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SAYONA PUSHING FORWARD WITH NEW LITHIUM MINE FOR QUEBEC

Highlights

- Sayona pressing ahead with development plans for Authier Lithium Project, Quebec, Canada amid growing global lithium demand, supporting Quebec's battery revolution
- Engagement efforts continuing in Quebec under required permitting pathway
- Production rate to be reviewed based on a balanced approach fostering a profitable and sustainable new mine
- Project pipeline strong, with drilling results due from Tansim Prospect in Canada and recent addition to portfolio in world-class Pilgangoora lithium district of Western Australia.

Emerging lithium miner Sayona Mining Limited (ASX: SYA) today reaffirmed its commitment to developing its Authier Lithium Project in Quebec, Canada into a sustainable and profitable new lithium mine, supporting the province's ambitions to be at the forefront of the global lithium-ion battery revolution.

The move follows the recent announcement by the Quebec Environment Minister that the Authier project would be subject to environmental impact assessment and review procedures under the BAPE (bureau d'audiences publiques en environnement) (refer ASX announcement March 6, 2019).

Under the BAPE process, Sayona will be undertaking further community engagement and environmental studies, including an Environmental Impact Assessment (EIA) as per Article 31.1 of the *Environment Quality Act*. Sayona has already completed an Environmental Assessment Study for the project, which showed it would have no impact on the water quality of the Esker Saint-Mathieu-Berry.

Community consultation and engagement efforts have included information sessions and consultations with the local municipalities, landowners, First Nation communities, non-governmental organisations and other stakeholders, supported by Sayona's manager, sustainable development, Mr Serge Rouillier, based in La Motte near the project.

Sayona's Managing Director, Dan O'Neill, said the Company would now be seeking support from the Quebec community, government and other stakeholders for a revised mining lease application compared to the original submission lodged in December 2018.

"We will now be seeking approval based on a sustainable development approach processing in the order of 2,600 tonnes per day, providing for an approximate mine life of 14 years and estimated annual average spodumene concentrate production of around 115,000 tonnes (at 6% Li₂O). The final production level will be optimised as part of the revised definitive feasibility study.

"Pending the necessary approvals, the new mine is expected to deliver some 150 new jobs in construction and up to 160 jobs in operation, while also generating valuable tax revenues and investment dollars for Quebec."

He added: "Sayona wishes to be part of Quebec and its ambitions to become part of the clean energy revolution in lithium-ion battery technology. We are committed to Canada and will continue working to secure a social licence to operate in this world-class mining province."

Sayona will now undertake a review of its definitive feasibility study (refer ASX announcement 24 September 2018) under the new parameters and update the market accordingly. The previous DFS showed the potential for a sustainable and profitable new mine, with an estimated pre-tax net present value of C\$184.8 million and initial capital expenditure of C\$89.9 million.

The Company is also contributing to a joint study by Quebec's Ministry of Economy and Innovation on the development of a lithium-ion battery industry for the province (refer ASX announcement 3 December 2018), amid growing global demand for lithium, including from the fast-growing electric vehicle (EV) industry and battery storage.

The global lithium battery market is seen growing to US\$67.7 billion by the end of 2022, more than double its 2016 value, with more than 60 battery 'mega factories' already built or in the pipeline, up from just three in 2015. This follows announcements by global automakers of multi-billion dollar investments in EVs.

Strong project pipeline

Meanwhile, Sayona's strong project pipeline in Canada and Western Australia is also expected to deliver increased value for shareholders.

In Quebec, drilling results are expected soon for the Company's Tansim Prospect located 82 km south-west of Authier. Drilling has targeted the Viau-Dallaire prospect, where historic channel samples include 10.3m @ 1.40% Li₂O, 11.15m @ 0.84% Li₂O and 18.95m @ 0.94% Li₂O (including 7.3m at 1.77% Li₂O) (refer ASX announcement 12 July 2018).

In Western Australia, currently the world's largest lithium exporter, Sayona recently extended its holdings to comprise 100% ownership of some 1,898 square kilometres of tenements in the world-class Pilgangoora lithium district (refer ASX announcement 29 January 2019).

"Sayona's flagship Authier project continues to advance, while our project pipeline offers the potential for increased value amid the growing global demand for lithium. The future is bright for Sayona and we are determined to deliver for shareholders and all other stakeholders, unlocking value from the metal of the 21st century," Mr O'Neill said.

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Sayona Mining Limited is an Australian, ASX-listed (SYA) company focused on sourcing and developing the raw materials required to construct lithium-ion batteries for use in the rapidly growing new and green technology sectors.

Please visit us as at www.sayonamining.com.au

Reference to Previous ASX Releases

This report refers to exploration results outlined in the following previous ASX release:

- Site visit to Tansim Highlights Spodumene Potential - 12 July 2018;

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.