December 17, 2025

Zeotech

Low-carbon concrete, with near-term cashflow

EMERGING COMPANY

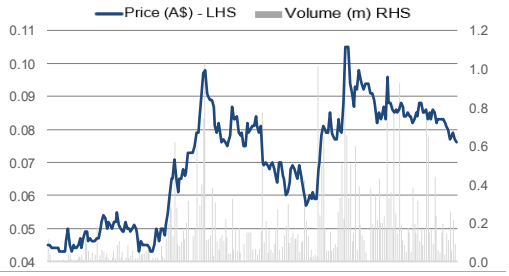
SPECULATIVE BUY (initiation)

Stock code:	ZEO AU
Price:	A$0.076
12-month target price:	A$0.15
Previous target price:	A$N/A
Up/downside to target price:	97.4%
Dividend yield:	0.0%
12-month TSR*:	97.4%
Market cap:	A$156m
Average daily turnover:	0.22m
Index inclusion:	N/A

** Total stock return – Up/downside to target price + 12-month forward dividend yield.*

Price performance

(%)	1M	3M	12M	3Y
Absolute	-10.6	-22.4	61.7	49.0
Rel ASX/S&P200	-8.0	-19.7	58.8	29.4



Source: IRESS

Financial summary

	Jun-25A	Jun-26F	Jun-27F	Jun-28F
Revenue (A$m)	0.0	32.6	38.3	66.7
EBITDA Norm (A$m)	-4.2	14.3	17.5	30.8
NPAT (A$m)	-4.4	10.7	10.5	23.3
EPS Norm (A$)	-0.002	0.007	0.006	0.012
EPS Growth Norm (%)	-30.4%	NA	-0.9%	87.1%
P/E Norm (x)	NA	11.7	11.8	6.3
DPS (A$)	0.000	0.000	0.000	0.000
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
Franking (%)	NA	NA	NA	NA
EV/EBITDA (x)	-35.2	10.0	8.3	4.4
Gearing (Net Debt/EBITDA)	0.32	-0.75	-0.47	-0.57

Source: Company data, Morgans estimates

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Analyst(s) own shares in the following stocks mentioned in this report:

– N/A

- We initiate research coverage on Zeotech Limited (ZEO) with a 12-month target price of A$0.15ps and a Speculative Buy rating. ZEO's flagship Toondoon Project is a high-purity kaolin project in Queensland, with access to Bundaberg Port. The project consists of a Direct Ship Ore (DSO) component, with a larger potential to produce high-reactivity metakaolin for use in low-carbon concrete. Key approvals have been secured, with recently updated project economics reinforcing the pathway toward a Definitive Feasibility Study (DFS) in 2026.

Company overview

- ZEO is an emerging Australian industrial minerals company at the forefront of an industry transition to sustainable construction materials and decarbonisation. ZEO's flagship asset, the Toondoon Kaolin Project in Queensland, underpins the company's strategy to become a leading supplier of high-reactivity metakaolin to the construction industry. In addition to the high-purity of the resource, the Toondoon Project is located close to Bundaberg's deep-water port. A combination which enables the production of metakaolin at attractive unit economics. ZEO has secured MOUs and trial agreements with major industry players in addition to a binding A$200m DSO offtake agreement for kaolin.
- Kaolin is a soft white clay mineral (primarily kaolinite). Mined globally, the product is used in cement production, along with other industrial applications. Metakaolin is the calcined (heat-treated) form of kaolin.

Investment thesis

- **Exposure to a high-performance cement replacement with appealing unit economics.** The Toondoon Project is a market-leading kaolin resource, distinguished by its ultra-high purity and strategic proximity to Bundaberg's port. This enables ZEO to produce and export metakaolin at unit economics superior to both peer kaolin and traditional metakaolin producers.
- **Government policies and industry sustainability targets push for lower carbon emissions.** Given decarbonisation policies and targets, ZEO's AusPozz™ product, which offers c.80% less embodied carbon than its cement alternative, positions the company as an attractive partner for concrete producers.
- **Early commercial validation and industry partnerships.** ZEO has signed MOUs and trial agreements with leading industry players, providing early market validation and accelerating product adoption.
- **Expected to be cashflow positive in 1H26.** ZEO executed a binding A$200m (over 5 years) DSO offtake agreement for its white and pink kaolin with MSI, which is scheduled to commence in 1HCY26 and reflects c.A$12m EBITDA pa run rate.
- **Significant resource scale and exploration upside.** The Toondoon Kaolin Project contains a large, high-quality resource, with the current mineral estimate covering only c.5% of ZEO's total tenement.

Valuation

- We value ZEO using a risk-adjusted DCF for its Toondoon Project, incorporating forecast operating cashflows and c.$95m net capex forecasts. This approach models ZEO's project cashflows while recognising the near-term funding risks. To account for funding and execution risks, we apply a 25% risk discount to our un-risked NPV of $398m to derive an unrisked valuation of $0.20/sh or a risked valuation and price target of $0.15/sh.

Investment view

- We rate ZEO a Speculative Buy with a risk-adjusted valuation-based target price of A$0.15/sh. ZEO is well-positioned to become a significant producer of metakaolin for the East Coast construction market. In the short term the offtake agreement for DSO material partially de-risks the investment. Despite pre-FID status, the advanced stage of planning, high-quality asset, and strategic relevance support our Speculative Buy rating.

Price catalysts and risks

- **Price catalysts.** Positive DFS in 2026, AusPozz™ offtake agreement (volume and price certainty), access to a third-party calciner, a funding solution.
- **Risks.** $95m net funding gap, cash burn (A$1m/qtr), AusPozz™ offtake (vol and price), construction delays / cost overruns, commodity price (metakaolin price a material premium to cement), ramp-up.

Zeotech

SPECULATIVE BUY — **as at December 17, 2025**

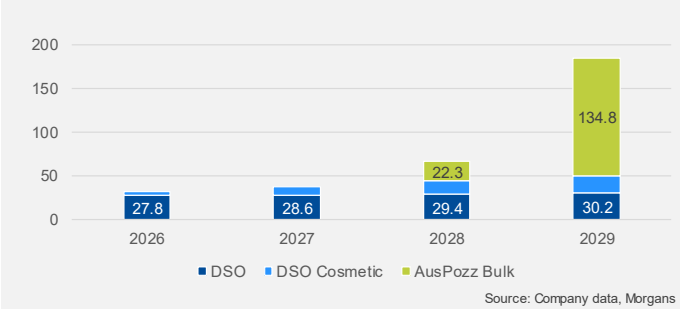
Price (A$):	0.076	12-month target price (A$):	0.15
Market cap (A$m):	156	Up/downside to target price (%):	97.4
Free float (%):	88	Dividend yield (%):	0.0
Index inclusion:	N/A	12-month TSR (%):	97.4

Zeotech Limited (ASX: ZEO) is a future focused materials 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.

Toondoon Kaolin Project and Bundaberg Port

Source: Company data

Forecast revenue (100%) (A$m)



Source: Company data, Morgans

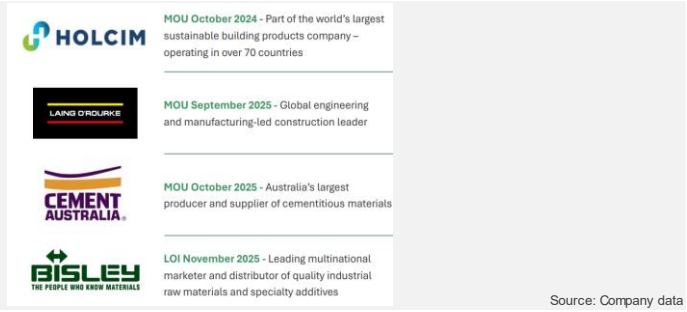
Indicative Project Delivery Timetable

Source: Company data

Compelling PFS financial metrics

Source: Company data

Collaboration Partners



Source: Company data

Historical share price performance

Source: Company data

Bull points

Resource quality creates competitive edge. 10.9Mt at >90% kaolinite purity (highest grade in Australia), approved mining lease, existing Port of Bundaberg haulage, low-temperature calcination at 550-800°C versus 1400°C+ for Portland cement reduces cost and carbon (company PFS June 2025).

PFS economics attractive if realised. A$406m NPV at 8%, 42% IRR, two-year payback on A$115m capex, with a A$200m binding Direct Ship Ore (DSO) offtake (MSI China, August 2025) delivering A$10-12m EBITDA from 2026 before AusPozz production ramps (company announcements).

