

# **Sayona Mining Limited**

ACN 091 951 978

## **Notice of Annual General Meeting and Explanatory Statement**

Annual General Meeting to be held at Suite 68, 283 Given Terrace, Paddington Qld 4064  
on 17 November 2017 at 10.00 am AEST

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

For personal use only

## Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Sayona Mining Limited ACN 091 951 978 (**Company**) will be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 17 November 2017 at 10.00 am AEST, for the purpose of transacting the following business referred to in this Notice.

An Explanatory Statement provides additional information on matters to be considered at the Meeting.

### AGENDA

#### ORDINARY BUSINESS

##### Receive and Consider the Financial Statements

To receive and consider:

- (a) the Financial Report;
- (b) the Directors' Report; and
- (c) the Auditor's Report,

of the Company for the year ended 30 June 2017.

##### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That the Remuneration Report within the Directors' Report of the Company's 2017 Annual Report be adopted."*

Please note that the vote on this resolution is advisory only and does not bind the Company or its Directors.

##### Resolution 2 – Re-Election of Mr James Brown as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr James Brown, who retires by rotation and who offers himself for re-election, be re-elected a Director."*

##### Resolution 3 – Ratification of securities placement to Richard Faucher Consulting Inc.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 1,500,000 Shares at an issue price of \$0.0025 per Share to Richard Faucher Consulting Inc on 12 December 2016, as described in the accompanying Explanatory Statement, be ratified and approved."*

##### Resolution 4 – Ratification of Share placement to Kiwi Financial Corporation

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 1,500,000 Shares at an issue price of \$0.0025 per Share to Kiwi Financial Corporation on 12 December 2016, as described in the accompanying Explanatory Statement, be ratified and approved."*

##### Resolution 5 – Ratification of an issue of Shares to SMSF Specialists (SA) Pty Ltd

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 1,710,000 Shares at an issue price of \$0.03 per Share, issued to SMSF Specialists (SA) Pty Ltd on 11 January 2017, in payment of a 6% fee on sums raised by SMSF under the SMSF Agreement, as described in the accompanying Explanatory Statement, be ratified and approved."*

## **Resolution 6 – Ratification of Share placement to investors introduced by SMSF Specialists**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 19,000,000 Shares at an issue price of \$0.03 per Share, issued to investors introduced to the Company by SMSF Specialists (SA) Pty Ltd, as described in the accompanying Explanatory Statement, be ratified and approved."*

## **Resolution 7 – Ratification of Share placement to investors introduced by Patersons Securities Limited**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 40,863,882 Shares at an issue price of \$0.017 per Share to investors introduced to the Company by Patersons Securities Limited on 25 May 2017, as described in the accompanying Explanatory Statement, be ratified and approved."*

## **Resolution 8 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) (**10% Placement Facility**) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."*

## **Resolution 9: Renewal of SYA Executive Incentive Plan (EIP)**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of section 259B(2) of the Corporations Act, section 260C(4) of the Corporations Act and Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company's Executive Incentive Plan (**EIP**) and the issue of Equity Securities under that EIP, on the terms and conditions summarised in the Explanatory Statement."*

## **VOTING EXCLUSIONS:**

### **Resolution 1:**

The Company will disregard any votes cast on Resolution 1 by or on behalf of "Key Management Personnel" (as defined in the Accounting Standards as published by the Australian Accounting Standards Board) and their "closely related parties".

Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A closely related party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse and anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls (**Closely Related Party**).

However, the Company need not disregard a vote if the vote is not cast on behalf of a person described above and either: (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or (b) the voter is the Chairman and the appointment of the Chairman expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### **Resolutions 3, 4, 5, 6 and 7:**

The Company will disregard any votes cast on Resolutions 3, 4, 5, 6 and 7 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 8:**

The Company will disregard any votes cast on Resolution 8 by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 9:**

The Company will disregard any votes cast on Resolution 9 by a Director (except one who is ineligible to participate in the EIP) and any of his associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on Resolution 9 must not be cast by a person appointed as a proxy, where that person is either a member of the KMP or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- the person appointed as proxy is the chairman of the Meeting and the appointment does not specify how the chairman is to vote but expressly authorises the chairman to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

## NOTES

These notes form part of the Notice of Meeting.

