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SUVO



STRATEGIC MINERALS

Interim Report

31 December 2023

ABN 97 140 316 463

Directors' Report

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group') consisting of Suvo Strategic Minerals Limited (referred to hereafter as the 'Company' or 'Suvo') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Suvo Strategic Minerals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Aaron Banks	Non-Executive Chairman
Mr Oliver Barnes	Non-Executive Director
Dr Agu Kantsler	Non-Executive Director (appointed 5 September 2023)
Mr Hugh Thomas	Managing Director (resigned 30 October 2023)

Principal activities

The principal activities of the Group during the period were refined kaolin production in Victoria and commercialisation of Intellectual Property (**IP**) for a geopolymer concrete batching plant and formulations.

Review of operations

During the half-year ended 31 December 2023, the Company generated \$6.04 million in turnover from the sale of 10,135 tonnes of hydrous kaolin.

Since returning the Pittong plant back to name-plate processing capacity of 60,000 tonnes per annum, the Company has been focused on strengthening its sales and marketing efforts in Asia to fully leverage this increase in capacity. Accordingly, the Company appointed three key sales personnel, all based in Asia, during H1 FY 2024. This newly appointed team has a combined experience of more than 60 years in the selling and marketing of kaolin having previously worked for large industrial minerals and chemical companies such as Imerys S.A and BASF.

The new sales and marketing team has geographically diverse experience and networks that will allow for deeper market penetration, at a lower cost than Suvo's previous centralised marketing arrangements, and foster closer relationships with regional customers. Also, during H1 FY 2024, Suvo appointed several global chemical trading companies throughout Asia to provide on-the-ground expertise and distribution networks, supporting efficient product delivery and local stock availability.

In January 2024, subsequent to the half-year end, the Company received purchase orders from five new customers, after the Pittong hydrous kaolin passed quality and performance tests. Annual hydrous kaolin demand from these new customers totals 730 tonnes, which will generate an additional ~\$0.63 million in turnover for the Company. During H1 FY 2024, the Company built a strong pipeline of potential customers across Asia with more than 20 end-users currently testing Suvo's kaolin for suitability across various industries and applications, some of which occupy industrial-scale end user markets where orders are measured in the thousands of tonnes, with numerous opportunities on the verge of potential conversion into sales orders.

Suvo's research and development efforts to explore new applications for kaolin (e.g. the use of metakaolin in cement manufacture) has resulted in our expansion into geopolymer concrete, a low carbon concrete alternative to traditional concrete made from ordinary Portland Cement (**OPC**).

In October 2023, the Company entered into an agreement with Murdoch University, licensing a pilot-scale geopolymer concrete-batching plant and a low-carbon concrete formulation 'Collicrete'. Preliminary results from trials conducted by Murdoch using the geopolymer concrete-batching plant and the Collicrete formulation indicated a reduction of GHG emissions of around 50% compared to concrete using OPC.

In January 2024, Suvo was formally invited by the Sustainability Waste Alliance (**SWA**) to conduct a demonstration pour of Collicrete at identified sections on the Bunbury Outer Ring Road Project, the largest road infrastructure project in the history of the South-West of Western Australia.

Additionally, subsequent to the half-year end, Suvo signed two separate non-binding Memorandums of Understanding (**MOU**) with Polvine Pty Ltd (**PERMAcast**) and Dowsing Group (**Dowsing**). PERMAcast is Western Australia's leading supplier of precast and prestressed concrete products for the state's major infrastructure, oil and gas and mining projects. Dowsing is one of Australia's leading civil contractors specialising in slipform concrete pavements, barriers, kerbing, footpaths, hardscapes and civil services. The intention of the two separate agreements is to work together to develop low carbon concretes for both PERMAcast and Dowsing for deployment in various end use applications.

Directors' Report

On 5 September 2023, Dr Agu Kantsler was appointed to the Board as Non-Executive Director. 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.

