SUVO STRATEGIC MINERALS

Annual Financial Report

Year ended 30 June 2024

ABN 97 140 316 463

Corporate Directory

Directors	Aaron Banks Oliver Barnes Mark Pensabene
Company secretary	Chris Achurch
Registered office	Level 11 40 The Esplanade Perth WA 6000 Phone: (08) 9389 4495
Principal place of business	3610 Glenelg Hwy Pittong VIC 3360 Phone: (03) 5344 6688
Share registry	Automic Registry Services Pty Ltd Level 5 191 St Georges Terrace Perth WA 6000 Phone: 1300 288 664
Auditors	RSM Australia Partners Level 32 2 The Esplanade Perth WA 6000 Phone: (08) 9261 9100
Solicitors	Hamilton Locke Level 48 152-158 St Georges Terrace Perth WA 6000 Phone: (08) 6311 9160
Stock exchange listing	Suvo Strategic Minerals Limited's shares are listed on the Australian Securities Exchange (ASX code: SUV)
Website	www.suvo.com.au
Corporate Governance Statement	www.suvo.com.au/investors/corporate-governance/

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Suvo Strategic Minerals Limited (referred to hereafter as the 'Suvo' or the 'Company') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of Suvo during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Aaron Banks	Executive Chairman (appointed 1 May 2024) Non-Executive Chairman (resigned 1 May 2024)
Mr Oliver Barnes	Non-Executive Director
Mr Mark Pensabene	Non-Executive Director (appointed 13 June 2024)
Dr Agu Kantsler	Non-Executive Director (appointed 5 September 2023, resigned 13 June 2024)
Mr Hugh Thomas	Managing Director (resigned 30 October 2023)

Principal activities

The principal activities of the Group during the year were refined kaolin production in Victoria and commercialisation of the 'Murdoch Technology', namely Intellectual Property for a geopolymer concrete batching plant and a low carbon geopolymer concrete formulation known as 'Colliecrete', licensed by the Company under a worldwide and exclusive Intellectual Property License Agreement.

Review of operations

Kaolin Operations

The Company generated revenue of A$12.3 million in FY24 (A$11.3 million in FY23). Sales of hydrous kaolin products sold to the local and international markets totaled ~20,000 tonnes during the 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 second half of FY24, 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 achieved for other existing customers during the same period (ASX announcement 31 July 2024).

Subsequent to the financial year end, the Company 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 weighted average selling price 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 (ASX announcement 31 July 2024).

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 FY25.

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. As sales orders are received from new customers production will start to ramp up at Pittong.

Geopolymer Concrete

As announced on 30 October 2023, Suvo licensed 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 and a low carbon geopolymer concrete formulation known as 'Colliecrete'.

Directors' Report

Geopolymer concrete is a low carbon alternative to traditional concrete. It is produced by using a caustic activator to react with aluminate and silicate-bearing materials, such as metakaolin, fly ash, ground blast furnace slag, and other waste-derived materials. In this process, these materials act as the binder in place of Ordinary Portland Cement (OPC). The manufacture of OPC is an emission intensive process that currently accounts for 8% of global CO2 emissions, which is equivalent to the emissions produced by 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 subsequently 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 commercialise low-carbon geopolymer concrete (**GPC**) products and projects. 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 commercialisation through the jointly-owned special purpose vehicle.

Subsequent to the financial year end, the Company with its partner PERMAcast, completed the production and delivery of its first low carbon geopolymer precast product, a series of 1000mm x 350mm x 350mm backing blocks, to be used for hardscaping and demonstration purposes for a major Government infrastructure project. The 28-day compressive strengths on the backing blocks ranged from 31 to 35 Megapascals (**MPa**).

Corporate

During the year, the Company completed a successful Placement and Share Purchase Plan (**Capital Raise**) which raised A$4.5 million (before costs). Funding from the Capital Raise is being used to support production at Pittong and accelerate the commercialisation of the Company's low carbon geopolymer concrete licensed intellectual property.

In October 2023, the Company's CFO, Bojan Bogunovic, was appointed as Interim Chief Executive Officer of the Company, effective immediately following the resignation of Mr Hugh Thomas as Managing Director and Chief Executive Officer. In June 2024, Bojan Bogunovic, Suvo's Interim Chief Executive Officer was appointed as Chief Executive Officer of the Company.

In May 2024, Aaron Banks, Suvo's Non-Executive Chairman was appointed as Executive Chairman of the Company. Additionally, in June 2024, 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.

Projects

Suvo's focus is on expanding high margin sales of hydrous kaolin produced at its 100% owned Pittong operations and progressing the commercialisation of the 'Murdoch Technology', namely the intellectual property for a geopolymer concrete batching plant and low carbon geopolymer concrete formulation known as 'Colliecrete', licensed by the Company under a worldwide and exclusive Intellectual Property License Agreement.

Consequently, the Company opted to relinquish the majority of its silica sand tenements (E70/5322, E70/5323, E70/5324) on the Eneabba Project in Western Australia. The Company partly relinquished EL70/5001, keeping approximately 10 blocks of the tenement which are situated on privately owned cleared farmland (ASX announcement 13 June 2024).

Relinquishing these tenements will reduce the Company's overall administrative overhead on exploration, including the need to meet annual minimum expenditure commitments and costs associated with annual rents and rates.

During the period, Suvo made the decision not to progress the remaining stages of the staged earn-in agreement in Dingo HPA Pty Ltd. The Board of Directors of Dingo HPA Pty Ltd resolved to de-register the Company as Dingo's technology could not be commercialised. Subsequently, the remaining cash balance held by Dingo was distributed proportionally amongst the shareholders of the Company. Suvo, as a 26% shareholder received A$25,788 from the divestment process (ASX announcement 30 April 2024).

Directors' Report

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
On 9 July 2024, the Company announced that a tripartite binding Joint Development Agreement (**JDA**) was executed between Suvo, 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 products and projects and otherwise commercialise the intellectual property created through a joint venture entity.

On 17 September 2024, the Company secured a 12-month extension on debt funding of A$1.0 million (before costs) advanced on 1 December 2023 and previously repayable on 30 November 2024. The loan term period has been extended for a period of six months commencing 1 December 2024 and expiring 31 May 2025. A further six months will be available, at the Company's option, for the subsequent period from 1 June 2025 to 30 November 2025.

Apart from matters discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
The Group intends to continue its exploration, development, commercialisation and production activities on its existing operations and projects and to acquire further suitable projects as opportunities arise.

Environmental regulation
The Group is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

Material business risks
Development and commercialisation of the Company's licensed technology
The success of the Company will depend upon the Company's ability to further develop and commercialise its licensed technology and intellectual property. A failure to successfully develop and commercialise the technology could lead to a loss of opportunities and adversely impact the Company's operating results and financial position.

Intellectual Property
The success of the Company, in part, depends on its continued ability to protect its intellectual property and use any trademarks to increase brand awareness. The Company will depend on its intellectual property to protect its brand and trade secrets, and any pending patents on its products and production processes. In the event the Company is unable to protect its intellectual property adequately, the value of the Company's products and brands could be adversely affected. This may further impact the overall business, with respect to its financial position and overall profitability and operational output.

Exploration and development
The Company's mining tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these tenements, or any other mineral tenements that may be acquired in the future, will result in the discovery of an economic resource. Even where an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Staffing and reliance on key management
The Company relies on the experience and knowledge of key members of its staff. In the event that key personnel leave and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.

Capital and funding requirements
Suvo is not yet at the stage where it is generating positive cash flows at the group level. Further, no assurance can be given that Suvo will become profitable in the future. Accordingly, the Company may require additional equity or debt funding in the short, medium or long term. The ability of Suvo to access funding is never certain and is dependent on a multitude of factors, including the macro-economic conditions in Australia and overseas.

Directors' Report

Production, operations and supply chain
Suvo aims to have reliable operational performance to allow it to deliver on its operational objectives and satisfy its obligations to customers, regulators and communities. Supply chains have an influence on the way Suvo operates and the results it generates. The Company relies on various key customers, supplier relationships and contractors to conduct various aspects of its operations.

Demand, product pricing and offtake agreements
Suvo continues to build relationships with its customers and has underpinned its production with geographically diverse offtake agreements with various pricing mechanisms.

Environment, climate change and natural events
Suvo's hydrous kaolin operational activities have the potential to impact the environment and require proactive management to minimise any potential impact to water resources, air quality and biodiversity. Climate change has the potential to impact the frequency, intensity, and likelihood of extreme events that could impact people's safety, wellbeing, security and key operating infrastructure.

Future growth opportunities
Suvo endeavors to improve its return on investments and create shareholder value by carefully evaluating organic and inorganic growth and investment opportunities. The Company expects this risk may increase with the increased likelihood of growth and investment opportunities.

