

Prospectus

Sayona Mining Limited

ACN 091 951 978

For a renounceable pro rata offer to Eligible Shareholders of approximately 535 million New Shares at an issue price of \$0.008 per New Share on the basis of 1 New Share for every 4 Existing Shares held, together with 1 free attaching Option for every 2 New Shares issued, to raise up to approximately \$4.3 million before issue costs.

ASX Code: SYA

The Offer is partially underwritten by Mahe Capital Pty Limited for \$1.5 million.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 12 March 2020 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.sayonamining.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on + 61 416 104 633 at any time between 8.00am and 5.00pm (Brisbane time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Mr Brett Lynch Managing Director/CEO
Mr Paul Crawford Executive Director
Mr Dan O'Neill Non Exec Director
Mr Alan Buckler Non Exec. Director
Mr James Brown Non Exec. Director

Registered Office

Unit 68
283 Given Terrace
Paddington Qld 4066
Tel: +61 7 3369 7058
Email: info@sayonamining.com.au

Lead Manager and Underwriter

Mahe Capital Pty Limited
AFSL 517246
Level 8
99 St Georges Terrace
Perth WA 6000

Auditor*

Nexia Brisbane Audit Pty Limited

Company Secretary

Paul Crawford

Website

www.sayonamining.com.au

Share Registry*

Computershare Investor Services Pty Limited
Tel: 1300 787 272
Fax: 1300 653 459
www.boardroomlimited.com.au

Solicitor to the Offer

Atkinson Corporate Lawyers

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement (Ex Date)	16 March 2020
Rights trading commences on a deferred settlement basis	
Record date to determine Entitlement (Record Date)	17 March 2020
Prospectus with Entitlement and Acceptance Form dispatched	20 March 2020
Offer opens for receipt of Applications	
Rights trading ends	27 March 2020
Closing date for acceptances	3 April 2020
Notify ASX of under-subscriptions	7 April 2020
Issue of New Shares	9 April 2020
Dispatch of shareholding statements	
Normal trading of New Shares expected to commence	14 April 2020
Last date to issue Shortfall Shares (see section 8.6)	2 July 2020

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

	Underwritten Amount	Full Subscription
Shares currently on issue	2,141,654,687	2,141,654,687
Options exercisable at \$0.078 expiring 30 April 2020	120,242,589	120,242,589
Total unquoted Options currently on issue ¹	122,992,301	122,992,301
New Shares offered under this Prospectus, on a 1 for 4 basis ²	187,500,000	535,413,671
New Options offered on a 1 for 2 new Shares ³	93,750,000	267,706,836
Issue price per New Share	\$0.008	\$0.008
Amount raised under this Prospectus (before costs) ¹	\$1,500,000	\$4,283,309.37
Total Shares on issue following the Offer	2,329,154,687	2,677,068,359

1 The Company also has 491,000 Convertible Notes on issue.

2 This assumes no further Shares are issued prior to the Record Date

3 The Company has also agreed to issue the Lead Manager 8 New Options for every \$1 raised under the Offer.

3 MANAGING DIRECTORS LETTER

Dear Shareholder,

On behalf of Sayona's Directors, I am pleased to offer you the opportunity to participate in a Rights Issue the Company is undertaking to raise up to approximately \$4.3 million. The Offer is partially underwritten by leading investment advisory firm Mahe Capital Pty Ltd for \$1.5 million. Shareholders will be able to apply for additional Shortfall Shares in excess of their entitlement.

These are exciting times for Sayona as we advance our key lithium projects, in an environment of rising demand from the energy and transport sectors for this metal of the 21st century.

Sayona's focus on Québec also offers a number of advantages, including its proximity to North American battery markets and access to economical and environmentally friendly hydropower together with world-class infrastructure. The Canadian province also has a geopolitical advantage given the U.S. push to secure supplies of essential battery minerals such as lithium, particularly given potential threats to supply chains such as seen recently with the coronavirus outbreak.

Importantly, Québec's Government recognises the importance of developing a successful lithium industry. Québec Premier Francois Legault has described lithium as a "jewel" for the province and is prepared to support the industry with investment.

