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STRATEGIC INVESTMENT IN ENVIRONMENTAL FARM MANAGEMENT TECHNOLOGY COMPANY

Emerging mineral processing technology company, Zeotech Limited (ASX: ZEO, “Zeotech” or “the Company”) is pleased to advise that it has entered into a Subscription Agreement with environment farm management technology start-up, Regen Digital Pty Ltd (“Regen”). Zeotech will invest \$140,000 for a 4% post money interest in Regen, through a fully subscribed \$500,000 seed capital round being undertaken by the group. Regen will provide members of Regen Farmers Mutual a platform to enter into and manage environmental and green provenance contracts and Regen Farmers Mutual Limited will hold 77% of Regen on a post-money basis.

The early-stage investment establishes a symbiotic partnership with Zeotech’s agronomic objectives, aimed at developing agri-products that improve nutrient management and offer farmers access to carbon markets. The investment ethos is one that supports an emerging cooperative, Regen Farmer’s Mutual, by promoting Australia’s farming community to better engage in Environmental Goods & Services (EGS) markets.

HIGHLIGHTS

- Zeotech’s investment represents a cornerstone 28% share of total seed funding to support the establishment of Regen’s ‘Software as a Service’ (SaaS) platform which aims to establish the value of a farmer’s environmental assets with an Environmental Farm Assessment (EFA).
- The EFA will be used to create a ‘digital twin’ of a farm, and in collaboration with Regen Farmers Mutual (regenfarmersmutual.com), assist farmers to understand, define, market, execute and deliver transactions in carbon, biodiversity, and other emerging markets.
- The partnership is symbiotic with ZEO’s agronomic objectives and supports an emerging cooperative of innovative Australian farmers seeking to better engage in Environmental Goods & Services (EGS) markets.
- The relationship with Regen Farmers Mutual and early investment in Regen Digital will provide a potential future pathway for development and distribution of Zeotech agricultural products targeting nutrient management and soil carbon enhancement, which compliments the goals and objectives of the Regen Farmers Mutual, supported by the Regen Digital platform, targeting a potential market of over 85,000 Australian agribusinesses¹.

The investment highlights the Company’s ongoing commitment to agricultural markets and follows recent initiatives where the Zeotech committed to a comprehensive agronomic research program in collaboration with Griffith University².

¹ National Farmers Federation: Food, Fibre & Forestry Facts 2017

² Refer to ASX announcement 08/11/2021 “Zeotech Collaboration to Develop Products for Carbon Markets”

The aim of the dual-stream program is to develop Zeotech products for agricultural nutrient management, offering potential access to carbon markets, through carbon sequestration.

The relationship with Regen Farmers Mutual and early investment in Regen Digital is expected to foster further collaboration in the development of Zeotech agricultural products. It offers the potential to access a cooperative of innovative Australian farmers with an appetite to transact in carbon and biodiversity markets and gives rise to significant opportunities for Zeotech and supports its research objectives. Working with the Regen Digital platform, it provides a potential conduit to demonstrate Zeotech agricultural products.

Zeotech's comprehensive agri-product development program targeting carbon markets and nutrient management has commenced at Griffith University, supported by promising outcomes from agronomic studies completed in Q3 2021³. Griffith University's pilot results highlighted significant potential for Zeotech products that offer solutions for large-scale agricultural challenges.

Research undertaken by Griffith indicates potential for the surfaces of reactive zeolites to be effective for carbon sequestration, for both organic and inorganic phases. Further, the mechanisms underpinning these sequestration processes suggest positive prospects for long-term soil carbon storage.

The results provide confidence in the use of synthetic zeolites, produced under the Company's proprietary process, to develop an economically compelling fertiliser delivery platform, which offers multiple adjunct benefits including the potential for soil carbon sequestration.

The results 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.

Zeotech's strategic seed investment will support the establishment of Regen Digital's SaaS platform which aims to establish the value of a farmer's environmental assets with an Environmental Farm Assessment (EFA). The EFA will then be used to create a 'digital twin' of a farm, and in collaboration with Regen Farmers Mutual, assist farmers to understand, define, market, execute and deliver transactions in carbon, biodiversity and other emerging markets.

Regen Digital aims to launch the EFA in Q1 2022 and attract an initial pool of 1,000 farmers (current EFA waitlist stands at over 250 farmers) from a market of more than 85,000 agricultural businesses in Australia⁴, capitalising on the growing trend towards increasing accountability around farming practices and their impact on the environment.

³ Refer to ASX announcement 06/09/2021 "Griffith University Agronomic Studies deliver Promising Results"

⁴ National Farmers Federation: Food, Fibre & Forestry Facts 2017

Regen Digital, Managing Director Rohan Clarke commented:

"We are delighted to have Zeotech come on board as a cornerstone investor in Regen Digital's journey to help Australian farmers protect the environment and in doing so enable farmers capture the 'green' credentials of their farm.

Farmers will be able to transact and manage environmental market contracts, utilising the Regen Digital platform, which will be able to demonstrate the green provenance of their produce.

Zeotech's work with Griffith University in developing products to facilitate access to carbon markets, whilst improving on farm economics is synergistic Regen Digitals and Regen Farmers Mutual approach to helping farmers achieve their goals."

