zeotech

Annual Report 2021

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

Registered Office
Level 27, 32 Turbot Street,
Brisbane QLD 4000
Telephone: +61 7 3181 5523

Postal Address
Level 27, 32 Turbot Street,
Brisbane QLD 4000

Internet
W: www.zeotech.com.au
E: info@zeotech.com.au

Share Registry
Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664
Email: hello@automicgroup.com.au
Web: automicgroup.com.au

Auditors
Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005
Telephone: +61 8 9486 7094

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

CONTENTS

Dear Shareholders

This is the first Annual Report under our company's new name, Zeotech Limited. It has also been the first year with a primary focus on the establishment of Australia's first and only industrial project to develop and manufacture an important advanced materials family, known as synthetic zeolites.

When a company embarks on a significant endeavour such as this, the key to progress is the team, and we are bringing together a world leading team, supported by one of our largest shareholders and key collaborators, The University of Queensland. We are all very excited to be part of this new cleantech undertaking.

Our strategy has been threefold.

First, we are developing and scaling-up processes for the sustainable manufacture of synthetic zeolites, utilising intellectual property which we acquired during the year from the University of Queensland. Key differentiators for our technology compared to the current manufacture of synthetic zeolites in places such as China and Europe, are lower cost and more environmentally friendly inputs and outputs.

Secondly, our aim is to broaden the applications for our zeolite products and the market, into new and important sectors, beyond the circa AUD $2.0 billion per annum, global molecular sieve zeolite market. We are working with expert researchers and collaborating with innovative industry players across a broad range of new opportunities, in the fields of agriculture, carbon capture and animal feed supplements. More details will be provided in the Operations Review on these business verticals later in this report.

Thirdly, to ensure we can access suitable raw materials in a timely manner, we are working with potential partners to trial lithium process tailings and purchasing a second exceptionally high-grade kaolin clay resource.

The Toondoon Project is held under an approved mining lease, offering the Company a direct shipping ore opportunity, fast-tracking time to revenues.

Because we realised that most investors, particularly in Australia, had not heard of zeolites, we have undertaken a communications strategy to inform the market about these remarkable materials. This included a complete rebranding, informative website, and social media presence. We hope you like the new "look".

From a fiscal perspective, we have undertaken well-supported capital raises, predominately by long-term shareholders to whom we say 'thank you', ensuring that we are well funded to deliver on our plans.

Once again, 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 overwhelming support of the Company. We are all stakeholders in building an important cleantech company and have much to look forward to in the exciting year ahead.

Yours faithfully,

Sylvia Tulloch
Chair

Directors' Review of Activities

SYNTHETIC ZEOLITE MINERAL PROCESSING TECHNOLOGY

Early Market Interest in Zeolite Technology continues from China

Zeotech's assessment of the global synthetic zeolite market pinpointed China as the world's largest producer and this led to engaging the services of The China Trade and Investment Council ("CATIC"), which enlisted a team of expert consultants to reach out across mainland China, representing ZEO's proprietary mineral processing technology.

On the 10 August 2020, Zeotech announced its mainland China manufacturer and end user market research program facilitated by the China Trade and Investment Council ("CATIC"), had delivered continued early market interest from major Chinese synthetic zeolite producers. The program secured commercial zeolite product, under agreed terms from Inner Mongolia Risheng Recycling Resource Co., Ltd and Xaimen Zhongzhao IMP.& EXP. Co., Ltd, which were added to the samples secured in May 2020, from one of the world's largest manufacturers of 4A zeolite, Chalco Shandong Co. Zeotech also received detergent builder samples of Type 4A zeolite from one of China's leading detergent manufacturers in Beijing. All samples from the program underwent testing at The University of Queensland, with results expanding Zeotech's understanding of leading synthetic zeolite manufacturers commercial products and the capability to produce this grade of product under the Zeotech's proprietary zeolite synthesis conditions.

During the period, CATIC also assisted Zeotech, in undertaking a comprehensive China molecular sieve zeolite industry analysis, which included detailed market assessment, end-user application dynamics and manufacturing equipment/processes.

Exploring Agricultural Applications for Synthetic Zeolites

Sustainable food production achieved by improved agronomic solutions is a key area of interest for Zeotech, in order to develop zeolite centric products, primarily targeting agricultural enterprise.

On the 28 September 2020, Zeotech announced it was participating in agronomic trials to evaluate the performance of synthetic zeolites across a range of agricultural applications. The trials were undertaken in collaboration with Griffith University ("GU") and The University of Queensland ("UQ"). The objective of the GU pilot trial was to evaluate the effectiveness of Zeotech's synthetic zeolites for a range of agricultural applications including:

- Intercepting and retaining nutrients (particularly nitrate, ammonium, and phosphate) associated with agricultural runoff;
- Incorporation into soils as an amendment to improve crop/pasture growth in the critical establishment phase of agronomic production systems; and
- Acting as a substrate to facilitate removal of agricultural pesticides from runoff and soils.

The catalyst for the program was Zeotech's understanding that one of the inhibitors to the wider commercial adoption of synthetic zeolites in the agricultural sector is their cost and the Company's ability to produce low-cost synthetic zeolites using patent-pending mineral processing technology, developed by The University of Queensland.

Subsequent to year end, on 6 September 2021, the Company announced the Griffith University agronomic program, had delivered promising results.

The agronomic studies showed that synthetic zeolites were capable of:

- High nutrient retention and exceptionally high phosphorus retention;
- Pesticide removal and compound breakdown;
- Enhanced moisture retention; and
- Decreased soil acidification;

The nine-month GU pilot trial revealed that there is considerable potential to develop Zeotech products that offer solutions for large-scale agricultural challenges.

The results provide confidence in the use of synthetic zeolites to develop an economically compelling fertiliser delivery platform, which offers multiple adjunct benefits including carbon markets potential, as well as the application of synthetic zeolites as an agricultural pollutant treatment.

Patent Application lodged for the Synthesis of Zeolites from Lithium Refinery Process Residue

On 1 August 2020, Zeotech executed an accelerated research program with The University of Queensland's School of Chemical Engineering ("UQ"), focused on evaluating the potential to efficiently synthesize zeolites from mine tailings and process residues. During this dedicated research program UQ developed a novel process (flowsheet) for the manufacture of synthetic zeolites from Li Process Residue (leached spodumene).

On 21 October 2020, Zeotech announced The University of Queensland's technology transfer company UniQuest, had filed a provisional patent application ("Provisional Patent") for the manufacturing (synthesising) of zeolites from lithium refinery process residue derived from the production of lithium concentrates from spodumene ("Li Process Residue").

The ability to convert Li Process Residue into high value zeolite holds tangible promise in improving economic and environmental outcomes for lithium refineries by offering an integrated solution capable of improving downstream margins by consuming Li Process Residue streams.

The production of lithium concentrates from spodumene, results in the generation of a material proportion of fine leached spodumene ending up in processing residue stream (in some cases up to 70%).

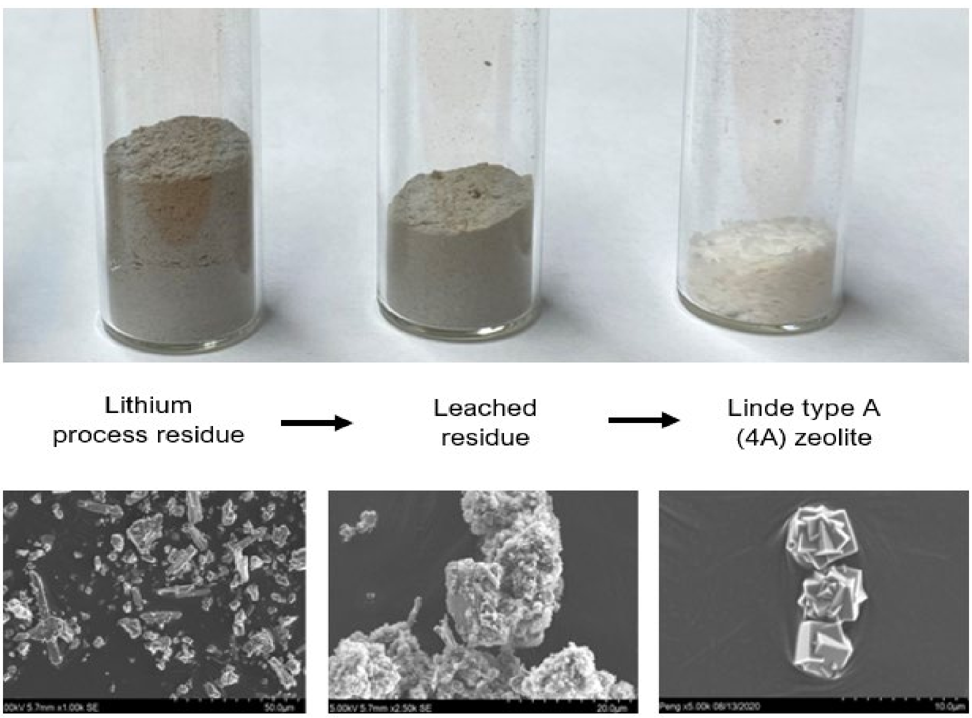
As lithium battery demand grows its anticipated that the lithium refinery sector will produce significant amounts of Li Process Residue, hence innovative cleantech solutions are needed.

