

\$200m offtake deal sealed

Zeotech (ASX:ZEO) has just signed its first binding offtake agreement for its high-purity kaolin direct shipping ore (DSO).

Jiangsu Mineral Sources International is onboard

Zeotech has signed Jiangsu Mineral Sources International Trading (MSI) as its first customer. MSI is one of the world's leading independent bulk raw material trading companies. Following a Memorandum of Understanding (MoU) being signed 4 months ago, a term sheet was signed in August, and earlier this week, the companies signed a binding offtake agreement committing to minimum quantities over an initial (rolling) 5-year period commencing when Zeotech achieves financial close, with nominal \$8 million capex required to begin.

MSI has committed to 950,000t over the initial term - 800,000t of white kaolin DSO and 150,000t of pink cosmetic kaolin DSO. The offtake is worth \$204 million (based on year 1 pricing) and has an attractive net margin in excess of 45%, delivering >\$90 million EBITDA over the initial 5-years.

AusPozz™ Project looks more and more compelling

Zeotech intends to supply kaolin from its Toondoon Kaolin project in Queensland and plans to commence production in the first half of 2026. Toondoon >10Mt, is a simple open-cut mining operation with minimal overburden and is 260km from the Port of Bundaberg via an approved B-Double route. Zeotech [has a designated site by the port](#) to stockpile the DSO kaolin adjacent to the Port of Bundaberg's \$25 million multi-use conveyor, which can load kaolin directly onto ships on a Free On Board (FOB) basis, reducing risk and cost.

Sealing the kaolin DSO offtake (at volumes exceeding those in the Preliminary Feasibility Study) represents the latest of several steps forward Zeotech has made recently. The company is anticipating approvals for its mine site in Q1 of next year (CY26), with cash flows landing soon after. This will be followed by AusPozz™ production in Q4 of CY28. The PFS has found a \$406m NPV over a 20-year Life of Mine and a 42% IRR. Moreover, the \$200m DSO offtake underscores the purity of Zeotech's raw kaolin ore, which is used to produce its high-reactivity metakaolin, AusPozz™. After extensive testing, this product has proven its strength, durability, and cost efficiency in low-carbon concrete applications.

Valuation range of \$0.30-0.42 per share reiterated

We reiterate a valuation of Zeotech at \$0.30 per share in a base case and \$0.42 per share in an optimistic (or bull) case as outlined in our initiation note. This was based on our own modelling of the AusPozz™ Project, deriving an NPV of \$559.4/786.6m respectively.

Please see our initiation note from 2 September 2025 for more details on our valuation and the key risks facing Zeotech.

Share Price: A\$0.092

ASX: ZEO

Sector: Industrials

17 September 2025

Market cap. (A\$ m)	172.9
# shares outstanding (m)	1,879.4
# shares fully diluted (m)	1,919.1
Market cap ful. dil. (A\$ m)	176.6
Free float	100%
52-week high/low (A\$)	0.115 / 0.029
Avg. 12M daily volume ('000)	1,557.4
Website	www.zeotech.com.au

Source: Company, Pitt Street Research

Share price (A\$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

Valuation metrics	
DCF fair valuation range (A\$m)	559.4-789.6
DCF fair valuation range (A\$ per share)	0.30-0.42

Source: Pitt Street Research

Analysts: Stuart Roberts, Nick Sundich

Tel: +61 (0)4 3483 8134

Stuart.Roberts@pittstreetresearch.com

Nick.Sundich@pittstreetresearch.com

General advice warning, Disclaimer & Disclosures

Terms & Conditions

The information contained herein ("Content") has been prepared and issued by Pitt Street Research Pty Ltd ACN 626365615 ("Pitt Street Research"), an Authorised Representative (no: 1265112) of BR Securities Australia Pty Ltd. ABN 92 168 734 530, AFSL 456663. All intellectual property relating to the Content vests with Pitt Street Research unless otherwise noted.

Disclaimer

Pitt Street Research provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the Pitt Street Research in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. Pitt Street Research has no obligation to update the opinion unless Pitt Street Research is currently contracted to provide such an updated opinion. Pitt Street Research does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in a listed or unlisted company yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of an individual investor's equity portfolio, with smaller individual investment sizes than otherwise. Investors are responsible for their own investment decisions, unless a contract stipulates otherwise.

Pitt Street Research does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, Pitt Street Research shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, Pitt Street Research limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

General advice warning

The Content is General Financial Advice but has been prepared for general information purposes only and is not (and cannot be construed or relied upon as) Personal Financial Advice nor as an offer to buy/sell/subscribe to any of the financial products mentioned herein. No investment objectives, financial circumstances or needs of any individual have been taken into consideration in the preparation of the Content.

Financial products are complex, entail risk of loss, may rise and fall, and are impacted by a range of market and economic factors, and you should always obtain professional advice to ensure trading or investing in such products is suitable for your circumstances, and ensure you obtain, read and understand any applicable offer document.

Disclosures

Pitt Street Research has been commissioned to prepare the Content. From time to time, Pitt Street Research representatives or associates may hold interests, transact or hold directorships in, or perform paid services for, companies mentioned herein. Pitt Street Research and its associates, officers, directors and employees, may, from time to time hold securities in the companies referred to herein and may trade in those securities as principal, and in a manner which may be contrary to recommendations mentioned in this document.

Pitt Street Research receives fees from the company referred to in this document, for research services and other financial services or advice we may provide to that company. The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation. Where Pitt Street Research has been commissioned to prepare Content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the Content provided.