### Time and Place of Meeting

Notice is given that a General Meeting of members will be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 17 November 2017 at 10.00 am AEST.

### Your Vote is Important

The business of the General Meeting affects your shareholding and your vote is important.

### Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7 pm AEST on 15 November 2017.

### Notice to Persons Outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

### Privacy

To assist the Company to conduct the General Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the General Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, and the Company's agents for the purposes of implementing the Takeover. Shareholders have certain rights to access their personal information that has been collected and should contact the Company secretary if they wish to access their personal information.

### ASIC and ASX involvement

Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

## PROXY AND VOTING INSTRUCTIONS

### Voting in Person

1. To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

2. To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.
3. In accordance with section 249L of the Corporations Act, members are advised that:
  - (a) each member has a right to appoint a proxy;
  - (b) the proxy need not be a member of the Company; and
  - (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
4. Certain categories of persons (including Directors and the Chairman) are prohibited from voting on Resolutions relating to the remuneration of Key Management Personnel, including as a proxy, in some

circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the Proxy Form carefully.

5. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice should be read together with, and form part of, this Notice.
6. On a poll, ordinary Shareholders have one vote for every Share held.
7. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
  - (a) the full name of the body corporate appointed as proxy; and
  - (b) the full name or title of the individual representative of the body corporate to attend the Meeting.
8. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chairman in favour of each of the Resolutions proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
9. Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolutions 1 and 9 unless you direct them how to vote. This does not apply to the Chairman, who is able to vote undirected proxies. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolutions 1 and 9 by marking either "For", "Against" or "Abstain" on the Proxy Form. If you intend to appoint the Chairman as your proxy, you can direct him to vote by marking either "For", "Against" or "Abstain" on the box for Resolutions 1 and 9 on the Proxy Form, or by marking the Chairman's box on the Proxy Form (in which case the Chairman will vote in favour of these items of business and all other Resolutions included in the Notice).
10. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
11. A Proxy Form is attached. If required, it should be completed, signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned in accordance with the instructions on the proxy form.

#### **Voting by Corporate Representative**

12. A body corporate that is a Shareholder, or that has been appointed as a proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the General Meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

#### **Voting by Attorney**

13. A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company no later than 10.00am AEST, 15 November 2017.

By order of the Board

Paul Crawford  
Company Secretary  
Sayona Mining Limited  
16 October 2017

# EXPLANATORY STATEMENT

## Purpose of this Explanatory Statement

This Explanatory Statement is provided to Shareholders to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 17 November 2017 at 10.00 am AEST.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

## Receive and Consider the Financial Statements

The *Corporations Act* requires the Financial Report which includes the Financial Statements, Directors' Declaration, Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the *Corporations Act* or in the Constitution of the Company for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Accordingly, the Company's Financial Report is placed before the Shareholders for discussion and no voting is required for this item of business.

Shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business and operations of the Company.

## Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the period ended 30 June 2017 is set out in the Directors' Report section of the Company's 2017 Annual Report to Shareholders (**Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. In addition, section 250R(2) of the *Corporations Act* requires that Resolution 1 be put to a vote. However, the vote on this Resolution is only advisory and does not bind the Company or its Directors.

**For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of each Resolution.** If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on an item of business, you should specify this by completing the appropriate 'Against' or 'Abstain' box on the proxy appointment form. The Chairman is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

In addition, the *Corporations Act* provides for a "two strikes" rule in relation to the adoption of the Remuneration Report, meaning that if 25% or more of votes cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") to determine whether another meeting should be held (within 90 days) at which all of the Directors (other than the Managing Director) must go up for re-election. No strike was recorded at the Company's previous annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards two strikes in the future, no board spill can occur this year.

## Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

## Resolution 2 – Re-Election of Mr James Brown as a Director

In accordance with Director rotational retirement provisions of the Company's Constitution and ASX Listing Rules 14.5, Mr James Brown is due to retire at this Meeting and being eligible, offers himself for re-election at this Meeting.

Mr Brown is a mining engineer with more than 30 years' experience in the coal mining industry in Australia and Indonesia, including 22 years at New Hope Corporation. He was appointed as Managing Director of Altura in September, 2010 and was previously Altura's Group General Manager since December 2008. His coal development and operations experience includes the New Acland and Jeebropilly mines in South East Queensland, the Adaro and Multi Harapan Utama operations in Indonesia and Blair Athol in the Bowen Basin in Central Queensland.

