

# QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 2024

## HIGHLIGHTS

- Revenue of ~A\$12.3 million (unaudited) generated in FY24 (A\$11.3 million in FY23).
- Tripartite binding Joint Development Agreement (**JDA**) executed between Suvo, its wholly owned subsidiary Climate Tech Cement Pty Ltd (**CTC**) and Plevine Pty Ltd (**PERMAcast**) (subsequent to the quarter end).
- CTC and PERMAcast propose to deliver low carbon geopolymer concrete (**GPC**) products and projects to market and otherwise commercialise the intellectual property (**IP**) created under the JDA through a joint venture entity (**JV Entity**).
- Purchase order received from existing Chinese distributor Qingdao Minglang New Material Co., Ltd (**Qingdao**) totaling 1,568 tonnes of hydrous kaolin (attracting a 22% price premium compared to the prior quarter sales to existing customers) to be supplied between July 2024 and December 2025 (18 months) valued at ~A\$1.15 million (based on an exchange rate of 0.65:1 AUD:USD).
- A number of initiatives to optimise operational costs at Pittong, including reduction of operational working hours and staffing levels have been implemented and will allow the Company to meet current sales and production requirements. Additionally, the period of significant capital expenditure at Pittong has been completed and as a result capital outflows have significantly reduced. These initiatives were implemented in June 2024 and are expected to bear fruit in the coming quarter.

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) is pleased to release its June 2024 Quarterly Report.

## Sales and marketing, Pittong operations and Cashflows

The Company generated revenue of ~A\$12.3 million (unaudited) in FY24 (A\$11.3 million in FY23). Sales of hydrous kaolin products sold to the local and international market totalled ~20,000 tonnes during 2024 financial year.

Over the past 12 months the Company has undertaken extensive engagements, both in Australia and Asia, with major industry players and market participants. As a result of this, it was determined that Suvo’s kaolin and applicable chemistry from its Pittong kaolin mines is best suited to the high-margin industries such as paints and coatings, rubber, inks and pharmaceuticals.

This engagement, and related analysis, has prompted kaolin sales efforts and focus on purchasers operating in these industries and the Company believes the revised sales and marketing strategy will deliver improved long-term results.

In the prior quarter, the Company achieved an average selling price on new customers converted after successful plant trials of A\$863/tonne, which is a 47% premium compared to the weighted average selling price for other existing customers in the same period.

The Company has also secured purchase orders from existing Chinese distributor Qingdao Minglang New Material Co., Ltd (**Qingdao**) totaling 1,568 tonnes of hydrous kaolin (attracting a 22% price premium compared to the prior quarter sales to existing customers) to be supplied between July 2024 and December 2025 (18 months) valued at ~A\$1.15 million (based on an exchange rate of 0.65:1 AUD:USD). Qingdao purchased 596 tonnes of hydrous kaolin across the prior 18 months up to 30 June 2024, resulting in increased orders of almost 1,000 tonnes of hydrous kaolin.

In parallel with the sales strategy of focusing on high margin industries, Suvo had implemented a number of initiatives to optimise operational costs at Pittong, including reduction of operational working hours and staffing levels which will allow the Company to meet current sales and production requirements. Additionally, the period of significant capital expenditure at Pittong has been completed and as a result capital outflows have significantly reduced. These initiatives were implemented in June 2024 and are expected to bear fruit in the coming quarter.

Based on the above, the Company expects significantly improved cashflows in FY25 from Pittong. As shown in Appendix 5B the cash outflow from operating activities (item 1.9) has been improved based on measures implemented in June 2024 (representing only one month of the entire quarter). Similarly, cash flows from investing activities (Item 2.6) have also reduced.

The Company continues product testing and trials with other potential end users operating in the end user markets or high-margin industries where the Pittong kaolin is being marketed due to its suitability.

### Geopolymer Concrete

In July 2024, as a result of the culmination of work undertaken throughout the reporting quarter, Suvo executed a binding tripartite Joint Development Agreement (JDA) between its wholly owned subsidiary Climate Tech Cement Pty Ltd (CTC) and Polevine Pty Ltd (PERMAcast).

The purpose of the JDA is for CTC and PERMAcast to deliver low carbon geopolymer concrete (GPC) products and projects and otherwise commercialise the intellectual property (IP) created through a joint venture entity (JV Entity).

The JV Entity post formation will:

- a. Prepare and test a range of GPC formulations to meet concrete strength requirements of nominally 10, 20, 30 and 40 MPa, and determine maximum strength attainable;
- b. Characterise and assess applications/products that can utilise the different GPC strength formulations;
- c. Test and demonstrate suitability of different GPC formulations for different applications/products; and
- d. Assess cost and performance of different GPC applications/products to determine preferred route for commercialisation.

