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ASX Announcement

18 February 2025

Placement & Board Changes

Highlights:

- Binding commitments received from sophisticated and professional investors to raise $750,000 via a two-tranche Placement.
- Proceeds to support ECT's COLDry Fertiliser Project activities, acquisition strategy and provide working capital.
- Mr Joseph van den Elsen appointed as a Non-Executive Chairman; current Chairman Jason Marinko transitions to Non-Executive Director. Non-Executive Director James Blackburn resigns from the Board.
- ECT actively looking at acquisition opportunities to complement its existing asset portfolio.

Environmental Clean Technologies Limited (ASX: **ECT**) ("**ECT**" or "**Company**") is pleased to announce that it has secured firm commitments from sophisticated and professional investors to raise $750,000 through the issue of 750 million fully paid ordinary shares (**Shares**) at an issue price of $0.001 per Share (**Placement**). Funds raised from the Placement will primarily support the Company's COLDry Fertiliser Project with joint venture partner ESG Agriculture, the Company's acquisitions strategy and working capital.

Project and Strategy Update

The Company continues to focus on developing its core technology, a patented process for refining lignite into COLDry, a high calorific fuel and feedstock with numerous downstream product opportunities. In August 2023, the Company initiated a revised strategy to leverage near-term revenue opportunities while conducting feasibility studies on longer-term projects and evaluating acquisition opportunities.

This strategy led to the formation of a joint venture with ESG Agriculture, targeting innovative, zero-emissions solutions for sustainable agriculture (refer to the Company's 17 December 2024 ASX announcement for details of the JV). The JV's first initiative is developing and commercialising ECT's net-zero COLDry fertiliser product, which reduces urea use by 50%, enhances soil health and lowers carbon emissions.

Production of lignite-nitrogen blended fertiliser granules began in December 2024. Field trials with farmers across South Australia, Victoria, New South Wales and Queensland are scheduled to begin in Q1 2025. These trial sites have been strategically chosen for their size, crop types, and role in supporting Australia's export industry, ensuring the trials generate meaningful insights and demonstrate the product's value to key agricultural stakeholders. The joint venture is advancing project finance discussions and negotiating offtake agreements.

With progress on the COLDry fertiliser project well underway, ECT is increasing its focus on growth through acquisitions and conducting early-stage due diligence on complementary opportunities. As one of the few ASX-listed companies focused on clean technologies, ECT is well-positioned to attract ESG-aligned opportunities amid growing global demand for sustainable solutions.

Board Changes

The Company is pleased to announce the appointment of Mr. Joseph van den Elsen as Non-Executive Chairman. Mr. van den Elsen graduated from La Trobe University with a Bachelor of Arts and a Bachelor of Laws. He later earned a Graduate Diploma in Environment, Energy, and Resources Law from the University of Melbourne and a Graduate Diploma in Mineral Exploration Geoscience from Curtin University. He is currently President and CEO of Pampa Metals (PM.CSE) and Chairman of Ronin Resources Ltd (RON:ASX). Mr. van den Elsen has held various executive and non-executive roles within listed companies and previously served as Associate Director with UBS and in a similar role at Goldman Sachs JBWere.

Subject to shareholder approval, the Company will issue Mr van den Elsen or his nominee 25M options with an exercise price of $0.002. The options will expire three years from the date of issue. They will vest if the company achieves a 20-day VWAP of $0.005 at any time before expiry.

As part of the Board transition, Mr Jason Marinko has stepped down as Chairman and will continue as a Non-Executive Director. Mr James Blackburn has resigned from the Board. Mr Blackburn held several critical roles with the Company and was instrumental in guiding its commercialisation program toward the current first project. The Company wishes to express its gratitude to Mr Blackburn for his valuable contributions and extends its best wishes for his future endeavours.

Placement Details

The Placement will raise $750,000 in two tranches:

- **Tranche 1:** Raising $475,000 through the issue of 475 million Shares at $0.001 per share under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.
- **Tranche 2**: Raising $275,000 through the issue of 275 million Shares at $0.001 per share, subject to shareholder approval at a general meeting proposed for mid/late April 2025.

Shares issued under the Placement will rank equally with existing Shares. Existing shareholders and new sophisticated and professional investors strongly supported the placement. Tranche 1 Shares are expected to be issued on or around 25 February 2025, and Tranche 2 Shares are expected to be issued following a general meeting.

Kaai Capital acted as the Lead Manager (**LM**) for the Placement. In consideration for its services, the Company will pay Kaai a fee of 6% of the funds raised and, subject to shareholder approval, will issue 75 million options to Kaai or its nominees at an issue price of $0.000001 per option (**LM Options**). These options will have an exercise price of $0.002 and expire three years from the issue date.

Kaai has agreed, subject to shareholder approval, to receive its 6% fee in Shares at $0.001 per share to preserve the Company's cash reserves. Should shareholders not approve the issue of the LM Options, the Company will pay Kaai a cash fee equal to the Black Scholes value of the options.

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Capital Management

As part of its capital management policy, the Company issued various equity lending facilities (**ELFs**), functioning similarly to options. Shares issued under ELFs are subject to holding locks, which are released upon loan repayment by the expiry date.

One hundred million ELF Shares have expired. Subject to shareholder approval, the Company intends to selectively buy back or cancel these Shares in consideration of extinguishing the corresponding loans. Following this cancellation, the Company will have 758,759,997 ELF Shares, securing the remaining ELFs on issue. If fully repaid by their expiry date, these ELFs would yield more than $22 million (based on a strike price of $0.03 per ELF share) plus interest.

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This announcement is authorised for release to the ASX by the Board.

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Forward-looking Statement

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies. These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.

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