Information on directors

Name:	Aaron Banks
Title:	Executive Chairman (appointed 1 May 2024), Non-Executive Chairman (resigned 1 May 2024)
Experience and expertise:	Aaron Banks is a specialist business consultant with over 20 years' experience in contract negotiations and business development including senior roles in sales, marketing and construction management. In 2015 as founder and Managing Director of Australian Silica Pty Ltd, Mr Banks discovered one of the largest high grade silica sand resources in the world. Whilst on the Board of Australian Silica he successfully negotiated the sale of the Muchea Silica Sand Project to Ventnor Resources Limited which pivoted the former base metals explorer to the emerging silica sand producer known today as VRX Silica Limited (ASX:VRX). In 2020 he vended his private companies into what is Suvo Strategic Minerals Limited today. Aaron has an extensive background in industrial minerals and has focused on developing emerging assets globally.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	75,451,278
Interests in options:	None
Interests in performance rights:	15,000,000

Name:	Oliver Barnes
Title:	Non-Executive Director
Experience and expertise:	Oliver Barnes has over 25 years' experience in natural resources and asset development with expertise in carbon, rural development, ESG and clean technology commercialisation. Mr Barnes was previously the Managing Director of an ASX listed land and water developer and held a senior role with an ASX listed phosphate technology company. He holds a Bachelor of Science in Agriculture Business Management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in performance rights:	5,895,000

Directors' Report

Name:	Mark Pensabene
Title:	Non-Executive Director (appointed 13 June 2024)
Experience and expertise	Mark Pensabene holds 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,300,000
Interests in options:	None
Interests in performance rights:	None

Name:	Agu Kantsler
Title:	Non-Executive Director (appointed 5 September 2023, resigned 13 June 2024)
Experience and expertise:	Dr Agu Kantsler B.SC (hons), Ph.D., G.A.I.C.D., FTSE, has over 45 years of experience in the international and Australian upstream oil and gas industry and has spent over 20 years in senior leadership positions and 12 years serving on the boards of several listed and private companies. He is currently the Managing Director of Transform Exploration Pty Ltd and a Non-Executive Director of Central Petroleum Limited.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in performance rights:	Not applicable as no longer a director

Name:	Hugh Thomas
Title:	Managing Director (resigned 30 October 2023)
Experience and expertise:	Mr Thomas has over 35 years' industry experience, with a strong mix of commercial and operational experience, having held several executive positions across the natural resources sector. Previous positions include Managing Director and Head of Asia Pacific Natural Resources for both JP Morgan and Morgan Stanley in Hong Kong, Head of Natural Resources Investment Banking at Investec Bank in Sydney and Partner at Deloitte Corporate Finance.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in performance rights:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Chris Achurch holds the position of Company Secretary. Mr Achurch provides company secretarial, corporate advisory and general consulting services to a number of ASX listed companies.

Directors' Report

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee[1]		Audit and Risk Committee[1]	
	Attended	Held	Attended	Held	Attended	Held
Aaron Banks	5	5	-	-	-	-
Oliver Barnes	5	5	-	-	-	-
Mark Pensabene	-	-	-	-	-	-
Agu Kantsler	5	5	-	-	-	-
Hugh Thomas	1	1	-	-	-	-

[1] Refer to Company's Corporate Governance statement.

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the 2016 Annual General Meeting where the shareholders approved a maximum annual aggregate remuneration of $350,000.

Directors' Report

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved.

The long-term incentives ('LTI') include share-based payments. Shares are awarded to executives over a period greater than one year based on long-term incentive measures.

Use of remuneration consultants
During the financial year ended 30 June 2024, the Group did not engage a remuneration consultant.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 95.49% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' Report

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following persons:
- Aaron Banks - Executive Chairman (appointed 1 May 2024), Non-Executive Chairman (resigned 1 May 2024)
- Oliver Barnes - Non-Executive Director
- Mark Pensabene - Non-Executive Director (appointed 13 June 2024)
- Agu Kantsler - Non-Executive Director (appointed 5 September 2023, resigned 13 June 2024)
- Hugh Thomas - Managing Director (resigned 30 October 2023)
- Bojan Bogunovic - Chief Executive Officer (appointed 31 October 2023), previously Chief Financial Officer
- Hanno Van Der Merwe - Chief Operating Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2024	Cash salary and fees $	Cash bonus $	Other $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled Other $	Total $
Executive Directors:								
Aaron Banks[1]	41,667	-	-	4,583	-	-	(177,186)[8]	(130,936)
Hugh Thomas[2]	165,000	-	-	-	-	-	(13,221)[9]	151,779
Non-Executive Directors:								
Aaron Banks[1]	54,299	-	61,614[6]	12,750	-	-	-	128,663
Oliver Barnes	48,000	-	-	-	-	-	(49,155)[8,10]	(1,155)
Mark Pensabene[3]	2,400	-	-	-	-	-	-	2,400
Agu Kantsler[4]	33,574	-	-	3,693	-	-	-	37,267
Other KMP:								
Bojan Bogunovic[5]	291,667	-	-	29,333	-	-	(34,101)[8]	286,899
Hanno Van Der Merwe	257,918	-	12,000[7]	27,399	-	60,000	(25,952)[8]	331,365
	894,525	-	73,614	77,758	-	60,000	(299,615)	806,282

1 Aaron Banks was Non-Executive Chairman up until 1 May 2024, he then transitioned to Executive Chairman.
2 Hugh Thomas resigned as Managing Director on 30 October 2023.
3 Mark Pensabene was appointed Non-Executive Director on 13 June 2024.
4 Agu Kantsler was appointed Non-Executive Director on 5 September 2023 and resigned on 13 June 2024.
5 Bojan Bogunovic was Chief Financial Officer up until 31 October 2023, he then transitioned to Chief Executive Officer.
6 This was for consulting services provided by Aaron Banks during his time as Non-Executive Chairman.
7 This was for director fees for Dingo HPA Pty Ltd.
8 Relates to reversal of performance rights as a result of changes in the likelihood of vesting.
9 Relates to performance rights forfeited due to cessation of directorship.
10 Includes a $17,886 reversal in performance rights issued to ESG-F Holdings Pty Ltd, a related party of Oliver Barnes.

Directors' Report

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2023	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled Other[9]	Total
Executive Directors:	$	$	$	$	$	$	$	$
Aaron Banks[1]	-	-	-	-	-	-	399,375[7]	399,375
Hugh Thomas[2]	16,500	-	-	-	-	-	-	16,500
Henk Ludik[3]	261,639	-	-	26,250	-	-	225,000	512,889
Non-Executive Directors:								
Aaron Banks[1]	21,012	-	-	2,206	-	-	-	23,218
Oliver Barnes	48,000	-	-	-	-	-	87,794[4]	135,794
Henk Ludik[3]	6,000	-	-	-	-	-	-	6,000
Ian Wilson[5]	47,663	-	-	-	-	-	(34,641)[8]	13,022
Other KMP:								
Hugh Thomas[2]	82,500	-	-	-	-	-	13,221	95,721
Bojan Bogunovic	197,083	-	-	22,794	-	20,000	145,744	385,621
Hanno Van Der Merwe[6]	150,453	-	-	15,797	-	-	46,488	212,738
	830,850	-	-	67,047	-	20,000	882,981	1,800,878

1 Aaron Banks was Executive Director up until 7 March 2023, he transitioned to Interim Non-Executive Chairman.
2 Hugh Thomas was appointed Chief Executive Officer on 1 April 2023 and as Managing Director on 15 June 2023.
3 Henk Ludik was Non-Executive Chairman up until 22 August 2022, he then transitioned to Executive Chairman. He held this role until 7 March 2023, transitioning to Non-Executive Director. He resigned as Non-Executive Director on 15 June 2023.
4 Includes $31,945 in performance rights issued to ESG-F Holdings Pty Ltd, a related party of Oliver Barnes.
5 Salary represents the period 1 July 2022 to 14 June 2023.
6 Salary represents the period 1 December 2022 to 30 June 2023.
7 These performance rights were issued to Aaron Banks in his capacity as Executive Director.
8 Relates to performance rights forfeited due to cessation of directorship.
9 Equity settled performance rights.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2024	2023	2024	2023	2024	2023
Executive Directors:						
Aaron Banks	(35%)[1]	-	-	-	135%[1]	100%
Hugh Thomas	109%[1]	100%	-	-	(9%)[1]	-
Non-Executive Directors:						
Aaron Banks	100%	100%	-	-	-	-
Oliver Barnes	(4,155%)[1]	35%	-	-	4,255%[1]	65%
Mark Pensabene	100%	-	-	-	-	-
Agu Kantsler	100%	-	-	-	-	-
Other KMP:						
Bojan Bogunovic	112%[1]	57%	-	5%	(12%)[1]	38%
Hanno Van Der Merwe	90%[1]	78%	18%[1]	-	(8%)[1]	22%
Hugh Thomas	-	86%	-	-	-	14%

1 Due to reversals of performance rights issued in prior years.

Directors' Report

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Aaron Banks
Title:	Executive Chairman
Agreement commenced:	1 May 2024
Term of agreement:	Open
Details:	Base salary of $250,000 plus superannuation guarantee. The salary will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries. 3-month termination notice by either party, the Company may at any time pay a cash bonus, non-solicitation and non-compete clauses.

Name:	Bojan Bogunovic
Title:	Chief Executive Officer
Agreement commenced:	31 October 2023
Term of agreement:	Open
Details:	Base salary of $300,000 plus superannuation guarantee. The salary will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries. 3-month termination notice by either party, the Company may at any time pay a cash bonus, non-solicitation and non-compete clauses.

Name:	Hanno Van Der Merwe
Title:	Chief Operating Officer
Agreement commenced:	1 December 2022
Term of agreement:	Open
Details:	Base salary of $257,918 plus superannuation guarantee. The salary will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries. 5-week termination notice by either party, the Company may at any time pay a cash bonus, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Shares

During the year Chief Operating Officer, Hanno Van Der Merwe received $60,000 worth of shares as part of compensation.

Performance rights

During the year, 7,500,000 performance rights were issued to Hugh Thomas. The performance rights convert into fully paid ordinary shares in the capital of the Company upon achievement of the following milestones:

a. One third of the performance rights will convert into ordinary shares on a one-for-one basis upon the Company's VWAP being at least $0.06 over 20 consecutive trading days on which the Company's shares have actually traded, expiring 3 years after the date of issue.

b. One third of the performance rights will convert into ordinary shares on a one-for-one basis upon the Company's VWAP being at least $0.08 over 20 consecutive trading days on which the Company's shares have actually traded, expiring 3 years after the date of issue.

c. One third of the performance rights will convert into ordinary shares on a one-for-one basis upon the Company's VWAP being at least $0.10 over 20 consecutive trading days on which the Company's shares have actually traded, expiring 3 years after the date of issue.

These performance rights were forfeited on Hugh Thomas' resignation as Managing Director on 30 October 2023.

For the year ended 30 June 2024, an expense reversal of $299,615 has been recognised in relation to the performance rights issued to Directors and other key management personnel.