The Board (with Mr Brown abstaining) supports the re-election of Mr Brown.

## Resolutions 3 and 4 – Ratification of placements of Shares to Richard Faucher Consulting Inc and Kiwi Financial Corporation

### Background to Resolutions 3 and 4:

The Company's corporate strategy is 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. To this end, the Company has assembled a portfolio of exploration and development assets. As part of this process, the Company engages third parties from time to time to assist in identifying appropriate assets for consideration by the Company. Richard Faucher Consulting Inc. (**Faucher**) and Kiwi Financial Corporation (**Kiwi**) were engaged to identify suitable projects in Quebec, Canada and their services led to the Company's announcement on 3 May 2016 of the proposed acquisition of the Authier Lithium Project in Quebec, Canada.

Pursuant to the agreements with Faucher and Kiwi, the Company issued 1,500,000 Shares to each on 12 December 2016.

### ASX Listing Rules:

The purpose of Resolutions 3 and 4 is for Shareholders to approve, pursuant to Listing Rule 7.4, the previous allotment and issue of Equity Securities, which will otherwise count towards the Company's 15% equity issue capacity under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of Shareholders is required for an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of the Shares on issue at the commencement of that 12 month period.

The issue of the Shares to Faucher and Kiwi (set out below) did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of Equity Securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% Equity Security issue capacity and enabling it to issue further Shares without Shareholders' approval up to that limit.

Resolutions 3 and 4 proposes the approval of the issue of Equity Securities to Faucher and Kiwi for the purpose of Listing Rule 7.4. The effect of Resolutions 3 and 4, if approved by Shareholders, is that the Shares issued to Faucher and Kiwi on 12 January 2017 will not count towards the Company's 15% issue capacity.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided with regard to Resolutions 3 and 4:

	<b>Resolution 3</b>	<b>Resolution 4</b>
<b>Name of person to whom Shares securities were issued</b>	Faucher Consulting Inc	Kiwi Financial Corporation
<b>Date of issue</b>	12 January 2017	12 January 2017
<b>Number of securities issued</b>	1,500,000 Shares	1,500,000 Shares
<b>Issue price of securities</b>	Shares were issued at \$0.0025 per Share	Shares were issued at \$0.0025 per Share
<b>Terms of issue</b>	The Shares were issued having the terms set out in the Company's Constitution.	The Shares were issued having the terms set out in the Company's Constitution.
<b>Use of funds</b>	Working capital and development of the Company's Authier project.	Working capital and development of the Company's Authier project.

## Resolutions 5 and 6 – Ratification of Share placement to SMSF Specialists (SA) Pty Ltd and persons introduced by SMSF

### Background to Resolutions 5 and 6:

On 12 December 2016, the Company announced on ASX that it had executed an underwriting agreement (**SMSF Agreement**) with SMSF Specialists (SA) Pty Ltd (**SMSF**) in respect of the Company's listed 3 cent options that were to expire on 30 December 2016. Pursuant to the SMSF Agreement, SMSF undertook to subscribe for Shares at 3 cents each (i.e. on the same terms as the underlying listed options) up to an aggregate amount of \$450,000 to the extent that the listed options were not otherwise exercised or placed before 30 December 2016.

In consideration, the Company undertook to issue Shares to SMSF equivalent to 6% of funds raised, at an issue price of 3 cents per Share.

On 12 January 2017, the Company announced on ASX that exercise of the listed options raised a total of \$1,309,810, while an additional \$570,000 was raised by placement of Shares to investors introduced by SMSF, resulting in the issue of 19,000,000 Shares to such investors. This placement increased total proceeds from the listed options to \$1,879,810.

In accordance with the SMSF Agreement, the Company issued an additional 1,710,000 Shares to SMSF on 11 January 2017 in consideration under the SMSF Agreement.

#### **ASX Listing Rules:**

Shareholders are directed to the note concerning ASX Listing Rules 7.4 and 7.1 in the discussion concerning Resolutions 3 and 4. Those Listing Rules also apply to Resolutions 5 and 6.