Significantly, the Premier has boosted Québec's investment agency, Investissement Québec, increasing its capital to C\$5 billion (A\$5.6 billion) to allow it to play an even greater role in supporting business development in the province, including the lithium industry.

Growth plans

For Sayona shareholders, the opportunity now exists to support our growth plans as we transform from an explorer into a world-scale producer based on upcoming milestones:

- **Successful bid for North American Lithium (NAL) mine** in Québec, Canada backed by our world-class team encompassing the necessary operational and technical expertise, together with environmental, engineering and financial know-how
- **Development of flagship Authier Lithium Project**, which is progressing towards approval as a sustainable and profitable new lithium mine
- **Exploration upside** from our emerging Viau-Dallaire prospect (Tansim project) and our joint venture with leading lithium producer, Altura Mining, concerning our projects in the world-class Pilgangoora lithium district of Western Australia.

Sayona's bid for NAL has the unique advantage of being able to combine lithium (spodumene) produced from the nearby Authier project with the lithium at NAL, facilitating a significant improvement in plant performance and economics.

Talks continue with key stakeholders concerning our bid for NAL, which was lodged in February 2020 as per the administrator's deadline. However, we are confident we have the best prospect of being able to achieve a turnaround at the mine, restoring jobs and investment and supporting the Québec Government's lithium strategy, which encompasses mining through to downstream processing.

The opportunity for shareholders is compelling, as per my recent update (refer ASX announcement 19 February 2020), as we work to put Québec on the map as a leader in the clean energy revolution.

In the meantime, the Rights Issue we are offering will ensure we are in a strong financial position to capitalise and accelerate these opportunities over the coming 12 months.

There are risks in investing in the Company, including acquisition risks relating to the bid for NAL, development risks with the Authier Lithium Project, risks associated with the price of lithium and share markets generally, and ongoing requirements for additional funding. See section 6 for details.

Directors have agreed to participate for \$420,000 via their entitlement. In addition to this, Sayona Québec CEO Guy Laliberté and I have agreed to subscribe for an additional \$400,000 from any shortfall.

The Board recommends the Offer to you and looks forward to your support.

Brett Lynch
Managing Director and CEO
Sayona Mining Limited

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information																					
What is the Offer?	<p>1 New Share for every 4 Existing Shares held on the Record Date at an issue price of \$0.008, with 1 attaching New Option for every 2 New Shares issued.</p> <p>The Offer seeks to issue up to approximately 535 million New Shares and 268 million New Options to raise up to approximately \$4.3 million (before costs) if fully subscribed. Up to a further \$5.36 million may be raised if all New Options are exercised.</p> <p>The Offer is partially underwritten by Mahe Capital for \$1.5 million.</p>	Section 8																					
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5.00pm (Sydney time) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Section 8.5																					
How will the proceeds of the Offer be used?	<p>The Company will use funds raised under the Offer (together with existing cash on hand):</p> <table border="1"> <thead> <tr> <th>Use of funds</th> <th>Underwritten Amount</th> <th>Full Subscription</th> </tr> </thead> <tbody> <tr> <td>Convertible Note redemption</td> <td>918,000</td> <td>918,000</td> </tr> <tr> <td>NAL assessment and acquisition</td> <td>200,000</td> <td>700,000</td> </tr> <tr> <td>Authier mine approvals (BAPE)</td> <td>0</td> <td>1,050,000</td> </tr> <tr> <td>Tansim exploration and assessment</td> <td>0</td> <td>600,000</td> </tr> <tr> <td>Working Capital</td> <td>196,000</td> <td>314,000</td> </tr> <tr> <td>Costs of the Offer</td> <td>1,500,000</td> <td>4,420,000</td> </tr> </tbody> </table>	Use of funds	Underwritten Amount	Full Subscription	Convertible Note redemption	918,000	918,000	NAL assessment and acquisition	200,000	700,000	Authier mine approvals (BAPE)	0	1,050,000	Tansim exploration and assessment	0	600,000	Working Capital	196,000	314,000	Costs of the Offer	1,500,000	4,420,000	Section 5.2
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Costs of the Offer	1,500,000	4,420,000																					

