



**Suvo Strategic Minerals Limited
ACN 140 316 463**

Prospectus

This Prospectus is being issued for an offer of 1,000 Shares at an issue price of \$0.10 per Share.

This Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act, to remove trading restrictions on Shares issued prior to the Closing Date.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

The Shares offered in connection with this Prospectus are of a speculative nature.

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Important Information

Prospectus

This Prospectus is dated 22 December 2020 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 103, Level 1, 2 Queen Street, Melbourne, VIC 3000, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3). The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares under the Offer can only be submitted on an original Application Form which accompanies this Prospectus.

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 2 of this Prospectus.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEDT unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate Directory

Directors

Aaron Banks
Robert Martin
Leonard Troncone
Dr Ian Wilson

Executive Director
Executive Chairman
Non-Executive Director
Non-Executive Director

Company Secretary

Justyn Stedwell

Registered and Principal Office

Suite 103, Level 1, 2 Queen Street
Melbourne VIC 3000
Phone: (03) 8395 5446
Fax: (03) 8678 1747
Email: info@suvo.com.au
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Share Registry*

Automatic Registry Services Pty Ltd
Level 2
267 St Georges Terrace
Perth WA 6000

Lawyers

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Securities Exchange Listing

Australian Securities Exchange (**ASX**)
ASX Code: SUV

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC	22 December 2020
Lodgement of Prospectus with ASX	22 December 2020
Lodgement of Appendix 3B	22 December 2020
Opening Date of Offer	23 December 2020
Lodgement of Appendix 2A	29 December 2020
Closing Date of Offer	30 December 2020

*These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

1. Details of the Offer

1.1 Summary of the Offer

The Company is offering, pursuant to this Prospectus 1,000 Shares at an issue price of \$0.10 each to raise \$100.00 (before costs) (**Offer**).

The Offer will only be extended to specific parties unrelated to the Company on invitation of the Directors. An Application Form will only be provided by the Company to these parties, together with a copy of this Prospectus.

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Shares under the Offer.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that attach to Shares issued by the Company prior to the Closing Date, so that subscribers of those Shares may, if they choose to, sell those Shares (as applicable) within twelve months from the date of their issue without the issue of a prospectus. These include any other Shares the Company may issue between the date of this Prospectus and the Closing Date (including but not limited to any Shares issued upon the exercise of Options).

Apart from the issue of Shares outlined in Section 1.1, no other securities will be issued under the Offer. The Company does however, intend to issue Shares under a placement (**Capital Raising Shares**), as set out in Section 1.14. Accordingly, this Prospectus will cleanse the Capital Raising Shares.

The Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise \$100.00 under the Offer (before costs). The total estimated expenses of the Offer are \$15,128 and will be paid by the Company from its cash reserves.

1.3 **Closing Date**

The Closing Date for the Offer is 30 December 2020. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 **Minimum subscription**

There is no minimum subscription for the Offer.

1.5 **Application Forms**

The Offer is being extended to investors who are invited by the Company to subscribe for Shares and is not open to the general public. The Company may determine in its discretion whether to accept any or all of the Applications.

Applications must be made using the Application Form attached to this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms, together with application monies, must be received by the Company prior to the Closing Date. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Shares under the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.6 **Issue and dispatch**

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Shares under the Offer on or about 29 December 2020. Shareholder statements will be dispatched as soon as possible after the issue of the Shares under the Offer.

1.7 **Application Monies held on trust**

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.8 **ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.9 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Automatic Registry Services and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.10 **Residents outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.11 **Risk factors**

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 2.

1.12 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.13 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's Interim Financial Report for the half year ended 31 December 2019 lodged with ASX on 21 February 2020 (**Half Yearly Report**) and annual financial report for the year ending 30 June 2020 lodged with ASX on 31 August 2020 (**Annual Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Half Yearly Report and Annual Report.

Copies of the Half Yearly Report and Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Offer.

1.14 Existing activities of the Company

The Company is a public company that was admitted to quotation of the Official List of ASX from 17 May 2011. The Company's primary activity is the exploration and development of its:

(a) White Knight Kaolin Project; and

(b) Nova Silica Sand Project,

(together, the **Existing Projects**).

