

SUVO



STRATEGIC MINERALS

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Interim Report

31 December 2024

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 2024.

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	Executive Chairman
Mr Mark Pensabene	Non-Executive Director
Mr Peter Trinder	Non-Executive Director (appointed 25 November 2024)
Mr Oliver Barnes	Non-Executive Director (resigned 25 November 2024)

Principal activities

The principal activities of the Group during the period were refined kaolin production in Victoria and commercialisation of licensed Intellectual Property (IP) for lower carbon cement and concrete formulations.

Review of operations

During the half-year ended 31 December 2024, the Company generated A\$6.25 million in turnover and recognised a gross profit after depreciation and amortization of A\$0.46 million (+491.5% compared to prior corresponding period).

The growth in turnover compared to the prior corresponding period was a direct result of time spent in Asia, understanding the hydrous kaolin market and targeting specific industries where the Pittong ore body is most suited. The additional sales generated during the period were primarily to new customers in China and Malaysia, in the high-end automotive paints, rubber, inks and pharmaceuticals industries. Moreover, the Company continues to work with distribution partners and the ultimate end users across the Asia Pacific region, to grow sales of kaolin from its Pittong operations.

During the half-year ended 31 December 2024, the Company implemented a number of key initiatives to optimise operational costs at Pittong. This included changes to processing methods, a reduction of operational working hours and staffing levels at Pittong and a scale back of administrative costs, ultimately resulting in an 8% reduction to cost of sales compared to the prior corresponding period.

During the half-year ended 31 December 2024, the Company also invested in research and development activities to commercialise lower carbon cement and concrete binders and products, utilising kaolin and other waste-derived industrial by-products. This was aided by the incorporation of a joint venture with PERMAcast, one of Australia's largest precast concrete manufacturers and a key commercial partner.

Suvo continues the process of testing various lower carbon cement and concrete formulations with varying feedstock materials, assessing suitability for different applications and determining the best route for potential commercialisation.

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
Executive Chairman

7 March 2025
Perth

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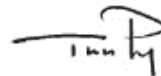
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Suvo Strategic Minerals Limited for the half-year ended 31 December 2024, 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.

A stylized, handwritten-style signature of the letters "RSM".

RSM AUSTRALIA

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 7 March 2025

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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 7 March 2025.

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Revenue from continuing operations	3	6,243,995	6,038,718
Cost of sales		(5,479,122)	(5,956,533)
Gross profit before depreciation and amortisation		764,873	82,185
Depreciation and amortisation relating to kaolin production		(302,840)	(200,184)
Gross profit/(loss) after depreciation and amortisation		462,033	(117,999)
Other income		547,499	177,543
Foreign exchange gain		403	13,915
Expenses			
Share-based payments	7	(170,193)	(268,227)
Other depreciation and amortisation expenses		(124,976)	(145,972)
Administration and corporate		(2,073,051)	(2,149,563)
Research and development		(226,966)	(105,468)
Exploration and evaluation expenditure written off		(5,059)	-
Share of loss of associate accounted for using the equity method		-	(12,714)
Loss before income tax expense		(1,590,310)	(2,608,485)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,590,310)	(2,608,485)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(1,590,310)	(2,608,485)
Loss for the half-year is attributable to:			
Owners of Suvo Strategic Minerals Limited		(1,590,310)	(2,608,485)
		Cents	Cents
Loss per share for loss attributable to owners of Suvo Strategic Minerals Limited			
Basic earnings per share		(0.16)	(0.32)
Diluted earnings per share		(0.16)	(0.32)

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

As at 31 December 2024

		Note	Consolidated 31 Dec 2024 \$	30 June 2024 \$
Assets				
Current assets				
Cash and cash equivalents			2,739,562	3,126,425
Trade and other receivables			1,636,509	1,414,959
Inventories			1,887,374	1,941,961
Other financial assets			133,252	133,252
Other			569,141	183,385
Total current assets			6,965,838	6,799,982
Non-current assets				
Property, plant and equipment	4		4,663,695	4,690,324
Mineral interest acquisition and exploration expenditure			3,302,692	3,225,385
Mine properties			2,123,563	2,227,294
Right-of-use assets			378,800	86,088
Other financial assets			2,086,000	2,086,000
Total non-current assets			12,554,750	12,315,091
Total assets			19,520,588	19,115,073
Liabilities				
Current liabilities				
Trade and other payables			1,871,114	2,284,907
Borrowings	5		969,823	1,000,000
Provisions			660,582	670,591
Lease liabilities			199,213	125,114
Interest-bearing liabilities			391,523	158,414
Total current liabilities			4,092,255	4,239,026
Non-current liabilities				
Provisions			2,426,641	2,478,819
Lease liabilities			183,032	-
Interest-bearing liabilities			286,517	370,234
Total non-current liabilities			2,896,190	2,849,053
Total liabilities			6,988,445	7,088,079
Net assets			12,532,143	12,026,994
Equity				
Issued capital	6		48,231,840	46,488,046
Reserves	7		8,051,918	7,700,253
Accumulated losses			(43,751,615)	(42,161,305)
Total equity			12,532,143	12,026,994