The novel and proprietary process leverages low energy and production time efficiencies of Zeotech's existing intellectual property portfolio – creating an innovative and cost-effective approach for the manufacture of zeolites from Li Process Residue.

The Provisional Patent formed part of the Group's expanding intellectual property portfolio.

Commercial Grade Zeolite Type A produced from Lithium Refinery Process Residue

On 28 October 2020, Zeotech announced the successful synthesis of commercial grade zeolite Type A also known as Linde Type A ("LTA") from leached spodumene process residue using patent-pending technology ("IP") developed by The University of Queensland. This promising result was the product of a dedicated accelerated mine-tailings and process residues research program, that commenced in August 2020.



Images courtesy of Dr. Hong (Marco) Peng – The University of Queensland

Subsequent to the end of accelerated research program to efficiently synthesize zeolites from mine tailings and process residues, The University of Queensland's School of Chemical Engineering successfully optimised Zeotech's novel and proprietary zeolite LTA flowsheet to enable the synthesis of a range of zeolite Type A molecular sieve products cost effectively.

Assignment of Intellectual Property relating to Zeolite Mineral Processing Technology

On 8 December 2020, Zeotech announced that binding terms within the exclusive global licence agreement (*refer ASX announcement dated 7 April 2020 titled 'Exclusive Licence Agreement to Produce Synthetic Zeolite'*) with UniQuest, the technology transfer arm of The University of Queensland, included clauses which had been triggered based on the successful achievement of certain conditions by Zeotech, enabling Zeotech to give notice to UniQuest requesting the assignment of all licensed intellectual property ("Licensed IP"), associated with UQ's zeolite mineral processing technology, which facilitate the transfer of ownership of the following Licensed IP to Zeotech:

- Synthesis of adsorption material – Patent Co-operation Treaty (PCT) Application (lodged 8 May 2020);
- Synthesis of adsorption material – Taiwan Patent Application (lodged 20 May 2020); and
- Leached spodumene residue treatment – Australian Provisional Patent Application (lodged 20 October 2020)

On 29 January 2021 Zeotech and UniQuest executed the Deed of Assignment that formed part of the Licence Agreement and paid the $500,000 Assignment Fee. All rights, title, and interest in the Licensed IP (free of any encumbrances) have been legally assigned to Zeotech from UniQuest.

The ownership of the Licensed IP by Zeotech is a major step for the Company, offering Zeotech shareholders and potential commercial partners the assurance that the Licensed IP is owned directly by the Company, without any encumbrances, beyond Zeotech's ongoing obligation to pay royalties and performance milestone shares (or cash equivalent) to UniQuest.

Zeotech considers the ability to produce high value zeolites from low value mineral and/or zero-cost mine tailing/process residues presents a compelling economic advantage, that will drive industry partnerships and enable higher margin monetization of the Group's kaolin projects.

Expanding in-house technical resources

On 1 February 2021, Zeotech expanded its in-house technical team, with the employment of Dr. John Vogrin on a full-time basis. Dr. Vogrin holds a Bachelor of Engineering (B.E.) in Chemical and Metallurgical Engineering (Honours), a PhD in Chemical Engineering and is an Alumina Quality Workshop scholar in the School of Chemical Engineering at The University of Queensland.

Dr. Vogrin's PhD thesis involved the hydrothermal synthesis of zeolites in industrial processes such as the Bayer process and anion incorporation into their structure. Dr. Vogrin's expertise includes XRD (quantitative /qualitative), ICP, XRF, FE-SEM, TGA, PSD and UV-Raman spectroscopy for materials characterisation.

UQ Research Agreement 'Carbon Capture using Synthetic Zeolites'

On 8 February 2021, Zeotech executed a dedicated research agreement with The University of Queensland ("UQ") to evaluate the performance of synthetic zeolites in the field of carbon capture, a market that is projected to reach USD 6.15 billion by 2027.[1]

Zeotech is leveraging its novel and proprietary mineral processing technology for the low-cost synthesis of synthetic zeolites to deliver economically feasible environmental management solutions for carbon capture and conversion.

The carbon capture research program commenced in March 2021 and will be carried out over a nine-month period. The program consists of the following stages:

1. Characterisation of synthetic zeolites and commercial adsorbents – this will involve building a database of different types of the synthetic zeolites and commercial adsorbents, following their characterisation, and comparing properties;

[1] *Verified Market Research "Carbon Capture and Storage Market Size & Forecast Report to 2027"*

2. Carbon dioxide adsorption capacity and selectivity measurement – this will involve measuring and comparing the carbon dioxide (CO_2) adsorption capacity of the synthetic zeolites and commercial adsorbents. The synthetic zeolites selectivity of CO_2 over other gases such as N_2 will also be investigated; and
3. Granulation study of synthetic zeolite products – this will involve an agglomeration study of synthetic zeolites will be carried out in this stage. The preparation process of the synthetic zeolite agglomerate will be explored, and the carbon capture performance of these bulk adsorbents will be evaluated.

Zeotech's carbon capture research program will also incorporate detailed economic analysis of:

a) The use of different synthetic zeolites produced by Zeotech and the commercial adsorbents for carbon capture and selectivity; and
b) Granulation of synthetic zeolite products and the commercial adsorbents for carbon capture and selectivity.

Synthetic zeolites have shown promising results for separation of CO_2 from gas streams and there is much published literature concerning CO_2 adsorption over different types of zeolites.

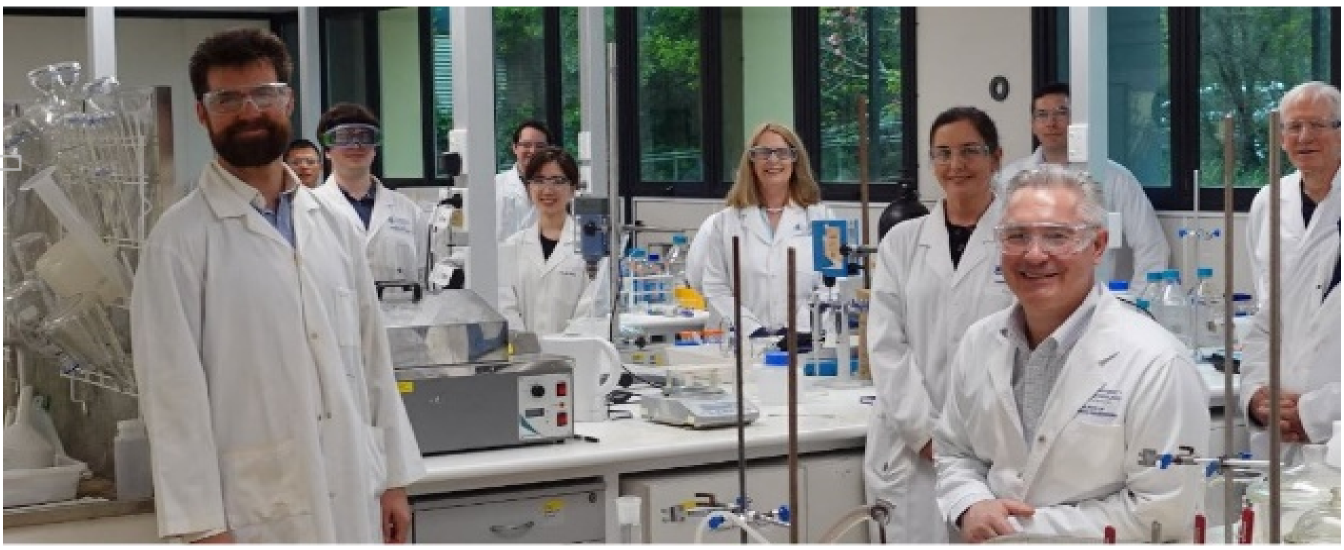
Zeotech's aim is to leverage the economic benefits of its synthetic zeolite mineral processing technology. For example, UQ's Chemical Engineering team has demonstrated (lab-scale results) up to 70% reduction in energy consumption in the thermal activation stage and up to 80% reduction in production time in the subsequent zeolite precipitation steps, in the synthesis of synthetic zeolites, coupled with the excellent structural properties of the synthetic zeolite to produce low-cost solid adsorbent for commercial CO_2 capture to reduce greenhouse gases.

