



7 March 2022

ASX ANNOUNCEMENT

\$7.5m Placement to Accelerate Pittong Plant Expansion

- Firm commitments for A\$7.5 million Placement at \$0.085 per share with a 1 for 3, \$0.15 option to new and existing institutional and sophisticated investors
- Strong demand for the Offer resulting in the scaling back of some applications
- Share Purchase Plan to raise up to \$2 million under the same terms as the Placement
- Funding allows the Company to accelerate Pittong plant capacity expansion to ~60ktpa (currently producing ~25ktpa)
- Recent maiden Mineral Resource Estimates for Pittong and Trawalla total a combined 18.4Mt of kaolinized granite¹, supporting the Board's decision to expand Pittong's processing capacity
- Long lead time items at a cost of ~\$1.5m already procured, with critical items already delivered to site
- Expansion to happen in parallel with existing operations. All engineering works and quotes finalised with contracts awarded
- New processing capacity scheduled to come online by Q1 2023 with current production capacity full until 2023
- Pittong earnings and know how used to advance environmental and feasibility studies at Suvo's Gabbin (kaolin), Eneabba and Muchea² (silica sands) projects

**SUVO STRATEGIC
MINERALS LIMITED**

ABN: 97 140 316 463

CORPORATE DETAILS:

ASX: SUV

DIRECTORS:

Robert Martin
Executive Chairman

Aaron Banks
Executive Director

Dr Ian Wilson
Non-Executive Director

CONTACT DETAILS:

Level 11
40 The Esplanade
Perth, Western Australia
6000

P +61 (8) 9389 4495

E info@suvo.com.au

W www.suvo.com.au

¹ ASX announcement "Pittong Maiden Mineral Resource" 1 Mar 2022 and "Trawalla Maiden Mineral Resource Estimate" 22 Sep 2021

² Subject to shareholder approval, "Proposed Acquisition – White Hill High Grade Silica Sand" 20 Jan 2022

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Australian kaolin producer and silica sand exploration company, Suvo Strategic Minerals Limited ('Suvo' or the 'Company'), is pleased to announce that following strong demand from new and existing sophisticated and institutional investors, binding commitments have been received totalling A\$7.5 million before costs via a share placement at \$0.085 per share (the 'Placement'). Participants in the Placement will also receive a 1 for 3 free attaching unquoted option ('Options'), exercisable at \$0.15, expiring 30 June 2023. The Company is also undertaking a share purchase plan to raise up to a further A\$2 million under the same terms as the Placement ('SPP'), including the issue of a 1 for 3 free attaching Option. The Company will not accept oversubscriptions under the SPP.

Amounts raised will be primarily used to fund the expansion of the Pittong hydrous kaolin plant and also to fast track the completion of project studies on the Company's Western Australian kaolin and silica sand assets.

The \$5m upgrade is forecast to increase processing capacity from ~25ktpa to ~60ktpa by 2023, and will provide substantial production and operating efficiencies. This will be achieved through the materially enhanced processing capacity and improved energy efficiencies, utilising the newly procured fully automated press deck equipment. The increased capacity is aligned to current market demand, with current production from the operation accounted for until 2023. Suvo reported gross revenue of \$13.5m and EBITDA of \$2.8m³ for calendar year 2021, which included a 23% increase on the previous year's production levels.

Long lead time items, including three state of the art press deck systems and all ancillary equipment, at a cost of ~A\$1.5m, were ordered in August 2021. This proactive procurement strategy has enabled the Company to mitigate risks associated with increased manufacturing lead times, cost increases and freight delays, currently faced by the global mining industry. The Company funded the purchase of these long lead time items from existing cash flows.

As Australia's only hydrous kaolin producer, the expansion of capacity will be completed in parallel with current production and will not impact the existing operations. Commissioning of the new facilities is anticipated to be completed in Q1 2023.

Consequently, the Company will issue 88,235,294 fully paid ordinary shares to new and existing institutional investors participating in the Placement at a price of \$0.085, including 29,411,765 unquoted options exercisable at \$0.15 and expiring 30 June 2023, raising a total of A\$7.5 million before costs.

The issue price of \$0.085 per share is an 11% discount on the 15 day volume weighted average price (VWAP) of \$0.096 and a 12.5% discount on the 5 day VWAP of \$0.097.

