

ASX ANNOUNCEMENT

29 May 2024

SUVO EXECUTES TERM SHEET WITH PERMACAST

HIGHLIGHTS

- Suvo and Polvine Pty Ltd (**PERMAcast**) execute non-binding term sheet to enter into a Joint Development Agreement (**JDA**) and to establish an incorporated joint venture entity (**SPV Entity**).
- PERMAcast is WA's leading supplier of precast and prestressed concrete products for the state's major infrastructure, oil & gas, and mining projects.
- Suvo and PERMAcast propose to deliver low carbon geopolymer concrete (**GPC**) products and projects and otherwise commercialise the intellectual property (**IP**) created under the JDA through the SPV Entity.
- Suvo and PERMAcast will use their best endeavours to negotiate and execute a binding JDA within 30 days from the execution date of this term sheet.
- Suvo and PERMAcast will each hold 50% of shares issued in the SPV Entity.
- The proposed terms of the JDA require PERMAcast to provide the capital required to fund the SPV Entity.
- The JDA allows Suvo to fast track the commercialisation of GPC as PERMAcast, given their scale and expertise, offer a clear avenue for scale-up and industry validation.
- The global concrete market size is projected to reach USD 972.0 billion by 2030 growing at a CAGR value of 4.7%¹.
- The production of Ordinary Portland Cement (**OPC**), the binder required to make concrete, is the single largest industrial source of GHG and accounts for 8% of global emissions – equivalent to the entire global car fleet.

¹ Allied Market Research: Concrete Market

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EXECUTIVE CHAIRMAN

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ASX: SUV

Suvo Strategic Minerals Limited (ASX: SUV) (“Suvo” or “the Company”) is pleased to announce that it has executed a non-binding term sheet with Polvine Pty Ltd (**PERMAcast**). The term sheet provides a 30-day exclusivity period whereby the Company and PERMAcast will use their best endeavours to negotiate and execute a binding Joint Development Agreement (**JDA**) for the delivery of low carbon geopolymer concrete (**GPC**) products and projects.

The non-binding term sheet includes the following key deliverables which will form the basis of the binding JDA:

- a. Prepare and test a range of GPC formulations to meet concrete strength requirements of nominally 10, 20, 30 and 40 MPa, and determine maximum strength attainable;
- b. Characterise and assess applications/products that can utilise the different GPC strength formulations;
- c. Test and demonstrate suitability of different GPC formulations for different applications/products; and
- d. Assess cost and performance of different GPC applications/products to determine preferred route for commercialisation.

Suvo and PERMAcast propose to deliver low carbon GPC products and projects and otherwise commercialise the IP created under the JDA through the SPV Entity in which Suvo and PERMAcast will each hold 50% of the shares issued. The parties will use their best endeavors to negotiate and execute the shareholders agreement for the SPV Entity within 30 days from the date of execution of the binding JDA agreement.

The proposed JDA terms stipulate that PERMAcast will provide all the necessary capital funding required.

Both parties will retain intellectual property (**IP**), held individually at the inception of the proposed SPV Entity (**Background IP**).

Any intellectual property created during the course of the JDA will be owned by the SPV Entity, acknowledging the rights of Murdoch University having licensed the IP to Suvo (ASX Announcement: 30 October 2023).

Executive Chairman Aaron Banks commented:

"This is a fantastic result for Suvo. Forming a new Company with PERMAcast to deliver waste-derived geopolymers concrete products to market is both a privilege and a unique opportunity that cannot be overstated. Being able to leverage PERMAcast's manufacturing expertise, market access and balance sheet likely saves us two to three years in our commercialisation strategy.

Both Companies have already identified a number of suitable products to commence manufacturing. We hope to conclude the final stages of this agreement next month and commence production shortly thereafter. We thank Darren, Alberto and the team at PERMAcast and look forward to establishing a mutually beneficial working relationship."

PERMAcast Chief Executive Officer Darren Hedley commented:

"We are thrilled to collaborate with Suvo Strategic Minerals on this innovative venture to develop and commercialise low-carbon geopolymers concrete products. This partnership represents a significant step towards sustainable construction solutions, addressing the urgent need to reduce carbon emissions in our industry. By combining Suvo's advanced research with Permacast's manufacturing expertise and market access, we are positioned to bring high-performance, eco-friendly concrete products to the market more rapidly.

Our commitment to reducing the carbon footprint of construction materials is firm, and this collaboration is a significant stride in that direction. The development of geopolymers concrete products not only aligns with our sustainability goals but also presents a unique opportunity for us to lead the market in low-carbon building materials. We are confident that our joint efforts will yield innovative solutions that benefit both the environment and the construction industry."

See Annexure 1 for key terms.

Approved for release by the Board

–ENDS–

For further information, please contact

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Annexure 1: Term sheet key terms for the proposed Joint Development Agreement

Parties

Suvo Strategic Minerals Limited (**Suvo**)
Polvine Pty Ltd (**PERMAcast**)

Commencement Date

The agreement will commence upon satisfaction of the Conditions Precedent.

Conditions Precedent

The incorporation of an SPV Entity, within 2 business days from the date of execution of the binding JDA agreement. Each party will hold 50% of the shares issued in the SPV Entity.

Shareholders Agreement

The parties will use their best endeavors to negotiate and execute a shareholders agreement for the SPV Entity within 30 days from the date of execution of the binding JDA agreement. The shareholders agreement will require PERMAcast to provide capital required to fund the SPV Entity.

Exclusivity

The parties agree that they will not, for a period of thirty (30) days from the date of this agreement, enter into any discussions, negotiations, agreements, understandings or transactions with any third party with respect to the IP and the JDA.

Funding

PERMAcast will fund the delivery of the Joint Development Project including engineering labour for desktop, lab and site works, equipment and GPC waste derived and chemical input procurement costs and site set-up and management costs.

The budget will be jointly developed and agreed between PERMAcast and Suvo.

Termination

Either party may terminate the agreement if the other party:

- a. Materially breaches the agreement and fails to remedy the breach within 30 days from the date of a breach notice; or
- b. Is subject to an insolvency event.

Confidentiality

Neither party may use or disclose the other party's confidential information other than for the purpose of the agreement.

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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 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.

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.

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) for 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) for 169km². The project is located on the Eneabba Plain whose 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.