On 23 November 2020, the Company announced that it had entered into a binding share purchase agreement (**Acquisition Agreement**) to acquire 100% of the issued capital of Mircal Australia Pty Ltd (**Mircal Australia**) and its subsidiaries (excluding Australian Vermiculite Industries Pty Ltd) (**Target Group**) from Mircal (**Vendor**) (**Acquisition**), which is part of the Imerys S.A. group, a French multinational company with a market capitalisation of around €2.2 billion (**Imerys**).

In conjunction with the proposed Acquisition, the Company intends to, subject to receiving shareholder approval, issue 60,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$6,000,000 before costs without disclosure under Part 6D.2 of the Corporations Act (**Placement**).

The Target Group (excluding Australian Vermiculite Industries Pty Ltd, a dormant company) was placed for sale following Imerys' decision to divest its kaolin operations located in Pittong, Victoria in Australia because of limited synergies with other Imerys' businesses. The proposed sale is for 100% of the shares of Mircal Australia, the holding entity, which fully owns Kaolin Australia Pty Ltd and Imerys Minerals Australia Pty Ltd, the two operating entities of Imerys' kaolin mining and processing operations in Australia.

Pittong is the sole wet kaolin processing plant and mine in Australia.

The Assets comprise:

(a) **Pittong Plant:** which has a throughput capacity of up to 35-40 ktpa of a range of kaolin products for the paper, paper & board and specialty minerals markets. Current mine feed is supplied from Pittong & Lal Lal Mines.

(b) **Pittong Mine:** an operating mine producing in the order of 90% of plant feedstock.

(c) **Lal Lal Mine:** an operating mine producing limited feedstock for specific product applications.

(d) **Trawalla Mine**: a greenfield mine site.

(together, the **Assets**).

For further information regarding the Acquisition, Shareholders are encouraged to refer to the Company's Notice of General Meeting dated 25 November 2020.

1.15 **Privacy**

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Forms. The Company collects, holds and will use that information to assess the Application, service Shareholders' needs, facilitate distribution payments and corporate communications to Shareholders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including *the Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Applicants should note that if they do not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

1.16 **Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to justyn@stedwell.com.au.

2. Risk factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

2.1 General risks

A summary of the major general risks are described below.

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities.

(b) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, the financial condition and the results of the Company.

(d) Litigation risks

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

The Company and Mircal Australia are not currently engaged in any material litigation.

(e) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

Other than disclosed in this Prospectus, the Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.

(g) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there

can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(h) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

2.2 **Risks specific to an investment in the Company**

In addition to the general risks noted in Section 2.1, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) **Future Earnings and Capital Requirements**

The Company has undertaken financial and business analysis of the Assets in order to determine their attractiveness to the Company and whether to pursue the Acquisition. To the extent that the actual results achieved by the Assets are weaker than those anticipated, or any unforeseen difficulties emerge in integrating the operations of Mircal Australia, there is a risk that the future revenue of the operations of the Assets may differ (including in a materially adverse way) from the expectations of the Company. Adverse differences may cause the Company to seek further financing from time to time to finance the ongoing operation of the Assets. Similarly, the Company may be required to raise further finances in order to meet capital expenditure upgrades on the Assets in an amount greater than contemplated in the use of funds.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the price of the Capital Raising Shares) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may impact on the development of the Existing Projects, and ultimately on the solvency of the Company.

(b) **Mining Licence renewal**

Each mining licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Mining licences need to be renewed from time to time. Consequently, the Company could lose title to or its interest in these licences if licence conditions are not met or insufficient funds are available to meet expenditure commitments.

Pittong MIN5408 expired on 18 December 2020. Victorian mining law provides that if the renewal application is lodged before expiry, the licence continues in effect until the application is granted and registered or refused. The current holder of Pittong MIN5408 (Kaolin Australia Pty Ltd) has lodged an application for renewal which is currently pending. Renewal is not automatic and there are a number of matters that have to be taken into account when determining whether to grant or refuse an application. In particular, mining must be occurring or have occurred and continue, or restart, in the renewed term.

The Minister may also refuse the application where:

- (i) the applicant has not complied with the Mining Act or a condition in the licence, a work plan or a planning scheme;
- (ii) the applicant has endangered the public or an employee on or near the land the subject of the licence;
- (iii) the applicant is not a fit and proper person, does not genuinely intend to carry out the work, does not have an appropriate work program or does not have the financial resources to carry out the work or rehabilitation; or
- (iv) it is no longer feasible to mine and it will not be feasible to mine in the future.