Customer validation progressing. MoUs with Holcim, Cement Australia, Laing O'Rourke, 100m³ demonstration pour completed September 2025, trials showed 65% strength improvement and 79% carbon reduction, addressable market 3-4Mt pa 10x nameplate capacity (company announcements).

Bear points

Execution risk dominates. Q1 2029 production target, DFS due 2026, A$95m capex unfunded against A$130-170m market cap. Equity and debt raising remain a hurdle.

Premium pricing unproven. The pricing of metakaolin is at a material premium to cement, PFS assumes AusPozz pricing at $400/t. Incumbent Portland cement manufactures offer cheaper blended cements at scale with locked-in distribution and customers.

Market pricing binary outcome. 6.5-9.5c implies 40-50% success probability, pilot trials aren't proof of 300ktpa commercial production, MoUs lack binding commitments or pricing detail.

Figure 1: Financial summary

Profit and Loss		2025A	2026F	2027F	2028F	2029F
Sales	(A$m)	0.0	32.6	38.3	66.7	185.5
Other revenue	(A$m)	0.9	0.0	0.0	0.0	0.0
Total revenue	**(A$m)**	**0.9**	**32.6**	**38.3**	**66.7**	**185.5**
Operating Costs	(A$m)	(5.1)	(18.3)	(20.8)	(35.9)	(101.4)
EBITDA	**(A$m)**	**(4.2)**	**14.3**	**17.5**	**30.8**	**84.1**
D&A	(A$m)	(0.2)	(1.6)	(4.4)	(6.0)	(7.1)
EBIT	**(A$m)**	**(4.4)**	**12.7**	**13.1**	**24.7**	**77.0**
Net Interest	(A$m)	(0.0)	0.4	(0.2)	(0.5)	2.7
Pre-tax Profit	**(A$m)**	**(4.4)**	**13.1**	**12.9**	**24.2**	**79.7**
Tax	(A$m)	0.0	0.0	0.0	0.0	2.1
Underlying NPAT	**(A$m)**	**(4.4)**	**13.1**	**12.9**	**24.2**	**81.8**
Exceptional items	(A$m)	0.0	(2.4)	(2.4)	(0.9)	0.0
Reported NPAT	**(A$m)**	**(4.4)**	**10.7**	**10.5**	**23.3**	**81.8**

Cashflow Statement		2025A	2026F	2027F	2028F	2029F
EBITDA	(A$m)	(4.2)	14.3	17.5	30.8	84.1
Net interest	(A$m)	(0.1)	0.4	(0.2)	(0.5)	2.7
Tax	(A$m)	0.0	0.0	0.0	0.0	2.1
Other	(A$m)	0.0	0.0	0.0	0.0	0.0
Changes in working capital	(A$m)	0.8	(10.5)	(5.0)	(5.0)	(5.0)
Operating cash flow	**(A$m)**	**(3.4)**	**4.1**	**12.3**	**25.2**	**83.8**
Capex - maintenance	(A$m)	(0.1)	0.0	0.0	0.0	(1.0)
Free Cash Flow	**(A$m)**	**(3.5)**	**4.1**	**12.3**	**25.2**	**82.8**
Capex - growth	(A$m)	0.0	(32.3)	(52.4)	(30.1)	0.0
Acquisitions	(A$m)	(0.1)	0.0	0.0	0.0	0.0
Other	(A$m)	0.0	0.0	0.0	0.0	0.0
Investing cash flows	**(A$m)**	**(0.2)**	**(32.3)**	**(52.4)**	**(30.1)**	**(1.0)**
Increase / decrease in Equity	(A$m)	3.3	37.6	37.6	14.1	0.0
Increase / decrease in Debt	(A$m)	0.5	7.5	12.5	7.5	(27.5)
Dividends paid	(A$m)	(0.1)	0.0	0.0	0.0	0.0
Other financing cash flows	(A$m)	0.0	0.0	0.0	0.0	0.0
Financing cash flows	**(A$m)**	**3.7**	**45.1**	**50.1**	**21.6**	**(27.5)**
Increase/decrease in cash	**(A$m)**	**0.1**	**16.9**	**10.0**	**16.7**	**55.3**

Balance Sheet		2025A	2026F	2027F	2028F	2029F
Assets						
Cash and equivalents	(A$m)	2.3	19.3	29.3	46.0	101.3
Trade and receivables	(A$m)	0.1	10.0	15.0	20.0	25.0
Financial Assets	(A$m)	0.0	0.0	0.0	0.0	0.0
Other	(A$m)	0.0	0.0	0.0	0.0	0.0
Total Current Assets	**(A$m)**	**2.5**	**29.3**	**44.3**	**66.0**	**126.3**
Recievables	(A$m)	0.0	10.0	15.0	20.0	25.0
Property, plant and equipment	(A$m)	1.3	(0.3)	(4.6)	(10.7)	(16.7)
Exploration and evaluation costs	(A$m)	6.6	38.9	91.3	121.4	121.4
Intangible assets	(A$m)	2.3	2.3	2.3	2.3	2.3
Right of use asset	(A$m)	0.2	0.2	0.2	0.2	0.2
Other assets	(A$m)	0.0	0.0	0.0	0.0	0.0
Total Non-Current Assets	**(A$m)**	**10.5**	**51.2**	**104.2**	**133.3**	**132.2**
TOTAL ASSETS	**(A$m)**	**12.9**	**80.4**	**148.5**	**199.3**	**258.5**
Liabilities						
Trade and other payables	(A$m)	0.6	10.0	15.0	20.0	25.0
Financial liabilities	(A$m)	1.0	1.0	1.0	1.0	1.0
Lease liabilities	(A$m)	0.1	0.1	0.1	0.1	0.1
Other liabilities	(A$m)	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	**(A$m)**	**1.7**	**11.1**	**16.1**	**21.1**	**26.1**
Lease liabilities	(A$m)	0.2	0.2	0.2	0.2	0.2
Borrowings	(A$m)	0.0	7.5	20.0	27.5	0.0
Provisions	(A$m)	0.0	0.0	0.0	0.0	0.0
Other	(A$m)	0.0	0.0	0.0	0.0	0.0
Total Non-Current liabilities	**(A$m)**	**0.2**	**7.7**	**20.2**	**27.7**	**0.2**
TOTAL LIABILITIES	**(A$m)**	**1.9**	**18.8**	**36.3**	**48.8**	**26.3**
Equity						
Issued capital	(A$m)	49.2	89.2	129.2	144.2	144.2
Reserves	(A$m)	3.4	3.4	3.4	3.4	3.4
Retained profits	(A$m)	(41.6)	(30.9)	(20.4)	2.9	84.7
Non-controling interests	(A$m)	0.0	0.0	0.0	0.0	0.0
TOTAL EQUITY	**(A$m)**	**11.0**	**61.7**	**112.2**	**150.5**	**232.3**

Valuation details		Method	Target
Market cap	142.9	DCF	0.20
Shares on issue (end)	1,880.2	Risk weighting	75%
A$ Share Price	0.08	A$ Price Target	0.15

Segment summary		2025A	2026F	2027F	2028F	2029F
Volume						
DSO	(tonnes)		160,000	160,000	160,000	160,000
DSO Cosmetic	(tonnes)		10,000	20,000	30,000	40,000
AusPozz Bulk	(tonnes)		0	0	51,000	300,000
Total	(tonnes)		170,000	180,000	241,000	500,000
Revenue						
DSO	(A$m)		27.8	28.6	29.4	30.2
DSO Cosmetic	(A$m)		4.7	9.7	15.0	20.6
AusPozz Bulk	(A$m)		0.0	0.0	22.3	134.8
Corporate	(A$m)		0.0	0.0	0.0	0.0
Total	(A$m)		32.6	38.3	66.7	185.5
EBITDA						
DSO	(A$m)		11.5	11.8	12.1	12.5
DSO Cosmetic	(A$m)		2.8	5.7	8.8	12.0
AusPozz Bulk	(A$m)		0.0	0.0	9.9	59.6
Corporate	(A$m)		0.0	0.0	0.0	0.0
EBITDA	(A$m)		14.3	17.5	30.8	84.1

Per share data		2025A	2026F	2027F	2028F	2029F
Diluted shares on issue	(Qty)	2,007.2	2,007.8	2,008.4	2,008.6	2,008.6
Normalised EPS (equity NPAT)	(Cps)	(0.2)	0.7	0.6	1.2	4.1
Dividends per share	(Cps)	0.0	0.0	0.0	0.0	0.0
Reported payout ratio	(%)	0.0	0.0	0.0	0.0	0.0

