



ASX ANNOUNCEMENT



28 September 2017

Sayona Mining Limited (ASX: SYA) ("Sayona" or "Company") is pleased to announce the launch of a Pro rata renounceable Rights Issue to raise \$4.9 million.

The proceeds from the Rights Issue and the Company's existing cash will be applied to:

- accelerate the development of the Company's Authier lithium project in Canada;
- completion of the pre-feasibility study and to undertake the definitive feasibility on the Authier Lithium Project;
- provide general working capital; and
- corporate costs and the cost of the issue.

PRO RATA RENOUNCEABLE RIGHTS ISSUE (\$4.9M)

The Company now commences a pro rata renounceable rights issue, comprising an offer on the basis of one (1) New Share for every two (2) existing Shares held at an issue price of 1 cent (\$0.01) per New Share (**Issue Price**) (**Rights Issue**).

Under the Rights Issue, Sayona may issue a maximum of 487,409,777 New Shares (subject to rounding) to raise up to \$4,874,097 (before the costs of the offer).

The Rights Issue is to be partially underwritten up to \$2.5 million by Patersons Securities Limited (**Patersons**), who are also acting as the Lead Manager to the Rights Issue.

Indicative Timetable

The current proposed timetable for the Rights Issue is documented below. The dates are indicative only and Sayona reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

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Activity	Date
Announcement of pro rata renounceable rights issue	Thursday, 28 September 2017
Lodge Appendix 3B	Thursday, 28 September 2017
Lodge Prospectus with ASIC and ASX - Release copy of offer documentation on ASX	Tuesday, 3 October 2017 Day 0
Trading of rights commences	Thursday, 5 October 2017
Trading resumes on an ex-entitlement basis	Friday, 6 October 2017
Record Date for Entitlement to participate in the Rights Issue	7pm (Brisbane time) Monday, 9 October 2017
Dispatch Prospectus and Entitlement and Acceptance Form to Shareholders	Wednesday, 11 October 2017
Trading of Rights ends	Friday, 27 October 2017
Last day to extend the offer closing date	Tuesday, 31 October 2017
Closing date for Rights Issue	Friday, 3 November 2017
Shortfall notification to ASX	Tuesday, 7 November 2017
Shortfall settled	Thursday, 9 November 2017
Issue date, deferred settlement trading ends	Friday, 10 November 2017
Normal ASX trading resumes	Monday, 13 November 2017

An Appendix 3B in respect of the capital raising is also attached.

For more information, please contact:

Paul Crawford

Company Secretary

Phone: +61 (7) 3369 7058

Email: info@sayonamining.com.au

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.

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/00, 30/9/01, 11/3/02, 1/1/03, 21/10/05, 1/8/12, 4/3/13

Name of entity

SAYONA MINING LIMITED

ABN

26 091 951 978

We (the entity) give ASX the following information:

Part 1 - All issues

1	Class of securities issued or to be issued	Ordinary Fully Paid Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	487,409,777
3	Principal terms of the securities	Fully Paid Ordinary Shares to be offered pursuant to a 1:2 renounceable entitlement offer
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Ordinary shares rank equally in all respects
5	Issue price or consideration	\$0.01 (1 cent) per share
6	Purpose of the issue	Provide funding to accelerate the development of the Company's Authier lithium project, corporate costs and general working capital.
6a	Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 November 2016
6c	Number of securities issued without security holder approval under rule 7.1	Nil
6d	Number of securities issued with security holder approval under rule 7.1A	Nil

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6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of securities issued under an exception in rule 7.2	487,409,777				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 71,962,969 LR 7.1A 91,024,567				
7	Issue dates.	9 November 2017 - Shareholder entitlement acceptance 10 November 2017 - Underwritten shortfall shares				
8	Number and class of all securities quoted on ASX	<table border="1"> <thead> <tr> <th>Number</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1,462,229,330</td> <td>Ordinary shares</td> </tr> </tbody> </table>	Number	Class	1,462,229,330	Ordinary shares
Number	Class					
1,462,229,330	Ordinary shares					
9	Number and class of all securities not quoted on ASX	<table border="1"> <thead> <tr> <th>Number</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td></td> </tr> </tbody> </table>	Number	Class	Nil	
Number	Class					
Nil						
10	Dividend policy on the increased capital (interests)	Nil				

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the securities will be offered	1 fully paid ordinary share for every 2 shares held on the record date
14	Class of securities to which the offer relates	Fully paid ordinary shares
15	Record date to determine entitlements	7pm (Brisbane time) 9 October 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractional entitlement will be rounded up to the next whole number of share
18	Names of countries in which the entity has security holders who will not be sent new issue documents	All countries except Australia and New Zealand

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Appendix 3B – New Issue Announcement

19	Closing date for receipt of acceptances or renunciations	3 November 2017
20	Names of any underwriters	The Rights Issue is to be partially underwritten up to \$2.5 million by Patersons Securities Limited
21	Amount of any underwriting fee or commission	An Underwriting Fee of 6.5% of the value of all new shares issued under the Rights Issue.
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	A Management Fee of \$60,000
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	11 October 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	5 October 2017
29	Date rights trading will end (if applicable)	27 October 2017
30	How do security holders sell their entitlements in full through a broker?	Contact your stockbroker or Patersons Securities and refer to details provided in the Prospectus and the accompanying Entitlement and Acceptance Form.
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	Contact your stockbroker or Patersons Securities and refer to details provided in the Prospectus and the accompanying Entitlement and Acceptance Form.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Contact the Company's Share Registry – Computershare and refer to details provided in the Prospectus and the accompanying Entitlement and Acceptance Form.
33	Issue date	9 November 2017 - Shareholder entitlement acceptance 10 November 2017 - Underwritten shortfall shares

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Part 3 - Quotation of securities

- 34 Type of securities (tick one)
- (a) Securities described in Part 1
- (b) All other securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36 If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

- 38 Number of securities for which quotation is sought
- 39 Class of securities for which quotation is sought
- 40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?
 If not, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- 42 Number and class of all securities quoted on ASX (including the securities in clause 38)
- | Number | Class |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	801,869,818
Add the following:	
• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2	104,625,853
• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval	3,750,000
• Number of partly paid ordinary securities that became fully paid in that 12 month period	Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	910,245,671
Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	136,536,851
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:	
• Under an exception in rule 7.2	64,573,882
• Under rule 7.1A	
• With security holder approval under rule 7.1 or rule 7.4	
“C”	64,573,882
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	136,536,851
Subtract “C”	64,573,882
Total [“A” x 0.15] – “C”	71,962,969

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” (number must be same as shown in Step 1 of Part)	910,245,671
Step 2: Calculate 10% of “A”	
“D”	
Multiply “A” by 0.10	91,024,567

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Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	Nil
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 (number must be same as shown in Step 2)	91,024,567
Subtract “E” (number must be same as shown in Step 3)	Nil
Total [“A” x 0.10] – “E”	91,024,567

Quotation agreement

- 1 Quotation of our additional securities is in ASX’s absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 28 September 2017

(Director/Company Secretary)

Print name: **PAUL CRAWFORD**

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