The Company is aware that as a result of the Acquisition, the Department must be advised of:

- (i) any changes of associates of the relevant entities (such as changes to directors and officers of Mircal Australia); and
- (ii) changes associated with Mircal Australia's access to finance.

While the Company has assessed the above and does not believe either pose a material risk to the renewal of the Licence, there remains a risk that the Mining Licences (and in particular, MIN5408) may not be renewed in a timely manner, may be renewed subject to onerous or uncommercial conditions, or may not be renewed at all. Any non-renewal of the Mining Licences will adversely affect the financial position of the Company. The ongoing COVID-19 pandemic and associated office closures in Victoria may also adversely affect the time in which the Mining Licence renewal is processed.

(c) **Sales margins, commodity prices and costs risks**

Sales are impacted by the market price of products sold which are subject to market forces of supply and demand. Specifically, the sales of kaolin produced from the Assets are subject to global pricing patterns. Margins are also impacted by the cost of inputs and the cost of financing.

(d) **Mining and processing risks**

The Mircal Australia's Assets first started producing kaolin products in 1972 and is the only operating wet kaolin mine in Australia.

The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by operating mining companies. The business of production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) being able to readily extend the life of mine through the successful exploration and discovery of economically recoverable mineral reserves;
- (ii) the ability to retain key operational staff;
- (iii) sufficient cash flow to meet operating expenses in a timely manner;
- (iv) maintenance of production infrastructure within capital expenditure budgets;
- (v) securing and maintaining title to interests and operating within the conditions of the relevant Mining Licences and permits;
- (vi) maintaining consents and approvals necessary for the conduct of mineral exploration, development and production;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of the Company.

(e) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable product;
- (ii) developing an economic process route to produce a product; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal or mineral recovery, affecting the economic viability of the project.

(f) **Commodity price volatility and exchange rate risk**

The Company's ability to proceed with the development of its mineral projects and benefit from mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of kaolin. Consequently, any future earnings are likely to be

closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for kaolin that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Minerals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

(g) **Estimation of Mineral Resources and Ore Reserves**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information or techniques become available.

In addition, by their very nature, Mineral Resource estimates are imprecise and depend on interpretations which may prove to be inaccurate. Whilst the Target Group has used industry-standard techniques by referring to the PERC code to reduce the estimation risk, there is no assurance that this approach will alter the risk. The relevant PERC code was published in 2001. As both the PERC code and the JORC Code derive from the CRIRSCO template, the underlying principles of the classification categories are very similar. However, there are differences in the application of the classification categories by practitioners over time, such that the 2005 estimate may not be wholly compatible with the JORC Code. Further information on the differences between the codes is set out in the Foreign Estimate Announcement.

As further information becomes available through additional fieldwork and analysis, resource and reserve estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

The estimates are foreign estimates that are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as mineral resource or ore reserve in accordance with the JORC Code. It is uncertain that following evaluation and / or further exploration work that the foreign estimate will be able to be reported as a mineral resource or ore reserve in accordance with the JORC Code.

(h) **Competition risk**

The markets for the commodities mined or contemplated to be mined by the Company, including kaolin, are competitive and the Company faces competition from other miners. Competition in these markets is based on many factors, including, among others, price, production, capacity, quality, transportation capabilities and costs, blending capability and brand name. Some of the Company's competitors may have greater production

capacity as well as greater financial, marketing, distribution and other resources, and may benefit from more established brand names in the international market.

The mineral commodities industry is also characterised by technological advancements and the introduction of new production processes using new technologies. Some of the Company's competitors may develop new technologies and processing methods that are more effective or less costly than those currently used or intended to be used by the Company.

Competitive activities in the markets served by the Company could have a significant impact on the prices realised for its products and can therefore have a material adverse effect on its results of operations and financial condition. The Company's future success will depend on its ability to respond in an effective and timely manner to competitive pressure.