The purpose of Resolutions 5 and 6 is for Shareholders to approve, pursuant to Listing Rule 7.4, the previous allotment and issue of Equity Securities, which will otherwise count towards the Company's 15% equity issue capacity under Listing Rule 7.1.

Resolutions 5 and 6 propose the approval of the issue of securities to SMSF (Resolution 5) and investors introduced by SMSF (Resolution 6), respectively for the purpose of Listing Rule 7.4. The effect of Resolutions 5 and 6, if approved by Shareholders, is that the Shares issued to SMSF (Resolution 5) and investors introduced by SMSF to the Company (Resolution 6) will not count towards the Company's 15% issue capacity.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided with regard to Resolution 5:

	<b>Resolution 5</b>	<b>Resolution 6</b>
<b>Name of person to whom Shares securities were issued</b>	Investors identified by SMSF and introduced to the Company.	SMSF Specialists (SA) Pty Ltd
<b>Date of issue</b>	11 January 2017	11 January 2017
<b>Number of securities issued</b>	19,000,000 Shares	1,710,000 Shares
<b>Issue price of securities</b>	Shares were issued at \$0.03 per Share	Shares were issued at \$0,03 per Share
<b>Terms of issue</b>	The Shares were issued having the terms set out in the Company's Constitution.	The Shares were issued having the terms set out in the Company's Constitution.
<b>Use of funds</b>	Working capital and development of the Company's Authier project.	Working capital and development of the Company's Authier project.

#### **Resolution 7 – Ratification of Share placement to investors introduced by Patersons Securities Limited**

##### **Background to Resolution 7:**

On 25 and 26 May 2017, the Company announced on ASX the completion of its Share Purchase Plan (SPP) pursuant to which the Company raised \$1,500,000 by the allotment of 147,371,469 Shares, represented by the allotment of 47,371,469 Shares at an issue price of \$0.017 per Share to subscribers under the SPP, raising \$805,314 and allotment of 40,863,882 Shares at an issue price of \$0.017 per Share to investors introduced by Paterson Securities Limited (**Patersons**) as underwriter of the SPP, raising \$694,686.

##### **ASX Listing Rules:**

Shareholders are directed to the note concerning ASX Listing Rules 7.4 and 7.1 in the discussion concerning Resolutions 3 and 4. Those Listing Rules also apply to Resolution 7. Shareholders should note that the issue of Shares by the Company under its SPP does not affect the Company's 15% Equity Security issue capacity under ASX Listing Rule 7.1, because of ASX Listing Rule 7.2 Exception 15.

The purpose of Resolution 7 is for Shareholders to approve, pursuant to Listing Rule 7.4, the previous allotment and issue of Equity Securities, which will otherwise count towards the Company's 15% equity issue capacity under Listing Rule 7.1. Resolution 7 therefore proposes the approval of the issue of Shares to Patersons for the purpose of Listing Rule 7.4.

The effect of Resolution 7, if approved by Shareholders, is that the Shares issued to Patersons in consideration of its underwriting of the SPP will not count towards the Company's 15% issue capacity.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided with regard to Resolution 7:

<b>Name of person to whom Shares securities were issued</b>	Investors identified by Patersons Securities Limited and introduced to the Company
<b>Date of issue</b>	25 May 2017
<b>Number of securities issued</b>	40,863,882 Shares
<b>Issue price of securities</b>	Shares were issued at \$0.0017 per Share
<b>Terms of issue</b>	The Shares were issued having the terms set out in the Company's Constitution.
<b>Use of funds</b>	Working capital and development of the Company's Authier project.

### **Resolution 8 – Approval of 10% Placement Facility**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company is seeking a mandate to issue securities under the additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

The Board believes that this Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 8.

### **Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this document, has on issue only 1 existing quoted class of Equity Securities, being Shares. The Company has unlisted Options on issue.

#### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

'A' is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (iv) less the number of fully paid Shares cancelled in the 12 months.

'D' is 10%;

'E' is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this document, the Company has on issue 974,819,553 Shares. The Company has a capacity to issue:

- (i) 71,962,969 Equity Securities under Listing Rule 7.1; and
- (ii) 91,024,567 Equity Securities under Listing Rule 7.1A.

