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**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES**

ABN 26 091 951 978

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2022**

The information contained in this report is to be read in conjunction with the Company's 2022 Annual Report and any announcements made to the market during the half year ended 31 December 2022.

SAYONA MINING LIMITED AND CONTROLLED ENTITIES
ABN 26 091 951 978

DIRECTORS' REPORT

Your Directors present their report of the Company and its controlled entities ("the Group") for the half-year ended 31 December 2022.

DIRECTORS

The names of the Company's Directors in office during the half year or until the date of this report are set out below.

Brett Lynch	Paul Crawford	Allan Buckler	James Brown
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REVIEW OF OPERATIONS

The (loss)/profit of the consolidated group after providing for income tax for the half year was (A\$18,718,701) (loss) (2021: A\$93,947,189 profit).

CANADA

NORTH AMERICAN LITHIUM (NAL)

During the period, the Group's primary focus was the restart of spodumene concentrate production at NAL. The restart is proceeding on schedule and within budget.

In March 2023, the Group announced the first spodumene concentrate production as part of the commissioning process. The Group expects the first shipment of spodumene concentrate from NAL will occur in July 2023.

In October 2022, the Company launched the Pre-Feasibility Study (PFS) for the production of lithium carbonate at North American Lithium. This is seen as a potential value-adding boost for Sayona and facilitating Quebec's electrification drive. The PFS will examine the production of lithium carbonate from spodumene produced at NAL. This PFS also forms part of NAL Joint Venture's commitments to Investissement Quebec and the Quebec government regarding Quebec lithium transformation activity.

In November 2022, the Group announced a strategic acquisition and earn-in between NAL and Jourdan Resources Inc. (Jourdan) at Jourdan's Vallée Lithium Project. The acquisition comprised 48 claims spanning approximately 1,997 ha, located adjacent to the NAL operation.

Key aspects of the transaction include the acquisition of 20 claims outright and the right to earn up to a 51% stake an additional 28 claims of Vallée project, based on spending and funding milestones. The 20 claims acquired outright span 755.3 ha, providing an immediate extension to the NAL operating area and allowing for potential future infrastructure expansion at the NAL mine and its processing facility. Pegmatite targets are located close to and along strike from the NAL orebody.

NAL also acquired a 9.99% shareholding in Jourdan for approximately C\$1.5 million.

MOBLAN LITHIUM PROJECT (MOBLAN)

Moblan is located in the Eeyou-Istchee James Bay region of northern Québec, a proven lithium mining province which hosts established, world-class lithium resources including Nemaska Lithium's Whabouchi mine. It is well serviced by key infrastructure and transport and has access to low-cost, environmentally friendly hydropower.

During the period, Sayona has undertaken a significant drilling program to investigate the potential to prepare an initial JORC resource. Compilation of results of this drilling are ongoing.

In November 2022, Sayona announced the acquisition of a 100% interest in 1,824 claims from Troilus Gold Corp Inc. (Troilus) for approximately C\$44.6 million. The acquisition was settled through the issue of

DIRECTORS' REPORT

approximately 184 million Sayona shares.

The Group also acquired a 9.26% equity interest in Troilus by subscribing for 10.5 million shares at C\$0.49 per share.

The Company is targeting the further expansion of its Québec lithium resource base, with the launch of a pre-feasibility study for the emerging Moblan Lithium Project (Sayona 60%; SOQUEM 40%) in northern Québec.

Continuing the Company's focus on maximising economic benefits for local stakeholders, Québec company, InnovExplo will conduct the PFS, targeting completion by May 2023. This is expected to be followed by a definitive feasibility study, with a target completion date of September 2023.

The studies will examine the development of a mine and concentrator north of Chibougamau, near Mistissini, with the Moblan project serving as the centre of Sayona's northern lithium hub, including the emerging Lac Albert Project.

AUTHIER LITHIUM PROJECT (AUTHIER)

Authier is a hard rock spodumene lithium deposit which has a key role in the Group's planned multi-project Abitibi lithium hub.

The Group continues to advance regulatory approvals for the project. With the commissioning of the NAL facility, the approval will be based on a much smaller environmental footprint, with no requirement for a concentrator on-site.

AUSTRALIA

WESTERN AUSTRALIAN PROJECTS

The Group's leases in Western Australia cover 1,072 sq km and comprise lithium and gold tenure in the Pilbara and Yilgarn areas and graphite prospective tenements in the East Kimberley.

PILBARA EXPLORATION

The Group's Pilbara portfolio comprises 12 leases totalling 1,016 sq km in area within the Pilgangoora lithium district. Ten of the tenements have associated gold rights and are proximal to De Grey Mining's 8.5 Moz Au Hemi gold discovery.

Of the 12 Pilbara tenements with lithium rights, 6 are subject to an earn-in agreement with Morella Corporation Limited (Morella) (previously Altura Mining), with the six remaining tenements held within the Group's exploration portfolio. All tenements are located in the Pilgangoora lithium district.