(i) **Native title and Aboriginal heritage risk**

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is possible that, in relation to the Mining Licences which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to continue operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation which (inter alia) create offences relating to harm to Aboriginal heritage. There is a risk Aboriginal sites and objects may exist on the land the subject of the Assets, the existence of which may preclude or limit mining activities in certain areas of the Assets. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties. The Directors consider the above risks low due to the previous long history of mining in the areas and the fact that no existing native title agreements or claims relate to the Assets.

(j) **Occupational health and safety risk**

Mining activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company will provide appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. While the Company has a strong record in achieving high quality safety performance at its sites, a serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These

liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results. It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation. Changes to this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

(k) **Uninsurable risks**

The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.

The Company will maintain insurance coverage that is substantially consistent with mining industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

(l) **Third party risks**

Under Victorian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Mining Licences, including private land, pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Mining Licences.

Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

In particular, part of the Assets are located over areas of private land owned by third parties. The Company will need to ensure that its access arrangements with these private land owners comply with Victorian legal requirements and are in good standing. While the Company is comfortable that the current arrangements are satisfactory, if these arrangements are not in good standing there is a risk this could have materially adverse consequences for the Company and its ability to carry out exploration or mining activities within the affected areas.

(m) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive

changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Victoria has a new *Environmental Protection Act (the Amendment Act) 2018 (New EP Act)*, which is not current law, slated for commencement on 1 July 2021. Under the New EP Act there is a new general environmental duty (**GED**) that applies to the person, or persons, in management or control of land. Under the GED, if the duty holder suspects that an activity may give rise to harm to human health or the environment from pollution or waste there is a positive duty to notify the Environmental Protection Authority and to minimise risks so far as reasonably practicable. The Company will be required to consider the GED in the future operations of the Assets, which may affect the manner in which the Assets are operated and may impact the future performance and potential profitability of the Assets.

The Company's ability to continue to operate the Assets will depend in part on whether it is able to maintain regulatory approvals and update its operations as necessary to ensure continued compliance with any changes to the regulatory regime.

(n) **Environmental risks**

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

The Assets have a long operating history and the Company will be subject to rehabilitation obligations in relation to them. There is also a risk that the Assets may be subject to other environmental liabilities resulting from past activities. While the Company will seek environmental warranties in the Acquisition Agreement, such warranties will be the subject of commercial negotiation and will be subject to certain limitations, such as duration and amount. Accordingly, there is no guarantee the warranties will cover all environmental liabilities the Company may assume. Similarly, it is likely that some latent environmental damage will not be picked up during the warranty period.

The Pittong Plant site has a current Environmental Protection Authority licence allowing discharges of treated waste into Narringhal Creek. Particularly given the condition of the Pittong Plant infrastructure and equipment (see "Infrastructure Risk" below) the practice of discharging treated waste into Narringhal Creek poses a compliance risk that the Company will need to assess, including in light of the GED regime in Victoria which comes into operation in mid-2021.

(o) **Infrastructure Risks**

The Assets have been mining, processing and manufacturing kaolin products since 1972. Some of the processing plant infrastructure and equipment is ageing and in poor

condition. There is a risk that these structures may not comply with applicable planning standards. The Company understands that infrastructure and equipment will require replacement in the near term. It is the Company's intention to further assess the need to replace, upgrade and possibly expand the existing infrastructure and equipment. There is a risk that the upgrade of the ageing infrastructure may require the Company to incur significant costs.

(p) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. Similarly, the Acquisition will mean the Board and management of the Company must divide their time and attention between the Assets and the Existing Projects.

The Assets are currently owned and operated by a small number of experienced staff. While the Company intends to retain all operating staff of the Assets, following the Acquisition it is possible that some of those staff may choose not to continue to work for the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

Similarly, the operations of the Assets currently benefit from access to the broader Imerys group. While the Company intends for the Acquisition Agreement to contain transitional clauses in order for the Vendor to continue to access to key individuals for a period of time following completion of the Acquisition, it is possible that the inability to access the broader Imerys network may have an inverse impact on the operations of the Assets post-Acquisition and the financial performance of the Company.

2.3 **Risks specific to the Acquisition**

As with any acquisition, there are risks involved. This section identifies the major areas of risk associated with the Acquisition, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed which may include, but are not limited those risks described below.