Key metrics/ multiples		2025A	2026F	2027F	2028F	2029F
P/E	(x)	(33.8)	11.7	11.8	6.3	1.9
EV/EBIT	(x)	(32.4)	11.2	10.8	5.7	1.8
EV/EBITDA	(x)	(33.8)	9.9	8.1	4.6	1.7
Dividend Yield	(%)	0.0%	0.0%	0.0%	0.0%	0.0%

Growth ratios		2025A	2026F	2027F	2028F	2029F
Sales	(%)	31%	3495%	18%	74%	178%
Operating costs	(%)	-16%	258%	14%	72%	182%
EBITDA	(%)	-22%	-440%	23%	76%	173%
EBIT	(%)	-21%	-389%	4%	88%	211%
NPAT	(%)	-20%	-396%	-1%	87%	238%
EPS	(%)	-30%	-389%	-1%	87%	238%
DPS	(%)	n.a	n.a	n.a	n.a	n.a
Free cash flow	(%)	34%	-218%	198%	105%	228%

Margin and return analysis		2025A	2026F	2027F	2028F	2029F
EBITDA Margin	(%)	n.a	44%	46%	46%	45%
EBIT margin	(%)	n.a	39%	34%	37%	42%
NPAT margin	(%)	n.a	40%	34%	36%	44%
ROE	(%)	-39%	36%	15%	18%	43%
ROIC	(%)	-25%	22%	9%	11%	26%

Gearing		2025A	2026F	2027F	2028F	2029F
Net Debt (incl leases)	(A$m)	(1.1)	(10.5)	(8.0)	(17.3)	(100.1)
ND / Equity	(%)	(9.8)	(17.0)	(7.1)	(11.5)	(43.1)
ND (incl leases) / EBITDA	(x)	0.3	(0.7)	(0.5)	(0.6)	(1.2)
EBIT interest cover	(x)	(175.6)	(31.9)	64.5	46.3	(28.8)
Invested Capital	(A$m)	12.1	70.2	133.2	179.0	233.3
Enterprise Value	(A$m)	151.5	142.1	144.6	135.4	52.6

Result quality		2025A	2026F	2027F	2028F	2029F
Cash flow conversion	(%)	80%	26%	71%	84%	94%
FCF vs NPAT	(x)	0.8	0.3	1.0	1.0	1.0
Effective tax rate	(%)	0%	0%	0%	0%	3%

Source: Morgans estimates, company data

Metakaolin, the future of low carbon concrete

Initiation

We initiate coverage on Zeotech Limited (ZEO) with a Speculative Buy rating and a target price of A$0.15 per share.

Investment thesis

1. Exposure to a high-performance cement replacement with appealing unit economics

- The Toondoon Project is a market-leading resource, distinguished by its ultra-high purity and strategic proximity to Bundaberg's deep-water port. This unique combination enables ZEO to produce and export metakaolin at unit economics superior to both peer kaolin and traditional metakaolin producers.

2. Government policies and industry sustainability targets push for lower carbon emissions

- With government decarbonisation policies and industry sustainability targets becoming a major priority, ZEO's AusPozz™ product, which offers c.80% less embodied carbon than its cement alternative, positions the company as an attractive partner for leading concrete and cement producers seeking low-carbon solutions.

3. Early commercial validation and industry partnerships

- ZEO has signed MOUs and trial agreements with leading industry players, providing early market validation and accelerating product adoption.

4. Expected to be cashflow positive in 1H26

- ZEO executed a binding A$200m (over 5 years) DSO offtake agreement for its white and pink kaolin with MSI, which is scheduled to commence in the first half of 2026 and reflects a c.A$12m EBITDA yearly run rate.

5. Significant resource scale and exploration upside

- The Toondoon Kaolin Project contains a large, high-quality resource, with the current mineral estimate covering only a small portion of ZEO's extensive tenement, leaving substantial exploration upside and long-term growth potential.

Investment catalysts

- First DSO shipments to MSI China targeted for 1H 2026, delivering near-term cashflows.
- Completion of definitive feasibility study and progress on AusPozz™ manufacturing facility.
- Ongoing testing and validation with major concrete producers and distributors.
- Offtake agreement / funding partner for the AusPozz™ expansion.
- Exploration and resource expansion across the broader Toondoon tenement.

Peer comparison

There are four ASX listed Kaolin producers, being Green360 Technologies Limited (ASX:GT3), Andromeda Metals (ASX:ADN) and WA Kaolin (ASX:WAK), operating at different stages of development, targeting overlapping but distinct end markets. Of the four, ZEO's metakaolin is more so focused on construction decarbonisation, with the metakaolin resource being of a higher quality requiring no further processing (100% yield raw-ore kaolin, unlike peers which require processing). Furthermore, ZEO's Resource represents only c.5% of the total tenement footprint.

- **Green360 Technologies (GT3)** operates the Pittong kaolin facility in Victoria, producing kaolin for adhesive, ink, paint, paper, pharmaceutical and rubber markets, alongside developing low-carbon cement alternatives. FY2025 kaolin revenue rose 8% to $13.3m (22,074 tonnes sold versus 19,842t in FY2024), with the company securing a new Japanese clean energy customer (July 2025). The company developed a proprietary red mud-kaolin cement blend achieving 30 MPa compressive strength (85% of Portland cement benchmarks) and signed a joint venture MoU with PERMAcast to commercialise low-carbon retaining wall blocks. With the company still burning cash and $3.0m of cash, the business is likely cum-raise.
- **Andromeda Metals (AND)** develops high-grade kaolin from its deposits in South Australia, targeting premium ceramic, fibreglass, paint and rubber markets. The flagship Great White Project contains a naturally occurring kaolinite and is designed for a 28-year mine life producing 330,000tpa of refined kaolin. Merricks Capital granted credit approval for a $75m debt facility in June 2025, with a binding offtake agreement covering 100% of Stage 1A+ production (100,000tpa). The company also holds the Mount Hope Kaolin Project and is exploring high-purity alumina production.
- **WA Kaolin (WAK)** operates the Wickepin Kaolin Project (220km south-east of Perth), producing high-quality kaolin via its proprietary K99 dry-processing method for tier-one Asian customers for use in paint and coating-products. The business continues to see volume and revenue increase with 2Q26 orders of 15,490t (+12% qoq +318% yoy) and revenue of $3.1m (+13% qoq +270% yoy). With the company still burning cash and $1.4m of cash, the business is likely cum-raise.

Figure 2: Peer comparison

16/12/2025			SP (LOCAL)	MCAP (AUD)	EV (AUD)	Resource (Mt)	Recovery (%)
Zeotech	**ZEO-AU**	**AUSTRALIA**	**0.08**	**162.5**	**161.4**	**10.9**	**100%**
Andromeda Metals	ADN-AU	AUSTRALIA	0.01	55.5	48.7	34.6	30-40%
Green360 Technologies	GT3-AU	AUSTRALIA	0.03	41.2	41.1	5.6	27-35%
WA Kaolin	WAK-AU	AUSTRALIA	0.03	23.7	46.0	64.0	20-40%
Hoffmann Green Cement	ALHGR-FR	FRANCE	4.20	122.2	146.1	n.a	n.a

Source: Factset, Company data

Key risks

1. Market and adoption risk

- Project economics are highly sensitive to sales price and market uptake; slower adoption of metakaolin or changes in carbon policy could compress margins.
- Likewise, the assumed pricing remains subject to market testing, with high-reactivity metakaolin being at a material premium to Portland cement.

2. Funding risk

- ZEO requires substantial upfront capital (c.$95m, net of DSO cashflows) to develop the AusPozz™ project, and there is no certainty that funding will be available on favourable or non-dilutive terms.

4. Execution and schedule risk

- Delays in mine start-up, facility construction, or commissioning could postpone revenue and increase costs, impacting project returns and credibility.

5. Regulatory and infrastructure risk

- The project depends on securing multiple regulatory approvals and utility agreements; any delay or condition could affect timing, costs, or operational readiness.

What is Kaolin?

Kaolin and metakaolin are clay-based materials used primarily in construction and manufacturing:

Kaolin is a soft white clay mineral (primarily kaolinite) formed from the weathering of aluminium silicate minerals. It's mined globally and used in ceramics, paper coating, paint, rubber, and as a filler in various products.

In construction, it appears in cement production and as a raw material for fired clay products like bricks and tiles.

Metakaolin is the calcined (heat-treated) form of kaolin. When kaolin is heated to around 650–850°C, it loses its crystalline structure and becomes an amorphous, highly reactive pozzolanic material. This makes it valuable as a supplementary cementitious material in concrete and mortar.

