



ABN 29 137 984 297

Notice of Annual General Meeting
Explanatory Statement
and
Proxy Form

Date of Meeting

Thursday, 2 December 2021

Time of Meeting

11.30 am (AEDST)

Place of Meeting

The AGM will be conducted as a virtual meeting, accessible online

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

IMPORTANT INFORMATION REGARDING COVID-19: Due to the COVID-19 pandemic, the AGM will be held as a virtual meeting. If you wish to virtually attend the AGM, please pre-register in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_bmNwG4F0TGK33Weabge4Lg

Shareholders are also strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders.

This Notice of Meeting can be accessed on the Company's website at www.zeotech.com.au

Contents

Venue and Voting Information	1
Notice of Annual General Meeting – Agenda and Resolutions	3
Notice of Annual General Meeting – Explanatory Statement	8
Definitions	24
Schedule 1	Attached
Proxy Form	Attached

Important Information for Shareholders about the Company's 2021 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 7 October 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.zeotech.com.au. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2021 AGM as a virtual meeting.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.30am (AEDST) on 2 December 2021 as a virtual meeting.

If you are a shareholder and you wish to virtually attend the AGM (which will be broadcast as a live webinar), please pre-register in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_bmNwG4F0TGK33Weabge4Lg

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to info@zeotech.com.au at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website

(<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: *with a username and password*) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your *username and password*.
2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **(Live voting on the day)** If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgment facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Zeotech Limited (**Zeotech** or the **Company**) will be held on Thursday, 2 December 2021, commencing at 11.30am (AEDST) as a **virtual meeting**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2021, together with the reports by directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 1: Adoption of Remuneration Report

That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2021 Annual Report for the financial year ended 30 June 2021 be adopted.

Note: *The vote on this resolution is advisory only and does not bind the directors of the Company.*

Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- (c) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a prohibited person.

Resolution 2: Re-election of Director (Mr R Downey)

That Mr Robert Downey, being a Director of the Company who retires by rotation in accordance with Clause 6.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

SPECIAL BUSINESS

Resolution 3: Ratification of Prior Issue of Shares (8 January 2021)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purpose of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue by the Company of 34,000,000 Shares to the parties and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person who participated in the issue and any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4: Ratification of Prior Issue of Shares (28 May 2021)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purpose of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue by the Company of 52,864,286 Shares to the parties and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person who participated in the issue and any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote of the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5: Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder or ordinary securities) or any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6: Issue of Director Incentive Shares and Approval of Loan to Related Party – Ms Sylvia Tulloch

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 10,000,000 Shares as Director incentive remuneration to Ms Sylvia Tulloch (or her nominee) on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP and any associates of those persons.

However, the Company need not disregard a vote cast in favour of these Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 excluded party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 7: Issue of Director Incentive Shares and Approval of Loan to Related Party – Mr Peter Zardo

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 12,000,000 Shares as Director incentive remuneration to Mr Peter Zardo (or his nominee) on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP and any associates of those persons.

However, the Company need not disregard a vote cast in favour of these Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 excluded party, the above prohibition does not apply if:

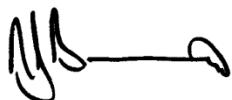
- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00pm (AEDST) on 30 November 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'N J Bassett', with a horizontal line extending to the right.

N J Bassett
Company Secretary
7 October 2021

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Zeotech Limited (“the Company”) in connection with the business to be conducted at the annual general meeting of Shareholders to be held on Thursday, 2 December 2021 at 11.30am (AEDST) as a **virtual meeting**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

2. 2021 ANNUAL REPORT

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director’s Report, the Remuneration Report and the Auditor’s Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company’s Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company’s Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at www.zeotech.com.au.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company’s auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor’s Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor’s Report or the conduct of the audit of the Annual Financial Report of the Company’s auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 25 November 2021.

3. ADOPTION OF REMUNERATION REPORT – Resolution 1

3.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors’ Report for the year ended 30 June 2021 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

4. RE-ELECTION OF DIRECTOR – Resolution 2

Resolution 2 relates to the re-election of Mr Robert Downey as a Director.

In accordance with the requirements of clause 6.3 of the Company's Constitution and the Corporations Act, one-third of the directors of the Company retire from office at this annual general meeting of the Company. Mr Robert Downey retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Mr Downey is provided in the Annual Report.