The first GPC product to be delivered under the JDA, using Suvo's Collicrete formulation, will be a series of 1,000mm x 350mm x 350mm backing blocks which will be used for demonstration purposes on a major Government infrastructure project. The production of these GPC backing blocks commenced shortly after the execution of the JDA.

Additionally, the terms of the JDA stipulate that PERMAcast will provide the capital required to fund the project and any intellectual property created during the course of the JDA will be owned by the JV Entity, acknowledging the background intellectual property rights of Murdoch University licensed to Suvo (ASX Announcement: 30 October 2023).

CTC and PERMAcast will use their best endeavours to incorporate the JV Entity and complete a shareholder's agreement by the end of August 2024. The Company confirms that this process has commenced and is well advanced.

## Corporate

During the quarter, Suvo's Non-Executive Chairman, Mr Aaron Banks, was appointed as Executive Chairman of the Company.

Additionally, Mark Pensabene was appointed as Non-Executive Director of the Company with Agu Kantsler resigning from the Board of Directors.

Mark Pensabene holds a Bachelor of Engineering and Commerce degrees from the University of Western Australia and has over 20 years of operational and management experience in the engineering and construction sectors.

Mark spent 18 years with ASX-200 Company, Monadelphous Group, where he held a number of general manager roles. Most recently, Mark was the Executive General Manager & Chief Operating Officer at Primero Group, subsidiary of ASX listed NRW Holdings, a company specializing in the provision of EPC services in the Western Australian and North American mining sectors.

The appointment of Mark comes at an opportune time having recently finalised the JDA with PERMAcast as the Company looks to fast track the commercialisation of its GPC products. The Company intends to utilise Mark's network of clients built over the past 20 years which includes large mining companies producing multiple waste streams from their processing operations, being ideal raw material inputs for potential GPC products.

## Disclosure Requirements (Guidance Note 23 Disclosures)

### Details of mining exploration activities:

The A\$14,000 of exploration and evaluation expenditure was largely attributable to tenement rates and rents and tenement management fees.

### Details of mining production and development activities:

The Company spent A\$2.52 million on production costs and A\$0.08 million on development activities during the quarter ended 30 June 2024.

### Details of tenement activities:

The Company holds the following tenements at the end of the quarter:

TENEMENT	PROJECT	OWNERSHIP	CHANGE
E70/5039	Gabbin Kaolin	100%	Nil
E70/5332	Gabbin Kaolin	100%	Nil
E70/5333	Gabbin Kaolin	100%	Nil
E70/5517	Gabbin Kaolin	100%	Nil
E70/5324	Eneabba Silica Sand	Nil <sup>2</sup>	100% <sup>2</sup>
E70/5001	Eneabba Silica Sand	100% <sup>1</sup>	Nil <sup>1</sup>
E70/5322	Eneabba Silica Sand	Nil <sup>2</sup>	100% <sup>2</sup>
E70/5323	Eneabba Silica Sand	Nil <sup>2</sup>	100% <sup>2</sup>
M5408	Pittong Kaolin	100%	Nil
M5409	Trawalla Kaolin	100%	Nil
M5365	Lal Lal Kaolin	100%	Nil

E = Exploration License (granted)

M = Mining Lease (granted)

<sup>1</sup>The Company partially relinquished EL70/5001, keeping approximately 55% (10 blocks) of the tenement, which are situated on privately owned cleared farmland.

<sup>2</sup> Relinquished. Refer to Market Update announcement released on 13 June 2024.

### Details of related party payments:

During the quarter the Company paid A\$0.14 million to Directors for Salaries and Wages.

Approved for release by the Board

–ENDS–

For further information, please contact

Aaron Banks  
Executive Chairman  
E: [aaron.banks@suvo.com.au](mailto:aaron.banks@suvo.com.au)



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## Company Profile

Suvo Strategic Minerals Limited is an Australian hydrous kaolin producer listed on the Australian Securities Exchange (ASX:SUV). Suvo is focused on expanding sales of hydrous kaolin produced at its 100% owned Pittong operation located 40km west of Ballarat in Victoria. Suvo is also progressing commercialisation of the 'Murdoch Technology', namely Intellectual Property for a geopolymer concrete batching plant a low carbon geopolymer concrete formulation known as 'Collicrete', which it licenses under a worldwide and exclusive Intellectual Property License Agreement.

## 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. The Pittong processing plant has a name-plate capacity of 60,000 tonnes per annum.

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.