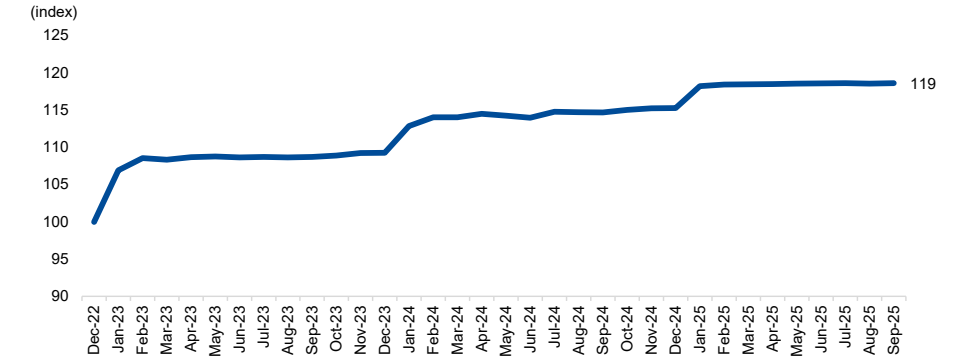
Key benefits of metakaolin in construction:

- Increases concrete strength and durability
- Reduces permeability (improves resistance to water and chemical attack)
- Enhances workability and finish
- Lowers the carbon footprint of concrete by partially replacing Portland cement
- Improves resistance to alkali-silica reaction and sulfate attack

A pozzolan is a material that, while not cementitious on its own, reacts chemically in the presence of water to form compounds with cementitious properties.

To this end, the use of metakaolin in construction falls under the Australian Standard for Supplementary cementitious materials (Part 4: Pozzolans – Manufactured), the standards which underpin the National Construction Code (NCC).

Figure 3: US PPI industry data: Kaolin, clay, and ceramic and refractory minerals (non-SA)



Source: U.S. Bureau of Labor Statistics

Valuation summary

We value ZEO using a risk-adjusted DCF for its Toondoon Project, incorporating forecast operating cashflows and c.$95m of net capex forecasts. This approach models ZEO's project cashflows while recognising the near-term funding risks, given the project remains unfunded.

Our unrisked DCF of $398m falls at the bottom of the range of the PFS NPV of A$406m to $548m. So whilst we adopted a higher discount rate (10.3% vs 8%), it is offset by a higher growth rate (2.75% vs 2.0%). If we were to assume an 8% discount rate and 2% growth rate, then our risked NPV would increase to $465m (being the middle of the PFS range).

In addition, we adopt a 25% risk discount to our un-risked DCF to reflect the project being unfunded and without an offtake partner in what remains an opaque industrial market.

Figure 4: Valuation summary

Consolidated	(Year)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2045
DSO	(tonnes)	170.0	180.0	190.0	200.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0
Auspozz	(tonnes)	0.0	0.0	51.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0
DSO Revenue	(A$m)	32.6	38.3	44.4	50.8	57.4	59.0	60.6	62.3	64.0	65.8	86.3
Auspozz Revenue	(A$m)	0.0	0.0	22.3	134.8	138.5	142.3	146.2	150.2	154.3	158.6	208.0
Total Revenue	**(A$m)**	**32.6**	**38.3**	**66.7**	**185.5**	**195.9**	**201.3**	**206.8**	**212.5**	**218.4**	**224.4**	**294.3**
-AISC Costs	(A$m)	(18.3)	(20.8)	(35.9)	(101.4)	(106.4)	(109.3)	(112.3)	(115.4)	(118.6)	(121.9)	(159.9)
EBITDA	**(A$m)**	**14.3**	**17.5**	**30.8**	**84.1**	**89.5**	**92.0**	**94.5**	**97.1**	**99.8**	**102.5**	**134.4**
D&A	(A$m)	(1.6)	(4.4)	(6.0)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)
EBIT	**(A$m)**	**12.7**	**13.1**	**24.7**	**77.0**	**82.4**	**84.9**	**87.4**	**90.0**	**92.7**	**95.4**	**127.4**
Tax	(A$m)	0.0	0.0	0.0	(7.7)	(16.5)	(21.2)	(26.2)	(27.0)	(27.8)	(28.6)	(38.2)
NOPLAT	**(A$m)**	**12.7**	**13.1**	**24.7**	**69.3**	**65.9**	**63.7**	**61.2**	**63.0**	**64.9**	**66.8**	**89.2**
- Capital Costs (incl. contigency)	(A$m)	(32.3)	(52.4)	(30.1)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
FCF	**(A$m)**	**(18.0)**	**(34.9)**	**0.7**	**75.4**	**72.0**	**69.7**	**67.2**	**69.1**	**70.9**	**72.8**	**95.2**

VALUATION SUMMARY		
Enterprise value	**(A$m)**	**398.2**
Debt on issue	(A$m)	**1.1**
Equity value	**(A$m)**	**399.3**
SOI	(#m)	2,007
Unrisked valuation	**(A$/sh)**	**0.199**
Risk weighting	(%)	75%
Risked valuation	**(A$/sh)**	**0.15**
Shareprice	(A$/sh)	0.076
WACC		10.3%

Source: Morgans estimates, company data

Valuation sensitivity

Our valuation is based on our discounted free cashflow to the firm, while our earnings forecasts incorporate our forecast capital raisings (to fund project development).

In rationalising the investment risks, we highlight:

- **Price:** We have adopted A$400/t for the high-reactivity metakaolin price (escalated at 2.75% pa). This compares to the c.A$200-300/t we adopt for Tier 1 cement peers. The premium reflects the lower carbon (and pricing for kaolin peers) but remains largely untested.
- **Equity dilution.** The raise dilution falls outside our free cashflow to the firm analysis, as we capture the capex requirements at the group level. Nonetheless, our earnings forecasts include $95m of aggregate future capital raisings across FY26/27/28, at a 10% discount to the current share price.

Figure 5: Price target sensitivity (price vs tonnes)

Sale rate (t pa) (Yr 3-20) \ AusPozz ($/t) - Realised price	0.15	300	350	403	450	500
200,000	0.07	0.09	0.11	0.13	0.15	
250,000	0.07	0.10	0.13	0.16	0.18	
300,000	0.08	0.11	**0.15**	0.18	0.21	
350,000	0.09	0.13	0.17	0.20	0.24	
400,000	0.10	0.14	0.19	0.23	0.27	

Source: Morgans estimates, company data

Figure 6: TSR sensitivity (price vs tonnes)

Sale rate (t pa) (Yr 3-20) \ AusPozz ($/t) - Realised price	0.15	300	350	403	450	500
200,000	-12%	17%	47%	74%	103%	
250,000	-2%	34%	72%	105%	141%	
300,000	9%	51%	**96%**	136%	179%	
350,000	19%	69%	121%	167%	217%	
400,000	30%	86%	146%	199%	286%	

Source: Morgans estimates, company data

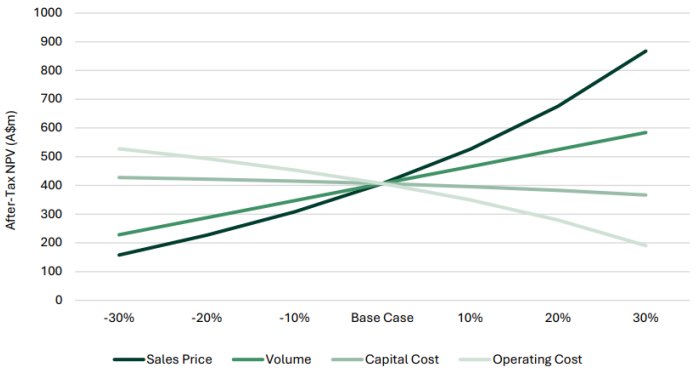
- The PFS has derived an after-tax NPV of $406m, vs MorgansF (unrisked) of $389m, the difference being we adopt a higher discount rate (10.3% vs 8%) to reflect the funding risk, offset against a higher growth rate (2.75% vs 2.0%).
- Whilst uncertain the funding mix will likely include a mix of project debt funding and equity, offset against any Government grants which the company can access to advance the transition to low-carbon cement manufacturing. For the sake of simplicity, we have assumed the project is equity funded, until such time as the BFS is complete and there is an offtake agreement.
- Whilst we look to replicate many of the assumptions used in the PFS, the depreciation and taxation schedules aren't disclosed and as such we derive our own forecasts.