As part of this Notice, in Resolutions 3, 4, 5, 6 and 7, the Company is seeking Shareholder ratification of the prior issue of 64,573,882 Shares under Listing Rule 7.4 and renewal of the placement capacity under 7.1A. If Resolutions 3, 4, 5, 6 and 7 are approved by Shareholders, the Company will have the capacity to issue:

- (i) 146,222,933 Equity Securities under Listing Rule 7.1; and
- (ii) 97,481,955 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

**Listing Rule 7.1A**

The effect of this Resolution 8 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If this Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power and economic interest in the Company will be diluted as shown in the below table. There is a risk that:
- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this document.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

**Table 1**

Variable "A"		No. of Shares issued under 10% placement capacity	Funds Raised based on:		
			Issue price at 50% decrease to current price	Issue price at current price	Issue price at 50% increase in current price
			\$0.0125	\$0.0250	\$0.0375
Current	801,963,882	80,196,388	\$1,002,455	\$2,004,910	\$3,007,365
150%	1,202,945,823	120,294,582	\$1,503,682	\$3,007,365	\$4,511,047
200%	1,603,927,764	160,392,776	\$2,004,910	\$4,009,819	\$6,014,729

The table has been prepared on the following assumptions:

- The Company raises the maximum number of Equity Securities under the 10% Placement Capacity.
  - No Options (including any options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The issue price is \$0.011, being the closing price of the Shares on ASX on 4 October 2017.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) for cash consideration, in which case the Company may use the funds raised towards making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; or
  - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (ii) the effect of the issues of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this document but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) In accordance with Listing Rule 7.3 A.6 the total number of Equity Securities issued in the 12 months preceding the date of this document is 172,949,735 representing 21.6% of the Equity Securities on issue at the commencement of the 12 month period. The Company has issued the following Equity Securities in the 12 months preceding the date of this document:

Table 2 – Previous equity issues

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Valuation of Non-cash Consideration	Allottee / Basis of allotment
12 December 2016	3,000,000	Shares	\$0.025	14%	\$75,000	\$33,000	Richard Faucher Consulting Inc and Kiwi Financial Corporation
30 December 2016	6,000,000	Shares	\$0.010	68%	\$60,000		Option holders
11 January 2017	43,660,320	Shares	\$0.030	Nil	\$1,309,810		Option holders
11 January 2017	19,000,000	Shares	\$0.030	Nil	\$570,000		Sophisticated investors introduced by SMSF Specialists (SA) Pty Ltd
11 January 2017	1,710,000	Shares	\$0.030	Nil	\$51,300	\$18,810	SMSF Specialists (SA) Pty Ltd
22 February 2017	3,750,000	Shares	\$0.032	Nil	\$120,000	\$41,250	Attgold Pty Ltd
22 May 2017	47,371,469	Shares	\$0.017	19%	\$805,315		Eligible shareholders under share purchase plan
25 May 2017	40,863,882	Shares	\$0.017	Nil	\$694,686		Sophisticated investors introduced by Patersons Securiteis Limited
30 June 2017	6,000,000	Shares	\$0.015	Nil	\$90,000		Option holders
30 June 2017	1,500,000	Shares	\$0.030	Nil	\$45,000		Option holders

- (g) A voting exclusion statement is included in this document. At the date of this document, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this document.
- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 23 November 2016, which approval will expire on 23 November 2017.

In the 12 months preceding the date of this document, the Company has received total cash consideration from issue of Shares under placements and exercise of unlisted options and performance rights of \$3,574,811. The Company has used approximately \$3,220,000 of the cash consideration received to fund working capital.

The Board intends to use the working capital existing at the date of this document (which includes funds raised pursuant to the above placements) to provide working capital and to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

- (i) A voting exclusion statement is included in the Notice. As at the date of the Notice, the Company has not approached any particular existing security holder or an identifiable class of security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion on the Notice.

#### **Directors' recommendation**

The Directors recommend that Shareholders approve Resolution 8.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### **Resolution 9: Renewal of Executive Incentive Plan (EIP)**

##### **Background**

In 2015, Board adopted a new EIP in order to assist in the motivation, retention and reward of Directors, senior management and other selected employees of the Company and its subsidiaries. The Board believes a Long Term Incentive Plan will form an important part of a comprehensive remuneration strategy for the Company's employees and Directors, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue in a 12 month period without prior Shareholder approval. Exception 9(b) of Listing Rule 7.2 provides that an issue of securities made under an employee incentive scheme (such as the EIP) is not counted for the purposes of Listing Rule 7.1, provided that certain conditions have been met. One of these conditions is that members have, within the last three years, approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

Such shareholder approval is sought under Resolution 9.

