

## ASX ANNOUNCEMENT

10 December 2024

# SUVO EXECUTES TERM SHEET WITH PT HUADI

### HIGHLIGHTS

- Climate Tech Cement Pty Ltd (**CTC**) and PT Huadi Bantaeng Industry Park (**PT HBIP**) execute non-binding term sheet to establish an incorporated joint venture entity (**SPV Entity**) in Indonesia.
- The SPV Entity, where CTC and PT HBIP will each hold 50% of shares issued, will engage in discrete development activities agreed by the parties for the purpose of commercialising and manufacturing low carbon cement and or concrete products (containing nickel slag as a component) in Indonesia.
- PT HBIP is the managing company of the Bantaeng Industrial Park where significant quantities of nickel slag is stockpiled as part of the local nickel pig iron operations. PT HBIP will supply the nickel slag to the SPV Entity.
- The parties will use their best endeavors to negotiate in good faith and agree upon the terms of the definitive formal and binding agreements, including the shareholders agreement which will govern the SPV entity, within ninety (90) days.

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) is pleased to announce that its wholly owned subsidiary, Climate Tech Cement Pty Ltd (**CTC**), has executed a non-binding term sheet with PT Huadi Bantaeng Industry Park (**PT HBIP**) to establish an incorporated joint venture entity (**SPV Entity**) in Indonesia.

The SPV Entity, which will be owned 50/50 by the parties, will engage in discrete development activities for the purpose of commercialising and manufacturing low

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ASX: SUV

carbon cement and or concrete products in Indonesia, containing nickel slag as a component.

PT HBIP is the managing company of the Bantaeng Industry Park where significant quantities of nickel slag is stockpiled as part of the local nickel pig iron operations.

PT HBIP will be responsible for sourcing and supplying the necessary raw materials required to the SPV Entity. This includes, but is not limited to, the supply of the nickel slag and other materials as per the specifications of CTC's low carbon cement and or concrete mixtures or formulations.

PT HBIP will also be required to provide the SPV Entity with access to infrastructure including land and port facilities and critical utilities such as power, water, and any other necessary utilities which may be required.

CTC will be responsible for supplying the low carbon cement and or concrete mixtures or formulations to the SPV Entity.

The parties will use their best endeavors to negotiate in good faith and agree upon the terms of the definitive formal and binding agreements, including the shareholders agreement which will govern the SPV entity, within ninety (90) days.

**Executive Chairman Aaron Banks commented:**

*"We are pleased to progress our strategy in Indonesia with our new partners, PT Huadi Bantaeng Industry Park. In a short time, we have not only successfully created a formulation utilising their industrial waste (nickel slag) but we have done so creating a novel binder; a one-part low carbon geopolymers cement."*

*The formation of this partnership is a key milestone for the Company as it adds significant scale for potential future operations. The consumption of Portland cement within the broader region is around 300 – 400 million tonnes per annum.*

*Huadi, in alliance with other smelters, produce around 15 million tonnes per annum of nickel slag. This partnership has the potential to lock in the necessary supply chains and give the Company the best chance for success in delivering to market this low carbon cement.*

*We are excited to have also commenced preliminary offtake discussions for our nickel slag based low carbon product with large users of Portland cement in Indonesia and the broader Southeast Asia region."*

Approved for release by the Board

–ENDS–

For further information, please contact

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## Term Sheet Key Terms

### Parties

Climate Tech Cement Pty Ltd (CTC)  
PT Huadi Bantaeng Industry Park (PT HBIP)

### Purpose

CTC and PT HBIP are parties to a Co-operation Agreement dated 4 September 2024 pursuant to which CTC is undertaking testing of the nickel slag material to evaluate its suitability for use in the manufacture of low carbon cement and or concrete products and the potential ongoing offtake of the nickel slag material.

The parties propose to enter into formal binding documents reflecting the commercial terms in the Annexure and such other provisions that are acceptable to the parties (**Formal Agreements**) and establish an incorporated joint venture entity in Indonesia (**SPV Entity**) for the purposes of commercialising and manufacturing low carbon cement and or concrete products containing the nickel slag material as a component.

### Formal Agreements

- (a) The key terms of the proposed Formal Agreements are set out in the Annexure.
- (b) The parties will use their best endeavors to negotiate in good faith and agree upon the terms of the definitive Formal Agreements within ninety (90) days from the date of this term sheet.

### Exclusive negotiation rights

The parties agree that PT HBIP will not, for a period of ninety (90) days from the date of this term sheet, enter into any discussions, negotiations, agreements, understanding or transaction with any third party with respect to:

- (a) The sale of the nickel slag material; or
- (b) Any joint development, collaboration or research arrangements:
  - i. The same as or similar to the Project contemplated in the Annexure; or
  - ii. That would conflict with, compete with or prevent the Project contemplated in the Annexure.