Figure 7: PFS - NPV Sensitivity Analysis Table

% Change	After-Tax NPV (A$m)			
	Sales Price	Volume	Capital Cost	Operating Cost
-30%	158	228	428	528
-20%	227	288	422	493
-10%	308	347	415	453
Base Case	**406**	**406**	**406**	**406**
10%	526	466	396	350
20%	675	525	383	280
30%	868	584	367	191

Source: Company data

Figure 8: PFS - NPV Sensitivity Analysis Spider Graph

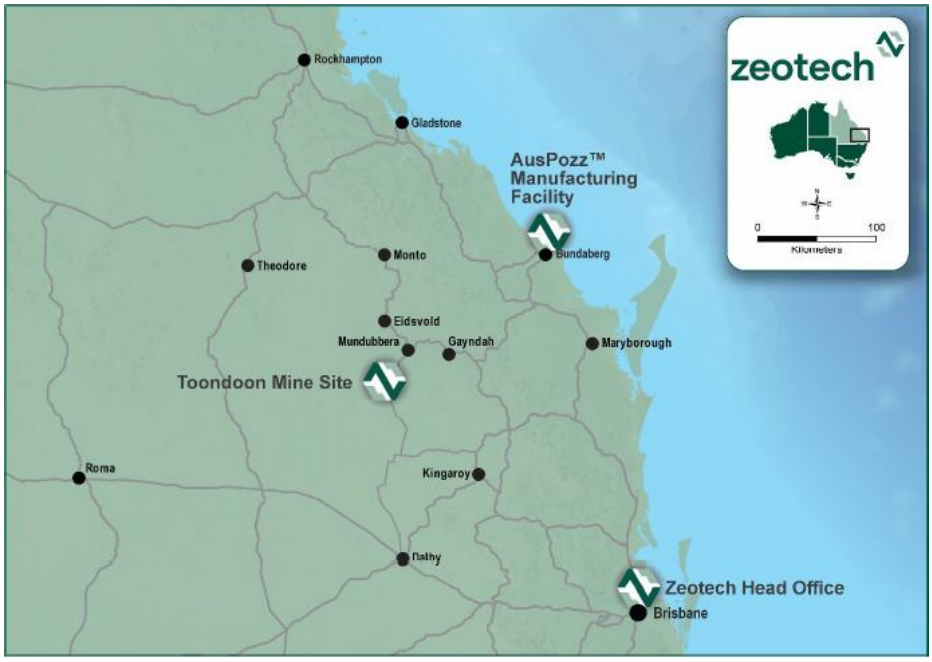


Source: Company data

Toondoon Kaolin Project

The Toondoon Project is ZEO's flagship kaolin asset, located in Queensland's Wide Bay Burnett region, approximately 230 km from the Port of Bundaberg and 350 km north of Brisbane. The project is underpinned by a granted mining lease (ML 80126) and two exploration permits, covering a total area of 280 km². ZEO's strategy is to vertically integrate mining and processing, establishing Australia's first commercial-scale metakaolin (AusPozz™) manufacturing facility at the Port of Bundaberg. The project is positioned to supply both domestic and export markets, with early commercial validation via MOUs with Holcim Australia, Cement Australia, Laing O'Rouke and a binding offtake agreement with MSI for DSO kaolin products.

Figure 9: Toondoon mine site



Source: Company data

Geology

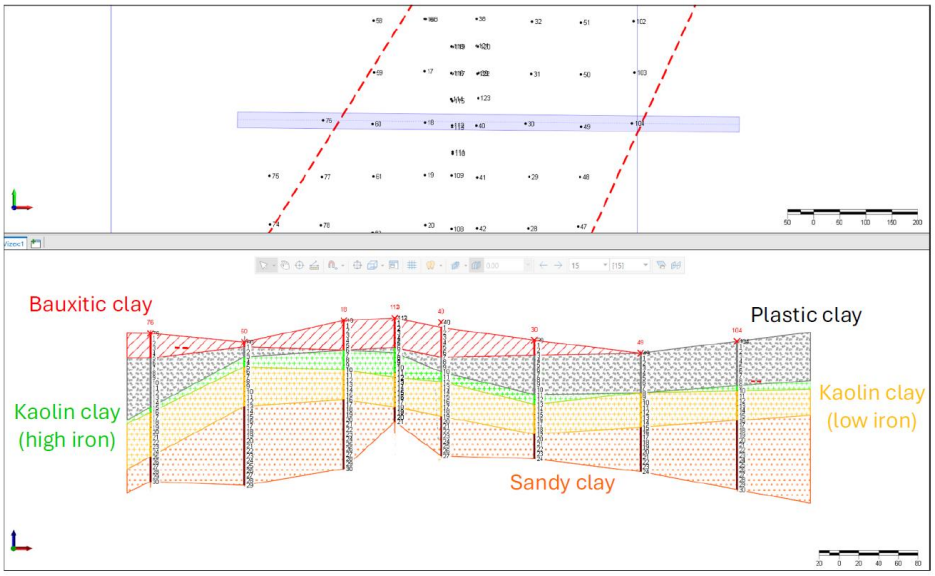
Toondoon sits within the Surat Basin, with mineralisation hosted in Jurassic Evergreen Formation overlain by Tertiary sediments. The deposit comprises a sequence of bauxitic clay, plastic grey, high-iron pink, and low-iron white kaolinite clays, and a basal sandy clay. The orebody is shallow, flat-lying, and gently folded, with the main economic horizons being the grey, pink and white clays. These clays are high in alumina (35–38% Al_2O_3), low in iron (<5% Fe_2O_3), and have minimal quartz impurities, making them ideal for producing high-reactivity metakaolin.

Figure 10: Summary of total Mineral Resource Estimate as at June 2025

Lithology	Resource Category	Tonnes (Mt)	Al_2O_3 (%)	Fe_2O_3 (%)	SiO_2 (%)	TiO_2 (%)	K_2O (%)	LOI (%)
Bauxitic clay	All	4.55	36.42	17.52	22.40	4.11	0.05	18.86
Plastic 'Grey' clay	All	6.58	35.17	5.00	41.91	3.27	0.03	14.02
Kaolinite 'Pink' clay	All	2.23	36.46	2.45	45.05	1.93	0.08	13.51
Kaolinite 'White' clay	All	2.95	37.53	0.40	46.46	1.58	0.12	13.42
Sandy clay	All	4.04	26.48	0.86	61.53	1.21	0.05	9.41
TOTAL	**All**	**20.36**						

Source: Company data

Figure 11: East-west section through the centre of the deposit as at 2022



Source: Company data

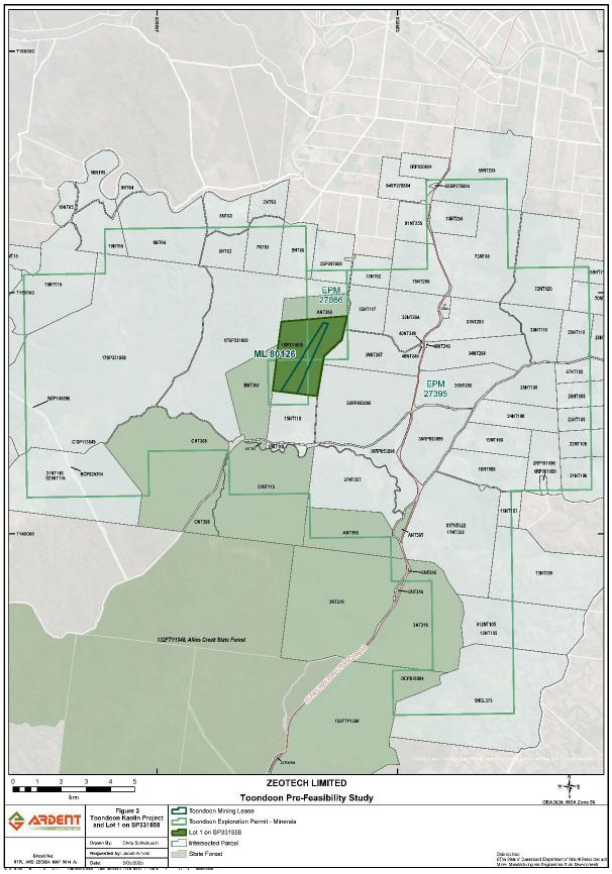
The Toondoon resource stands out for its exceptionally high kaolinite content (>90%), elevated alumina grades (35–38% Al_2O_3), and very low levels of deleterious impurities, positioning it as a premium feedstock for metakaolin and high-purity kaolin applications; this quality is superior to many global kaolin deposits, which often exhibit lower kaolinite percentages, higher iron content, and greater variability, making Toondoon highly attractive for both advanced industrial uses and the growing supplementary cementitious materials market.