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2024

	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>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	46,488,046	7,700,253	(42,161,305)	12,026,994
Loss after income tax expense for the half-year	-	-	(1,590,310)	(1,590,310)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive (loss) for the half-year	-	-	(1,590,310)	(1,590,310)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	2,000,000	-	-	2,000,000
Share issue costs	(256,206)	-	-	(256,206)
Share-based payments	-	351,665	-	351,665
Balance at 31 December 2024	<u>48,231,840</u>	<u>8,051,918</u>	<u>(43,751,615)</u>	<u>12,532,143</u>

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

Consolidated statement of cash flows

For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities			
Receipts from customers		6,084,705	6,788,489
Payments to suppliers and employees		(7,862,891)	(7,506,716)
Interest received		27,576	26,967
Interest paid		(88,321)	(160,443)
Government grants and tax incentives		410,236	20,541
Net cash used in operating activities		(1,428,695)	(831,162)
Cash flows from investing activities			
Payments for exploration and evaluation		(82,374)	(122,697)
Payments for property, plant and equipment		(256,163)	(617,639)
Payments for mine properties		(15,351)	(145,113)
Other financial assets - term deposits at bank		-	(20,000)
Net cash used in investing activities		(353,888)	(905,449)
Cash flows from financing activities			
Proceeds from issue of shares		2,000,000	-
Proceeds from exercise of options		-	7,251
Payments of share issue costs		(120,000)	(14,900)
Proceeds from borrowings		-	1,000,000
Repayment of lease liabilities		(151,048)	(464,213)
Repayment of interest-bearing liabilities		(333,232)	(175,990)
Net cash from financing activities		1,395,720	352,148
Net decrease in cash and cash equivalents		(386,863)	(1,384,463)
Cash and cash equivalents at the beginning of the financial half-year		3,126,425	3,163,638
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial half-year		2,739,562	1,779,175

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

Notes to the financial statements

Note 1. Material Accounting Policy Information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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 \$1,590,310 and had net cash outflows from operating activities and investing activities of \$1,428,695 and \$353,888 respectively for the half-year ended 31 December 2024.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The cash flow forecast indicates that the Group expects to have sufficient working capital and other funds available to continue for at least the next twelve-month period ending 31 March 2026. The key assumptions used to derive at a detailed cashflow forecast relate to future sales and costs; and
- The Company has the ability to raise further capital through the issue of equity.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

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 four operating segments: kaolin production, research and development, 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.

Research and development was added as a new operating segment during the half-year ended 31 December 2024. The comparative figures have been restated to include the prior corresponding period.

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.

Notes to the financial statements

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 2024 approximately \$2,922,415 (31 December 2023: \$2,489,955) of the Group's external revenue was derived from sales to three major Australian customers.

Operating segment information

	Corporate \$	Research & Development \$	Exploration & Evaluation \$	Kaolin Production \$	31 Dec 2024 Total \$
Revenue					
Sales to external customers	-	-	-	6,243,995	6,243,995
Total segment revenue	-	-	-	6,243,995	6,243,995
EBITDA	(1,164,866)	(226,966)	(5,810)	248,467	(1,149,175)
Depreciation and amortisation	(111,093)	-	(92)	(316,631)	(427,816)
Interest revenue	11,219	-	-	63,783	75,002
Finance costs	(59,448)	-	-	(28,873)	(88,321)
Loss before income tax expense	(1,324,188)	(226,966)	(5,902)	(33,254)	(1,590,310)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(1,324,188)	(226,966)	(5,902)	(33,254)	(1,590,310)
Assets					
Segment assets	2,527,488	10,058	3,304,245	13,678,797	19,520,588
Liabilities					
Segment liabilities	(1,901,933)	-	(1,977)	(5,084,535)	(6,988,445)

	Corporate \$	Research & Development \$	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	(1,498,441)	(105,468)	(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	(1,622,752)	(105,468)	(23,452)	(856,813)	(2,608,485)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(1,622,752)	(105,468)	(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)

Notes to the financial statements

Note 3. Revenue

	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
<i>From continuing operations</i>		
Revenue from contracts with customers		
Sale of goods	6,243,995	6,038,718
Revenue from continuing operations	6,243,995	6,038,718

Disaggregation of revenue

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

	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
<i>Geographical regions</i>		
Australia and New Zealand	3,980,809	3,819,367
Asia	2,184,247	2,172,958
Rest of the World	78,939	46,393
	6,243,995	6,038,718

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

Note 4. Property, plant and equipment

Reconciliations

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

	Land and Buildings \$	Leasehold Improvement \$	Plant and Equipment \$	Total \$
Balance at 1 July 2024	424,715	146,181	4,119,428	4,690,324
Additions	112,740	-	167,953	280,693
Disposals	-	-	-	-
Depreciation expense	(18,163)	(10,964)	(278,195)	(307,322)
Balance at 31 December 2024	519,292	135,217	4,009,186	4,663,695

Notes to the financial statements

Note 5. Borrowings

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Mortgage loan	969,823	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. During the current half-year, the loan term was extended for a period of six months commencing 1 December 2024 and expiring 31 May 2025 with the pre-payment of interest required in full and calculated at a rate of 10% per annum, being \$50,000. A further six months will be available, at Suvo's option, for the subsequent period from 1 June 2025 to 30 November 2025 with the interest rate moving to 11% per annum.