In December 2022, Morella satisfied its requirements under the Earn-in Agreement on the Pilbara lithium projects. Sayona's earn in agreement required Morella to spend A\$1.5 million on exploration within three years to earn a 51% interest.

SAYONA LITHIUM TENURE

Sayona retains the lithium rights to the Tabba Tabba lease and Deep Well tenement area. During the period past data over these areas was reviewed and some drill planning was undertaken.

PILBARA GOLD EXPLORATION

The Group's Pilbara gold leases are prospective for intrusion-related gold mineralisation, similar in style to that identified at the Hemi gold discovery.

The Group is using its knowledge of late-stage intrusions, built up in the search for pegmatite mineralisation, to fast-track identification of Hemi-style targets.

DIRECTORS' REPORT

CORPORATE

CHANGES IN STATE OF AFFAIRS

CAPITAL RAISING ACTIVITIES

In August 2022, Sayona agreed with Acuity Capital to extend and increase the size of its At-the-Market Subscription Agreement ("ATM") previously referred to as a Controlled Placement Agreement. The expiry date has been extended to 31 July 2025 and the ATM facility limit has been increased to A\$200 million. The remaining standby equity capital available under the ATM is A\$193.55 million.

Following the ATM extension and limit increase, the Company agreed to issue an additional 155 million SYA shares at nil consideration to increase the total security held by Acuity Capital to 250 million SYA shares ("Collateral Shares"). The Company may at any time cancel the ATM, including buying back and cancelling the Collateral shares for nil consideration. Previously, the Company had issued 95 million shares as security for the facility.

In addition, the Company has arranged for a Flow Through Share Placement (refer subsequent events note) for C\$50 million to fund drilling activity associated with the Moblan project. This placement was finalised in March 2023.

OUTLOOK

The outlook for the Group is positive. The Group's strategic focus is the restart of spodumene concentrate production at NAL from the first quarter 2023 together with an evaluation of downstream processing potential at NAL is progressing.

The restart is proceeding on schedule and within budget, with the first spodumene concentrate production in March 2023 as part of the commissioning process. The Group expects the first shipment of spodumene concentrate from NAL will occur in July 2023

Extensive pre-production testing has begun with batch processing of existing ore stockpiles to validate the expected quantities and qualities of spodumene produced are within anticipated tolerances.

A definitive feasibility study (DFS) is underway for the profitable production of spodumene concentrate at NAL, combined with production from nearby Authier.

The Group is also looking to build on its acquisition of an interest in the Moblan project and additional claims acquired either through direct pegging or acquisition, with a view to establishing a Northern Québec lithium hub.

SUBSEQUENT EVENTS

In addition to advancing its Australian and Canadian exploration projects as set out above, the following matters or circumstances have arisen since balance date:

On March 7th, the Company entered into a subscription agreement with PearTree Securities Inc for approximately C\$50,000,000 (A\$54,954,640 before costs) through the issue of 174,459,177 shares at an issue price of C\$0.2866 (A\$0.315). The gross proceeds received by the Company will be used to incur Canadian exploration expenses (CEE) that qualify as "flow through critical mineral mining expenditures" as such term is defined in the Income Tax Act (Canada).

Funds raised will be applied to exploration and drilling at Sayona's Quebec assets including expedited follow-up drilling at priority targets, prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses.

DIRECTORS' REPORT

The have been no other key events since the end of the period.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

Signed in accordance with a resolution of the Directors.



Brett L. Lynch
Managing Director

Brisbane
15 March 2023



Paul A. Crawford
Director

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Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**To the Directors of Sayona Mining Limited**

As lead auditor for the review of the financial statements of Sayona Mining Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sayona Mining Limited and the entities it controlled during the period.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Robertson.

Ann -Maree Robertson
Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 15 March 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Note	Consolidated Group	
		31 December 2022 \$	31 December 2021 \$
Revenue and other income		1,394,713	108,533,496
Administrative expenses		(17,096,633)	(6,191,217)
Current period exploration & evaluation expenditure written-off		-	(2,491,367)
Employee benefit expense		(1,470,391)	(919,631)
Foreign exchange loss		(1,410,833)	(4,853,712)
Transaction costs on project acquisition		(135,557)	(130,380)
(Loss)/Profit before income tax	2	(18,718,701)	93,947,189
Income tax expense		-	-
Net (loss)/profit for the period		(18,718,701)	93,947,189
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translating foreign operations		(19,306,354)	(973,976)
Fair value losses on revaluation of financial assets at fair value through other comprehensive income		(1,559,810)	-
Total other comprehensive loss for the period		(20,866,164)	(973,976)
Total comprehensive (loss)/profit for the period		(39,584,865)	92,973,213
Net (loss)/profit attributable to:			
Owners of the Parent Entity		(15,522,760)	68,353,465
Non-controlling interest		(3,195,941)	25,593,724
		(18,718,701)	93,947,189
Total other comprehensive loss attributable to:			
Owners of the Parent Entity		(20,769,878)	(730,482)
Non-controlling interest		(96,286)	(243,494)
		(20,866,164)	(973,976)
Earnings per Share			
From continuing operations			
Basic earnings per share (cents per share)	14	(0.22)	1.5
Diluted earnings per share (cents per share)	14	(0.22)	1.4
Dividends per share (cents per share)		-	-

The accompanying notes form part of these financial statements.

