

22 FEBRUARY 2021

# ASX ANNOUNCEMENT

## Suvo's Pittong Operations on Track to Achieve \$2.1M EBITDA in 2021 with \$265,000 recorded in First Month of Ownership

- Production of 2,200t of hydrous kaolin in January 2021 returning to pre-COVID levels with strong demand from both domestic and export markets
- Strong profit generation in January augurs well for the remainder of calendar 2021
- On Track to achieve \$2.1M EBITDA

Australian kaolin producer and silica sand exploration company, **Suvo Strategic Minerals Limited** ('Suvo or the Company'), is pleased to provide this operational update on its wholly owned subsidiary, Suvo Minerals Australia Pty Ltd's Pittong hydrous kaolin operations that it acquired on 1 January 2021. Highlights include:

- Production of 2,200 tonnes of hydrous kaolin products restoring to pre-COVID levels;
- On track to achieve expected \$2.1M EBITDA in calendar 2021;
- Strong demand for orders from both domestic and export customers;
- Branding of products to White Knight Kaolin in progress; and
- Transition to Suvo's ownership as an Australian enterprise was well received by employees, customers, suppliers and other stakeholders.



**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*

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Commenting on the first month of operation under Suvo's ownership, Suvo's COO/CFO, Len Troncone said:

*"the transition of the Pittong operations under Suvo's ownership has been flawless with operational management, customers and suppliers pleased to be associated with a 100% Australian owned and operated business. Pittong is experiencing strong demand for its high quality hydrous kaolin products, both domestically and across the Asia Pacific region. 2,200 tonnes of kaolin products were manufactured in January generating a strong EBITDA of \$0.265 million, ahead of expectations when we were negotiating to acquire this business. We remain excited about the future prospects of the Pittong operations as we look to draw on the expertise of operational management at Australia's only hydrous kaolin operation and apply it to our very promising White Cloud kaolin project in Gabbin, Western Australia".*

Suvo Minerals Australia Pty Ltd's expected EBITDA for calendar year 2021 from the Pittong operations is approximately \$2.1 million. This is based on:

- Pittong's EBITDA of \$2.1 million for calendar year 2019 when 24,685 tonnes of hydrous kaolin products were sold;
- Pittong's EBITDA of \$2.0 million for calendar year 2020, when 22,392 tonnes of hydrous kaolin products were sold, noting that demand softened during that year due to the COVID-19 pandemic, but the levels of kaolin production have now largely returned to the pre-COVID-19 levels;
- EBITDA in January 2021 of approximately \$265,000, and smooth transition of ownership to date;
- substantive and strong demand for near term production; and
- Suvo's assumption that long term demand, price, operating capacity and efficiency will remain at or close to current levels for the remainder of the calendar year.

Suvo cautions investors that while it has reasonable grounds for the above forward looking statements, forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements.

This announcement has been approved for release by the Board of Directors.

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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) 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.

### Forward Looking Statements

This announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. Although the Company believes that its forward-looking statements have reasonable grounds, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the Company's business which may cause actual results to differ materially from those expressed herein. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement to reflect the circumstances or events after the date of this announcement.

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