company's low-cost advantage.

In September 2021 the Company received promising results from agronomic studies undertaken by Griffith University ("Griffith"), during the nine-month research program ("pilot") that commenced in November 2020.

The agronomic study showed that manufactured zeolites were capable of:

- High nutrient retention and exceptionally high phosphorus retention;

- Pesticide removal & compound breakdown;
- Enhanced moisture retention; and
- Decreased soil acidification

Griffith's early pilot trial revealed that there is considerable potential to develop Zeotech products that offer solutions for large-scale agricultural challenges.

The results provided confidence that manufactured zeolites could be utilised to develop an economically compelling fertiliser delivery platform, which offers multiple adjunct benefits including the potential for soil carbon protection and enhancement.

Comprehensive dual-stream research program

After the promising pilot trials in collaboration with Griffith, the Company executed an additional comprehensive 22-month research program with Griffith in November 2021.

The research program involves pilot trials and establishing scientific validation aimed at developing Zeotech product applications in two high potential areas of carbon markets and agri-nutrient management.

The goal of the program is to conduct research that will underpin agronomic opportunities for Zeotech products that aim to provide competitive advantages to existing soil amendments such as fertilisers and soil conditioners, with early focus on the 'carbon markets' program.

Griffith trials are running concurrently, and comprise two streams of agricultural product development:

- Zeotech products for carbon markets – enhanced soil carbon storage and climate change mitigation in agricultural landscapes, targeting a substantial share of the carbon mitigation market, an estimated 15-20% of total human greenhouse gas emissions; and
- Zeotech products to improve agricultural nutrient management – Agricultural pollutant interception, removal, and recycling.

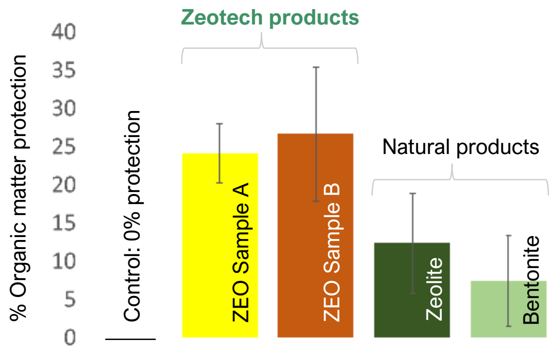
Promising Results from Soil Carbon and Nutrient Retention Trials

The Company achieved promising early-stage results from pilot-scale trials carried out during the early stages of the Company's comprehensive dual stream agricultural research program over a three-month period completed in February 2022.

The encouraging results highlighted the potential to sequester long-term soil carbon.

Treatments containing Zeotech products consistently exhibited higher organic matter/carbon contents than controls for all soil and organic amendment conditions.

The effectiveness of the Company's products at protecting against organic matter/carbon loss was much higher than that of the natural minerals (natural zeolite and bentonite).



Organic matter (OM) protection by treatment, expressed as a % of OM retained relative to OM lost by controls

All materials exhibited high nutrient carrying capacity approaching 10% by weight. This is promising for Zeotech products and expands potential for a competitive fertiliser delivery platform.

Nitrogen carrying capacity was observed at approximately two times greater, and phosphorous up to five times greater in Zeotech products when compared to natural zeolites and bentonites.

Further, results highlighted that nutrient release (desorption) is more favourable for the Zeotech products when compared to the natural zeolites.

These desorption results indicate that a small proportion of the zeolite-held nutrients are immediately available to the plants, which holds promise for controlled (slow release) delivery of nutrients to plants in the soil environment.

Multiple opportunities for zeolite based GHG mitigation

One of the key activities in the Company's dual-stream agricultural product development research, which was strategically tailored to commence at the beginning of the program, was the extended carbon market scoping study ("study") completed in April 2022.

The study found that manufactured zeolites have the potential to contribute to mitigation of the three main greenhouse gases (GHG) of carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

The work undertaken by Griffith identified seven additional opportunities and ranked them on a scale of 'readiness and value proposition of testing'.

Following the results of the study, and early commercial interest from a leading Australian waste management Company, Zeotech engaged Griffith to prepare a proposal to undertake further research on the highest-ranking opportunity of landfill methane emission control.

The blue highlighted line indicates where a manufactured zeolite layer could function to intercept and oxidise methane emitted from the underlying refuse

The study found high-level reviews and industry application papers confirming zeolites offer the potential for both biological and chemical methane oxidation potential.

Methane is the second most significant GHG with a 100-year global warming potential 28 times greater than CO_2 and landfill methane releases just under 1 Gt of atmospheric CO_2- e per annum.

COMMERCIAL OPPORTUNITIES & COLLABORATION

University Trailblazer Program

In April 2022, Zeotech was named an industry partner in the successful Resources Technology and Critical Minerals Processing Trailblazer Program ("Trailblazer"), led by Curtin University.

Zeotech's lithium refinery circular solution, which includes Covalent and UQ as project partners, will secure Trailblazer project funding.

The project has a term of up to 3-years (anticipated to commence from 1Q CY2023) and has the potential to accelerate commercialisation of the Company's proprietary cleantech innovation for lithium process by-product from current pilot plant phase through to commissioning and factory acceptance of a large-scale commercial demonstration plant, with contingent technology readiness level milestones set at each stage of development, to validate moving forward with each project stage.

The Trailblazer Program was announced on 24 November 2021 and includes Federal Government funding of $242.7 million for select universities to boost prioritised research and development and drive commercialisation outcomes with industry partners.

In June 2022, meetings at UQ presented an opportunity for the Trailblazer participants to gather and discuss the Company's dual-feed pilot program, and covered results and outcomes achieved during H1 CY2022 from Covalent's lithium process by-product feedstock.

Zeotech Pilot Room, Long Pocket Campus, UQ
(left) Ass. Prof. James Vaughan – Project Lead UQ
(centre) Peter Zardo – MD Zeotech (right) Jakub Skut - Specialist Lithium Commercial Engineer Covalent

The Trailblazer participants gathered again in early July 2022 to attend the Trailblazer full-day workshop and planning session, which was facilitated by Trailblazer lead, Curtin University.

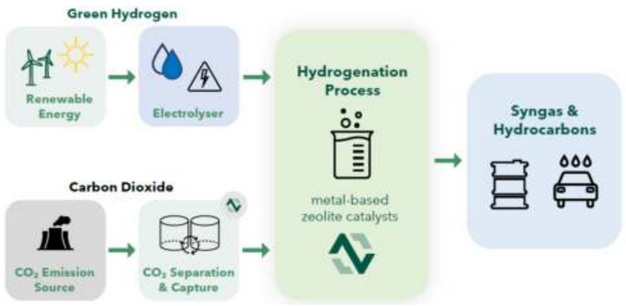
Carbon Capture – GlobH2E

Ongoing collaboration and engagement with Professor John Zhu and Dr. Hong (Marco) Peng of the UQ School of Chemical Engineering resulted in Zeotech being invited and accepted as an industry partner in The Australian Research Council ("ARC") Industrial Transformation Training Centre for the Global Hydrogen Economy ("GlobH2E"), led by the University of New South Wales ("UNSW").

In collaboration with research partner UQ, the Company's participation in the Training Centre will aim to develop structured metal-based manufactured zeolite as catalysts to facilitate a sustainable hydrogenation process for converting captured CO_2 and green hydrogen into syngas and value-added hydrocarbon fuels such as methanol.

The project will be placed in Theme 2 - Hydrogen Storage and Utilisation.

Conventional catalysts are predominantly high value precious metals such as palladium and platinum, thus a breakthrough in developing low-cost metal-doped zeolite catalysts could potentially be a significant commercial expansion.



Hydrogenation process utilising metal-based zeolite catalysts for converting captured carbon dioxide and green hydrogen into syngas and value-added hydrocarbon fuels

Sustainable conversion of CO_2 and green hydrogen could hold the key for decarbonising large sectors such as transportation and industrial processes which have been traditionally hard to abate.

By storing energy from large-scale renewable energy projects as hydrogen, or hydrogen derivatives such as methanol, global economies could expand the reach of renewable power and repurpose it for use in other sectors.

The project will aim to fast-track lab validation as well as pilot testing and develop a potential commercialisation pathway for the CO_2 conversion process advanced by Zeotech's technology.

Credit Suisse Australia Forum

Zeotech was invited to present at the Credit Suisse Australia Forum – Energy Security amidst ESG Transition, on 9 June 2022. The forum brought together leaders in energy, mining, policy, carbon and ESG to present how international and Australian companies are positioning themselves for the changes ahead.

Ms Sylvia Tulloch, Chair of Zeotech, spoke on behalf of the Company on the topic of 'Capturing the hard to abate: the role of CCUS in industry', and was joined on the panel by representatives from Calix and MCi Carbon.

PATENT PROTECTION & INTELLECTUAL PROPERTY

Patent application enters the National Phase

In October 2021, the Company's core patent application associated with mineral processing technology for the manufacturing (synthesising) of zeolites entered the National Phase of the patent granting procedure.

This announcement followed positive findings from the International Preliminary Report on Patentability (IPRP) under Chapter I of the Patent Cooperation Treaty (PCT), where the examiner (the Australian Patent Office) expressed a view that all 26 claims in the PCT application are both novel and inventive.

Patent filings for the following jurisdictions were completed by 1Q 2022:

- Australia
- Taiwan
- Canada
- Chile
- China
- India
- Japan
- Republic of Korea
- Eurasia
- Thailand
- United States of America
- Europe – including France, Germany, Italy, Spain, and the United Kingdom.

Lithium refinery solution progresses IP protection

At the same time, the Company also filed under the PCT to protect and commercialise the IP associated with mineral processing technology for the manufacturing (synthesising) of zeolites from lithium process by-product.

The PCT enables Zeotech to seek international patent protection and extends the Company's IP portfolio to include additional steps applied to its novel mineral processing technology, specifically utilising lithium process by-product as feedstock.

OPERATIONS

Brisbane Technology Park

In June 2022, the Company negotiated a lease for a commercial office & lab facility within the Brisbane Technology Park ("BTP") at Eight Mile Plains. BTP provide modern commercial, serviced office and lab space across three strategically located precincts in Brisbane.