Directors' Report

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020[1] $
Sales revenue	**12,252,427**	11,259,102	13,957,078	6,510,970	-
EBITDA	**(6,718,124)**	(7,533,562)	(1,348,513)	(1,671,660)	(1,546,584)
EBIT	**(7,541,764)**	(8,130,410)	(1,888,438)	(2,238,073)	(1,546,584)
Loss after income tax	**(7,635,544)**	(8,101,122)	(1,951,007)	(2,220,638)	(1,546,584)

[1] The suspension of trading in the securities of Suvo Strategic Minerals Limited ('SUV') was lifted from the commencement of trading on Friday, 7 August 2020, following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020[1]
Share price at financial year end ($)	**0.046**	0.026	0.04	0.15	0.02
Total dividends declared (cents per share)	**-**	-	-	-	-
Basic loss per share (cents per share)	**(0.88)**	(1.14)	(0.32)	(0.43)	(0.19)

[1] The suspension of trading in the securities of Suvo Strategic Minerals Limited ('SUV') was lifted from the commencement of trading on Friday, 7 August 2020, following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Exercise of performance rights	Received as part of remuneration	Acquired	Disposals/ other	Balance at the end of the year
Aaron Banks	75,319,527	-	-	131,751	-	75,451,278
Oliver Barnes	-	-	-	-	-	-
Mark Pensabene	1,300,000[1]	-	-	-	-	1,300,000
Agu Kantsler	-	-	-	-	-	-[2]
Hugh Thomas	-	-	-	-	-	-[2]
Bojan Bogunovic	1,247,619	600,000	-	-	-	1,847,619
Hanno Van Der Merwe	-	-	2,000,000	-	-	2,000,000
	77,867,146	600,000	2,000,000	131,751	-	80,598,897

1 Balance at appointment as director on 13 June 2024.
2 Balance at cessation of directorship.

Directors' Report

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted as remuneration	Exercised	Expired/ forfeited	Net change other	Balance at the end of the year
Aaron Banks	-	-	-	-	-	-
Oliver Barnes	-	-	-	-	-	-
Mark Pensabene	-[1]	-	-	-	-	-
Agu Kantsler	-	-	-	-	-	-[2]
Hugh Thomas	-	-	-	-	-	-[2]
Bojan Bogunovic	93,750	-	-	-	-	93,750[3]
Hanno Van Der Merwe	-	-	-	-	-	-
	93,750	-	-	-	-	93,750

[1] Balance at appointment as director on 13 June 2024.
[2] Balance at cessation of directorship.
[3] Free-attaching options.

Performance rights

The number of performance rights in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Performance rights	Balance at the start of the year	Granted as remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Aaron Banks	21,666,667	-	-	(6,666,667)	15,000,000
Oliver Barnes	5,895,000	-	-	-	5,895,000[1]
Mark Pensabene	-	-	-	-	-
Agu Kantsler	-	-	-	-	-
Hugh Thomas	-	7,500,000[2]	-	(7,500,000)[2]	-
Bojan Bogunovic	6,450,000	-	(600,000)	-	5,850,000
Hanno Van Der Merwe	6,000,000	-	-	-	6,000,000
	40,011,667	7,500,000	(600,000)	(14,166,667)	32,745,000

[1] Balance includes 2,145,000 performance rights issued to ESG-F Holdings Pty Ltd, a related party of Oliver Barnes.
[2] Hugh Thomas was issued 7,500,000 performance rights during the year. These lapsed on the cessation of his employment on 30 October 2023.

Other transactions with key management personnel and their related parties

During the financial year, no other transactions with key management personnel and their related parties were made. Amounts owing to related parties as at 30 June 2024 were $10,400 for director fees. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Directors' Report

Shares under option
Unissued ordinary shares of Suvo Strategic Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15-Dec-2022	6-Dec-2025	$0.075	1,000,000
15-Dec-2022	6-Dec-2025	$0.10	12,500,000
17-Feb-2023	16-Mar-2026	$0.08	5,000,000
17-Feb-2023	16-Mar-2026	$0.12	7,500,000
17-Feb-2023	16-Mar-2026	$0.16	12,500,000
27-Jun-2023	26-Jun-2026	$0.06	5,000,000
29-Nov-2023	1-Dec-2025	$0.06	2,000,000
26-Feb-2024	26-Jun-2027	$0.045	5,000,000
26-Feb-2024	26-Jun-2027	$0.06	5,000,000
26-Feb-2024	26-Jun-2027	$0.075	5,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of Suvo Strategic Minerals Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under performance rights
5-Oct-2021	24-Nov-2026	nil	2,100,000
17-Nov-2021	24-Nov-2026	nil	7,500,000
21-Oct-2022	16-Nov-2025	nil	5,895,000
30-Nov-2022	16-Dec-2025	nil	7,500,000
13-Dec-2022	3-Jan-2026	nil	14,333,333

Shares issued on the exercise of options and performance rights
During the year ended 30 June 2024, 241,667 shares were issued on the exercise of options, and 2,183,333 shares were issued on the exercise of performance rights. Subsequent to year end, 1,583,333 shares were issued on the exercise of performance rights.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Directors' Report

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of RSM Australia Partners
There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Aaron Banks
Executive Chairman

27 September 2024
Perth

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Suvo Strategic Minerals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA

TUTU PHONG
Partner

Perth, WA
Dated: 27 September 2024

General information

The financial statements cover Suvo Strategic Minerals Limited as a consolidated entity consisting of Suvo Strategic Minerals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Suvo Strategic Mineral Limited's functional and presentation currency.

Suvo Strategic Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 11
40 The Esplanade
Perth WA 6000

Principal place of business

3610 Glenelg Hwy
Pittong VIC 3360

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2024. The Directors have the power to amend and reissue the financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Note	Consolidated 2024 $	2023 $
Profit or loss from continuing operations			
Revenue	4	**12,252,427**	11,259,102
Cost of sales		**(11,982,037)**	(10,961,231)
Gross profit before depreciation and amortisation		**270,390**	297,871
Depreciation and amortisation relating to kaolin production		**(540,752)**	(300,415)
Gross (loss)/profit from operations		**(270,362)**	(2,544)
Other income		**324,817**	306,975
Administration and other corporate expenses	5	**(4,676,432)**	(4,595,479)
Foreign exchange profit		**24,116**	44,398
Other depreciation and amortisation expenses		**(282,889)**	(296,433)
Exploration and evaluation expenditure impairment	16	**(2,752,934)**	(40,768)
Property, plant and equipment written off	14	**-**	(2,097,507)
Share based payments expense	6	**181,216**	(1,408,628)
Share of loss of associate accounted for using the equity method	18	**(12,714)**	(11,136)
Loss on disposal of associate	18	**(170,362)**	-
Loss before income tax expense from continuing operations		**(7,635,544)**	(8,101,122)
Income tax expense	7	**-**	-
Loss after income tax expense from continuing operations		**(7,635,544)**	(8,101,122)
Loss after income tax expense for the year		**(7,635,544)**	(8,101,122)
Other comprehensive income			
Items that may be reclassified through profit or loss			
Total other comprehensive loss for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(7,635,544)**	(8,101,122)
Loss for the year is attributable to:			
Owners of Suvo Strategic Minerals Limited		**(7,635,544)**	(8,101,122)
Total comprehensive loss for the year is attributable to:			
Continuing operations		**(7,635,544)**	(8,101,122)
Owners of Suvo Strategic Minerals Limited		**(7,635,544)**	(8,101,122)
Loss per share for loss attributable to owners of Suvo Strategic Minerals Limited			
Basic and diluted loss per share (in cents)	8	**(0.88)**	(1.14)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	9	**3,126,425**	3,163,638
Trade and other receivables	10	**1,414,959**	1,416,028
Inventories	11	**1,941,961**	2,090,431
Other financial assets	12	**133,252**	71,000
Other	13	**183,385**	787,408
Total current assets		**6,799,982**	7,528,505
Non-current assets			
Property, plant and equipment	14	**4,690,324**	4,244,441
Mine properties	15	**2,227,294**	2,084,682
Mineral interest acquisition and exploration expenditure	16	**3,225,385**	5,824,404
Right-of-use assets	17	**86,088**	341,681
Investment in associate	18	**-**	208,864
Other financial assets	12	**2,086,000**	2,184,233
Total non-current assets		**12,315,091**	14,888,305
Total assets		**19,115,073**	22,416,810
Liabilities			
Current liabilities			
Trade and other payables	19	**2,284,907**	1,899,963
Borrowings	20	**1,000,000**	-
Provisions	21	**670,591**	808,850
Lease liabilities	22	**125,114**	387,594
Interest-bearing liabilities	23	**158,414**	641,161
Total current liabilities		**4,239,026**	3,737,568
Non-current liabilities			
Provisions	24	**2,478,819**	2,567,057
Lease liabilities	25	**-**	113,689
Interest-bearing liabilities	23	**370,234**	528,648
Total non-current liabilities		**2,849,053**	3,209,394
Total liabilities		**7,088,079**	6,946,962
Net assets		**12,026,994**	15,469,848
Equity			
Issued capital	26	**46,488,046**	42,230,249
Reserves	27	**7,700,253**	7,765,360
Accumulated losses	28	**(42,161,305)**	(34,525,761)
Total equity		**12,026,994**	15,469,848

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	38,732,317	6,376,923	(26,424,639)	18,684,601
Loss after income tax expense for the year	-	-	(8,101,122)	(8,101,122)
Other comprehensive loss for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(8,101,122)	(8,101,122)
Transactions with owners in their capacity as owners:				
Shares issued	3,771,300	-	-	3,771,300
Shares issue costs	(273,368)	-	-	(273,368)
Share-based payments *(note 6)*	-	1,388,437	-	1,388,437
Balance at 30 June 2023	42,230,249	7,765,360	(34,525,761)	15,469,848