Question	Response	Where to find more information
	<p style="text-align: center;">Total* 918,000 918,000</p>	
<p>What are the key risks of a subscription under the Offer?</p>	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> • acquisition risks in relation to North American Lithium, development risks in relation to the Authier Lithium Project and exploration risk in relation to Viau-Dallaire prospect • Future capital needs and additional funding - The Company recorded a net loss of \$1,253,623 and a net outflow from operating activities of \$1,129,026 for the half year ending 31 December 2019. As at 31 December 2019, it had approximately \$407,275 cash on hand. • The Company’s ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectively and commercialisation of products (existing and future). <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	<p>Section 6</p>
<p>Is the Offer underwritten?</p>	<p>The Offer is partially underwritten by Mahe Capital Pty Limited for \$1.5 million. The underwriting is subject to conditions and terminating events which are typical for an entity in the Company’s circumstances.</p> <p>Messrs Lynch, Crawford and Brown have advised the Company that they intend to take up their Entitlement in full. Mr Buckler has advised the Company that he intends to subscribe for 12,500,000 New Shares under the Offer. Mr O’Neill has advised the Company that he intends to subscribe for 1,250,000 New Shares under the Offer.</p> <p>Brett Lynch has agreed to sub-underwrite the Offer for 40,982,500 New Shares. Under the sub-underwriting arrangements with the Underwriter, sub-underwriters will only be relieved of their obligation if the Offer is</p>	<p>Section 8.4</p>

Question	Response	Where to find more information
	withdrawn. Mr Lynch will receive a 1.5% sub-underwriting fee.	
Is the Offer subject to any conditions?	The Offer is subject to a minimum subscription of \$1.5 million. In the event the minimum subscription is not raised, the Company will return all application moneys received (without interest).	Section 8.2
What will be the effect of the Offer on control of the Company?	The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer. No Shareholder may increase their voting power above 20% as a result of the Offer.	Section 0
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for.	Section 7.2
Can I sell my Entitlements under the Offer?	Yes, the Offer is renounceable meaning Entitlement may be transferred.	Section 7.1
How will the Shortfall Shares be allocated?	Eligible Shareholders can apply for Shortfall Shares. The Directors reserve the right to place any Shortfall Shares at their discretion within 3 months of the Closing Date.	Section 8.6
How can I obtain further advice?	Contact the Company Secretary on +61 7 3369 7058 at any time between 8.00am and 5.00pm (Brisbane time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately \$4.3 million before issue costs under the Offer at a price of \$0.008 per Share on the basis of 1 New Share for every 4 Existing Shares held as at the Record Date, with 1 New Option for every 2 New Shares issued.

Shareholders may, in addition to their Entitlement apply for Shortfall Shares.

The Offer is partially underwritten by Mahe Capital Pty Limited for \$1.5 million.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer together with existing cash on hand as follows:

Use of funds (\$) (approx.)	Underwritten Amount	Full Subscription
Convertible Note redemption	918,000	918,000
NAL assessment and acquisition	150,000	700,000
Authier mine approvals (BAPE)	100,000	1,050,000
Tansim exploration and assessment	0	600,000
Working Capital	136,000	838,000
Costs of the Offer	196,000	314,000
Total use of funds	1,500,000	4,420,000

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Full Subscription is received, be allocated firstly towards the costs of the Offer and then proportionally as set out above.
- 3 General working capital is intended to accelerate and/or extend/continue the above initiative as required, and corporate administration and operating costs (including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).
- 4 See section 10.5 for further details relating to the estimated expenses of the Offer.

5.3 Statement of financial position

Set out in section 13 is the reviewed Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 31 December 2018 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2019;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) take up of the Offer assuming Underwritten Amount and Full Subscription are received;
- (d) the receipt of \$1,000,000 and issue of 691,400 Convertible Notes under a convertible note facility announced to ASX on 10 January 2020; with 200,000 Convertible Notes converted to 32,333,623 Shares and the remaining Convertible Notes redeemed for \$918,000 (an assumed A\$:US\$ exchange rate of A1\$:US\$0.6477; and
- (e) (cash) costs of the Offer are between \$196,000 and \$314,000.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in section 13. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

5.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer the capital structure of the Company will be:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	2,141,654,687	91.95	2,141,654,687	80
New Shares offered under this Prospectus	187,500,000	8.05	535,413,672	20
Total Shares	2,329,154,687	100.00	2,677,068,359	100

The Company has also agreed to issue Shares to the Underwriter in partial satisfaction of the Underwriter's fees, at the Underwriter's election. See section 8.4 for details.

