

ASX ANNOUNCEMENT

27 November 2023

FURTHER PRODUCT DEVELOPMENT INITIATIVES COMMENCE WITH PITTONG HYDROUS KAOLIN

HIGHLIGHTS

- Pittong laboratory commences product development works by blending Pittong hydrous kaolin with Ground Calcium Carbonate (“GCC”).
- Blending Pittong hydrous kaolin with GCC has the potential to increase the saleable product from Pittong beyond the 50,000 tonne per annum production capacity.
- Import price of GCC to Melbourne port is ~US95/tonne, this is significantly lower than the cost of production of Pittong hydrous kaolin.
- Product will be marketed for premium applications such as top coat in paper and high gloss paints.
- Subject to successful lab-scale trials, production of a 25kg batch sample is planned to allow 1kg samples to be distributed to customers for testing and product evaluation.

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) is pleased to announce that it has commenced laboratory (‘lab’) scale trials at its Pittong lab, utilizing the Company’s Pittong hydrous kaolin and blending it with Ground Calcium Carbonate (“GCC”), with the aim of increasing the saleable product from Pittong beyond the 50,000 tonne per annum production capacity.

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NON-EXECUTIVE CHAIRMAN

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ASX: SUV

The Pittong lab team will commence lab scale trials by blending 10%, 20% and 30% GCC with Pittong’s hydrous kaolin. The potential increase in saleable product, based on the various blends is shown in the table below:

Pittong production quantity blended tonnes per annum ¹	10% blend with GCC	20% blend with GCC	30% blend with GCC
	Additional saleable product in tonnes	Additional saleable product in tonnes	Additional saleable product in tonnes
10,000	1,000	2,000	3,000
20,000	2,000	4,000	6,000
30,000	3,000	6,000	9,000
40,000	4,000	8,000	12,000
50,000	5,000	10,000	15,000

The GCC import price to Melbourne port is ~US95/ tonne which is significantly less than the cost of production of Pittong hydrous kaolin. Importantly, this product development opportunity not only has the potential to increase saleable product, it will also reduce production costs.

GCC has a significantly higher whiteness and brightness than hydrous kaolin and is widely used in paper and plastic fillers, coatings and paints due to its properties.

Subject to successful lab–scale trials at Pittong, upscaling and production of a 25kg batch sample is planned, allowing Suvo to distribute 1kg samples to customers for testing and product evaluation. The Company expects to complete lab scale test works and distribute product samples to end users by the end of Q1 CY 2024.

Suvo continues to evaluate all possible options at Pittong with the ultimate goal of increasing margins, whether by reducing costs or targeting premium markets. Importantly, the opportunity to blend GCC is complementary to current production which is a clear win–win for the Company.

¹ASX announcement: 6 February 2023.

Interim Chief Executive Officer Bojan Bogunovic commented:

“We are pleased to start this test work with our hydrous kaolin to produce a blended, cost-effective product which has the ability to increase the saleable product quantity from our Pittong operations. Blending with GCC is complementary to our existing operations and the blended product is used in most applications where kaolin is used.

We remain focused on selling the Pittong hydrous kaolin to traditional kaolin markets, but we believe it is prudent to also investigate product development opportunities that can yield even better results for the Company.

The GCC samples have arrived in Australia and the lab-scale test work at Pittong can commence immediately, allowing Suvo to distribute samples to end-users for testing and product evaluation in the short term.”

Approved for release by the Board

–ENDS–

Technical information on Ground Calcium Carbonate (“GCC”)

Limestone is a common sedimentary rock composed primarily of the calcium carbonate mineral, calcite (CaCO_3).

Ground calcium carbonate, commonly referred to as GCC, is widely used as an industrial mineral. The three primary attributes: particle size, color and chemical purity define the quality of the GCC and define the suitability of use for any given application.

Ground Calcium Carbonate is used in paper and plastic fillers, coatings and paints.



Photo: Ground Calcium Carbonate sample received by Suvo.

For further information, please contact

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Company Profile

Suvo Strategic Minerals Limited is an Australian hydrous kaolin producer and exploration company listed on the Australian Securities Exchange (ASX:SUV). Suvo is focused on production at, and expansion of, their 100% owned Pittong hydrous kaolin operation located 40km west of Ballarat in Victoria. Suvo's exploration focus is on near-term kaolin and high purity silica assets with 100% owned Gabbin (kaolin), Eneabba and Muchea (silica sands) projects located in Western Australia.

Pittong Operations

The 100% owned Pittong Operations, located in Victoria 40km west of Ballarat, is the sole wet kaolin mine and processing plant in Australia and has been in operation since 1972. Pittong comprises the Pittong, Trawalla and Lal Lal deposits located on approved Mining Licences MIN5408, MIN5365 and MIN5409 respectively.

At Pittong mining contractors deliver crude kaolin ore to stockpiles from the two currently operating mines, Pittong and Lal Lal. The plant takes its feedstock from the ROM and it is processed into four separate product forms for end users. These product forms are 10% moisture lump, high solids slurry, 1% moisture powder and 1% moisture pulverised powder. The solids slurry is used in paper and board manufacturing. The other products are used in paper, coatings, paint and specialist industries including rubber and pharmaceutical applications. Around 20–25kt per annum is supplied to various end users.

Gabbin Kaolin Project

The 100% owned Gabbin Kaolin Project (White Cloud) is located 215km northeast of Perth, Western Australia. The project area comprises four granted exploration licences (E70/5039, E70/5332, E70/5333, E70/5517) for 413km², centred around the town and rail siding of Gabbin. The generally flat area is primarily cleared farming land devoid of native bushland and is currently used for broad-acre cereal cropping. A mining access agreement is in place over the current resource area with the landowner and occupier.

The main rock types at Gabbin are primarily Archaean granite, gneiss, and migmatite. These rocks are overlain and obscured by Tertiary sand and Quaternary sheetwash. The weathering profile is very deep and contains thick kaolin horizons capped by mottled clays or laterite zones. The current JORC 2012 Mineral Resources are 72.5Mt of bright white kaolinised granite with an ISO Brightness of 80.5%.

Eneabba Silica Sands Project

The 100% owned Eneabba Silica Sands Project is located 300km north of Perth, Western Australia. The project comprises four granted exploration licences (E70/5001, E70/5322, E70/5323, E70/5324) for 169km². The project is located on the Eneabba Plain whose sandy cover is very flat to gently undulating. Outcrop is rare due to the accumulations of windblown and alluvial sand at surface. Below this is a thin hard silcrete or lateritic claypan which overlies deep white and yellow sands.