Synthetic Zeolite Pilot Plant Program Commences

During the March quarter 2021, Zeotech committed to the development and construction of a pilot plant and is undertaking an extensive test-work-program to further optimise the flowsheet of the Company's low-cost synthetic zeolite manufacturing technology to de-risk future commercial investment.

The program will incorporate an artificial intelligence (machine-learning) component to enhance understanding and application of piloting results, by building a comprehensive dataset and predictive capabilities.

The pilot plant will provide Zeotech with increased confidence and certainty on the engineered flowsheet design and operational performance of the process circuit before committing to commercial zeolite production facilities.



UQ and Zeotech team at The University of Queensland's School of Chemical Engineering, St. Lucia Campus.

Zeotech's decision to proceed with the pilot plant program, is supported by continued positive lab-scale results delivered by research funded at UQ and based on the understanding that a well designed and constructed pilot plant is an integral component in the decision-making process required to determine critical economics and underpin future commercial plant strategy and financing.

The pilot plant program and associated data modelling should:

- Validate the patent-pending technology;
- Lower commercial plant project risk / verify process efficiency, yields and target grades;
- Support the findings and data generated throughout UQ bench-scale research;
- Finalise mass and energy balances;
- Test variability of feed;
- Further optimise system design and capacity;
- Assist METSIM modelling to verify future production CapEx and OpEx requirements;
- Determine system limitations and optimise process design for continuous production;
- Reduce commercial financing risk;
- Develop standard operating procedures;
- Produce a range of synthetic zeolite products for test applications and verification; and
- Support commencement of a Pre-Feasibility Study (PFS).

The pilot plant should also demonstrate the efficiency of Zeotech's novel and proprietary mineral processing technology and proficiency of the process design by producing very high-grade material on a continuous, customer sample scale, basis.

Lithium Refinery Cleantech forms part of Dual-Feed Pilot Program

On 26 May 2021, Zeotech announced that after early commercial interest in the potential to apply the Company's proprietary mineral processing technology as a cleantech solution for the lithium refinery industry, the decision has been made to expand the current pilot plant program to include leached spodumene residue ("Li Process Residue") as an additional feedtype for the synthesis of zeolites.

The opportunity to develop a commercial cleantech solution for the lithium refinery industry is compelling. The growing demand from electric vehicle (EV) batteries is driving the expansion of lithium hydroxide production globally, which will produce material volumes of Li Process Residue.

Subsequent to year end, Zeotech had received Li Process Residue (leached aluminosilicate) from two lithium industry participants, and the dual feed pilot program had progressed with bench-scale testwork, successfully achieving continuous leaching and 4-in-line reactor continuous precipitation.

The program's aim is to complete continuous bench-scale circuit and commence construction of the dual feed pilot in the December Quarter 2021.

ABERCORN PROJECT, AUSTRALIA

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

The Abercorn Project comprises 4 contiguous Exploration Permits for Mineral ("EPM") 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.

The Abercorn Project is situated approximately 135km south of the deep-water port of Gladstone and 125km west of the deep-water port of Bundaberg in Central Queensland. Both major ports are connected to the Abercorn Project by sealed roads. The Burnett highway bisects the property.

The resource remains open in all directions with less than circa 10% of the Project area being drilled, leaving potential for substantial future upgrade.

Maiden Indicated and Inferred JORC Resource

During the period, the Group announced a Maiden Indicated and Inferred JORC 2012 Compliant Resource at the 100% owned Abercorn Project: (*refer ASX announcement dated 06 July 2020*)

- Total Maiden Resource for the Abercorn Project area is 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;
- 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;

Highlights

- Circa 60% of the Mineral Resource is classified as Indicated;
- The resource remains open in all directions with less than circa 10% of the Project area being drilled, leaving potential for the resource to be significantly upgraded;
- The Abercorn Project has demonstrated it contains significant scale and a very consistent grade of mineralisation;
- The resource runs from surface, contains little to no overburden and low impurities; and
- The Project is located close to existing infrastructure including, main sealed highway adjacent to the Project area, mains power on site, large water supply within the EPM and close to two deep water ports, both connected to the Abercorn Project by sealed roads.

Summary

The Mineral Resources are reported in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the ASX Listing Rules. The supporting information for the release of Mineral Resources is set out in the appendix of ASX announcement dated 06 July 2020.

The total Abercorn Project of + 26% Al_2O_3 cut-off grade:

Indicated Resource - 22.2 M Tonnes with 37.0% -20µm fraction grading 29.1% Al_2O_3 & 1.13% K_2O

Inferred Resource - 15.2 M Tonnes with 36.3% -20µm fraction grading 27.9% Al_2O_3 & 1.25% K_2O

Total Resource - 37.4 M Tonnes with 36.8% -20µm fraction grading 28.6% Al_2O_3 & 1.18% K_2O

The Railcut Prospect high grade block +29% Al_2O_3 cut-off grade:

Indicated Resource - 11.2 M Tonnes with 38.8% -20µm fraction grading 30.3% Al_2O_3 & 0.9% K_2O

Inferred Resource - 1.2 M Tonnes with 40.9% -20µm fraction grading 29.3% Al_2O_3 & 0.99% K_2O

Total Resource - 12.4 M Tonnes with 39% -20µm fraction grading 30.2% Al_2O_3 & 0.9% K_2O.

The Area 3 Prospect

The +29% Al_2O_3 cut-off grade block has the Resource:

Inferred Resource – 1.66 M Tonnes with 30.9% -20µm fraction grading 30.7% Al_2O_3 & 0.83% K_2O

The total for the Railcut and Area 3 Prospects, with a 29% Al_2O_3 cut-off grade is 14 million tonnes with 38% -20µm fraction grading 30.26% Al_2O_3 and 0.89% K_2O.

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement 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.

KRAAIPAN PROJECT, BOTSWANA

Kraaipan Gold-Nickel-Copper-PGM Project

Zeotech's 100% owned Kraaipan Project comprises of Prospecting Licence, PL232/2016 and covers approximately 50kilometre strike extent of the Kraaipan Greenstone Belt in southern Botswana. The Kraaipan Project is part of the larger NNW trending Amalia-Kraaipan-Greenstone-Terrane ('AKGT') of the Kaapvaal Craton. The AKGT in Botswana is directly along strike from significant gold deposits, as well as adjacent to significant PGM deposits, across the border in South Africa.

No on-groundwork was undertaken during the period.

The Company will not be seeking renewal of Prospecting Licence PL232/2016 which expires on 30 September 2021.

CORPORATE

Board Changes

On the 7 July 2020, the Group restructured the Board and Executive:

- Mr Keong Chan resigned as Chairman and from the board, and Ms Sylvia Tulloch joined the board and assumed the role as Chair.
- The Group appointed Chief Operating Officer, Mr Peter Zardo, as Managing Director.

On 12 January 2021, Mr John Goody resigned as a non-executive director.

New Securities Issues

On 6 July 2020, the Group announced a Maiden Indicated and Inferred JORC 2012 Compliant Resource at the 100% owned Abercorn Project, resulting in the issue of deferred consideration of 75,000,000 new ordinary shares to the Vendors of the Abercorn Project for achieving the first performance milestone.

On 28 July 2020, the Group completed a $1.657 million capital raising through the issue of 127,500,000 new ordinary shares at an issue price of $0.013 each.

On 27 November 2020, shareholders approved the issue of 20,000,000 ordinary fully paid shares to Mr Peter Zardo, with provision of a non-recourse interest free loan of $300,000 based on the approved issue price of $0.015 per share. At the date of the notice of annual general meeting to seek shareholder approval for the issue of shares, the Group's share price was $0.013 ascribing a value using the Black & Scholes valuation methodology of $200,000. At the date of issue of the shares, the share price was $0.042 resulting in a share-based payment expense of $840,000 using the same valuation methodology.

On 8 January 2021, the Group completed a $1.7 million capital raising through the issue of 34,000,000 new ordinary shares at an issue price of $0.05 each.

On 28 May 2021, the Group completed a $3.7 million capital raising through the issue of 52,864,286 new ordinary shares at an issue price of $0.07 each.

Change of Company Name

Following shareholder approval at the Group's annual general meeting held on 27 November 2020, the company's name changed to Zeotech Limited.

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Zeotech Limited, formerly Metalsearch Limited, and the entities it controlled at the end of, or during, the year ended 30 June 2021.

