



ASX ANNOUNCEMENT



20 OCTOBER 2016

Update on Authier Drilling Program

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce an update on the first phase of diamond drilling at the Authier lithium deposit, Quebec.

The Company has drilled 3,500 metres of drilling in 16 holes. The program has successfully:

- Demonstrated the potential to increase the size of the existing JORC Resource;
- The potential to improve the confidence level of the JORC Resource categories; and
- Discovered a new parallel pegmatite 400 metres north of the main Authier pegmatite.

The drilling has intersected significant zones of spodumene mineralisation and extended the areas of known mineralisation. The Company believes the new drilling has the potential to expand the size of the existing JORC Resource, and the mineralisation remains open at depth.

A new pegmatite was discovered in a step-back drill hole (no. 10) targeting deeper mineralisation in the eastern zone of the Authier pegmatite. The new pegmatite, which does not outcrop, was intersected at shallow levels between 15 metres to 21 metres downhole depth and contained visible spodumene mineralisation. Further drilling is required to test the extent of the new pegmatite system. The new discovery highlights the potential for identifying new pegmatites within the Authier tenement package which remains under explored outside the main pegmatite resource.

Drill core is being progressively logged and sent to the laboratory for lithium analysis and the first assay results are expected shortly

The Company is planning another phase of drilling early in 2017 targeting:

- Strike extensions to the main pegmatite body, especially in the west sector;
- The potential scale of mineralisation in the new pegmatite system recently discovered during drill hole 10; and
- Further drilling required for reserve definition purposes for a planned definitive feasibility study planned for 2017.

The Company's drilling objective is to significantly expand the size of the Authier JORC Resource and extend the mine life, and potentially the scale of a future operation. A pre-feasibility study is underway to study the technical and commercial viability of the base case development scenario, and is due for completion late in 2016.

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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.

The Company's primary focus is the development of the advanced stage Authier lithium project in Quebec, Canada. Authier mineralisation is hosted in a spodumene-bearing pegmatite intrusion with more than 18,000 metres of drilling in 139 holes.

The Authier JORC compliant Mineral Resource estimate is tabulated below at a 0.5% Li₂O cut-off grade.

Authier JORC Mineral Resources Estimate (0.5% Li ₂ O cut-off grade)			
Category	Million Tonnes	Grades Li ₂ O	Contained Li ₂ O
Measured	2.08	0.95%	19,730
Indicated	5.16	0.97%	50,092
Inferred	1.88	0.93%	17,480
Total	9.12	0.96%	87,302
Cautionary Note - Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate.			

Authier is amenable to simple open-cut mining and processing methods, and is situated in close proximity to development infrastructure. The Company is currently completing a pre-feasibility study due for completion in late 2016.

In addition, the Company controls a portfolio of lithium and graphite exploration projects in Western Australia.

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

Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- "Authier JORC Resources", 5 July 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.