Resource Size

The Toondoon project currently has a Mineral Resource covering just a small portion of ZEO's expansive 280 km² tenement. The June 2025 estimate confirms 20.36 Mt of high-quality kaolin (all categories), including 10.87 Mt in Measured & Indicated, underpinning a robust 20-year mine life at planned production rates. The proposed mine design features a large, shallow open pit (2,000 m long by 600 m wide, up to 30 m deep), supporting annual production targets of 300,000 t of AusPozz™ metakaolin and 151,000 t of DSO kaolin.

In June 2025, ZEO released an updated Mineral Resource Estimate (MRE) for the Toondoon project, resulting in a reduction in the reported total resource from 23.89 Mt (2022 MRE) to 20.36 Mt (2025 MRE), a decrease of 3.53 Mt. This change is not due to a loss of mineralisation but rather reflects a significant improvement in technical rigour. The previous estimate relied on limited surface grab samples for dry bulk density (DBD), which likely overstated tonnage.

Figure 12: Toondoon Area Tenements



Source: Company data

Extract & Processing Method

Quarry/Open Pit

- Conventional open-pit shallow, flat-lying kaolin ore.
- No blasting required; ore is ripped and loaded using graders and front-end loaders.
- Ore is transported by truck from the Toondoon mine site to the Port of Bundaberg for processing.

Processing – ZEO's AusPozz™ Circuit

- Kaolin Ore: Mined ore is delivered to the processing facility.
- Roll Crush: Ore is crushed to the required size for efficient calcination.
- Calcination: Crushed kaolin is heated in a rotary kiln at 700–800°C to convert it into high-reactivity metakaolin (AusPozz™).
- Milling: Calcined product is milled to achieve the target particle size distribution, optimising reactivity for use in concrete.
- Metakaolin Product: Finished AusPozz™ is bagged or stored in bulk, ready for dispatch to customers.

Figure 13: ZEO's AusPozz™ processing circuit

Source: Company data

Key Processing Advantages

- ZEO's simplified flowsheet reduces capital and operating costs by eliminating several traditional processing steps (e.g., slurrying, thickening, dewatering).
- The process leverages the ultra-high purity of the Toondoon kaolin, enabling direct calcination and efficient production of high-performance metakaolin.
- The circuit is designed for scalability and environmental efficiency, supporting ZEO's low-carbon product positioning.

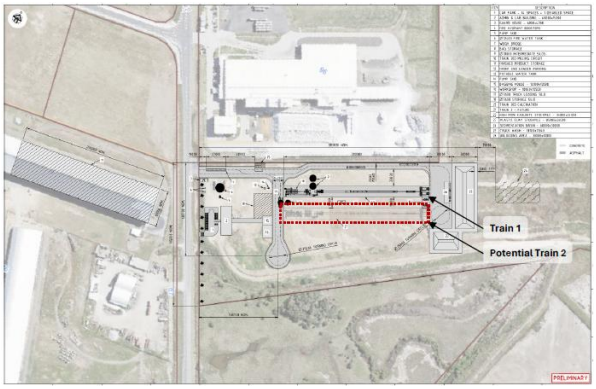
Proposed AusPozz Manufacturing Facility

- ZEO plans to develop a fully integrated AusPozz™ Manufacturing Facility at the Port of Bundaberg, located on State Development Area (SDA) land next to bulk shipping infrastructure, which will process Toondoon kaolin ore into AusPozz™ with a targeted annual capacity of 300,000 tonnes.
- The Preliminary Feasibility Study estimates an initial capital expenditure of approximately $115 million (including contingency), with an additional $17 million in sustaining capital over the project's life. This investment covers construction, equipment, infrastructure, and site development.
- The integrated facility is designed to supply both the domestic construction market and international customers, supporting ZEO's strategy to deliver premium, low-carbon supplementary cementitious materials at scale.

Figure 14: Proposed AusPozz™ Manufacturing Facility Area at the Port of Bundaberg

Source: Company data

Figure 15: Proposed AusPozz™ Manufacturing Facility Area Site Layout



Source: Company data

Metakaolin

Overview

- Metakaolin is a high-reactivity, manufactured pozzolan produced by calcining high-purity kaolin clay at moderate temperatures (700–800°C). The resulting amorphous aluminosilicate is used as a cement replacement in concrete, offering a premium high-performance alternative to traditional supplementary cementitious material (SCMs) such as fly ash and slag.
- Metakaolin has long been used in projects requiring enhanced strength and durability, especially in marine infrastructure, to reduce permeability and resist chloride and sulphate attack; notable examples include the Hong Kong-Zhuhai-Macao Bridge, Crossrail tunnels in London, Broad Contemporary Art Museum in Los Angeles, One World Trade Center in New York, and Jupiá Dam in Brazil.

Adoption

- Although metakaolin delivers technical benefits as a cement replacement material, its uptake has been limited by higher production and energy costs compared to traditional replacements such as fly ash and slag. This price premium restricts its use mainly to specialised or marine infrastructure projects, rather than general construction.
- However, adoption is increasing as environmental regulations tighten, decarbonisation becomes a priority, and supplies of traditional replacements decline. The industry is now placing greater emphasis on sustainability and supply security in material selection. A cost-competitive metakaolin would likely result in much broader use across the construction industry.

Products

- ZEO mines grey (plastic), pink (high-iron), and white (low-iron) kaolin clays from separate layers at the Toondoon deposit. The grey clay has the highest iron content, sits at the top of the kaolin profiles, and is used solely for metakaolin production. The pink clay sits below the grey and above the white clay and contains more iron, giving it its colour. The high-recovery white clay is the predominant DSO product, and pink clay is suited to cosmetics. The >35% alumina clays, being the grey, pink, and white, are all suitable feedstock for high-reactivity metakaolin production, AusPozz™.

Figure 16: DSO Kaolin products

Source: Company data

White Kaolin

- White Kaolin is a high-purity, light white kaolin product with less than 0.4% iron content, suitable as a direct shipping ore.
- It can be refined very easily with above-average recovery into a range of kaolin products that would address the medical, coating, catalyst, and ceramic industry product requirements in the Chinese market.

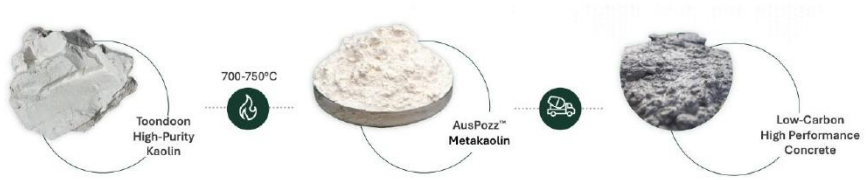
Pink Kaolin

- Pink Kaolin is a high-purity, light-pink kaolin product with low iron content, suitable for direct shipping without further processing.
- Its purity, colour, and fine particle size make it highly desirable for use in cosmetics, skincare, and personal care products, where safety and performance are critical.
- The global cosmetics and personal care market values premium kaolin for its gentle, absorbent, and non-reactive properties, offering ZEO access to high-value specialty markets.

High Alumina >35% Kaolin (Grey, Pink, and White) – AusPozz™

- AusPozz™ is a high-performance, highly reactive metakaolin produced from Toondoon high-alumina (>35%) grey, pink, and white kaolin, designed as a cement binder substitute rather than a conventional concrete filler like fly ash.
- It is manufactured by mining high-alumina kaolin(s), then drying, calcining at 700–800°C and finely milling the material to create a highly reactive metakaolin suitable for concrete applications.
- AusPozz™ enhances concrete strength, durability, and reduces shrinkage, while enabling lower-carbon concrete by replacing a portion of traditional cement in a concrete blend.
- With increasing demand for sustainable construction and decarbonisation, AusPozz™ is positioned to supply both domestic and export markets as a premium, low-carbon SCM.

Figure 17: High-Reactivity Metakaolin - Supplementary Cementitious Material (SCM)



Source: Company data

- AusPozz™ can replace up to 50% of Ordinary Portland Cement (OPC) binder in concrete.
- At 20% cement replacement, AusPozz™ can almost double the concrete strength and half the shrinkage.
- AusPozz™ high-reactivity metakaolin is a fully validated product with multiple commercial applications.
- Independent Life Cycle Analysis gave an embodied carbon value c.79% less than cement binder.

