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*Sourcing the
raw materials
of the future*



ASX: SYA

SAYONA
MINING LIMITED
MAY 2016

Investor Presentation –
**Advancing a Portfolio of
Lithium Projects**

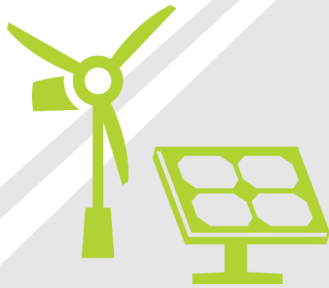
The Green Energy Revolution

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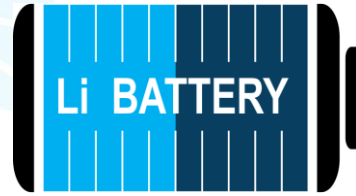
Creating Demand for **Graphite & Lithium** for Use in Batteries

The Company's strategy is to **change the world and power the future** by sourcing and developing the raw materials essential for lithium-ion battery production



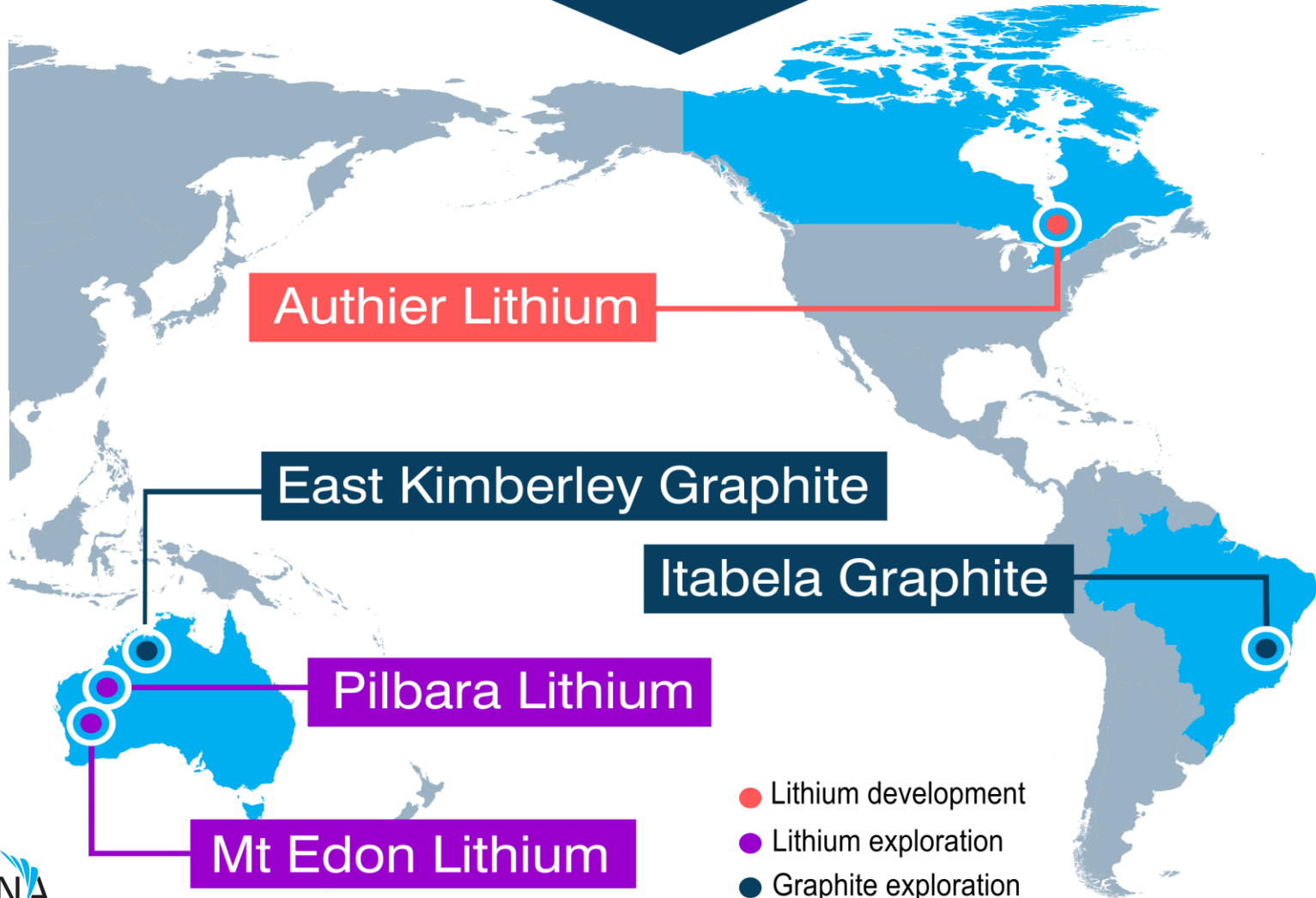
Sayona Project Portfolio

Lithium



Graphite

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Quebec, Canada

A globally significant region for lithium deposits



Quebec has a well developed mining industry

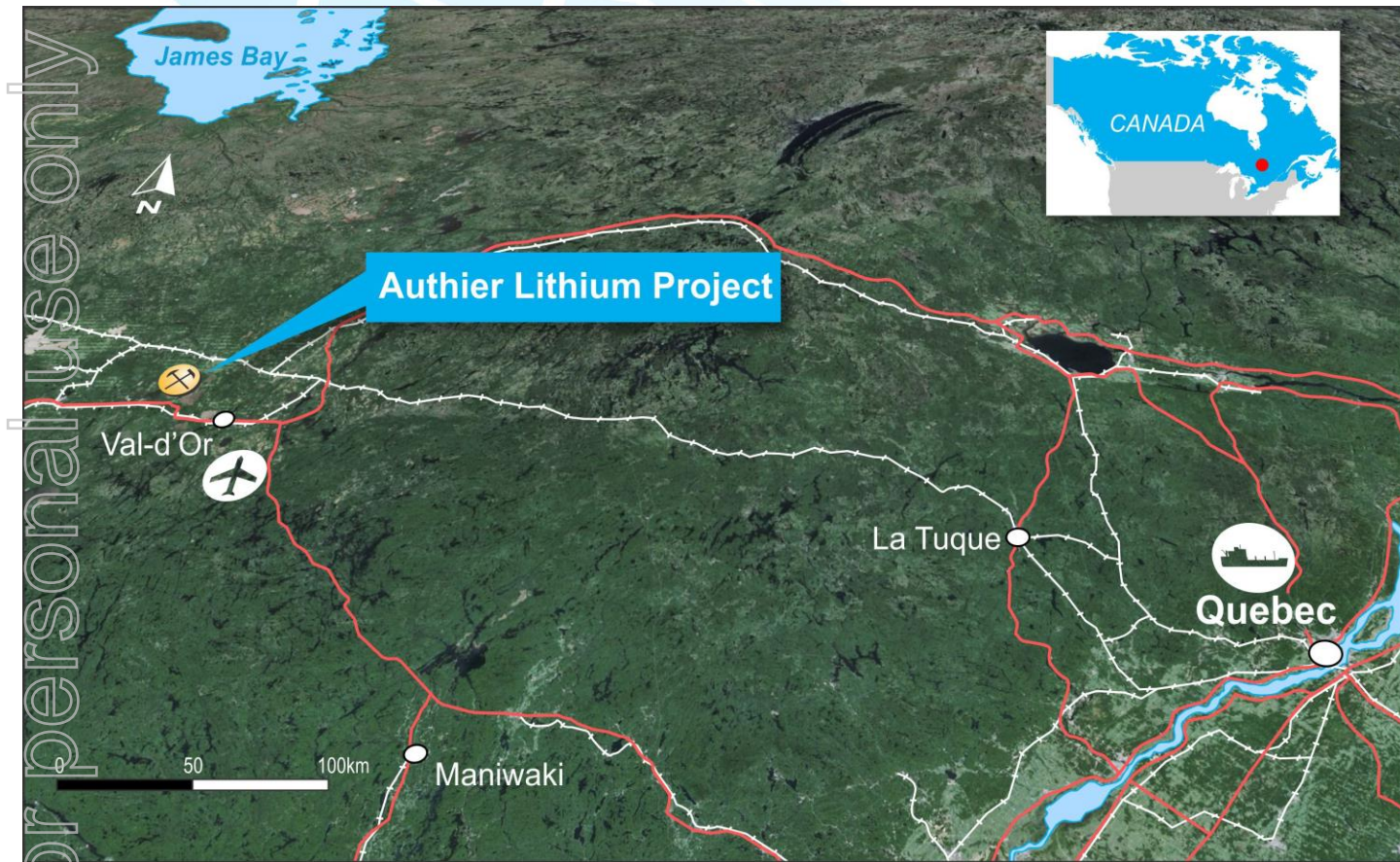
Host to a number of large high-grade Lithium deposits

TOP rated mining jurisdiction by Fraser Institute (no. 6 in world)

Strong Government Support for Mining

Proposed Acquisition of Authier

Well established development infrastructure



Excellent Infrastructure

- Low cost hydro power
- Road and rail access
- Experienced local mining workforce