All the Directors, except for Mr Downey, recommend that Shareholders vote in favour of Resolution 2.

5. RATIFICATION OF PRIOR ISSUE OF SHARES (8 JANUARY 2021) – Resolution 3

5.1 General

On 8 January 2021, the Company issued 34,000,000 Shares to sophisticated and professional investors at an issue price of \$0.05 per Share to raise \$1,700,000, as announced on 5 January 2021.

The Company issued the Shares utilising its 15% share issue capacity (see Section 5.2 for more information on Listing Rule 7.1 and the 15% share issue capacity). By doing so, the Company's capacity to issue further equity securities without Shareholder approval within those limits was accordingly reduced.

Resolution 3 seeks Shareholder approval for the prior issue of the Shares to the places noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution.

5.2 Listing Rules 7.1 and 7.4

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (15% share issue capacity).

Listing Rule 7.4 provides that where an entity in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval under Listing Rule 7.1, thereby "refreshing" the Company's capacity under Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future within the limits of Listing Rules 7.1 up to its 15% capacity, without needing to seek further Shareholder approval. If Resolution 3 is not passed, the Company's ability to issue new securities without shareholder approval will be restricted until the previous issue is ratified at a subsequent meeting or 12 months from the date of issue of the Shares.

Accordingly, Resolution 3 seeks shareholder approval to allow the Company to refresh its 15% share issue capacity.

5.3 Specific Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 34,000,000 Shares were issued under the Company's Listing Rule 7.1 (15%) capacity on 8 January 2021;
- (b) The Shares were issued at \$0.05 per Share.
- (c) The Shares rank equally with all other Shares on issue in the Company.
- (d) The Shares were issued to non-related party investors, who were "Sophisticated Investors" within the meaning of section 708(8) of the Corporations Act or other investors to whom the Company may issue Shares without a disclosure document pursuant to section 708 of the Corporations Act. The issue of Shares was undertaken directly by the Company to existing shareholders and new investors identified with a long-term commitment to the Company.
- (e) Funds raised from the capital raising will primarily be applied to:
 - Further advancing the Company's zeolite pilot plant program;
 - Fund \$500,000 Intellectual Property ("IP") assignment fee required to be paid to UniQuest, which has agreed to assign all its rights, title, and interest in, and to, the licensed IP regarding patent-pending mineral processing technology for the manufacturing (synthesising) of zeolites; and
 - Further expand research opportunities to enhance and develop diverse commercial applications of the novel and proprietary mineral processing technology i.e., Zeotech and UQ are in the later stages of planning a synthetic zeolite carbon capture research program.

A voting exclusion statement is included in the Notice.

5.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

6. RATIFICATION OF PRIOR ISSUE OF SHARES (28 MAY 2021) – Resolution 4

6.1 General

On 28 May 2021, the Company issued 52,864,286 Shares to sophisticated and professional investors at an issue price of \$0.07 per Share to raise \$3,700,500, as announced on 24 May 2021.

The Company issued the Shares utilising its 15% share issue capacity (see Section 6.2 for more information on Listing Rule 7.1 and the 15% share issue capacity). By doing so, the Company's capacity to issue further equity securities without Shareholder approval within those limits was accordingly reduced.

Resolution 4 seeks Shareholder approval for the prior issue of the Shares to the places noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution.

6.2 Listing Rules 7.1 and 7.4

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (15% share issue capacity).

Listing Rule 7.4 provides that where an entity in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval under Listing Rule 7.1, thereby "refreshing" the Company's capacity under Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future within the limits of Listing Rules 7.1 up to its 15% capacity, without needing to seek further Shareholder approval. If Resolution 4 is not passed, the Company's ability to issue new securities without shareholder approval will be restricted until the previous issue is ratified at a subsequent meeting or 12 months from the date of issue of the Shares.

Accordingly, Resolution 4 seeks shareholder approval to allow the Company to refresh its 15% share issue capacity.