SAYONA MINING LIMITED AND CONTROLLED ENTITIES
ABN 26 091 951 978

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Consolidated Group	
		31 December 2022	30 June 2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		87,227,520	184,559,499
Trade and other receivables		22,625,896	9,680,669
Inventories	3	6,344,558	-
Other assets	4	32,074,311	13,700,194
Total Current Assets		<u>148,272,285</u>	<u>207,940,362</u>
NON-CURRENT ASSETS			
Mine properties	6	59,518,825	61,783,059
Property, plant and equipment	7	245,951,966	232,381,790
Exploration and evaluation asset	8	222,802,621	158,861,990
Intangible assets		184,875	184,875
Other financial assets	9	12,814,265	-
Right of use asset		1,412,294	9,529
Total Non-Current Assets		<u>542,684,846</u>	<u>453,221,243</u>
TOTAL ASSETS		<u>690,957,131</u>	<u>661,161,605</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		11,674,947	6,921,952
Lease liability		303,030	10,240
Provisions		522,356	323,787
Total Current Liabilities		<u>12,500,333</u>	<u>7,255,979</u>
NON-CURRENT LIABILITIES			
Other financial liabilities		11,082,199	11,503,791
Other liabilities	10	34,211,058	17,058,804
Lease liability		1,070,710	-
Provisions		29,946,412	31,085,639
Interest bearing borrowings	11	23,171,401	23,461,533
Total Non-Current Liabilities		<u>99,481,780</u>	<u>83,109,767</u>
TOTAL LIABILITIES		<u>111,982,113</u>	<u>90,365,746</u>
NET ASSETS		<u>578,975,018</u>	<u>570,795,859</u>
EQUITY			
Issued capital	12	551,643,783	504,254,583
Reserves		(6,009,460)	14,385,595
Accumulated losses		(22,883,582)	(7,360,822)
Non-controlling interests		56,224,277	59,516,503
TOTAL EQUITY		<u>578,975,018</u>	<u>570,795,859</u>

The accompanying notes form part of these financial statements.

SAYONA MINING LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated Group	Note	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Financial Asset Reserve	Non- Controlling Interests	Total
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		128,727,789	(67,643,223)	195,680	108,953	-	6,496,938	67,886,137
Profit for the period		-	68,353,465	-	-	-	25,593,724	93,947,189
Other comprehensive income for the period		-	-	(730,482)	-	-	(243,494)	(973,976)
Total comprehensive loss for the period		-	68,353,465	(730,482)	-	-	25,350,230	92,973,213
Transactions with owners in their capacity as owners and other transfers								
Shares issued during the period	12	195,209,836	-	-	-	-	26,385,939	221,595,775
Transaction costs	12	(9,232,563)	-	-	-	-	-	(9,232,563)
Transfer from option reserve on exercise of option	12	-	1,380,752	-	(1,380,752)	-	-	-
Share based payments/transactions		-	-	-	1,370,160	-	-	1,370,160
Total transactions with owners		185,977,273	1,380,752	-	(10,592)	-	26,385,939	213,733,372
Balance at 31 December 2021		14,705,062	2,090,994	(534,802)	98,361	-	58,233,107	374,592,722
Balance at 1 July 2022		504,254,583	(7,360,822)	12,623,768	1,761,827	-	59,516,503	570,795,859
Loss for the period		-	(15,522,760)	-	-	-	(3,195,941)	(18,718,701)
Other comprehensive loss		-	-	(19,210,068)	-	(1,559,810)	(96,286)	(20,866,164)
Total comprehensive loss for the period		-	(15,522,760)	(19,210,068)	-	(1,559,810)	(3,292,227)	(39,584,865)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated Group	Note	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Financial Asset Reserve	Non- Controlling Interests	Total
		\$	\$	\$	\$	\$	\$	\$
Transactions with owners in their capacity as owners and other transfers								
Shares issued during the period	12	47,389,200	-	-	-	-	-	47,389,200
Transfer from option reserve on exercise of option	12	-	-	6,754	(6,754)	-	-	-
Share based payments - options exercised	12	-	-	-	374,824	-	-	374,824
Total transactions with owners		47,389,200	-	6,754	368,070	-	-	47,764,024
Balance at 31 December 2022		551,643,783	(22,883,582)	(6,579,546)	2,129,897	(1,559,810)	56,224,277	578,975,018

The accompanying notes form part of these financial statements.