On 30 October 2023, Bojan Bogunovic was appointed as Interim Chief Executive Officer of the Company, following the resignation of Mr Hugh Thomas as Managing Director and Chief Executive Officer. 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, Mr Bogunovic was promoted from Group Financial Controller to Chief Financial Officer. Since July 2023, Mr Bogunovic had also been acting in a joint capacity as Chief Commercial Officer, focusing on the sale and marketing of the Company's hydrous kaolin throughout the Asia Pacific region.

Subsequent to the half-year end, the Company completed successful capital raises which brought in \$4.5 million (before costs). Funding from the capital raise will continue to support the ramp up of production at Pittong and accelerate commercialisation of Suvo's IP for a low carbon geopolymer concrete.

Significant changes in the state of affairs

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

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Aaron Banks
Non-Executive Chairman

15 March 2024
Perth

RSM Australia Partners

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www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Suvo Strategic Minerals Limited for the half-year ended 31 December 2023, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS

**TUTU PHONG**
PartnerPerth, WA
Dated: 15 March 2024**THE POWER OF BEING UNDERSTOOD**
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General information

The financial statements cover Suvo Strategic Minerals Limited as a Group consisting of Suvo Strategic Minerals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Suvo Strategic Minerals 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 Western Australia 6000

Principal place of business

3610 Glenelg Hwy
Pittong Victoria 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 15 March 2024.

Consolidated statement of profit or loss and other comprehensive income

	Note	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
Revenue from continuing operations	3	6,038,718	5,889,470
Cost of sales		(5,956,533)	(5,719,192)
Gross profit before depreciation and amortisation		82,185	170,278
Depreciation and amortisation relating to kaolin production		(200,184)	(123,006)
Gross (loss)/profit after depreciation and amortisation		(117,999)	47,272
Other income		177,543	171,101
Foreign exchange gain		13,915	61,751
Expenses			
Share-based payments		(268,227)	(465,915)
Other depreciation and amortisation expenses		(145,972)	(147,513)
Administration and corporate		(2,255,031)	(2,087,307)
Share of loss of associate accounted for using the equity method	10	(12,714)	(1,426)
Loss before income tax expense		(2,608,485)	(2,422,037)
Income tax expense		-	-
Loss after income tax expense for the half-year		(2,608,485)	(2,422,037)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(2,608,485)	(2,422,037)
Loss for the half-year is attributable to:			
Owners of Suvo Strategic Minerals Limited		(2,608,485)	(2,422,037)
		Cents	Cents
Loss per share for loss attributable to owners of Suvo Strategic Minerals Limited			
Basic earnings per share		(0.32)	(0.35)
Diluted earnings per share		(0.32)	(0.35)

The above 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 31 Dec 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,779,175	3,163,638
Trade and other receivables		1,322,814	1,416,028
Inventories	5	1,933,451	2,090,431
Other financial assets	6	158,252	71,000
Other		762,239	787,408
Total current assets		5,955,931	7,528,505
Non-current assets			
Property, plant and equipment	7	4,684,841	4,244,441
Mineral interest acquisition and exploration expenditure	8	5,953,241	5,824,404
Mine properties	9	2,207,155	2,084,682
Right-of-use assets		206,533	341,681
Investment in associate	10	196,150	208,864
Other financial assets	6	2,086,000	2,184,233
Total non-current assets		15,333,920	14,888,305
Total assets		21,289,851	22,416,810
Liabilities			
Current liabilities			
Trade and other payables		2,831,792	1,899,963
Borrowings	11	1,000,000	-
Lease liabilities		293,668	387,594
Provisions		632,751	808,850
Interest-bearing liabilities		391,082	641,161
Total current liabilities		5,149,293	3,737,568
Non-current liabilities			
Lease liabilities		-	113,689
Provisions	12	2,552,809	2,567,057
Interest-bearing liabilities		450,908	528,648
Total non-current liabilities		3,003,717	3,209,394
Total liabilities		8,153,010	6,946,962
Net assets		13,136,841	15,469,848
Equity			
Issued capital	13	42,237,500	42,230,249
Reserves	14	8,033,587	7,765,360
Accumulated losses		(37,134,246)	(34,525,761)
Total equity		13,136,841	15,469,848