The Shares issued under the Placement will be issued under the Company's existing Listing Rule 7.1 and 7.1A placement capacity in the following proportion:

- 33,235,294 shares issued pursuant to 7.1, and
- 55,000,000 shares pursuant to 7.1A

³ Based on unaudited numbers

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Additionally, the free attaching Options issued under the Placement will be issued using the Company's Listing Rule 7.1 placement capacity (29,411,765 Options).

Options issued to those participating in the SPP will further utilise the Company's existing Listing Rule 7.1 placement capacity (with up to a further 7,843,137 Options to be issued under the SPP pursuant to Listing Rule 7.1 assuming applications for the full A\$2 million are received).

A Prospectus for the issue of Options under the Placement and SPP will be lodged with ASIC over the coming weeks. Additionally, the SPP Offer letter including plan terms and conditions for the issue of Shares will be lodged with the ASX shortly.

Settlement of funds under the Placement is proposed for Friday 11 March, 2022, with the allotment of shares the following Monday, 14 March 2022. Free attaching Options issued under the Placement, including Shares and Options issued under the SPP will be settled in due course, with dates to be included and announced on the ASX over the coming weeks in conjunction with the completion of the Prospectus and SPP offer document.

The record date for participation in the SPP is 6 March 2022.

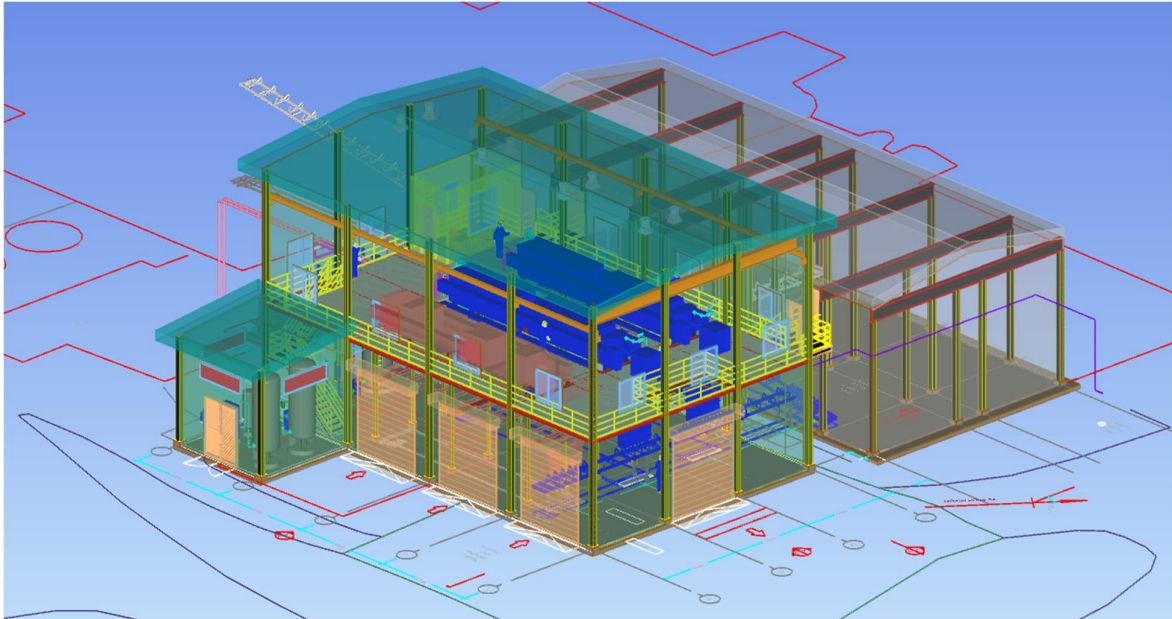
Picture 1: New press deck equipment



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Picture 2 : New press deck building diagram



Picture 3: Site works December 2021



The release of this announcement has been approved by the Board of Directors.

<ENDS>

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Contacts:

Robert Martin

Executive Chairman

E: robert.martin@suvo.com.au

Aaron Banks

Executive Director

E: aaron.banks@suvo.com.au

Company Profile

Suvo Strategic Minerals Limited is an Australian hydrous kaolin producer and exploration company listed on the Australian Securities Exchange (ASX:SUV). Suvo is focused on production at, and expansion of, their 100% owned Pittong hydrous kaolin operation located 40km west of Ballarat in Victoria. Suvo's exploration focus is on near-term kaolin and high purity silica assets with 100% owned Gabbin (kaolin), Eneabba and Muchea⁴ (silica sands) projects located in Western Australia.