**SAYONA MINING LIMITED
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

		Consolidated Group	
		31 December 2022	31 December 2021
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(40,476,354)	(3,483,089)
Government subsidies		-	42,133
Interest received		1,165,740	5,525
GST received		5,366,856	-
Interest and other costs of finance paid		29,331	(936)
Foreign exchange gains		1,408,815	-
Other income and expenses		(104,337)	1,480
Net cash used in operating activities		(32,609,949)	(3,434,887)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for subsidiary, net of cash acquired		-	(105,264,361)
Payment for Moblan tenements		-	(116,661,862)
Net receipt of royalty advances		-	8,619,784
Purchase of property, plant and equipment	7	(22,995,824)	(87,896)
Capitalised exploration expenditure	6	(24,680,420)	(8,090,453)
Mine development expenditure		(47,356,523)	-
Deposits for rehabilitation provisions	4	(19,412,131)	-
Purchase of financial assets	9	(14,449,831)	-
Net cash used in investing activities		(128,894,729)	(221,484,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	12	47,389,201	227,395,786
Costs associated with shares & option issues	12	(1,066,582)	(7,862,455)
Repayments of right of use asset lease liabilities		(69,925)	(19,240)
Joint funding advances	10	18,390,914	-
Net cash used in financing activities		64,643,608	219,514,091
Net decrease in cash held		(96,861,070)	(5,405,584)
Cash and cash equivalents at beginning of period		184,559,499	35,502,596
Effect of exchange rates on cash and cash equivalents		(470,909)	31,141
Cash and cash equivalents at end of period		87,227,520	30,128,153

The accompanying notes form part of these financial statements.

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**SAYONA MINING LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Sayona Mining Limited ("the Company") is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company and its controlled entities ("the Group"). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half year.

Continued Operations and Future Funding

At 31 December 2022 total assets of the Group were A\$690,657,131 including cash balances of A\$87,227,520 property, plant & equipment of A\$245,951,966, together with mine and exploration assets of A\$222,802,621.

The Group's primary focus over the next 12 months is the restart of spodumene concentrate production at North American Lithium (NAL) from the first quarter 2023 together with an evaluation of downstream processing potential.

A definitive feasibility study is underway for the profitable production of spodumene concentrate at NAL, combined with production from nearby Authier.

To complete the refurbishment and restart of the NAL assets, undertake mine development at the Authier Project and other planned activity, the Group is likely to require additional funding.

The Directors are confident that the additional funding can be raised as and when required, given the prospects of the Canadian projects and the equity raised in the last 18 months prior to balance date.

The financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The financial report does not include adjustments relating to the recoverability or classification of recorded assets or to amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern

The Company has an 'At The Market Subscription' Agreement (previously referred to as a Controlled Placement Agreement) for standby equity capital of A\$200 million. The remaining standby equity available under the facility is currently A\$193.55 million.

The Company has arranged for a Flow Through Share Placement (refer subsequent events note) for C\$50 million to fund drilling activity associated with the Moblan project. This placement was finalised in March 2023.

These interim financial statements were authorised for issue on the date of signing the Director's Declaration.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. In addition, the following significant accounting policies were applied to the reporting period. The Group has considered the implication of new and amended Accounting Standards, but determined that the application to the financial statements is either not relevant or not material.

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Restoration Costs

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Provision is made for close-down, restoration and environmental costs when the obligation occurs, based on the net present value of estimated future costs required to satisfy the obligation. Management uses its judgment and experience to determine the potential scope of closure rehabilitation work required to meet the Group's legal, statutory and constructive obligations, and any other commitments made to stakeholders, and the options and techniques available to meet those obligations and estimate the associated costs and the likely timing of those costs.

Mine Properties

Mines under construction

Mine properties under construction comprises exploration and evaluation expenditure once the work completed to date supports the future development of the property and such development receives appropriate approvals.

All subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

After production starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines' which is also a sub-category of 'Mine properties'.

(i) Initial recognition

Upon completion of the mine construction phase, the assets are transferred into "Property, plant and equipment" or "Mine properties". Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Mine properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition. When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

(ii) Deferred Stripping Costs

Stripping costs incurred during the development phase of a mine (often referred to as over burden removal costs), are usually capitalised as part of the depreciable cost of building, developing and constructing the mine. The deferred stripping costs are amortised over the life of the mine using the units of production (UoP) method.

(iii) Depreciation/amortisation

Accumulated mine development costs are depreciated/amortised on a unit of production (UOP) basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method is applied. The unit of account for run-of-mine (ROM) costs is tonnes of ore, whereas the unit of account for post-ROM costs is recoverable tonnes of lithium and recoverable tonnes of spodumene. Rights and concessions are depleted on the UOP basis over the economically recoverable reserves of the relevant area. The UOP rate calculation for the depreciation/amortisation of mine development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure. Economically recoverable reserves include proven and probable reserves.

The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortised on a UOP basis, whereby the denominator is the proven and probable reserves, and for some mines, a portion of mineral resources which are expected to be extracted economically. These other mineral resources may be included in depreciation calculations in limited circumstances and where there is a high degree of confidence in their economic extraction. This would be the case when the other mineral resources do not yet have the status of reserves merely because the necessary detailed evaluation work has not yet been performed and the responsible technical personnel agree that inclusion of a proportion of measured and indicated resources is appropriate based on historic reserve conversion rates.