653 ha tenement package

Located in a major mining district



Authier Resources

Large resource of contained lithium

Authier Global Mineral Resource Estimate*

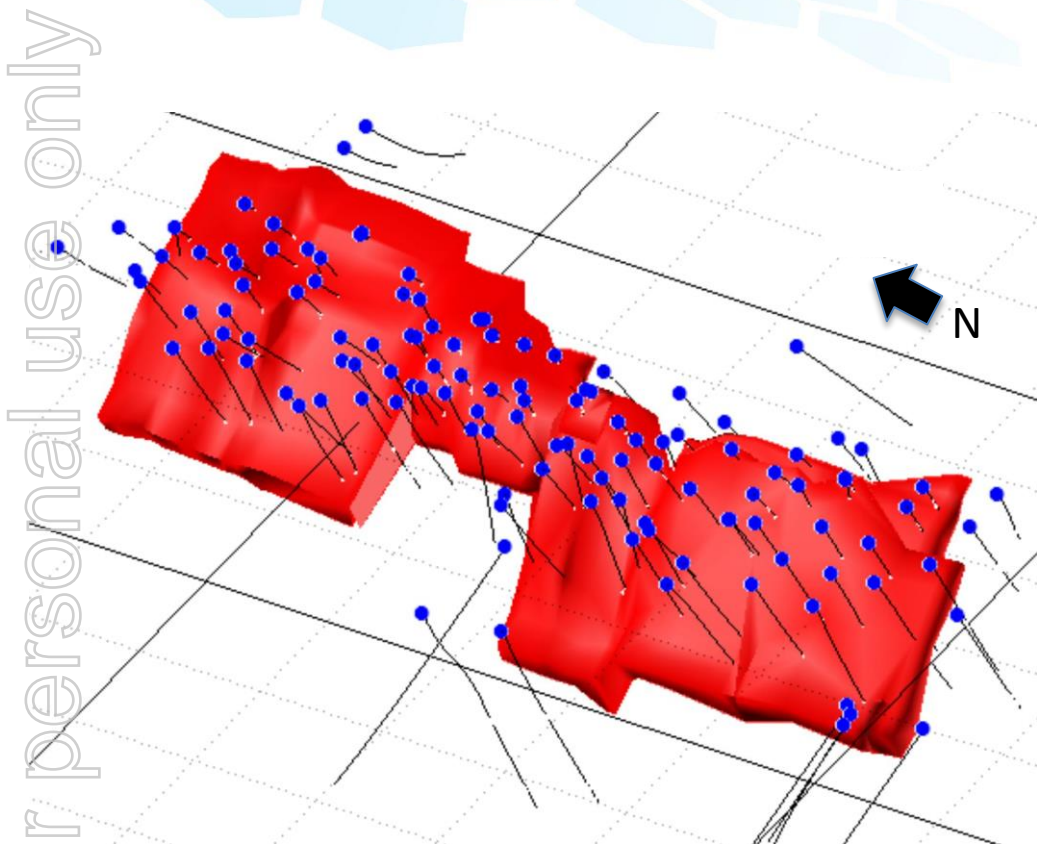
Category	Tonnes (Mt)	Grades (Li ₂ O)	Contained Li ₂ O
Measured	2.24	0.95%	21,318
Indicated	5.43	0.97%	52,681
Inferred	1.52	0.96%	14,899
Total	9.22	0.96%	88,898

* (0.5% Li₂O cut-off grade)

Cautionary Note - National Instrument 43-101 is a national instrument for the Standards of Disclosure for Mineral Projects within Canada. The Mineral Resources stated are foreign estimates and are not reported in accordance with JORC Code. A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC Code.