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2023	**42,230,249**	**7,765,360**	**(34,525,761)**	**15,469,848**
Loss after income tax expense for the year	**-**	**-**	**(7,635,544)**	**(7,635,544)**
Other comprehensive loss for the year, net of tax	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**(7,635,544)**	**(7,635,544)**
Transactions with owners in their capacity as owners:				
Shares issued	**4,651,250**	**-**	**-**	**4,651,250**
Share issue costs	**(393,453)**	**-**	**-**	**(393,453)**
Share-based payments *(note 6)*	**-**	**(65,107)**	**-**	**(65,107)**
Balance at 30 June 2024	**46,488,046**	**7,700,253**	**(42,161,305)**	**12,026,994**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Receipts in the course of operations		**12,410,423**	12,037,142
Payments to suppliers and employees		**(15,318,044)**	(15,848,187)
Interest received		**145,773**	101,049
Interest paid		**(182,042)**	(98,536)
Grants received		**20,541**	24,600
Net cash used in operating activities	*29*	**(2,923,349)**	(3,783,932)
Cash flows from investing activities			
Payments for property, plant and equipment		**(930,853)**	(2,621,883)
Payments for exploration and evaluation		**(147,191)**	(556,310)
Payments for mine properties		**(342,397)**	(119,634)
Receipts/payments for investments in associates	*18*	**25,788**	(220,000)
Other financial assets – term deposits at bank		**5,000**	-
Net cash used in investing activities		**(1,389,653)**	(3,517,827)
Cash flows from financing activities			
Proceeds from issue of shares		**4,500,000**	3,600,000
Proceeds from exercise of options		**7,250**	74,500
Share issue transaction costs		**(183,244)**	(181,858)
Proceeds from borrowings		**1,000,000**	-
Financed equipment		**-**	801,353
Repayment of lease liabilities		**(345,977)**	(337,302)
Repayment of interest-bearing liabilities		**(702,240)**	(178,632)
Net cash received from financing activities		**4,275,789**	3,778,061
Net decrease in cash and cash equivalents		**(37,213)**	(3,523,698)
Cash and cash equivalents at the beginning of the financial year		**3,163,638**	6,687,336
Effects of exchange rate changes on cash and cash equivalents		**-**	-
Cash and cash equivalents at the end of the financial year	*9*	**3,126,425**	3,163,638

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1. Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going Concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. As disclosed in the financial statements, the Group incurred a loss of $7,635,544 and had net cash outflows from operating activities of $2,923,349 for the year ended 30 June 2024. As at that date, the Group had a cash balance of $3,126,425.

The Directors believe that it is appropriate to continue to adopt the going concern basis of preparation as per the detailed cash flow forecast prepared by Management. The cash flow forecast indicates that the Group expects to have sufficient working capital and other funds available to continue for at least the next twelve-month period ending 30 September 2025. The key assumptions used to derive at a detailed cashflow forecast relate to future sales and costs.

Whilst the Directors recognise that the key assumptions underpinning the cash flow forecast are subject to future events, some of which are beyond the direct control of the Group, the Directors have assessed the cash flow forecast and believe that it is appropriate that the Group continues to prepare its financial report on the going concern basis.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Suvo Strategic Minerals Limited ('Company' or 'Parent') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Suvo Strategic Minerals Limited and its subsidiaries together are referred to in these annual financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Notes to the financial statements

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
As stated in the “Basis of preparation’, the financial statements are presented in Australian dollars, which is Suvo Strategic Mineral Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Notes to the financial statements

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Sale of kaolin and other minerals
Sale of kaolin and other minerals is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Government grants
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Suvo Strategic Minerals Limited (the 'Parent') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The Parent and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Notes to the financial statements

In addition to its own current and deferred tax amounts, the Parent also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 60 to 90 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Notes to the financial statements

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Cost is determined on the following basis:

a. Work in progress and finished goods on hand is valued on an average total production cost method
b. Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage
c. Raw materials are valued at average cost

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land is measured at fair value, based on periodic valuations by external independent valuers. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Buildings are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	3-40 years
Plant and equipment	2-25 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Notes to the financial statements

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the financial statements

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Refund liabilities
Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Notes to the financial statements

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the financial statements

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Investment in Associates
Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Suvo Strategic Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Notes to the financial statements

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 6 for further information.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the contained tonnes based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys. The Group reviews the carrying value of stockpile inventories regularly to ensure that their cost does not exceed net realisable value.

Rehabilitation provision
A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Notes to the financial statements

Amortisation
The Group uses the concept of life of mine to determine the amortisation of mine properties. In determining life of mine, the Group prepares mineral resource estimation in accordance with JORC 2012, guidelines prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The estimate of these mineral resources, by their very nature, require judgements, estimates and assumptions. Where the mineral resources estimates need to be modified, the amortisation expense is accounted for prospectively from the date of assessment until the end of the revised mine life (for both current and future years).

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services
The principal products and services of the kaolin production operating segment are the manufacture and sale of refined kaolin in Australia and overseas.

Major customers
During the year ended 30 June 2024 approximately $3,563,989 (2023: $3,699,182) of the Group’s external revenue was derived from sales to two major Australian paper producers.

Notes to the financial statements

Operating segment information

	Corporate $	Exploration & Evaluation $	Kaolin Production $	30 June 2024 Total $
Revenue				
Sales to external customers	-	-	12,252,427	12,252,427
Total segment revenue	-	-	12,252,427	12,252,427
EBITDA	(2,783,049)	(2,808,247)	(1,126,828)	(6,718,124)
Depreciation and amortisation	(224,478)	(364)	(598,798)	(823,640)
Interest revenue	20,184	-	127,166	147,350
Finance costs	(75,144)	-	(165,986)	(241,130)
Loss before income tax expense	(3,062,487)	(2,808,611)	(1,764,446)	(7,635,544)
Income tax expense	-	-	-	-
Loss after income tax expense	(3,062,487)	(2,808,611)	(1,764,446)	(7,635,544)
Assets				
Segment assets	2,005,335	3,226,244	13,883,494	19,115,073
Liabilities				
Segment liabilities	1,485,670	6,723	5,595,686	7,088,079

	Corporate $	Exploration & Evaluation $	Kaolin Production $	30 June 2023 Total $
Revenue				
Sales to external customers	-	-	11,259,102	11,259,102
Total segment revenue	-	-	11,259,102	11,259,102
EBITDA	(4,832,911)	(42,886)	(2,657,765)	(7,533,562)
Depreciation and amortisation	(228,367)	(729)	(367,752)	(596,848)
Interest revenue	29,022	-	98,802	127,824
Finance costs	(36,189)	(1,780)	(60,567)	(98,536)
Loss before income tax expense	(5,068,445)	(45,395)	(2,987,282)	(8,101,122)
Income tax expense	-	-	-	-
Loss after income tax expense	(5,068,445)	(45,395)	(2,987,282)	(8,101,122)
Assets				
Segment assets	2,741,028	5,836,072	13,839,710	22,416,810
Liabilities				
Segment liabilities	958,020	-	5,988,942	6,946,962

Notes to the financial statements

Note 4. Revenue

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers		
Sale of goods	**12,252,427**	11,259,102
Revenue from continuing operations	**12,252,427**	11,259,102

Timing of revenue recognition
All revenue is recognised at a point in time.

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2024 $	Consolidated 2023 $
Geographical regions		
Australia and New Zealand	**7,639,184**	**7,182,454**
Asia	**4,443,097**	**3,474,701**
Rest of the World	**170,146**	**601,947**
	12,252,427	**11,259,102**

Note 5. Administration and other corporate expenses

	Consolidated 2024 $	Consolidated 2023 $
Employee expenses	**1,662,034**	1,601,243
Legal fees	**109,749**	265,099
Accounting fees	**161,570**	203,672
Compliance fees	**179,783**	243,666
Other administration costs	**2,563,296**	2,281,799
	4,676,432	4,595,479

Notes to the financial statements

Note 6. Share based payments expense

	Consolidated 2024 $	2023 $
Shares issued to key management personnel[1]	60,000	20,000
Shares issued to advisors[1]	49,000	46,000
Options issued to advisors[1]	15,233	317,374
Performance rights issued to key management personnel[1]	(299,615)	882,981
Performance rights issued to others[1]	(5,834)	142,273
	(181,216)	1,408,628
Options issued to lead and co-lead managers[2]	225,109	45,809
	43,893[3]	1,454,437[3]

[1] Share based payments expensed to the consolidated statement of profit or loss and other comprehensive income.
[2] Share based payments capitalised to the consolidated statement of financial position as cost of raising capital.
[3] Of this balance, ($65,107) is recorded in Reserves and $109,000 is recorded in Issued Capital (2023: $1,388,437 recorded in Reserves and $66,000 recorded in Issued Capital).

