

QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2023

HIGHLIGHTS

- A\$3.0 million revenue receipted; A\$2.6 million in production costs.
- Over 20 end users throughout Asia Pacific are currently testing Suvo product samples from the Company's hydrous kaolin Pittong operation.
- Multiple global chemical distribution companies have now been appointed throughout the Asia Pacific.
- Formerly the Company's CFO, Bojan Bogunovic appointed as Interim CEO subsequent to the quarter end.
- Sales Manager India, appointed July 2023.
- Sales Manager Asia Pacific to commence 1 November 2023.
- The new sales and marketing appointments come at a lower cost than previous head office employees, providing cost savings.
- The Pittong plant has been consistently operating at nameplate during the September quarter (currently only operating to match the current sales order book). Steady state at nameplate provides confidence pending any future ramp-up.

Suvo Strategic Minerals Limited (ASX: SUV) ("Suvo" or "the Company") is pleased to release its September 2023 Quarterly Report.

Sales and marketing update

The Company has spent the September quarter executing its newly formed sales and marketing strategy (as announced during June 2023).

Aaron Banks
NON-EXECUTIVE CHAIRMAN

Oliver Barnes
NON-EXECUTIVE DIRECTOR

Agu Kantsler
NON-EXECUTIVE DIRECTOR

Suvo Strategic Minerals Ltd. ABN 97 140 316 463
Head Office: Level 11, 40 The Esplanade, Perth, Western Australia 6000
Operations: 3610 Glenelg Highway, Pittong, Victoria 3360

SUVO.com.au

ASX: SUV

Subsequent to the quarter ended 30 September 2023, Suvo appointed the final member of the sales and marketing team which is shown in table 1.

Table 1: Suvo Sales and Marketing team.

Position	Experience	Location	Start date
Sales Manager Asia Pacific	<ul style="list-style-type: none"> ▪ Over 20 years' experience at global leading chemical companies such as Chevron Phillips, Engelhard, BASF and KaMin ▪ Network of clients, both end-users and distribution partners including PPG, Akzo Nobel, Kansai Paint and Nippon Paint. ▪ Bachelor of Science (Hons) 	Hong Kong	November 2023
Sales Manager India	<ul style="list-style-type: none"> ▪ 20 years of technical sales ▪ Imerys Performance Minerals Technical Sales Manager (Paints, Coatings, Inks, Rubber and Plastics) 2016 to 2022 ▪ Masters degree in Paint Technology ▪ Bachelor of Science (Industrial Chemist) 	India	July 2023
Paper & Board Consultant	<ul style="list-style-type: none"> ▪ 35 years experience ▪ Imerys Asia Pacific, Kaolin Activity Asia Pacific – Business Manager for paper industry 2005 to 2017 ▪ Bachelor of Engineering, Paper Technology 	Indonesia	June 2023

In conjunction with the existing relationships developed over the previous 4 months by the newly appointed CEO and the Suvo team, these new appointments provide the relevant experience and knowledge in kaolin to be able to market and sell Pittong kaolin to a network of chemical distribution partners and end users built over 20 years in the industry in the Asia Pacific.

The strategy has already yielded returns through the Company's Sales Manager in India and Paper and Board consultant in Indonesia, where Pittong kaolin samples are being tested by multiple end-users introduced by the incoming CEO and aforementioned individuals. With the addition of the new Sales Manager Asia Pacific, commencing 1 November 2023, the Company expects even more introductions to be forthcoming.

Importantly, the new sales and marketing team comes at a lesser cost than the previous marketing arrangement based in the head office, in Perth.

During the quarter, the Company also appointed several global chemical distribution companies throughout Asia Pacific. Refer to table 2. As part of the newly formed sales and distribution strategy, appointing the right in-country distribution partner is critical as end-users in Asia Pacific prefer to have local stock available as a supply-side risk mitigation strategy.

Table 2: Newly appointed kaolin distribution partners by country.

Country	New Distributor Appointed	Pittong samples received
Thailand	July 2023	✓
Indonesia	September 2023	✓
Philippines	September 2023	✓
Vietnam	August 2023	✓
Korea	August 2023	✓
Japan	August 2023	✓
China	September 2023	✓
India	July 2023	✓
United Kingdom	August 2023	✓

The Company now has an established overview of the Asia Pacific kaolin market by industry, demand vs supply and price point per region. Importantly, this process has identified where the Pittong hydrous kaolin product will be most competitive.