Authier Lithium Deposit

Extensively drilled, simple deposit



Looking south-east

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Spodumene
Bearing
Pegmatite

15,000m
drilled

123 holes

2,143
lithium assays

**Authier
Deposit**

825m long
25m average width

**200m deep and
still open**

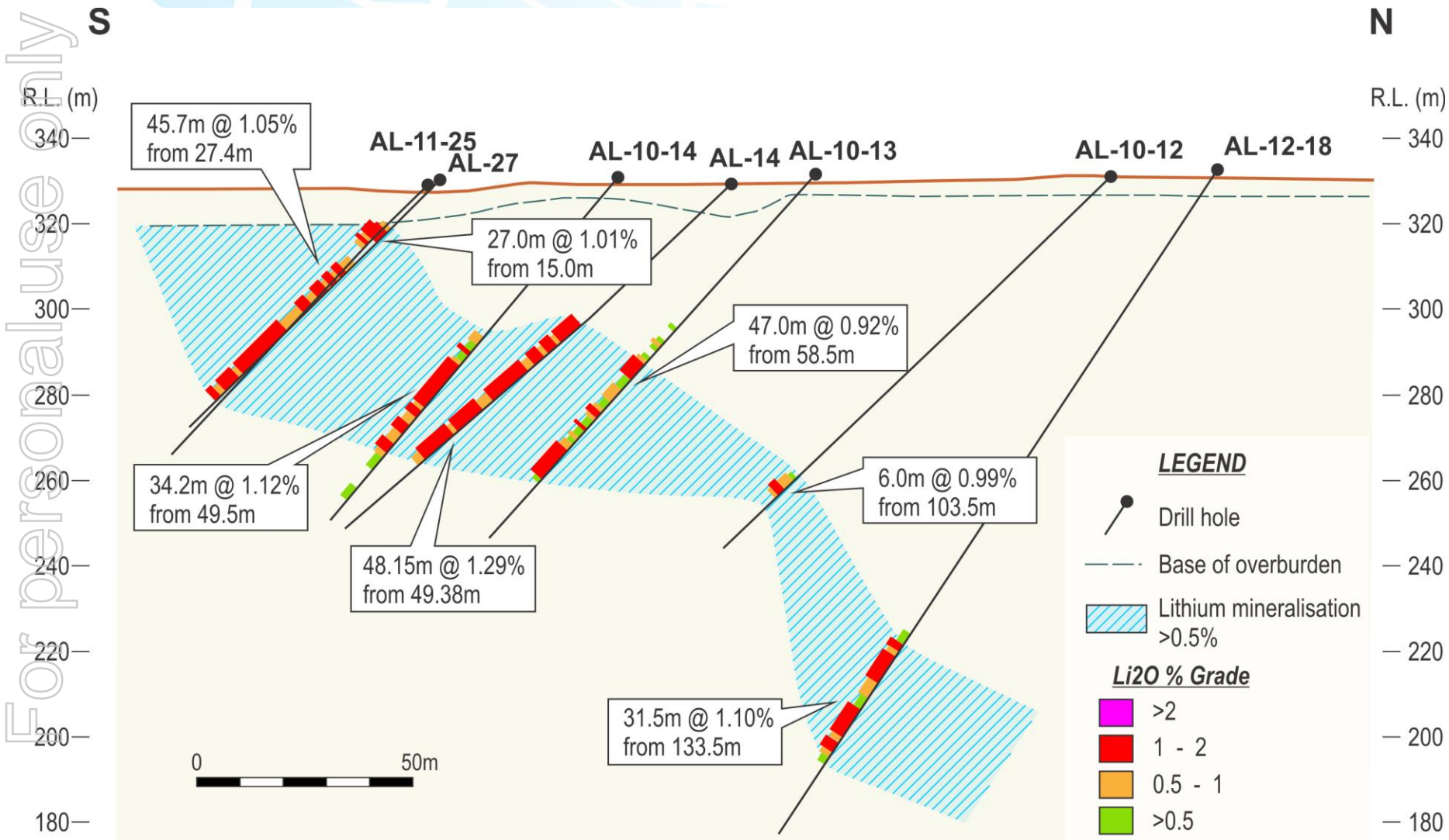
Well studied

NI43-101
completed in 2013

**Commercial and
technical viability
confirmed**

Authier Lithium Deposit

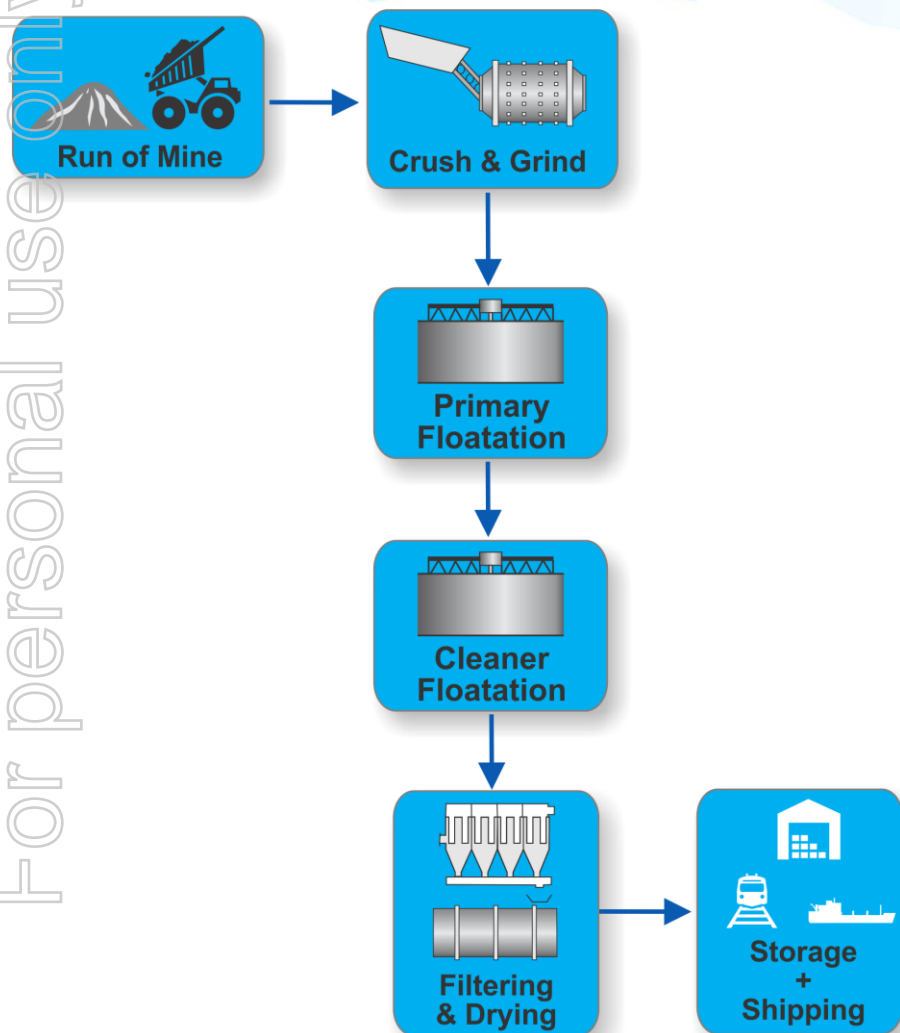
Amenable to low-cost, open-cut mining techniques



Authier Metallurgy

Extensive metallurgical testing completed

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Conventional Processing Route

Flowsheet Design

85% recovery
5-6% Li₂O concentrate

No mica pre-float

Concentrate Pricing

Galaxy selling at **US\$600/t**

Significant upside to 2013 NI-43101

Optimisation Options

Optical sorting

Downstream processing into intermediate products

Authier Acquisition Attractions

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More than 15,000 metres of drilling in 123 holes – established resource



Well studied – proven technical and economic viability – fast track to production

Deposit amendable to simple, open-cut mining techniques



Located in top-tier mining jurisdiction with stable taxes and royalties

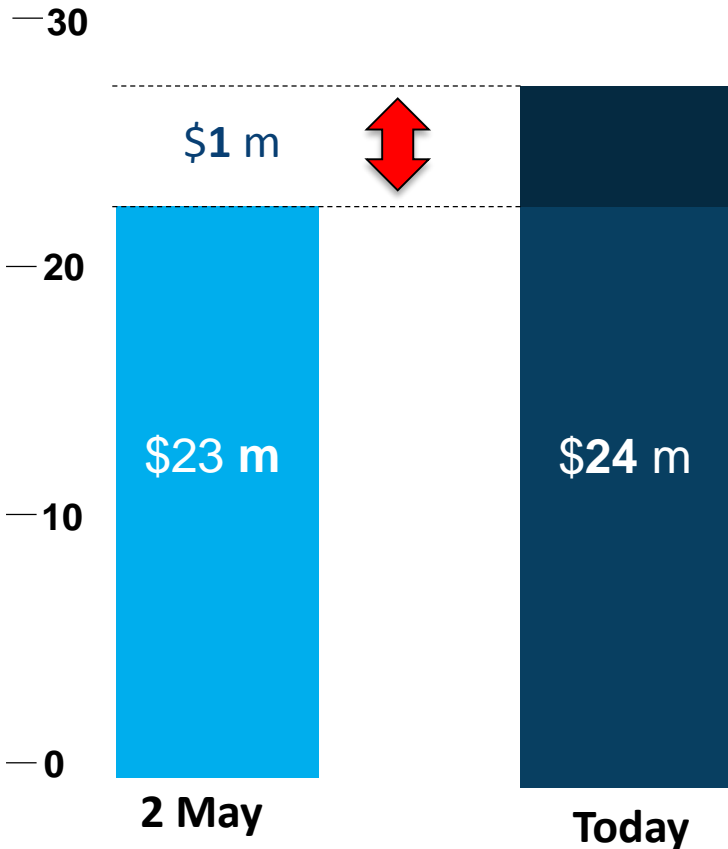
Extensive metallurgical testing - flowsheet designed to produce 5-6% Li₂O concentrate



Well established mining district with excellent infrastructure

Low Value Attributed to Authier Acquisition

Sayona market capitalisation pre and post Authier acquisition announcement*



TRANSACTION RATIONALE



Large sunk cost in exploration, drilling, metallurgy and studies



Positive price outlook for lithium



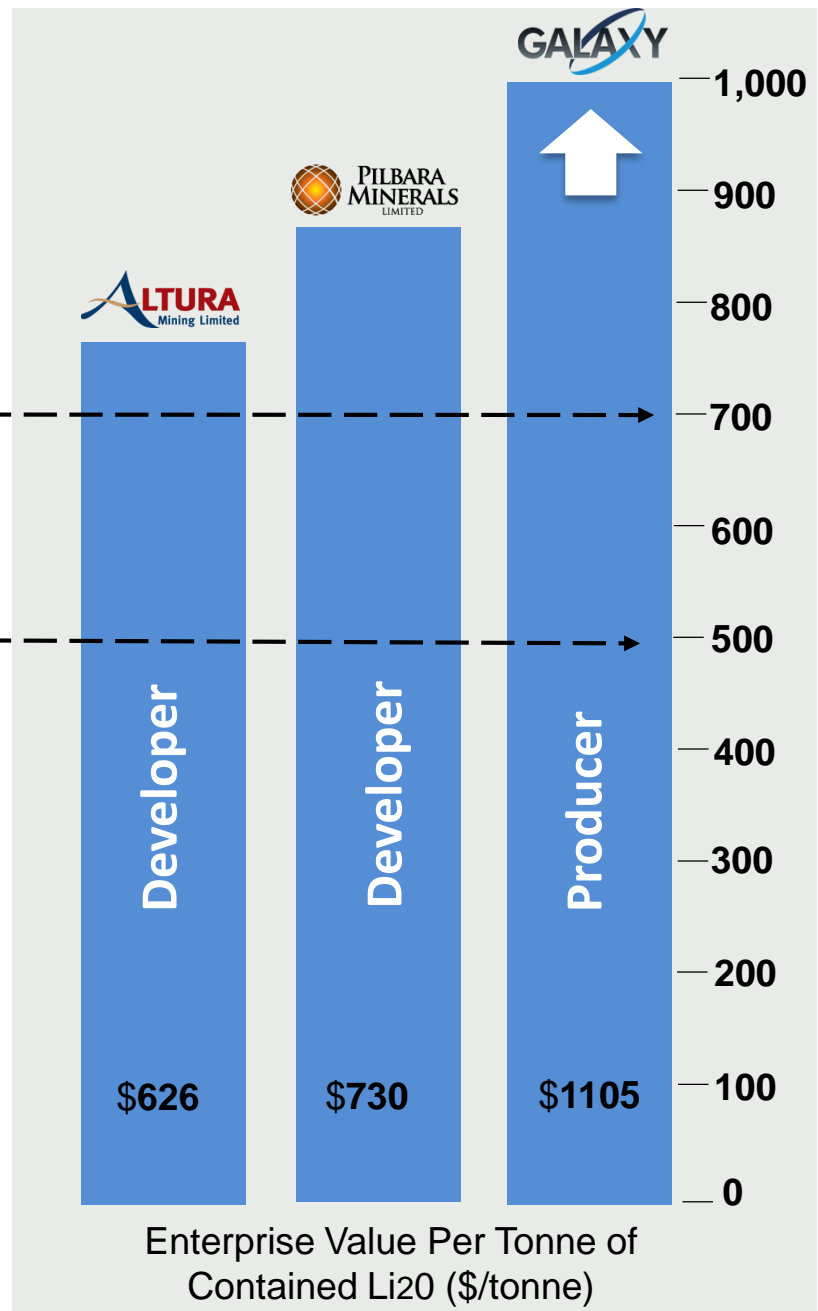
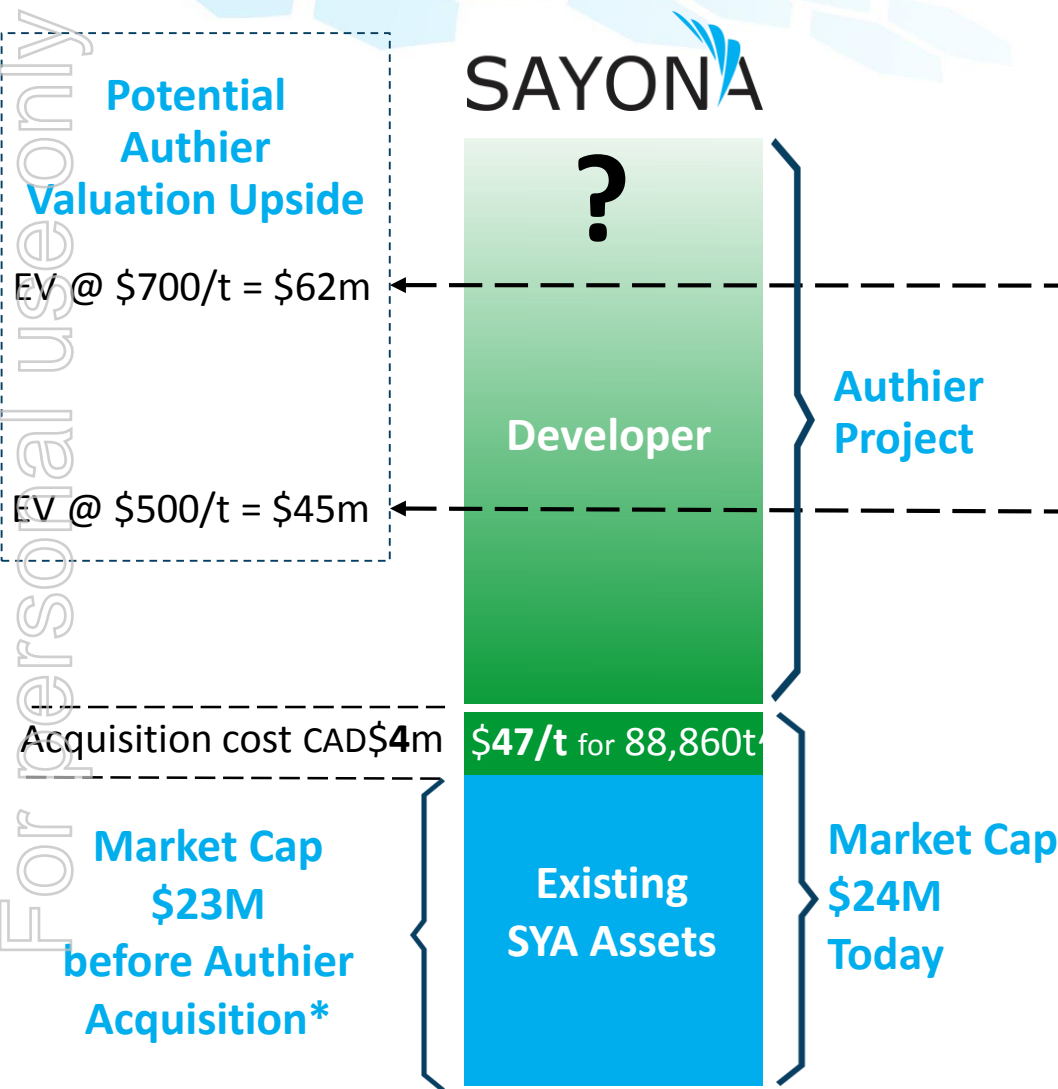
Near term development and cash flow potential