6.3 Specific Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 52,864,286 Shares were issued under the Company's Listing Rule 7.1 (15%) capacity on 28 May 2021;
- (b) The Shares were issued at \$0.07 per Share.
- (c) The Shares rank equally with all other Shares on issue in the Company.
- (d) The Shares were issued to non-related party investors, who were "Sophisticated Investors" within the meaning of section 708(8) of the Corporations Act or other investors to whom the Company may issue Shares without a disclosure document pursuant to section 708 of the Corporations Act. The issue of Shares was undertaken directly by the Company to existing shareholders and new investors identified with a long-term commitment to the Company.
- (e) Funds raised from the capital raising will primarily be applied to:
 - Expand the current single-feed (kaolin) pilot plant program into a dual-feed pilot, to include leached spodumene residue as an additional feed type for the synthesis of synthetic zeolites;
 - Advance the current carbon capture research program; and
 - Further expand research opportunities to enhance and develop diverse commercial applications of the Technology.

A voting exclusion statement is included in the Notice.

6.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

7. APPROVAL OF 10% PLACEMENT CAPACITY – Resolution 5

7.1 Background

Resolution 5 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 5 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An “eligible entity” means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 5 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Information on Additional Placement Facility

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being its Shares (ASX Code: ZEO).

(b) Formula for Additional Placement Facility

If this Resolution 5 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
- less the number of fully-paid ordinary securities cancelled in the relevant period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

7.3 ASX Listing Rule requirements

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Period for which the approval will be valid

The Additional Placement Facility would commence on the date of the Meeting and expire on the first to occur of the following:

- the date that is 12 months after this Meeting;
- the time and date of the Company's next annual general meeting; or
- the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) Minimum price at which equity securities may be issued

Any Equity Securities issued under the Additional Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the above date, the date on which the securities are issued.

(c) **Purposes for which the funds raised by an issue of equity securities may be used**

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration only, and the Company intends to apply funds raised towards the exploration of the Company's mineral tenements with the objective of identifying economic mineral deposits; to develop and commercialise the Company's novel and proprietary zeolite mineral processing technology that consumes kaolin or suitable mine tailings / residues to produce high value zeolites; and general working capital (including corporate and administration costs).

(d) **Risk of economic and voting dilution**

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.043 (50% decrease in issue price)	Funds raised based on issue price of \$0.086 (issue price)	Funds raised based on issue price of \$0.172 (100% increase in issue price)
1,497,915,470 (Current)	149,791,547	\$6,441,037	\$12,882,073	\$25,764,146
2,246,873,205 (50% increase)	224,687,321	\$9,661,555	\$19,323,110	\$38,646,219
2,995,830,940 (100% increase)	299,583,094	\$12,882,073	\$25,764,146	\$51,528,292

Notes: The above table has been prepared on the following bases/assumptions:

- 1. The latest available market price of Shares before the date of this Notice, being \$0.086.
- 2. The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.
- 3. Existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility.
- 4. The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
- 5. The impact of additional issues of securities under ASX Listing Rule 7.1 or following the exercise of options is not included in the calculations.

6. Economic dilution for the table above is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;

MP = the market price of Shares traded on ASX, expressed as in dollars;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total Shares on issue following new Equity Security issue.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

(f) Previous Approval and Issues under Listing Rule 7.1A in previous 12 months

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 27 November 2020.

The Company did not make any issues pursuant to Listing Rule 7.1A in the 12 months prior to the Meeting.

7.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

7.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

8. ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO RELATED PARTY – Resolution 6

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to the provision of a non-recourse, interest free loan (**Loan**) to Ms Sylvia Tulloch, pursuant to the Zeotech Incentive Share Plan (**ISP**), for the purpose of subscribing for 10,000,000 Shares (**Plan Shares**) on the terms and conditions set out below. Ms Tulloch is the Chair of the Board.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that the issue of Plan Shares is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Plan Shares to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

In November 2020, the Board determined to issue the Plan Shares to Ms Tulloch at its next general meeting of shareholders. The share price at date of determination was \$0.04.

The Plan Shares are to be issued under the Company's ISP, the terms of which are summarised in the Company's 2020 notice of annual general meeting, announced on ASX on 27 October 2020.

Resolution 6 seeks Shareholder approval for the issue of up to a total of 10,000,000 Plan Shares under the ISP to Ms Tulloch (or her nominee) (the **Related Party**), under and for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

8.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Plan Shares constitutes giving a financial benefit and Ms Tulloch is a related party of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Plan Shares proposed to be issued to Ms Tulloch.