The Directors do not presently have any specific intention to issue Shares that would exceed the Company's capacity to issue Shares under Listing Rule 7.1 in the absence of Shareholder approval. Nevertheless, the Directors wish to preserve the flexibility to issue the full 15% for each of the next three years. Approval under this Resolution 9 will provide more scope for the Company to raise additional equity if required. The EIP has been developed to provide the greatest possible flexibility in choice to the Board in implementing the executive incentive schemes. The EIP enables the Company to offer employees and Directors a number of equity related interests, including Performance Rights and Options.

Approval under listing rule 7.2 Exception 9(b) lasts for 3 years.

#### **Summary of the rules of the EIP**

### *Operation*

The Board is responsible for administering the EIP in accordance with the EIP Rules. A grant of Performance Rights and/or Options under the EIP will be subject to both the EIP Rules and the terms and conditions of the specific grant.

### *Eligibility*

The EIP is open to employees (including directors) of the Company who are invited by the Board to participate in the EIP. The Board may invite employees to apply for Performance Rights and/or Options under the EIP in its absolute discretion.

### *Grant*

No payment is required on the grant of a Performance Right and no exercise price is payable upon vested Performance Rights being exercised into a Share.

No payment is required on the grant of an Option. The exercise price of an Option will be determined by the Board in its discretion and specified in the participant's invitation letter.

### *Vesting*

The vesting of a Performance Right will be conditional on the satisfaction of any performance conditions attaching to the Performance Right. Performance conditions will be determined by the Board in its discretion and specified in the participant's invitation letter.

Where relevant performance conditions are met, then the Performance Rights will vest and be available for exercise into Shares.

The vesting of an Option will be conditional on the satisfaction of any performance conditions attaching to the Option. Performance conditions will be determined by the Board in its discretion and specified in the participant's invitation letter.

Where a participant ceases to be an employee of the Company because of total and permanent disability, death or any other circumstance determined by the Board in its discretion, the Board may determine that any of the Performance Rights and/or Options granted to a participant will vest, whether or not the performance conditions attaching to the Performance Rights and/or Options have been met.

Notwithstanding this and subject to the ASX Listing Rules;

- (i) The Board may vest some or all of a participant's Performance Rights and/or Options even if the performance conditions have not been met, if the Board considers that to do so would be in the interests of the Company; and
- (ii) The vesting of a participant's Performance Rights and/or Options may be made subject to certain conditions as determined by the Board.

### *Lapse of Performance Rights and Options*

All Performance Rights and Options that have not vested on or before the expiry date will automatically lapse.

Performance Rights and Options will also lapse if the applicable performance conditions attaching to them are not met within a prescribed period determined by the Board in its discretion.

If the participant ceases to be an employee of the company (other than in circumstances referred to above in *Vesting*), the participant's Performance Rights and/or Options will lapse automatically on cessation of the participant's employment unless the Board determines otherwise within 30 days of the date of cessation of participant's employment.

### *Conversion*

A participant may at any time request the Board to convert any or all of the participant's unvested Performance Rights to Options, or vice versa, at a rate of conversion determined by the Board in its absolute discretion. Any converted Performance Rights or Options will be subject to the same terms and conditions of the original Performance Rights or Options (as applicable) granted to the participant unless otherwise determined by the Board in its discretion.

#### *Dealing with Performance Rights and Options*

Performance rights and Options are not transferable, except on the participant's death, to their legal personal representative.

#### *Shares*

Each Performance Right will entitle a participant to one Share upon vesting. Each Option will entitle a participant upon vesting to subscribe for one Share at the exercise price specified by the Board in the participant's invitation letter.

Shares issued a result of the vesting and exercise of Performance Rights and/or Options will rank equally with the Shares currently on issue

#### *Maximum number of Performance Rights and Options*

The Board may grant such number of Performance Rights and/or Options under the EIP as the Board determines so long as no limit specified, imposed or calculated by any relevant policy or guideline of ASIC, including any regulatory guide, class order or condition for relief, is exceeded.