Value proposition - low purchase price and large value uplift potential

Authier Acquisition Attractively Priced

Sayona is paying AUD\$47/t of contained Li2O

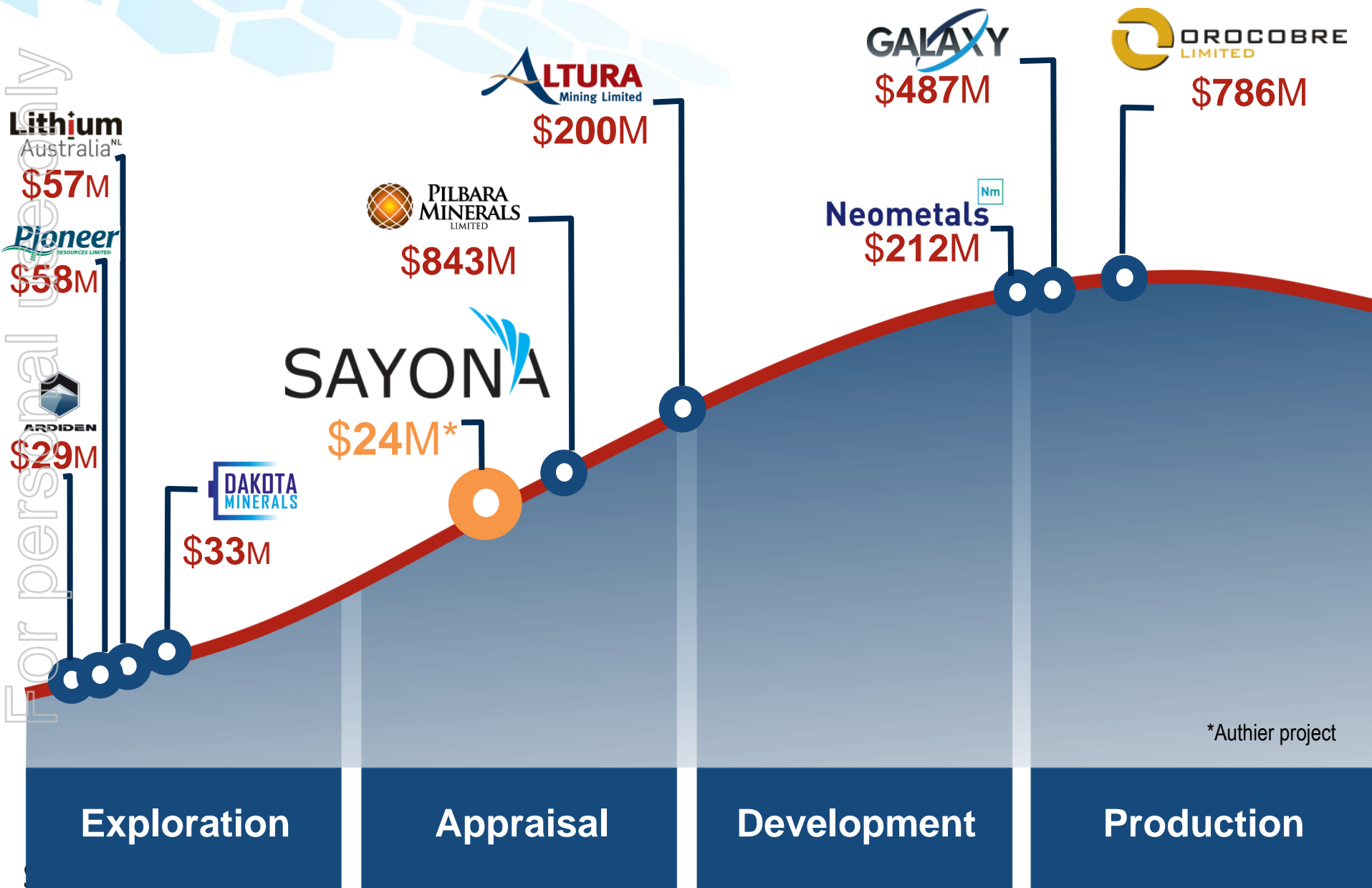


* Before ASX Release, "Proposal to Acquire Advanced Lithium Project in Canada", 3 May 2016. ^ Contained Li2O

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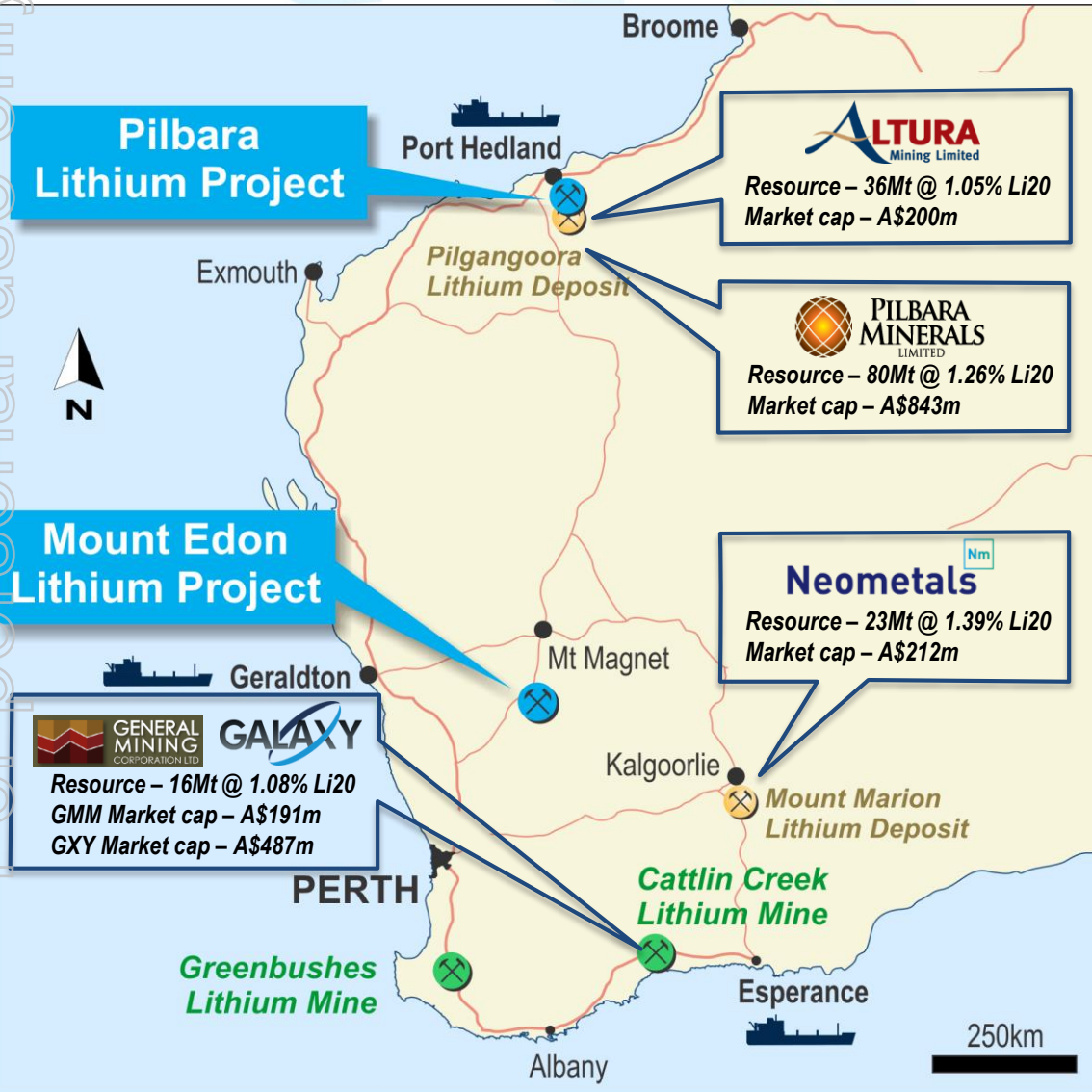
Authier Value Up-lift Potential