Project economics - Preliminary Feasibility Study (PFS)

- **Capex.** The estimated total capital cost for the development of the AusPozz™ Manufacturing Facility is $106.0m (including contingency).
- Early cashflows from direct shipping ore ("DSO") operations reduce capital requirement to approximately $95m, including all Project working capital needs.
- **Sustaining capex.** Estimated at $12.4m (excluding contingency) over the operating life of the AusPozz™ Manufacturing Facility of 17 years, being 1% of the total project direct costs. Added to this is the cost to reline the rotary kiln every four years based on vendor advice. A further 15% contingency has been applied to sustaining capital cost.

Figure 18: Capital Cost Summary – AusPozz™ Manufacturing Facility

WBS	Area	Cost (A$m)
Project Direct Costs		
200	Process Plant	54.3
300	Reagents/Fuels/Services	5.0
400	Buildings/User Areas	3.0
Total PFS Project Direct		**62.3**
Project Indirect Costs		
000	Construction Indirects	16.5
500	Management Costs	9.5
600	Owner's Project Costs	7.2
900	Contingency (11% of Capital Estimate)	10.5
Total PFS Project Indirect Costs		**43.7**
Total PFS Capital Cost Estimate (excl. contingency)		**95.5**
Total PFS Capital Cost Estimate (incl. contingency)		**106.0**

Source: Company data

- **Pricing.** Targeted pricing for the Kaolin DSO is supported by equivalent commercial product pricing for kaolin and based on the relative high purity of the Toondoon Resource. The AusPozz™ product pricing takes into consideration relative tiered cement pricing, technical advantages, and carbon-reduction benefits when utilised to produce low-carbon concrete.
- **Volume.** The Project assumes that for years 1-3 inclusive, only DSO products will be sold. During this time, the AusPozz™ Manufacturing Facility is being constructed and commissioned, with a forecast production ramp-up scheduled for Q4 of Year 3. From Year 4 onwards, it is assumed that all nameplate production capacity is sold over the remaining 17 years of the Project.

Figure 19: AusPozz™ Project Product Targeted Pricing

Product	Price Range (A$/t)		Sales Forecast tonnes (p.a.)
	Low	High	
Kaolin DSO (wet tonne)	170	200	158,000
Cosmetic Kaolin DSO (wet tonne)	500	1,000	10,000
AusPozz™ (dry tonne)	315	525	290,000
AusPozz™ Max (dry tonne)	600	1,000	10,000

Product	UOM	Weighted Average Sale Price (WASP) (A$/t)
AusPozz™ products	A$/$t_{dry}$	**403**
DSO products	A$/$t_{wet}$	**196**

Source: Company data

Figure 20: Target Product Volume Summary

Product	UOM	Year 1	Year 2	Year 3	Year 4+	LOM
AusPozz™ Bulk – Tier 1	kt_{dry}	-	-	25	150	2,5
AusPozz™ Bulk – Tier 2	kt_{dry}	-	-	12	70	1,2
AusPozz™ Bulka Bag	kt_{dry}	-	-	12	70	1,2
AusPozz™ Max	kt_{dry}	-	-	2	10	1
Kaolin DSO	kt_{dry}	142	142	142	142	2,8
Cosmetic Kaolin DSO	kt_{dry}	9	9	9	9	1
Total	**kt_{dry}**	**151**	**151**	**201**	**451**	**8,1**

Source: Company data

- **Opex.** The operating cost estimate was prepared using the project design criteria, mass balance, equipment list, and input from the PBG cost database.
- The AISC (including contingency) for Kaolin DSO and Cosmetic Kaolin DSO products is $105.30/tdry. AusPozz™ bulk product has an AISC of $224.80/tdry and AusPozz™ bagged product has an AISC of $231.60/tdry.

Figure 21: LOM Baseline Operating Cost Estimate

Cost Centre	Baseline LOM Operating Cost (A$m)	Annual Average Operating Cost LOM (A$m)^	Percentage of Total Cost
Mining	**79.0**	**4.0**	**5.4%**
Mining Cost	38.2	1.9	2.6%
Site Administration	13.0	0.6	0.9%
Royalties	27.9	1.4	1.9%
Transportation	**455.3**	**22.8**	**31.0%**
Processing (AusPozz™ Only)	**475.8**	**27.7**	**32.4%**
Labour	106.5	6.2	7.2%
Natural Gas	246.7	14.4	16.8%
Power	61.5	3.6	4.2%
Fuel	10.3	0.6	0.7%
Water	1.3	0.1	0.1%
Maintenance	32.7	1.9	2.2%
Consumables	15.1	0.9	1.0%
QA/QC	1.7	0.1	0.1%
Storage & Handling	**157.9**	**7.9**	**10.7%**
General & Administration	**134.1**	**6.7**	**9.1%**
Personnel	52.8	2.6	3.6%
General & Administration	81.3	4.1	5.5%
Total (excl. contingency)	**1,302.5**	**69.1**	**90.4%**
Contingency	137.9	7.3	
Total (incl. contingency)	**1,440.4**	**76.4**	**100.0%**

^ The annual average LOM processing cost is divided by approximately 17 years

Source: Company data

- **Financial summary.** The Project's base case financial assessment has been modelled using the aforementioned capital costs, operating cost estimates, production volumes, and sales prices. The Project's PFS NPV is derived on an after-royalty, and after-tax cashflow at a discount rate of 8.0%.

Figure 22: PFS - Key Financial Parameters

Financial Metrics		Total LOM	
		pre-tax	after-tax
Revenue	A$m	3,385	
EBITDA	A$m	1,604	
Initial Capital Cost	A$m	115	
Capital Requirement (indicative)	A$m	95	
Sustaining Capital	A$m	17	
Net Cashflow	A$m	1,455	1,014
NPV_8	A$m	548	406
IRR	%	56	42
Payback Period[19]	Years	2.1	

Source: Company data

Figure 23: PFS - NPV Sensitivity Analysis Table

% Change	After-Tax NPV (A$m)			
	Sales Price	Volume	Capital Cost	Operating Cost
-30%	158	228	428	528
-20%	227	288	422	493
-10%	308	347	415	453
Base Case	**406**	**406**	**406**	**406**
10%	526	466	396	350
20%	675	525	383	280
30%	868	584	367	191

Source: Company data

Market Opportunity

Australian Market

- Australia's concrete market is substantial, with nearly 30 million cubic metres produced annually, requiring over 10 million tonnes of cement. Cement production accounts for around 8% of global CO_2 emissions, making the industry a major contributor to Australia's industrial carbon footprint.
- Major players in the Australian market include Holcim Australia, Cement Australia, and Laing O'Rourke, all of whom are actively seeking lower-carbon solutions such as metakaolin to meet regulatory and sustainability demands.

Safeguard Mechanism

- The Safeguard Mechanism is an Australian Government policy that sets annual emissions limits ("baselines") for large industrial facilities emitting over 100,000 tonnes of CO_2-equivalent per year, including major cement producers. Those exceeding their baseline must either reduce emissions or purchase credits, creating a direct financial incentive to lower their carbon footprint.
- For cement producers, this mechanism increases the cost of high-emission cement production and encourages the adoption of lower-carbon alternatives. As a result, major producers are actively seeking supplementary cementitious materials (SCMs) such as metakaolin, fly ash, and slag to reduce clinker content and comply with tightening emissions limits.

Figure 24: Carbon cost savings under the Safeguard Mechanism

	A	B	C	D	E
	Parameter	80kg Replacement	200kg Replacement	80kg Replacement	200kg Replacement
	Cement per m^3 (kg)	400	400	400	400
	AusPozz™ replacement (kg)	80	200	80	200
	Embodied carbon of cement (kg CO_2-e/kg)	1	1	1	1
	Embodied carbon of AusPozz™ (kg CO_2-e/kg)	0.2	0.2	0.2	0.2
	CO_2-e saved per m^3 (kg)	31600	79600	31600	79600
	Cement Used (tonnes)	100,000	100,000	4,000,000	4,000,000
	Annual concrete volume (m^3)	250000	250000	10000000	10000000
	Annual CO_2-e saved (tonnes)	6.32	15.92	6.32	15.92
	ACCU cost per tonne CO_2-e ($)	75	75	75	75
	Penalty cost per tonne CO_2-e ($)	275	275	275	275
	ACCU cost avoidance ($)	$ 1,580,000	$ 3,980,000	$ 63,200,000	$ 159,200,000
	Penalty cost avoidance ($)	$ 18,750,000	$ 18,750,000	$ 750,000,000	$ 750,000,000

Source: Company data

- This pricing model estimates the potential cost savings for major concrete producers, such as Holcim Australia or Boral, from substituting a portion of traditional cement with a lower-carbon alternative like AusPozz™ metakaolin. By replacing 80 kg or 200 kg of cement per cubic metre of concrete, producers can significantly reduce embodied carbon emissions.
- The model calculates annual CO_2-e savings, as well as the financial impact of avoiding costs associated with carbon credits (ACCU) and regulatory penalties under mechanisms such as the Safeguard Mechanism. The results demonstrate that higher levels of cement replacement can lead to substantial cost avoidance, both through reduced carbon compliance costs and lower exposure to emissions penalties, especially at larger production volumes.
- Replacing cement with AusPozz™ in concrete mixes can deliver substantial reductions in carbon emissions and significant cost savings for major producers.