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, MASc (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 MACID (Managing Director)

Mr Zardo was previously a high performing corporate banking director, with the Westpac Group for over 16 years and possesses significant experience in business advisory, project management and corporate finance. Mr Zardo completed Westpac's Emerging Leader Program in late 2019 and was a recipient of the St George Bank MD Scholarship travelling to the USA and Canada to gain insights on business strategy from global brands such as Apple, Nike and IBM. He has undertaken studies in Applied Science at Charles Sturt University and is a member of the Australian Institute of Company Directors. Mr Zardo was appointed Chief Operating Officer on 7 April 2020 and became Managing Director on 7 July 2020.

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

Mr Downey is a qualified solicitor who has practised mainly in the areas or 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 Calima Energy Ltd until 24 August 2017, Minrex Resources Ltd until 29 January 2018 and Kairiki Energy Ltd until 28 August 2019. He is currently a director of Connexion Telematics Ltd and Cervantes Corporation Limited.

John Goody (Non-Executive Director)

Mr Goody is a member of the Geological Society of Australia with over 45 years' experience in minerals exploration and has been responsible for the development of various prospects throughout Australia. Mr Goody was appointed a Non-Executive Director on 16 October 2019. Mr Goody resigned on 12 January 2021.

Keong Chan B.Com (Non-Executive Director)

Mr Chan spent his early years working with PwC Australia and Deloitte in Canberra, Sydney and Perth and has significant corporate experience in capital raisings, initial public offerings, mergers and acquisitions, and takeovers and divestments. Mr Chan became a Non-Executive Director on 16 October 2019 and Non-Executive Chairman on 7 April 2020. Mr Chan resigned on 7 July 2020.

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	-	-	-
Peter Zardo	31,380,000	20,000,000	54,770,000
Robert Downey	1,378,925	-	-

There were 20,000,000 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 2020.

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 $1,566,656.

During the period, total exploration expenditure expensed by the Group amounted to $172,416 (2020: $1,759,776) which included nil (2020: 997,694) of capitalised tenement acquisition costs written off. In line with the Group's accounting policies, all exploration expenditure, other than acquisition costs, are written off as they are incurred. Net administration expenditure incurred amounted to $352,994 (2020: $360,911), technology expenses incurred totalled $1,231,363 (2020: $291,438) and expense for share based payments amounted to $840,000 (2020: $120,000). This has resulted in an operating loss after income tax for the year ended 30 June 2021 of $2,919,833 (2020: $2,757,045). At 30 June 2021, cash assets available totalled $5,853,795.

Operating Results for the Period

Summarised operating results are as follows:

	2021	
	Revenues $	**Results $**
Revenues and loss from ordinary activities before income tax expense	178,266	(2,919,833)

Shareholder Returns

	2021	**2020**
Basic loss per share (cents)	(0.213)	(0.297)

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 13 July 2021, Zeotech announced that it had provided a range of Type A molecular sieve zeolites to a leading Australian manufacturer of advanced animal feed additives 'Bioproton', for in-vitro screening of mycotoxin binding, across seven toxins.

Zeotech and Bioproton will assess the initial test results to evaluate the potential of utilising synthetic zeolites to develop targeted mycotoxin binder product(s).

The objective of the program is to progress to a comprehensive commercial collaboration with Bioproton.

Zeotech provided 3A, 4A and 5A molecular sieve zeolites for the program, which will incorporate the following 7 mycotoxin tests across under 2 pH conditions (acid and neutral). The toxins to be tested are: Aflatoxin B1, Fumonisin B1, Deoxynivalenol, Ochratoxin A, Zearalenone, T-2 Toxin and Ergotamine.

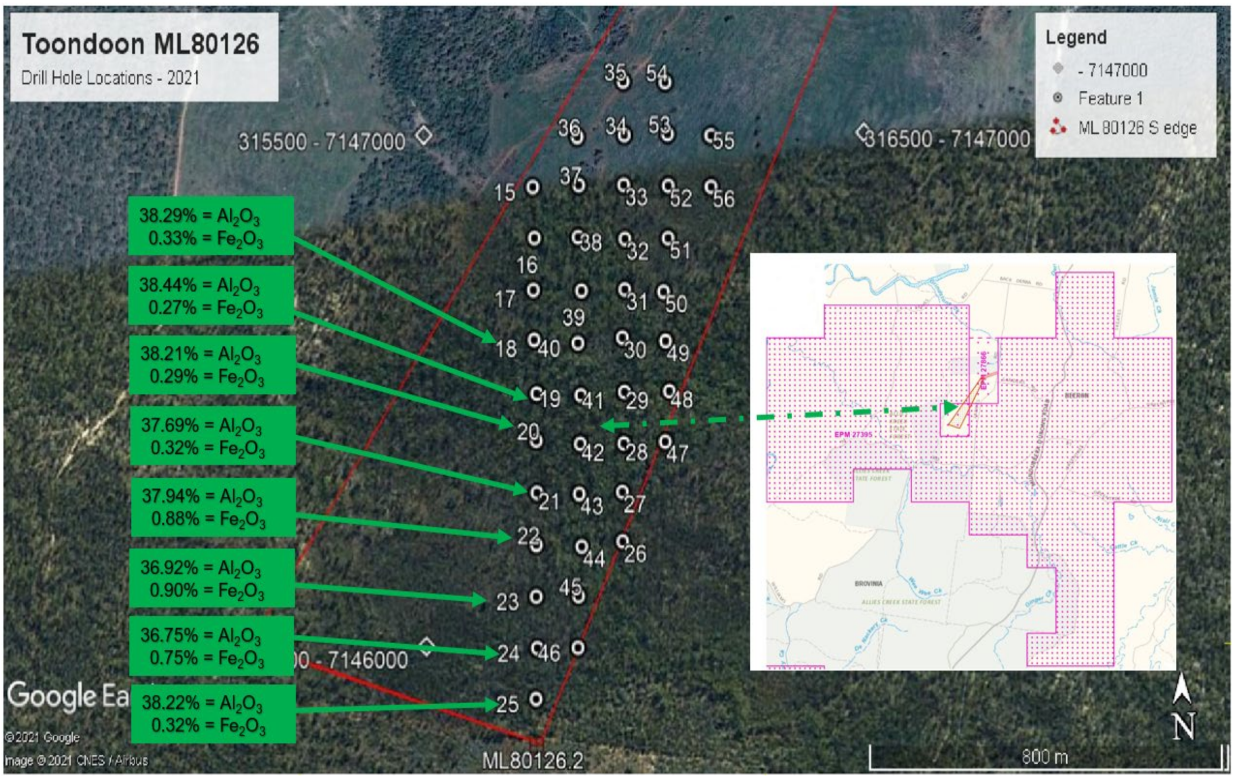
(ii) On 23 August 2021, Zeotech announced that it had executed a term sheet with Zilotech Holdings Pty Ltd ("Zilotech") to acquire 100% of the issued capital in Kalotech Pty Ltd ("Kalotech"), which holds a legally binding exercised option to acquire the mining lease and exploration licences for the 28,000-hectare Toondoon Kaolin Project ("Toondoon") located in Queensland, one of the highest-grade raw ore kaolin deposits in Australia.

Following completion of the transaction, Zeotech will hold 100% of the Toondoon project and associated licences, including ML 80016, EPM 27395 and EPMa 27866 through its ownership of Kalotech.

Recent resource estimation test work at the Toondoon Mining Lease, ML 80126, has delivered an indicated JORC 2012 Resource of:

White Kaolin Clay – 5.07Mt @ 37% Al_2O_3, 0.9% Fe_2O_3, 46.3% SiO_2, Alumina/Silica Ratio of 0.80.

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



Toondoon Kaolin Project over 280 km² – ML 80126 and surrounding EPM 27395 / EPMa 27866

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement 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.

Zeotech will immediately progress a DSO marketing strategy to leverage the superior quality of Toondoon's raw ore kaolin. The Company is in advanced discussions with a number of market representatives to progress direct sales to end-users across the Asian region. Additional testing is being undertaken on the asset, which will provide further optionality for the Company as it progresses its development strategy.

The University of Queensland ("UQ") has undertaken testing on a number of high-grade kaolin samples from Toondoon, to implement ore into the Company's proprietary zeolite mineral processing technology. Results of this work which commenced early 2021 confirm that Toondoon raw ore kaolin is an optimal feed, delivering materially improved OpEx modelling.

Transaction terms:
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 ML80126, EPM27395 and EPMa27866 (**Acquisition**).

