

**ASX ANNOUNCEMENT**

**30 November 2023**

# **A\$1.5M NON-DILUTIVE WORKING CAPITAL FUNDING SECURED**

## **HIGHLIGHTS**

- Suvo secures debt funding of A\$1.0 million (before costs).
- Debt is on favourable terms, 10% interest, secured against the Company's non-core land asset and is repayable in 12 months.
- Prepayment for Pittong hydrous kaolin of A\$0.5 million received from Tasmanian customer, Norske Skog Boyer.
- Financing supports working capital to meet sales orders and emerging strategy of controlled high margin growth through product development.

**Suvo Strategic Minerals Limited (ASX: SUV)** ("Suvo" or "the Company") is pleased to announce another significant step forward, having secured additional non-dilutive working capital funding of A\$1.5m (before costs) through debt and product prepayment.

The Company has sought a working capital funding solution to support operational costs to meet sales orders and the emerging strategy of controlled high margin growth through product development, such as the test work to produce calcined kaolin and a product blending opportunity to increase the saleable product from the Pittong operations.

The debt funding provided by a private lender, Tember Nominees Pty Ltd, is on favourable terms with an interest rate of 10% and repayable in 12 months. The Company has used its non-core asset, being freehold land it owns at Lal Lal, located in Victoria, as security against the loan.

Aaron Banks  
NON-EXECUTIVE CHAIRMAN

Oliver Barnes  
NON-EXECUTIVE DIRECTOR

Agu Kantsler  
NON-EXECUTIVE DIRECTOR

Suvo Strategic Minerals Ltd. ABN 97 140 316 463  
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Operations: 3610 Glenelg Highway, Pittong, Victoria 3360

**suvo.com.au**

**ASX: SUV**



Lal Lal is an operating mine producing limited feedstock for specific product applications. Less than 5% of the mining activity occurs at Lal Lal, with the majority of the feedstock coming from the Pittong mine, located roughly two kilometers from the Pittong processing plant. The Company considers Lal Lal a non-core asset and has decided to use the land as security to generate funding.

In addition to the debt funding, the Company has also received a prepayment of A\$0.5 million from Tasmania customer, Norske Skog Boyer, securing roughly three months' worth of supply.

**Interim Chief Executive Officer Bojan Bogunovic commented:**

*"Suvo is delighted to fund the working capital required to support our kaolin strategy.*

*We have continued to make significant progress in relation to all workstreams including the revalidation of Pittong's 50,000 tonne per annum production capacity, defining and augmenting our sales and distribution strategy into Asia and working with our Australasian clients to strengthen our partnerships moving forward.*

*Additionally, we have identified and commenced work on a number of product development opportunities which have the potential to significantly improve the financial metrics of our Pittong operation".*

**Approved for release by the Board**

**–ENDS–**

## Terms and Conditions of the Mortgage

<b>Mortgagee (Lender)</b>	Tember Nominees Pty Ltd
<b>Covenantor (Borrower)</b>	Suvo Strategic Minerals Limited (SUV:ASX)
<b>Amount of Loan</b>	A\$1.0 million
<b>Mortgagor (Security Provider)</b>	Kaolin Australia Pty Ltd
<b>Security</b>	First Mortgage Lal Lal Falls Road/Old Racecourse Road Lal Lal 3352
<b>Interest Rate</b>	10% (if an event of default occurs then 15%)
<b>Interest Payment</b>	Payable upfront on the advance date (30 November 2023)
<b>Term</b>	30 November 2024 (12 months)
<b>Fees</b>	2 million unlisted options exercisable at \$0.06, expiring 1 December 2025, to be issued utilising the Company's placement capacity under Listing Rule 7.1
<b>Events of Default</b>	Non-payment, non-performance under the contract terms, insolvency and other standard conditions in line with the nature of this type of agreement
<b>Financial Covenants</b>	Nil

**For further information, please contact**

Aaron Banks

Non-Executive Chairman

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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 413km<sup>2</sup>, 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 169km<sup>2</sup>. 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.