Authier Lithium Project Advances to the Definitive Feasibility Stage

December 2017

ASX: SYA
Disclaimer

Forward Looking Statements

This presentation may contain certain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Sayona Limited’s control. Actual events or results may differ materially from the events or results expected or implied in any forward looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. Sayona Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation (subject to securities exchange disclosure requirements). The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.

Reference To Previous ASX Releases

This presentation refers to the following previous ASX releases:

- Authier JORC Resource Expanded, 11 December 2017
- Authier Maiden JORC Ore Reserve, 11 December 2017
- Authier PFS, 11 December 2017
- Authier Downstream Concept Study Demonstrates Positive Economics, 30 August 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.

Downstream Concept Study

The Concept Study referred to in this announcement has been undertaken to determine the potential viability of downstream processing Authier concentrates into lithium carbonate and/or hydroxide. It is based on a low level technical and economic assessment and was based on the AACE International Recommended Practice No. 18R-97, as a Class 4 estimate. The study has not been used as the basis for the estimation of Ore Reserves. Further technical and economic assessment including, metallurgical testing, Feasibility Study and permitting will be required to provide any assurance or certainty of an economic development case.

The Concept Study is based on the mine and concentrator assumptions (includes Ore Reserves) outlined in the February 2017 Authier Pre-Feasibility Study, Authier Updated JORC Resource report (14 June 2017) a report prepared by Wave International on the downstream capital and operating costs, Appendix – Project Design Criteria, and other material assumptions outlined elsewhere in this document. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the outcomes indicated in the Concept Study will be achieved.

To achieve the potential downstream process plant development outcomes indicated in this Concept Study, additional funding will be required. Funding will be required to complete metallurgical testing ($100,000), feasibility studies and permitting (approximately $1,000,000) and development (approximately $223 to $240 million depending on whether it is a lithium carbonate or lithium hydroxide plant). Investors should note that there is no certainty that the Company will be able to raise the funding when needed. It is also possible that such funding may only be available at terms that may be too dilutive to or otherwise affect the value of Sayona shares. It is also possible that Sayona could pursue other value realisation strategies such as sale, partial sale or joint venture of the project. If it does, this could materially reduce Sayona’s proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Concept Study.

The Company has concluded it has reasonable basis for providing forward looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to continue funding the feasibility activities for the project.
Sayona Mining Limited, ASX: SYA

• Australian-based, ASX listed lithium exploration and development company
• Primary objective is to fast-track development of the advanced Authier Lithium Project
• Targeting first production at Authier in late 2019
• Significant portfolio of lithium and graphite exploration properties in Australia
Corporate Summary

<table>
<thead>
<tr>
<th>Trading Exchange</th>
<th>ASX: SYA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>1,462,229,614</td>
</tr>
<tr>
<td>Shareholders</td>
<td>19% Directors, 44% Top 20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capitalisation</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Price</td>
<td>4.3¢</td>
</tr>
<tr>
<td>As at 11 Dec 2017</td>
<td></td>
</tr>
<tr>
<td>Market cap</td>
<td>AUD$64m</td>
</tr>
<tr>
<td>Cash</td>
<td>AUD$5.0m</td>
</tr>
<tr>
<td>As at 10 Nov 2017</td>
<td></td>
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</tbody>
</table>

Research Coverage

Beer & Co.
Equity Research

Patersons

Independent Investment Research
<table>
<thead>
<tr>
<th>Name</th>
<th>Experience</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Brown</td>
<td>35 year’s experience including, 22 years with New Hope Corporation. Extensive mine development &amp; operational experience</td>
<td>Managing Director of Altura Mining - =&gt;$600m market cap</td>
</tr>
<tr>
<td>Allan Buckler</td>
<td>40 year’s experience building mining operations in Australia and Indonesia. Former Director and Chief Operations Officer for New Hope Corporation</td>
<td>Director of Altura Mining</td>
</tr>
<tr>
<td>Dan O’Neill</td>
<td>Geologist with 35 year’s experience in technical and corporate roles</td>
<td>Founding director of Orocobre Ltd. Director of Altura Mining</td>
</tr>
<tr>
<td>Paul Crawford</td>
<td>CPA with 35 years public company experience</td>
<td>Previously Company Secretary of companies including, Orocobre Ltd (founding director), Elementos and ActivEx</td>
</tr>
</tbody>
</table>
# Management