The unique space offers an existing circa 130m² lab facility with capacity to expand, private office space, together with shared facilities such as a kitchen, boardroom, and meeting rooms. The Eight Mile Plains precinct is ideally located within proximity to UQ and Griffith.

Zeotech will utilise the lab facilities for dedicated pilot production of zeolite product(s) to increase sample manufacturing capability for customer prospecting and provide sufficient zeolite product samples for trials underway in agriculture and GHG mitigation, such as planned landfill methane control program.

MINING TENEMENTS

TOONDOON PROJECT - AUSTRALIA

The Toondoon Project ("Toondoon") is located in central Queensland, approximately 20km from Mundubbera, and is one of the highest-grade raw ore kaolin deposits in Australia held under an approved Mining Lease. Toondoon is well served by existing infrastructure, including two major ports within 300km and access to major arterial highways.

The tenement comprises an approved Mining Lease (ML 80126) together with Exploration Permit for Minerals (EPM 27395 and 27866) which spans over 28,000 hectares.

The Mineral Resource Estimate of the Toondoon Project is set out on page 57 and includes:

Measured Resource

Kaolinite Clay (High Iron) – 0.88Mt @ 36.79% Al_2O_3,1.92% FE_2O_3, 44.92% SiO_2

Kaolinite Clay (Low Iron) – 1.57Mt @ 37.48% Al_2O_3,0.41% FE_2O_3, 46.5% SiO_2

Indicated Resource

Kaolinite Clay (High Iron) – 1.66Mt @ 36.48% Al_2O_3,2.32% FE_2O_3, 45.24% SiO_2

Kaolinite Clay (Low Iron) – 1.99Mt @ 37.57% Al_2O_3,0.4% FE_2O_3, 46.43% SiO_2

(for full particulars refer to the Ausrocks Mineral Estimate Report contained in the ASX announcement dated 28 July 2022 titled 'Notice of General Meeting/Proxy Form (Part 2 of 2))

The potential exists to expand the high-grade kaolin resource, which remains open in all directions.

Toondoon's near surface, high grade and low impurity raw ore kaolin is amenable to low-cost, open cut mining operations.

The high alumina content will allow the ore to be highly suitable to a number of sectors including the white cement industry, refractories, and fibreglass manufacturing. The ISO brightness enables end-users to process DSO for paper, packaging, and coating markets.

The Toondoon project with an approved mining lease will offer the Company access to a lower cost high-grade kaolin feedstock. Raw ore from the project will not have to undergo sizing (wet/dry processing) to increase alumina content and will therefore provide immediate manufactured zeolite feedstock at a significantly lower cost than the Company's Abercorn Project.

This will allow Zeotech to substantially reduce operating expenditure and fast-track the production of manufactured zeolites.

Direct Shipping Ore (DSO)

Zeotech continues to assess opportunities for DSO of Toondoon's near surface, high-grade and low iron raw ore kaolin. During the period, the Company has engaged with interested counterparties located in India and China.

To support the increased engagement with potential off-take partners from India, Zeotech contracted an Indian Relationship Manager to assist with building associations, facilitating discussions, negotiation, and provide due diligence on prospective companies.

More recent discussions with an industrial minerals company located in India have centred on shipping and logistic options.

Talks have involved provision of a larger commercial trial shipment of between 100-200 tonnes, together with Indian company representatives planning a potential trip to Australia during H2 CY2022.

The purpose of this would be to undertake a site visit of the proposed Toondoon mining operation, together with assessing and inspecting shipping options, and in particular the proposed Common User Infrastructure ("CUI") at the port of Bundaberg.

The CUI will enable the Wide Bay region to increase exports of bulk commodities, including minerals such as kaolin.

The Company considers the capacity to extend a bulk shipping option to prospective DSO customers from Bundaberg port provides a cost-effective option which is commensurate with the characteristics of the cargo (crude kaolin) being transported and offers a potential economic advantage.

A further interested party from India has been engaged following an introduction made by Trade Investment Queensland ("TIQ"). After providing product specifications and an initial discussion with the global mineral solutions provider, crude kaolin (DSO) product samples were shipped at the end of the financial year for the potential off-take partner to undertake further analysis.

ABERCORN PROJECT - AUSTRALIA

The Abercorn Project is a large-scale kaolin prospect located in central Queensland, and has demonstrated it contains a consistent grade of kaolinite mineralisation.

The Abercorn Project comprises 4 contiguous EPM's for a total of 50 sub-blocks, these are:

- EPM 26837 comprising 33 sub-blocks;
- EPM 26903 comprising 4 sub-blocks;
- EPM 19081 comprising one sub-block; and
- EPM 27427 comprising 12 sub-blocks.

Resource test work at the Abercorn Project Total has delivered a indicated and Inferred JORC 2012 resource of:

39.06Mt yielding 36.8% -20µm grading 28.6% Al_2O_3 & 1.18% K_2O, using a cut-off grade of 26% Al_2O_3

(refer ASX announcement dated 6 July 2020)

KRAAIPAN PROJECT - BOTSWANA

As previously reported, the Company did not seek renewal of the Prospecting Licence and PL 232/2016 which expired on 30 September 2021. The Company has no other tenements or ongoing operations in Botswana.

CORPORATE

Toondoon Kaolin Project

On 23 August 2021, the Company executed a term sheet with Zilotech Holdings Pty Ltd ("Zilotech") to acquire 100% of the issued capital in Kalotech Pty Ltd ("Kalotech"), which held a legally binding exercised option to acquire the mining lease and exploration licences for the Toondoon Kaolin Project ("Toondoon").

The acquisition of Kalotech was conditional on obtaining all shareholder approvals required under ASX Listing Rules 10.1 and 10.11, and Chapter 2E of the Corporations Act.

Shareholder approval was granted on 31 August at a General Meeting held in Canberra, ACT, and the acquisition is now completed.

Regen Farmers Mutual

In December 2021, the Company entered into a subscription agreement with environment farm management technology start-up, Regen Digital Pty Ltd ("Regen"). Zeotech invested $140,000 in Regen through a fully subscribed seed capital round being undertaken by the group.

Regen provides members of Regen Farmers Mutual a platform to enter into and manage environmental and green provenance contracts.

The early-stage investment establishes a symbiotic partnership with Zeotech's agronomic objectives, which are aimed at developing agri-products that improve nutrient management and offer famers access to carbon markets.

Regen's 'software as a service' (Saas) platform aims to establish the value of the farmer's environmental assets with an Environmental Farm Assessment (EFA). The EFA will be used to create a 'digital twin' of a farm and assist farmers to understand, define, market, execute and deliver transactions in carbon, biodiversity, and other emerging markets.

R&D Tax Incentive Payment

On 12 January 2022, the Company received a cash refund of $636,682 from its R&D tax incentive claim for the financial year ending 30 June 2021.

The Australian Federal Government's R&D Tax Incentive Program provides a cash refund on eligible research and development activities performed by Australian companies.

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Zeotech Limited, and the entities it controlled at the end of, or during, the year ended 30 June 2022.

DIRECTORS

The names and details of the Company's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience, and special responsibilities

Sylvia Tulloch BSc, MSc (Non-Executive Chairman)

Sylvia is a materials scientist, with many years' experience in establishment and management of high technology businesses, with a focus on commercialisation, mineral processing technologies and the cleantech sector. Sylvia holds a Bachelor of Science and Masters in Materials Science from the University of New South Wales and is an investor in and Director of many start-up companies, has founded and taken 2 companies to ASX listing and held government advisory positions in the start-up, renewable energy, and manufacturing sectors. She is also currently Chairman of Griffin Accelerator Holdings – ACT's only start-up business accelerator program and is on the board of The Canberra Innovation Network.

Peter Zardo MAICD (Managing Director)

Peter joined Zeotech as Chief Operating Officer on 7th April 2020 and appointed Managing Director on 8th July 2020, after spending more than 16 years in the corporate and business banking division of the Westpac Group. Prior to joining Zeotech, Peter was a Director of Industry banking, having completed Westpac's Emerging Leader Program in 2019 and previous to this, spent several years in financial and equity markets. He has undertaken studies in Applied Science at Charles Sturt University and Circular Economy & Sustainability at Cambridge Judge Business School. Peter is a member of the Australian Institute of Company Directors and possesses significant experience in business advisory, project management and corporate finance, having accumulated a vast network of relationships across a number of industries, bringing these connections and expertise to his role.

Robert Downey B.Ed., LL.B (Hons) (Non-Executive Director)

Mr Downey is a qualified solicitor who has practised mainly in the areas of international resources law, corporate law and initial public offerings as well as mergers and acquisitions. He has extensive experience as an adviser, founder and director of various ASX, TSX and AIM companies. Mr Downey is currently a partner at Dominion Legal, a boutique law firm in Perth. Mr Downey became Non-Executive Chairman on 18 October 2016, resigned as Chairman on 7 April 2020 but assumed the role of Non-Executive Director.

In the three years immediately before the end of the financial year, Mr Downey was a director of ASX-listed Kairiki Energy Ltd until 28 August 2019. He is currently a director of Connexion Telematics Ltd, Reach Resources Limited, Askari Metals Ltd, Mt Malcolm Mines NL and Twenty Seven Co Ltd.

COMPANY SECRETARY

Mr Bassett was appointed Company Secretary on 7 May 2015.

Mr Bassett is a chartered accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions and includes significant knowledge and exposure to the Australian financial markets. Mr Bassett has experience in matters pertaining to the *Corporations Act*, ASX listing requirements, corporate taxation, and finance.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following relevant interests in shares of the Company or a related body corporate were held by directors at the date of this report:

	Ordinary Shares	Options	Performance Rights
Directors			
Sylvia Tulloch	10,000,000	-	-
Peter Zardo	43,380,000	20,000,000	50,000,000
Robert Downey	1,378,925	-	-

There were 22,000,000 performance shares issued with a non-recourse loan, and no share options or performance rights of Zeotech Limited were granted to directors of the Company with shareholder approval since 1 July 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the period was:

- the exploration of the Group's mineral tenements with the objective of identifying economic mineral deposits;
- working with the University of Queensland to develop and commercialise novel and proprietary zeolite mineral processing technology that consumes kaolin or suitable mine tailings / residues to produce high value zeolites; and
- the identification and evaluation of new venture and corporate opportunities.