Options

Set out below is a summary of the movement in options during the financial year:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30-Jul-2020	30-Jul-2023	$0.03	99,383,570	-	(241,667)	(99,141,903)	-
24-Nov-2020	30-Jul-2023	$0.03	500,000	-	-	(500,000)	-
23-Dec-2020	31-Dec-2023	$0.15	12,000,000	-	-	(12,000,000)	-
15-Dec-2022	6-Dec-2025	$0.075	1,000,000	-	-	-	1,000,000
15-Dec-2022	6-Dec-2025	$0.10	12,500,000	-	-	-	12,500,000
17-Feb-2023	16-Mar-2026	$0.08	5,000,000	-	-	-	5,000,000
17-Feb-2023	16-Mar-2026	$0.12	7,500,000	-	-	-	7,500,000
17-Feb-2023	16-Mar-2026	$0.16	12,500,000	-	-	-	12,500,000
27-Jun-2023	26-Jun-2026	$0.06	5,000,000	-	-	-	5,000,000
29-Nov-2023	1-Dec-2025	$0.06	-	2,000,000	-	-	2,000,000
26-Feb-2024	26-Feb-2027	$0.045	-	5,000,000	-	-	5,000,000
26-Feb-2024	26-Feb-2027	$0.06	-	5,000,000	-	-	5,000,000
26-Feb-2024	26-Feb-2027	$0.075	-	5,000,000	-	-	5,000,000
			155,383,570	17,000,000	(241,667)	(111,641,903)	60,500,000
Weighted average exercise price			$0.06	$0.06	$0.03	$0.04	$0.10

Notes to the financial statements

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2024 Number	2023 Number
30-Jul-2020	30-Jul-2023	-	99,383,570
24-Nov-2020	30-Jul-2023	-	500,000
23-Dec-2020	31-Dec-2023	-	12,000,000
15-Dec-2022	6-Dec-2025	**13,500,000**	13,500,000
17-Feb-2023	16-Mar-2026	**25,000,000**	25,000,000
27-Jun-2023	26-Jun-2026	**5,000,000**	5,000,000
29-Nov-2023	1-Dec-2025	**2,000,000**	-
26-Feb-2024	26-Feb-2027	**15,000,000**	-
		60,500,000	155,383,570

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.90 years (2023: 0.84 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Exercise price	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29-Nov-2023	1-Dec-2025	$0.06	$0.029	81%	-	4.10%	**$0.0076**
26-Feb-2024	26-Feb-2027	$0.045	$0.036	80%	-	3.71%	**$0.0174**
26-Feb-2024	26-Feb-2027	$0.06	$0.036	80%	-	3.71%	**$0.0148**
26-Feb-2024	26-Feb-2027	$0.075	$0.036	80%	-	3.71%	**$0.0129**

Performance rights

Set out below is a summary of the movement in performance rights during the financial year:

	Balance at the start of the year	Issued	Exercised	Expired/ lapsed/ other	Balance at the end of the year
Key management personnel	46,678,334	7,500,000	(600,000)	(20,833,334)	**32,745,000**
Others	10,250,000	-	(1,583,333)	(2,500,001)	**6,166,666**
	56,928,334	7,500,000	(2,183,333)	(23,333,335)	**38,911,666**

For the performance rights issued during the current year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	VWAP Milestone	Total	Fair value at grant date	Issue date	Vesting period	Expiry period
30-Aug-23	6-Sep-26	$0.06	2,500,000	$0.0217	6-Sep-23	36 months	36 months
30-Aug-23	6-Sep-26	$0.08	2,500,000	$0.0185	6-Sep-23	36 months	36 months
30-Aug-23	6-Sep-26	$0.10	2,500,000	$0.0161	6-Sep-23	36 months	36 months
			7,500,000				

The 7,500,000 performance rights issued during the year all lapsed during the year.

Notes to the financial statements

Note 7. Income tax expense

	Consolidated 2024 $	Consolidated 2023 $
Income statement		
Current income tax		
Current income tax charge	**-**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**-**	-
Income tax expense/benefit reported in the income statement	**-**	-
Tax reconciliation		
Accounting profit/(loss) before tax from continuing operations	**(7,635,544)**	(8,101,122)
At statutory tax rate of 25% (2023: 25%)	**(1,908,886)**	(2,025,281)
Non-deductible expenses	**(26,846)**	260,061
Tax losses and temporary differences not recognised	**1,935,732**	1,765,220
Income tax expense/benefit	**-**	-
Deferred tax assets		
Inventories	**-**	841
Property, plant and equipment	**-**	-
Trade and other payables	**19,500**	23,633
Provisions	**796,084**	789,405
Lease liabilities	**18,598**	153,003
Mine properties	**70,236**	15,457
Blackhole expenditure	**557,535**	750,664
Other liabilities	**13,512**	-
Foreign exchange loss	**126**	(5)
Capital losses	**48,553**	-
Tax losses	**5,101,436**	3,111,043
Net off deferred tax liabilities	**(571,510)**	(600,079)
Net deferred tax asset not recognised	**(6,054,070)**	(4,243,962)
Deferred tax assets	**-**	-
Deferred tax liabilities		
Other assets	**(135,920)**	(137,295)
Mineral interest acquisition and exploration expenditure	**(418,676)**	(377,364)
Right-of-use assets	**(16,914)**	(85,420)
Net off deferred tax liabilities	**571,510**	600,079
Deferred tax liabilities	**-**	-

A potential deferred tax asset, attributable to tax loss incurred in the current period, amounts to approximately $6,054,070 (2023: $4,243,962) and has not been brought to account at reporting date because the Directors believe it is inappropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss incurred;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely effects the Group in realising the benefit from the deductions for the loss incurred.

Notes to the financial statements

Note 8. Loss per share

	Consolidated 2024 $	2023 $
Loss used in calculating loss per share		
Loss after income tax attributable to owners of Suvo strategic Minerals Limited	**(7,635,544)**	(8,101,122)
	(7,635,544)	(8,101,122)

	Cents	Cents
Basic and diluted loss per share	**(0.88)**	(1.14)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	**862,941,096**	712,555,052
	862,941,096	712,555,052

Note 9. Cash and cash equivalents

	Consolidated 2024 $	2023 $
Cash at bank and on hand	**3,126,425**	3,163,638

Note 10. Trade and other receivables

	Consolidated 2024 $	2023 $
Trade receivables	**1,414,959**	1,416,028

Allowance for expected credit losses
The Group has recognised a loss of $Nil in the profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

In relation to the ageing of receivables, 79% (2023: 100%) of trade receivables are current, with 21% (2023: nil) being 0 to 30 days overdue and nil (2023: nil) being 31 to 60 days overdue.

Note 11. Inventories

	Consolidated 2024 $	2023 $
Raw materials	**984,607**	956,144
Packaging	**298,456**	420,904
Work in progress	**-**	114,481
Finished goods	**658,898**	598,902
	1,941,961	2,090,431

Notes to the financial statements

Note 12. Other financial assets

	Consolidated	
	2024	2023
	$	$
Current		
Bank card guarantee	**35,000**	40,000
Rental guarantee	**98,252**	31,000
	133,252	71,000
Non-current		
Rehabilitation bond	**2,086,000**	2,086,000
Rental guarantee	**-**	98,233
	2,086,000	2,184,233

The rehabilitation bond was lodged with the Department of Jobs, Precincts and Regions in Victoria. It serves as surety for compliance with the conditions of the mining licenses relating to rehabilitation.

Note 13. Other current assets

	Consolidated	
	2024	2023
	$	$
Prepayments	**69,615**	550,518
GST receivable	**79,916**	165,519
Lease receivable	**-**	32,325
Accrued interest income	**28,352**	26,775
Sundry debtors	**5,502**	12,271
	183,385	787,408

Note 14. Property, plant and equipment

	Consolidated	
	2024	2023
	$	$
Land and buildings - at fair value (land) and at cost (buildings)	**798,934**	798,934
Less: Accumulated depreciation on buildings	**(374,219)**	(337,267)
	424,715	461,667
Leasehold improvements - at cost	**222,926**	222,926
Less: Accumulated depreciation	**(76,745)**	(54,818)
	146,181	168,108
Plant and equipment - at cost	**4,957,875**	3,993,154
Less: Accumulated depreciation	**(838,447)**	(378,488)
	4,119,428	3,614,666
	4,690,324	4,244,441

Notes to the financial statements

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $	Leasehold Improvements $	Plant and equipment $	Total $
Balance at 1 July 2022	509,834	190,035	3,931,783	4,631,652
Additions	-	-	2,005,911	2,005,911
Disposals	-	-	(492)	(492)
Depreciation expense[1]	(48,167)	(21,927)	(225,029)	(295,123)
Write-off	-	-	(2,097,507)	(2,097,507)
Balance at 30 June 2023	461,667	168,108	3,614,666	4,244,441
Additions	**-**	**-**	**964,721**	**964,721**
Disposals	**-**	**-**	**-**	**-**
Depreciation expense[1]	**(36,952)**	**(21,927)**	**(459,959)**	**(518,838)**
Write-off	**-**	**-**	**-**	**-**
Balance at 30 June 2024	**424,715**	**146,181**	**4,119,428**	**4,690,324**

[1] Depreciation expense will not match the depreciation and amortisation relating to kaolin production expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as the above depreciation expense relates to all classes of property, plant and equipment, whilst the depreciation and amortisation related to kaolin production expense includes amortisation of mining reserves but excludes certain equipment, such as office equipment.

Note 15. Mine properties

	Consolidated	
	2024 $	2023 $
Mining properties - at cost	**2,227,294**	2,084,682

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Overburden Asset $	Mining Reserves $	Rehabilitation Asset $	Total $
Balance at 1 July 2022	-	819,813	1,183,029	2,002,842
Additions	113,696	29,969	-	143,665
Change in present value of rehabilitation provision	-	-	(30,403)	(30,403)
Amortisation expense	-	(13,147)	(18,275)	(31,422)
Balance at 30 June 2023	113,696	836,635	1,134,351	2,084,682
Additions	**332,019**	**-**	**-**	**332,019**
Change in present value of rehabilitation provision	**-**	**-**	**(145,618)**	**(145,618)**
Amortisation expense	**-**	**(18,580)**	**(25,209)**	**(43,789)**
Balance at 30 June 2024	**445,715**	**818,055**	**963,524**	**2,227,294**

Notes to the financial statements

Note 16. Mineral interest acquisition and exploration expenditure

	Consolidated	
	2024 **$**	2023 $
Mineral interest acquisition and exploration expenditure - at cost	**3,225,385**	5,824,404

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation $
Balance at 1 July 2022	5,591,674
Additions	273,498
Exploration and evaluation expenditure impairment	(40,768)
Balance at 30 June 2023	5,824,404
Additions	**153,915**
Exploration and evaluation expenditure impairment	**(2,752,934)**
Balance at 30 June 2024	**3,225,385**

The Company has 4 exploration licences held by Mt Marshall Kaolin Pty Ltd (Gabbin Kaolin project) and 1 exploration licence held by Watershed Enterprise Solutions Pty Ltd (Eneabba Silica Sands project). On 17 January 2023, the Company announced the completed acquisition of mining tenement E70/4981 (owned by Director Aaron Banks), a highly prospective silica sand project near Muchea, north of Perth, Western Australia.

