

ASX ANNOUNCEMENT

31 October 2024

QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2024

HIGHLIGHTS

- Revenue of ~\$3.0 million was generated in the quarter, cash at bank \$2.2 million (see below – doesn't include cash from Placement in October 2024).
- Subsequent to the quarter, the Company received A\$2.0 million (before costs) from an oversubscribed Placement, with cornerstone investment by the shareholders of PERMAcast, taking 15% of the total Placement.
- 12-month extension secured on A\$1.0 million debt funding which had been advanced on 1 December 2023, and prior to the extension was repayable on 30 November 2024 (ASX Announcement 30 November 2023 and 17 September 2024).
- Executed Joint Development Agreement with PERMAcast and subsequently a Shareholders Agreement with PERMAcast R&D Pty Ltd for 50/50 ownership of EcoCast Concrete Pty Ltd and EcoCast Solutions Pty Ltd (ASX Announcement 9 July 2024 and 24 October 2024).
- Produced and delivered first low carbon concrete product (a series of 1,000mm x 350mm x 350mm backing blocks), using Suvo's licensed Collicrete formulation, achieving a 28-day compressive strength ranging from 31 to 35Megapascals (ASX Announcement 20 August 2024).
- Laboratory trials conducted in collaboration with Makassar State University (UNM), in Indonesia, successfully producing a high strength, low carbon cement using a zero-carbon nickel slag. The three samples tested showed exceptional results, with the highest strength reaching 37.5Megapascals after only 7 days (ASX Announcement 10 October 2024). The nickel slag was provided by PT Huadi Nickel-Alloy Indonesia as part of the Co-operation Agreement executed in September 2024.

Aaron Banks
EXECUTIVE CHAIRMAN

Oliver Barnes
NON-EXECUTIVE DIRECTOR

Mark Pensabene
NON-EXECUTIVE DIRECTOR

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suvo.com.au

ASX: SUV



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

Pittong Hydrous Kaolin Operations

The Company generated revenue of ~A\$3 million for the September quarter (cashflow receipts of ~A\$3.2 million – Item 1.1 Appendix 5B).

In July 2024, the Company secured new purchase orders from existing Chinese distributor Qingdao Minglang New Material Co., Ltd (**Qingdao**) totaling 1,568 tonnes of hydrous kaolin (at a 22% premium to the average selling price achieved across FY24) 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.

A number of potential end users operating in high margin industries, where the Pittong ore body is most suited to, continue testing Suvo product samples. Furthermore, the Company confirms some of these potential end users have now placed larger orders for batch scale testing following the conclusion of their lab scale trials.

In parallel with the sales strategy of focusing on high margin industries, Suvo has implemented a number of initiatives to optimise operational costs at Pittong, including the reduction of operational working hours and staffing levels which still allows the Company to meet current sales and production requirements. The Company continues to monitor operational costs and shift patterns in order to maximise margins.

Low Carbon Cement and Concrete

Australia:

In July 2024, Suvo executed a binding Joint Development Agreement (**JDA**) between its wholly owned subsidiary Climate Tech Cement Pty Ltd (**CTC**) and Polevine Pty Ltd (**PERMAcast**).

More recently, subsequent to the quarter end, CTC executed a Shareholders Agreement with PERMAcast R&D Pty Ltd (**PERMAcast R&D**) for 50/50 ownership of EcoCast Solutions Pty Ltd (**IP Company**) and EcoCast Concrete Pty Ltd (**Operations Company**), together the Joint Venture Entities (**JV Entities**).

The Joint Venture was established to commercialise the intellectual property developed under the JDA and bring low carbon concrete products and projects to market.

The first low carbon concrete product delivered under the JDA, using Suvo's licensed Collicrete formulation, was a series of 1,000mm x 350mm x 350mm backing blocks which are being used for demonstration purposes on a major Government infrastructure project. The backing blocks were delivered in July 2024.

The 28-day compressive strengths on the low carbon backing blocks ranged from 31 to 35 Megapascals (**MPa**) exceeding the end use application, being hardscaping, which required 15MPa. The compressive strength tests were carried out by an independent external NATA accredited laboratory.