### Confidential information

Each party must keep the confidential information of a disclosing party secret and confidential and only use the confidential information of a disclosing party for the purpose of performing its obligations or exercising its rights under the term sheet.

### Termination

The parties will use their best endeavors to negotiate in good faith and agree upon the terms of the definitive Formal Agreements within ninety (90) days from the date of this term sheet. If the definite Formal Agreements are not executed within ninety (90) days the parties can mutually agree to extend the term of the term sheet or otherwise mutually terminate the term sheet.

### Annexure – Formal Agreement Key Terms

	Details
<b>Parties</b>	CTC PT HBIP
<b>SPV Entity</b>	<p>The parties shall incorporate a new company in Indonesia, being the SPV Entity, which will engage in the discrete development activity or activities agreed by the parties for the purposes of commercialising and manufacturing the low carbon cement and or concrete products (containing the nickel slag material) in Indonesia (<b>Project</b>).</p> <p>Each party will hold 50% of the total issued share capital in the SPV Entity. The Formal Agreements will include a shareholders agreement for the SPV Entity which will govern the ownership and management of the SPV Entity.</p>

<b>Project Description</b>	<p>This Project aims to commercialise intellectual property for the purpose of establishing operations in Indonesia to manufacture low carbon, cost effective, cement and or concrete products, to be distributed locally and or exported, using the nickel slag as a component. The Project will be executed in collaboration with various business units, external consultants, local universities and cement and or concrete manufacturers.</p>
<b>Project Responsibilities</b>	<p>CTC must supply the low carbon cement and or concrete mixtures or formulations required for the purposes of the Project to the SPV Entity.</p> <p>PT HBIP must:</p> <ul style="list-style-type: none"> <li>• source and supply the necessary raw materials required for the Project to the SPV Entity. This includes, but is not limited to, the supply of nickel slag and other materials as per the specifications of CTC's low carbon cement and or concrete mixtures or formulations;</li> <li>• provide the SPV Entity with access to infrastructure required for the Project. This includes, without limitation:             <ul style="list-style-type: none"> <li>○ access to land necessary for the Project facility, including all necessary legal rights, titles, and permissions for such use;</li> <li>○ access to critical utilities such as power, water, and any other necessary utilities for the Project, including the establishment of any required infrastructure;</li> <li>○ securing or providing access to port facilities for the Project; and</li> <li>○ maintaining the infrastructure, utilities, and facilities required for the operation of the Project, ensuring that they remain in good working condition and comply with all relevant regulations.</li> </ul> </li> </ul>

	<p>The parties will jointly be responsible for management of the Project and associated development activity or activities agreed by the parties, including but not limited to, formalising a business plan, setting budgets, undertaking financial studies to analyse the financial viability of the Project, sourcing funding and financing, appointing relevant external consultants and experts, engaging universities and appointing the relevant partners.</p>
<b>Project Schedule</b>	<p>The project schedule will form part of the business plan which will be drafted and agreed between the parties following the incorporation of the SPV Entity.</p>
<b>Project Funding and Contributions</b>	<p>The Project will be funded in proportion to the shareholding of each Party.</p> <p>The budget will be subject to further development and agreement based on confirmation of detailed scope of work and individual responsibility for equipment and material input procurement and will be subject to review and approval of budget variations as required to deliver the agreed scope of work.</p>
<b>Intellectual Property</b>	<p>CTC and PT HBIP will retain all rights with respect to its background intellectual property.</p> <p>Any intellectual property created in the course of, or as a result of, the Project will be owned by the SPV Entity (SPV Entity IP).</p> <p>Each party will grant to the SPV Entity a non-exclusive, royalty free, perpetual license of its background IP in order to carry out the Project in Indonesia.</p> <p>The SPV Entity will grant back to CTC an exclusive, worldwide, perpetual, irrevocable, license, with the right to grant sublicences, for any commercialisation of SPV Entity IP outside of the Project.</p>

<b>Dispute Resolutions</b>	In the event of any dispute concerning the Formal Agreements or the SPV Entity, representatives of both parties must meet with a view to resolving the dispute, failing which an agreed mediation process will apply.
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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 CO<sub>2</sub> emissions which is equivalent to the entire global car fleet.

Suvo has entered into a binding Joint Development Agreement (JDA) with PERMAcast and has incorporated a joint venture entity (SPV Entity) to develop and commercialise 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 commercialisation through the jointly-owned special purpose vehicle.