On 12 June 2024, tenements E70/5322, E70/5323, E70/5324, and part of tenement E70/5001, held by Watershed Enterprise Solutions Pty Ltd, were surrendered. The $2,752,934 of exploration expenditure that related to these tenements, including acquisition costs of $1,448,090, were written off. No other impairment has been recognised for the year ended 30 June 2024.

Note 17. Right-of-use assets

	Consolidated	
	2024 **$**	2023 $
Office space - right-of-use	**608,898**	608,898
Less: Accumulated depreciation	**(541,243)**	(338,277)
	67,655	270,621
Motor vehicles - right-of-use	**64,598**	228,769
Less: Accumulated depreciation	**(46,165)**	(157,709)
	18,433	71,060
	86,088	341,681

Additions to the right-of-use assets during the year were $15,655.

The Group leases its office space and has motor vehicles under lease agreements of three years. On renewal, the terms of the leases are renegotiated. The Group also leases equipment which are either short-term or low-value leases, so have been expensed as incurred and not capitalised as right-of-use assets.

Notes to the financial statements

Note 18. Investment in associate

	Consolidated 2024 $	2023 $
Investment in associate accounted for using the equity method:		
Opening balance	**208,864**	220,000
Share of associate's loss	**(12,714)**	(11,136)
Funds distributed	**(25,788)**	-
Loss on disposal of associate	**(170,362)**	-
	-	208,864

During the prior year, the Company acquired a 26% share in Dingo HPA Pty Ltd ("Dingo") through a private placement. The Company purchased 220,000 fully paid ordinary shares in Dingo, at an issue price of $1.00 per share ($220,000). This investment in an associate was initially recognised at cost, under the equity method, in accordance with Accounting Standards. The carrying amount of the investment decreased to recognise the Company's 26% share of the loss generated by Dingo. The Company sold its 26% share of Dingo during the current year, receiving funds of $25,788. The Company recorded a loss on disposal of $170,362.

Note 19. Trade and other payables

	Consolidated 2024 $	2023 $
Trade payables	**1,781,535**	1,226,346
Accruals	**319,682**	322,193
Other payables	**183,690**	351,424
	2,284,907	1,899,963

Note 20. Borrowings

	Consolidated 2024 $	2023 $
Mortgage loan	**1,000,000**	-

On 30 November 2023, the Company obtained debt funding, from private lender Tember Nominees Pty Ltd, attracting an interest rate of 10% per annum 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.

Note 21. Current provisions

	Consolidated 2024 $	2023 $
Annual leave	**374,034**	329,076
Long service leave	**287,807**	247,236
Other provisions	**8,750**	14,250
Make good provision	**-**	218,288
	670,591	808,850

Notes to the financial statements

Note 22. Current lease liabilities

	Consolidated 2024 $	2023 $
Lease liability	**125,114**	387,594

The Group leases its office space and has motor vehicles under lease agreements of three years. On renewal, the terms of the leases are renegotiated. Refer to note 36 for further information on financial instruments.

Note 23. Interest-bearing liabilities

	Consolidated 2024 $	2023 $
Current		
Insurance funding	**-**	494,057
Equipment finance	**158,414**	147,104
	158,414	641,161
Non-current		
Equipment finance	**370,234**	528,648
	370,234	528,648

Note 24. Non-current provisions

	Consolidated 2024 $	2023 $
Long service leave	**12,171**	55,682
Rehabilitation	**2,466,648**	2,511,375
	2,478,819	2,567,057

Rehabilitation
The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the Group at the end of the exploration or mining activity.

Movements in rehabilitation provision
Movements in the rehabilitation provision during the current and previous financial year, are set out below:

Consolidated	Rehabilitation $
Balance at 1 July 2022	2,450,658
Additional provisions recognised	(30,403)
Unwinding of discount	91,120
Balance at 30 June 2023	2,511,375
Additional provisions recognised	**(145,618)**
Unwinding of discount	**100,891**
Balance at 30 June 2024	**2,466,648**

Notes to the financial statements

Note 25. Non-current lease liabilities

	Consolidated	
	2024	2023
	$	$
Lease liability	**-**	113,689

Refer to note 36 for further information on financial instruments.

Note 26. Equity - issued capital

	Consolidated			
	2024	2023	**2024**	2023
	Shares	Shares	**$**	$
Ordinary shares - fully paid	**966,265,407**	809,671,424	**46,488,046**	42,230,249

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	30 Jun 2022	680,407,120		38,732,317
Shares issued - Advisory fees	23 Sep 2022	931,174	0.049	46,000
Shares issued - Capital raising fees	23 Sep 2022	770,000	0.040	30,800
Shares issued - Placement	15 Dec 2022	50,000,000	0.040	2,000,000
Shares issued - Conversion of Performance Rights	20 Dec 2022	600,000	0.038	-[1]
Shares issued - Conversion of Performance Rights	16 Mar 2023	4,391,958	0.051	-[1]
Shares issued - Employee remuneration	16 Mar 2023	102,649	0.049	5,000
Shares issued - Employee remuneration	22 Jun 2023	419,970	0.036	15,000
Shares issued - Placement	27 Jun 2023	69,565,220	0.023	1,600,000
Shares issued - Options exercised	various	2,483,333	0.030	74,500
Share issue costs		-		(273,368)
Balance	30 Jun 2023	809,671,424		42,230,249
Shares issued - Conversion of Performance Rights	13 Jul 2023	**600,000**	**0.031**	**-[1]**
Shares issued - Options exercised	28 Jul 2023	**241,667**	**0.030**	**7,250**
Shares issued - Conversion of Performance Rights	7 Feb 2024	**1,583,333**	**0.030**	**-[1]**
Shares issued - Employee remuneration	7 Feb 2024	**2,000,000**	**0.030**	**60,000**
Shares issued - Placement	26 Feb 2024	**83,333,334**	**0.030**	**2,500,000**
Shares issued - Share Purchase Plan	1 Mar 2024	**66,666,617**	**0.030**	**2,000,000**
Shares issued - Advisory fees	28 Mar 2024	**2,169,032**	**0.039**	**84,000**
Share issue costs		**-**		**(393,453)**
Balance	30 Jun 2024	**966,265,407**		**46,488,046**

[1] This appears as nil as the value is already fully recognised within equity, in the share-based payments reserve.

Notes to the financial statements

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 27. Equity - reserves

	Consolidated	
	2024 **$**	2023 $
Share based payments reserve	**7,700,253**	7,765,360
	7,700,253	7,765,360

Share based payments reserve
The reserve is used to recognise increments and decrements in the fair value of share-based payments.

Movements in reserves
Movements in equity reserves during the current and previous financial year are set out below:

Consolidated	Performance Rights $	Options $	Total $
Balance at 1 July 2022	735,427	5,641,496	6,376,923
Share based payments	1,025,254	363,183	1,388,437
Balance at 30 June 2023	1,760,681	6,004,679	7,765,360
Share based payments (*note 6*)	**(305,449)**	**240,342**	**(65,107)**
Balance at 30 June 2024	**1,455,232**	**6,245,021**	**7,700,253**

Notes to the financial statements

Note 28. Equity - accumulated losses

	Consolidated	
	2024	2023
	$	$
Accumulated losses at the beginning of the financial year	**(34,525,761)**	(26,424,639)
Loss after income tax expense for the year	**(7,635,544)**	(8,101,122)
Accumulated losses at the end of the financial year	**(42,161,305)**	(34,525,761)

Note 29. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2024	2023
	$	$
Loss after income tax expense for the year	**(7,635,544)**	(8,101,122)
Adjustments for:		
Depreciation and amortisation	**823,640**	596,848
Share-based payments expense	**(181,216)**	1,408,628
Write-off of property, plant and equipment	**-**	2,097,507
Exploration and evaluation expenditure impairment	**2,752,934**	40,768
Share of loss of associate	**12,714**	11,136
Loss on disposal of associate	**170,362**	-
Make good provision	**-**	218,288
Unwinding of the discount on provisions	**100,891**	91,120
Other non-cash items	**(2,557)**	35,000
Change in operating assets and liabilities:		
Change in trade and other receivables	**1,070**	623,489
Change in inventories	**148,469**	(194,216)
Change in other assets	**585,467**	87,625
Change in other financial assets	**31,000**	-
Change in trade and other payables	**451,191**	(560,336)
Change in other provisions	**(181,770)**	(138,667)
Net cash outflows from operating activities	**(2,923,349)**	(3,783,932)

Non-cash investing and financing activities

	Consolidated	
	2024	2023
	$	$
Additions to the right-of-use assets	**15,655**	-
Change in present value of rehabilitation provision	**145,618**	30,403
Additions to interest-bearing liabilities	**61,079**	547,088
	222,352	577,491

Notes to the financial statements

Note 30. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024	2023
	$	$
Short-term employee benefits	**968,139**	830,850
Post-employment benefits	**77,758**	67,047
Share-based payments	**(239,615)**	902,981
	806,282	1,800,878

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, its network firms and unrelated firms:

	Consolidated	
	2024	2023
	$	$
RSM Australia Partners		
Audit or review of the financial statements	**86,500**	78,500
Independent expert report	**-**	6,750
Grant applications	**-**	11,000
	86,500	96,250

Note 32. Related party transactions

Parent entity
Suvo Strategic Minerals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries and associates are set out in note 33 and 34 respectively.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

Transactions with related parties
During the financial year, no transactions with related parties were made.

Receivable from and payable to related parties
There were no receivables from related parties at the current and previous reporting date. As at 30 June 2024, $10,400 was outstanding to related parties (2023: $4,000).

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the financial statements

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1.

