



ASX ANNOUNCEMENT



9 NOVEMBER 2017

STRATEGIC ALLIANCE AIMED AT ADVANCING AUTHIER TOWARDS RAPID DEVELOPMENT AND MAXIMISING THE VALUE OF THE PROJECT

- Memorandum of Understanding signed with Huan Changuan Lico Co Ltd, a subsidiary of Fortune 500 company, Minmetals Group
- Strategic alliance to explore marketing, technical, and financial development options for the Authier lithium project
- Alliance to focus on fast-tracking towards production and exploring for value-adding opportunities for the Authier spodumene concentrate production

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce the signing of a non-binding Memorandum of Understanding ("MOU") with leading China based battery manufacturer, Huan Changyuan Lico Co Ltd ("Changyuan").

Changyuan, a subsidiary of the Fortune 500 Company, China Minmetals Group, is a battery research, development, and production company. In 2016, the company produced more than 16,000 tonnes of battery cathode materials and is expanding its production capacity to 36,000 tonnes in 2018. The main products produced include, lithium cobalt oxide and lithium manganese oxide batteries, and ternary composite lithium-ion cathode materials.

The MOU paves the way for advancing discussions to facilitate a development alliance exploring marketing, technical and financial opportunities for the Authier project, including:

- Changyuan purchasing up to 100,000 tonnes of spodumene concentrate per annum;
- Development partnerships for the value-adding of the concentrates into lithium carbonate and/or lithium hydroxide in either China or Canada; and
- Funding and investment opportunities for Sayona and the Authier project.

Corey Nolan, Chief Executive Officer, commented, *"The Company has been exploring a number of options on how it best realises value from the Authier project. The alliance with Changyuan represents a timely, exciting path forward as the Company moves towards completing its Definitive Feasibility and meeting its objective of producing first concentrates in 2019/2020, and capitalising on the projected high price environment for spodumene concentrates"*.

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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 22,000 metres of drilling in 139 holes. The Authier JORC (2012) compliant Ore Reserve and Mineral Resource estimates are tabulated below at a 0.45% Li₂O cut-off grade.

Authier JORC Ore Reserve Estimate (0.45% Li ₂ O cut-off grade)			
Category	Tonnes (Mt)	Grades (%Li ₂ O)	Contained Li ₂ O
Proven Reserve	4.9	0.97%	47,821
Probable Reserve	5.3	1.06%	55,904
Total Reserves	10.2	1.02%	103,725
Note: The Ore Reserve is based on the February 2017 Mineral Resource estimate and February 2017 Pre-Feasibility Study			

Authier JORC Mineral Resources Estimate (0.45% Li ₂ O cut-off grade)			
Category	Tonnes (Mt)	Grades (% Li ₂ O)	Contained Li ₂ O
Measured	5.62	1.01%	56,762
Indicated	9.57	1.03%	98,571
Inferred	2.21	0.99%	21,879
Total Resources	17.4	1.02%	177,212

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 an updated Pre-feasibility Study, due for completion in 3Q0217, prior to the commencement of a Definitive Feasibility Study which is planned to be completed in early 2018.

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

Reference to Previous ASX Releases

This document refers to the following previous ASX releases:

- Expanded Authier JORC Resource, 14 June 2017
- Authier maiden JORC Ore Reserve estimate, 17 February 2017
- Authier Pre-Feasibility Study" 17 February 2017

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.