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

Consolidated statement of changes in equity

	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 half-year	-	-	(2,422,037)	(2,422,037)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,422,037)	(2,422,037)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	2,151,300	-	-	2,151,300
Share issue costs	(169,405)	-	-	(169,405)
Share-based payments	-	477,590	-	477,590
Balance at 31 December 2022	<u>40,714,212</u>	<u>6,854,513</u>	<u>(28,846,676)</u>	<u>18,722,049</u>

	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 half-year	-	-	(2,608,485)	(2,608,485)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive (loss) for the half-year	-	-	(2,608,485)	(2,608,485)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	7,251	-	-	7,251
Share issue costs	-	-	-	-
Share-based payments	-	268,227	-	268,227
Balance at 31 December 2023	<u>42,237,500</u>	<u>8,033,587</u>	<u>(37,134,246)</u>	<u>13,136,841</u>

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

Consolidated statement of cash flows

	Note	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities			
Receipts from customers		6,788,489	6,389,341
Payments to suppliers and employees		(7,506,716)	(8,163,291)
Interest received		26,967	50,452
Interest paid		(160,443)	(50,225)
Grants received		20,541	24,600
Net cash used in operating activities		(831,162)	(1,749,123)
Cash flows from investing activities			
Payments for exploration and evaluation		(122,697)	(431,036)
Payments for property, plant and equipment		(617,639)	(1,790,978)
Payments for mine properties		(145,113)	(29,968)
Payments for investments in associates		-	(220,000)
Other financial assets - term deposits at bank		(20,000)	-
Net cash used in investing activities		(905,449)	(2,471,982)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,000,000
Proceeds from exercise of options		7,251	74,500
Payments of share issue costs		(14,900)	(109,930)
Proceeds from borrowings		1,000,000	-
Financed equipment		-	801,353
Repayment of lease liabilities		(464,213)	(201,013)
Repayment of interest-bearing liabilities		(175,990)	(56,037)
Net cash from financing activities		352,148	2,508,873
Net decrease in cash and cash equivalents		(1,384,463)	(1,712,232)
Cash and cash equivalents at the beginning of the financial half-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 half-year	4	1,779,175	4,975,104

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1. Material Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 \$2,608,485 and had net cash outflows from operating activities and investing activities of \$831,162 and \$905,449 respectively for the half-year ended 31 December 2023.

The Directors believe that it is appropriate to continue to adopt the going concern basis of preparation due to the successful capital raises which brought in \$4.5 million (before costs) subsequent to the half-year ended 31 December 2023 (refer to Note 18).

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.

Note 2. Operating segments

Identification of reportable operating segments

The Group is organised into three operating segments: kaolin production, exploration and evaluation, and corporate. These operating segments are 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. There is no aggregation of operating segments.

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 is reported to the CODM 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 half-year ended 31 December 2023 approximately \$2,489,955 (31 December 2022: \$2,634,149) of the Group's external revenue was derived from sales to three major Australian customers.

