

11 August 2025

BINDING DSO KAOLIN OFFTAKE TERM SHEET EXECUTED WITH MSI

Emerging mineral processing technology company Zeotech Limited (ASX: ZEO, “Zeotech” or “the Company”) is pleased to announce that it has executed a significant binding kaolin direct shipping ore (“DSO”) offtake term sheet (“Offtake Term Sheet”) with Jiangsu Mineral Sources International Trading Co, Limited (“MSI”), an international trading house established in China and one of the world's leading independent bulk raw material trading companies.

HIGHLIGHTS

- Binding Offtake Term Sheet executed with MSI, one of the world's leading independent bulk raw material trading companies. MSI will have exclusive offtake and marketing rights for Zeotech’s specified¹ kaolin products in China (including Taiwan and Hong Kong), South Korea, and Japan.
- The Offtake Term Sheet establishes the key binding commercial terms agreed upon between parties for the supply of the Company’s kaolin and cosmetic kaolin DSO products and provides the framework to advance to a binding offtake agreement, to be executed by 6 October 2025.
- Committed minimum annual quantities outlined in the Offtake Term Sheet over an initial 5-year term exceed the total product volumes relied upon in the Company’s recent AusPozz™ Project Preliminary Feasibility Study (“PFS”)²:
 - Kaolin DSO 800,000 tonnes
 - Cosmetic Kaolin DSO 150,000 tonnes
- Agreed price and committed minimum annual volumes for Kaolin DSO products are within 5% of the weighted average sale price adopted in the AusPozz™ Project PFS².
- Commercial terms established in the binding Offtake Term Sheet are sufficient to catalyse and sustain operations at Zeotech’s Toondoon Kaolin Project and provide early cashflows, with mining activities anticipated to commence in the first half of 2026.

Zeotech, Chief Executive Officer, James Marsh commented:

“Securing this binding Offtake Term Sheet with MSI marks a pivotal milestone for the Company and represents significant commercial validation of Zeotech’s Toondoon kaolin and a key step in de-risking the AusPozz™ Project.

We’re pleased to partner with one of the world’s leading bulk raw material trading companies to deliver kaolin to global markets, which verifies the exceptionally high quality of Zeotech’s kaolin resource.

¹ Kaolin products specified within the binding term sheet

² ASX Release 24/06/2025 “AusPozz Project Preliminary Feasibility Study – Section 14 Financial (table 14)”

The committed volumes of kaolin sales will position Zeotech as one of the leading global suppliers of DSO kaolin, and the early cash flows will provide a robust foundation for advancing the AusPozz™ Project, a key enabler of accelerating the transition to better low-carbon concrete across a broad range of applications.”

BACKGROUND

Zeotech has executed a binding Offtake Term Sheet with MSI for the Company’s kaolin DSO and high-value cosmetic kaolin DSO products. This commercial milestone follows both parties executing a non-binding Memorandum of Understanding (“MOU”) in May 2025, which established the framework for potential offtake or distribution agreements.

MSI will have exclusive offtake and marketing rights for Zeotech’s specified kaolin products in China (including Taiwan and Hong Kong), South Korea, and Japan.

The Offtake Term Sheet establishes the key commercial terms agreed upon between the parties for the supply of the Company’s kaolin and cosmetic kaolin DSO products, providing a framework to advance to a binding offtake agreement. The parties have agreed to enter into a binding offtake based on the terms and conditions in the Term Sheet by 6 October 2025.

Under the Offtake Term Sheet, parties have agreed to the following committed minimum quantities over an initial 5-year period (**Table 1**). Significantly, the agreed volumes exceed the projected annual volumes relied upon in the Company’s recent AusPozz™ PFS².

Table 1: Total Committed Product Quantities over an Initial 5-year period

Product	Total Minimum Quantity (5 years)
Kaolin DSO	800,000 tonnes
Cosmetic Kaolin DSO	150,000 tonnes

Sales of the Company’s bauxite product is subject to further assessment and negotiation and will not be offered to any other party during the term of Offtake Term Sheet with MSI.

The agreed price and committed minimum volumes for Kaolin DSO products is within 5% of the weighted average sale price adopted in the AusPozz™ PFS, and from Year 2, pricing is subject to annual negotiation.

The commercial terms established in the Offtake Term Sheet are sufficient to catalyse and sustain operations at the Company’s Toondoon Kaolin Project, providing early cashflows that support the Company’s flagship AusPozz™ Project, and the Company’s objective of becoming a commercial-scale producer of its high-reactivity metakaolin, AusPozz™.

The Term Sheet is subject to standard conditions precedent, including all required board and internal approvals required by Zeotech and MSI.