DIVIDENDS

No dividends were paid or declared during the period. No recommendation for payment of dividends has been made.

OPERATING AND FINANCIAL REVIEW

Finance Review

The Group commenced the financial year with cash assets of $5,853,759.

During the period, total exploration expenditure expensed by the Group amounted to $104,574 (2021: $172,416). Net administration expenditure incurred amounted to $448,488 (2021: $352,994), technology expenses incurred totalled $1,742,898 (2021: $1,231,363) and expense for share based payments amounted to $1,743,500 (2021: $840,000). This has resulted in an operating loss after income tax for the year ended 30 June 2022 of $4,228,779 (2021: $2,919,833). At 30 June 2022, cash assets available totalled $2,906,956.

Operating Results for the Period

Summarised operating results are as follows:

	2022	
	Revenues $	**Results $**
Revenues and loss from ordinary activities before income tax expense	645,641	(4,228,779)

Shareholder Returns

	2022	2021
Basic loss per share (cents)	(0.280)	(0.213)

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Group occurred during the financial year other than that referred to in the financial statements or notes thereto in the *Review of Activities*.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than as referred to in the *Review of Activities and as* detailed below.

(i) On 28 July 2022, the Company dispatched meeting materials, explanatory statement and an independent expert's report to shareholders for a general meeting to be held on 31 August 2022 seeking shareholder approval for the acquisition of Kalotech Pty Ltd, the holder of the Toondoon Project, consideration for the acquisition being 37,000,000 fully paid ordinary shares in Zeotech Limited and reimbursement of costs up to $350,000 in relation to expenditure on the Toondoon tenements. Shareholders approved the acquisition at the general meeting held on 31 August 2022 and the acquisition settled on 1 September 2022.

(ii) On 31 August 2022, the Company advised that Goody Investments Pty Ltd (a related party of John Goody being an ex-director of the Company) ("the Plaintiff") has commenced legal proceedings against the Company in the Supreme Court of Western Australia. The Company has been served with a Writ and Statement of Claim.

The proceedings relate to the issue of ordinary fully paid shares in Zeotech (Shares) with respect to the Second Milestone Performance Rights in the Company (Performance Rights), issued to the plaintiff as part consideration under the Abercorn Kaolin Project Term Sheet executed on 9 August 2019. Under this agreement the Company acquired the Abercorn Kaolin Project.

Goody Investments Pty Ltd was issued 23,782,500 Performance Rights, which conversion into Shares was subject to the achievement of a second milestone, being the completion of a scoping study on the Abercorn Project ("Abercorn Scoping Study") before the expiry date, being 8 August 2022.

The statement of claim alleges that the Company was subject to an obligation to undertake the Abercorn Project Scoping Study to satisfy the second performance milestone by the expiry date. The Company denies the nature of the allegation. The proceedings seek damages of $1,426,950 plus interest and any further orders of the Court.

The Company is reviewing the statement of claim with its legal advisers and will be defending the proceedings.

(iii) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Group up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's objective is to commercialise its proprietary mineral processing technologies, using a low environmental footprint for the sustainable production of advanced materials 'synthetic zeolites', and undertake low impact exploration and development of its high-grade kaolin projects.

The Company is working with the University of Queensland to develop and commercialise novel and proprietary zeolite mineral processing technology that consumes kaolin or suitable mine / process tailings to produce high value zeolites.

The patent-pending technology has the potential to:

- Fast-track development of the Company's Projects, with a low capital cost to reach commercial production, utilising the company's existing kaolin feedstock, provide new opportunities and product development, to monetise broader application of the technology outside the company by offering a significantly lower cost method of manufacturing zeolites compared to conventional processes.

The Company is also working with Griffith University to develop zeolite centric products to offer solutions to large-scale agricultural challenges. A comprehensive research plan exploring new products targeting:

- Fertiliser delivery, with adjunct carbon markets potential; and
- Agricultural pollutant treatment.

The Company also aspires to improving environmental outcomes by continuing to build on the potential of our zeolite mineral processing technology to be applied as a commercial remediation solution for suitable mine tailings and process residues, by utilising tailing streams as feed for low-cost production of zeolites.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities in Australia. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the period under review.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Zeotech Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of Zeotech Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses, and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 10.5% (2022: 10.0%), and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000). Base fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee incentive plan.

Performance based remuneration

Under the Incentive Share Plan that was approved at the 2020 AGM, Mr Peter Zardo and Ms Sylvia Tulloch were issued with 12,000,000 and 10,000,000 loan funded shares respectively. The Group did not issue any other incentive options or performance rights to directors or other key management personnel.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2022.

Voting and comments made at the Company's 2021 Annual General Meeting

The Company received approximately 98.98% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group comprise the directors and the chief executive officer (where appointed) who have authority and responsibility for planning, directing and controlling activities within the Group.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel of the Group

	Short-Term		**Post-Employment**		**Share-based Payments**	**Total**
	Salary & Fees	Non-Monetary	Superannuation	Retirement benefits		
	$	$	$	$	$	$
Directors						
Sylvia Tulloch – Appointed 7 July 2020						
2022	**88,333**	**-**	**-**	**-**	**550,000**	**638,333**
2021	59,000	-	-	-	-	59,000
Peter Zardo – Appointed 7 July 2020						
2022	**260,984**	**-**	**26,099**	**-**	**540,000**	**827,083**
2021	227,615	-	20,093	-	840,000	1,087,708
Robert Downey – Appointed 18 October 2016						
2022	**60,000**	**-**	**-**	**-**	**-**	**60,000**
2021	48,000	-	-	-	-	48,000
John Goody – Appointed 16 October 2019, Ceased 12 January 2021						
2022	**-**	**-**	**-**	**-**	**-**	**-**
2021	25,548	-	-	-	-	25,548
Total Key Management Personnel Remuneration						
2022	**409,317**	**-**	**26,099**	**-**	**1,090,000**	**1,525,416**
2021	360,163	-	20,093	-	840,000	1,220,256

Service agreements

Peter Zardo

In April 2020, the Company entered into an Executive Service Agreement with Mr Peter Zardo.

Under the Agreement, Mr Zardo was engaged by the Company to provide services to the Company in the capacity of COO.

The material terms of the executive service agreement with Mr Zardo are as follows:

1. $165,000 per annum base salary (plus statutory superannuation).
2. Rights to the following service securities (issued 6 April 2020):
    a. 20,000,000 unlisted sign-on options with an exercise price of $0.015 cents and an expiry date of four years from the commencement date of the employment. The options will not vest until the 12-month anniversary of the Commencement Date.
3. Rights to the following performance incentive securities (issued 6 April 2020):

    Five tranches of performance rights (Class C, D, E, F and G) of 10,000,000 performance rights each, with each tranche having the following performance hurdles:

    a. Class C – On the Pilot Plant Completion Date (as that term is defined in the Licence Agreement);
    b. Class D – Upon completion and sign off by a competent person of a prefeasibility study (as that phrase is defined in the JORC Code 2012) of the Abercorn Project;
    c. Class E – upon the first to occur of either:
        a. Execution and completion of a sub-licencing agreement under clause 4.2 of the Licence Agreement between Zeotech and UQ and pursuant to which Zeotech has commenced receiving royalty payments from the sub-licensor arising from commercial production of synthetic zeolites; or
        b. Execution and completion of an unconditional offtake agreement pursuant to which the third party agrees to take or pay a minimum of 1,000,000 tonnes of kaolin (on a dry metric tonne basis) per annum for minimum period of five years
    d. Class F – Upon the commencement of commercial production of either ALUM or HPA from the proprietary HPA processing patents owned and developed by Zeotech; and
    e. Class G – Upon commencement of commercial production of synthetic zeolite (as that phrase is defined in the Licence Agreement).
4. The agreement is for a fixed term of 2 years, although;
    a. May be terminated by the Company with 6 months' notice under specified terms and subject to a termination benefit equal to the balance of term
    b. May be terminated by the Company with immediate effect in the event of serious or wilful misconduct.

Mr Zardo was appointed Managing Director of the Company on 7 July 2020.

In May 2021, Mr Zardo's salary was approved by the Board to be increased to $258,400 per annum base salary (plus statutory superannuation).

In May 2022, Mr Zardo's salary was approved by the Board to be increased to $271,320 per annum base salary (plus statutory superannuation).

Shareholdings of key management personnel

The number of ordinary shares in the Group held during the financial year by each director of Zeotech Limited and other key management personnel of the Group, including their personally related parties, is set out below.

	Balance at start of the year	Granted as compensation	Acquired	Net Change Other	Balance at end of the year
Directors					
Sylvia Tulloch	-	10,000,000	-	-	10,000,000
Peter Zardo	61,880,0000	12,000,000	-	(30,500,000)	43,380,000
Robert Downey	1,378,925		-	-	1,378,925
Keong Chan	-	-	-	-	-

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

There were 12,000,000 Shares issued to Mr Peter Zardo by way of a provision of a 3-year, non-recourse, interest free loan on 20 December 2021 under the Incentive Share Plan approved by Shareholders at the 2020 AGM. The amount of the loan is for a maximum of 12,000,000 Shares based on an issue price of $0.05 per Share for a total value of $600,000.

There were 10,000,000 Shares issued to Ms Sylvia Tulloch by way of a provision of a 5-year, non-recourse, interest free loan on 20 December 2021 under the Incentive Share Plan approved by Shareholders at the 2020 AGM. The amount of the loan is for a maximum of 10,000,000 Shares based on an issue price of $0.04 per Share for a total value of $400,000.

No funds will be raised from the issue of the Plan Shares as there will be no change to the Company's cash position (i.e. the Loan made by the Company will be used to subscribe for the Plan Shares to be issued to the Related Parties and Key Management Personnel). Amounts repaid to the Company by the Related Party in the future in satisfaction of the Loan will be used by the Company for general working capital purposes.

The fair value per Share issue to Mr Peter Zardo was 4.5 cents each on the date of issue (calculated using the Black Scholes method – stock price at $0.077, the risk-free interest rate is 0.10% and the volatility is 72.6%), the total value $540,000.