Completion of the Acquisition will be subject to the following conditions precedent:

1. Zeotech completing due diligence to its absolute satisfaction of all legal, financial, and technical aspects of the Toondoon deposit, the Mining Lease (ML 80126), EPM 27395, EPM 27866 and associated reports and agreements as well as full corporate due diligence of Kalotech by the date being 90 days from the date of the agreement;
2. Kalotech exercising its option and completing the sale and purchase of ML80126 and providing ZEO with copies of the completed sale documentation;
3. Zeotech receiving written confirmation from the ASX that ASX Listing Rule 11.1.2 does not apply to the Acquisition;
4. Zeotech obtaining all shareholder approvals required under ASX Listing Rules 10.1 and 10.11, Chapter 2E of the Corporations Act or any other approvals required by the ASX in relation to the Acquisition as soon as is practicable after satisfaction of condition precedent 6;
5. Zilotech providing written substantiation of all expenses incurred by Kalotech and which is to be reimbursed as cost reimbursement; and
6. written approval from Queensland Department of Resources for the transfer of ML80126 from the current registered holder to Kalotech being granted and the change in title being registered.

The Company has received written confirmation from ASX that Listing Rule 11.1.2 and 11.1.3 do not apply to the Acquisition (satisfying condition 2).

The written approval of the Queensland Department of Resources to the transfer of the Kalotech tenements has been lodged, although based on current advice written approval for the transfers could take up to 9 months to be received.

On that basis Zeotech will not commence the process for obtaining shareholder approval until this condition precedent is satisfied.

(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 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing 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 Abercorn Project and the proposed Toondoon Project, 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% (2021: 9.5%), 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 was issued with 20,000,000 loan funded shares. 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 2021.

Voting and comments made at the Company's 2020 Annual General Meeting

The Company received approximately 99.97% of "yes" votes on its remuneration report for the 2020 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						
2021	**59,000**	**-**	**-**	**-**	**-**	**59,000**
2020	-	-	-	-	-	-
Peter Zardo – Appointed 7 July 2020						
2021	**227,615**	**-**	**20,093**	**-**	**840,000**	**1,087,708**
2020	-	-	-	-	-	-
Robert Downey – Appointed 18 October 2016						
2021	**48,000**	**-**	**-**	**-**	**-**	**48,000**
2020	42,000	-	-	-	-	42,000
John Goody – Appointed 16 October 2019, Ceased 12 January 2021						
2021	**25,548**	**-**	**-**	**-**	**-**	**25,548**
2020	28,500	-	-	-	-	28,500
Keong Chan – Appointed 16 October 2019; Ceased 7 July 2020						
2021	**-**	**-**	**-**	**-**	**-**	**-**
2020	31,500	-	-	-	-	31,500
Neville Bassett – Ceased 16 October 2019						
2021	**-**	**-**	**-**	**-**	**-**	**-**
2020	10,500	-	-	-	-	10,500
Jeremy Read – Ceased 7 April 2020						
2021	**-**	**-**	**-**	**-**	**-**	**-**
2020	76,000	-	-	-	-	76,000
Jason Brewer – Ceased 16 October 2019						
2021	**-**	**-**	**-**	**-**	**-**	**-**
2020	12,000	-	-	-	-	12,000
Other Key Management Personnel						
Peter Zardo –CEO Appointed 7 April 2020, Ceased 7 July 2020						
2021	**-**	**-**	**-**	**-**	**-**	**-**
2020	20,625	-	1,959	-	120,000	142,584
Total Key Management Personnel Remuneration						
2021	**360,163**	**-**	**20,093**	**-**	**840,000**	**1,220,256**
2020	221,125	-	1,959	-	120,000	343,084

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).

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	-		-	-	-
Peter Zardo	37,110,000	20,000,000	4,770,000	-	61,880,000
Robert Downey	1,378,925		-	-	1,378,925
John Goody	75,518,500		23,782,500	(99,301,000)	-
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 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, were issued as part of Mr Peter Zardo's executive service agreement.

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 compensation	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	-	-	-	-	-	-	-
John Goody	-	-	-	-	-	-	-
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	**59,540,000**	-	**(4,770,000)**	-	**54,770,000**	-	**54,770,000**
Robert Downey	-	-	-	-	-	-	-
John Goody	**47,565,000**	-	**(23,782,500)**	**(23,782,500)**	-	-	-
Keong Chan	-	-	-	-	-	-	-

Shares provided on exercise of remuneration options

During the financial year ended 30 June 2021 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	7	7	2	2
Peter Zardo	7	7	2	2
Robert Downey	7	7	2	2
John Goody	6	6	1	1
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 2021 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 2021 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 2021 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 Auditing.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

Signed in accordance with a resolution of the directors.

Sylvia Tulloch
Chair
27 September 2021

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

The Directors
Zeotech Limited
Level 27
32 Turbot Street
BRISBANE QLD 4000

Dear Directors

In accordance with Section 307C of the *Corporations Act 2001* ("the Act") I hereby declare that to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2021 financial statements; and

(ii) 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.

Daniel Dalla CA (Lead auditor)
Partner
Rothsay Auditing

Dated 27 September 2021

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

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 subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 30 June 2021, 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 of the Company.

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 2021 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ZEOTECH LIMITED (continued)

Key Audit Matter - Cash and Cash Equivalents	***How our Audit Addressed the Key Audit Matter***
The Group's cash and cash equivalents make up 99% of total current assets by value and are considered to be the key driver of the Group's operations and exploration activities. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing significant cash holdings to independent third-party confirmations. We have also assessed the appropriateness of the disclosures included in the financial report.
Key Audit Matter - Exploration and Evaluation Expenditure	***How our Audit Addressed the Key Audit Matter***
The Group has significant exploration and evaluation expenditure recorded at year end. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. We have also assessed the appropriateness of the disclosures included in the financial report.

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 2021, 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 2021.

In our opinion the remuneration report of Zeotech Limited for the year ended 30 June 2021 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

Rothsay Auditing

Dated 27 September 2021

Daniel Dalla
Partner

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021	Notes	Consolidated	
		2021 $	2020 $
REVENUE	4	**178,286**	260
EXPENDITURE			
Depreciation expense		**(5,154)**	(5,946)
Employee benefits expense	5	**(496,192)**	(217,584)
Exploration expenses		**(172,416)**	(1,759,776)
Administration expenses		**(352,994)**	(360,911)
Technology expenses		**(1,231,363)**	(291,438)
Other expenses		**-**	(1,650)
Share based payments expense	27	**(840,000)**	(120,000)
LOSS BEFORE INCOME TAX		**(2,919,833)**	(2,757,045)
Income tax benefit / (expense)	6	**-**	-
LOSS FOR THE YEAR		**(2,919,833)**	(2,757,045)
OTHER COMPREHENSIVE INCOME			
Foreign exchange loss on translation of foreign operations		**(3,665)**	(23,724)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF ZEOTECH LIMITED		**(2,923,498)**	(2,780,769)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	25	**(0.213)**	(0.297)

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 2021	Notes	Consolidated 2021 $	Consolidated 2020 $
CURRENT ASSETS			
Cash and cash equivalents	7	**5,853,795**	1,566,656
Trade and other receivables	8	**65,679**	86,522
TOTAL CURRENT ASSETS		**5,919,474**	**1,653,178**
NON-CURRENT ASSETS			
Plant and equipment	9	**9,753**	10,180
Exploration and evaluation costs	10	**4,267,216**	4,267,216
Intangible assets	11	**1,318,778**	761,290
TOTAL NON-CURRENT ASSETS		**5,595,747**	**5,038,686**
TOTAL ASSETS		**11,515,221**	**6,691,864**
CURRENT LIABILITIES			
Trade and other payables	12	**159,876**	214,773
TOTAL CURRENT LIABILITIES		**159,876**	**214,773**
TOTAL LIABILITIES		**159,876**	**214,773**
NET ASSETS		**11,355,345**	**6,477,091**
EQUITY			
Issued capital	13	**35,589,258**	27,727,506
Reserves	14(a)	**1,155,668**	1,219,333
Accumulated losses	14(b)	**(25,389,581)**	(22,469,748)
TOTAL EQUITY		**11,355,345**	**6,477,091**

