

22 January 2021

ASX ANNOUNCEMENT

Quarterly Report for Period Ended 31 December 2020

Highlights

- Settlement of the acquisition of Australia's only hydrous Kaolin operation after completion of an oversubscribed \$6 million capital raise backed by high quality institutional and sophisticated investors
- Completion of infill and step-out drilling campaigns at our 100% owned White Cloud Kaolin project in Gabbin, Western Australia
- Completion of a maiden resource definition drilling program at our 100% owned Nova Silica Sand project in Eneabba, Western Australia
- Appointment of COO/CFO
- \$7.4M in cash as at 31 December 2020

Australian kaolin producer and silica sand exploration company, **Suvo Strategic Minerals Limited** ('Suvo or the Company'), is pleased to provide a summary of activities for the quarter ended 31 December 2020.

Exploration and Development

During the quarter, the Company announced a series of drilling campaigns for its 100% owned White Cloud Kaolin and Nova Silica Sand projects. The White Cloud Kaolin drilling campaigns consisted firstly of infill drilling of the existing known JORC inferred resource of 31.5mt of bright white kaolinized grantie to upgrade its classification from inferred to Indicated, and secondly a step-out drilling campaign to increase the size of the overall kaolin inferred resource. Testing of the infill drilling is expected to be completed in late January with the step-out drilling campaign results expected during February.

**SUVO STRATEGIC
MINERALS LIMITED**

ABN: 97 140 316 463

CORPORATE DETAILS:

ASX: SUV

DIRECTORS:

Robert Martin
Executive Chairman

Len Troncone
Executive Director, COO/CFO

Aaron Banks
Executive Director

Dr Ian Wilson
Non-Executive Director

CORPORATE DETAILS:

Level 9,
182 St Georges Terrace
Perth, Western Australia
6000

P +61 (8) 9389 4495

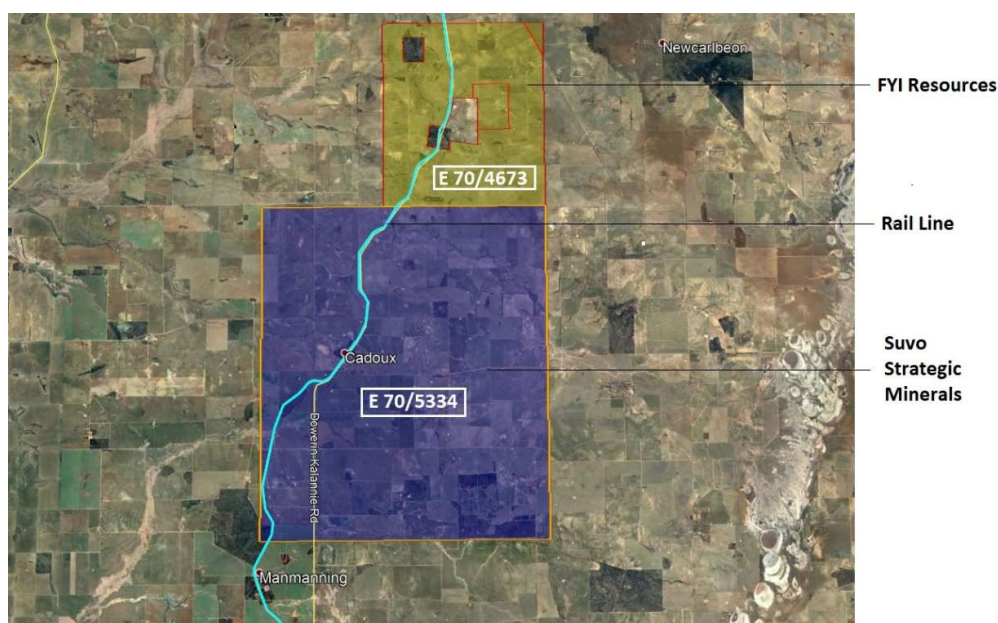
E info@suvo.com.au

W www.suvo.com.au

ASX ANNOUNCEMENT

The Nova Silica sands resource definition drilling campaign to identify a maiden JORC compliant inferred resource was completed on schedule. Detailed metallurgical beneficiation test work is now being conducted by Startum Resources in NSW before a final full suite of tests will be conducted by Nagrom in Western Australia with results expected late February or early March.