Assuming that no further Options are issued prior to the Record Date, at the close of the Offer, the number of Options on issue will be:

Options	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Options exercisable at 7.8 cents expiring 30 April 2020	120,242,589	34.94	120,242,589	22.25

Options exercisable at 3 cents expiring 23 July 2022	110,123,160	32.00	110,123,160	20.38
Options exercisable at 3 cents expiring 29 November 2021	4,000,000	1.16	4,000,000	0.74
Options exercisable at 4 cents expiring 29 November 2022	4,000,000	1.16	4,000,000	0.74
Options to be offered under the Offer	93,750,000	27.24	267,706,836	49.54
Options issued to the Lead Manager	12,000,000	3.49	34,266,475	6.34
Total Options	344,115,749	100.00	540,339,060	100.00

Certain Options on issue provide for a reduction in the exercise price in accordance with Listing Rule 6.22.2 as a result of the issue of Shares under the Offer. The Company will announce the reduce exercise price in accordance with the Listing Rules.

The Company also has 491,400 Convertible Notes on issue. The Company intends to redeem these notes following the Offer.

5.5 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

(a) Underwriter

As detailed in section 8.4 of this Prospectus, the Underwriter has agreed to underwrite the issue of up to 187,500,000 New Shares under the Offer.

The Underwriter has advised the Company that neither it, nor any of its associates, currently has a relevant in any Shares, and will not as a result of the Offer, have a voting power of 20% or more in the Company.

The Underwriter's relevant interests in the Company following the Offer will depend upon the number of New Shares taken up and the number of New Shares subscribed for by sub-underwriters, although the maximum voting power it will acquire is 8.05%.

(b) Others

As the Offer is renounceable, for the purposes of Listing Rule 7.7.1(c), the Company has appointed a nominee to arrange for the sale of the entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale. The Company has not appointed a nominee in accordance with section 615 of the Corporations Act, as no person will acquire a relevant interest in 20% or more of the Company's Shares as a result of the Offer.

5.6 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	214,165	0.01	53,541	214,165	0.008
2	2,141,655	0.10	535,414	2,141,655	0.080
3	21,416,547	1.00	5,354,137	21,416,547	0.800
4	214,165,469	10.00	53,541,367	214,165,469	8.000

6 RISK FACTORS

This section identifies the major risks the Board has identified regarding an investment in the Company. The Company's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements will be achieved. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's prospects, and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying any forward looking statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 Risk specific to the Offer

- (a) Future funding and ability to continue as a going concern

Funds raised from the Offer will be used for the purposes mentioned under section 5.2 of the prospectus. Whilst the Company believes that the Underwritten Amount will be sufficient to carry out certain activities, additional funding will be required to continue activities. Raising additional capital may be dilutive to existing Shareholders.

- (b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.6 above.

6.3 Specific Investment Risks

- (a) Bid for North American Lithium

On 21 February 2020 the Company submitted a bid for North American Lithium (NAL), which sought creditor protection in May 2019 after ceasing spodumene production in February 2019 amid operational issues.

Sayona has assembled a world-class team to support its bid for NAL, with Sayona's team encompassing the necessary operational and technical expertise together with environmental, engineering and financial know-how to ensure a successful turnaround (refer ASX release 7 November 2019). Importantly, Sayona's bid has the unique advantage of being able to combine lithium produced from the Company's nearby Authier Lithium Project with the lithium at the NAL site, facilitating a significant improvement in plant performance and economics for both projects.

There is a risk that the Company's bid may not be successful.

Likewise and notwithstanding the bid potentially enhances the economics of the Authier Lithium Project, a successful bid exposes the Company to certain risks. To date the Company has not entered into any commitments for the acquisition and the cost of the acquisition is not yet known. In addition to funding risks, acquiring NAL will expose the Company to various risks, including acquisition, processing and operational risks. These Company will seek to mitigate these risks through assembling a team with sufficient skills and experience.