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 2021	Notes	Contributed Equity	Share-Based Payments and Options Reserves	Acquisition Reserves	Foreign Exchange Reserves	Accumulated Losses	Total
Consolidated		$	$	$	$	$	$
BALANCE AT 1 JULY 2019		**22,234,213**	**-**		**223,057**	**(19,712,703)**	**2,744,567**
Loss for the period	14(b)	-	-		-	(2,757,045)	(2,757,045)
TOTAL COMPREHENSIVE LOSS		**-**	**-**		**-**	**(2,757,045)**	**(2,757,045)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS							
Issue of share options		-	120,000	-	-	-	120,000
Shares issued during the year		5,840,000	-		-	-	5,840,000
Share issue costs		(346,707)	-		-	-	(346,707)
Abercorn Acquisition		-	-	900,000	-	-	900,000
Foreign exchange movement		-	-		(23,724)	-	(23,724)
BALANCE AT 30 JUNE 2020		**27,727,506**	**120,000**	**900,000**	**199,333**	**(22,469,748)**	**6,477,091**
BALANCE AT 1 JULY 2020		**27,727,506**	**120,000**	**900,000**	**199,333**	**(22,469,748)**	**6,477,091**
Loss for the period		-	-	-	-	(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**

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 2021	Notes	Consolidated	
		2021	2020
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(2,195,499)**	(797,375)
Expenditure on mining interests		**(163,690)**	(746,314)
Other income		**178,286**	260
Net cash outflow from operating activities	**24**	**(2,180,903)**	(1,543,429)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(4,727)**	(7,000)
Net cash on acquisition of Abercorn Kaolin Pty Ltd		**-**	11,765
Due diligence		**-**	(1,650)
Payments to acquire mining assets		**-**	(350,000)
Payments for other intangible assets		**(545,738)**	(150,000)
Net cash outflow from investing activities		**(550,465)**	(496,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares net of share issue cost		**7,021,753**	1,863,292
Net cash inflow from financing activities		**7,021,753**	1,863,292
Net (decrease)/increase in cash and cash equivalents		**4,290,385**	(177,022)
Cash and cash equivalents at the beginning of the financial year		**1,566,656**	1,757,605
Effects of exchange rate fluctuations on cash held		**(3,246)**	(13,927)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**7**	**5,853,795**	1,566,656

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 2021

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 27 September 2021. 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 2020 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 2020.

(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 2021 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 associated 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.

(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 the statement of comprehensive income 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 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 identity 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.

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 $5,853,795 (2020: $1,566,656) 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 0% (2020: 0%).

Sensitivity analysis

At 30 June 2021, 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 $58,538 (2020: $15,667) 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	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**	**$**	**$**
Segment revenue	**-**	-	**-**	-	**-**	-
Reconciliation of segment revenue to total revenue before tax:						
Other revenue	**178,286**	260	**-**	-	**178,286**	260
Total revenue	**178,286**	260	**-**	-	**178,286**	260
Segment results	**(160,291)**	(666,596)	**(12,125)**	(1,093,180)	**(172,416)**	(1,759,776)
Reconciliation of segment result to net loss before tax:						
Other corporate and administration	**(2,915,261)**	(966,090)	**(10,442)**	(31,439)	**(2,925,703)**	(997,529)
Net profit/(loss) before tax	**(2,897,266)**	(1,632,426)	**(22,567)**	(1,124,619)	**(2,919,833)**	(2,757,045)
Income tax benefit	**-**	-	**-**	-	**-**	-
Net profit/(loss) after tax	**(2,897,266)**	(1,632,426)	**(22,567)**	(1,124,619)	**(2,919,833)**	(2,757,045)
Segment operating assets	**5,595,747**	5,038,686	**-**	-	**5,595,747**	5,038,686
Reconciliation of segment operating assets to total assets:						
Other corporate and administration assets	**5,909,995**	1,643,068	**9,479**	10,110	**5,919,474**	1,653,178
Total assets	**11,505,742**	6,681,754	**9,479**	10,110	**11,515,221**	6,691,864
Segment operating liabilities	**(158,828)**	(214,019)	**(1,048)**	(754)	**(159,876)**	(214,773)
Reconciliation of segment operating liabilities to total liabilities:						
Other corporate and administration liabilities	**-**	-	**-**	-	**-**	-
Total liabilities	**(158,828)**	(214,019)	**(1,048)**	(754)	**(159,876)**	(214,773)

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated	
	2021	2020
	$	$
4. REVENUE		
From continuing operations		
Interest	**4,502**	260
Other income	**173,784**	-
	178,286	260
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**25,208**	1,959
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	**(2,919,833)**	(2,757,045)
Prima facie tax benefit at the Australian tax rate of 30%	**(875,950)**	(827,114)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Research and Development Grant	**(40,883)**	-
	(916,833)	(827,114)
Movements in unrecognised temporary differences	**(30,009)**	(40,706)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**946,842**	867,820
Income tax expense	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2021 $	Consolidated 2020 $

6. INCOME TAX (CON'T)

(c) Unrecognised temporary differences
Deferred Tax Assets (at 30%)
On Income Tax Account

	2021 $	2020 $
Provision for expenses	**22,063**	6,758
Capital raising costs	**100,000**	95,832
Investments	**7,667**	38,877
Carry forward revenue tax losses	**7,594,419**	6,202,388
	7,724,149	6,343,855
Deferred Tax Liabilities (at 30%)		
Sundry items	**-**	-
Intangible assets	**395,633**	228,387
Capitalised tenement acquisition costs	**1,280,165**	1,280,165
	1,675,798	1,508,552

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

	2021 $	2020 $
Cash and cash equivalents		
Cash at bank and in hand	**5,853,795**	1,566,656
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**5,853,795**	1,566,656

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

	2021 $	2020 $
Trade and other receivables	**65,679**	86,522

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated 2021 $	2020 $

9. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	2021 $	2020 $
Plant and equipment		
Cost	**168,951**	164,224
Accumulated depreciation	**(159,198)**	(154,044)
Net book amount	**9,753**	**10,180**
Plant and equipment		
Opening net book amount	**10,180**	10,126
Additions	**4,727**	6,000
Depreciation charge	**(5,154)**	(5,946)
Closing net book amount	**9,753**	**10,180**

10. NON-CURRENT ASSETS – MINING PROPERTIES

	2021 $	2020 $
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening net book amount	**4,267,216**	997,694
Additions	**-**	4,267,216
Capitalised tenement acquisition costs written off	**-**	(997,694)
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.

11. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	2021 $	2020 $
Patents and Licences		
Cost	**1,318,778**	761,290
Less: Accumulated amortisation and impairment losses	**-**	-
Net book amount	**1,318,778**	**761,290**
Reconciliation		
Carrying amount at the beginning of the period	**761,290**	-
Additions during the period	**557,488**	761,290
Disposals	**-**	-
Amortisation expense	**-**	-
Balance at the end of the financial year	**1,318,778**	761,290

	Consolidated	
	2021	2020
	$	$

11. NON-CURRENT ASSETS – INTANGIBLE ASSETS (CON'T)

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, the 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.

12. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	**48,983**	187,711
Other payables and accruals	**110,893**	27,062
	159,876	**214,773**

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)

13. ISSUED CAPITAL

(a) Share capital

	Notes	2021 Number of shares	2021 $	2020 Number of shares	2020 $
Ordinary shares fully paid	13(b), 13(d)	**1,485,915,470**	**35,589,258**	1,176,551,184	27,727,506
Total issued capital		**1,485,915,470**	**35,589,258**	1,176,551,184	27,727,506

	2021 Number of shares	2021 $	2020 Number of shares	2020 $
(b) Movements in ordinary share capital				
Beginning of the financial year	**1,176,551,184**	**27,727,506**	480,910,159	22,234,213
Issued during the year:				
• 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 to employees for Incentive Share Plan (refer Note 27)	**20,000,000**	**-**	-	-
• Issued for cash at 0.6 cents per share	**-**	**-**	333,333,333	2,000,000
• Issued for acquisition at 1.2 cents per share	**75,000,000**	**900,000**	235,000,000	2,820,000
• Issued to advisers for acquisition at 1.2 cents per share	**-**	**-**	35,000,000	420,000
• Issued for licence at 0.65 cents per share	**-**	**-**	92,307,692	600,000
Less: Transaction costs	**-**	**(96,248)**	-	(346,707)
End of the financial year	**1,485,915,470**	**35,589,258**	**1,176,551,184**	**27,727,506**

	2021	2020
(c) Movements in options on issue		
Beginning of the financial year	**20,000,000**	-
Options lapsed during the year	**-**	-
Issued during the year	**-**	20,000,000
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.