Building in-house capability across all technical disciplines

<table>
<thead>
<tr>
<th>Role</th>
<th>Details</th>
</tr>
</thead>
</table>
| Corey Nolan, CEO            | • 24 years experience in exploration, development, operations and corporate finance  
                              | • Started and managed a number of resource companies with projects in a range of commodities and countries |
| Jonathon Gagne, Canada Manager | • Mining Engineer with MBA and more than 10 years experience in operations and mine planning  
                                  | • Joined Sayona from Glencore Zinc’s open-cut mine planning division |
| Authier Processing Engineer | • Appointment to be announced soon                                       |
| Authier Project Manager     | • Appointment to be announced soon                                       |

Sayona Mining Limited, ASX: SYA
- EV / Measured & Indicated Resources

EV/Resource value is low

Enterprise Value Per tonne of Measured and Indicated Li2O Resource ($A million)

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Sayona Mining Limited, ASX: SYA
Sayona Significantly Undervalued

Exploration
- $358M
- $205M
- $83M
- $41M

Appraisal
- $529M
- $89M
- $128M
- $106M
- $84M
- $64M

Development
- $846M
- $256M
- $1524M
- $647M
- $1381M
- $1195M

Production
- $647M
- $83M
- $89M
- $205M
- $106M
- $217M
- $358M
- $205M
- $83M
- $41M

Sayona Mining Limited, ASX: SYA
Authier Lithium Project

- Located 45km from Val d’Or in Quebec, Montreal
- Hard-rock, spodumene lithium deposit
- 100% owned
- 26,000m of drilling
- Base-line environmental completed
- Well studied – PEA 2012, PFS 2017, 4-phases of metallurgy
Authier First Phase Development

**Simple, low-cost, truck and shovel, open-cut mining** operation

*Conventional concentrator* producing 96kt/yr of 6% Li2O concentrate

**Definitive Feasibility Study commenced.** Targeting completion 2Q2018

**Permitting** and **environmental** to be completed early 2018

Base case mine life **17-years**

**Low capital** hurdle and **competitive operating cost**

First Phase Development based on a Fast Track Permitting Regime
Authier Growth and Expansion Options

1. Increase Production Capacity &/or Resource Size
   - Increase plant capacity to sell more concentrates and shorten mine-life to maximise NPV
   - Further drilling to expand resource base (Phase 3 underway)

2. Integrated Refinery Model
   - Convert Authier concentrates into lithium hydroxide or carbonate
   - Scoping study completed – attractive economics
   - Leverages world-class infrastructure and low energy costs in Quebec
   - PFS and metallurgical test work to commence next quarter
   - Site selection process underway

Growth Options Funded from Phase 1 Concentrate Sales
2017 Pre-Feasibility Study Outcomes

Start-up capex of AUD$65 million and opex of US$327/t.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Tax NPV (8% real)</td>
<td>AUD$227m</td>
</tr>
<tr>
<td>Pre-Tax IRR</td>
<td>56%</td>
</tr>
<tr>
<td>Capital Payback</td>
<td>2.5 years</td>
</tr>
<tr>
<td>Ave Annual EBITDA</td>
<td>AUD$38m</td>
</tr>
<tr>
<td>Ave Operating Margin</td>
<td>US$287/t</td>
</tr>
<tr>
<td>Price Forecast</td>
<td>US$614/t</td>
</tr>
</tbody>
</table>
The Ore Reserve has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% Li2O cut-off grade.
Simple, Open-Cut Mining Operation

- Simple Mining Method
  Truck and shovel operation
- Competitive Mining Costs
  A$3.23/tonne average LOM
- Low Capex
  Mining Fleet Leased
- Conservative geotechnical assumptions – 55° pit slope
- Life-of-Mine - 17 years
- Large, thick tabular body
  LOM waste to ore ratio 6.95:1

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Conventional Process Flow-Sheet

• Conventional process flow-sheet - crush, grind and flotation

• Cash Operating Costs A$19.40/t ore life-of-mine

• 82% recovery to a 6.00% Li₂O concentrate

• 700,000 tpa processing capacity

• 96 Kt/yr Li₂O concentrate

• Dry Tailings simplifies approvals
Authier Project Site Layout
World-Class Infrastructure

- **5km**
  - Low cost **hydro power & gas**

- **5km**
  - Sealed **road access**

- **20km**
  - **Rail** access to export port

- **Experienced** **local mining workforce**

- **Major new hub of lithium carbonate production**
  - Electricity **5¢ kWh**
  - Gas < **$3 /GJ**
Off-take & Financing

MOU signed with Huan Changuan Lico Co Ltd - a subsidiary of Fortune 500 company, Minmetals Group – a battery materials manufacturer.

Strategic alliance to explore marketing, technical, and financial development options for the Authier lithium project.

MOU contemplates Changuan purchasing all the Authier concentrate production and assessing potential for downstream processing.
The resource has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% Li₂O cut-off grade.