The 100% owned exploration licence E70/5334 covering an area of some 14,500 hectares as shown in the following map, was granted during the quarter. The area is located some 50kms west of the White Cloud kaolin project just south of Cadoux in the Central North Wheatbelt region.



Suvo has engaged Primero to undertake a Pre-Feasibility Study on the White Cloud kaolin 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/May 2021.

Imerys Acquisition

During the quarter, the Company announced that it was the successful bidder for Imerys' hydrous kaolin operations based in Pittong near Ballarat in Victoria. In 2019 the operations produced and sold 25kt of kaolin products and generated A\$13m in revenue and A\$2.1M in EBITDA. The \$2M acquisition and associated \$6M capital raising were approved by shareholders at a general meeting held on 23 December 2020. The acquisition was settled on 31 December 2020 and the Company became the effective owner of those assets on 1 January 2021.

Employee Appointments

The Company appointed Len Troncone, a director of the Company, as COO/CFO following the announcement of the acquisition of the Pittong kaolin operations. Len is a senior finance executive with over 40 years' experience in leading finance roles for a number of publicly listed companies. The appointment follows the Company's transition from a pure exploration company to a producer.

For personal use only

Cash Position and Business Activities

The Company had a cash balance of \$7,402,000 as at 31 December 2020.

Business activities during the quarter consisted of those described in the preceding paragraphs as well as normal administrative matters consistent with those described in the Company's prospectus dated 25 June 2020.

Disclosure Requirements

Pursuant to the disclosure requirements in relation to item 6.1 of Appendix 5B released concurrently to this quarterly activities report, the Company advises the following in relation to payments to related parties that totalled \$196,000 for the quarter:

Payment to directors for acting as directors of the Company	\$183,000
Payment to a related entity of Robert Martin, the Company's Executive Director, for reimbursement of office related expenses at cost	\$13,000

Pursuant to Listing Rule 5.3.4, a comparison of the Company's actual expenditure to 31 December 2020 against the planned expenditure disclosed in the use of funds statement contained in the Company's prospectus dated 25 June 2020 is shown on the following page.

Funds available	Notes	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves	1	922	349	(573)
Funds raised from public offer		5,000	5,000	-
Total		5,922	5,349	(573)
Allocation of funds			Actual expenditure to 31-Dec-20 (\$000s)	Variance (\$000s)
Exploration of Eneabba sands project	2	1,172	145	(1,027)
Exploration of Mt Marshall kaolin project	2	1,298	213	(1,085)
Development of Eneabba sands project	2	963	0	(963)
Development of Mt Marshall kaolin project	2	667	50	(617)
Working capital and administration costs	2	1,261	500	(761)
Expenses of the public offer	3	561	437	(124)
Total		5,922	1,345	(4,577)

Notes to the major variances are as follows:

1. The audited opening cash balance of the Company at 1 July 2020 pre-readmission to the ASX was less than the balance used in the prospectus which was based on an audit reviewed balance as at 31 December 2019.

For personal use only

ASX ANNOUNCEMENT

2. The Company settled the transactions contemplated in the prospectus on 30 July 2020. The actual use of funds to 31 December 2020 represents the expenditure incurred since readmission whereas the use of funds statement covered a period spanning 2 years.
3. Some expenses of the public offer were incurred in the previous financial year pre-readmission.

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 a 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

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

<ENDS>

Contacts:

Robert Martin
Executive Chairman
E: robert.martin@suvo.com.au

Len Troncone
Executive Director, COO/CFO
E: leonard.troncone@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) focused on the production and redevelopment of their 100% owned Pittong hydrous kaolin operations located 40km west of the township of Ballarat in Victoria, their 100% owned White Cloud Kaolin Project located in Gabbin in the Central Wheat Belt and their 100% owned Nova Silica Sands Project located in the Gin Gin Scarp near the township of Eneabba, both situated in Western Australia.