Notes to the financial statements

Operating segment information

	Corporate \$	Exploration & Evaluation \$	Kaolin Production \$	31 Dec 2023 Total \$
Revenue				
Sales to external customers	-	-	6,038,718	6,038,718
Total segment revenue	-	-	6,038,718	6,038,718
EBITDA	(1,603,909)	(23,269)	(646,628)	(2,273,806)
Depreciation and amortisation	(112,121)	(183)	(233,852)	(346,156)
Interest revenue	7,799	-	64,121	71,920
Finance costs	(19,989)	-	(40,454)	(60,443)
Loss before income tax expense	(1,728,220)	(23,452)	(856,813)	(2,608,485)
Income tax expense	-	-	-	-
Loss after income tax expense	(1,728,220)	(23,452)	(856,813)	(2,608,485)
Assets				
Segment assets	1,465,929	5,952,473	13,871,449	21,289,851
Liabilities				
Segment liabilities	(1,630,921)	(6,140)	(6,515,949)	(8,153,010)

	Corporate \$	Exploration & Evaluation \$	Kaolin Production \$	31 Dec 2022 Total \$
Revenue				
Sales to external customers	-	-	5,889,470	5,889,470
Total segment revenue	-	-	5,889,470	5,889,470
EBITDA	(1,919,051)	(678)	(232,016)	(2,151,745)
Depreciation and amortisation	(113,477)	(367)	(156,675)	(270,519)
Interest revenue	13,642	-	36,810	50,452
Finance costs	(20,903)	(1,780)	(27,542)	(50,225)
Loss before income tax expense	(2,039,789)	(2,825)	(379,423)	(2,422,037)
Income tax expense	-	-	-	-
Loss after income tax expense	(2,039,789)	(2,825)	(379,423)	(2,422,037)
Assets				
Segment assets	4,594,249	5,849,419	15,005,116	25,448,784
Liabilities				
Segment liabilities	824,973	91,778	5,809,984	6,726,735

Notes to the financial statements

Note 3. Revenue

	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
<i>From continuing operations</i>		
Revenue from contracts with customers		
Sale of goods	6,038,718	5,889,470
Revenue from continuing operations	6,038,718	5,889,470

Disaggregation of revenue

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

	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
<i>Geographical regions</i>		
Australia and New Zealand	3,819,367	3,819,702
Asia	2,172,958	1,713,854
Rest of the World	46,393	355,914
	6,038,718	5,889,470

All revenue from contract with customers is recognised at a point in time.

Note 4. Cash and cash equivalents

	Consolidated 31 Dec 2023 \$	30 June 2023 \$
Cash at bank	1,779,175	3,163,638

Note 5. Inventories

	Consolidated 31 Dec 2023 \$	30 June 2023 \$
Raw materials	1,128,517	956,144
Packaging	358,985	420,904
Work in progress	40,056	114,481
Finished goods	405,893	598,902
	1,933,451	2,090,431

Notes to the financial statements

Note 6. Other financial assets

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
<i>Current</i>		
Bank card guarantee	60,000	40,000
Rental guarantee	98,252	31,000
	158,252	71,000
<i>Non-current</i>		
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 7. Property, plant and equipment

Reconciliations

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

	Land and Buildings \$	Leasehold Improvement \$	Plant and Equipment \$	Total \$
Balance at 1 July 2023	461,667	168,108	3,614,666	4,244,441
Additions	-	-	625,971	625,971
Disposals	-	-	-	-
Depreciation expense	(18,476)	(10,964)	(156,131)	(185,571)
Balance at 31 December 2023	443,191	157,144	4,084,506	4,684,841

Note 8. Mineral interest acquisition and exploration expenditure

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Mineral interest acquisition and exploration expenditure - at cost	5,953,241	5,824,404

Reconciliations

Movements in the carrying amount during the current half-year, are set out below:

	Exploration and Evaluation \$
Balance at 1 July 2023	5,824,404
Additions	128,837
Balance at 31 December 2023	5,953,241

Notes to the financial statements

Note 9. Mine properties

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Mining properties - at cost	2,207,155	2,084,682

Reconciliations

Movements in the carrying amount during the current half-year, are set out below:

	Overburden Asset \$	Mining Reserves \$	Rehabilitation Asset \$	Total \$
Balance at 1 July 2023	113,696	836,635	1,134,351	2,084,682
Additions	196,257	-	-	196,257
Change in present value of rehabilitation provision	-	-	(48,351)	(48,351)
Amortisation expense	-	(10,900)	(14,533)	(25,433)
Balance at 31 December 2023	309,953	825,735	1,071,467	2,207,155