8.3 ASX Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the Plan Shares falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Related Party elects for the Plan Shares to be granted to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Plan Shares to Ms Tulloch.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Plan Shares to Ms Tulloch and the Company may need to consider other forms of performance-based remuneration, including by the payment of cash.

8.4 Specific information required by section 219 of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Plan Shares to the Related Party:

- (a) Ms Tulloch is the recipient of the Plan Shares and is a related party by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Plan Shares are issued to a nominee of Ms Tulloch, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (b) the maximum amount of the Loan (being the nature of the financial benefit) to be provided to the Related Party (or her nominee) can be calculated by multiplying the number of Shares to be issued (determined in accordance with paragraph (c)) by the issue price (determined in accordance with paragraph (d)). Based on the issue price (ie \$0.04), the amount of the Loan will be \$400,000;
- (c) the maximum number of Shares to be issued is 10,000,000 Shares to Ms Tulloch (or her nominee);
- (d) the issue price of the Shares will be \$0.04 per Share;
- (e) no funds will be raised from the issue of the Plan Shares as there will be no change to the Company's cash position (ie 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;
- (f) Ms Tulloch's current remuneration is \$100,000 per annum.
- (g) The issue of the Plan Shares will have a diluting effect on the percentage interest of existing Shareholders' holdings. As the Plan Shares will be issued as fully paid ordinary shares the dilutionary effect will be 0.6%.

The dilution effect assumes the current Share capital structure as at the date of this Notice (being 1,497,915,470 Shares and that no Shares are issued other than the Plan Shares to Ms Tulloch.

- (h) the Loan will be provided on the following key terms and otherwise subject to the terms and conditions of the ISP, a summary of which is set out in Schedule 1:
 - (i) (non-recourse): the Loan is secured against the Shares but the Related Party is not personally liable for the Loan. In other words, in the event the Shares are sold to repay the Loan but the sale proceeds are insufficient to cover the amount of the Loan which is outstanding the Company cannot recover the remaining amount from the Related Party. Conversely, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as the Related Party is entitled to the surplus proceeds;

- (ii) (interest free): the Loan will be interest free unless otherwise agreed by the Related Party; and
- (iii) (term): 5 years from the date of issue of the Shares subject to earlier repayment in accordance with the terms of the ISP (eg ceasing to be an employee of the Company, an event of insolvency);
- (i) the value of the Loan using the Black & Scholes valuation methodology is \$740,000;

This value is based on the following assumptions:

- (i) a valuation date of 6 October 2021;
- (ii) an issue price of \$0.04 per Share and corresponding Loan principal of \$400,000;
- (iii) a current market price of \$0.086 per Share. Shareholders should also note that the market price of Shares during the term of the Loan will affect the value of the financial benefit provided to the Related Party;
- (iv) a risk free interest rate of 0.57% per annum;
- (v) a Loan term of 5 years. Shareholders should note that the actual term of the Loan may be shorter (eg where a Related Party ceases to be an employee of the Company, an event of insolvency occurs in respect of a Related Party, or, a Related Party elects to repay their Loan early). The actual term of the Loan will affect the value of the financial benefit provided to the Related Party; and
- (vi) a Share price volatility of 109.6%;
- (j) The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.115 per Share on 1 April 2021

Lowest: \$0.013 per Share on 29 October 2020 and 4 November 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.086 per Share on 6 October 2021.

- (k) no Shares have previously been issued under the ISP to Ms Tulloch;
- (l) At the date of this Notice, Ms Tulloch does not hold a relevant interests in any Equity Securities of the Company.

Assuming that Resolution 6 is approved by Shareholders, the issue of the Plan Shares to Ms Tulloch and no other Equity Securities are issued or exercised, Ms Tulloch's interest would approximate 0.6% of the Company's expanded capital.