Figure: Low carbon backing blocks free from Portland cement

Indonesia:

In September 2024, CTC executed a Co-operation Agreement with Indonesia's PT Huadi Bantaeng Industrial Park (**PT HBIP**), the operator of the Bantaeng Industrial Park.

PT Huadi Nickel-Alloy Indonesia (**PT HNI**), a tenant of the Bantaeng Industrial Park, is a nickel pig iron (**NPI**) operation located in South Sulawesi, around 140 km southeast of the province's capital, Makassar.

Nickel slag, the by-product generated from nickel production, is commonly stockpiled or otherwise committed to landfill. More importantly, nickel slag comes with a zero-carbon footprint as the carbon has been booked to the nickel production process.

The Co-operation Agreement was executed so CTC could undertake testing of the nickel slag produced by PT HNI to evaluate its suitability for use in the manufacture of low carbon cement and or concrete products and the potential ongoing offtake of the material.

Subsequent to the quarter end, stage one laboratory trials were completed by Professor Subaer at Makassar State University (**UNM**), in Indonesia. The trials, using nickel slag provided by PT HNI, comprised of three samples which returned an average strength test of 29.9MPa after only 7 days, with the highest strength reaching 37.5MPa.

These test results are a positive step forward towards advancing negotiations with PT HNI with respect to the ongoing offtake of the nickel slag, a potential partnership and the commercialisation of a low carbon cement by the Company.

UNM will now commence a second laboratory trial using standard apparatus, testing slump, initial and final setting time and dry shrinkage of the low carbon cement.

Corporate

During the quarter, the Company secured a 12-month extension on the debt funding of A\$1.0 million (before costs) which was advanced on 1 December 2023 and previously repayable on 30 November 2024 (ASX Announcement 17 September 2024).

The loan term period has been extended for a period of six months commencing 1 December 2024 and expiring 31 May 2025 with the pre-payment of interest required in full and calculated at a rate of 10% per annum, being \$50,000.

A further six months is available, at Suvo's election, for the subsequent period from 1 June 2025 to 30 November 2025 with the interest rate moving to 11% per annum which would require the pre-payment of interest amounting to \$55,000 on or before 1 June 2025.

The debt funding was provided by a private lender, Tember Nominees Pty Ltd. The Company has used its non-core asset, being freehold land it owns at Lal Lal, located in Victoria, as security against the loan.

Subsequent to the quarter, the Company received A\$2.0 million (before costs) from an oversubscribed Placement, with cornerstone investment by the shareholders of PERMAcast, taking 15% of the total Placement.

The funds from the Placement will support the development and commercialisation of the Company's low carbon cement (green cement) intellectual property and will enable the Company to further advance the opportunity with PT Huadi whilst progressing the important second trials after successfully creating a geopolymer cement binder using a zero-carbon nickel slag (ASX Announcement 10 October 2024).

The Company issued 41,666,666 fully paid ordinary shares to new and existing institutional, professional and sophisticated investors which participated in the Placement at the price of \$0.048, including 20,833,328 free attaching unquoted options exercisable at \$0.075 with a two-year term.

Disclosure Requirements (Guidance Note 23 Disclosures)

Details of mining exploration activities:

The A\$4,000 of exploration and evaluation expenditure was largely attributable to tenement management fees.

Details of mining production and development activities:

The Company spent A\$2.79 million on production costs and A\$0.12 million on development activities (excludes exploration & evaluation) during the quarter ended 30 September 2024.

Details of tenement activities:

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

TENEMENT	PROJECT	OWNERSHIP	CHANGE
E70/5039	Gabbin Kaolin	100%	Nil
E70/5332	Gabbin Kaolin	Nil ¹	100% ¹
E70/5333	Gabbin Kaolin	Nil ¹	100% ¹
E70/5517	Gabbin Kaolin	Nil ¹	100% ¹
E70/5001	Eneabba Silica Sand	100%	Nil
M5408	Pittong Kaolin	100%	Nil
M5409	Trawalla Kaolin	100%	Nil
M5365	Lal Lal Kaolin	100%	Nil

E = Exploration License (granted)

M = Mining Lease (granted)

¹During the reporting quarter the Company relinquished EL70/5332, EL70/5333 and EL70/5517. At 30 September 2024, the Company maintained 100% ownership of EL70/5039 which hosts the 72.5Mt (Indicated and Inferred) JORC compliant kaolin mineral resource estimate (ASX Announcement 25 March 2021).