(a) **Due Diligence Risk**

The Company has undertaken a due diligence process in respect of the Acquisition, which relied in part on the review of operational, legal, financial and other information provided by the Vendor. While the Company considers the due diligence process undertaken to be appropriate, the Company is not able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data.

Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which might also have a material impact on the Company (for example, the Company may later discover defects which were not identified through due diligence or for which there is no protection or recourse for the Company). This might adversely affect the operations, financial performance or position of the Company. Further, the information reviewed by the Company includes forward-looking information. While the Company has been able to review some of the

foundations for the forward-looking information relating to the Acquisition, forward looking information is inherently unreliable and based on assumptions that may change in the future.

(b) **Dilution risk**

The Company currently has 525,507,922 Shares on issue. On completion of the Acquisition, the Company proposes to issue up to 60,000,000 Capital Raising Shares.

On completion of the Acquisition and assuming all of the Shares under the Capital Raising are issued (and no exercise of Options), the existing Shareholders will retain approximately 89.75% of the issued Share capital of the Company and the investors under the Capital Raising will hold approximately 10.25% of the issued Share capital of the Company.

While the Company believes it is sufficiently capitalised to meet capital and operating expenditure, there remains a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund further expenditure on the Assets.

(c) **Contractual risk**

Pursuant to the Acquisition Agreement (summarised at Section 1.14 above) the Company has agreed to acquire 100% of the issued capital of Mircal Australia subject to the fulfilment of the condition precedent. In the event the condition precedent is not satisfied, the Company will not be able to complete the Acquisition and the Transaction will not complete.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy including performance of the Acquisition Agreement, which can be costly.

(d) **Change of control**

The Transaction will result in a change of control of Mircal Australia. There are a number of contractual arrangements with counterparties which are subject to review, consent or termination rights on change of control. There is no guarantee that counterparties will not exercise their rights or negotiate with Mircal Australia in relation to these change of control events. This could have materially adverse consequences for Mircal Australia. If such rights are exercised by counterparties, Mircal Australia may incur costs, or loss of revenue, which could be material.

2.4 **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	Shares ¹	Unquoted Options ²	Performance Rights ³
Balance at the date of this Prospectus	525,507,922	107,533,573	40,500,000
To be issued in connection with the Acquisition	60,000,000	12,000,000	Nil
To be issued under the Offer	1,000	Nil	Nil
Balance after the Offer	585,508,922	119,533,573	40,500,000

Notes:

1. 585,508,922 Shares, comprising:
 - (a) 525,507,922 quoted Shares; and
 - (b) up to 60,000,000 Shares to be issued at no less than \$0.10 each. Subject to the prior receipt of Shareholder approval at the General Meeting of the Company to be held on 23 December 2020.
2. 119,533,573 unquoted Options, comprising:
 - (a) 101,866,903 exercisable at \$0.03 each and expiring on or before 30 July 2023;
 - (b) 5,166,666 exercisable at \$0.08 each and expiring on or before 4 September 2022;
 - (c) 500,000 exercisable at \$0.03 each and expiring on or before 30 July 2023; and
 - (d) up to 12,000,000 exercisable at \$0.15 each and expiring 3 years from the date of issue. Subject to the prior receipt of Shareholder approval at the General Meeting of the Company to be held on 23 December 2020.
3. 40,500,000 Performance Rights, comprising:
 - (a) 40,000,000 on the terms and conditions as defined in the replacement prospectus dated 25 June 2020; and
 - (b) 500,000 on the terms and conditions as defined in the Notice of Annual General Meeting dated 22 October 2020.

3.2 Financial effect of the Offer

After paying the expenses of the Offer of approximately \$15,128 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$100.00) will be met from the Company's existing cash reserves. The Offer will have a nominal effect on the Company's financial position of reducing the cash balance by \$15,028, being receipt of funds of \$100.00, less expenses of the Offers of \$15,128.

As the issue of the 1000 Shares under this Prospectus will not have a material impact on the Company's financial position, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

Please refer to Section 4.14 for further details on the estimated expenses of the Offer.

3.3 **Effect of the Offer on control of the Company**

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer, (see Section 4.8).