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Western Australia

A Globally Significant Region for Production of Lithium



Low-cost entry with

1,065 km²

tenement holding,
including granted tenure

**Western
Australia**

a dominant global
producer of Lithium from
high-grade, hard-rock
PEGMATITES

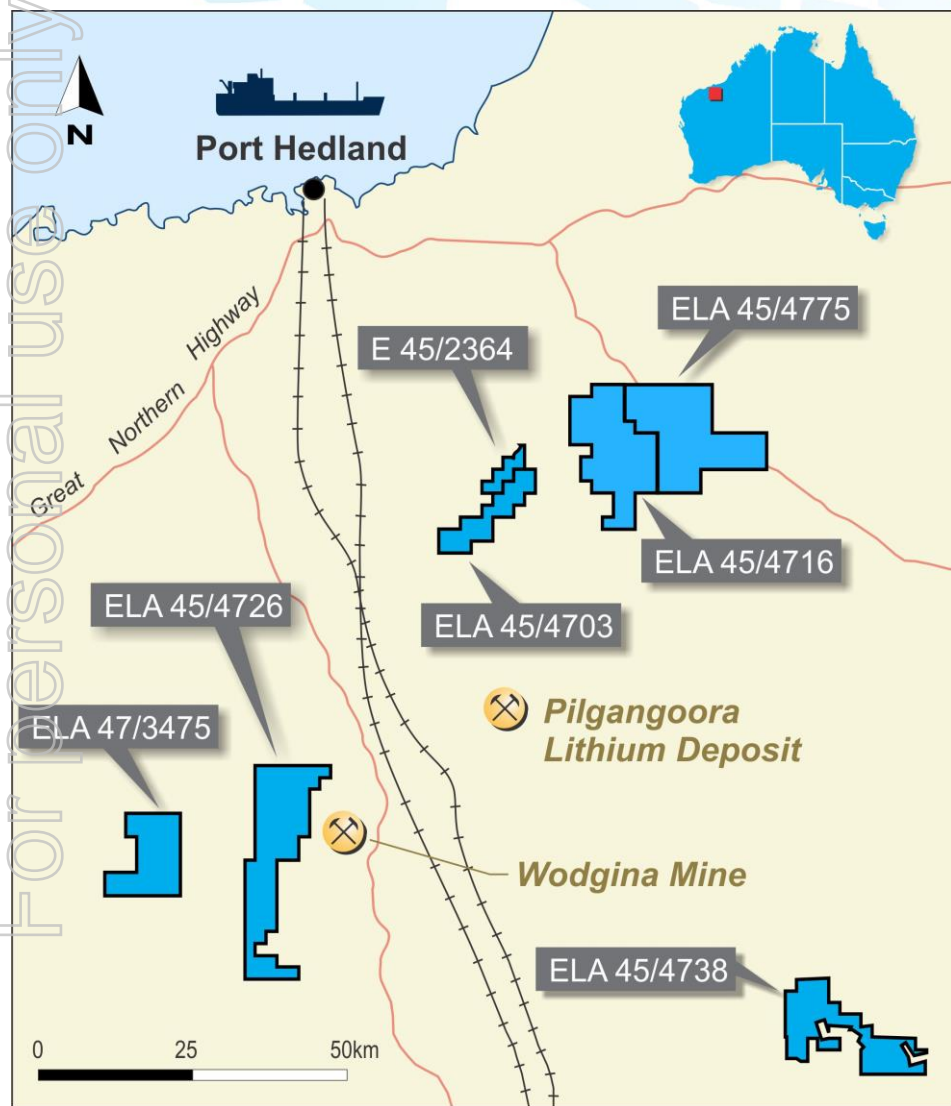
Simon Attwell – Exploration Manager
with 29-years experience including
exploring for lithium and tantalum

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Pilbara Lithium Projects

Tenement package secured in proven lithium district



Located in close proximity to large, high-grade lithium deposits at Pilgangoora

986km²

tenement package

unexplored for lithium

Well tested geological model

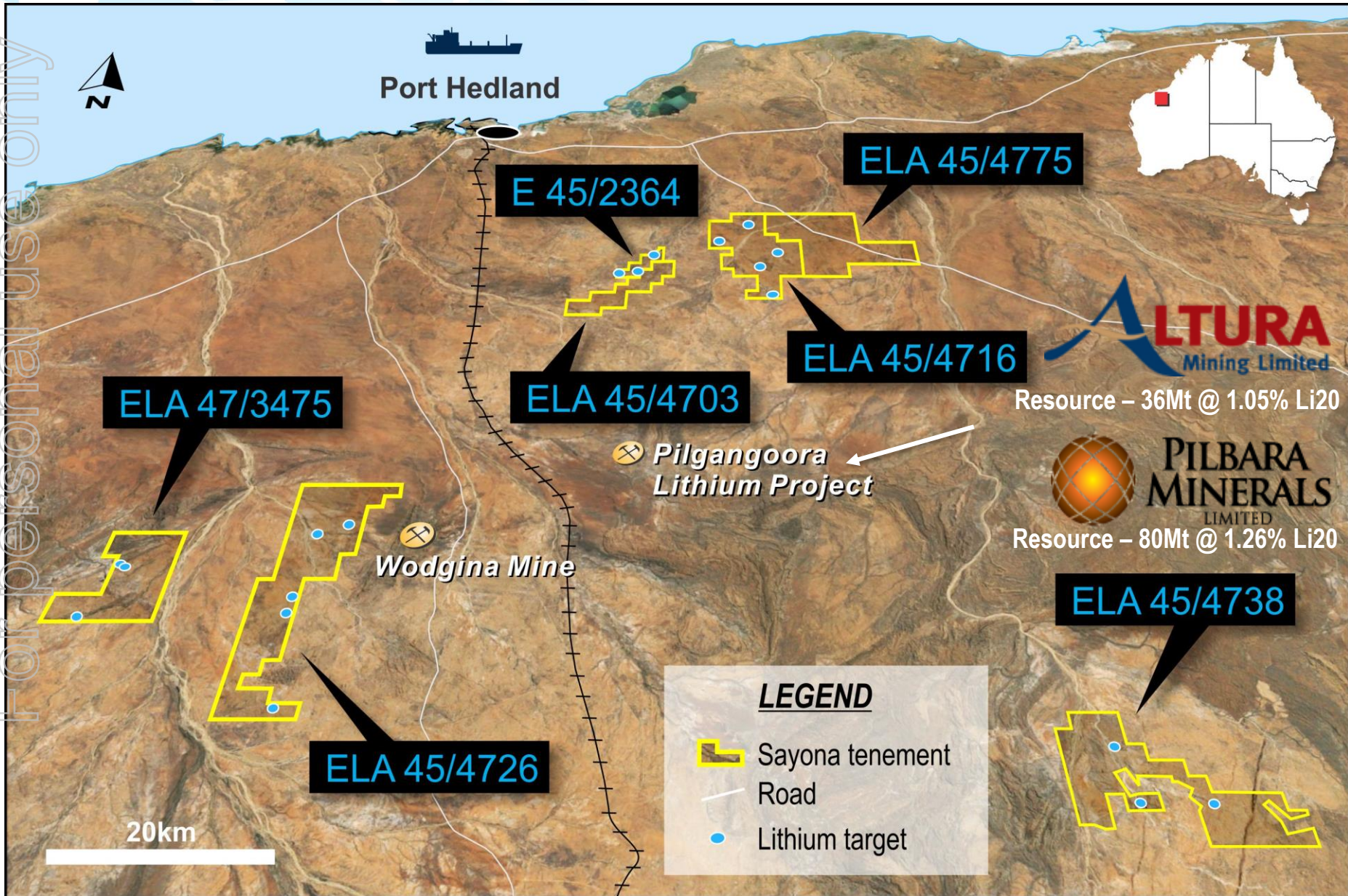
Albite Spodumene targets

Infrastructure

for access to **world markets**

Pilbara Lithium Portfolio

In close proximity to the Pilgangoora deposits



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Mount Edon Project

A region never explored for its lithium potential



79km²

**tenement
package**

historical tantalum
mining area

over
70

pegmatites

identified to date
from radiometrics

Potential for
tantalum

as a valuable
**by-product
credit**

Excellent

Infrastructure

Mount Edon Project

A prospective new pegmatite field

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**Mount Edon
Lithium Project**