Details of related party payments:

During the quarter the Company paid A\$0.09 million to Directors for Salaries and Wages.

Approved for release by the Board

–ENDS–

For further information, please contact

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 Executive Chairman
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Company Profile

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

Pittong Operations

The 100% owned Pittong Operations, located in Victoria 40km west of Ballarat, is the sole wet kaolin mine and processing plant in Australia and has been in operation since 1972. Pittong comprises the Pittong, Trawalla and Lal Lal deposits located on approved Mining Licences MIN5408, MIN5365 and MIN5409 respectively. The Pittong processing plant has a name-plate capacity of 60,000 tonnes per annum.

At Pittong mining contractors deliver crude kaolin ore to stockpiles from the two currently operating mines, Pittong and Lal Lal. The plant takes its feedstock from the ROM and it is processed into four separate product forms for end users. These product forms are 10% moisture lump, high solids slurry, 1% moisture powder and 1% moisture pulverised powder. The solids slurry is used in paper and board manufacturing. The other products are used in paper, coatings, paint and specialist industries including rubber and pharmaceutical applications.

Geopolymer Concrete IP and Commercialisation

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

Geopolymer concrete is a low carbon concrete that is made by reacting aluminate and silicate bearing materials with a caustic activator, such as metakaolin, flyash, ground blast furnace slag and other waste derived materials. Geopolymer concrete is a suitable replacement for concrete made using the traditional binder known as Ordinary Portland Cement (OPC). The manufacture of OPC is a highly emitting process representing 8% of global CO₂ emissions which is equivalent to the entire global car fleet.

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

Suvo has entered into a binding Joint Development Agreement (JDA) with PERMAcast and has incorporated two joint venture entities (JV Entities) to develop and commercialize low-carbon geopolymer concrete (GPC) products. Under the binding JDA, Suvo and PERMAcast will prepare and test various formulations, assess their suitability for different applications, and determine the best route for commercialization through the jointly-owned special purpose vehicle.

ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rules 5.19 and 5.23

ASX Listing Rule 5.19

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

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

ASX Listing Rule 5.23

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

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

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

Annual Mineral Resource Statement Pittong, ASX Announcement dated 27 September 2024,

which are all available on the Company's website www.suvo.com.au.

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

Forward-Looking Statements

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

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

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

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

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

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

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

Appendix 5B

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

Name of entity

Suvo Strategic Minerals Limited

ABN

97 140 316 463

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,186	3,186
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(2,788)	(2,788)
	(d) staff costs	(409)	(409)
	(e) administration and corporate costs	(536)	(536)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	13
1.5	Interest and other costs of finance paid	(19)	(19)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	30	30
1.8	Other (income tax refunds)	-	-
1.9	Net cash from / (used in) operating activities	(523)	(523)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(109)	(109)
	(d) exploration & evaluation	(4)	(4)
	(e) investments	-	-
	(f) other non-current assets	(14)	(14)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(127)	(127)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(178)	(178)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(82)	(82)
3.10	Net cash from / (used in) financing activities	(260)	(260)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,126	3,126
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(523)	(523)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(127)	(127)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(260)	(260)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,216	2,216

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,216	3,126
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (cash held in term deposit)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,216	3,126

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (equipment finance facility)	1,000	503
7.4 Total financing facilities	1,000	503
		-
7.5 Unused financing facilities available at quarter end		497
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The facility is an equipment finance facility provided by National Australia Bank. The rates on the existing equipment loans drawn range from 4.15% to 7.43%. The rates are specific to the prevailing rate of the day, loan amount, equipment being financed and term of the loan. The loans vary from 3-5 years. The facility is secured.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(523)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(4)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(527)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,216
8.5 Unused finance facilities available at quarter end (item 7.5)	497
8.6 Total available funding (item 8.4 + item 8.5)	2,713
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.15
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

Answer: N/A

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

Compliance statement

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

Date: 31 October 2024

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

Notes

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