#### *Takeovers*

If the event of a takeover bid (as defined in the *Corporations Act*), a participant's Performance Rights and Options will vest immediately to the extent determined by the Board in its discretion and the remaining Performance Rights and Options will lapse.

#### *Reconstruction of capital*

If the Company makes a bonus issue, then a participant will become entitled to a proportionately greater number of Shares on vesting of the Performance Rights and/or Options held, as if the Performance Rights and/or Options had vested before the bonus issue. If there is any other form of capital reconstruction, the number of Performance Rights and/or Options will be adjusted in accordance with the ASX Listing Rules.

A participant is not entitled to participate in any new issue of securities in the Company other than as described above

#### *Amendment of the incentive plan*

Subject to the ASX Listing Rules, the Board may amend the rules of the EIP, but no amendment may materially reduce the rights of participants generally in respect of the Performance Rights and/or Options granted to them, except an amendment made primarily to enable compliance with the law governing or regulating the EIP, to correct the manifest error or mistake, to take into account changes in taxation law or to enable compliance with the *Corporations Act* or the ASX Listing Rules.

#### **Number of securities issued under the EIP since the date of last approval**

Since the last approval, the following Equity Securities have been issued under the EIP:

<b>Director</b>	<b>Options</b>
Mr Dennis O'Neill (Managing Director)	5,000,000
Mr Paul Crawford (Executive Director)	5,000,000
Mr Allan Buckler (Non Exec. Director)	5,000,000
Mr James Brown (Non Exec. Director)	5,000,000
Mr Corey Nolan	18,000,000
<b>TOTAL</b>	<b>38,000,000</b>

All options granted under the Plan have either been exercised or lapsed. There are no options on issue at the date of this Notice.

For personal use only

## Glossary

In this Explanatory Statement and the Notice of Meeting:

**AEST** means Australian Eastern Standard Time.

**AGM** means Annual General Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691 and includes any successor body.

**ASX Listing Rules** means the listing rules of the ASX from time to time.

**Board** means the Company's board of Directors

**Chairman** means the chair of the Annual General Meeting.

**Company** means Sayona Mining Limited ACN 091 951 978.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a current director of the Company.

**EIP** means the Company Executive Incentive Plan approved at the Company's 2014 annual general meeting.

**Equity Securities** has the meaning given in ASX Listing Rule 19.

**Explanatory Statement** means this Explanatory Statement that accompanies and forms part of the Notice of Meeting.

**KMP** means a member of the key management personnel named in the Company's latest remuneration report.

**Listing Rules** means the Listing Rules of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Meeting, General Meeting or Annual General Meeting** means the annual general meeting of the Company the subject of this Notice of Meeting.

**Notice of Meeting** means this notice of annual general meeting which this Explanatory Statement accompanies and in which the Resolutions are set out.

**Option** means an option to subscribe for a Share.

**Performance Right** is defined in the EIP.

**Resolution** means the resolutions in the Notice of Meeting.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of Shares.

**Trading Days** means a day on which the Company's Shares can be traded on ASX.



**Lodge your vote:**

 **Online:**  
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Computershare Investor Services Pty Limited  
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Alternatively you can fax your form to  
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(outside Australia) +61 3 9473 2555

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SYA  
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SAMPLEVILLE VIC 3030

**Proxy Form**

**XX**



**Vote and view the annual report online**

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



**Your access information that you will need to vote:**

**Control Number: 999999**

**SRN/HIN: I999999999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (Brisbane time) Wednesday 15 November 2017**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

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MR SAM SAMPLE  
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 THE SAMPLE HILL  
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**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Sayona Mining Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sayona Mining Limited to be held at **Suite 68, 283 Given Terrace, Paddington QLD 4064 on Friday 17 November 2017 at 10:00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1 & 9** (except where I/we have indicated a different voting intention below) even though **Items 1 & 9** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1 & 9** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Mr James Brown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of securities placement to Richard Faucher Consulting Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Share placement to Kiwi Financial Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of an issue of Shares to SMSF Specialists (SA) Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Share placement to investors introduced by SMSF Specialists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of Share placement to investors introduced by Patersons Securities Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Renewal of SYA Executive Incentive Plan (EIP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_

SYA

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Computershare +