The fair value per Share issue to Ms Sylvia Tulloch was 5.5 cents each on the date of issue (calculated using the Black Scholes method – stock price at $0.077, the risk-free interest rate is 0.10% and the volatility is 72.6%), the total value $550,000.

Option holdings of key management personnel

The number of unlisted options over ordinary shares in the Company held during the financial year by directors of Zeotech Limited and other key management personnel of the Group, including their personally related parties, is set out below.

	Balance at start of the year	Granted as compensati on	Acquired (Expired)	Net Change Other	Balance at end of the year	Vested and exercisable	Unvested
Directors							
Sylvia Tulloch	-	-	-	-	-	-	-
Peter Zardo	20,000,000	-	-	-	20,000,000	20,000,000	-
Robert Downey	-	-	-	-	-	-	-
Keong Chan	-	-	-	-	-	-	-

Share-based compensation

The number of performance rights in the Company held during the financial year by directors of Zeotech Limited and other key management personnel of the Group, including their personally related parties, is set out below.

	Balance at start of the year	Granted as compensation	Acquired (Expired)	Net Change Other	Balance at end of the year	Vested and exercisable	Unvested
Directors							
Sylvia Tulloch	-	-	-	-	-	-	-
Peter Zardo	**54,770,000**	-	-	-	**54,770,000**	-	**54,770,000**
Robert Downey	-	-	-	-	-	-	-
Keong Chan	-	-	-	-	-	-	-

Shares provided on exercise of remuneration options

During the financial year ended 30 June 2022 no remuneration options were exercised.

End of remuneration report

DIRECTORS' MEETINGS

During the financial year the Company held meetings of directors. The attendance of directors at meetings of the Board were:

	Director's Meetings		Audit Committee Meetings	
	A	B	A	B
Sylvia Tulloch	5	5	2	2
Peter Zardo	5	5	2	2
Robert Downey	5	5	2	2
Keong Chan	-	-	-	-

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the period.

SHARES UNDER OPTION

At the date of this report there are 20,000,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	20,000,000
Movements of share options during the period	
Lapsed	-
Issued	-
Total number of options outstanding as at 30 June 2022 and the date of this report	**20,000,000**

The balance is comprised as follows:

Expiry date	Exercise price (cents)	Number of options
listed		
-	-	-
unlisted		
6 April 2024	$0.015	20,000,000
Total number of options outstanding at the date of this report		**20,000,000**

The following options lapsed during the year:

Original Expiry date	Exercise price (cents)	Number of options
listed		
-	-	-
unlisted		
-	-	-
Total option lapsed		**-**

No shares in Zeotech Limited were issued during the year ended 30 June 2022 upon the exercise of options.

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INSURANCE OF DIRECTORS AND OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers for 2022 has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Other than the matters included in this Directors Report or elsewhere in the Annual Financial Report, future developments, business strategies and prospects of the Company and the expected results of those operations have not been disclosed as the Directors believe that their inclusion would most likely result in unreasonable prejudice to the Company.

NON-AUDIT SERVICES

No non-audit services have been provided by the Company's auditors, Rothsay Audit & Assurance Pty Ltd.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

Signed in accordance with a resolution of the directors.

Sylvia Tulloch
Chair
20 September 2022

ROTHSAY
AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Zeotech Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Zeotech Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

20 September 2022

ROTHSAY
AUDIT & ASSURANCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ZEOTECH LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zeotech Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters to communicate in our report:

<table>
<tr><th>Key Audit Matter - Share-based Payments</th><th>How our Audit Addressed the Key Audit Matter</th></tr>
<tr><td>The Group recorded share-based payments in the current year of $1,743,500 and comprising 36% of the Group's total expenditure.

Share based payments are considered to be a key audit matter due to:
• the value of the transactions;
• the complexities involved in the recognition and measurement of these instruments; and
• the judgement involved in determining the inputs used in the valuations.

Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved estimations and judgements to determine the fair value of the equity instruments granted.</td><td>Our procedures over the existence of the Group's share-based payments included but were not limited to:
• Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements;
• Reviewing management's valuation of share-based payments; and
• Reviewing the compliance of accounting treatment of the share-based payments with AASB 2 Share-based Payment.

We have also assessed the appropriateness of the disclosures included in the financial report.</td></tr>
<tr><td>Key Audit Matter - Impairment of Assets</td><td>How our Audit Addressed the Key Audit Matter</td></tr>
<tr><td>The Group has significant capitalised assets for exploration and evaluation expenditure of $4,267,216 and intangible assets of $1,451,895. In aggregate, these assets comprise 63% of the total assets of the Group.

We note that assessment for impairment of these assets is subject to a significant level of judgement. Management reviewed the assets for any indicators of impairment under the relevant standards.</td><td>Our procedures in reviewing the need for impairment of the exploration and evaluation and intangible assets included but were not limited to the following:
• Reviewing the reasonableness of the management's assessment of the indicators of impairment; and
• Reviewing the compliance of management's assessment with the relevant accounting standards.

We have also assessed the appropriateness of the disclosures included in the financial report.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ZEOTECH LIMITED (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ZEOTECH LIMITED (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Zeotech Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Dated 20 September 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022	Notes	Consolidated	
		2022 $	2021 $
REVENUE	**4**	**645,641**	178,286
EXPENDITURE			
Depreciation expense		**(26,716)**	(5,154)
Employee benefits expense	5	**(808,244)**	(496,192)
Exploration expenses		**(104,574)**	(172,416)
Administration expenses		**(448,488)**	(352,994)
Technology expenses		**(1,742,898)**	(1,231,363)
Share based payments expense	27	**(1,743,500)**	(840,000)
LOSS BEFORE INCOME TAX		**(4,228,779)**	(2,919,833)
Income tax benefit / (expense)	6	**-**	-
LOSS FOR THE YEAR		**(4,228,779)**	(2,919,833)
OTHER COMPREHENSIVE INCOME			
Foreign exchange loss on translation of foreign operations		**(197)**	(3,665)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF ZEOTECH LIMITED		**(4,228,976)**	(2,923,498)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	25	**(0.280)**	(0.213)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022	Notes	Consolidated	
		2022	2021
		$	$
CURRENT ASSETS			
Cash and cash equivalents	7	**2,906,956**	5,853,795
Trade and other receivables	8	**115,950**	65,679
Financial assets	9	**140,000**	-
TOTAL CURRENT ASSETS		**3,162,906**	**5,919,474**
NON-CURRENT ASSETS			
Plant and equipment	10	**159,695**	9,753
Exploration and evaluation costs	11	**4,267,216**	4,267,216
Intangible assets	12	**1,451,895**	1,318,778
Right-of-Use Asset	13	**475,996**	-
TOTAL NON-CURRENT ASSETS		**6,354,802**	**5,595,747**
TOTAL ASSETS		**9,517,708**	**11,515,221**
CURRENT LIABILITIES			
Trade and other payables	14	**183,462**	159,876
Lease liability	13	**55,242**	-
TOTAL CURRENT LIABILITIES		**238,704**	**159,876**
NON-CURRENT LIABILITIES			
Lease liability	13	**420,754**	-
TOTAL NON-CURRENT LIABILITIES		**420,754**	**-**
TOTAL LIABILITIES		**659,458**	**159,876**
NET ASSETS		**8,858,250**	**11,355,345**
EQUITY			
Issued capital	15	**35,577,639**	35,589,258
Reserves	16(a)	**2,898,971**	1,155,668
Accumulated losses	16(b)	**(29,618,360)**	(25,389,581)
TOTAL EQUITY		**8,858,250**	**11,355,345**

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022	Notes	Contributed Equity	Share-Based Payments and Options Reserves	Acquisition Reserves	Foreign Exchange Reserves	Accumulated Losses	Total
Consolidated		$	$	$	$	$	$
BALANCE AT 1 JULY 2020		**27,727,506**	**120,000**	**900,000**	**199,333**	**(22,469,748)**	**6,477,091**
Loss for the period	16(b)	-	-	-	-	(2,919,833)	(2,919,833)
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**-**	**-**	**(2,919,833)**	**(2,919,833)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS							
Shares issued during the year		7,058,000	-	-	-	-	7,058,000
Shares issued under loan funded share plan		-	840,000	-	-	-	840,000
Share issue costs		(96,248)	-	-	-	-	(96,248)
Abercorn Acquisition		900,000	-	(900,000)	-	-	-
Foreign exchange movement		-	-	-	(3,665)	-	(3,665)
BALANCE AT 30 JUNE 2021		**35,589,258**	**960,000**	**-**	**195,668**	**(25,389,581)**	**11,355,345**
BALANCE AT 1 JULY 2021		**35,589,258**	**960,000**	**-**	**195,668**	**(25,389,581)**	**11,355,345**
Loss for the period	16(b)	-	-	-	-	(4,228,779)	(4,228,779)
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**-**	**-**	**(4,228,779)**	**(4,228,779)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS							
Shares issued under loan funded share plan		-	1,743,500	-	-	-	1,743,500
Share issue costs		(11,619)	-	-	-	-	(11,619)
Foreign exchange movement		-	-	-	(197)	-	(197)
BALANCE AT 30 JUNE 2022		**35,577,639**	**2,703,500**	**-**	**195,471**	**(29,618,360)**	**8,858,250**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2022	Notes	Consolidated 2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(3,026,058)**	(2,195,499)
Expenditure on mining interests		**(89,531)**	(163,690)
Other income		**645,641**	178,286
Net cash outflow from operating activities	**24**	**(2,469,948)**	(2,180,903)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(172,250)**	(4,727)
Payments for other intangible assets		**(152,793)**	(545,738)
Payments to acquire investment		**(140,000)**	-
Net cash outflow from investing activities		**(465,043)**	(550,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares net of share issue cost		**(11,619)**	7,021,753
Net cash inflow from financing activities		**(11,619)**	7,021,753
Net (decrease)/increase in cash and cash equivalents		**(2,946,610)**	4,290,385
Cash and cash equivalents at the beginning of the financial year		**5,853,795**	1,566,656
Effects of exchange rate fluctuations on cash held		**(229)**	(3,246)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**7**	**2,906,956**	5,853,795

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Zeotech Limited and its subsidiaries. The financial statements are presented in Australian currency. Zeotech Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 20 September 2022. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Zeotech Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of Zeotech Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2021 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2021.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention unless otherwise stated.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zeotech Limited ("Company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Zeotech Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Zeotech Limited.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Zeotech Limited.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Zeotech Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term

(h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(j) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

(k) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

(l) Financial assets

Classification

On initial recognition, the Group classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statements of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less any allowance for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised. Any gains or losses arising on changes in fair value are recognised through other comprehensive income (FVOCI).