4. Additional information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend will carry interest as against the Company.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and

conditions as the Directors think fit, under which participants may elect in respect of all or part of their Shares to receive a dividend or to forego a dividend from the Company and receive some other form of distribution or entitlement (including securities) from the Company or another body corporate or a trust.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder Liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of

information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with the ASIC yearly and half-yearly financial statements, accompanied by a Directors' statement and report and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Half Yearly Report for the period ending 31 December 2019 as lodged with ASX on 21 February 2020;
- (b) the Annual Report for the period ending 30 June 2020 as lodged with ASX on 31 August 2020; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date	Subject of Announcement
15/12/2020	Change of Director's Interest Notice
15/12/2020	Appendix 3G
8/12/2020	Drilling Program Commences at White Knight Kaolin Project
25/11/2020	Notice of General Meeting/Proxy Form
25/11/2020	GM Letter to Shareholders
24/11/2020	Chairman's AGM Address
24/11/2020	Results of Meeting
23/11/2020	Proposed issue of Securities - SUV
23/11/2020	Suvo to Acquire Imerys' Australian Kaolin Mining Operations
23/11/2020	Reinstatement to Official Quotation
20/11/2020	Request for Extension to Voluntary Suspension
17/11/2020	Request for extension to voluntary suspension
13/11/2020	Suspension from Official Quotation
12/11/2020	Quarterly Report Listing Rule 5.3.4 Additional Disclosure

Date	Subject of Announcement
9/11/2020	Trading Halt
4/11/2020	Resource Definition Drilling Program Completed
29/10/2020	Commencement of drilling at Nova Silica Sands Project
23/10/2020	Quarterly Cashflow Report
23/10/2020	Quarterly Activities Report
22/10/2020	Notice of Annual General Meeting/Proxy Form
22/10/2020	AGM Letter to Shareholders
21/10/2020	Suvo to secure access to crucial infrastructure assets
19/10/2020	Trading Halt
12/10/2020	Air-core drilling commences at White Knight Kaolin Project
29/09/2020	Mining Access Agreement at White Knight Kaolin Project
25/09/2020	Pause in Trading
25/09/2020	Trading Halt
22/09/2020	Mt Marshall Kaolin Pty Ltd Annual Financial Report
22/09/2020	Watershed Enterprise Solutions Annual Financial Report
14/09/2020	Nova Silica Sand Tenement Grant and Project Update
10/09/2020	Suvo Expands White Knight Kaolin Project area by 37,863 ha
3/09/2020	Initial Director's Interest Notice
31/08/2020	Appendix 4E & Annual Report
31/08/2020	Appendix 4G & Corporate Governance Statement
25/08/2020	Kaolin & Halloysite Global Expert Appointed to the Board
12/08/2020	Correction - ASX Market Release
07/08/2020	Strategic minerals explorer Suvo commences trading on ASX
06/08/2020	Reinstatement to Official Quotation
06/08/2020	Amended Appendix 3Y and Appendix 3Z
5/08/2020	Becoming a substantial holder

Date	Subject of Announcement
5/08/2020	ASX Market Release - Anticipated Reinstatement to Quotation
5/08/2020	Appendix 1A
5/08/2020	Appendix 1A Information Form and Checklist
5/08/2020	Replacement Prospectus
5/08/2020	Constitution
5/08/2020	Watershed Enterprise Solutions Pty Ltd - Reviewed Accounts
5/08/2020	Mt Marshall Kaolin Pty Ltd - Reviewed Accounts
5/08/2020	Initial Directors' Interest Notices
5/08/2020	Final Directors' Interest Notices
5/08/2020	Change of Director's Interest Notice
5/08/2020	Pre-Reinstatement Confirmations
5/08/2020	Pre-Reinstatement Disclosure - Terms of Unquoted Securities
5/08/2020	Capital Structure and Restricted Securities
5/08/2020	Top 20 Holders List
5/08/2020	Distribution Schedule
5/08/2020	Securities Trading Policy
5/08/2020	Corporate Governance Statement - 31 July 2020
5/08/2020	2020 Performance Rights and Option Plan
5/08/2020	2018 Employee Share Option Plan

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus, save for that the Company is currently in discussions with an existing Non-Executive Director with regards to the potential transition of that Director into an Executive Director role.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.175 per Share on 23 November 2020.

Lowest: \$0.062 per Share on 23 September 2020.

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.120 per Share on 21 December 2020.