The estimated fair value of the mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to amortisation, until the resource becomes probable of economic extraction in the future and is recognised in exploration and evaluation assets.

The premium paid in excess of the intrinsic value of land to gain access is amortised over the life of the mine.

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other plant and equipment, such as mobile mine equipment, is generally depreciated on a straight-line basis over their estimated useful lives, as follows:

- Buildings 20 years
- Plant and equipment 5 to 15 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient relinquishes control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

Inventories

Inventories are valued at the lower of cost and net realisable value, primarily on a weighted average cost basis. Average costs are calculated by reference to the cost levels experienced in the relevant month together with those in opening inventory. The cost of raw materials and consumable stores in the purchase price. The cost of partly-processed and saleable products is generally the cost of production, including:

- Labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore or the production of spodumene;
- The depreciation of mining properties and leases and of property, plant and equipment used in the extraction and processing of ore or the production of spodumene and other refined products; and
- Production overheads.

Work in progress includes ore stockpiles and other partly processed material. Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to if and/or when the stockpiled ore will be processed, the ore is expensed as mined. If the ore will not be processed within 12 months after the balance sheet date, it is included within non-current assets and net realisable value is calculated on a discounted cash flow basis. Quantities of stockpiled ore are assessed primarily through surveys and assays. Certain estimates, including expected metal recoveries, are calculated using available industry, engineering and scientific data, and are periodically reassessed taking into account technical analysis and historical performance.

Non-convertible Redeemable Preference Shares

Preference share capital is classified as equity if it is non-convertible, non-redeemable or redeemable only at the discretion of the Parent Entity, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors. Preference share capital is classified as a liability if it is non-convertible or if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Critical Accounting Judgements and Estimates

The Group has identified new significant judgements and estimates and assumptions in the half year period:

Significant Judgements:

During the preparation of the financial report, significant judgements were made in relation to:

- inventory costs including mining activities that contribute to the cost of inventories
- mine development costs and deferred stripping costs associated with the development of the mine.

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Work is continuing to refine the Group's accounting policies for inventory costs and mine development costs. It is planned for the Group accounting policies to be finalised before the end of the current financial year.

Significant Estimates:

(i) *Uncertain tax position – Unutilised tax losses on acquisition*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances arises. The adjustment is treated as a reduction to goodwill if it has occurred during the measurement period or if outside the recognition period, is recognised in the statement of profit or loss and other comprehensive income.

(ii) *Functional currency*

Management have determined the functional currency for the parent entity and its subsidiaries, is the currency of the primary economic environment in which the entity operates, which is the Australian dollar. The currencies of entities in the Group are the Canadian dollar and Australian dollar. Determining the functional currency involves judgements to identify the primary economic environment and the Company will reconsider the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(iii) *Mine restoration*

The ultimate mine restoration costs are uncertain, and costs estimates can vary in response to many factors including estimates of the extent of costs of rehabilitation activities, technological changes, regulatory changes, cost increases compared to inflation rates and changes in discount rates. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

NOTE 2: RESULT FOR THE PERIOD	Half Year Ended 31 Dec 2022	Half Year Ended 31 Dec 2021
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Gain from bargain purchase	-	108,374,739

NOTE 3: INVENTORIES	31 December 2022	30 June 2022
	\$	\$
At Cost:		
Work in progress	6,344,558	-
	6,344,558	-

Inventories are measured at the lower of cost or net realisable value, primarily on a weighted average cost basis. The cost of processed products includes directly attributable material costs, labour costs, contractor costs and an appropriate proportion of variable and fixed overheads.

Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Work in progress includes ore stockpiles and other partly processed material. Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to if and when the stockpiled ore will be processed, the cost of such ore is expensed as mined. If the ore will not be processed within 12 months after the balance date, it is included within non-current assets and net realisable value is calculated on a discounted cash flow basis. Quantities of stockpiled ore are assessed primarily through surveys

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 4: OTHER ASSETS

	31 December 2022	30 June 2022
	\$	\$
Current:		
Deposits	31,404,110	13,120,369
Prepayments	670,201	579,825
	32,074,311	13,700,194

NOTE 5: SIGNIFICANT TRANSACTION AND EVENTS

This section provides additional information which will help users understand how changes in the Group structure have impacted the financial position and performance of the Group as a whole and the significant events that have occurred during the year impacting the financial position and performance of the Group.

Acquisition date fair values

a) Jourdan Resources

On November 14, the Group finalised negotiations with Jourdan Resources (TSXV:JOR) to acquire 20 claims outright with a right to earn up to 51% stake in remaining 28 claims of the Vallee project based on spending and funding milestones.

In addition, the Group acquired 9.99% shareholding in Jourdan for \$1,501,200 through a private placement and will have the right to appoint a director on Jourdan's board.