(m) Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise of trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

(n) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss. When re-valued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(o) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial year the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(p) Intangible Assets

Intangible assets are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents, trademarks and licences

Patents, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses once the asset is considered held ready for use. Intellectual property and licences are amortised on a systematic basis matched to the future economic benefits over the useful life of the project once the patents are considered held ready to use.

Significant costs associated with trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(r) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as payables.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

(s) Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also been issued as consideration for the acquisition of interests in tenements and other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

(t) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

(w) Critical accounting judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Impairment of assets

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(x) Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

The directors consider it is appropriate to prepare the consolidated entity's financial statement on a going concern basis and recognise that additional funding may be required to ensure the consolidated entity can continue its operations for the next twelve months and to fund the continued development of the consolidated entity's exploration assets. This basis has been determined after consideration of the following factors:

- The ability to issue additional share capital under the Corporations Act 2001, if required, by a share purchase plan, share placement or rights issue;
- Debt financing, including convertible note issues;
- The option of farming out all or part of the consolidated entity's exploration projects; and
- The ability, if required to dispose of interests in exploration and development assets.

Consequently, the Board considers the Group is a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all Board members to be involved in this process. The Board has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

During the period the Group had operations internationally and was exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Botswana Pula.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

The functional currency of the Group's foreign subsidiary company is the Botswana Pula. All parent entity and Australian subsidiary entity balances are in Australian dollars and all Group balances are in either Australian dollars or Botswana Pula, so the Group has only minimal exposure to foreign currency risk at the reporting date.

(ii) Price risk

Given the current level of operations, being mineral exploration projects, the Group is not exposed to price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of un-restricted cash and cash equivalents for the Group $2,906,956 (2021: $5,853,795) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the period depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 1% (2021: 0%).

Sensitivity analysis

At 30 June 2022, if interest rates had changed by +/- 100 basis points from the weighted average rate for the period with all other variables held constant, post-tax loss for the Group would have been $29,061 (2020: $58,140) lower/higher as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified two reportable segments being exploration activities undertaken in Australia and Botswana. These segments include the activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in these geographic locations.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

	Australia		Botswana		Consolidated Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Segment revenue	**-**	-	**-**	-	**-**	-
Reconciliation of segment revenue to total revenue before tax:						
Other revenue	**645,641**	178,286	**-**	-	**645,641**	178,286
Total revenue	**645,641**	178,286	**-**	-	**645,641**	178,286
Segment results	**(104,574)**	(160,291)	**-**	(12,125)	**(104,574)**	(172,416)
Reconciliation of segment result to net loss before tax:						
Other corporate and administration	**(4,762,694)**	(2,915,261)	**(7,152)**	(10,442)	**(4,769,846)**	(2,925,703)
Net profit/(loss) before tax	**(4,221,627)**	(2,897,266)	**(7,152)**	(22,567)	**(4,228,779)**	(2,919,833)
Income tax benefit	**-**	-	**-**	-	**-**	-
Net profit/(loss) after tax	**(4,221,627)**	(2,897,266)	**(7,152)**	(22,567)	**(4,228,779)**	(2,919,833)
Segment operating assets	**5,878,806**	5,595,747	**-**	-	**5,878,806**	5,595,747
Reconciliation of segment operating assets to total assets:						
Other corporate and administration assets	**3,636,626**	5,909,995	**2,276**	9,479	**3,638,902**	5,919,474
Total assets	**9,515,432**	11,505,742	**2,276**	9,479	**9,517,708**	11,515,221
Segment operating liabilities	**(182,269)**	(158,828)	**(1,193)**	(1,048)	**(183,462)**	(159,876)
Reconciliation of segment operating liabilities to total liabilities:						
Other corporate and administration liabilities	**(475,996)**	-	**-**	-	**-**	-
Total liabilities	**(658,265)**	(158,828)	**(1,193)**	(1,048)	**(659,458)**	(159,876)

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $
4. REVENUE		
From continuing operations		
Interest	**8,959**	4,502
R&D refund	**636,682**	173,784
	645,641	178,286
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Employee benefits expense		
Defined contribution superannuation expense	**50,663**	25,208
6. INCOME TAX		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(4,228,779)**	(2,919,833)
Prima facie tax benefit at the Australian tax rate of 30%	**(1,268,634)**	(875,950)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Research and Development Grant	**(191,005)**	(40,883)
Entertainment	**(506)**	-
Share-based payments	**523,050**	-
	(937,095)	(916,833)
Movements in unrecognised temporary differences	**490,029**	(30,009)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**447,066**	946,842
Income tax expense	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $
6. INCOME TAX (CON'T)		
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
On Income Tax Account		
Provision for expenses	**21,564**	22,063
Capital raising costs	**68,818**	100,000
Investments	**2,146**	7,667
Carry forward revenue tax losses	**7,107,385**	7,594,419
	7,199,913	7,724,149
Deferred Tax Liabilities (at 30%)		
Intangible assets	**435,569**	395,633
Capitalised tenement acquisition costs	**1,280,165**	1,280,165
Investments	**42,000**	-
	1,757,734	1,675,798

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the Group satisfying the relevant tax authority's criteria for using these losses.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash and cash equivalents		
Cash at bank and in hand	**2,906,956**	5,853,795
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**2,906,956**	5,853,795

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Trade and other receivables	**115,950**	65,679

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated	
	2022	2021
	$	$

9. CURRENT ASSETS – FINANCIAL ASSETS

Financial assets at FV through OCI	**140,000**	-

On 14 December 2021, the Company announced it had entered into a Subscription Agreement with environment farm management technology start-up, Regen Digital Pty Ltd ("Regen").

Zeotech invested $140,000 for a 4% post money interest in Regen, through a fully subscribed $500,000 seed capital round undertaken by the group. Regen provides members of Regen Farmers Mutual a platform to enter into and manage environmental and green provenance contracts and Regen Farmers Mutual Limited holds 77% of Regen on a post-money basis.

The early-stage investment establishes a symbiotic partnership with Zeotech's agronomic objectives, aimed at developing agri-products that improve nutrient management and offer farmers access to carbon markets.

10. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	2022	2021
Plant and equipment		
Cost	**345,609**	168,951
Accumulated depreciation	**(185,914)**	(159,198)
Net book amount	**159,695**	**9,753**
Plant and equipment		
Opening net book amount	**9,753**	10,180
Additions	**176,658**	4,727
Depreciation charge	**(26,716)**	(5,154)
Closing net book amount	**159,695**	**9,753**

11. NON-CURRENT ASSETS – MINING PROPERTIES

	2022	2021
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening net book amount	**4,267,216**	4,267,216
Additions	**-**	-
Capitalised tenement acquisition costs written off	**-**	-
Closing net book amount	**4,267,216**	**4,267,216**

The ultimate recoupment of costs carried forward for tenement acquisition is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

Tenement acquisition costs carried forward relate to the company's Australian held tenements.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $

12. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	2022 $	2021 $
Patents and Licences		
Cost	**1,451,895**	1,318,778
Less: Accumulated amortisation and impairment losses	**-**	-
Net book amount	**1,451,895**	**1,318,778**
Reconciliation		
Carrying amount at the beginning of the period	**1,318,778**	761,290
Additions during the period	**133,117**	557,488
Disposals	**-**	-
Amortisation expense	**-**	-
Balance at the end of the financial year	**1,451,895**	**1,318,778**

Synthetic Zeolite Mineral Processing Technology

On the 7 April 2020, the Company announced it had secured an exclusive worldwide licence from UniQuest, the technology transfer company of The University of Queensland (UQ) for the manufacturing (synthesising) of zeolites (Technology). The UQ synthetic zeolite mineral processing technology has the potential to significantly reduce the cost of manufacturing synthetic zeolites.

On 7 May 2020, the Company announced it had executed the research agreement ("Research Agreement") with UQ for the continued research and development of the patent pending mineral processing Technology.

On 29 January 2021, Zeotech and UniQuest Pty Ltd, the technology transfer company of The University of Queensland executed a Deed of Assignment that formed part of the Licence Agreement and paid the $500,000 Assignment Fee. Which facilitated all rights, title, and interest in the licensed Intellectual Property to be legally assigned to Zeotech from UniQuest, the technology transfer company of The University of Queensland.

13. RIGHT-OF-USE ASSET AND LEASE LIABILITY

In May 2022, the Group signed a 5-year office lease commencing on 30 June 2022. A lease liability and right-of-use asset $475,996 was recognised at 30 June 2022.