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Watershed Enterprise Solutions Pty Ltd	Australia	**100%**	100%
Mt Marshall Kaolin Pty Ltd	Australia	**100%**	100%
Suvo Australia Pty Ltd	Australia	**100%**	100%
Suvo Minerals Australia Pty Ltd	Australia	**100%**	100%
Kaolin Australia Pty Ltd	Australia	**100%**	100%
Climate Tech Cement Pty Ltd (formerly known as Greenmix Global Pty Ltd and Suvo Minerals Technology Pty Ltd)	Australia	**100%**	100%

Note 34. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Dingo HPA Pty Ltd	Australia	**0%**	**26%**

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Loss after income tax	**(7,635,543)**	(5,381,711)
Total comprehensive loss	**(7,635,543)**	(5,381,711)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	**1,860,735**	2,066,510
Total assets	**13,512,664**	16,427,868
Total current liabilities	**1,485,670**	883,650
Total liabilities	**1,485,670**	958,020
Equity		
Issued capital	**46,488,046**	42,230,250
Reserves	**7,700,253**	7,765,360
Accumulated losses	**(42,161,305)**	(34,525,762)
Total equity	**12,026,994**	15,469,848

Notes to the financial statements

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

Contingent liabilities
Other than those specified in note 37, the parent entity had no contingent liabilities as at 30 June 2024 (30 June 2023: $Nil).

Capital commitments - Property, plant and equipment
The parent entity had committed $Nil for property, plant and equipment as at 30 June 2024 (30 June 2023: $Nil).

Material accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk
Foreign currency risk
The Group undertakes certain transactions (export sales) denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Group has elected not to enter into hedging contracts as receipts in foreign currency (USD) were not material during the financial year. The Group will continue to monitor foreign currency risk and take the appropriate course of action as required.

The Group held cash of US$189,149 as at 30 June 2024 (2023: US$50,647).

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group is exposed to interest rate risk given it has interest-bearing liabilities at 30 June 2024 of $528,648 (2023: $1,169,809). These are principal and interest payment liabilities. Monthly cash outlays of approximately $2,200 per month are required to service the interest payments. In addition, minimum principal repayments of $158,414 are due during the year ending 30 June 2025. As the interest-bearing liabilities are at fixed rates, an official change in interest rates will have no effect on profit before tax.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Notes to the financial statements

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	**-**	**1,781,535**	**-**	**-**	**-**	**1,781,535**
Other payables	**-**	**503,372**	**-**	**-**	**-**	**503,372**
Interest-bearing - fixed rate						
Borrowings	**10.00%**	**1,000,000**	**-**	**-**	**-**	**1,000,000**
Lease liability	**5.80%**	**126,127**	**-**	**-**	**-**	**126,127**
Interest-bearing liabilities	**7.43%**	**192,370**	**192,370**	**208,401**	**-**	**593,141**
Total non-derivatives		**3,603,404**	**192,370**	**208,401**	**-**	**4,004,175**

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,270,340	-	-	-	1,270,340
Other payables	-	629,623	-	-	-	629,623
Interest-bearing - fixed rate						
Lease liability	5.98%	402,270	111,777	-	-	514,047
Interest-bearing liabilities	6.28%	703,214	192,370	400,771	-	1,296,355
Total non-derivatives		3,005,447	304,147	400,771	-	3,710,365

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Notes to the financial statements

Note 37. Contingent assets and liabilities

On 17 January 2023, the Company announced that the tenement purchase for 100% of exploration license application E70/4981, located in the Muchea region of Western Australia, was completed. As part of the consideration for the Tenement Application, the Company agreed to issue or grant (as the case may be) the following royalty interest and deferred consideration to the Vendor:

(a) Royalty: 4% of the proceeds of gross sales from Product derived from the Tenement Application;

(b) Deferred Consideration Shares: Subject to the following development milestones having first been satisfied, issue to the Vendor up to $1,550,000 Shares (Deferred Consideration Shares), in the following tranches:

i. Grant of Mining License: Upon the grant of a mining license over any area the subject of the Exploration License. The number of Shares calculated by dividing $1,150,000 by the greater of:
- the 5 Day VWAP; and
- $0.15

ii. Grant of Mining Permit: Upon the grant of all necessary mining permits over any part of the Tenement Application, necessary to commence production (including environmental permits, water licenses, project management plans and mine closure plans), the number of Shares calculated by dividing $400,000 by the greater of:
- The 5 Day VWAP; and
- $0.15

The Deferred Consideration Shares must be issued by 21 October 2027 (5 years from the date of shareholder approval), or the rights to the Deferred Consideration Shares will lapse.

Other than the above, the Group had no other contingent assets or liabilities at the current and previous reporting date.

Note 38. Commitments

	Consolidated	
	2024 $	2023 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Rent, rates and minimum tenement expenditure for next 12 months	**486,061**	477,952
	486,061	477,952

Note 39. Changes in liabilities arising from financing activities

Consolidated	Borrowings $	Interest-bearing liabilities $	Lease liabilities $
Balance at 1 July 2022	-	-	907,882
Net cash from/used in financing activities	-	622,721	(406,599)
Other additions to liabilities	-	547,088	-
Balance at 30 June 2023	-	1,169,809	501,283
Net cash from/used in financing activities	**1,000,000**	**(702,240)**	**(391,824)**
Other additions to liabilities	**-**	**61,079**	**15,655**
Balance at 30 June 2024	**1,000,000**	**528,648**	**125,114**

Notes to the financial statements

Note 40. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Suvo Strategic Minerals Limited
Watershed Enterprise Solutions Pty Ltd
Mt Marshall Kaolin Pty Ltd
Suvo Australia Pty Ltd
Suvo Minerals Australia Pty Ltd
Kaolin Australia Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Suvo Strategic Minerals Limited, they also represent the 'Extended Closed Group'.

The statement of profit and loss and other comprehensive income and statement of financial position of the Closed Group are substantially the same as the consolidated entity and therefore have not been separately disclosed. Climate Tech Cement Pty Ltd is not a party to the deed of cross guarantee, it is a standalone wholly-owned subsidiary. Climate Tech Cement Pty Ltd is not a reporting entity.

As at 30 June 2024, Climate Tech Cement Pty Ltd has no assets (2023: nil) and has liabilities of $246,719 (2023: $12,392), all of which relate to amounts due to Group entities. Climate Tech Cement Pty Ltd generates no revenue, and made a loss for the year of $234,327 (2023: $12,392).

Note 41. Matters subsequent to the end of the financial year

On 9 July 2024, the Company announced that a tripartite binding Joint Development Agreement (**JDA**) was executed between Suvo, 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 products and projects and otherwise commercialise the intellectual property created through a joint venture entity.

On 17 September 2024, the Company secured a 12-month extension on debt funding of A$1.0 million (before costs) advanced on 1 December 2023 and previously repayable on 30 November 2024. The loan term period has been extended for a period of six months commencing 1 December 2024 and expiring 31 May 2025. A further six months will be available, at the Company's option, for the subsequent period from 1 June 2025 to 30 November 2025.

Apart from matters discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

As at 30 June 2024

Entity Name	Entity type	Place formed / Country of incorporation	Ownership Interest %	Tax Residency
Watershed Enterprise Solutions Pty Ltd	Body Corporate	Australia	**100%**	Australia*
Mt Marshall Kaolin Pty Ltd	Body Corporate	Australia	**100%**	Australia*
Suvo Australia Pty Ltd	Body Corporate	Australia	**100%**	Australia*
Suvo Minerals Australia Pty Ltd	Body Corporate	Australia	**100%**	Australia*
Kaolin Australia Pty Ltd	Body Corporate	Australia	**100%**	Australia*
Climate Tech Cement Pty Ltd (formerly known as Greenmix Global Pty Ltd and Suvo Minerals Technology Pty Ltd)	Body Corporate	Australia	**100%**	Australia*

* Suvo Strategic Minerals Limited (the 'Parent') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Director's Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 40 to the financial statements; and
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Aaron Banks
Executive Chairman

27 September 2024
Perth

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUVO STRATEGIC MINERALS LIMITED

Opinion

We have audited the financial report of Suvo Strategic Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Going concern - Refer to Note 1 in the financial statements	
At 30 June 2024, the Group incurred a loss of $7,635,544 and had net cash outflows from operating activities of $2,923,349 for the year ended 30 June 2024. The directors have prepared the financial report on the going concern basis. The directors' assessment of the Group's ability to continue as a going concern is based on a cash flow forecast. We determined this assessment of going concern to be a key audit matter due to the significant judgments involved in preparing the cash flow forecast and the potential material impact of the results of management´s assessment.	Our audit procedures included: • Assessing the reasonableness of the Group's cash flow forecast; • Checking the mathematical accuracy of management's cash flow forecast; • Challenging the reasonableness of the key assumptions used by management in the cash flow forecast by comparison to our knowledge of the business; • Assessing the sensitivity of the key assumptions within management's cash flow forecast; and • Assessing the disclosures in the financial report.
Impairment consideration for property, plant and equipment and mine properties - Refer to Note 14 and 15 in the financial statements	
As at 30 June 2024, the Group recorded property, plant and equipment and mine properties amounting to $6,917,618 relating to its Kaolin production cash generating unit (CGU). We have considered this to be a key audit matter due to significant management's judgment involved in consideration of whether these assets are part of the CGU and if there are any indicators of impairment at the reporting date.	Our audit procedures included: • Understanding the nature of and property, plant and equipment and mine properties that relate to the CGU; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed in relation to the CGU as at 30 June 2024.
Mineral interest acquisition and exploration expenditure - Refer to Note 16 in the financial statements	
The Group has capitalised mineral interest acquisition and exploration expenditure with a carrying value $3,225,385 as of 30 June 2024. We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including: • Determining whether the exploration and evaluation expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be concluded; and • Assessing whether any indicators of impairment are present and if so, any impairment expense to be recognised.	Our audit procedures included: • Assessing the Group's accounting policy in compliance with Accounting Standards; • Assessing whether the rights to tenure of the areas of interest are current; • Testing a sample of additions to supporting documentation and assessing whether the amounts capitalised during the year are in compliance with the Group's accounting policy and relate to the relevant area of interest; • Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date; • Assessing the impairment recognised in profit or loss for the year ended 30 June 2024; • Enquiring with management and reading budgets and other documentation as evidence that active and significant operations in, or relation to, the relevant area of interests will be continued in the future; and • Assessing and evaluating management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Suvo Strategic Minerals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA

TUTU PHONG
Partner

Perth, WA
Dated: 27 September 2024

Annual Mineral Resource Statement

1. Mineral Resource Estimate

A summary of the Mineral Resources at Suvo Strategic Minerals Limited's projects and operations as at 30 June 2024 is shown in Table 1 below.