Pittong Mine & Plant

The 100% owned Pittong Operations, located in Victoria 40km west of Ballarat, is the sole hydrous kaolin mine and processing plant in Australia and has been in operation since 1972. Pittong comprises of the Pittong, Trawalla and Lal Lal deposits located on approved Mining Licences MIN5408, MIN5365 and MIN5409 respectively.

At Pittong, mining contractors deliver crude kaolin ore to stockpiles from the two operating mines, Pittong and Lal Lal. The plant takes its feedstock from the ROM and it is processed into four separate products for end users. These products are 10% moisture lump, high solids slurry, 1% moisture powder and 1% moisture pulverised powder. The solids slurry is used in paper and board manufacturing. The other products are used in paper, coatings, paint and specialist industries including rubber and pharmaceutical applications. Currently around 25kt per annum is supplied to various end users.

3.74Mt Indicated and 1.97Mt Inferred Mineral Resource of kaolinized granite.

Gabbin Kaolin Project

The 100% owned Gabbin Kaolin Project (White Cloud) is located 215km northeast of Perth, Western Australia. The project area comprises four granted exploration licences (E70/5039, E70/5332, E70/5333, E70/5517) for 413km², centred around the town and rail siding of Gabbin.

The generally flat area is primarily cleared farming land devoid of native bushland and is currently used for broad-acre cereal cropping. A mining access agreement is in place over the current resource area with the landowner and occupier.

The main rock types at Gabbin are primarily Archaean granite, gneiss, and migmatite. These rocks are overlain and obscured by Tertiary sand and Quaternary sheetwash. The weathering profile is very deep and contains thick kaolin horizons capped by mottled clays or laterite zones. The current JORC 2012 Mineral Resources are 72.5Mt of bright white kaolinised granite with an ISO Brightness of 80.5%, <45µm yield of 41.2% results in 29.9Mt of contained kaolin.

Eneabba Silica Sands Project

The 100% owned Eneabba Silica Sands Project is located 300km north of Perth, Western Australia. The project comprises four granted exploration licences (E70/5001, E70/5322, E70/5323, E70/5324) for 169km².

The project is located on the Eneabba Plain whose sandy cover is very flat to gently undulating. Outcrop is rare due to the accumulations of windblown and alluvial sand at surface. Below this is a thin hard silcrete or lateritic claypan which overlies deep white and yellow sands.

Preliminary exploration has included 54 drillholes for 1,620 metres to depths of up to 30m. This program is anticipated to deliver an initial resource for the project and a process route.

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company

Unaudited figures
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operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Person's Statement

Trawalla

The information in this report that relates to Mineral Resources at Trawalla, is based on, and fairly reflects, information compiled by Dr Ian Wilson who is the Overall Competent Person and who is a member of IOM3, a Recognised Professional Organisation. Dr Ian Wilson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Ian Wilson is a full-time employee of Ian Wilson Consultancy Ltd and also a Non-Executive Director of Suvo Strategic Minerals Limited. Dr Ian Wilson receives board fees in relation to his directorship. Dr Ian Wilson consents to the inclusion of the information in the release in the form and context in which it appears.

Pittong

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Dr Ian Wilson who is the Overall Competent Person and who is a member of IOM3, a Recognised Professional Organisation. Dr Wilson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Wilson is a full-time employee of Ian Wilson Consultancy Ltd and also a Non-Executive Director of Suvo. Dr Wilson receives board fees in relation to his directorship. Dr Wilson consents to the inclusion of the information in the release in the form and context in which it appears.

The geological modelling included in the Mineral Resource report was prepared, and fairly reflects information compiled, by Mr Serik Urbisnov and Dr Andrew Scogings, each of whom have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Urbisnov is a full-time employee of CSA Global and is a Member of the Australian Institute of Geoscientists. Dr Scogings is an employee of CSA Global, a Member of the Australian Institute of Geoscientists, and is a Registered Professional Geoscientist (RP Geo. Industrial Minerals). Mr Urbisnov and Dr Scogings consent to the inclusion of information in the Mineral Resource report that is attributable to each of them, and to the inclusion of the information in the release in the form and context in which they appear.

No New Information

Except where explicitly stated, this announcement contains references to prior exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the results and/or estimates in the relevant market announcement continue to apply and have not materially changed.