14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	**47,154**	48,983
Other payables and accruals	**136,308**	110,893
	183,462	**159,876**

Fair Value and Risk Exposures

(i) Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.
(ii) Trade and other payables are unsecured and usually paid within 60 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

15. ISSUED CAPITAL

(a) Share capital

		2022		2021	
	Notes	Number of shares	$	Number of shares	$
Ordinary shares fully paid	15(b), 15(d)	**1,524,915,470**	**35,577,639**	1,485,915,470	35,589,258
Total issued capital		**1,524,915,470**	**35,577,639**	1,485,915,470	35,589,258
(b) Movements in ordinary share capital					
Beginning of the financial year		**1,485,915,470**	**35,589,258**	1,176,551,184	27,727,506
Issued during the year:					
• Issued to employees for Incentive Share Plan (refer Note 27)		**39,000,000**	**-**	20,000,000	-
• Issued for cash at 1.3 cents per share		**-**	**-**	127,500,000	1,657,500
• Issued for cash at 5 cents per share		**-**	**-**	34,000,000	1,700,000
• Issued for cash at 7 cents per share		**-**	**-**	52,864,286	3,700,500
• Issued for acquisition at 1.2 cents per share		**-**	**-**	75,000,000	900,000
Less: Transaction costs		**-**	**(11,619)**	-	(96,248)
End of the financial year		**1,524,915,470**	**35,577,639**	**1,485,915,470**	**35,589,258**

(c) Movements in options on issue

	2022	2021
Beginning of the financial year	**20,000,000**	20,000,000
Options lapsed during the year	**-**	-
Issued during the year	**-**	-
End of the financial year	**20,000,000**	**20,000,000**

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Performance Rights

	2022	2021
Beginning of the financial year	**125,000,000**	200,000,000
Performance rights converted on satisfaction of performance milestone	**-**	(75,000,000)
Performance rights lapsed during the year	**-**	-
Issued during the year	**-**	-
End of the financial year	**125,000,000**	**125,000,000**

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $
16. RESERVES AND ACCUMULATED LOSSES		
(a) Reserves		
Share-based payments and option reserve	**2,703,500**	960,000
Acquisition reserve	**-**	-
Foreign currency translation reserve	**195,471**	195,668
	2,898,971	**1,155,668**
Movements:		
Share-based payments and option reserve		
Balance at beginning of financial year	**960,000**	120,000
Options issued during the year	**-**	-
Share based payment expense	**1,743,500**	840,000
Expiration of share options	**-**	-
Balance at end of financial year	**2,703,500**	**960,000**
Acquisition reserve		
Balance at beginning of year	**-**	900,000
Abercorn acquisition accrued milestone payment	**-**	(900,000)
Balance at end of financial year	**-**	**-**
Foreign currency translation reserve		
Balance at beginning of year	**195,668**	199,333
Exchange differences on translation of foreign operation	**(197)**	(3,665)
Balance at end of financial year	**195,471**	**195,668**
(b) Accumulated losses		
Balance at beginning of financial year	**(25,389,581)**	(22,469,748)
Expiration of share options	**-**	-
Net loss for the year	**(4,228,779)**	(2,919,833)
Balance at end of financial year	**(29,618,360)**	**(25,389,581)**

(c) Nature and purpose of reserves

(i) Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of options issued.

(ii) Acquisition reserve
The acquisition reserve is used to recognise the fair value of deferred consideration on asset acquisition.

(iii) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated	
	2022	2021
	$	$

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	2022 $	2021 $
Short-term benefits	**409,317**	360,163
Post-employment benefits	**26,099**	20,093
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**1,090,000**	840,000
	1,525,416	**1,220,256**

Detailed remuneration disclosures are provided in the remuneration report on pages 16 to 20.

Apart from the detail in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end. Certain non-executive directors provided consulting services to the Group during the year. These services were charged to the Group based on the days worked. The total amount payable while they held positions as directors is shown in the Remuneration Report.

(b) Loans to key management personnel

There were no loans to key management personnel during the year other than non-recourse loan for the Shares issued under the Incentive Share Plan (refer Note 27 for further details).

(c) Other transactions with key management personnel

Services

Legal fees of $24,135 (2021: $14,395) were paid to Dominion Legal, a partnership of which Mr Robert Downey is a partner of. The amounts paid were on arm's length commercial terms.

19. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2022 $	2021 $
(a) Audit services		
Rothsay Auditing – audit and review of financial reports	**23,000**	26,000
Rothsay Audit & Assurance Pty Ltd – audit of financial reports	**13,000**	-
Total remuneration for audit services	**36,000**	**26,000**
(b) Non-audit services		
Total remuneration for other services	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

20. CONTINGENCIES

Abercorn Acquisition

On 16 October 2019, the Company completed the acquisition of the Abercorn Kaolin Project ("Abercorn Project").

The acquisition included contingent consideration for issue of further Shares to the Vendors or their nominees upon the achievement of certain milestones:

- upon certification by an independent Competent Person on or before the first anniversary of the date of the term sheet of an inferred JORC compliant resource of 10,000,000 tonnes of raw ore containing 29% Al_2O_3 at -20micron sizing, the issue by the Company to the Vendors of 75,000,000 ZEO Shares (Class A Performance Rights): and
- upon completion by the Company of a Scoping Study (as defined in the JORC Code) before the 3rd anniversary of the date of the term sheet, the issue by the Company to the Vendors of 75,000,000 ZEO Shares (Class B performance Rights).

The first milestone was met and the deferred consideration of 75,000,000 ZEO Shares were issued on 8 July 2020.

The second milestone expired subsequent to year end on 8 August 2022.

Licence Agreement / Intellectual Property Assignment– Synthetic Zeolite

On 7 April 2020, the Company secured an exclusive worldwide licence from Uniquest Pty Ltd, the technology transfer company of The University of Queensland, for the manufacturing (synthesising) of Zeolites (the Technology).

On 29 January 2021, Zeotech and UniQuest Pty Ltd, the technology transfer company of The University of Queensland executed a Deed of Assignment that formed part of the Licence Agreement and paid the $500,000 Assignment Fee. Which facilitated all rights, title, and interest in the licensed Intellectual Property to be legally assigned to Zeotech from UniQuest, the technology transfer company of The University of Queensland, free of any encumbrances, but inclusive of the following contingent consideration upon the achievement of certain milestones and outcomes:

(i) in the event that a patent is granted or on the successful production of three five kilogram batched of type A synthetic zeolite from the Pilot Plant that it will at that time pay a success milestone of $600,000 either in cash or by way of the issue of ordinary fully paid shares in the capital of the Company, calculated on a 30-day VWAP (at the Company's election); and

(ii) a 5% royalty on gross sales of synthetic zeolites produced using the Technology.

Acquisition of Kalotech Pty Ltd (Toondoon Project)

On 23 August 2021, the Company executed a term sheet with Zilotech Holdings Pty Ltd ("Zilotech") to acquire 100% of the issued capital in Kalotech Pty Ltd ("Kalotech"), which holds a legally binding exercised option to acquire the mining lease and exploration licences for the Toondoon Kaolin Project ("Toondoon").

The consideration for the acquisition of all of the issued share capital of Kalotech will be the issue of 37,000,000 fully paid ordinary shares in Zeotech (**Shares**) and reimbursement of costs up to $350,000 in relation to expenditures on ML80016, EPM27395 and EPMa27866 (**Acquisition**).

The Acquisition remains conditional on:

(i) obtaining all shareholder approvals required under ASX Listing Rules 10.1 and 10.11, and Chapter 2E of the Corporations Act; and

(ii) written approval from Queensland Department of Resources for the transfer of ML80016 from the current registered holder to Kalotech being granted and the change in title being registered.

On 25 March 2022, the Company received notice that the Queensland Government Department Resources gave approval to register the transfer of the Toondoon Kaolin Project Mining Lease (ML 80126) to Kalotech.

Subsequent to year end, on 28 July 2022, the Company dispatched meeting materials, explanatory statement and an independent expert's report to shareholders for General Meeting to be held on 31 August 2022.

Shareholders approved the acquisition at the general meeting held on 31 August 2022 and the acquisition settled on 1 September 2022.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated	
	2022	2021
	$	$

20. CONTINGENCIES (continued)

Commencement of Legal Proceedings Against Zeotech

On 31 August 2022, the Company advised that Goody Investments Pty Ltd (a related party of John Goody being an ex-director of the Company) ("the Plaintiff") has commenced legal proceedings against the Company in the Supreme Court of Western Australia. The Company has been served with a Writ and Statement of Claim.

The proceedings relate to the issue of ordinary fully paid shares in Zeotech (Shares) with respect to the Second Milestone Performance Rights in the Company (Performance Rights), issued to the plaintiff as part consideration under the Abercorn Kaolin Project Term Sheet executed on 9 August 2019. Under this agreement the Company acquired the Abercorn Kaolin Project.

Goody Investments Pty Ltd was issued 23,782,500 Performance Rights, which conversion into Shares was subject to the achievement of a second milestone, being the completion of a scoping study on the Abercorn Project ("Abercorn Scoping Study") before the expiry date, being 8 August 2022.

The statement of claim alleges that the Company was subject to an obligation to undertake the Abercorn Project Scoping Study to satisfy the second performance milestone by the expiry date. The Company denies the nature of the allegation. The proceedings seek damages of $1,426,950 plus interest and any further orders of the Court.

The Company is reviewing the statement of claim with its legal advisers and will be defending the proceedings.

21. COMMITMENTS

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2022	2021
within one year	238,000	190,000
later than one year but not later than five years	48,000	326,000
	286,000	**516,000**

(b) Research commitments

The Group has certain commitments to meet research milestone payments to Uniquest Pty Ltd, the commercialisation company for the University of Queensland, Griffith University and the University of New South Wales as follows:

	2022	2021
within one year	323,984	906,000
later than one year but not later than five years	359,555	-
	683,539	**906,000**

Research agreements relate to:

(i) the continued research and development of the patent-pending mineral processing technology for the manufacturing (synthesising) of zeolites;
(ii) agricultural nutrient management and carbon markets; and
(iii) ARC Training Centre for the Global Hydrogen Economy

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

22. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Zeotech Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 23.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 18.

(d) Loans to related parties

Zeotech Limited has provided unsecured, interest free loans to its wholly owned subsidiaries totalling $7,610,485 (2021: $7,575,299). An impairment assessment is undertaken each financial year by examining the financial position of each subsidiary and the market in which the respective subsidiary operates to determine whether there is objective evidence that the subsidiary is impaired. When such objective evidence exists, the Company recognises an allowance for the impairment loss. The loans were impaired by a total of $7,584,445 (2021: $7,541,912).

23. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding[(1)]	
			2022 %	2021 %
Abercorn Kaolin Pty Ltd	Australia	Ordinary	**100**	Nil
Kraaipan Founders Pty Ltd	Australia	Ordinary	**100**	100
Kraaipan Founders (UK) Pty Ltd	UK	Ordinary	**100**	100
KFPL (UK) Pty Ltd	UK	Ordinary	**100**	100
South East Metals (Pty) Ltd	Botswana	Ordinary	**100**	100
Laconia South America Pty Ltd[(2)]	Australia	Ordinary	**100**	100
Gold Mines of Peru SAC[(3)]	Peru	Ordinary	**100**	100
Minera Peru Gold SAC[(3) (4)]	Peru	Ordinary	**-**	100
Compania Minera Sucre SA[(3) (4)]	Peru	Ordinary	**-**	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) This entity was incorporated on 1 November 2011 with Zeotech Limited as the sole shareholder.

