

ALVO FUNDED TO ACCELERATE EXPLORATION AT BLUEBUSH REE PROJECT

HIGHLIGHTS

- Alvo has secured binding commitments to raise c.\$5.1 million (before costs) through a two-tranche Placement at 25.0 cents per share.
- The Placement was strongly supported by a number of high quality new and existing, domestic and international institutions and dedicated resource funds.
- Cornerstone support received from high-quality existing institutional shareholders including Resource Capital Fund (RCF), Paragon Funds Management and Lowell Resources Fund.
- Alvo's Directors have subscribed for shares worth a total of \$75,000 subject to shareholder approval at a General Meeting proposed to be scheduled for on or around late July 2023.
- Commencement of truck mounted auger drill program at Bluebush REE Project is imminent following the payment of binding 6-months exclusive purchase option fee of BRL100,000 (A\$30,530).
- Alvo is funded to complete due diligence work at Bluebush including auger drilling to quantify mineralisation at depth and along strike, and sampling of saprolite to confirm Ionic Clay mineralisation.
- In parallel, Alvo will continue to advance its high-grade Palma VMS Project, including an updated Mineral Resource Estimate ("MRE") in H2 CY2023 and diamond drill testing of new high priority regional targets.

Alvo Minerals Limited (ASX: ALV) ("**Alvo**" or the "**Company**") is pleased to announce that it has received binding commitments for a two tranche Placement to raise A\$5.1 million before costs ("**Placement**"). The Placement will comprise the issue of 20.3M fully paid ordinary shares ("**New Shares**") in Alvo at an issue price of 25.0 cents per share as follows:

- Tranche 1 of the Placement, comprising up to ~10.9 million New Shares (A\$2.7M), is not subject to shareholder approval and will fall within the Company's placement capacity under ASX Listing Rule 7.1 ("**Tranche 1 Placement**"); and
- Tranche 2 of the Placement, comprising up to ~9.4 million New Shares (A\$2.4M), will be subject to Shareholder Approval at a General Meeting (**General Meeting**) proposed to be held on or around late July 2023 ("**Tranche 2 Placement**").



REGISTERED ADDRESS

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PROJECT

Palma VMS Cu/Zn Project

| | |
|-----------------|------------|
| Shares on Issue | 72,830,314 |
| ASX Code | ALV |

The Placement was strongly supported by a number of high quality new and existing, domestic and international institutional investors and Alvo's Directors.

Rob Smakman, Alvo's Managing Director commented on the Capital Raising:

"We are thrilled with the overwhelmingly positive response we have received on the Bluebush Rare Earth Project from new and existing investors. We believe Bluebush has the potential to be a 'Tier 1' ionic clay rare earth project, given its proximity and similar attributes to Serra Verde, which is believed to be the largest and most advanced ionic clay project outside of China.

"The \$5M raised sees Alvo fully funded for the remainder of CY2023 and beyond. During this time, we plan to complete due diligence at Bluebush, including exploration and technical studies, in addition to advancing the high-grade Palma VMS Project through an updated MRE and drilling new regional VMS targets.

We haven't slowed down since the IPO in October 2021 and don't plan on it. We believe 2023 will be a milestone year as we demonstrate the ionic clay rare earth scale potential at Bluebush, in addition to making a new VMS discovery at Palma. It is an exciting time to be an Alvo shareholder."

The Placement ensures Alvo is well funded to execute its strategic exploration plan in Central Brazil. Use of funds will include:

- Due diligence, exploration and preliminary metallurgical testwork at the Bluebush REE Project (see ASX announcement dated 7 June 2023);
- Resource expansion and high priority regional target drilling at the Palma VMS Project which hosts a JORC 2012 Resource of 4.6Mt @ 1.0% Cu, 3.9% Zn, 0.4% Pb & 20g/t Ag;
- Ongoing geological, geophysical and geochemical exploration programs along the Palma VMS Project;
- General working capital purposes.

Placement Details

The issue price of 25.0 cents per share represents a 12.3% discount to Alvo's last close on 8 June 2023 of 28.5 cents and a 29.6% discount to the 30-day VWAP of 35.5 cents.

Placement Shares will rank equally with existing fully paid ordinary shares. Settlement of Tranche 1 of the Placement is expected to be completed on Tuesday, 20 June 2023. Settlement of Tranche 2 of the Placement is expected to be completed on or around late July 2023 and subject to prior Shareholder Approval at a General Meeting to be scheduled for on or around late July 2023.

The Tranche 1 Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1. A total of 10,924,547 New Shares will be issued under Listing Rule 7.1.

The Tranche 2 Placement for a total of 9,475,453 New Shares will be issued subject to shareholder approval at the meeting in late July 2023.

Discovery Capital Partners (**Discovery**) acted as Lead Manager to the Placement.



Major Shareholders, Director Participation & Share Crossing

Alvo received overwhelming support for the capital raise from its existing shareholder base, including cornerstone commitments from strategic investors such as Resource Capital Funds, Paragon Wealth Management and Lowell Resources Fund, that will result in respective pro-forma ownership in Alvo of 9.2%, 6.4% and 5.2% after the issue of new shares.

The Alvo Board members subscribed for 300,000 New Shares (A\$75,000), subject to Shareholder Approval at a General Meeting to be scheduled for on or around late July 2023.

In addition to the Placement, Discovery facilitated the crossing of 4.82 million share position in Alvo held by a fund to three strategic investors on the same terms as the Placement (A\$1.2M at 25 cents per share). This crossing represents an optimal solution for both parties.

Indicative Timetable

| Summary of Key Dates | |
|---|-----------------------------|
| Settlement of New Shares Issued under Tranche 1 | Tuesday, 20 June 2023 |
| Allotment of New Shares Issued under Tranche 1 | Wednesday, 21 June 2023 |
| General Meeting to approve Tranche 2 | On or around late July 2023 |
| Settlement of New Shares Issued under Tranche 2 | On or around late July 2023 |
| <i>Note: Dates and times are indicative only and may change without notice.</i> | |

This announcement has been approved for release by the Board of Alvo Minerals Limited.

ENQUIRIES

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Forward Looking Statements

Statements regarding plans with respect to Alvo's Palma Project and its exploration program are forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside Alvo's control and actual values, results or events may be materially different to those expressed or implied herein. Alvo does not undertake any obligation, except where expressly required to do so by law, to update or revise any information or any forward-looking statement to reflect any changes in events, conditions, or circumstances on which any such forward-looking statement is based.

ABOUT ALVO

Alvo Minerals (ASX: ALV) is a base and precious metals exploration company, hunting high-grade copper and zinc at its flagship Palma Project, located in Central Brazil. The Palma Project has a JORC 2012 Inferred Mineral Resource Estimate - 4.6Mt @ 1.0% Cu, 3.9% Zn, 0.4% Pb & 20g/t Ag.

Alvo has recently optioned the Bluebush REE Project a highly prospective ionic-clay REE project adjacent to its existing exploration base and along strike from the Serra Verde Ionic Clay REE Project, the only Ionic Clay REE project currently in construction outside of China.

Alvo's strategic intent is to aggressively explore and deliver growth through discovery, leveraging managements' extensive track record in Brazil. There are three phases to the exploration strategy – *Discover, Expand and Upgrade*.

Alvo is committed to fostering best in class stakeholder relations and supporting the local communities in which it operates.

