

ASX ANNOUNCEMENT

13 June 2024

MARKET UPDATE: REVISED STRATEGY AND FY24 PRODUCTION AND EARNINGS GUIDANCE

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) would like to provide an update on the Company’s future strategy following a period of sustained growth in kaolin sales and an increasing focus on low carbon Geopolymer Concrete. The Company also provides revised production and earnings guidance (**Guidance**) for FY24 (Refer to schedule 1).

Revised Strategy – Kaolin

As disclosed in the 31 March 2024 Quarterly Activities Report, purchase orders from five new customers, who operate in the end user market or high margin industries, were received during the relevant quarter, following successful quality and performance tests of the Company’s Pittong hydrous kaolin.

First deliveries were shipped throughout February and April 2024, with the average selling price achieved on these new orders being A\$863/tonne, which is a 47% premium compared to the 31 March 2024 quarter weighted average selling price for other existing customers.

Suvo’s interim CEO, Bojan Bogunovic, has, over the past 12 months, undertaken extensive engagements, both in Australia and Asia, with major industry players and market participants. As a result of this, it has been determined that Suvo's kaolin and applicable chemistry from its Pittong kaolin mines is best suited to the paints and coatings, rubber, inks and pharmaceutical markets.

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This engagement, and related analysis, has prompted a change to the Company's existing sales and marketing strategy. Initially, the strategy included a focus on purchasers operating in "bulk volume, low margin" industries, specifically the paper filler and coatings industry. Suvo will shift its kaolin sales focus to sales to purchasers operating in the end-user market or in higher-margin industries, such as paints and coatings, rubber, inks and pharmaceutical.

The Company believes the revised sales and marketing strategy, if executed, will deliver improved long-term results. Consequently, production at the Company's Pittong plant will increase in line with any potential new sales orders that Suvo deems value accretive.

In parallel with the revised strategy, Suvo has implemented a number of initiatives to optimise operational costs at Pittong, including reduction of operational working hours and staffing levels which allow the Company to meet current sales and production requirements. Furthermore, the period of significant capital expenditure at Pittong has been completed and as a result capital outflows have significantly reduced.

The Company's Interim CEO Bojan Bogunovic said *"It has been a valuable process to go through over the past 12 months. We consider that Suvo now has an advanced understanding of the kaolin industry worldwide, and most importantly we understand where our product fits and who to target for the sale of our product."*

Geopolymer Concrete

The Company has increased its focus on the commercialisation of 'Geopolymer Concrete' and considers this workstream to be the next phase to the Company's revised strategy. As announced in November 2023, the Company undertook several laboratory trials, in collaboration with Murdoch University which successfully culminated in the production of a lab scale, low carbon geopolymer concrete (GP).

Five samples tested by Murdoch University using Pittong kaolin showed promising results, with an average strength of 48MPa, surpassing the strength of many traditional concrete applications (Refer to schedule 2).

The development of the Company's GP technology complements Suvo's kaolin assets because the production of the Company's first batch of GP concrete was made using the Company's kaolin from its Gabbin deposit in Western Australia. Accordingly, and as the Company continues to pursue the commercialisation of 'Geopolymer Concrete' in various forms and iterations, the Company considers

kaolin from its Pittong mines as a potential feedstock for geopolymer concrete formulations in Victoria.

FY24 Production and Earnings Guidance

As previously announced, the Pittong plant has the capacity to produce ~50,000 tonnes per annum of hydrous kaolin, however, the actual production of kaolin at Pittong is determined by demand from customers for the Company's hydrous kaolin products.

Accordingly, as a result of the Company deciding not to accept or proceed with purchase orders that would have attracted a low margin and having regard to the change in the Company's sales and marketing strategy, the Company has revised its Production Guidance – refer to Schedule 1 for further details.

Relinquishment of Tenements

Suvo's focus is on expanding sales of hydrous kaolin produced at its 100% owned Pittong operation and progressing the commercialisation of the 'Murdoch Geopolymer Technology', namely the intellectual property for a geopolymer concrete batching plant, a low carbon geopolymer concrete formulation known as 'Collicrete', which the Company licenses under a worldwide and exclusive intellectual property license agreement.

Consequently, the Company has opted to relinquish the majority of its silica sand tenements on the Eneabba Project in Western Australia. The Eneabba Project comprised of four granted exploration licenses (E70/5001, E70/5322, E70/5323, E70/5324) totaling 169km² and the Company intends to relinquish E70/5322, E70/5323, E70/5324 and part of E70/5001. The Company will partly relinquish EL70/5001, keeping approximately 55% (10 blocks) of the tenement which are situated on privately owned cleared farmland.

Relinquishing these tenements will reduce the Company's overall administrative overhead on exploration, including the need to meet annual minimum expenditure commitments and the cost associated with annual rents and rates. Additionally, given the majority of the exploration licenses covering the Eneabba Project are situated on Crown Land any future mining operation will likely be costly due to, amongst other matters, the need to overcome significant environmental requirements. Having regard to this, the Company considers there is a benefit to retaining those blocks in EL70/5001 that are located on privately owned cleared

farmland (as opposed to Crown land) as it will assist in obtaining native vegetation clearing permits and may significantly reduce costs and any future project timelines.

The Company will in due course review and assess any potential activities to be undertaken on E70/5001, including the consideration of other minerals outside of silica sand.

Approved for release by the Board

–ENDS–

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Schedule 1 – Pittong Operation Production Guidance

Description	Unit	FY2024 Guidance
Production	Tonnes	20,600
Revenue ¹	A\$m	12.2
EBITDA ²	A\$m	(1.5)

¹ Assumed delivered price of A\$595/tonne and net selling price (less freight and commissions) of A\$530/tonne.

² Forecast EBITDA and All-in Sustaining Cost ("AISC") of A\$592/tonne includes a 25% allocation of head office corporate costs. Corporate costs are split evenly across the Company's Projects. This is consistent with the previous Production Guidance disclosure released on 19 June 2023.

Schedule 2 – Test Results

Identifier	Mass (g)	Density (kg/m3)	Ave. Diameter (mm)	Height (mm)	Area (mm2)	Load (N)	MPa	Ave. MPa	2*Std Dev
MK4.1	30.97	1569.46	24.74	41.06	480.59	20740	43.16	48.64	17.62
MK4.2	33.21	1576.55	24.74	43.82	480.72	21640	45.02		
MK4.3	29.58	1555.70	24.76	39.50	481.36	21670	45.02		
MK4.4	30.98	1584.78	24.72	40.72	480.07	30870	64.30		
MK4.5	31.02	1558.49	24.75	41.36	481.24	21990	45.69		

Company Profile

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

Pittong Operations

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

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

Geopolymer Concrete IP and Commercialisation

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

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

Utilising the licensed IP, in a laboratory setting, Suvo has successfully produced two 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, in accordance with the terms of the non-binding term sheet executed with PERMAcast, is in the process of developing and entering into a binding Joint Development Agreement (JDA) and incorporating a joint venture entity (SPV Entity) to develop and commercialize low-carbon geopolymer concrete (GPC) products. Under the proposed 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.

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.