(3) Not audited by Rothsay

(4) Deregistered

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $

24. STATEMENT OF CASH FLOWS

	2022 $	2021 $
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(4,228,779)**	(2,919,833)
Non-Cash Items		
Depreciation of non-current assets	**26,716**	5,154
Share-based payments expense	**1,743,500**	840,000
Accrued charges	**75,314**	83,948
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(115,950)**	20,843
Increase/(decrease) in trade and other payables	**29,251**	(211,015)
Net cash outflow from operating activities	**(2,469,948)**	**(2,180,903)**

25. LOSS PER SHARE

	2022 $	2021 $
(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(4,228,779)**	(2,919,833)

	Number of shares 2022	Number of shares 2021
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**1,508,792,182**	1,372,658,386

(c) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2022, all options on issue are considered anti-dilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2022 $	Consolidated 2021 $

26. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Zeotech Limited, at 30 June 2022. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2022 $	2021 $
Current assets	**3,147,845**	5,677,314
Non-current assets	**6,392,911**	5,861,098
Total assets	**9,540,756**	11,538,412
Current liabilities	**237,511**	158,827
Non-current liabilities	**420,754**	-
Total liabilities	**658,265**	158,827
Net assets	**8,882,491**	11,379,585
Issued capital	**35,577,639**	35,589,258
Foreign Currency Reserve	**166,449**	166,449
Share-based payments and option reserve	**2,703,500**	960,000
Accumulated losses	**(29,565,097)**	(25,336,122)
Total equity	**8,882,491**	11,379,585
Loss for the year	**(4,228,975)**	(2,923,498)
Total comprehensive loss for the year	**(4,228,975)**	(2,923,498)

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

27. SHARE BASED PAYMENTS

Shares issued under Incentive Share Plan:

There were 39,000,000 Shares issued to directors, employees and consultants by way of a provision of, non-recourse, interest free loans during the period ending 30 June 2022 under the Incentive Share Plan approved by Shareholders at the 2020 AGM. The total value of the loans is $2,030,000 and are detailed below.

Incentive Share Plan	Number	Date Issued	Issue Price per Share	Loan Value
Plan Shares 1	9,000,000	7-Sep-21	$0.07	$630,000
Plan Shares 2	3,000,000	7-Sep-21	$0.05	$150,000
Plan Shares 3 (1)	10,000,000	20-Dec-21	$0.04	$400,000
Plan Shares 4 (2)	12,000,000	20-Dec-21	$0.05	$600,000
Plan Shares 5	5,000,000	15-Mar-22	$0.05	$250,000

(1)Shares issued to Ms Sylvia Tulloch

(2)Shares issued to Mr Peter Zardo

No funds will be raised from the issue of the Plan Shares as there will be no change to the Company's cash position (i.e. the Loan made by the Company will be used to subscribe for the Plan Shares to be issued to the Related Party, employee or consultant). Amounts repaid to the Company by the Related Party, employee or consultant in the future in satisfaction of the Loan will be used by the Company for general working capital purposes.

The fair value per Share was calculated using the Black Scholes method and are detailed below. The total value of the shares issued is $1,743,500. The Shares were issued pursuant to shareholder approval at the Company's 2020 AGM.

Incentive Share Plan	Share Price	Risk Free Interest Rate	Volatility	Loan Term	Fair Value per Share	Milestone Probability	Total Value
Plan Shares 1	$0.085	0.10%	111.90%	3 Years	$0.059	50%	$265,500
Plan Shares 2	$0.085	0.10%	111.90%	5 Years	$0.071	100%	$213,000
Plan Shares 3 (1)	$0.077	0.10%	72.60%	5 Years	$0.055	100%	$550,000
Plan Shares 4 (2)	$0.077	0.10%	72.60%	3 Years	$0.045	100%	$540,000
Plan Shares 5	$0.059	0.10%	67.40%	5 Years	$0.035	100%	$175,000

(1)Shares issued to Ms Sylvia Tulloch

(2)Shares issued to Mr Peter Zardo

There were 20,000,000 Shares issued to Mr Peter Zardo by way of a provision of a 5-year, non-recourse, interest free loan on 3 December 2020 under the Incentive Share Plan approved by Shareholders at the 2020 AGM. The amount of the loan is for a maximum of 20,000,000 Shares based on an issue price of $0.015 per Share for a total value of $300,000.

No funds will be raised from the issue of the Plan Shares as there will be no change to the Company's cash position (i.e. the Loan made by the Company will be used to subscribe for the Plan Shares to be issued to the Related Party). Amounts repaid to the Company by the Related Party in the future in satisfaction of the Loan will be used by the Company for general working capital purposes.

The fair value per Share was 4.2 cents each on the date of issue (calculated using the Black Scholes method – stock price at $0.044, the risk-free interest rate is 0.25% and the volatility is 162.6%), the total value $840,000. The Shares were issued pursuant to shareholder approval at the Company's 2020 AGM.

27. SHARE BASED PAYMENTS (CON'T)

Options issued under Incentive Option Scheme:

There were no (2021: nil) new options granted during the year.

The following table is a summary of the movement of options that have been issued under the Incentive Option Scheme.

	2022 number	2021 number	2022 weighted average exercise price	2021 weighted average exercise price
Outstanding at the beginning of the year	20,000,000	20,000,000	1.5 cents	1.5 cents
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	20,000,000	20,000,000	1.5 cents	1.5 cents
Exercisable at the end of the year	-	-		

$1,743,500 (2021: $840,000) share based payments and options expense was charged against operations for the year.

Performance Rights Granted:

There were no (2021: nil) performance rights issued during the year.

The following table is a summary of the movement of performance rights.

	2022 number	2021 number	2022 weighted average exercise price	2021 weighted average exercise price
Outstanding at the beginning of the year	125,000,000	200,000,000	-	-
Granted during the year	-	-	-	-
Exercised during the year	-	(75,000,000)	-	1.2 cents
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	125,000,000	1250,000,000	1.2 cents	1.2 cents

As part of the acquisition of the Abercorn High Purity Alumina ("HPA") Project, 150,000,000 performance rights were issued to the Vendors. $900,000 value has been ascribed to 75,000,000 of the performance rights as the first milestone was met in July 2020 and Shares were issued at $0.012 each. Nil value has been ascribed to the remaining 75,000,000 performance rights as it is not definitively known whether the final milestone would be achieved.

As part of Mr Peter Zardo's executive service agreement, 50,000,000 performance rights were issued in 2020. Nil value has been ascribed to the performance rights as it is not definitively known whether certain milestones would be achieved.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

28. EVENTS OCCURRING AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than the below.

(i) On 28 July 2022, the Company dispatched meeting materials, explanatory statement and an independent expert's report to shareholders for a general meeting to be held on 31 August 2022 seeking shareholder approval for the acquisition of Kalotech Pty Ltd, the holder of the Toondoon Project, consideration for the acquisition being 37,000,000 fully paid ordinary shares in Zeotech Limited and reimbursement of costs up to $350,000 in relation to expenditure on the Toondoon tenements. Shareholders approved the acquisition at the general meeting held on 31 August 2022 and the acquisition settled on 1 September 2022.

(ii) On 31 August 2022, the Company advised that Goody Investments Pty Ltd (a related party of John Goody being an ex-director of the Company) ("the Plaintiff") has commenced legal proceedings against the Company in the Supreme Court of Western Australia. The Company has been served with a Writ and Statement of Claim.

The proceedings relate to the issue of ordinary fully paid shares in Zeotech (Shares) with respect to the Second Milestone Performance Rights in the Company (Performance Rights), issued to the plaintiff as part consideration under the Abercorn Kaolin Project Term Sheet executed on 9 August 2019. Under this agreement the Company acquired the Abercorn Kaolin Project.

Goody Investments Pty Ltd was issued 23,782,500 Performance Rights, which conversion into Shares was subject to the achievement of a second milestone, being the completion of a scoping study on the Abercorn Project ("Abercorn Scoping Study") before the expiry date, being 8 August 2022.

The statement of claim alleges that the Company was subject to an obligation to undertake the Abercorn Project Scoping Study to satisfy the second performance milestone by the expiry date. The Company denies the nature of the allegation. The proceedings seek damages of $1,426,950 plus interest and any further orders of the Court.

The Company is reviewing the statement of claim with its legal advisers and will be defending the proceedings.

(iii) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Group up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements, notes and additional disclosures are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2022 and of their performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Sylvia Tulloch

Chair

20 September 2022

ANNUAL MINERAL RESOURCE STATEMENT

1. Mineral Resource Estimate – Abercorn Project

A summary of the Mineral Resources at the Abercorn Project as at 30 June 2022 is shown in Table 1 below.

The Mineral Resource estimation was carried out by Angela Phipson BSc, MSc and reported on 6 July 2020.

In completing the annual review for the year ended 30 June 2022, the historical resource factors were reviewed and found to be relevant and current. The Abercorn Project has not been converted to any active operation yet and hence no resource depletion has occurred for the review period.

The Mineral Resource estimate consists of:

- 37.45Mt yielding 36.8% -20µm grading 28.6% Al_2O_3 & 1.18% K_2O, using a cut-off grade of 26% Al_2O_3;
- A high-grade section within the Project area called the Railcut Prospect contains 14Mt yielding 38% -20µm fraction grading 30.26% Al_2O_3 & 0.89% K_2O, using a cut-off grade of +29% Al_2O_3;
- A second high-grade section within the Project area called the Area 3 Prospect contains 1.66 Mt yielding 30.9% -20µm fraction grading 30.7% Al_2O_3 & 0.83% K_2O.