	2021	2020
(e) Performance Rights		
Beginning of the financial year	**200,000,000**	-
Performance rights converted on satisfaction of performance milestone	**(75,000,000)**	-
Performance rights lapsed during the year	**-**	-
Issued during the year	**-**	200,000,000
End of the financial year	**125,000,000**	**200,000,000**

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

14. RESERVES AND ACCUMULATED LOSSES

	Consolidated 2021 $	Consolidated 2020 $
(a) Reserves		
Share-based payments and option reserve	**960,000**	120,000
Acquisition reserve	**-**	900,000
Foreign currency translation reserve	**195,668**	199,333
	1,155,668	**1,219,333**
Movements:		
Share-based payments and option reserve		
Balance at beginning of financial year	**120,000**	-
Options issued during the year	**-**	120,000
Share based payment expense	**840,000**	-
Expiration of share options	**-**	-
Balance at end of financial year	**960,000**	**120,000**
Acquisition reserve		
Balance at beginning of year	**900,000**	-
Abercorn acquisition accrued milestone payment	**(900,000)**	900,000
Balance at end of financial year	**-**	**900,000**
Foreign currency translation reserve		
Balance at beginning of year	**199,333**	223,057
Exchange differences on translation of foreign operation	**(3,665)**	(23,724)
Balance at end of financial year	**195,668**	**199,333**
(b) Accumulated losses		
Balance at beginning of financial year	**(22,469,748)**	(19,712,703)
Expiration of share options	**-**	-
Net loss for the year	**(2,919,833)**	(2,757,045)
Balance at end of financial year	**(25,389,581)**	**(22,469,748)**

(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.

15. DIVIDENDS

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

	2021	2020
	$	$

16. ABERCORN ACQUISITION

The Company completed its acquisition of 100% of the share capital in Abercorn Kaolin Pty Ltd ("Abercorn"), which owns the Abercorn Kaolin Project ("Abercorn Project") located in Queensland, Australia (refer ASX Announcement dated 16 October 2019).

The Project comprises 3 contiguous Exploration Permits for Minerals ("EPM") for a total of 38 sub-blocks, an **area of 128km^2**, these are EPM 26837 comprising 33 sub-blocks, EPM 26903 comprising 4 sub-blocks and EPM 19081 comprising one sub-block. The Project is situated approximately 135km south-west of the deep-water port of Gladstone and 125km west of the deep-water port of Bundaberg in Central Queensland.

This acquisition is not considered to be a business combination under AASB 3: Business combinations.

Key Commercial Terms of Acquisition

The Acquisition is a combination of cash and shares including deferred payments to the Vendors once key performance related milestones are achieved.

The consideration for the Acquisition is summarised as follows:

- the payment of $50,000 as a non-refundable deposit;
- at completion, the payment by the Company of $300,000 as reimbursement for past expenditures;
- at completion, the issue by the Company to the Vendors of 235,000,000 ordinary fully paid shares in the Company ("ZEO Shares") at a deemed issue price of $0.012 having a total value equivalent to $2,820,000;
- issue of the deferred consideration set out below on satisfaction of each milestone;
    - 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: 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.

No person will acquire a relevant interest of greater than 20% in the Company as a result of the ZEO Shares issued at completion of the Acquisition, and any subsequent issue of ZEO Shares under the consideration for the Acquisition will be deferred to the extent that, as a result of any such issue, the resulting voting power of any shareholder will increase to more than 20% in contravention of section 606(1) of the Corporations Act 2001 (Cth).

Details of the consideration transferred and the allocation to the net assets acquired are as follows:

Fair Value Consideration	
Cash	350,000
Issue of shares in Zeotech Ltd to vendors (235,000,000 at $0.012)	2,820,000
Issue of shares in Zeotech Ltd to advisers (17,500,000 at $0.012)	210,000
Accrued deferred consideration of shares in Zeotech Ltd to Vendors (75,000,000 at $0.012)	900,000
	4,280,000
The assets acquired and liabilities assumed at the date of acquisition are as follows:	
Recognised Amounts of Identifiable Net Assets on Acquisition	
Cash	11,765
Trade and other receivables	1,019
Mining properties	4,267,216
	4,280,000

Acquisition Related Costs

Acquisition related costs of $8,057 have been expensed during prior year.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

17. KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated 2021 $	Consolidated 2020 $
(a) Key management personnel compensation		
Short-term benefits	**360,163**	221,125
Post-employment benefits	**20,093**	1,959
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**840,000**	120,000
	1,220,256	**343,084**

Detailed remuneration disclosures are provided in the remuneration report on pages 18 to 22.

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 $14,395 (2020: $41,453) 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.

18. 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:

	2021 $	2020 $
(a) Audit services		
Rothsay Auditing – audit and review of financial reports	**26,000**	19,000
Total remuneration for audit services	**26,000**	**19,000**
(b) Non-audit services		
Total remuneration for other services	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

19. 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.

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, the 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

Kraaipan Acquisition

On 29 May 2017, the Company completed the acquisition of the Kraaipan Gold-Nickel-Copper-PGM Project in southern Botswana.

The acquisition included contingent consideration for issue of further Shares to the Vendors or their nominees upon the achievement of certain milestones as follows ('Milestone Consideration'):

a. upon certification of a JORC compliant resource of gold or gold equivalent of 250,000oz which at least 50% is classified as Indicated or above ('First Milestone'), Shares with a total value of $500,000 based on an issue price per Share equal to the higher of $0.02 or the 5-day volume weighted average price for Shares for the previous five days on which Shares traded prior to the announcement of the First Milestone;

b. upon certification of a JORC compliant resource of 500,000oz gold or gold equivalent of which at least 50% is classified as Indicated or above ('Second Milestone'), Shares with a total value of $1,000,000 based on an issue price per Share equal to the higher of $0.02 or the 5-day volume weighted average price for Shares for the previous five days on which Shares traded prior to the announcement of the Second Milestone;

c. upon certification of a JORC compliant resource of 750,000oz gold or gold equivalent of which at least 50% is classified as Indicated or above ('Third Milestone'), Shares with a total value of $1,000,000 based on an issue price per Share equal to the higher of $0.02 or the 5-day volume weighted average price for the previous five days on which Shares traded prior to the announcement of the Third Milestone; and

d. upon certification of a JORC compliant resource of 1,000,000oz gold or gold equivalent of which at least 50% is classified as Indicated or above (Fourth Milestone), Shares with a total value of $1,000,000 based on an issue price per Share equal to the higher of $0.02 or the 5-day volume weighted average price for the previous five days on which Shares traded prior to the announcement of the Fourth Milestone.

The Company will not be seeking renewal of Prospecting Licence PL232/2016 which expires on 30 September 2021. As a result, there will no future obligation for the issue of the Milestone Consideration.

	Consolidated 2021 $	Consolidated 2020 $

20. 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:

	2021 $	2020 $
within one year	190,000	1,159,451
later than one year but not later than five years	326,000	516,000
	516,000	**1,675,451**

(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, as follows:

	2021 $	2020 $
within one year	906,000	245,000
later than one year but not later than five years	-	107,627
	906,000	**352,627**

Research agreements relate to:

(i) the continued research and development of the patent-pending mineral processing technology for the manufacturing (synthesising) of zeolites.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

21. 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 22.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 17.

(d) Loans to related parties

Zeotech Limited has provided unsecured, interest free loans to its wholly owned subsidiaries totalling $7,575,299 (2020: $7,355,604). 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 $7,541,912 (2020: $7,160,573).

22. 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]	
			2021 %	2020 %
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]	Peru	Ordinary	**100**	100
Compania Minera Sucre SA[3]	Peru	Ordinary	**100**	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

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

23. 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 13 July 2021, Zeotech announced that it has provided a range of Type A molecular sieve zeolites to a leading Australian manufacturer of advanced animal feed additives 'Bioproton', for in-vitro screening of mycotoxin binding, across seven toxins.

Zeotech and Bioproton will assess the initial test results to evaluate the potential of utilising synthetic zeolites to develop targeted mycotoxin binder product(s).

The objective of the program is to progress to a comprehensive commercial collaboration with Bioproton.

Zeotech has provided 3A, 4A and 5A molecular sieve zeolites for the program, which will incorporate the following 7 mycotoxin tests across under 2 pH conditions (acid and neutral). The toxins to be tested are; Aflatoxin B1, Fumonisin B1, Deoxynivalenol, Ochratoxin A, Zearalenone; T-2 Toxin; and Ergotamine.

(ii) On 23 August 2021, Zeotech announced that that it has 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 28,000-hectare Toondoon Kaolin Project ("Toondoon") located in Queensland, one of the highest-grade raw ore kaolin deposits in Australia.

Following completion of the transaction, Zeotech will hold 100% of the Toondoon project and associated licences, including ML 80016, EPM 27395 and EPMa 27866 through its ownership of Kalotech.

Resource estimation test work at the Toondoon Mining Lease, ML 80126, has delivered an indicated JORC 2012 Resource of:

White Kaolin Clay – 5.07Mt @ 37% Al_2O_3, 0.9% Fe_2O_3, 46.3% SiO_2, Alumina/Silica Ratio of 0.80.

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

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement 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.