At 31 December 2022, the investment in Jourdan Resources was treated as a financial asset measured at fair value through other comprehensive income. As the Jourdan Resources shares are listed on the Toronto Stock Exchange (TSX), the fair value adjustment was determined through market value of the shares at 31 December 2022. The fair value adjustment was made at 31 December 2022. The shares are not held for trading purposes.

b) Troilus Gold Corp

On November 17, the Group finalised negotiations with Troilus Gold Corp to acquire a 100% interest in 1,824 claims spanning 985 km² near Moblan Lithium Project and extending over a major part of the Frotet-Evan Greenstone Belt from Troilus Gold Corp (TSXV:TLG) for C\$40 million payable in Sayona Mining Ltd (ASX: SYA) shares (stock). In addition, the Group has acquired a 9.26% equity stake for C\$10 million in Troilus common shares through the subscription of 10.5 million shares at C\$0.49 per share.

The claims are adjacent to the Moblan project, securing key areas for potential extension to known mineralisation. Troilus will receive a 2% net smelter return (NSR) on all mineral products from the acquired claims. Sayona has the right to repurchase the NSR for C\$20 million in cash from a date 30 days prior to the commencement of commercial production on any of the acquired claims.

At 31 December 2022, the investment in Troilus Gold was treated as a financial asset measured at fair value through other comprehensive income. As the Troilus Gold shares are listed on the TSX, the fair value adjustment was determined through market value of the shares at 31 December 2022. The fair value adjustment was made at 31 December 2022. The shares are not held for trading purposes.

NOTE 6: MINE PROPERTIES

	31 December 2022	30 June 2022
	\$	\$
Opening Balance	61,783,059	-
Acquisition	-	59,889,276
Foreign currency translation movement	(2,264,234)	1,893,783
	59,518,825	61,783,059

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 7: PROPERTY, PLANT & EQUIPMENT

Consolidated Group	Land & Buildings	Office & Mobile Equip	Machinery & Equip	Capital Works in Progress	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	137,295	4,353	20,574	-	162,222
Additions		1,021,282		21,226,987	22,248,269
Acquisitions	76,443,606	685,531	126,258,128	-	203,387,265
Depreciation Expense	(2,322)	(3,176)	(7,609)	-	(13,107)
FX Adjustment	2,424,410	17,031	4,155,700	-	6,597,141
Balance as at 30 June 2022	79,002,989	1,725,021	130,426,793	21,226,987	232,381,790
Balance at 1 July 2022	79,002,989	1,725,021	130,426,793	21,226,987	232,381,790
Additions	101,028	564,678	747,176	21,737,145	23,150,027
Disposals	(561)	(22,673)	(134,938)	-	(158,172)
Depreciation Expense	(384)	(134,793)	(948)	-	(136,125)
FX Adjustment	(2,898,630)	(83,607)	(4,799,461)	(1,503,856)	(9,285,554)
Balance as at 31 December 2022	76,204,442	2,048,626	126,238,622	41,460,276	245,951,966

NOTE 8: EXPLORATION AND EVALUATION ASSETS

	31 December 2022	30 June 2022
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - group interest 100% (a)	96,345,729	34,800,724
Exploration and evaluation phase - subject to joint operation (b)	126,456,892	124,061,266
	222,802,621	158,861,990

(a) Movement in exploration and evaluation expenditure:

	Non-Joint Operation	
	31 December 2022	30 June 2022
Opening balance - at cost	34,800,724	23,523,843
Capitalised exploration expenditure	64,893,761	7,972,562
Transfer from joint operations	-	1,908,058
Capitalised exploration expenditure written off	-	-
Foreign currency translation movement	(3,348,756)	1,396,261
Carrying amount at end of year	96,345,729	34,800,724

(b) Movement in exploration and evaluation expenditure:

	Subject to Joint Operation	
	31 December 2022	30 June 2022
Opening balance - at cost	124,061,266	2,028,885
Capitalised exploration & evaluation expenditure	7,143,186	2,342,622
Additions through acquisition (Note 5)	-	116,561,471
Transfer to non-joint operations	-	(1,908,058)
Capitalised exploration expenditure written-off	-	-
Foreign currency translation movement	(4,747,560)	5,036,346
Carrying amount at end of year	126,456,892	124,061,266

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 8: EXPLORATION AND EVALUATION ASSETS (continued)

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects, or alternatively, through the sale of the areas of interest.

Commitments in respect of exploration projects are set out in Note 13.

During the period, the revised Earn-In Agreement for the Pilbara lithium tenement portfolio with Morella Limited (formerly known as Altura Mining Limited) achieved the \$1.5 million investment milestone. Morella has now earned its 51% interest in the tenements included in the Earn In Agreement. Going forward, Morella will now control the exploration program for the nominated tenements and Sayona will contribute its 49% based on the agreed budgeted activities. Morella is yet to formalise the budget for the 2023 calendar year.

NOTE 9: OTHER FINANCIAL ASSETS	31 December 2022	30 June 2022
	\$	\$
Investments in equity instruments designated as at fair value through other comprehensive income		
Listed investments:		
Shares in listed corporations	12,814,265	-
	12,814,265	-

Refer to Note 5 for details relating to the acquisition of the financial assets.