Note 10. Investment in associate

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Investment in associate accounted for using the equity method:		
Initial investment at cost	220,000	220,000
Share of associate's loss	(23,850)	(11,136)
	196,150	208,864

In November 2022, 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 associate was initially recognised at cost, under the equity method, in accordance with Accounting Standards. The carrying amount of the investment has decreased to recognise the Company's 26% share of the loss generated by Dingo since the date of acquisition. The Company's 26% share of the loss generated by Dingo during the half-year ended 31 December 2023 was \$12,714 (31 December 2022: \$1,426).

Note 11. Borrowings

	Consolidated	
	31 Dec 2023	30 Jun 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% 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.

Notes to the financial statements

Note 12. Non-current provisions

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Long service leave	40,820	55,682
Rehabilitation	2,511,989	2,511,375
	2,552,809	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 half-year, are set out below:

	Rehabilitation Provision
	\$
Balance at 1 July 2023	2,511,375
Additional provisions recognised	(48,351)
Unwinding of discount	48,965
Balance at 31 December 2023	2,511,989

Note 13. Equity - issued capital

	Consolidated			
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	810,513,091	809,671,424	42,237,500	42,230,249

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 Jun 2023	809,671,424		42,230,249
Shares issued - Options exercised		241,667	0.030	7,251
Shares issued - Performance rights exercised		600,000	-	- ¹
Balance	31 Dec 2023	810,513,091		42,237,500

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

Note 14. Equity - reserves

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Share based payments reserve	8,033,587	7,765,360

Notes to the financial statements

Reconciliations

Movements in equity reserves during the current half-year, are set out below:

	Performance Rights \$	Options \$	Total \$
Balance at 1 July 2023	1,760,681	6,004,679	7,765,360
Share-based payments	252,994	15,233	268,227
Balance at 31 December 2023	2,013,675	6,019,912	8,033,587

Share-based payments reserve

The reserve is used to recognise increments and decrements in the fair value of share-based payments. The amounts recognised in relation to performance rights during the period takes into account the probabilities of vesting criteria being met and the expected vesting date, with the unrecognised amount to be expensed over the vesting period. The expense realised in respect to performance rights is intended to reflect the best available estimate of the number of performance rights expected to vest.

Note 15. Fair value measurement

Fair value hierarchy

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to previous reporting period. The carrying value of financial assets and financial liabilities are considered to be a reasonable approximation of their fair value. There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 16. Contingent liabilities

As at the date of this report there are no claims or contingent liabilities.

Note 17. Dividends

There were no dividends paid, recommended or declared during the period.

Note 18. Events after the reporting period

On 15 February 2024, the Company announced that it had received firm commitments for \$2.5 million via a share placement to new and existing sophisticated investors at \$0.03 per share (**the Placement**). The Company also announced it was undertaking a share purchase plan (**SPP**) to raise up to a further \$1 million on the same terms as the Placement.

The SPP closed on 27 February 2024 and was significantly oversubscribed with \$2.663 million in applications received. In recognition of the strong level of shareholder support, the Suvo board of directors (**Board**) exercised their discretion increasing the SPP offer to \$2 million (before costs), resulting in a scale back of \$0.663 million, raising in total \$4.5 million (before costs).

Apart from matters discussed above, no other matter or circumstance has arisen since 31 December 2023 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 year

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Aaron Banks
Non-Executive Chairman

15 March 2024
Perth

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

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Suvo Strategic Minerals Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Suvo Strategic Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Suvo Strategic Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Suvo Strategic Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

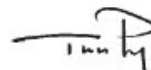
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style signature of the letters "RSM" in a dark grey or black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read "Tutu Phong", with a stylized flourish at the end.

TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2024

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