Zeotech will immediately progress a DSO marketing strategy to leverage the superior quality of Toondoon's raw ore kaolin. The Company is in advanced discussions with a number of market representatives to progress direct sales to end-users across the Asian region. Additional testing is being undertaken on the asset, which will provide further optionality for the Company as it progresses its development strategy.

The University of Queensland ("UQ") has undertaken testing on a number of high-grade kaolin samples from Toondoon, to implement ore into the Company's proprietary zeolite mineral processing technology. Results of this work which commenced early 2021 confirm that Toondoon raw ore kaolin is an optimal feed.

Transaction terms:
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**).

23. EVENTS OCCURRING AFTER BALANCE DATE (CON'T)

Completion of the Acquisition will be subject to the following conditions precedent:

1. Zeotech completing due diligence to its absolute satisfaction of all legal, financial, and technical aspects of the Toondoon deposit, the Mining Lease (ML 80126), EPM 27395, EPM 27866 and associated reports and agreements as well as full corporate due diligence of Kalotech by the date being 90 days from the date of the agreement;
2. Kalotech exercising its option and completing the sale and purchase of ML80126 and providing ZEO with copies of the completed sale documentation;
3. Zeotech receiving written confirmation from the ASX that ASX Listing Rule 11.1.2 does not apply to the Acquisition;
4. Zeotech obtaining all shareholder approvals required under ASX Listing Rules 10.1 and 10.11, Chapter 2E of the Corporations Act or any other approvals required by the ASX in relation to the Acquisition as soon as is practicable after satisfaction of condition precedent 6;
5. Zilotech providing written substantiation of all expenses incurred by Kalotech and which is to be reimbursed as cost reimbursement; and
6. written approval from Queensland Department of Resources for the transfer of ML80126 from the current registered holder to Kalotech being granted and the change in title being registered.

The Company has received written confirmation from ASX that Listing Rule 11.1.2 and 11.1.3 do not apply to the Acquisition (satisfying condition 2).

The written approval of the Queensland Department of Resources to the transfer of the Kalotech tenements has been lodged but based on current advice written approval for the transfers could take up to 9 months to be received.

On that basis Zeotech will not commence the process for obtaining shareholder approval until this condition precedent is satisfied.

(iii) On 6 September 2021, Zeotech announced the Griffith University agronomic program, had delivered promising results.

The agronomic studies showed that synthetic zeolites were capable of:

- High nutrient retention and exceptionally high phosphorus retention;
- Pesticide removal and compound breakdown;
- Enhanced moisture retention; and
- Decreased soil acidification;

The nine-month GU pilot trial revealed that there is considerable potential to develop Zeotech products that offer solutions for large-scale agricultural challenges. The results provide confidence in the use of synthetic zeolites to develop an economically compelling fertiliser delivery platform, which offers multiple adjunct benefits including the potential for CO_2 sequestration, as well as the application of synthetic zeolites as an agricultural pollutant treatment

(iv) 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 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing 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.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

24. STATEMENT OF CASH FLOWS

	Consolidated 2021 $	Consolidated 2020 $
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(2,919,833)**	(2,757,045)
Non-Cash Items		
Net cash on acquisition	**-**	11,765
Write off of acquisition costs of mining assets	**-**	997,694
Depreciation of non-current assets	**5,154**	5,946
Share-based payments expense	**840,000**	-
Accrued charges	**83,948**	22,528
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**20,843**	(76,689)
Increase/(decrease) in trade and other payables	**(211,015)**	252,372
Net cash outflow from operating activities	**(2,180,903)**	**(1,543,429)**

25. LOSS PER SHARE

	2021 $	2020 $
(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	**(2,919,833)**	(2,757,045)

	Number of shares 2021	Number of shares 2020
(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	**1,372,658,386**	928,619,326

(c) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2021, 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	
	2021	2020
	$	$

26. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Zeotech Limited, at 30 June 2021. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2021 $	2020 $
Current assets	**5,677,314**	1,825,319
Non-current assets	**5,861,098**	4,890,470
Total assets	**11,538,412**	6,715,789
Current liabilities	**158,827**	214,019
Total liabilities	**158,827**	214,019
Net assets	**11,379,585**	6,501,770
Issued capital	**35,589,258**	27,727,506
Foreign Currency Reserve	**166,449**	166,449
Acquisition Reserve	**-**	900,000
Share-based payments and option reserve	**960,000**	120,000
Accumulated losses	**(25,336,122)**	(22,412,185)
Total equity	**11,379,585**	6,501,770
Loss for the year	**(2,923,498)**	(2,808,623)
Total comprehensive loss for the year	**(2,923,498)**	(2,808,623)

27. SHARE BASED PAYMENTS

Shares issued under Incentive Share Plan:

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.

NOTES TO THE FINANCIAL STATEMENTS (CON'T)

	Consolidated	
	2021	2020
	$	$

27. SHARE BASED PAYMENTS (CON'T)

Options issued under Incentive Option Scheme:

There were nil (2020: 20,000,000) 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.

	2021 number	2020 number	2021 weighted average exercise price	2020 weighted average exercise price
Outstanding at the beginning of the year	20,000,000	-	1.5 cents	-
Granted during the year	-	20,000,000	-	1.5 cents
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	-	-		

Options issued in 2020 were free of charge and are exercisable on or before 6 April 2024 at an exercise price of $0.015 each. The options will not vest until the 12-month anniversary of the Commencement Date.

$840,000 (2020: $120,000) share based payments and options expense was charged against operations for the year.

Performance Rights Granted:

There were nil performance rights issued during the year (2020: 200,000,000).

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

	2021 number	2020 number	2021 weighted average exercise price	2020 weighted average exercise price
Outstanding at the beginning of the year	200,000,000	-	-	-
Granted during the year	-	200,000,000	-	-
Exercised during the year	(75,000,000)		1.2 cents	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	125,000,000	200,000,000	-	-

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.

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 2021 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

27 September 2021

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 21 September 2021.

Number of quoted and unquoted equity securities

Equity Security	Quoted	Unquoted
Ordinary shares	1,497,915,470	-
Performance Rights – Class B	-	75,000,000
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	89	-	-
1,001 - 5,000	141	-	-
5,001 – 10,000	227	-	-
10,001 - 100,000	813	-	-
100,000 and over	603	10	1
	1,873	**10**	**1**
Holding less than a marketable parcel	245		

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	8.50
LL & P Pty Ltd	110,796,540	7.40
Goody Investments Pty Ltd <Goody Family A/C>	98,301,000	6.56
Uniquest Pty Ltd	92,307,692	6.16

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 >	108,863,606	7.27%
2	Uniquest Pty Ltd	92,307,692	6.16%
3	Goody Investments Pty Ltd <Goody Family A/C>	92,301,000	6.16%
4	Mr Anthony Paul Sheridan	90,851,000	6.07%
5	Whitcombe Super Investments Pty Ltd <Whitcombe Super Fund A/C>	49,978,000	3.34%
6	Dontoro Pty Ltd <The Mollica Family A/C>	49,000,000	3.27%
7	Faraday Nominees Pty Ltd <Bronte Investment A/C>	40,000,000	2.67%
8	Echelon Super Pty Ltd <Echelon Super Fund A/C>	38,500,000	2.57%
9	CS Third Nominees Pty Ltd <HSBC Cust Nom Au Ltd 13 A/C>	35,588,002	2.38%
10	Mr Anthony Poloni	35,160,000	2.35%
11	Ms Chunyan Niu	30,933,215	2.07%
12	J&M Page Superannuation Pty Ltd <J&M Page Super Fund A/C>	30,375,576	2.03%
13	Mr Bilal Ahmad	27,465,000	1.83%
14	Acilloom Pty Ltd <Mollica Super Fund A/C>	25,550,000	1.71%
15	Baldey Super Pty Ltd <Baldey Super Fund A/C>	22,850,420	1.53%
16	Mr Peter Coroneos	21,174,120	1.41%
17	Mr Peter Zardo <Zardo Family A/C>	20,000,000	1.34%
18	Choice Concept Pty Ltd <Choice Concept Super A/C>	19,500,000	1.30%
19	Mr Michael John Gregg	18,150,000	1.21%
20	Ms Chunyan Niu	15,678,571	1.05%
		864,226,202	**57.70%**

Unquoted Equity Securities holdings greater than 20%

	Number Held
Performance Rights – Class B	
Mr Anthony Paul Sheridan	23,782,500
Goody Investments Pty Ltd <Goody Family A/C>	23,782,500
Gold Coast Tweed Pet Motels Pty Ltd <AK A/C>	15,847,500
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 2021.

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
Botswana	PL232/2016	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