

**Suvo Strategic
Minerals Limited**

ABN: 97 140 316 463

Corporate Details:

ASX Code: SUV

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Robert Martin
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ASX Announcement | 23 December 2020

Suvo Company Update

- General meeting to acquire Australia's only significant kaolin mining, wet processing and manufacturing operations from French multinational, Imerys S.A. for A\$2.0 million to be held at 10am (WST) today
- The assets to be acquired consist of three mining leases and a processing plant, which are located some 40km west of Ballarat in Victoria, and have been producing and selling kaolin products since 1972
- Calendar 2019 sales totalled A\$13.0 million for 25kt of kaolin products sold and generated EBITDA of A\$2.1 million
- Resource definition drilling at Suvo's White Knight kaolin deposit is complete and testing has progressed with assay results due in January 2021
- Step out resource identification drilling has been completed with initial drilling results showing a continuation of the resource to the south with assay results due in February 2021
- Primero Group have been engaged to complete a Pre-Feasibility Study on Suvo's Gabbin White Knight kaolin project with results due in April 2021
- Maiden resource definition drilling program has been completed at Suvo's Nova Silica Sand project with results expected February 2021

West Australian kaolin and silica sand resource company, **Suvo Strategic Minerals Limited (Suvo or the Company)**, is pleased to update the market on its activities since listing on 7 August 2020.

Proposed Acquisition - Imerys S.A., Mircal Australia Pty Ltd

Suvo will today hold a shareholder meeting to vote on resolutions outlined in the notice of general meeting dated 25 November 2020 to acquire the holding company of the Australian kaolin operations of Imerys S.A., Mircal Australia Pty Ltd (**Mircal Australia**), and its two wholly owned subsidiaries, Kaolin Australia Pty Ltd (the owner of the Pittong and Lal Lal mines and Trawalla deposit) and Imerys Minerals Australia Pty Ltd (the owner of the Pittong processing plant) (**Target Group**) (**Proposed Acquisition**).

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. Imerys is a French multinational company and the world's leading supplier of specialty industrial minerals.

The Company will pay A\$2.0 million cash to the vendor on completion which is expected to occur on 31 December 2020. The purchase price will be subject to adjustment pending the audit of the Target Group's consolidated financial statements for the year ended 31 December 2020, being the effective completion date. The Company will also replace A\$1.85 million in environmental rehabilitation bonds that are currently supported by the Imerys Group.

In conjunction with the Proposed Acquisition, Suvo has received firm commitments to raise A\$6.0 million (before costs) via a conditional share placement to institutional, sophisticated and professional investors of 60 million ordinary shares (**Placement Shares**) at A\$0.10 per share (**Placement**).

If shareholders vote in favour of the transaction Suvo expects to conduct a full strategic review of the operations in conjunction with a full detailed JORC resource identification program to help assess the development potential for upgrading, modernising and increasing the output of the plant. The results of the strategic review and the JORC resource identification program are expected to be completed by 30 June 2021.