<table>
<thead>
<tr>
<th>Mineral Resource</th>
<th>Tonnes (Mt)</th>
<th>Grades (Li₂O)</th>
<th>Contained (Li₂O)</th>
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</thead>
<tbody>
<tr>
<td>MEASURED</td>
<td><strong>5.86</strong></td>
<td>1.01%</td>
<td><strong>59,186</strong></td>
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<tr>
<td>INDICATED</td>
<td><strong>10.19</strong></td>
<td>1.03%</td>
<td><strong>104,957</strong></td>
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<tr>
<td>INFERRED</td>
<td><strong>2.20</strong></td>
<td>0.99%</td>
<td><strong>22,796</strong></td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>18.1</strong></td>
<td><strong>1.02</strong></td>
<td><strong>186,939</strong></td>
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</tbody>
</table>
Phase 3 Drilling Targeting Resource Expansion

Drilling Program Objectives

- Upgrading the Mineral Resources categories
- Expand the Northern pegmatite
- Converting mineral resources to reserves
- Exploring for extensions to the mineralisation
- Collecting geotechnical data for Definitive Feasibility Study
- Metallurgical testing

3,000 – 4,000 metres
# Integrated Refinery Model

## Concentrate Sales Strategy
- **Sell lower-value concentrates** to battery converters in Canada or China.
- Concentrate sells at **>US$750/t**

## Integrated Refinery Strategy
- **Sell value-added lithium** products to battery manufacturers.
- Lithium hydroxide sells for **>US$18,000/t**

## Why go downstream?
- Substantially higher margins than concentrate operations.
- Much higher prices for value-added products.
- Significantly higher NPV’s.
- Opportunity to create significantly more shareholder value.

## Quebec location advantages
- Low-cost energy.
- Skilled low-cost, workforce.
- Close to the US battery markets.
- Favourable taxation regime.
- Reagents readily available.
# Integrated Refinery Model

## Authier Downstream Processing Financial Highlights*
(Approximate Values Derived from the Scoping Study)

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Lithium Carbonate</th>
<th>Lithium Hydroxide</th>
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</thead>
<tbody>
<tr>
<td>Annual Production Capacity</td>
<td>Tonnes</td>
<td>13,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Ave Cash operating Costs*</td>
<td>C$ per tonne</td>
<td>6,331</td>
<td>6,032</td>
</tr>
<tr>
<td>Ave Cash Operating Costs*</td>
<td>US$ per tonne</td>
<td>4,812</td>
<td>4,585</td>
</tr>
<tr>
<td>Price forecast</td>
<td>US$ per tonne</td>
<td>10,200</td>
<td>12,000</td>
</tr>
<tr>
<td>Initial Capital#</td>
<td>C$ million</td>
<td>223</td>
<td>240</td>
</tr>
<tr>
<td>Total Capital#</td>
<td>C$ million</td>
<td>284</td>
<td>301</td>
</tr>
<tr>
<td>Pre-tax NPV @ 9%DR</td>
<td>C$ million</td>
<td>426</td>
<td>794</td>
</tr>
<tr>
<td>Pre-Tax IRR</td>
<td>%</td>
<td>31</td>
<td>44</td>
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<tr>
<td>Exchange rate</td>
<td>CAD$:US$</td>
<td>0.76</td>
<td>0.76</td>
</tr>
</tbody>
</table>

* Cash Operating Costs includes mining, processing, administration, royalties, transport, and downstream processing

# Capital expenditure includes all mine, concentrator and downstream process plant

* Please see Scoping Study disclaimer on page 2 and ASX release, “Downstream Study Demonstrates Positive Economics”, 30 August 2017
## Authier Development Timetable

<table>
<thead>
<tr>
<th>Milestones</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<td></td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
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<td>PFS Update</td>
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<td>Environmental</td>
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<td>Mining Lease</td>
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<td>Pilot Metallurgy</td>
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<tr>
<td>Definitive Feasibility Study</td>
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<tr>
<td>Engineering &amp; Design</td>
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<tr>
<td>Off-take</td>
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<td>Finance</td>
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<td>Operation</td>
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<td>Downstream Concept study</td>
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<td>Downstream Testing</td>
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<tr>
<td>Downstream Studies</td>
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</table>
Investment Highlights

- **Authier is an advanced, de-risked project.** DFS underway

- Executing a plan to get into **production and generate cash flow** – low capital hurdle & competitive operating costs

- Located in a **first world country** with **access to world-class, low-cost infrastructure**

- Integrated refinery model provides an opportunity to **value-add Authier concentrates** and create **significant shareholder value**

- Base case pre-tax NPV of A$227 million and low enterprise value per tonne of resources compared to industry peers

- Board and management team have **track record of delivering projects**
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