Zeotech, Managing Director Peter Zardo added:

"The opportunity to support the establishment of a digital platform which Australian farmers can trust to manage their environmental transactions and data, was compelling and highlights Zeotech's commitment to foster development of innovative technology in the agricultural sector.

The capability to allow farmers to create a 'digital twin' of their properties to measure environmental improvements and open up new sources of revenue is exciting and aligns to Zeotech's objective to develop zeolite centric products to improve agronomic outputs and offer potential access to carbon markets."

ABOUT REGEN FARMERS MUTUAL

Regen Farmers Mutual was formed in July 2021. As a farmer-owned business, the mutual is focussed on creating the digital infrastructure, transaction processes and governance structures that enable farmers to optimise Environment, Goods & Services (EG&S) outcomes.

The mutual was founded by a dedicated group of farmers, conservation organisations and expert advisors who came together to explore opportunities and barriers for farmers to engage in carbon and biodiversity markets. It is partnering with existing farmer and member organisations (such as the Landcare Network) to deliver distributed services such as farmer support, training, and network development.

Regen Farmers Mutual helps farmers capture the value of their environmental assets. It works with farmers using the Regen Digital platform and Environmental Farm Assessment process to understand, define, market, execute and deliver transactions in carbon, biodiversity, and other emerging markets. It aims to aggregate farmer interests to become a market leader, enabling farmers to deliver landscape scale impacts that optimise ecological and economic outcomes.

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ABOUT REGEN DIGITAL

Regen Digital aims to help every Australian farm grow their environmental and economic impact. It intends to be the leading platform that Australian farmers can trust to manage their environmental transactions and data.

Regen Digital is a web-based 'Software as a Service' (SaaS) tool and reporting dashboard that enables farmers to create a digital twin of their farm and obtain an indicative assessment of its environmental value viewed through a range of metrics. Farmers can then model different environmental actions and the way these would impact their operations and income.

The flow of a soil carbon project (example)



The platform offers three key services to farmers:

1. **Understand Value** – by mapping the farms environmental assets and helping farmers understand their value
2. **Compare Opportunities** – by analysing the cost/benefit of different practices and enabling farmers to make comparisons
3. **Close Transactions** – assisting farmers to transact in environmental and green provenance markets

Regen Digital helps farmers capture the 'green' credentials of their farm. Farmers can transact and manage environmental market contracts and can use the platform to demonstrate the green provenance of their produce.

Standardised contracts will be digitised under the Smart Stewardship Agreements project which aims to enable farmers to manage the digital twins of their farms and the contracts that interact with them.

The platform draws on deep relationships that the Regen Farmers Mutual has with Landcare Australia and aligned farmer groups like Farmers for Climate Action and Regenerative Agriculture Alliance. It also works with organisations like Accounting for Nature, Agforce, and Carbon8 - under mutually beneficial commercial agreements - to provide a range of metrics for measuring environmental value.

Early interest in the platform has resulted in a pre-launch waitlist of more than 250 farmers and further interest will be targeted through Regen Farmers Mutual network and relationships with aligned organisations such as the Regenerative Agriculture Alliance (28,000 farmers⁵) and Landcare Australia.

Regen Digital was born out of a co-design process with 80 farmers and aligned partners over the last 18 months. The capital raising builds on this momentum to create a platform that delivers farmers control over their data and the way they interact with environmental markets.

All of Australia's 85,000 agricultural businesses are likely to be impacted by the trend towards increasing accountability around farming practices and their impact on the environment.

Regen Digital's immediate target market can be assessed through its relationships with aligned organisations such as the Regenerative Agriculture Alliance . It is from aligned organisations such as these, and relationships with local Landcare and farmer groups, that provides the critical mass of farmers to underpin the early growth model of Regen Digital.

This announcement has been approved by the Board.

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About Zeotech

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

About Zeolites

Synthetic zeolites are manufactured aluminosilicate minerals with a sponge-like structure, made up of tiny pores (frameworks) that make them useful as catalysts or ultrafine filters. They are commonly known as molecular sieves and can be designed to selectively adsorb molecules or ions dependant on their unique construction.

Zeolites play an important role in a cleaner and safer environment.

- zeolites are an effective substitute for harmful phosphates in powder detergent, now banned in many parts of the world because of blue green algae toxicity in waterways;

⁵ <https://www.scu.edu.au/regenerativeag/about/>

- as catalysts, zeolites increase process efficiencies = decrease in energy consumption;
- zeolites can act as solid acids and reduce the need for more corrosive liquid acids;
- zeolites adsorbent capabilities see them widely used in water treatment i.e., heavy metal removal including those produced by nuclear fission; and
- as redox catalyst sorbents, zeolites can help remove exhaust gases and CFC's.

Forward-looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of Zeotech and certainty of the plans and objectives of Zeotech with respect to these items.

These forward-looking statements are not historical facts but rather are based on Zeotech current expectations, estimates and projections about the industry in which Zeotech operates, and its beliefs and assumptions.

Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement.

Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of Zeotech, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Zeotech cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Zeotech only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Zeotech will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.