NOTE 10 OTHER LIABILITIES

Joint funding advances	34,211,058	17,058,804
(a) NAL Funding Advances		

At December 31, 2022, Piedmont Lithium Limited (PLL) has agreed to continue joint funding advances for the purposes of the North American Lithium (NAL) refurbishment. The \$4.98 million funds due by the end of December 2022 were not transferred until January 5, 2023 and have been reflected in the receivables at period end.

This loan from Piedmont Lithium Limited, which represents their 25% proportion of the cash advances has been treated as an equity loan.

NOTE 11: INTEREST BEARING BORROWINGS	31 December 2022	30 June 2022
	\$	\$
Non-convertible redeemable cumulative preference shares (a)	23,171,401	23,461,533
(a) Preference Shares on issue are as follows:		
Opening Balance	23,461,533	-
Issued during the period:		
- 7 August 2021, issued as part of the settlement of the acquisition of NAL	-	21,815,600
Interest accrued	589,347	926,642
Foreign currency translation movement	(879,479)	719,291
Closing balance	23,171,401	23,461,533

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 11: INTEREST BEARING BORROWINGS (continued)

These shares are classified as a non-current financial liability in the statement of financial position. Interest is accrued or paid at 5% per annum. The shares may be redeemed at the option of NAL or at the option of Investissement Quebec (IQ), subject to satisfaction of various performance hurdles. The shares cannot be converted to equity at any time.

Terms of the preference shares are detailed below:

- Preference shareholders are not entitled to dividends or to vote at shareholder meetings.
- In the event of default, liquidation, receivership IQ rank before the ordinary shareholders in priority.
- Redemption commences in accordance with the NAL Constitution and Governance Agreement once the mine is in commercial operation and the redemption term is up to 10 years after the first anniversary of the issue of these shares.
- Interest of A\$ 589,347 was accrued in the half year to 31 December 2022.

At 31 December 2022, the financial liability has been recorded at its issue price plus accrued interest.

NOTE 12: ISSUED CAPITAL

	31 December 2022	30 June 2022
	\$	\$
Fully paid ordinary shares	551,643,783	504,254,583
	Half Year Ended	Half Year Ended
	31 Dec 2022	31 Dec 2021
	No.	No.
(a) Ordinary shares		
Balance at the beginning of the reporting period	8,246,754,692	5,153,695,375
Shares issued during the period:	-	1,898,211,150
26 July 2022, issue of shares on conversion of options at \$0.03	6,352	-
26 July 2022, issue of shares on conversion of options at \$0.02	1,343,846	-
26 July 2022, issue of shares on conversion of options at \$0.03	2,012,025	-
29 July 2022, issue of shares on conversion of options at \$0.03	47,432,492	-
8 August 2022, issue of shares on conversion of options at \$0.02	175,000	-
17 August 2022, issue of shares on conversion of options at \$0.02	1,060,807	-
9 September 2022, issue of shares on conversion of options at \$0.02	5,540,995	-
26 September 2022, issue of shares on conversion of options at \$0.02	4,831,271	-
31 October 2022, issue of shares on conversion of options at \$0.02	1,347,620	-
11 October 2022, issue of shares on conversion of options at \$0.02	3,609,563	-
17 November 2022, new Issue - Troulis at \$0.2416	184,331,797	-
18 November 2022, issue of shares on conversion of options at \$0.02	1,353,000	-
22 November 2022, Piedmont top up new issue at \$0.0259	21,422,594	-
22 November 2022, Acuity new issue	155,000,000	-
25 November 2022, Exercise of options B Lynch at \$0.04	2,000,000	-
25 November 2022, Exercise of options at \$0.02	1,811,504	-
28 November 2022, New Issue B Lynch Incentive shares at \$0.04	4,000,000	-
22 December 2022, issue of new shares on conversion of options at \$0.02	1,710,473	-
Balance at reporting date	8,685,744,031	7,051,906,525

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 12: ISSUED CAPITAL (continued)

Options on issue are as follows:	Half Year Ended 31 Dec 2022 No.	Half Year Ended 31 Dec 2021 No.
(i) Unlisted employee and officer options		
Balance at beginning of reporting period	42,000,000	8,000,000
Granted during the period	-	-
Exercised during the period	(2,000,000)	(4,000,000)
Expired during the period	-	-
Balance at reporting date	<u>40,000,000</u>	<u>4,000,000</u>
(ii) Listed options		
Balance at beginning of reporting period	308,290,518	474,857,645
Exercised during the period	(72,234,948)	(92,239,952)
Expired during the period	(2,750,795)	-
Balance at reporting date	<u>233,304,775</u>	<u>382,617,693</u>
(iii) Other Unlisted options		
Balance at beginning of reporting period	-	-
Granted during the period	2,234,482	13,200,000
Exercised during the period	-	(13,200,000)
Balance at reporting date	<u>2,234,482</u>	<u>-</u>

NOTE 13: COMMITMENTS

Exploration and mine development commitments

The entity must meet minimum expenditure commitments on granted exploration tenements to maintain those tenements in good standing. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

The Group has also entered into an agreement for contract works on mine development.