Table 3 outlines countries whereby Suvo has identified new potential customers and additionally where Pittong kaolin has been supplied to end users for lab scale testing.

Management is confident that there are a number of opportunities for sales to targeted end users in the short term.

Table 3: New customers testing Pittong kaolin by application and country.

Country	Paper and Board	Paint, Rubber, Adhesives	Pharma, Cosmetics	Ceramics
Thailand	✓	✓		✓
Indonesia	✓	✓		
Korea	✓	✓		
Japan	✓	✓		
China	✓	✓	✓	✓
India		✓		
Europe (UK)		✓	✓	

Executive and Board change

In September 2023 the Company appointed Dr Agu Kantsler as a Non-Executive Director of the Company.

Dr 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.

Subsequent to the quarter end, the Company’s CFO, Bojan Bogunovic, was appointed as Interim CEO of the Company, following the resignation of Mr. Hugh Thomas as Managing Director and CEO.

Mr. Bogunovic joined the Company as Group Financial Controller in July 2021, shortly after the acquisition of the Pittong Operations from French multinational Imerys S.A. In October 2021, he was promoted from Group Financial Controller to Chief Financial Officer. For the last 4 months, Bojan has been acting in a joint capacity as Chief Commercial Officer (“CCO”), focusing on the sale and marketing of Suvo’s hydrous kaolin throughout the Asia Pacific as noted in the sales and marketing update.

Projects

Geopolymer concrete

Subsequent to the quarter end, Suvo entered into an exclusive Intellectual Property License Agreement with Murdoch University to license and commercialise ‘Murdoch Technology’ namely, Intellectual Property for a geopolymer concrete batching plant and a low carbon 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. It is a suitable replacement to the traditional binder known as Ordinary Portland Cement (“OPC”).

Concrete is the most consumed product on the planet behind filtered water. The manufacture of OPC (the binder necessary to make concrete) is a highly CO₂ emitting process – the equivalent to the entire global car fleet. For every tonne of OPC produced, roughly 1 tonne of CO₂ is produced.

A small pilot plant has been built by Murdoch University in the town of Collie, approximately 200kms southeast of Perth, where various geopolymer concrete trials have been conducted over the last 6 months.

The purpose of the pilot plant is to produce a low carbon concrete, with zero OPC, as an alternative building material to concrete produced with OPC. Using the Murdoch Technology, various pre-cast products have been produced, including retaining wall blocks, wall panels and aprons.

The Company intends to commercialise the Murdoch Technology by commencing studies to increase the scale of the pilot plant to be able to produce Collicrete and other geopolymer concrete formulations, including using Pittong kaolin and waste derived products including flyash and finely ground slag.

Dingo HPA

In August, the Company provided an update on its announcement of 25 November 2022 in respect of Suvo’s acquisition of a 26% share in Dingo HPA Pty Ltd (“Dingo”) and entry into a staged earn-in agreement (“Agreement”).

Under the terms of the Agreement, Suvo had rights to acquire up to a 76% interest in Dingo through the satisfaction of various milestone obligations.

In August 2023, Suvo and Dingo mutually agreed not to progress the remaining stages of the Agreement, and as a result, Suvo agreed to sell its 26% share at an agreed price of A\$175,000. The Company expects the divestment process to be completed by year end.

Disclosure Requirements (Guidance Note 23 Disclosures)

Details of mining exploration activities:

The A\$0.07 million of exploration and evaluation expenditure was largely attributable to tenement rates and rents and tenement management.

Details of mining production and development activities:

The Company spent A\$2.58 million on production costs and A\$0.47 million on development activities during the quarter ended 30 September 2023.

