



ASX ANNOUNCEMENT

SAYONA
MINING LIMITED

18 April 2018

CAPITAL RAISING TO ADVANCE DEVELOPMENT OF THE AUTHIER LITHIUM PROJECT

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KEY HIGHLIGHTS

- Oversubscribed Placement Issue to raise A\$11,118,000
- Significant support received from international and domestic institutions in the capital raising
- The company will undertake a rights issue to raise up to A\$4,000,000 to enable all shareholders to participate in the capital raising
- The majority of the new funding will be applied to advancing the Authier lithium project towards development

Sayona Mining Limited (ASX: SYA) ("Sayona" or "Company") is pleased to announce that it has received firm commitments from international and domestic institutional, and sophisticated investors for an A\$11 million Placement, and intends to undertake a pro rata renounceable Rights Issue to raise a further A\$4 million. The terms of the Placement and Rights Issue are outlined below.

The proceeds from the capital raising and the Company's existing cash will be applied as follows:

- Advancing the Authier lithium project towards production, including:
 - Finalisation of the Definitive Feasibility Study, engineering and design;
 - Completion of the permitting activities including public consultation;
 - Purchasing of certain long-lead capital items;
 - Commencement of a downstream processing feasibility study;
- Exploration activities at the Tansim and Mallina lithium properties;
- General working capital, administration expenses and costs of the capital raising.

Corey Nolan, Chief Executive Officer, commented "*The Company is very pleased to have attracted domestic and institutional funding support to continue advancing Authier towards production. The funds will be applied to finalising the pre-construction activities, assessing the value-adding downstream potential and realising value from its extensive portfolio of lithium properties.*"

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PLACEMENT

The Placement will raise A\$11,118,000 through the issue of 218,000,000 Placement Shares at an issue price of 5.1 cents (A\$0.051) per Placement Share, with one (1) free attaching Placement Option exercisable at 7.8 cents (A\$0.078) on or before 30 April 2020 for every two (2) Placement Shares subscribed.

The Placement will settle on Monday 23 April 2018, with the Placement Shares to be issued by 26 April 2018.

The issue price represents a 15% discount to the 15 day volume weighted average share price traded on the ASX prior to the Company entering into a trading halt on 16 April 2018.

Jett Capital Advisors, LLC and Patersons Securities Limited acted as Joint Lead Managers to the Placement.

PRO RATA RENOUNCEABLE RIGHTS ISSUE

Following completion of the Placement, the Company will undertake a pro rata renounceable rights issue to eligible participants to raise up to \$3,924,790 (before the costs of the offer), comprising an offer on the basis of one (1) Rights Share for every twenty-two (22) existing Shares held at an issue price of 5.1 cents (\$0.051) per Rights Share, together with one (1) free attaching Rights Option exercisable at 7.8 cents (\$0.078) on or before 30 April 2020 for every two (2) Rights Shares subscribed.

The Rights Issue is to be underwritten by Patersons Securities Limited, who are also acting as the Lead Manager to the Rights Issue.

Placement Capacity

The Company will issue 218,000,000 Placement Shares and 109,000,000 Placement Options under the Placement for a total of 327,000,000 Placement Securities. 212,267,328 Placement Securities are to be issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and 114,732,672 are to be issued pursuant to Sayona's additional 10% placement capacity under ASX Listing Rule 7.1A.

The Company provides the following information under ASX Listing Rules 3.10.5A and 7.1A.4(b) in respect of the Placement Securities issued under ASX Listing Rule 7.1A.

- (a) Sayona issued 114,732,672 Securities under ASX Listing Rule 7.1A which resulted in the following dilution to existing shareholders:

	Current (Prior to Placement)	After Placement
Number of shares on issue	1,475,046,728	1,693,046,728
Shares issued under ASX LR 7.1A	76,488,448	76,488,448
Percentage of voting dilution to existing shareholders as a result of the shares issued under LR7.1A	5.2%	4.5%

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- (b) The 114,732,672 Placement Securities that were issued under Sayona's 10% capacity under LR7.1A, are being offered in addition to the rights issue (details below) to ensure that existing shareholders have the ability to participate in the capital raising.
- (c) Sayona confirms that there was no underwriter in respect to the Placement.
- (d) The Placement is being conducted as part of the overall capital raising (which includes the Rights Issue). The fees and costs in connection with the capital raising will be disclosed in a Prospectus to be released in accordance with the indicative timetable.

Indicative Timetable

The current proposed timetable for the Rights Issue is set out 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).

Event	2018
Trading halt Receive firm commitment for the Placement and sub-underwriting commitments for the Rights Issue	16 - 17 April
Offer announced	18 April
Settlement of Placement	23 April
Prospectus lodged with ASIC and ASX	1 May
Trading of rights commences	3 May
Record date	4 May
Despatch of Prospectus	9 May
Trading of rights closes	16 May
Closing date for Rights Issue	23 May
Rights Issue shortfall notified	25 May
Rights Issue shortfall settled	29 May

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Sayona Mining Limited is an Australian-based, 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.

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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 31,100 metres of drilling in 176 diamond 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	0.99%	55,341
Probable Reserve	5.3	1.06%	64,363
Total Reserves	10.2	1.03%	120,098

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	6.09	1.01%	61,509
Indicated	11.55	1.04%	120,120
Inferred	2.82	0.98%	27,636
Total Resources	20.46	1.02%	209,265

The Authier lithium deposit is amenable to open-cut mining methods, and processing using a crushing, grinding and flotation flowsheet to produce on average 96kt per year of 6% Li₂O concentrate over the projected 17 year mine life.

The Company is currently completing a Definitive Feasibility Study, due for completion in 2Q2018. During the second half of 2018, the Company will complete the permitting, offtake and financing with the plan to commence construction in the 1Q2019 and first production in 2020.

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

Sayona Mining is committed to the local communities in which we operate, the environment and responsible management of natural resources and the safety of our people, suppliers and communities.

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

Summary Information

*The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.*

Reference to Previous ASX Releases

This document refers to the following previous ASX releases:

- *Expanded Authier JORC Resource, 12 April 2018*
- *Authier maiden JORC Ore Reserve estimate, 11 December 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.

Forward Looking Statements

This announcement includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

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