

26 May 2023

SETTLEMENT OF LEGAL PROCEEDINGS

Emerging mineral processing technology company, Zeotech Limited (ASX: ZEO, "Zeotech" or "the Company") provides an update on the legal proceedings commenced against the Company in relation to Second Milestone Performance Rights in the Company issued to Goody Investments Pty Ltd¹ and Gold Coast Tweed Pet Motels² (the "Plaintiffs") as part consideration under the Abercorn Kaolin Project Term Sheet executed on 9 August 2019 (the "Agreement") under which the Company acquired the Abercorn Kaolin Project ("Abercorn Project").

Zeotech advises that the court ordered mediation initiated in March 2023 has concluded and all parties have executed a final binding Deed of Settlement and Release (the "Settlement Agreement").

Pursuant to the Settlement Agreement, Zeotech and the Plaintiffs have reached a mutually agreeable release of all legal claims and the terms upon which both legal proceedings will be discontinued.

The key terms of the Settlement Agreement are:

- a) On the settlement date the parties agree to resolve all matters between them involving the subject matter of the disputes arising from the Agreement. Both legal proceedings will be stayed pending settlement.
- b) Settlement is conditional upon the Company obtaining shareholder approval to issue the following settlement performance rights ("Settlement Performance Rights") to the Plaintiffs:
 - (i) Goody Investments Pty Ltd - 23,782,500 Settlement Performance Rights; and
 - (ii) Gold Coast Tweed Pet Motels Pty Ltd - 15,847,500 Settlement Performance Rights.
- c) Settlement is also conditional upon two of the vendors of the Abercorn Project under the Agreement, one of them being Mr Peter Zardo, the Managing Director of the Company, waiving their rights under the Agreement to be issued any Settlement Performance Rights. Accordingly shareholder approval pursuant to ASX Listing Rule 10.11 will not be required.
- d) The Company will convene a general meeting to consider a resolution to approve the issue of the Settlement Performance Rights as soon as is practicable.
- e) If the resolution is approved, the Company must issue the Settlement Performance Rights to the Plaintiffs. If the resolution is not passed, then the stay on both legal proceedings will be lifted and both legal proceedings will proceed in accordance with the prescribed timetables.

¹ ASX announcement 31/08/2022 "Commencement of Legal Proceedings against Zeotech"

² ASX announcement 10/11/2022 "Commencement of Legal Proceedings against Zeotech"

- f) The Settlement Performance Rights will vest upon completion of a scoping study on the Abercorn Project. The terms of the Settlement Performance Rights will otherwise have the same terms as the performance rights previously issued to the Plaintiffs under the Agreement.
- g) In the event that the Settlement Performance Rights have not vested by 31 July 2024, the Company will issue the equivalent number of ordinary fully paid shares to each Plaintiff as set out in paragraph (b).
- h) On the Settlement Date the Company also agrees to pay to each Plaintiff the sum of \$35,000 plus GST.
- i) On the date that the Settlement Performance Rights vest both legal proceedings will be dismissed with no order as to costs and releases will become effective..

The Company will make a further announcement in relation to the General Meeting at the appropriate time.

This announcement has been approved by the Board.

- End -

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About Zeotech

Zeotech Limited (ASX: ZEO) is a team of dedicated people, working together to build a future focused company, leveraging proprietary technology for the low-cost production of advanced materials 'manufactured zeolites' to deliver solutions aimed at addressing sustainability challenges.

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