Note 6. Equity - issued capital

	31 Dec 2024 Shares	30 June 2024 Shares	Consolidated 31 Dec 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	1,009,515,406	966,265,407	48,231,840	46,488,046

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 Jun 2024	966,265,407		46,488,046
Shares issued – Conversion of Performance Rights	18 Jul 2024	1,583,333	0.049	⁻¹
Shares issued - Placement	29 Oct 2024	41,666,666	0.048	2,000,000
Share issue costs		-		(256,206)
Balance	31 Dec 2024	1,009,515,406		48,231,840

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

Note 7. Equity - reserves

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Share based payments reserve	8,051,918	7,700,253

Reconciliations

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

	Performance Rights \$	Options \$	Total \$
Balance at 1 July 2024	1,455,232	6,245,021	7,700,253
Share-based payments	170,193	181,472	351,665
Balance at 31 December 2024	1,625,425	6,426,493	8,051,918

Notes to the financial statements

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.

Options

During the current half-year, 2,000,000 options were issued to the mortgage loan lenders. In addition, 20,833,328 free-attaching options were issued as part of the October 2024 Placement, whilst 10,000,000 options were issued to the lead manager.

For the options granted during the current half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Exercise price	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16-Sep-2024	11-Nov-2026	\$0.06	\$0.055	74%	-	3.48%	\$0.0226
29-Oct-2024	29-Oct-2026	\$0.075	N/A – free attaching options				
29-Oct-2024	29-Oct-2026	\$0.075	\$0.05	68%	-	3.97%	\$0.0136

The fair value of the mortgage loan options is \$45,266 which has been recognised against borrowings on the consolidated statement of financial position. The fair value of the lead manager options is \$136,206 which has been included in share issue costs.

Performance rights

For the performance rights issued during the current half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Performance Milestone	Number	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
25-Nov-24	9-Dec-27	a	3,500,000	\$0.046	70%	-	4.04%	\$0.0356
25-Nov-24	9-Dec-27	b	3,500,000	\$0.046	70%	-	4.04%	\$0.0318
25-Nov-24	9-Dec-27	c	3,500,000	\$0.046	70%	-	4.04%	\$0.0285
2-Dec-24	9-Dec-27	a	6,500,001	\$0.045	70%	-	3.93%	\$0.0386
2-Dec-24	9-Dec-27	b	6,500,001	\$0.045	70%	-	3.93%	\$0.0306
2-Dec-24	9-Dec-27	c	6,500,001	\$0.045	70%	-	3.93%	\$0.0273
			30,000,003					

Performance Milestones:

- The Company's VWAP being at least \$0.065 over 20 consecutive trading days on which the Company's shares have actually traded.
- The Company's VWAP being at least \$0.08 over 20 consecutive trading days on which the Company's shares have actually traded.
- The Company's VWAP being at least \$0.095 over 20 consecutive trading days on which the Company's shares have actually traded.

Of the 30,000,003 performance rights issued, 24,000,000 were issued to key management personnel.

Notes to the financial statements

Share-based payments expense

	Total \$
Performance rights issued to key management personnel during the current period	22,323
Performance rights issued to key management personnel during prior periods	115,695
Performance rights issued to others during the current period	5,079
Performance rights issued to others during prior periods	27,096
	170,193

Note 8. 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 9. Contingent liabilities

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

Note 10. Dividends

There were no dividends paid, recommended or declared during the current half-year.

Note 11. Interests in associates

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024 %	31 Dec 2023 %
Permacast Future Industries Pty Ltd	Australia	50%	0%
Permacast Future Solutions Pty Ltd	Australia	50%	0%

During the current half-year, Climate Tech Cement Pty Ltd, a wholly owned subsidiary of Suvo Strategic Minerals Limited, acquired 50% ownership in the above entities.

Note 12. Events after the reporting period

On 22 January 2025, the Company announced it had reached an agreement with Norske Skog to extend supply of hydrous kaolin from Pittong for a further three years, covering between 21,000 and 24,000 tonnes of hydrous kaolin.

On 14 February 2025, the Company announced it had reached an agreement with Chaozhou Chengcheng Industrial Co.,Ltd to extend supply of hydrous kaolin from Pittong for a further five years. The take or pay Offtake Agreement, valued at ~A\$6.56 million, covers a minimum order quantity of 8,750 tonnes of hydrous kaolin.

Apart from matters discussed above, no other matter or circumstance has arisen since 31 December 2024 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 2024 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
Executive Chairman

7 March 2025
Perth

For personal use only

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, which comprises the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information 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 2024 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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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,590,310 and had net cash outflows from operating activities of \$1,428,695 for the half-year ended 31 December 2024. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

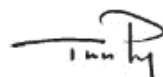
Auditor's Responsibility for the Review of the Half-Year Financial Report

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 2024 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.



RSM AUSTRALIA



TUTU PHONG
Partner

Perth, WA
Dated: 7 March 2025