Figure 1: Pittong processing plant facilities

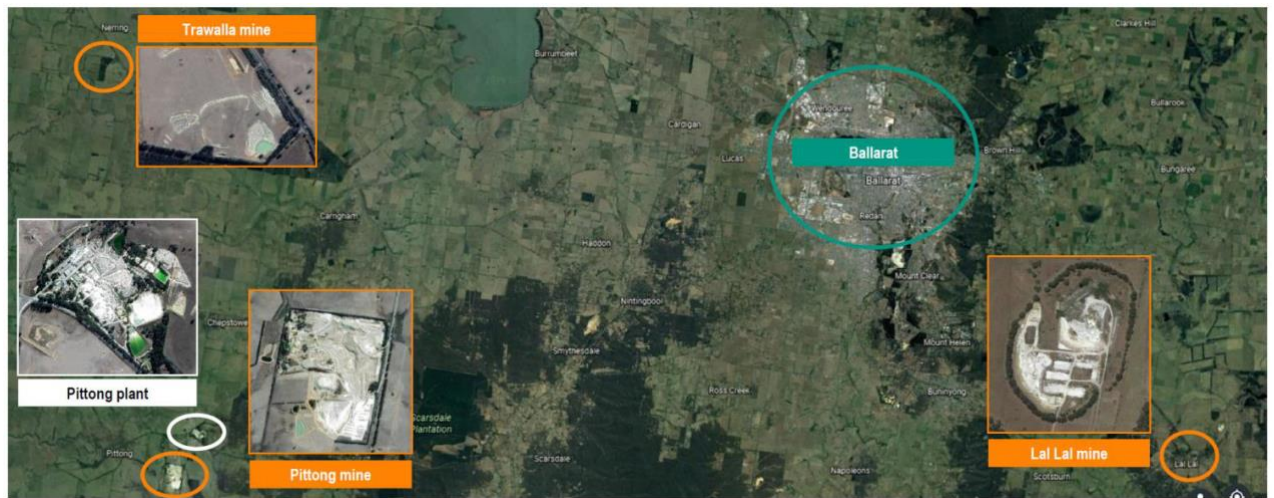


Figure 2: Location map showing proximity to the township of Ballarat



Figure 3: Pitong processing plant facilities



Figure 4: Finished kaolin products ready for dispatch

White Knight Kaolin Project Update (Gabbin, Western Australia)

Both step out and infill drilling campaigns have been completed at Suvo's 100% owned White Knight kaolin project 210km east of Perth, Western Australia. The programs aim to move its maiden inferred JORC resource of 31.5mt of bright white kaolinized granite to an indicated and/or measured category and to increase the overall size of the resource.

The program included up to 2,000m of air-core drilling over approximately 150 holes at depths of up to 30m. Additional bulk samples of the product have been sent to the United Kingdom for specified metallurgical test work, the results of which will further define end-user specifications, grades and quality. They will also assist our engineers with feasibility studies and allow negotiations to commence to secure potential off-take agreements. Concurrently, end-users will be sent processed samples for their own internal evaluation, the company expects these results in January 2021.

The Company has engaged Primero to undertake a Pre-Feasibility Study on the project with bulk sample results expected to help define the product flow sheets and planning for the proposed plant. Results of the study are expected in April 2021.

The 180 day due diligence period to ascertain the suitability of the Gabbin storage, rail and loading facilities is progressing well with final results due in the second quarter of 2021.

The Company is actively interviewing candidates for the role of General Manager of Global Technical Sales to progress product development, marketing, sales and distribution of Suvo's White Knight Kaolin products globally. The choice of a final candidate is expected in mid-January 2021.



Fig 5 Drilling at Suvo's 100% owned White Knight kaolin deposit



Figure 6: Gabbin drill hole locations.

Nova Silica Project (Eneabba, Western Australia)

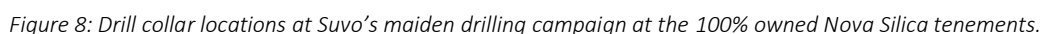
A maiden resource definition drilling program of 48 holes for 888m has been completed at Suvo's 100% owned Nova Silica Sand project. The aim of the drilling campaign was to determine the validity of the project under a JORC code. Samples from the campaign have been sent to both Nagrom and Stratum Resources for detailed analysis. Initial assay results from the campaign are expected in February 2021 when the Company will decide the future prospects of this project.

In October, the Company engaged Spectrum Ecology to commission a targeted flora and fauna survey to potentially allow drilling off existing tracks and pathways. Results of this survey are due in January 2021 at which time the Company if it chooses can submit a Program of Works (POW) to the Department of Mines, Industry Regulation and Safety to allow substantial off-track drilling. The aim of this campaign will be to further understand the project and its commercial viability.

Depending on detailed analysis of the drilling campaigns, further flora and fauna surveys are planned for March and October 2021.



Figure 7: Aerial photo of Suvo's Nova Silica tenements.



Further details in respect to the maiden JORC Inferred Resource and the exploration results underpinning it, are set out in the Company's prospectus dated 25 June 2020 (released to the Company's market announcement platform as pre-quotation disclosure on 5 August 2020). Suvo confirms it is not aware of any new information or data that materially affects the exploration results set out in the Company's prospectus dated 25 June 2020 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Inferred Mineral Resource	White Kaolinised Granite (Mt)	ISO Brightness (%)	Yield (%)	Kaolin <45 micron (Mt)
TOTAL	35.1	80.3	38.2	13.4



The information in this announcement which relates to exploration results and mineral resources is based on information compiled by Dr Ian Wilson. Dr Ian Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the JORC Code, by virtue of his being a member of IOM3, a Recognised Professional Organisation. 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.

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

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Company Profile:

Suvo Strategic Minerals Limited is a dual commodity Australian exploration and mining company listed on the Australian Securities Exchange (ASX:SUV) focused on the development of the 100% owned White Knight Kaolin Project located in the Yilgarn Craton in the Central Wheat Belt and the 100% owned Nova Silica Sands Project located in the Gin Gin Scarp near the township of Eneabba, both situated in Western Australia. It is also acquiring the only wet kaolin mining and processing plant in Australia located west of the township of Ballarat in Victoria.