- (m) all Directors are entitled to participate in the ISP and approval is being sought for an offer to be made to Ms Tulloch;
- (n) There are no taxation consequences for the Company arising from the issue of the Plan Shares (including fringe benefits tax);
- (o) The Directors, other than Messrs Tulloch and Zardo who decline to make a recommendation to Shareholders in relation to Resolutions 6 and 7 due to their material personal interest in the outcome of those Resolutions, recommend that Shareholders vote in favour of Resolution 6 for the following reasons:
 - (i) through her scientific and technical expertise, Ms Tulloch has contributed to the enhancement of the Company's intellectual property portfolio and it's protection strategy, whilst overseeing the Company's interaction with academic partners, throughout a period of growth and advancement over the last 12 months;

- (ii) accordingly, the grant of the Plan Shares is a reasonable benefit to recognise the past performance by Ms Tulloch;
 - (iii) the Company will receive up to \$400,000 in equity funds in the future, assuming the disposal of the Plan Shares at a price greater than \$0.04, or on early repayment of the non-recourse loan by Ms Tulloch;
 - (iv) the issue of the Plan Shares will further align the interests of Ms Tulloch with those of Shareholders to increase shareholder value;
 - (v) the issue of the Plan Shares provides Ms Tulloch with incentives to focus on superior performance in creating shareholder value;
 - (vi) the issue of the Plan Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ms Tulloch; and
 - (vii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Plan Shares upon the terms proposed;
- (p) the Shares will be issued to the Related Party no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
 - (q) the nature of the financial benefit to be given is the issue of Plan Shares on the basis outlined above. The Shares issued to the Related Party will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than being subject to a holding lock until such time as the respective Loan has been extinguished or repaid under the terms of the Plan or 12 months from the date of issue of the Shares, whichever is the greater;
 - (r) Details of the Shares issued under the ISP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing Rule 10.14;
 - (s) Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the ISP after this resolution is approved and who are not named in this Notice will not participate until approval is obtained under listing rule 10.14; and
 - (t) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

8.5 Board Recommendation

The Board (other than Messrs Tulloch and Zardo who have a material personal interest in the outcome of Resolutions 6 and 7)) recommends that Shareholders vote in favour of Resolution 6 for the reasons set out in Section 8.4(o)

9. ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO RELATED PARTY –Resolution 7

9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to the provision of a non-recourse, interest free loan (**Loan**) to Mr Peter Zardo, pursuant to the Zeotech Incentive Share Plan (**ISP**), for the purpose of subscribing for 12,000,000 Shares (**Plan Shares**) on the terms and conditions set out below. Mr Zardo is Managing Director of the Company.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that the issue of Plan Shares is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Plan Shares to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

In January 2021, the Board determined to issue the Plan Shares to Mr Zardo at its next general meeting of shareholders. The share price at date of determination was \$0.053.

The Plan Shares are to be issued under the Company's ISP, the terms of which are summarised in the Company's 2020 notice of annual general meeting, announced on ASX on 27 October 2020.

Resolution 7 seeks Shareholder approval for the issue of up to a total of 12,000,000 Plan Shares under the ISP to Mr Zardo (or his nominee) (the **Related Party**), under and for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

9.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Plan Shares constitutes giving a financial benefit and Mr Zardo is a related party of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Plan Shares proposed to be issued to Mr Zardo.

9.3 ASX Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the Plan Shares falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Related Party elects for the Plan Shares to be granted to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Plan Shares to Mr Zardo.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Plan Shares to Mr Zardo and the Company may need to consider other forms of performance-based remuneration, including by the payment of cash.

9.4 Specific information required by section 219 of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Plan Shares to the Related Party:

- (a) Mr Zardo is the recipient of the Plan Shares and is a related party by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Plan Shares are issued to a nominee of Mr Zardo, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (b) the maximum amount of the Loan (being the nature of the financial benefit) to be provided to the Related Party (or his nominee) can be calculated by multiplying the number of Shares to be issued (determined in accordance with paragraph (c)) by the issue price (determined in accordance with paragraph (d)). Based on the issue price (ie \$0.05), the amount of the Loan will be \$600,000;
- (c) the maximum number of Shares to be issued is 12,000,000 Shares to Mr Zardo (or his nominee);
- (d) the issue price of the Shares will be \$0.05 per Share;
- (e) no funds will be raised from the issue of the Plan Shares as there will be no change to the Company's cash position (ie 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;
- (f) Mr Zardo's current remuneration is \$258,400 per annum plus statutory superannuation. Pursuant to Mr Zardo's executive service agreement, on 6 April 2020, he received the following service and performance incentive securities:
 - 10,000,000 Class C Performance Rights;
 - 10,000,000 Class D Performance Rights;
 - 10,000,000 Class E Performance Rights;
 - 10,000,000 Class F Performance Rights;
 - 10,000,000 Class G Performance Rights; and
 - 20,000,000 Options exercisable at \$0.015 each, expiring 6 April 2024.