## Geopolymer Concrete IP and Commercialisation

Suvo licenses the 'Murdoch Technology' from Murdoch University under a worldwide and exclusive Intellectual Property License Agreement. The Murdoch Technology is namely Intellectual Property for a geopolymer concrete batching plant a low carbon geopolymer concrete formulation known as 'Collicrete'.

Geopolymer concrete is a low carbon concrete that is made by reacting aluminate and silicate bearing materials with a caustic activator, such as metakaolin, flyash, ground blast furnace slag and other waster derived materials. Geopolymer concrete is a suitable replacement for concrete made using the traditional binder known as Ordinary Portland Cement (OPC). The manufacture of OPC is a highly emitting process representing 8% of global CO<sub>2</sub> emissions which is equivalent to the entire global car fleet.

Utilising the licensed IP, in a laboratory setting, Suvo has successfully produced three new geopolymer concrete formulations using caustic activators, metakaolin and flyash. The laboratory trials ran tests comprising five samples in each test returning an average compressive strength of 27 megapascal (MPa) up to 52MPa. The trials indicated the geopolymer concrete formulations using metakaolin and flyash showed a potential greenhouse gas emission reduction of up to ~70% compared to concrete made using OPC.

Suvo has entered into a binding Joint Development Agreement (JDA) with PERMAcast and is now in the process of incorporating a joint venture entity (SPV Entity) to develop and commercialize low-carbon geopolymer concrete (GPC) products. Under the binding JDA, Suvo and PERMAcast will prepare and test various formulations, assess their suitability for different applications, and determine the best route for commercialization through the jointly-owned special purpose vehicle.

## ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

### ASX Listing Rules 5.19 and 5.23

#### ASX Listing Rule 5.19

The information in this announcement relating to production targets, or forecast financial information derived from a production target, is extracted from the announcement entitled 'Pittong Plant Upgrade & Optimisation & Production Guidance' released to the ASX on 26 August 2022 which is available on the Company's website [www.suvo.com.au](http://www.suvo.com.au).

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

#### **ASX Listing Rule 5.23**

The information in this announcement relating to exploration results and mineral resource estimates for the Company's Projects has been extracted from the following announcements:

Pittong Maiden Mineral Resource Estimate, ASX Announcement dated 1 March 2022,

Trawalla Maiden Mineral Resource Estimate, ASX Announcement dated 22 September 2021,

Suvo increases White Cloud kaolin resource by 84% to 72.5Mt of bright white kaolinised granite, ASX Announcement dated 25 March 2021,

which are all available on the Company's website [www.suvo.com.au](http://www.suvo.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

#### **Forward-Looking Statements**

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of SUV and certain of the plans and objectives of SUV with respect to these items.

These forward-looking statements are not historical facts but rather are based on SUV's current expectations, estimates and projections about the industry in which SUV operates and its beliefs and assumptions.

Words such as "anticipates," "considers," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the industry in which SUV operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of SUV, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such risks include, but are not limited to resource risk, product price volatility, currency fluctuations, increased production costs and variances in product grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings.

SUV cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of SUV only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

SUV will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Suvo Strategic Minerals Limited

ABN

97 140 316 463

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,203	12,415
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(2,522)	(11,131)
(d) staff costs	(394)	(1,468)
(e) administration and corporate costs	(582)	(2,715)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	146
1.5 Interest and other costs of finance paid	(14)	(184)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	21
1.8 Other (income tax refunds)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(292)</b>	<b>(2,916)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(955)
(d) exploration & evaluation	(14)	(147)
(e) investments	-	-
(f) other non-current assets	(78)	(339)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	26	51
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(66)</b>	<b>(1,390)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,500
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	7
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(183)
3.5 Proceeds from borrowings	-	1,000
3.6 Repayment of borrowings	(65)	(702)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (repayment of lease liabilities)	(89)	(354)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(154)</b>	<b>4,268</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,638	3,164
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(292)	(2,916)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(66)	(1,390)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(154)	4,268

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,126</b>	<b>3,126</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,126	3,638
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (cash held in term deposit)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,126</b>	<b>3,638</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (equipment finance facility)	1,000	561
<b>7.4 Total financing facilities</b>	<b>1,000</b>	<b>561</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>439</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The facility is an equipment finance facility provided by National Australia Bank. The rates on the existing equipment loans drawn range from 4.15% to 7.43%. The rates are specific to the prevailing rate of the day, loan amount, equipment being financed and term of the loan. The loans vary from 3-5 years. The facility is secured.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(292)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(14)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(306)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,126
8.5 Unused finance facilities available at quarter end (item 7.5)	439
8.6 Total available funding (item 8.4 + item 8.5)	3,565
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>11.65</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: The Board of Directors  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.