The obligations under the Offtake Agreement, regarding the sale, purchase and delivery of Product(s) are subject to and conditional on Zeotech reaching financial close and that there are no further conditions, approvals or consents of any nature (“Condition”) required to be obtained to commence development of the AusPozz™ Project and the commencement of commercial production.

Zeotech must provide the notice that the Condition has been met to MSI by 31 March 2026. In the absence of any such notice, the Offtake Agreement will be deemed to be terminated and will be of no further force and effect.

Each party will have the right to terminate, by notice, either this terms sheet if any of the following events occurs:

- a) failure to pay within 5 business days after receiving notice from the other party; or
- b) failure to comply with any material term, other than a payment term, and if the failure can be cured, not cured within 20 business days;
- c) defined insolvency events, with termination for insolvency to be subject to any tripartite agreement with lenders to the Project.

The Company continues to progress approvals in preparation for mining at the Toondoon Kaolin Project, including access roads and notifiable road-use requirements, cultural heritage and environmental management plans, with mining activities anticipated to commence in the first half of 2026.

Toondoon Kaolin Project

The Project comprises an approved Mining Lease (ML 80126), together with EPM 27395 and 27866, and is one of the highest-grade kaolin deposits in Australia held under an approved Mining Lease³ (**Figure 1**). It is approximately 20 kilometres south of Mundubbera, Queensland, and the total Project area spans over 28,000 hectares.

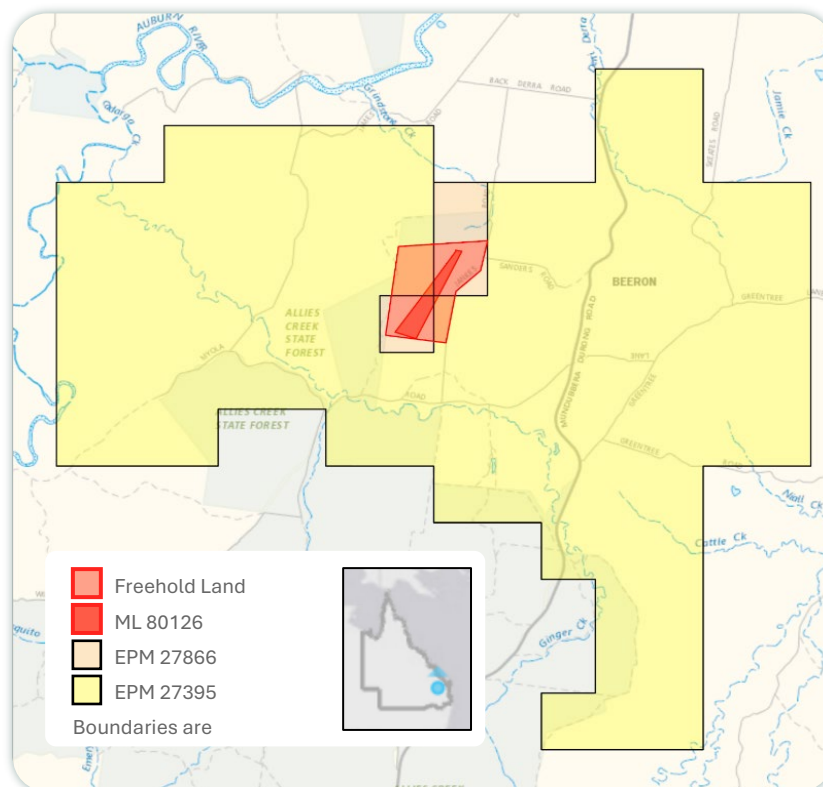


Figure 1: Toondoon Kaolin Project

³ ASX Release 23/08/2021 "Zeotech to Acquire One of Australia's Highest Grade Kaolin Projects held within an Approved ML"

The Project is a simple open-cut mining operation with minimal overburden, and connected to the Port of Bundaberg via an approved B-Double route of approximately 260km.

The Company owns the underlying freehold land of approximately 682ha, which covers the whole of ML 80126 and overlaps the adjacent EPMs. The underlying land provides direct access to local roads that will support mining operations and offers the potential to extend operations in the future to meet demand.

This announcement has been approved by the Zeotech 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 wholly-owned high-grade kaolin resources to produce high-reactivity metakaolin for the low-carbon concrete market and advanced materials for greenhouse gas (GHG) mitigation, such as zeolites for fugitive methane control.

Zeotech Limited - Social Media Policy

Zeotech Limited is committed to communicating with the investment community through all available channels.

Whilst ASX remains the prime channel for market-sensitive news, investors and other interested parties are encouraged to follow Zeotech on [LinkedIn](#).

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 research and development, 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," "potential," "plans," "believes," "seeks," "estimates", "guidance," and similar expressions are intended to identify forward-looking statements and should be considered an at-risk statement.

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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 Zeotech's control, 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.