(b) Revised definitive feasibility study

On 11 November 2019 the Company announced the results of a revised definitive feasibility study (**UDFS**) for its Authier Lithium Project and that it was moving towards commercial development, through obtaining approvals.

The UDFS was prepared by the Company's Quebec office in collaboration with BBA, an independent and globally recognised multi-disciplinary engineering firm supported by various third-party consultants and research companies. The key outcomes of the UDFS include an NPV of C\$216 million over an initial 13.8 year mine life, based on current proven and probable ore reserve estimates of 12.10 Mt @ 1.00% Li₂O at a 0.55% Li₂O cut-off grade. The report assumed a contingency of 12%, an exchange rate of \$0.76 US dollar per Canadian dollar and an average spodumene price of USD/t of \$693. There is a risk that these assumptions may not prevail, which may adversely affect the economics of the Authier Lithium Project.

(c) Changes in capital and operating cost estimates

Processing engineering works set out in the UDFS were developed to support capital and operating estimates, with a contingency of 12% of the total project cost assumed. Key assumptions that the UDFS is based on are outlined in the Company's announcement to ASX on 24 September 2018 and 11 November 2019.

Whilst every care has been made in estimating the capital cost and future operating costs for the Authier Lithium Project, including contingency, the actual cost structure experienced in constructing facilities and operating mines or process plants may vary from current estimates. Any such, variations could adversely affect Syona's future financial position and performance.

(d) Additional requirements for capital

The Company is currently seeking funding to develop the Authier Lithium Project and potentially the acquisition of NAL.

Failure to obtain sufficient financing for the Authier Lithium Project and (if required) NAL will delay development and production. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and may involve substantial dilution to Shareholders.

The Company may, if additional capital is not available when required, reduce its level of operations and expenditure, which may adversely affect the development of its projects.

(e) Operation risk

The current and proposed operations of the Company (directly and through related entities in which it will earn an interest) may be affected by various factors, including operational and technical difficulties encountered in exploitation, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated geological problems which may affect exploitation costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(f) Future approvals risk

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future operations, the Company may require additional approvals and permits relating to any necessary regulatory, social and community, and environmental matters. There is no assurance that such approvals will be received or that the conditions within the approvals will not be overly onerous.

(g) Currency risk

The Company's operations incur expenditures in Canadian and US dollars. Funds raised via this Offer will be in Australian dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations which may affect its financial position.

(h) Volatility of lithium prices

The Company's focus is on lithium.

The mining industry is competitive and there is no assurance that, even if significant quantities of a mineral resource are discovered or extracted, a profitable market will exist for the sale of lithium. In particular, there can be no assurance that lithium prices will be such that the Company is able to develop the Authier Lithium Project or that it can be operated at a profit. There are various lithium price risks including the greenfield capacity to be brought online during the life of the Authier Lithium Project, which is expected to be approximately 14 years.

(i) Environmental risks

The Authier Lithium Project requires a number of permits to proceed, including under the BAPE (bureau d'audiences publiques en environnement).

The Company lodged a revised environmental impact study to the Authier Lithium Project to the Quebec Ministry of Environment and Fight Against Climate Change on 22 January 2020, and is expecting a recommendation for under the BAPE in late 2020. There is a risk that the recommendation may not be given, or given on terms onerous to the project.

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development at the Authier Lithium Project proceeds. It is the Company's intention to conduct its activities in compliance with all environmental laws. Failure to comply with applicable laws may result in significant liabilities being imposed on the Company for damages, clean-up costs or penalties.

(j) Future capital needs and additional funding

The Company recorded a net loss of \$1,253,623 and a net outflow from operating activities of \$1,415,217 for the half year ending 31 December 2019. As at 31 December 2019, it had approximately \$407,265 cash on hand.

The Company has in place a \$2.75 million facility with Obsidian Capital, of which \$1 million has been received. Under the facility the Company may issue convertible notes which convert into ordinary Shares at a 10% discount to the prevailing market price, subject to (with respect to notes already on issue) a limit of 129,523,109 shares. There is a risk that this facility may dilute existing Shareholders. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prevailing market conditions and the price of lithium, and the success of the Company in its bid for NAL and the effects of this on the economics of the Authier Lithium Project.