At the date of this Notice the Options have vested and remain unexercised. No vesting conditions on the Performance Rights have been satisfied.

- (g) The issue of the Plan Shares will have a diluting effect on the percentage interest of existing Shareholders' holdings. As the Plan Shares will be issued as fully paid ordinary shares the dilutionary effect will be 0.8%.

The dilution effect assumes the current Share capital structure as at the date of this Notice (being 1,497,915,470 Shares and that no Shares are issued other than the Plan Shares to Mr Zardo.

- (h) the Loan will be provided on the following key terms and otherwise subject to the terms and conditions of the ISP, a summary of which is set out in Schedule 1:
- (i) (non-recourse): the Loan is secured against the Shares but the Related Party is not personally liable for the Loan. In other words, in the event the Shares are sold to repay the Loan but the sale proceeds are insufficient to cover the amount of the Loan which is outstanding the Company cannot recover the remaining amount from the Related Party. Conversely, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as the Related Party is entitled to the surplus proceeds;
 - (ii) (interest free): the Loan will be interest free unless otherwise agreed by the Related Party; and
 - (iii) (term): 3 years from the date of issue of the Shares subject to earlier repayment in accordance with the terms of the ISP (eg ceasing to be an employee of the Company, an event of insolvency);
- (i) the value of the Loan using the Black & Scholes valuation methodology is \$768,000;

This value is based on the following assumptions:

- (i) a valuation date of 6 October 2021;
 - (ii) an issue price of \$0.05 per Share and corresponding Loan principal of \$600,000;
 - (iii) a current market price of \$0.086 per Share. Shareholders should also note that the market price of Shares during the term of the Loan will affect the value of the financial benefit provided to the Related Party;
 - (iv) a risk free interest rate of 0.15% per annum;
 - (v) a Loan term of 3 years. Shareholders should note that the actual term of the Loan may be shorter (eg where a Related Party ceases to be an employee of the Company, an event of insolvency occurs in respect of a Related Party, or, a Related Party elects to repay their Loan early). The actual term of the Loan will affect the value of the financial benefit provided to the Related Party; and
 - (vi) a Share price volatility of 109.6%;
- (j) The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.115 per Share on 1 April 2021

Lowest: \$0.013 per Share on 29 October 2020 and 4 November 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.086 per Share on 6 October 2021.

- (k) the number and detail of Plan Shares previously issued to Mr Zardo under the ISP are as follows:

Number of Plan Shares – 20,000,000

Non-recourse loan - \$300,000

Issue price - \$0.015 per Plan Share

Term – 5 years

The issue of Plan Shares to Mr Zardo was approved by shareholders at the annual general meeting held on 27 November 2020.

(l) At the date of this Notice, Mr Zardo holds the following relevant interests in Equity Securities of the Company:

- 31,380,000 fully paid ordinary shares;
- 4,770,000 Class B Performance Rights;
- 10,000,000 Class C Performance Rights;
- 10,000,000 Class D Performance Rights;
- 10,000,000 Class E Performance Rights;
- 10,000,000 Class F Performance Rights;
- 10,000,000 Class G Performance Rights; and
- 20,000,000 Options exercisable at \$0.015 each, expiring 6 April 2024.

Assuming that Resolution 7 is approved by Shareholders, the issue of the Plan Shares to Mr Zardo and no other Equity Securities are issued or exercised, Mr Zardo's interest would approximate 2.87% of the Company's expanded capital.