E 59/2055

Airstrip

E 59/2092



LEGEND

-  Sayona tenement
-  Road
-  Pegmatite
-  Newly identified Pegmatite
-  Lithium minerals occurrence
-  Historic drill hole

Historic drilling
- Anomalous Lithium

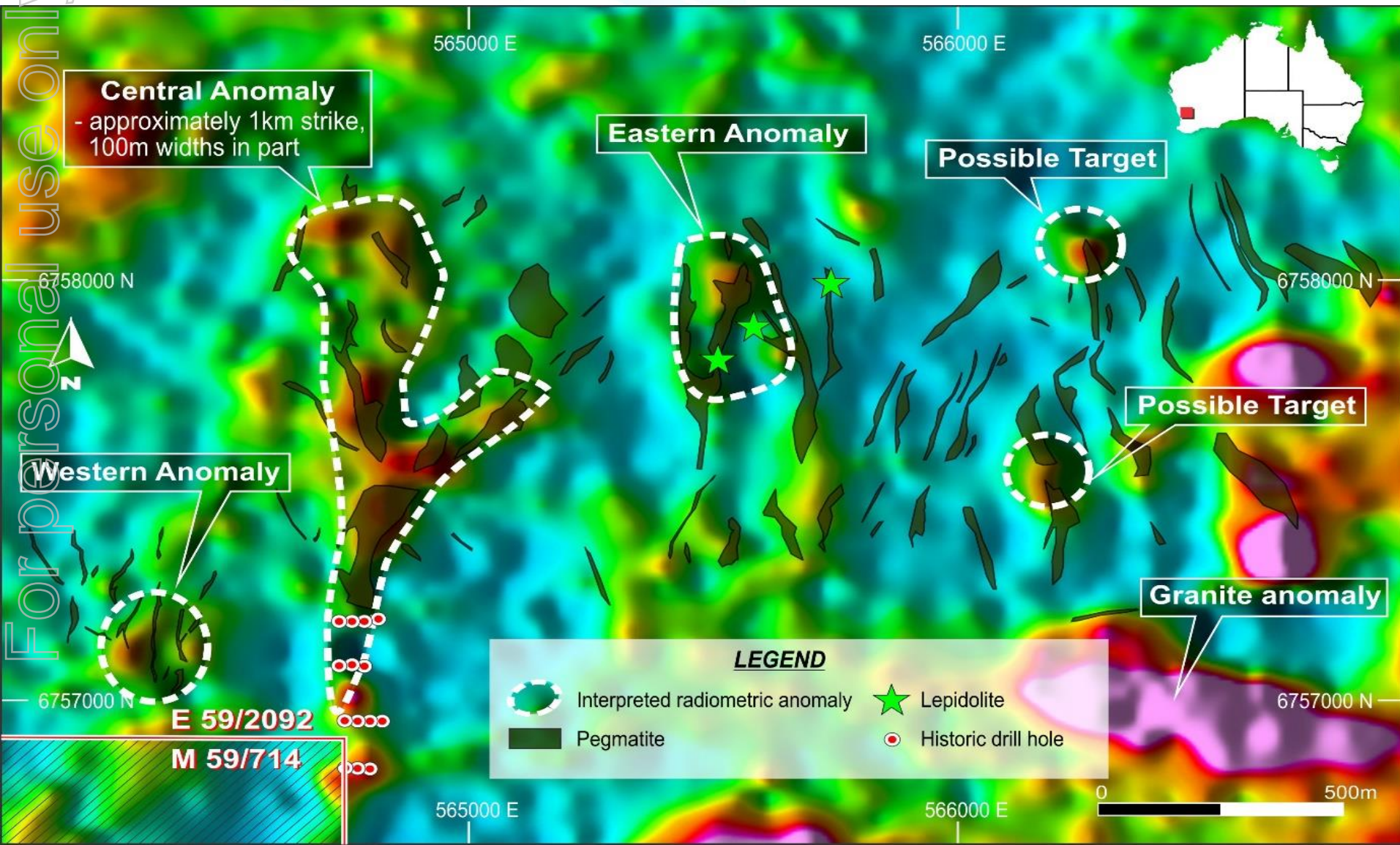
5km



Mount Edon Pegmatite Targets Defined

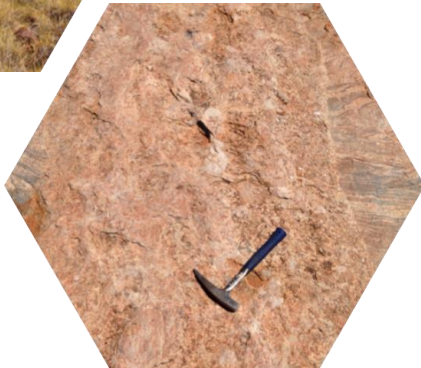
Next phase exploration includes mapping and sampling

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Western Australian Lithium - Next Steps

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Strategic land position secured



**Exploration commenced -
reconnaissance and sampling
underway**



**Use technology to evaluate large
ground position and identify new
opportunities**



Ranking to advance best targets for
drilling



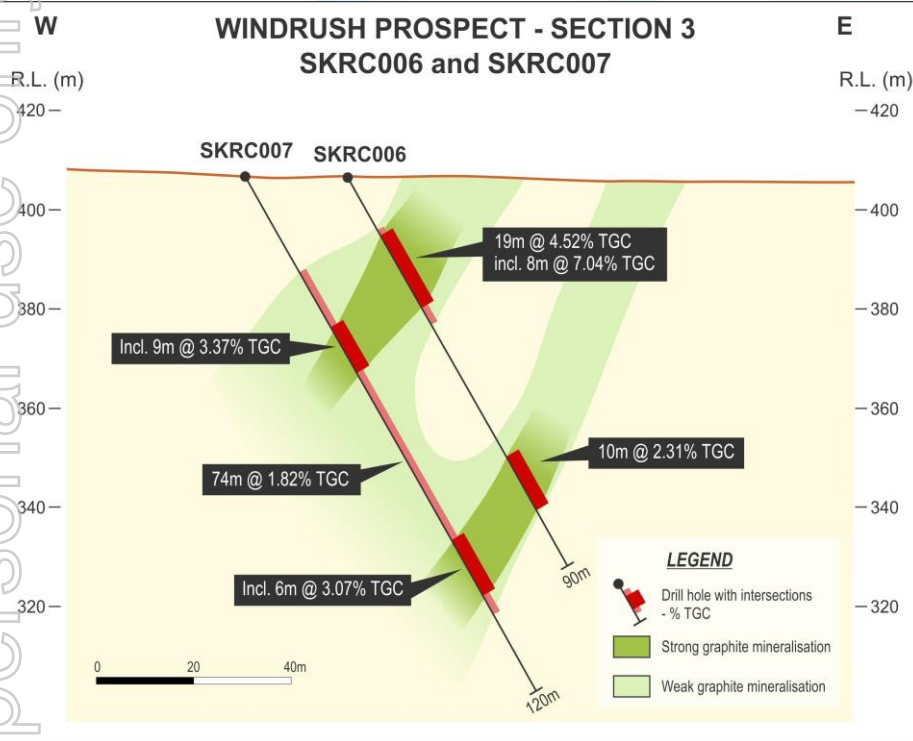
Drill testing



JORC Resources

East Kimberley Graphite Project

Metallurgical test work program underway



3,000 m
drilling completed in
Dec 2015

6 km of 20 km
target zone drilled

Best assay
12%TGC

278km²

**tenement
package**

Proven graphite
province

Best Intercepts:
16m @ 5%TGC
22m @ 3.4%TGC

Open at depth and
along strike

Coarse graphite
observed

World-class
Infrastructure

for access to
**world
markets**



Itabela Graphite Project

Drilling intersects broad zones of graphite

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2,440 m

drilling completed in
April 2015

49 holes drilled

Best results:

77m @ 2.9% TGC
48m @ 3.65% TGC

133km²

**tenement
package**

World's **second
largest** graphite
producing region

**Saprolite
Advantage**

NO drill or blast
NO crushing
LOW grinding

High proportion of
large flake

Infrastructure

for access to
**world
markets**

Corporate Snapshot

TRADING EXCHANGE

ASX: SYA/SYAO

SHARES/OPTIONS

517 Million shares

110 Million options

SHAREHOLDERS

DIRECTORS 44%

CAPITALISATION

Price 4.7¢

*as at close 15 May 2016

Market cap \$24M

Cash \$0.63M

As at 31 Mar 2015

TOP 20 74%

Strong Team With Track Record of Success

Corey Nolan

Chief Executive Officer

23 years' of resources industry experience

Corporate and capital markets experience

Previously Managing Director of South American focused explorer, Elementos

Dan O'Neill

Managing Director

Geologist with 35 years' of resources industry experience

Founding director of Orocobre

Director of Altura Mining

Simon Attwell

Exploration Manager

29 years' mineral exploration experience - success in generation, exploration and discovery of mineral deposits

Director of Australian Tantalum, which owned Pilgangoora leases and was subsequently acquired by Altura Mining

James Brown

Non-Executive Director

35 years' experience in the resources sector

22 years with New Hope Corporation

Managing Director of ASX lithium company, Altura Mining - \$200m market cap.