4.7 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

	Shares	Voting power
Aaron Peter Banks ¹	72,564,516	13.81%

Notes:

1. Shares held in Aaron Peter Banks <Banks Family A/C>, an entity associated with Director Aaron Banks. Mr Banks is a trustee and a beneficiary of the entity <Banks Family A/C>.

4.9 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under

this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

4.10 Directors' interests in Securities

The Directors and former Directors have the following relevant interests in the Securities as at the date of this Prospectus:

Directors	Shares	Voting power	Unquoted Options	Performance Rights
Robert Martin ¹	15,555,161	2.96%	10,000,000	12,000,000
Aaron Banks ²	72,564,516	13.81%	Nil	20,000,000
Leonard Troncone ³	250,000	0.05%	1,250,000	8,000,000
Dr Ian Wilson ⁴	Nil	0.00%	500,000	500,000
Kobi Ben-Shabat ⁵	13,747,267	2.62%	333,334	Nil
Anthony Brown ⁶	345,422	0.07%	Nil	Nil
John Paitaridis ⁷	957,371	0.18%	Nil	Nil

Notes:

1. Securities are held as follows:
 - (a) 11,500,000 Shares held in Pleasant Banks (WA) Pty Ltd ATF <Martin Super Fund Acct>, an entity associated with Director Robert Martin;
 - (b) 1,000,000 Shares held in GDM Capital Investments Pty Ltd, an entity associated with Director Robert Martin;
 - (c) 3,055,161 Shares held by Robert Martin ATF <the Martin Family Trust>. Mr Martin is the registered holder of these Shares;
 - (d) 10,000,000 unquoted Options held by Robert Martin ATF <the Martin Family Trust>. Mr Martin is the registered holder of these Options; and
 - (e) 12,000,000 Performance Rights held by Robert Martin ATF <the Martin Family Trust>. Mr Martin is the registered holder of these Performance Rights.
2. Securities held in Aaron Peter Banks <Banks Family A/C>, an entity associated with Director Aaron Banks. Mr Banks is a trustee and a beneficiary of the entity <Banks Family A/C>.
3. Securities held in joint name with Svetlana Troncone. Leonard Troncone and Svetlana Troncone are the registered holders of the Securities.

4. Securities are held directly by Director Dr Ian Wilson. Dr Wilson is the registered holder of these Securities.
5. Kobi Ben-Shabat ceased to be a Director of the Company on 30 July 2020. Securities are held as follows:
 - (a) 5,754,427 Shares and 333,334 unquoted Options of which Mr Shabat is the registered holder; and
 - (b) 7,992,840 Shares held by Reblaze Singapore Pty Ltd.
6. Anthony Brown ceased to be a Director of the Company on 30 July 2020. Shares held in Jarvisbrown Super Pty Ltd ATF <Jarvis Brown SF A/C>, an entity associated with former Director Anthony Brown.
7. John Paitaridis ceased to be a Director of the Company on 30 July 2020. Shares are held as follows:
 - (a) 900,000 Shares held by Jpintl Services Pty Ltd, an entity associated with former Director John Paitaridis; and
 - (b) 57,371 Shares held by Paitaridis Investments Pty Ltd ATF <Paitaridis Children Family Trust>, an entity associated with former Director John Paitaridis.

4.11 Remuneration of Directors

The Constitution provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. The maximum aggregate amount of fees payable to Directors is currently set at \$350,000 per annum. The remuneration of the executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors have received the following remuneration:

Director	Cash Salary & Fees \$	Non-monetary benefits \$	Annual Leave \$	Superannuation \$	Long Service Leave \$	Total \$
Robert Martin ¹	77,000	-	-	-	-	77,000
Aaron Banks ²	100,000	-	-	-	-	100,000
Leonard Troncone ³	70,167	-	-	-	-	70,167
Dr Ian Wilson ⁴	15,365	-	-	-	-	15,365

Kobi Ben Shabat ⁵	279,048	-	-	-	-	279,048
Anthony Brown ⁶	31,255	-	-	-	-	31,255
John Paitaridis ⁷	40,612	-	-	-	-	40,612

Notes:

