

ASX ANNOUNCEMENT

7 March 2024

SUVO EXECUTES SALES AGREEMENT ENTERING THE HIGH VALUE PHARMACEUTICAL MARKET

HIGHLIGHTS

- Sales Agreement valued at AUD\$588,462¹ (US\$382,500) executed with Belgian Company, Fagron.
- Agreement covers 300 tonnes of pharmaceutical grade hydrous kaolin to be supplied over a three-year period.
- Fagron generated 763 million euros in turnover in FY23, supplying medications to pharmacies, hospitals, clinics and directly to patients.
- Fagron has sterile and non-sterile compounding facilities in Europe (the Netherlands, Belgium, and the Czech Republic), Israel, the United States, Colombia, and South Africa and is active in over 30 countries in Europe, the Middle East, Africa, North and Latin America.
- Under this initial agreement, Suvo's hydrous kaolin will be sold to Central de Drogas, SA de CV, a wholly owned subsidiary of Fagron and the leading supplier of raw materials to compounding pharmacies and the pharmaceutical industry in Mexico.
- Fagron is Suvo's fifth new customer since the commencement of the 2024 calendar year.
- Over 20 other potential customers, identified throughout Asia Pacific during 1H FY24, continue testing samples supplied from Pittong.

¹ Based on a forecast exchange rate of USD: AUD 0.65:1

Aaron Banks
NON-EXECUTIVE CHAIRMAN

Oliver Barnes
NON-EXECUTIVE DIRECTOR

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ASX: SUV

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) is pleased to announce that it has signed a Sales Agreement (**Agreement**) with Fagron, a global supplier of medications to pharmacies, hospitals, clinics, and directly to patients.

The hydrous kaolin to be supplied under this Agreement, totalling 300 metric tonnes over a three-year period, will be sold to Central de Drogas, SA de CV, a wholly owned subsidiary of Fagron and the leading supplier of raw materials to compounding pharmacies and the pharmaceutical industry in Mexico.

Since returning Suvo’s Pittong plant back to name-plate processing capacity of 60,000 tonnes per annum, the Company has focused on strengthening its sales and marketing efforts in Asia to fully leverage this increase in capacity.

Accordingly, the Company has appointed three key sales personnel, all based in Asia, during H1 FY 24. This newly appointed team has a combined experience of more than 60 years in the selling and marketing of kaolin, having previously worked for large mineral and chemical companies such as Imerys S.A and BASF.

Fagron is the Company’s fifth new customer in the 2024 CY, which pleasingly, suggests that our sales and marketing efforts are coming to fruition. The Company has built a strong pipeline of potential customers across Asia Pacific with more than 20 end-users currently testing Suvo’s kaolin for suitability across various industries and applications.

Interim Chief Executive Officer Bojan Bogunovic commented:

“Achieving a 14% growth in sales in the December 2023 quarter and subsequently signing up five new customers from the start of the 2024 calendar year, is testament to the work of the sales and marketing team.

The pharmaceutical industry commands premium pricing for the Company’s premium products as we look to work with Belgian Company Fagron and expand sales beyond the Americas and into the European pharmaceutical market.

Other significant buyers of kaolin in Asia, some of which occupy end user markets where orders are measured in the thousands of tonnes for more industrial applications, continue to test the Pittong kaolin for quality and suitability and our primary goal remains to continue increasing sales following the recent plant upgrade at Pittong.”

This announcement has been approved by the Board of Suvo Strategic Minerals Limited.

Annexure – Key Terms

Term:

The supply of hydrous Kaolin under the Agreement shall be for a period of 3 (three) years, commencing on the Effective Date (Term). The Parties may, by mutual written agreement, agree to extend the Term.

Quantity:

300 metric tonnes over the Term.

Termination:

The contract can be terminated under Force Majeure or an event of default by either party.

An event of default in the case of either party:

- a) If a party is in breach of any of its representations, warranties, covenants or obligations and has not cured such breach within sixty (60) calendar days.
- b) Upon the filing or institution of any bankruptcy, reorganization, liquidation, or receivership proceedings by a party.

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.