

MUCHEA SILICA SAND PROJECT ACQUISITION COMPLETED

HIGHLIGHTS

- Tenement purchase completed for 100% of exploration license application E70/4981, located in the Muchea region of Western Australia
- Highly prospective for high purity silica sand
- Located 50km North of Perth, comprising 16 blocks and ~4,700 Hectares (47km²)
- Muchea provides Suvo the potential to explore for high quality silica sand, targeting different end user markets to the Company's existing portfolio of assets
- E70/4981 shares the western boundary of VRX Silica' (ASX: VRX) Muchea silica sand project
- Strategically located next to the Brand Highway, with existing rail cart logistics in place and direct access to Kwinana bulk terminal

Suvo Strategic Minerals Limited (ASX: SUV) ("Suvo" or "the Company") is pleased to announce that the tenement purchase for 100% of exploration license application E70/4981, located in the Muchea region of Western Australia has now been completed.

The Company confirms that all conditions precedent have been satisfied or waived for the purchase of the Muchea Silica Sand Project (previously referred to as White Hill Silica Sand Project).

Henk Ludik
EXECUTIVE CHAIRMAN

Aaron Banks
EXECUTIVE DIRECTOR

Oliver Barnes
NON-EXECUTIVE DIRECTOR

Dr Ian Wilson
NON-EXECUTIVE DIRECTOR

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ASX: SUV

About the project

The Muchea Silica Sand Project comprises pending exploration licence E70/4981 (Tenement Application), located in the Muchea area, (Yeal nature reserve) 50km north of Perth, Western Australia, and is highly prospective for high-quality silica sand. For further information, see the Company's ASX announcement, dated 20 January 2022. The project spans an area of ~47km².

The targeted Silica sand deposits lie in the Bassendean sand table. These are wind-blown dune systems that have been created over tens of thousands of years. The dunes sit above the natural surface of the ground with heights of up to 20m – 40m sitting well above the water table. Historical exploration within the tenement area is limited, though the adjoining Muchea Silica Sand tenement (ASX: VRX) has produced some ultra-high grade results where extensive drilling and testing has taken place producing grades of up to 99.93% SiO₂ and 40ppm Fe₂O₃ in the ground, these being some of the highest known naturally occurring grades in the world. (VRX:ASX Announcement 5 April 2018)



Key Terms of the Acquisition

In consideration for the Tenement Application, the Company agreed to issue or grant (as the case may be) the following royalty interest and deferred consideration to Mr Aaron Banks (**Vendor**), as set out in the Company's notice of meeting dated 14 September 2022 (**Notice**), approved by shareholders on 21 October 2022:

- a) Royalty: 4% of the proceeds of gross sales from Product derived from the Tenement Application;
- b) Deferred Consideration Shares: Subject to the following development milestones having first been satisfied, issue to the Vendor up to \$1,550,000 Shares (**Deferred Consideration Shares**), in the following tranches:
 - i. Grant of Mining License: Upon the grant of a mining license over any part of the Tenement Application, the number of Shares calculated by dividing \$1,150,000 by the greater of:
 - the 5 Day VWAP; and
 - \$0.15
 - ii. Grant of Mining Permit: Upon the grant of all necessary mining permits over any part of the Tenement Application, necessary to commence production (including environmental permits, water licenses, project management plans and mine closure plans), the number of Shares calculated by dividing \$400,000 by the greater of:
 - the 5 Day VWAP; and
 - \$0.15

The Deferred Consideration Shares must be issued by 21 October 2027 (5 years from the date of shareholder approval), or the rights to the Deferred Consideration Shares will lapse.

The Vendor has agreed to waive his rights to receive the 333,334 unquoted options set out in Resolution 2 of the Notice for \$nil consideration.

Approved for release by the Board

-ENDS-

For further information, please contact

Investor enquiries

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Company Profile

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

Pittong Operations

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

At Pittong mining contractors deliver crude kaolin ore to stockpiles from the two currently operating mines, Pittong and Lal Lal. The plant takes its feedstock from the ROM and it is processed into four separate product forms for end users. These product forms are 10% moisture lump, high solids slurry, 1% moisture powder and 1% moisture pulverised powder. The solids slurry is used in paper and board manufacturing. The other products are used in paper, coatings, paint and specialist industries including rubber and pharmaceutical applications. Around 20–25kt per annum is supplied to various end users.

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.

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.