Table 1: Abercorn Project Mineral Resources Statement (as at 30 June 2022)

Railcut Resource Table

Grade Category		*Estimated Grade*		
	Tonnes (million)	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Al_2O_3% ≥ 26%				
Indicated	22.22	29.06	1.13	37.14
Inferred	15.23	27.88	1.25	36.35
Total	**37.45**	**28.58**	**1.18**	**36.82**

Area 3 Prospect Resource Table

Grade Category		*Estimated Grade*		
Al_2O_3 ≥ 29%	**Tonnes (million)**	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Inferred	**1.66**	**30.74**	**0.83**	**30.86**

2. Mineral Resource Estimate – Toondoon Project

A summary of the Mineral Resources at the Toondoon Project as at the date of this report is shown in Table 2 below. The acquisition of the Toondoon Project was completed subsequent to the reporting date, on 1 September 2022.

The Mineral Resource estimation was carried out by Ausrocks Pty Ltd and reported on 28 July 2022.

Table 2:Toondoon Project Mineral Resources Statement

Resource Category	Lithology	Volume (Mm3)	Density (t/m3)	Tonnes (T)	Al_2O_3 %	Fe_2O_3 %	SiO_2 %	TiO_2 %	LOI %	K_2O %	Cut-Off Grade
Measured	Bauxitic Clay	750,000	2.05	1,530,000	38.81	13.86	21.92	4.53	20.07	0.06	No cut-off applied
Measured	Plastic Clay	1,380,000	1.74	2,400,000	35.45	4.98	41.39	3.38	14.20	0.02	No cut-off applied
Measured	Kaolinite Clay (High Iron)	510,000	1.74	880,000	36.79	1.92	44.92	2.19	13.63	0.05	No cut-off applied
Measured	Kaolinite Clay (Low Iron)	900,000	1.74	1,570,000	37.48	0.41	46.50	1.59	13.43	0.12	No cut-off applied
Measured	Sandy Clay	800,000	1.69	1,350,000	26.79	0.73	61.24	1.21	9.52	0.05	23% Al2O3
Indicated	Bauxitic Clay	1,510,000	2.05	3,090,000	37.04	16.05	22.62	4.19	19.43	0.05	No cut-off applied
Indicated	Plastic Clay	2,620,000	1.74	4,560,000	35.22	4.84	42.09	3.15	14.06	0.03	No cut-off applied
Indicated	Kaolinite Clay (High Iron)	950,000	1.74	1,660,000	36.48	2.32	45.24	1.85	13.49	0.08	No cut-off applied
Indicated	Kaolinite Clay (Low Iron)	1,150,000	1.74	1,990,000	37.57	0.40	46.43	1.58	13.41	0.12	No cut-off applied
Indicated	Sandy Clay	1,460,000	1.69	2,460,000	26.10	0.76	62.15	1.21	9.25	0.05	23% Al2O3
Inferred	Bauxitic Clay	480,000	2.05	990,000	30.73	27.86	22.44	3.19	15.18	0.03	No cut-off applied
Inferred	Plastic Clay	510,000	1.74	890,000	34.19	5.88	42.41	3.55	13.31	0.03	No cut-off applied
Inferred	Kaolinite Clay (High Iron)	110,000	1.74	190,000	34.81	6.00	44.02	1.46	13.07	0.15	No cut-off applied
Inferred	Sandy Clay	190,000	1.69	330,000	28.04	2.22	57.93	1.19	10.12	0.06	23% Al2O3

3. Material Changes and Resource Statement Comparison

A comparison between the 2021 and 2022 Mineral Resource Estimate for the Abercorn Project is shown in Table 3 below.

Table 3: Abercorn Project Mineral Resource Comparison Between 2021 and 2022

Estimate as at 30 June 2022

Railcut Resource Table

Grade Category		*Estimated Grade*		
	Tonnes (million)	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Al_2O_3% ≥ 26%				
Indicated	22.22	29.06	1.13	37.14
Inferred	15.23	27.88	1.25	36.35
Total	**37.45**	**28.58**	**1.18**	**36.82**

Area 3 Prospect Resource Table

Grade Category		*Estimated Grade*		
Al_2O_3 ≥ 29%	**Tonnes (million)**	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Inferred	**1.66**	**30.74**	**0.83**	**30.86**

Estimate as at 30 June 2021

Railcut Resource Table

Grade Category		*Estimated Grade*		
	Tonnes (million)	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Al_2O_3% ≥ 26%				
Indicated	22.22	29.06	1.13	37.14
Inferred	15.23	27.88	1.25	36.35
Total	**37.45**	**28.58**	**1.18**	**36.82**

Area 3 Prospect Resource Table

Grade Category		*Estimated Grade*		
Al_2O_3 ≥ 29%	**Tonnes (million)**	**Al_2O_3 (%)**	**K_2O (%)**	**-20µm (%)**
Inferred	**1.66**	**30.74**	**0.83**	**30.86**

The updated estimation represented no change.

The Toondoon Project JORC compliant Mineral Resource estimate was announced on 28 July 2022, with the acquisition of the Toondoon Project completing subsequent to the reporting date, as such no comparison information is reported.

4. Governance Arrangements and Internal Controls

The Company's currently does not have a formal governance arrangement and internal control process for the reporting and review of its Mineral Resource Estimates, other than those prescribed for the initial estimation of Mineral Resource estimates in the JORC Code. The Company is of the view that a formal governance arrangement and internal control process is not required at this stage on the basis that the maiden Mineral Resource Estimate for the Abercorn Project was announced on 6 July 2020 and the Abercorn Project has not been converted to any active operation yet and hence no resource depletion has occurred since the maiden Mineral Resource Estimate. The Mineral Resource Estimate for the Toondoon Project was announced on 28 July 2022 and the Toondoon Project has not been converted to any active operation yet and hence no resource depletion has occurred since reporting the Mineral Resource Estimate. The Company will consider whether a formal governance arrangement and internal control process is required prior to 30 June 2023.

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 19 August 2022.

Number of quoted and unquoted equity securities

Equity Security	Quoted	Unquoted
Ordinary shares	1,524,915,470	-
Performance Rights – Class C	-	10,000,000
Performance Rights – Class D	-	10,000,000
Performance Rights – Class E	-	10,000,000
Performance Rights – Class F	-	10,000,000
Performance Rights – Class G	-	10,000,000
Options expiring 6 April 2024	-	20,000,000

Distribution of holders of equity securities

	Fully paid ordinary shares	Performance Rights	Options
1 - 1,000	95	**-**	-
1,001 - 5,000	139	-	-
5,001 – 10,000	281	-	-
10,001 - 100,000	906	-	-
100,000 and over	936	1	1
	2,057	**1**	**1**
Holding less than a marketable parcel	364		

Substantial Shareholders

Substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are as follows:

Shareholder	No. of Shares	%
Mr Anthony Paul Sheridan	127,301,000	8.35
LL & P Pty Ltd	110,796,540	7.27
Goody Investments Pty Ltd <Goody Family A/C>	93,201,000	6.11
Uniquest Pty Ltd	92,307,692	6.05
Credit Suisse Holdings (Australia) Limited	76,921,381	5.04

Twenty largest holders of quoted equity securities

Fully Paid Ordinary Shares

The names of the twenty largest holders of quoted ordinary shares (ASX:ZEO) are:

		Number of shares	Percentage of total ordinary shares
1	LL&P Pty Ltd <The Andrew Solomons S/F A/C >	99.128.795	6.50%
2	Uniquest Pty Ltd	92,307,692	6.05%
3	Goody Investments Pty Ltd <Goody Family A/C>	90,201,000	5.92%
4	CS Fourth Nominees Pty Ltd <HSBC Cust Nom Au Ltd 11 A/C>	71,147,594	5.06%
5	Dontoro Pty Ltd <The Mollica Family A/C>	49,000,000	3.21%
6	Whitcombe Super Investments Pty Ltd <Whitcombe Super Fund A/C>	44,561,184	2.92%
7	Mr Anthony Paul Sheridan	41,047,880	2.69%
8	Echelon Super Pty Ltd <Echelon Super Fund A/C>	38,500,000	2.52%
9	Mr Anthony Poloni	38,500,000	2.52%
10	Faraday Nominees Pty Ltd <Bronte Investment A/C>	33,000,000	2.16%
11	Mr Michael John Gregg	32,150,000	2.11%
12	J&M Page Superannuation Pty Ltd <J&M Page Super Fund A/C>	30,363,140	1.99%
13	Baldey Super Pty Ltd <Baldey Super Fund A/C>	26,720,420	1.75%
14	Mr Peter Zardo <Zardo Family A/C>	26,000,000	1.70%
15	Acilloom Pty Ltd <Mollica Super Fund A/C>	25,850,000	1.70%
16	Mr Andre Azarukan & Ms Rose Braniska <The A & R Super fund A/C>	22,365,842	1.47%
17	Mr Peter Coroneos	21,674,120	1.42%
18	Choice Concept Pty Ltd <Choice Concept Super A/C>	21,250,000	1.39%
19	Ms Andrea Capova & Mr Sergio Citarella	16,470,000	1.08%
20	Hinton Holdings (Australia) Pty Ltd <Paton Family Super Fund A/C>	14,485,000	0.95%
		840,722,667	**55.13%**

Unquoted Equity Securities holdings greater than 20%

	Number Held
Performance Rights – Class C	
Mr Peter Zardo <Zardo Family A/C>	10,000,000
Performance Rights – Class D	
Mr Peter Zardo <Zardo Family A/C>	10,000,000
Performance Rights – Class E	
Mr Peter Zardo <Zardo Family A/C>	10,000,000
Performance Rights – Class F	
Mr Peter Zardo <Zardo Family A/C>	10,000,000
Performance Rights – Class G	
Mr Peter Zardo <Zardo Family A/C>	10,000,000
Options exercisable at $0.015 each, expiring 6 April 2024	
Mr Peter Zardo <Zardo Family A/C>	20,000,000

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Home exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Perth. The Company's securities are not quoted on any other stock exchange.

Buy back

Nil.

Restricted securities

There were no securities restricted by the ASX at the date of this report or the year ended 30 June 2022.

Schedule of interest in mining tenements

Location	Tenement	Percentage held/earning
Australia	EPM 19081	100
Australia	EPM 26837	100
Australia	EPM 26903	100
Australia	EPM 27427	100

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Zeotech Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Corporate Governance Statement and the Appendix 4G statement have been released to the ASX and can be found on the Company's website at www.zeotech.com.au