(m) all Directors are entitled to participate in the ISP and approval is being sought for an offer to be made to Mr Zardo;

(n) There are no taxation consequences for the Company arising from the issue of the Plan Shares (including fringe benefits tax);

(o) The Directors, other than Messrs Tulloch and Zardo who decline to make a recommendation to Shareholders in relation to Resolutions 6 and 7 due to their material personal interest in the outcome of those Resolutions, recommend that Shareholders vote in favour of Resolution 7 for the following reasons:

- (i) through the leadership of Mr Zardo, he has overseen the development of the Company throughout a period of growth and advancement over the last 12 months;
- (ii) accordingly, the grant of the Plan Shares is a reasonable benefit to recognise the past performance by Mr Zardo;
- (iii) the Company will receive up to \$600,000 in equity funds in the future, assuming the disposal of the Plan Shares at a price greater than \$0.05, or on early repayment of the non-recourse loan by Mr Zardo;
- (iv) the issue of the Plan Shares will further align the interests of Mr Zardo with those of Shareholders to increase shareholder value;
- (v) the issue of the Plan Shares provides Mr Zardo with incentives to focus on superior performance in creating shareholder value;
- (vi) the issue of the Plan Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Zardo; and
- (vii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Plan Shares upon the terms proposed;

(p) the Shares will be issued to the Related Party no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;

- (q) the nature of the financial benefit to be given is the issue of Plan Shares on the basis outlined above. The Shares issued to the Related Party will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than being subject to a holding lock until such time as the respective Loan has been extinguished or repaid under the terms of the Plan or 12 months from the date of issue of the Shares, whichever is the greater;
- (r) Details of the Shares issued under the ISP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing Rule 10.14;
- (s) Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the ISP after this resolution is approved and who are not named in this Notice will not participate until approval is obtained under listing rule 10.14; and
- (t) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

9.5 Board Recommendation

The Board (other than Messrs Tulloch and Zardo who have a material personal interest in the outcome of Resolutions 6 and 7)) recommends that Shareholders vote in favour of Resolution 7 for the reasons set out in Section 9.4(o).

10. DEFINITIONS

AEDST means Australian Eastern Daylight Standard Time, being the time in Sydney, New South Wales.

ASX means ASX Limited ABN 98 008 624 691.

ASIC means the Australian Securities & Investments Commission.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this Explanatory Statement.

ISP means the Zeotech Incentive Share Plan.

Key Management Personnel means has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of ASX.

Meeting means the meeting convened by the Notice of Meeting.

Zeotech or the Company means Zeotech Limited ABN 29 137 984 297.

Notice or Notice of Meeting means the notice of annual general meeting which forms part of this Explanatory Statement.

Option means an unlisted option to acquire a Share, exercisable at \$0.015 each expiring 6 April 2024.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolution means a resolution contained in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time, being the time in Perth, Western Australia.

SCHEDULE 1

SUMMARY OF ISP KEY TERMS AND KEY POLICY SETTINGS

Eligibility: Participants in the ISP may be Directors, full-time and part-time employees of the **Company** or any of its subsidiaries (Participants).

Administration of Plan: The Board is responsible for the operation of the ISP and has a broad discretion to determine which Participants will be offered Shares under the ISP.

Offer: The Board may issue an offer to a Participant to participate in the ISP. The offer:

- will invite application for the number of Shares specified in the offer;
- will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
- may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
- will specify any restriction conditions applying to the Shares;
- will specify an acceptance period; and
- specify any other terms and conditions attaching to the Shares.

Issue price: The Issue Price of the Plan Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

Restriction Conditions: Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the ISP.

Loan: A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:

- the Loan will be interest free;
- the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
- the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
- a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
- the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the ISP; and
- a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates.

Unfulfilled Restriction Condition: Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:

- buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the ISP Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
- arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - lastly, any remainder to the Company to cover its costs of managing the ISP.

Sale of Shares to repay Loan: A Loan shall become repayable in full where:

- the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
- the Participant suffers an event of insolvency;
- the Participant breaches any condition of the Loan or the ISP; or
- a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the ISP.
- Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the ISP.

Power of Attorney: The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the ISP.

Plan limit: The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the ISP when aggregated with:

- the number of Shares issued during the previous 3 years under the ISP (or any other employee share plan extended only to Eligible Employees); and
- the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

Restriction on transfer: Participants may not sell or otherwise deal with a ISP Share until the Loan Amount in respect of that ISP Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

Quotation on ASX: The Company will apply for each ISP Share to be admitted to trading on ASX upon issue of the ISP Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.

Rights attaching to Shares: Each ISP Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the ISP) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

Holder Number:

Your proxy voting instruction must be received by **11.30am (AEDST) on Tuesday, 30 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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GPO Box 5193
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IN PERSON:

Automic
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Sydney NSW 2000

BY EMAIL:

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