Funds raising under the Offer will be used as set out in section 5.2. If the Company is required, or chooses, to advance the Company's projects beyond these stated objectives, the Company will require additional funding. There is no assurance that the Company will be able to access this funding on favourable terms or at all. If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(k) Reliance on key personnel and consultants

Brett Lynch, the Company's managing director, is responsible for overseeing the day-to-day development and prospective production operations at the Authier Lithium Project. The Company depends substantially on Mr Lynch, in addition to its senior management. There can be no assurance given that there will be no detrimental impact on the Company if Mr Lynch, or senior management of the Company, cease their engagement or employment by, or provision of services to, the Company.

(l) Insurance

The Company, where economically feasible, insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance, if obtained, may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a negative effect on the financial performance of the Company and the value of an investment in the Company.

(m) Speculative Nature of Investment

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. The success of Sayona is dependent on deriving profit from its Authier Lithium Project. An investment in Sayona should therefore be considered speculative in nature.

6.4 General Investment Risks

(a) Share Market Investments

It is important to recognise that the price of Shares may rise or fall, and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

(b) General Economic Conditions

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

(c) Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and the Company's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

(d) Taxation Risks

Changes to the rate of taxes imposed on the Company (including in overseas jurisdictions in which the Company operates now or in the future) or tax legislation generally may affect the Company and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to the Company's interpretation may lead to an increase in the Company's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for taxation or penalties incurred by investors.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 7.3);
- (c) sell all of your Entitlement (see section 7.4);
- (d) take up part of your Entitlement and sell the balance (see section 7.5);
- (e) take up part of your Entitlement and transfer the balance other than on ASX (see section 7.6); or
- (f) allow all or part of your Entitlement to lapse (see section 7.7).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares and attaching Options offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares and attaching options you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.6 for details of the manner in which Shortfall Shares will be allocated.

A cheque, bank draft or money order should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®¹, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm Sydney time on 3 April 2020.

Any refund of application monies will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

7.4 Sell all of your Entitlement

Refer to the section within the box on the front of the Entitlement and Acceptance Form (which accompanies this Prospectus) regarding the full or partial sale of your Entitlement through your stockbroker and follow those instructions as soon as possible.

Rights trading will commence (on a deferred settlement basis) on ASX on 16 March 2020. Sale of your Rights must be completed by 27 March 2020 when Rights trading is expected to cease.

7.5 Take up part of your Entitlement and sell the balance on ASX

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and follow the instructions on the front of the form within the box relating to selling your shares via your stockbroker.

Cash will not be accepted and no receipts will be issued.

¹ Registered to BPAY Pty Ltd ABN 69 079 137 518

Rights trading will commence (on a deferred settlement basis) on ASX on 16 March 2020. Sale of your Rights must be completed by 27 March 2020 when Rights trading is expected to cease.

7.6 Take up part of your Entitlement and transfer the balance other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) together with your personalised Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate application money to reach the Company's share registry (at the postal address shown below), by 5 pm Sydney time on 27 March 2020.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

7.7 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.8 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY do not need to complete and return the Entitlement and Acceptance Form; however must ensure that payment is received by no later than 5.00pm AEDT on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm AEDT on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Sayona Mining Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.008 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company via their registrar at the following addresses by no later than 5.00pm (AEDT) on the Closing Date:

By Post To:

Sayona Mining Limited

C/- Computershare Investor Services Pty Limited

GPO Box 505

Melbourne Vic 3001

7.9 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every 4 Existing Shares held as at the Record Date at a price of \$0.008 per New Share, with 1 New Option for every 2 New Shares issued, to raise up to approximately \$4.3 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 Minimum subscription

The minimum subscription under the Offer is \$1,500,000. In the event the minimum subscription is not raised within 4 months of the date of this Prospectus, then the Company will repay all application money received in full and without interest.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

The Underwriter has agreed to underwrite the issue of 187.5 million Shortfall Shares (**Underwritten Securities**) in accordance with an underwriting agreement dated 12 March 2020 (**Underwriting Agreement**). The Underwriter will be paid the following fees:

- (a) 8 New Option for every \$1 raised under the Offer;
- (b) \$60,000 which may at the Underwriter's election and subject to the Listing Rules, be paid through the issue of Shares (and attaching Options) on the same terms as the Offer);
- (c) 1% of the total amount raised under the Offer (which may at the Underwriter's election and subject to the Listing Rules, be paid through the issue of Shares (and attaching Options) on the same terms as the Offer);
- (d) 5% of the Underwritten Amount (excluding amounts sub-underwritten by Directors, or persons introduced by Directors); and
- (e) 5% of any Shortfall securities placed by the Underwriter beyond the Underwritten Amount.

The Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Offer.

The underwriting of the Offer is conditional upon the satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (f) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Offer; and
- (g) the Company's solicitors providing the Underwriter with a legal sign off letter in relation to the due diligence investigations.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (h) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;

- (i) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (j) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) (Indices fall): the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (ii) (Commodities): the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (iii) (Price): the Price is greater than the volume weighted average price of Shares calculated over three consecutive trading days after the date of the Underwriting Agreement;
 - (iv) (Misleading Announcement): it transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive.
 - (v) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time. Material Adverse Event means:
 - (A) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Underwritten Securities); or
 - (B) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole;
 - (vi) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
 - (vii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or

scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;

- (viii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

For the purposes of section 706 of the Corporations Act, the Company offers the Underwriter the securities referred to in this section. This offer may only be accepted by the Underwriter or (subject to the Corporations Act and Listing Rules) its nominees by completing a personalized application form which accompanies this Prospectus. The Company relies upon its 15% capacity under Listing Rule 7.1 to issue these securities to the Underwriter and its nominees.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5.00pm (AEDT) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, to:

- (a) issue Shortfall Shares at their discretion by applying a policy of allocating Shortfall Shares in a manner that is in the Company's best interests; and
- (b) to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for.

It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser

number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.7 New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

8.8 Treatment of Ineligible Shareholders and sale for Ineligible Shareholders' Entitlement

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

For the purposes of Listing Rule 7.7.1(c), the Company has appointed the Underwriter as nominee to arrange for the sale of the Non-Eligible Foreign Shareholders' Entitlements and to account to them for the net proceeds of the sale.

The proceeds of sale (in Australian dollars) will be distributed to the Non-Eligible Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale).

8.9 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 8.8 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons

whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 9 April 2020 and normal trading of the New Shares on ASX is expected to commence on 14 April 2020.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.023	\$0.010	\$0.010
Date	15 January 2020	6 March 29020	6 March 29020

8.13 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**). CHES is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHES, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to

communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer or Entitlement and Acceptance Form should be directed to the Company Secretary on +61 7 3369 7058.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- (i) declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- (ii) determine that a dividend is payable, fix the amount and time for payment.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.2 Rights and liability attaching to Options

Options offered under this Prospectus are subject to the following terms:

- (a) The Options will be issued for no consideration.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.02 each.
- (d) The expiry date of an Option is 3 years from issue.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) The Company currently intends to apply for quotation of the Options on the official list of the ASX. Quotation of the Options is not guaranteed or automatic but will depend on ASX exercising its discretion under the Listing Rules.
- (g) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (h) The holder of an Option may not exercise less than 25,000 Options at any one time unless the holder has less than 25,000 Options in which event the Holder must exercise all of the Options together.
- (i) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

- (j) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (k) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - (i) the exercise price of the Option; or
 - (ii) period of exercise of the Option; or
 - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (l) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (m) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (n) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction

specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2018 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial statements of the Company for the financial year ended 30 June 2018 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and

- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2018 annual report was lodged with ASX on 28 September 2018:

Date	Announcement
09/03/2020	Trading Halt
02/03/2020	Half Year Accounts
24/02/2020	Sayona Submits Bid for North American Lithium
21/02/2020	Notice of Extraordinary General Meeting/Proxy Form
19/02/2020	Managing Director Update- Sayona's Quebec Lithium Strategy
18/02/2020	Appendix 3G
18/02/2020	Proposed issue of Securities - SYA
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report
22/01/2020	EIS Lodged as Sayona Advances Authier Approvals
17/01/2020	Bid Deadline Extended for North American Lithium
17/01/2020	Appendix 3B and Cleansing Notice
15/01/2020	Appendix 3B
15/01/2020	Cleansing Statement - Sec708A Notice
10/01/2020	Sayona Secures US Investor Backing to Advance Key Projects
03/01/2020	Response to ASX Price Query
31/12/2019	Appendix 3B and Cleansing Statement
13/12/2019	Agreement with First Nation Abitibiwinni on Authier Project
04/12/2019	Change of Director's Interest Notice
02/12/2019	Cleansing Statement - Sec708A Notice