Collaboration Partners

- ZEO is forming collaboration partnerships with leading industry players to accelerate the commercial adoption of its AusPozz™ metakaolin and to validate its products in real-world applications. These partnerships could provide ZEO with access to established infrastructure, distribution networks, technical expertise, and major customers, helping to de-risk commercialisation and reduce the timeline in getting AusPozz™ to market.

Collaboration Partners	
HOLCIM	- *One of the world's largest sustainable building materials companies, Holcim, is collaborating with ZEO (MoU signed Oct 2024) to trial and potentially adopt AusPozz™ metakaolin as a low-carbon supplementary cementitious material (SCM) in concrete. The goal is to support Holcim's decarbonisation targets and expand the use of sustainable SCMs in the construction sector.*
CEMENT AUSTRALIA	- *As Australia's largest producer and supplier of cementitious materials, Cement Australia (MoU signed Oct 2025) is working with ZEO to evaluate and potentially integrate AusPozz™ into its product portfolio. The partnership aims to provide Cement Australia with a reliable, high-quality SCM to meet growing demand for low-carbon concrete solutions.*
LAING O'ROURKE	- *A global engineering and construction leader, Laing O'Rourke (MoU signed Sep 2025) is partnering with ZEO to explore the use of AusPozz™ in innovative construction projects. The collaboration seeks to demonstrate the performance and sustainability benefits of metakaolin in real-world infrastructure and building applications.*
1955 2025 BISLEY 70 YEARS OF MATERIAL EXPERTISE	- *Bisley is a multinational marketer and distributor of industrial raw materials. Through a non-binding Letter of Intent, Bisley and ZEO are working together to develop a marketing and distribution framework for AusPozz™ across Australia and selected international markets. The partnership leverages Bisley's technical, logistics, and customer network to accelerate market adoption of ZEO's products.*

- Notably, Cement Australia (50% owned by Holcim Australia and Heidelberg Materials) operates significant infrastructure, including kilns, in central Queensland. This existing footprint could facilitate the adoption and validation of ZEO's AusPozz™ product, supporting efficient integration into their supply chains and accelerating market acceptance.

DSO Offtake with MSI

- ZEO's MoU with Jiangsu Mineral Sources International Trading Co. (MSI) covers the supply of up to 950,000 tonnes of kaolin DSO over five years, totalling A$200m in revenue and c.A$12m EBITDA (year 1). To commence this contract, the PFS estimates an initial capital requirement of approximately $7.6 million for mine development and supporting infrastructure, with first shipments targeted for Q1 2026. This early DSO offtake provides ZEO with near-term revenue ahead of full-scale manufacturing.

Figure 25: DSO volume forecasts

Product	Unit	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
DSO Kaolin	Tonnes	160,000	160,000	160,000	160,000	160,000
DSO Cosmetic Kaolin	Tonnes	10,000	20,000	30,000	40,000	50,000

Source: Company data

Approvals

These approvals represent critical de-risking milestones and are standard for mining and processing projects in Queensland, paving the way for ZEO to transition from feasibility to execution.

Key Regulatory Approvals Required

- Site-specific Environmental Authority (EA): ZEO must obtain a site-specific EA for mining and processing activities at Toondoon, replacing the current standard EA as the project scales.
- Progressive Rehabilitation and Closure Plan (PRCP): Approval of a PRCP is required, detailing the mine's rehabilitation and closure strategy in accordance with Queensland regulations.
- Development and environmental approvals for the AusPozz™ manufacturing facility: ZEO needs to secure all necessary development and environmental permits for the proposed facility at the Port of Bundaberg, including compliance with the State Development Area (SDA) framework.
- Cultural heritage and native title clearances: Any outstanding cultural heritage and native title requirements must be completed as part of the broader permitting process.
- Utility and infrastructure agreements: Finalising agreements for essential services such as gas, power, and water is necessary to support construction and operations at the manufacturing facility.

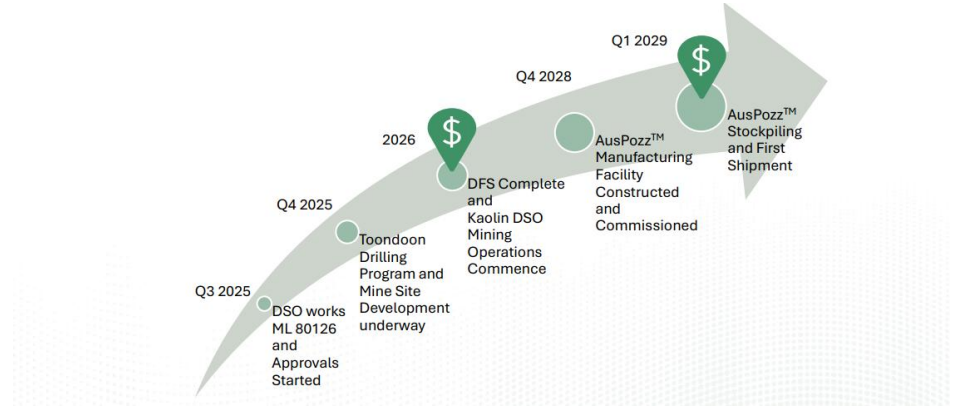
Project Schedule

- ZEO is currently focused on accelerating the development of the Toondoon Kaolin Project, which is set to deliver significant cashflows from 2026, while advancing the definitive feasibility study for the AusPozz™ Project in addition to exploring the MOUs with industry leaders.

Upcoming Milestones / Catalysts

- DSO Cashflows – ZEO is targeting first DSO shipments under its binding offtake agreement with MSI in the first half of 2026, with short-term priorities focused on ramping up mining at Toondoon.
- MOU Updates – ZEO is currently engaged with several major cement and concrete companies to undertake testing and feasibility studies on their AusPozz™ product.
- DFS Complete - ZEO is targeting first DSO shipments under its binding offtake agreement with MSI in the first half of 2026, with short-term priorities focused on ramping up mining at Toondoon, establishing logistics to Bundaberg Port, and generating early cashflow to support the broader project development.

Figure 26: Near-term milestones



Source: Company data

Board and Management Team

- **Sylvia Tulloch (Non-Executive Chair):**
  - Materials scientist with extensive experience in establishing and managing high-technology businesses, specialising in mineral processing, commercialisation, and the cleantech sector.
- **Peter Zardo (Managing Director):**
  - Proven business leader with over 25 years' expertise in corporate finance, advisory, and project management, including 17 years in senior roles at Westpac Group's Corporate Banking Division before joining ZEO as Managing Director in 2020.
- **Shane Graham (Executive Director):**
  - High-performing business leader with over 30 years' experience in the building materials sector, including executive roles at leading companies such as Holcim Australia (5 years) and Boral Ltd (over 20 years).
  - ***Incentive Plan:*** Up to 30,000,000 performance rights in four tranches (7.5 million each), vesting on achieving binding offtake agreements for AusPozz™ metakaolin (100k, 200k, 300k tpa) and a JV/profit-sharing agreement for commercial production.
- **Rob Downey (Non-Executive Director):**
  - Qualified solicitor with a focus on international resource law, corporate law, initial public offerings, and mergers and acquisitions.
- **James Marsh (Chief Executive Officer):**
  - Over 30 years of industrial minerals and materials sector experience, including 15 years with Imerys Minerals Limited, a French multinational specialising in the production and processing of industrial minerals.
  - ***Incentive Plan:*** 25,000,000 performance rights in five tranches (5 million each), vesting on milestones such as commencement of mining (200k tpa) and offtake agreements, revenue targets, and market capitalisation milestones.

Substantial shareholders

Figure 27: Substantial shareholders

Shareholder	No. of Shares	%
Michael John & Suzanne Jane Gregg	119,550,000	6.3
H & C Wellbeing Pty Ltd, WFC Nominees	119,383,649	6.3
LL & P Pty Ltd	110,796,540	5.9
Uniquest Pty Ltd	108,480,512	5.8
Peter Zardo	73,808,088	4.0

Source: Annual report

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