Table 1 Kaolin Mineral Resources Statement (as at 30 June 2024)

Category	White Kaolinised Granite (Mt)	ISO Brightness % (457nm)	Yield <45um %	Kaolin (Mt)
Gabbin Project (White Cloud Kaolin Project)[1]				
Indicated	26.9	80.4	41.3	11.1
Inferred	45.6	80.6	41.1	18.8
Total	**72.5**	**80.5**	**41.2**	**29.9**
Trawalla Deposit[2]				
Indicated	9.9	81.0	27.7	2.8
Inferred	2.8	79.8	28.3	0.8
Total	**12.7**	**80.8**	**27.8**	**3.6**
Pittong Operations[3]				
Indicated	3.6	81.3	35.5	1.3
Inferred	1.9	79.1	33.0	0.7
Total	**5.5**	**80.5**	**34.6**	**2.0**

[1] The Gabbin (White Cloud Kaolin Project) Mineral Resource estimate was completed by CSA Global Pty Ltd (CSA) on behalf of Suvo. The Mineral Resource estimate was announced on 25 March 2021. As no mining activity has occurred since there has been no movement in the Mineral Resource estimate.

[2] The Trawalla Mineral Resource estimate was completed by CSA Global Pty Ltd (CSA) on behalf of Suvo. The Mineral Resource estimate was announced on 22 September 2021. As no mining activity has occurred since there has been no movement in the Mineral Resource estimate.

[3] The Pittong Mineral Resource estimate was completed by CSA Global Pty Ltd (CSA) on behalf of Suvo. The Mineral Resource estimate was announced on 1 March 2022 and has been revised to account for depletion due to mining activity which occurred during the period 1 July 2023 to 30 June 2024 by Goldfields Geological Services on behalf of Suvo.

Annual Mineral Resource Statement

2. Material changes and resource statement comparison

A comparison table between 2023 and 2024 Mineral Resource Estimates for Suvo Strategic Minerals Limited's projects and operations is shown in Table 2 and Table 3 below.

Table 2 Kaolin Pittong Operations Mineral Resource Estimate comparison between 2023 and 2024

Estimate as at 30 June 2024:

Category	White Kaolinised Granite (Mt)	ISO Brightness % (457nm)	Yield <45um %	Kaolin (Mt)
Pittong Operations				
Indicated	3.6	81.3	35.5	1.3
Inferred	1.9	79.1	33.0	0.7
Total	**5.5**	**80.5**	**34.6**	**2.0**

Estimate as at 30 June 2023:

Category	White Kaolinised Granite (Mt)	ISO Brightness % (457nm)	Yield <45um %	Kaolin (Mt)
Pittong Operations				
Indicated	3.7	81.3	35.5	1.3
Inferred	2.0	79.1	33.0	0.7
Total	**5.7**	**80.5**	**34.6**	**2.0**

Table 3 Silica Sand Mineral Resource Estimate comparison between 2023 and 2024

Estimate as at 30 June 2024:

During the period, the Company opted to relinquish the majority of its silica sand tenements (E70/5322, E70/5323, E70/5324) on the Eneabba Project in Western Australia (https://investorhub.suvo.com.au/announcements/6381470). The Company partly relinquished EL70/5001, keeping approximately 10 blocks of the tenement which are situated on privately owned cleared farmland. Consequently, there is no longer a Mineral Resource to report as the majority of the project has been relinquished. The remaining ground maintained by the Company was not part of the original Mineral Resource Estimate.

Estimate as at 30 June 2023:

Category	Product Tonnes Mt	SiO_2 %	Al_2O_3 %	Fe_2O_3 %	TiO_2 %
Eneabba Project (Nova Silica Sands Project)					
Silica Sand - Glass (-0.6 + 0.15mm)	132	99.2	0.4	0.1	0.0
Silica Flour (-0.15 + 0.075mm)	60	97.0	1.1	0.4	0.7
Silica Sand - Coarse (-1mm + 0.6mm)	24	99.0	0.5	0.1	0.1

The Company is not aware of any new information or data that materially effects the information as previously released and all material assumptions and technical paraments underpinning the estimates continue to apply and have not materially changed.

3. Competent Persons Statement - Mineral Resource Estimation

The information in this report that relates to Mineral Resources at Suvo Strategic Minerals Pittong Operations, is based on information compiled by Mr Matthew Hernan, a Competent Person who is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and a member of Australian Institute of Geoscientists. Mr Hernan is the Principal Geologist at Goldfields Geological Services and provides independent geological consulting services to Suvo Strategic Minerals Limited Pittong Operations. Mr Hernan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hernan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information related to the Trawalla deposit is extracted from the report entitled "Trawalla Maiden Resource Estimate" created on 22nd September 2021 and is available to view at https://investorhub.suvo.com.au/announcements/4022588. The information related to the Gabbin project (White Cloud Kaolin project) is extracted from the report entitled "Suvo increases White Cloud kaolin resource by 84% to 72.5Mt" created on 25th March 2021 and is available to view at https://investorhub.suvo.com.au/announcements/3950995. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant 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.

4. Mineral Resource Governance

The Company has appropriate systems in place and suitably qualified and competent geological consultants to complete any resource estimation or review to the required standards as shown in the 2012 JORC Code Guidelines. The Quality Assurance, Sampling Systems, Assay procedures, Data Recording, Interpretation Standards and Resource Estimation Methods and other paraments as set out in Table 1 of the JORC Code 2012 Guidelines are closely followed. The mineral resources reported have been generated by independent external consultants where appropriate who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Shareholder information

The shareholder information set out below was applicable as at 25 September 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	145	0.01%
1,001 to 5,000	477	0.15%
5,001 to 10,000	289	0.24%
10,001 to 100,000	971	4.15%
100,001 and over	788	95.45%
	2,670	100.00%
Holding less than a marketable parcel	815	0.29%

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR AARON PETER BANKS	73,748,184	7.62%
MELBOURNE SECURITIES CORPORATION LTD <BV1 FUND A/C>	71,250,000	7.36%
MR CHRISTOPHER JAMES WEED & MRS JANET ELIZABETH BROCKMAN <MAINSTONE SUPER FUND A/C>	35,003,771	3.62%
MR PETER MARK LEWIS	22,000,000	2.27%
MR ROBERT KINGSLEY FITZGERALD	17,000,000	1.76%
RATDOG PTY LTD	16,058,522	1.66%
DIXSON TRUST PTY LTD	12,681,160	1.31%
MR CHRISTOPHER JAMES WEED & MRS JANET ELIZABETH BROCKMAN <MAINSTONE SUPER FUND A/C>	12,565,101	1.30%
BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	11,733,997	1.21%
CITICORP NOMINEES PTY LIMITED	11,015,127	1.14%
BONCLYDE PTY LTD <A V SUPER FUND A/C>	10,000,000	1.03%
MR KOBI BEN SHABATH	9,578,159	0.99%
SSELKROW PTY LTD	9,350,000	0.97%
MR WAYNE STEPHEN CLARK	8,550,000	0.88%
PRIMERO GROUP LIMITED <PRIMERO GROUP>	7,852,941	0.81%
SANDTON CAPITAL PTY LTD <SANDTON FAMILY A/C>	7,200,000	0.74%
HSBC CUSTODY NOMINEES	6,730,404	0.70%
ALWAYS HOLDINGS PTY LTD <THE BUHAGIAR S/F A/C>	6,686,992	0.69%
FRANUNTA SUPER PTY LTD <FRANUNTA SUPER FUND A/C>	6,200,000	0.64%
SD FAMILY INVESTMENTS PTY LTD <SD FAMILY INVESTMENTS A/C>	6,077,312	0.63%
	361,281,670	37.33%

Shareholder information

Unquoted equity securities

	Number on issue	Number of holders
Options expiring 1 December 2025 at $0.006	2,000,000	2
Options expiring 6 December 2025 at $0.075	1,000,000	1
Options expiring 6 December 2025 at $0.10	12,500,000	86
Options expiring 16 March 2026 at $0.08	5,000,000	3
Options expiring 16 March 2026 at $0.12	7,500,000	3
Options expiring 16 March 2026 at $0.16	12,500,000	3
Options expiring 26 June 2026 at $0.06	5,000,000	1
Options expiring 26 February 2027 at $0.045	5,000,000	11
Options expiring 26 February 2027 at $0.060	5,000,000	11
Options expiring 26 February 2027 at $0.075	5,000,000	11
Performance rights	37,328,333	9

Substantial holders

As at the date of this report, the Company had received substantial shareholder notices from the following shareholders:

	Ordinary shares	
	Number held	% of total shares issued
MR AARON PETER BANKS	75,451,278[1]	7.83%
MELBOURNE SECURITIES CORPORATION LTD <BV1 FUND A/C>	63,250,000[2]	6.55%

[1]As per most recent notice of change of interests of substantial holder received on 28 March 2024, hence, the number of ordinary shares held does not reconcile to the twenty largest quoted equity security holders on 25 September 2024.
[2]As per most recent notice of change of interests of substantial holder received on 4 July 2024, hence, the number of ordinary shares held does not reconcile to the twenty largest quoted equity security holders on 25 September 2024.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
White Cloud Kaolin Project	E70/5039	100%
Nova Silica Sands Project	E70/5001	100%
Pittong Project	M5408	100%
Pittong Project	M5409	100%
Pittong Project	M5365	100%

E = Exploration License
M = Mining Lease