Allan Buckler

Non-Executive Director

40 years' experience in the resources sector

Built mining operations in Australia and Indonesia as former director and chief operations officer for New Hope Corporation

Director of Altura Mining

Paul Crawford

Executive Director

35 years' of resources industry experience

CPA and previously Company Secretary of companies including, Orocobre Ltd (founding director), Elementos and ActivEx

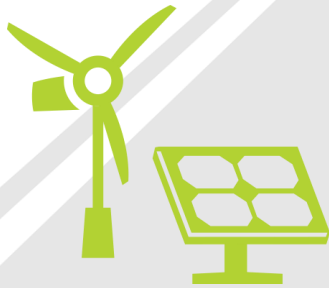
Share Price Drivers

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- ✓ Lithium exploration in Western Australia
- ✓ Completion of the Authier transaction
- ✓ Next phase of development at Itabela
- ✓ East Kimberley flake size analysis
- ✓ Active stock promotion

Additional Information Slides On the Lithium Industry

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Lithium ...

Critical in the Energy Revolution

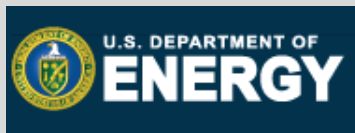
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Goldman Sachs

“What if I Told You..... Lithium is the New Gasoline”

Dec 2015

Lithium is now considered a key, strategic energy metal in the clean technology economy that is being fuelled by advances in electric vehicles, energy storage and electronics



Energy Storage –

The economic value of energy storage over a 10-year period in the US could reach **\$228 billion**, **21%** of the **\$1 trillion** global economic benefit

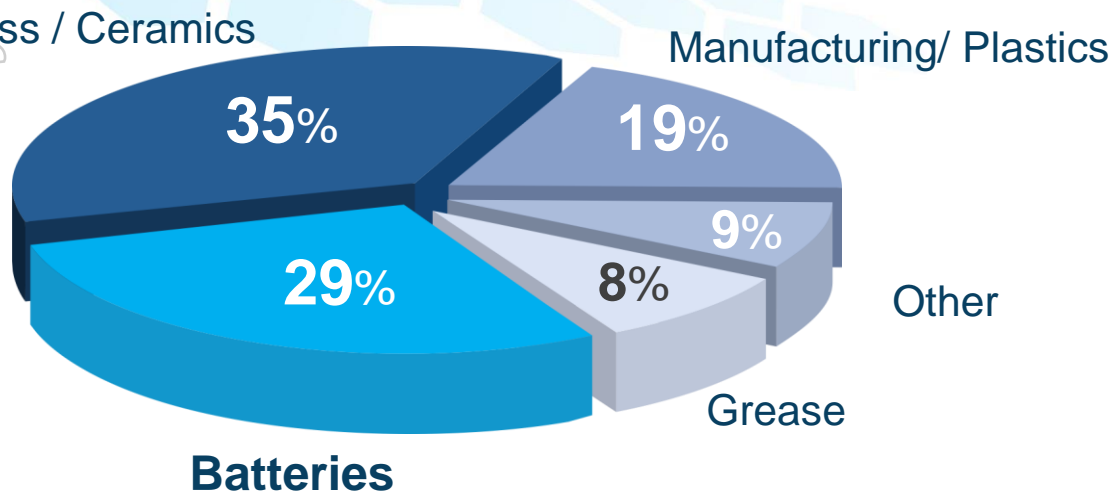
Disruptive Innovations II, 2014

The Economist

“An Increasingly Precious Metal”

Jan 2016

Lithium Consumption – The Future is Electric



Lithium-ion is the battery of choice



Super energy density



Lighter, more compact and portable



Longer life-cycle and more efficient

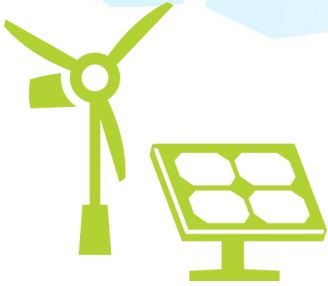


More environmentally friendly

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Key Demand drivers through to 2025

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Renewable grid storage

>30%
CAGR



Transportation –
electric and
hybrid vehicles

20-30%
CAGR



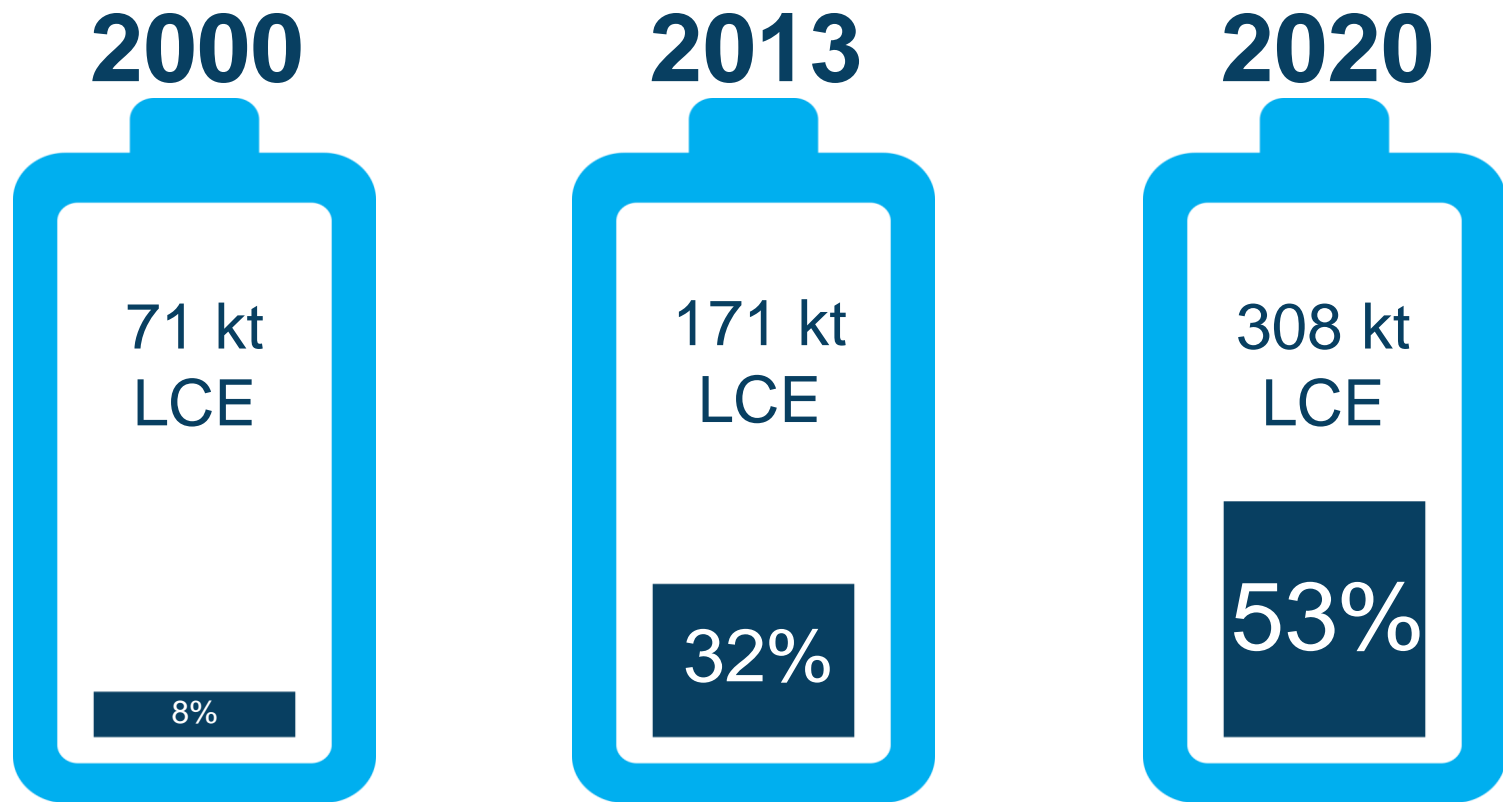
Consumer
electronics

8-10%
CAGR

Batteries are the fastest growing segment

“ *The problem with existing lead-acid batteries is that they suck* ”