1. Remuneration of Robert Martin for the period 1 August 2020 to 15 December 2020. Mr Martin will receive an annual salary of \$168,000 per annum (plus 10% superannuation).
2. Remuneration of Aaron Banks for the period 1 August 2020 to 15 December 2020. Mr Banks will receive an annual salary of \$240,000 per annum (plus 10% superannuation).
3. Remuneration of Leonard Troncone for the period 1 August 2020 to 15 December 2020. Mr Troncone will receive an annual salary of \$42,000 (plus superannuation).
4. Remuneration of Dr Ian Wilson for the period 1 September 2020 to 18 December 2020.
5. Remuneration of Kobi Ben Shabat for the year ended 30 June 2020. Mr Shabat also received USD\$30,000 in transportation reimbursements. Mr Shabat ceased to be a Director of the Company on 30 July 2020.
6. Remuneration of Anthony Brown for the year ended 30 June 2020. Mr Brown ceased to be a Director of the Company on 30 July 2020.
7. Remuneration of John Paitaridis for the year ended 30 June 2020. Mr Paitaridis ceased to be a Director of the Company on 30 July 2020.

4.12 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in the Prospectus.

4.13 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.14 Expenses of Offer

Estimated expenses of the Offer	A\$
ASIC lodgement fee	3,206
ASX quotation fee	1,922

Estimated expenses of the Offer	A\$
Prospectus preparation expenses	10,000
TOTAL	\$15,128

4.15 **Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5. **Authorisation**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Robert Martin
Executive Chairman
Dated: 22 December 2020

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
AEDT	means Australian Eastern Daylight Time.
Annual Report	means the annual financial report of the Company for the period ending 30 June 2020 as lodged with ASX on 31 August 2020.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares made on an Application Form.
Application Form	means the Application Form provided by the Company with a copy of this Prospectus.
Application Monies	means the amount of money in dollars and cents payable for Shares pursuant to the Offer.
Acquisition	means the proposed acquisition of 100% of the issued capital of Mircal Australia.
Acquisition Agreement	means the share purchase agreement between the Vendor and the Company.
Assets	has the meaning in Section 1.14.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
Capital Raising Shares	means the proposed issue of up to a maximum of 60,000,000 Shares. Subject to Shareholder approval at the General Meeting of the Company to be held on 23 December 2020.
CHESS	means ASX Clearing House Electronic Sub-registry System.
Closing Date	means the closing date for the Offer, being 30 December 2020.
Company	means Suvo Strategic Minerals Limited ACN 140 316 463.
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).

COVID-19	has the meaning given in clause 2.1(h).
Directors	mean the directors of the Company as at the date of this Prospectus.
Existing Projects	means the Company's: (a) White Knight Kaolin Project; and (b) Nova Silica Sand Project.
GED	means a general environmental duty under the New EP Act.
Half Yearly Report	means the half yearly report of the Company for the period ending 31 December 2019 as lodged with ASX on 21 February 2020.
Imerys	Imerys means Imerys S.A.
Issuer Sponsored	means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.
JORC Code	means the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the joint ore reserve committee.
Listing Rules	means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Mining Act	means the Mineral Resources (Sustainable Development) Act 1990 (VIC).
Minister	means the Victorian Minister for the Coordination of Jobs, Precincts and Regions – COVID 19.
Mining Licences	has the meaning given in Section 2.2(b).
Mircal Australia	Mircal Australia Pty Ltd (ACN 095 268 447).
New EP Act	means the Environmental Protection Act (the Amendment Act) 2018 (VIC), which is due to come into force from 1 July 2021.
Offer	has the meaning given in Section 1.1.
Official List	means the official list of ASX.
Official Quotation	means quotation of Securities on the Official List.
Options	means an option to acquire a Share.
PERC	means the European Reporting Code for Reporting of Mineral Explorations Results, Mineral Resources and Mineral Reserves 2001.

Prospectus	means this prospectus dated 22 December 2020.
Section	means a section of this Prospectus.
Securities	means any securities, including Shares or Options issued or granted by the Company.
Shares	means ordinary fully paid shares in the capital of the Company.
Shareholder	means a holder of Shares.
Target Group	means Mircal Australia and its subsidiaries (excluding Australian Vermiculite Industries Pty Ltd (ACN 070 146 771)).
Vendor	means Mircal (a company registered in France with the Paris Companies Registry with number 333 160 620).