The following commitments exist at balance date but have not been brought to account.

	31 December 2022	30 June 2022
	\$	\$
Not later than 1 year	1,803,111	1,484,651
Between 1 year and 5 years	2,933,754	2,327,555
Total commitment	<u>4,736,866</u>	<u>3,812,206</u>

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 14: EARNINGS PER SHARE	Half Year Ended 31 Dec 2022	Half Year Ended 31 Dec 2021
The earnings figures used in the calculation of both the basic EPS and the dilutive EPS are the same.	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	8,379,890,727	6,306,045,339
Weighted average number of ordinary shares and potential ordinary shares outstanding during the period used in the calculation of diluted EPS.	8,674,091,105	6,755,746,624

NOTE 15: DIVIDENDS

No dividends were declared or paid during the period.

NOTE 16: CONTINGENT LIABILITIES

There were no material contingent liabilities at the end of the reporting period.

NOTE 17: EVENTS AFTER THE END OF THE INTERIM PERIOD

The Company has undertaken preliminary funding negotiations but at the date of this report, there are no contracts or commitments in place.

On 7 March, the Company has entered into a subscription agreement with PearTree Securities Inc for approximately C\$50,000,000 (A\$54,954,640 before costs) through the issue of 174,459,177 shares at an issue price of C\$0.2866 (A\$0.315). The gross proceeds received by the company will be used to incur Canadian exploration expenses (CEE) that qualify as “flow through critical mineral mining expenditures” as such term is defined in the Income Tax Act (Canada) by December 31, 2024.

Funds raised will be applied to exploration and drilling at Sayona’s Québec assets including expedited follow-up drilling at priority targets, prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses. Jett Capital Advisors LLC acted as adviser to Sayona and the Flow Through Share (FTS) Placement has been facilitated by Canadian flow-through dealer, PearTree Securities Inc.

There have been no other key events since the end of the period.

NOTE 18: SHARE BASED PAYMENTS

On November 17 2022, 184,331,797 Sayona shares were issued to Troilus Gold Corp at A\$0.2416 per share for the 1,824 claims acquired. Consideration was in the form of Sayona (SYA) stock and C\$10 million.

On November 28 2022, Jett Capital were issued 2,234,482 service options with a unit value of \$0.13 for corporate advisory work undertaken for the Company. The exercise price was \$0.1825.

NOTE 19: STANDBY CAPITAL FACILITY

On 5 August 2022, the Company increased the current Controlled Placement Agreement limit to A\$200 million and extended the expiry date to 31 July 2025. The agreement, provides the Group with standby equity capital of up to A\$200 million over the period to 31 July 2025. The collateral shares are cancellable at any time by the Company for no consideration. The collateral share may be applied by the Company to meet any share issues under the agreement when subscription monies are received.

**SAYONA MINING LIMITED
AND CONTROLLED ENTITIES
ABN 26 091 951 978**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

NOTE 20: INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

Name	Principal Place of Business	Country of Incorporation	Ownership interest*	
			2022 %	2021 %
Sayona East Kimberly Pty Ltd	Australia	Australia	100	100
Sayona International Pty Ltd	Australia	Australia	100	100
Sayona Inc	Canada	Canada	100	100
Sayona Quebec Inc	Canada	Canada	75	75
Sayona Nord Inc	Canada	Canada	100	100
North American Lithium Inc	Canada	Canada	100	100
9474-9454 Quebec Inc	Canada	Canada	100	-

* The proportion of ownership interest is equal to the voting power held. Ownership interests are directly held.

NOTE 21: OPERATING SEGMENTS

The Group operates internationally, in the mineral exploration industry. Segment reporting is based on the whole of entity. Geographical segment information is as follows:

	Australia		Canada		Consolidated Group	
	Half Year Ended 31 December		Half Year Ended 31 December		Half Year Ended 31 December	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
REVENUE						
Revenue	858,218	64,373	536,495	108,469,123	1,394,713	108,533,496
Total segment revenue	858,218	64,373	536,495	108,469,123	1,394,713	108,533,496
RESULT						
Profit/(Loss) from ordinary activities before income tax expense	(1,594,856)	(6,226,421)	(17,123,846)	100,173,610	18,718,701	93,947,189
ASSETS						
Segment assets	91,173,744	31,096,678	599,783,388	413,799,261	690,957,131	444,895,939
LIABILITIES						
Segment liabilities	35,703,966	1,248,152	76,278,147	69,055,065	111,982,113	70,303,217

SAYONA MINING LIMITED AND CONTROLLED ENTITIES
ABN 26 091 951 978

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Brett L. Lynch
Managing Director



Paul Crawford
Director

Dated this: 15th day of March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sayona Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Sayona Mining Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated condensed statement of financial position as at 31 December 2023, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT (Continued)

Report on the Half-Year Financial Report (Continued)

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Robertson.

Ann -Maree Robertson
Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 15 March 2023

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