Details of tenement activities:

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

TENEMENT	PROJECT	OWNERSHIP	CHANGE
E70/5039	Gabbin Kaolin	100%	Nil
E70/5332	Gabbin Kaolin	100%	Nil
E70/5333	Gabbin Kaolin	100%	Nil
E70/5517	Gabbin Kaolin	100%	Nil
E70/5324	Eneabba Silica Sand	100%	Nil
E70/5001	Eneabba Silica Sand	100%	Nil
E70/5322	Eneabba Silica Sand	100%	Nil
E70/5323	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)

Details of related party payments:

During the quarter the Company paid A\$0.13 million to Directors for Salaries and Wages.

Approved for release by the Board

-ENDS-

For further information, please contact

Aaron Banks

Non-Executive Chairman

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Company Profile

Suvo Strategic Minerals Limited is an Australian hydrous kaolin producer and exploration company listed on the Australian Securities Exchange (ASX:SUV). Suvo is focused on production at, and expansion of, their 100% owned Pittong hydrous kaolin operation located 40km west of Ballarat in Victoria. Suvo's exploration focus is on near-term kaolin and high purity silica assets with 100% owned Gabbin (kaolin), Eneabba and Muchea (silica sands) projects located in Western Australia.

Pittong Operations

The 100% owned Pittong Operation, 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.

At Pittong, mining contractors deliver crude kaolin ore to stockpiles from the two currently operating mines, Pittong and Lal Lal. The feedstock is processed into four separate products for end users. These products 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. Around 20–25kt per annum is supplied to various end users.

Gabbin Kaolin Project

The 100% owned Gabbin Kaolin Project (White Cloud) is located 215km northeast of Perth, Western Australia. The project area comprises four granted exploration licences (E70/5039, E70/5332, E70/5333, E70/5517) totalling 413km², centred around the town and rail siding of Gabbin. The generally flat area is primarily cleared farming land devoid of native bushland and is currently used for broad-acre cereal cropping. A mining access agreement is in place over the current resource area with the landowner and occupier.

The main rock types at Gabbin are primarily Archaean granite, gneiss, and migmatite. These rocks are overlain and obscured by Tertiary sand and Quaternary sheetwash. The weathering profile is very deep and contains thick kaolin horizons capped by mottled clays or laterite zones. The current JORC 2012 Mineral Resources are 72.5Mt of bright white kaolinised granite with an ISO Brightness of 80.5%.

Eneabba Silica Sands Project

The 100% owned Eneabba Silica Sands Project is located 300km north of Perth, Western Australia. The project comprises four granted exploration licences (E70/5001, E70/5322, E70/5323, E70/5324) totalling 169km². The project is located on the Eneabba Plain where the sandy cover is very flat to gently undulating. Outcrop is rare due to the accumulations of windblown and alluvial sand at surface. Below this is a thin hard silcrete or lateritic claypan which overlies deep white and yellow sands.

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:

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

Maiden Nova Mineral Resource Estimate, ASX Announcement dated 12 October 2021,

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

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

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

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 2023

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	3,045	3,045
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(2,582)	(2,582)
(d) staff costs	(387)	(387)
(e) administration and corporate costs	(632)	(632)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	(27)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	21	21
1.8 Other (income tax refunds)	-	-
1.9 Net cash from / (used in) operating activities	(548)	(548)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(408)	(408)
(d) exploration & evaluation	(66)	(66)
(e) investments	-	-
(f) other non-current assets	(33)	(33)

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

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	(507)	(507)

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	7	7
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(15)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(197)	(197)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(87)	(87)
3.10	Net cash from / (used in) financing activities	(292)	(292)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,164	3,164
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(548)	(548)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(507)	(507)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(292)	(292)

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

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	1,817	1,817

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	1,817	3,164
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)	1,817	3,164

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	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (equipment finance facility)	1,000	729
7.4 Total financing facilities	1,000	729
7.5 Unused financing facilities available at quarter end		271
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The facility is an equipment finance facility provided by National Australia Bank. The rates on the existing equipment loans drawn range from 4.15% to 7.43%. The rates are specific to the prevailing rate of the day, loan amount, equipment being financed and term of the loan. The loans vary from 3-5 years. The facility is secured.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(548)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(66)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(614)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,817
8.5 Unused finance facilities available at quarter end (item 7.5)	271
8.6 Total available funding (item 8.4 + item 8.5)	2,088
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.40
<p><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></p>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

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

Answer: N/A

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

Compliance statement

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

Date: 31 October 2023

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.