

## ASX ANNOUNCEMENT

15 February 2024

# \$2.5M PLACEMENT TO SUPPORT PITTONG RAMP UP AND ADVANCE GEOPOLYMER CONCRETE

## HIGHLIGHTS

- Firm commitments for A\$2.5 million received under a Placement to new and existing sophisticated investors at \$0.03 per share.
- Share Purchase Plan (“SPP”) to raise up to \$1 million under the same terms as the Placement.
- Growth in hydrous kaolin sales of 14% was achieved in the previous quarter.
- Further, additional purchase orders from four new customers were received in January 2024, after Pittong hydrous kaolin passed quality and performance tests.
- First shipments booked for February and March 2024 with annual hydrous kaolin demand from these new customers totaling 630 tonnes, generating an additional \$0.43 million in turnover for the Company.
- Over 20 end users throughout Asia Pacific continue to test Suvo product samples from the Company’s hydrous kaolin Pittong operation.
- Funding from the Placement and SPP will support the ramp up of production at Pittong and research and development activities for geopolymer concrete.

**Suvo Strategic Minerals Limited (ASX: SUV)** (“Suvo” or “the Company”) is pleased to announce that firm commitments have been received totalling A\$2.5 million before costs via a share placement at \$0.03 per share (the “Placement”).

Aaron Banks  
NON-EXECUTIVE CHAIRMAN

Oliver Barnes  
NON-EXECUTIVE DIRECTOR

Agu Kantsler  
NON-EXECUTIVE DIRECTOR

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[SUVO.com.au](http://SUVO.com.au)

ASX: SUV

The Company is also undertaking a Share Purchase Plan (“SPP”) to raise up to a further A\$1 million, under the same terms as the Placement. The Company will not accept oversubscriptions under the SPP.

In the December 2023 quarter, the Company showed growth in hydrous kaolin sales of 14%. Subsequently, in January 2024, the Company received additional purchase orders from four new customers, after the Pittong hydrous kaolin passed quality and performance tests.

Under the purchase orders, first shipments are scheduled for February and March 2024. Annual hydrous kaolin demand from these new customers total 630 tonnes, which will generate an additional \$0.43 million in turnover for the Company. An average price across these new orders of \$677/t was achieved, representing a 15% premium to the average price achieved across the previous quarter.

Amounts raised under the Placement and SPP, will enable the Company to fund the production ramp up at Pittong, which will be required to service new sales contracts. The Placement also provides additional working capital and ensures that ongoing value is created across Suvo’s wider portfolio, specifically research and development related to advancing geopolymer concrete.

The Company looks to capitalise on the invitation it received from the Sustainability Waste Alliance (“SWA”) to complete a demonstration pour of Collicrete on the Bunbury Outer Ring Road Project, the largest infrastructure project in the South-West of Western Australia and the recent Memorandum of Understanding (“MoU”) signed with Polvine Pty Ltd (PERMAcast) to develop a low carbon concrete for deployment in various end use applications.

The Company will issue 83,333,334 fully paid ordinary shares to new and existing sophisticated investors participating in the Placement, raising a total of A\$2.5 million before costs.

The issue price of \$0.03 per share represents a discount of 3.33% to the Company’s 30-day volume weighted average price (VWAP) of \$0.031 and a 3.33% discount to the last close price of \$0.031.

The issue of 83,333,334 Placement shares will be completed utilising the Company’s Listing Rule 7.1 placement capacity (8,333,334 ordinary fully paid shares) and 7.1A placement capacity (75,000,000 fully paid ordinary shares).

Additionally, 15,000,000 unlisted broker options will be issued to the lead manager, Canary Capital Pty Ltd (“Canary Capital”) or their nominee, using the Company’s Listing Rule 7.1 placement capacity. The broker options are split in three equal

tranches of 5,000,000 and exercisable at \$0.045, \$0.06 and \$0.075, and will expire on 26 February 2027.

Canary Capital will receive fees of 6% on the gross proceeds under the Placement.

The SPP Offer letter including plan terms and conditions for the issue of Shares will be lodged with the ASX shortly. The record date for the SPP is 14 February 2024.

Settlement of funds under the Placement is proposed for Thursday 22 February 2024, with the allotment of shares the following Monday, 26 February 2024. These dates are subject to change.

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

*"On behalf of the Board, I would like to thank our new and existing shareholders for their support in the Placement. It is an extremely challenging market at present, and to achieve strong demand at a mere 3.33% discount to our last closing price, is a great result.*

*The Placement was necessary to fund the production ramp up profile for the Pittong operations following a 14% growth in sales achieved last quarter and the additional purchase orders received throughout January 2024, from new customers. Other significant users of kaolin in Asia continue to test the Pittong kaolin for quality and suitability and our primary goal remains, to continue increasing sales towards our production capacity following the recent plant upgrade at Pittong.*

*Additionally, the Placement also provides sufficient working capital to ensure that ongoing value is created across Suvo's wider portfolio, and specifically the development of our intellectual property for geopolymers concrete, an environmentally friendly alternative to traditional concrete manufactured from Portland cement."*

Approved for release by the Board.

-ENDS-

## **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.

## **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.