Elon Musk



■ Battery consumption as a % of total consumption

The Megafactories are Coming

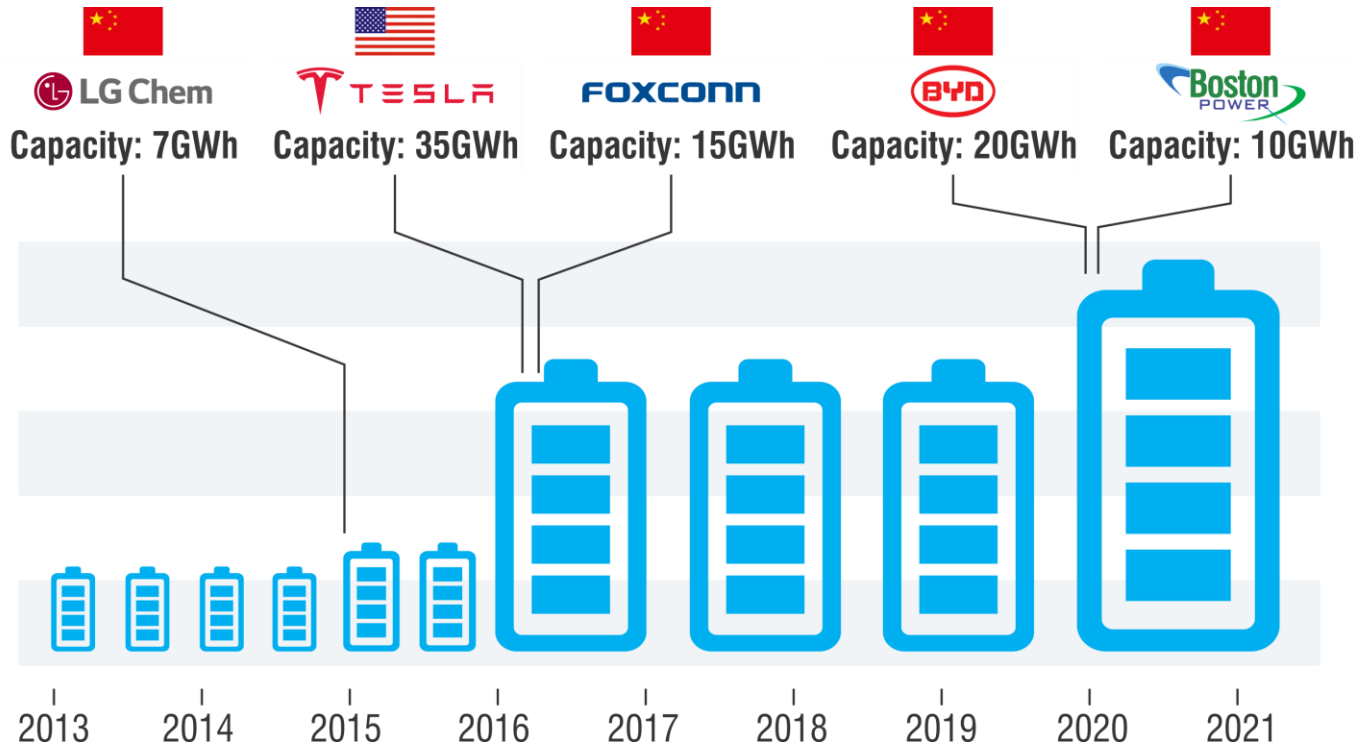
“ Solar power *[with] batteries* will be the primary means of sustainable energy production ”

Elon Musk



Tesla's Nevada site

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3X
GROWTH

Dawn of a New Auto Era

“ Car design will **change more in the next 15 years** than it has in the past 100 — **electrification** will kick start the **biggest change in automotive design in history** ”

Ian Callum, head of design for Jaguar, April 2016



Electric & Hybrid Vehicles

20 MILLION EV & HYBRID CARS BY 2020



157,000



2004

735,000



2010

20 MILLION



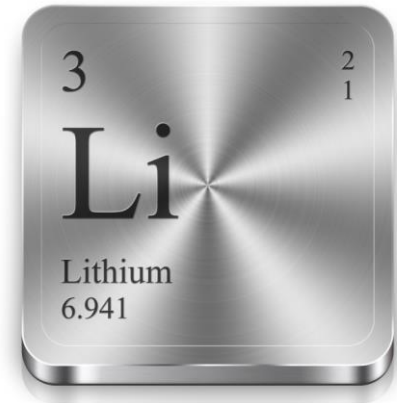
2020

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Lithium Sources

LITHIUM IS A SOFT SILVER-GREY METAL:

- ✓ Low density and atomic mass
- ✓ High electrochemical potential
- ✓ High specific heat capacity



2 MAJOR SOURCES OF LITHIUM

Salt Lake (brine)



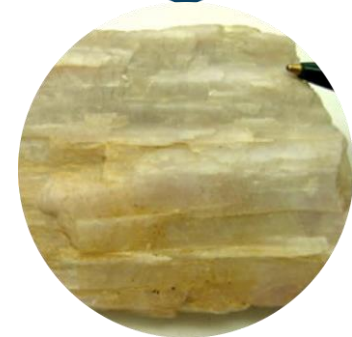
Hard rock pegmatite



**SIMPLE
PROCESSING**



**CONVERTS TO
LITHIUM-HYDROXIDE
FOR USE IN
LITHIUM-ION
BATTERIES**




Spodumene extracted
from pegmatites:

Few New Lithium SUPPLY Options Available





5 COMPANIES PRODUCE **90%** OF WORLD SUPPLY

END USERS SEEKING **NEW SUPPLY** OPTIONS

 **4%**
USA
(Brine)

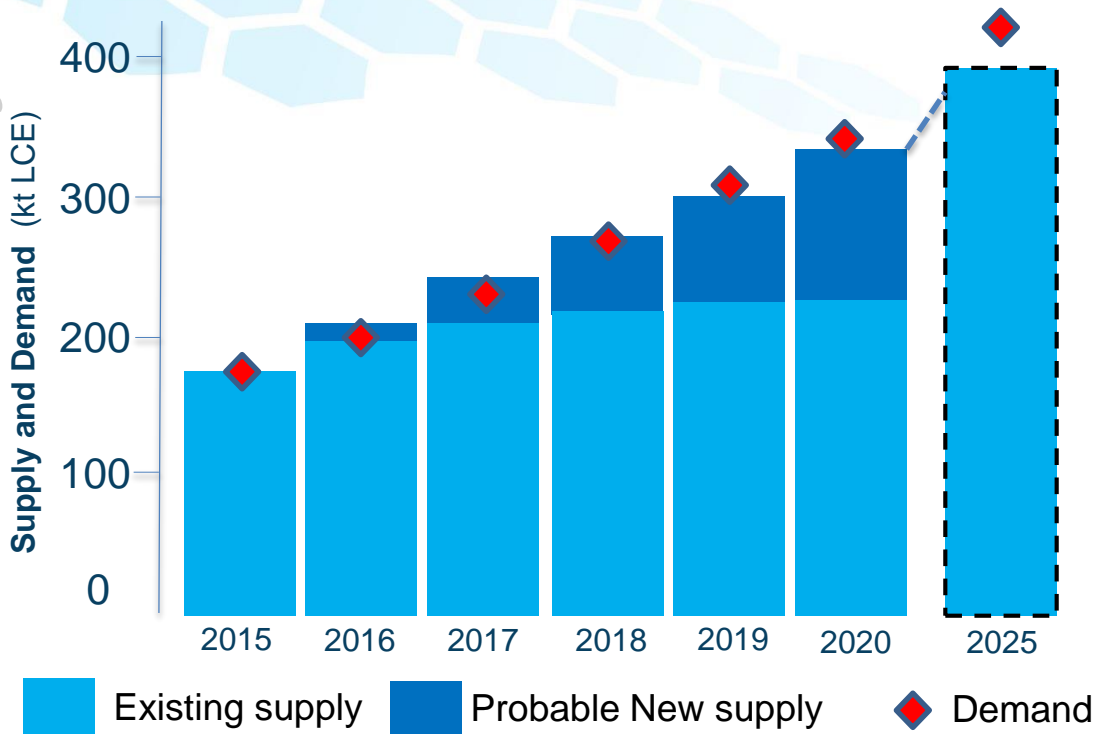
14%
China
(Brine)

    **42%**
Chile
Argentina
(Brine)

    **36%**
Australia
(Hard Rock)

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Supply & Demand – A Perfect Storm



BEYOND 2020

**GAP BETWEEN
SUPPLY & DEMAND
EMERGES**

SUPPLY

Existing Producers
at Capacity

No New Projects in
Construction Phase

DEMAND

Growing Demand

New Applications
Creating Demand
Pressures



HIGHER PRICES

Pricing for Lithium Carbonate
has Tripled Since 2003

Trading at RMB160,000/t* in
China = US\$24,600/t

Disclaimer

COMPETENT PERSON STATEMENTS

Simon Atwell for Australian projects - The information in this report that relates to Exploration Results is based on information compiled by Mr Simon Attwell, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Attwell is an employee of Attgold Pty Ltd ("Attgold") which provides geological services to Sayona. Attgold is a financial beneficiary if Sayona exercises its option to purchase agreement over the East Kimberley Graphite project. Mr Attwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Attwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Gustavo Delendatti for Itabela and Authier - The information in this report that relates to Exploration Results is based on information compiled by Dr Gustavo Delendatti, a member of the Australian Institute of Geoscientists. Dr Delendatti is an independent consultant, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which it is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition) of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr Delendatti was responsible for the design and conduct of this exploration drilling campaign, supervised the preparation of the technical information in this release and has relevant experience and competence of the subject matter. Dr Delendatti, as competent person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

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Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- "Proposal to Acquire Advanced Lithium Project in Canada", 3 May 2016
- "Itabela Drilling Defines Large Zones of Graphite Mineralisation", 11 May 2016

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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