29/11/2019	Appendix 3B
29/11/2019	Results of Meeting
22/11/2019	Additional Information - Investor Presentation
20/11/2019	Investor Presentation - 121 Mining Investment Conference
20/11/2019	Additional Information - Exploration Target at Viau-Dallaire
19/11/2019	Potential for New Lithium Deposit at Viau-Dallaire
11/11/2019	Revised Authier DFS Shows Boost to Profitability
11/11/2019	Investor Presentation
08/11/2019	Revised Appendix 5B - September 2019 Quarterly Cashflow
07/11/2019	Sayona Strengthens Bid Team for North American Lithium
31/10/2019	Quarterly Activities Report
31/10/2019	Quarterly Cashflow Report
29/10/2019	Controlled Placement Agreement and Appendix 3B
29/10/2019	Notice of Annual General Meeting/Proxy Form
29/10/2019	Executive Incentive Plan Rules
17/10/2019	Presentation - Brisbane Resources Round-Up 17 October 2019
10/10/2019	World-Class Team to Support SYA North American Lithium Bid
10/10/2019	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration over the last 2 years as set out below.

	Annual Remuneration	Shares	Options	Entitlement
Mr Brett Lynch	350,000	31,069,768	14,534,885	7,767,442
Mr Paul Crawford	300,000	103,240,896	3,095,231	25,810,224

Mr Dan O'Neill	186,000	88,337,664	872,094	22,084,416
Mr Allan Buckler	72,000	157,808,252	30,922,253	39,452,063
James Brown	72,000	4,931,650	941,388	1,232,913

Notes:

1 The non-executive Directors are entitled to annual directors' fees of \$72,000 (inclusive of superannuation) respectively.

Messrs Lynch, Crawford and Brown have advised the Company that they intend to take up their Entitlement in full. Mr Buckler has advised the Company that he intends to subscribe for 12,500,000 New Shares under the Offer. Mr O'Neill has advised the Company that he intends to subscribe for 1,250,000 New Shares under the Offer.

Brett Lynch has agreed to sub-underwrite the Offer for 40,982,500 New Shares. Under the sub-underwriting arrangements with the Underwriter, sub-underwriters will only be relieved of their obligation if the Offer is withdrawn. Mr Lynch will receive a 1% sub-underwriting fee.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those

persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Nexia Brisbane Audit Pty Limited has acted as auditor for the Company's half year accounts for the period ending 31 December 2019. In respect of this work, Nexia Brisbane Audit Pty Limited was paid approximately \$10,000. Nexia Brisbane Audit Pty Limited has received approximately \$68,000 for services to the Company in the 2 years prior to the date of this Prospectus.

Mahe Capital Pty Limited has acted as lead manager and underwriter to the Offer. The fees to be paid for this service are set out in section 8.4. Mahe Capital Pty Limited has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Limited	Lead Manager and Underwriter

Atkinson Corporate Lawyers	Lawyer
Nexia Brisbane Audit Pty Limited	Auditor

10.5 Expenses of the Offer

The total (cash) expenses of the Offer (assuming the full amount is raised and no further Shares are issued or Options exercised) are estimated to be up to \$314,000, consisting of the following:

Cost ¹	\$
Legal fees	10,000
ASX and ASIC fees	17,000
Capital raising fees ²	257,000
Printing, postage and other expenses	30,000
Total	314,000

1 These expenses have or will be paid by the Company.

2 This assumes the maximum cash amount that can be paid to the Underwriter. See section 8.4 for details of the Underwriter's fees. The Company has also agreed to issue to the Lead Manager 8 New Options for every \$1 raised under the Offer.

10.6 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

10.7 Cleansing for on-sale

On 24 April 2019 the Company lodged an appendix 3B for the issue of 1,314,351 Shares. In accordance with section 708A(11) of the Corporations Act and as a result of the Offer, those Shares can now be offered for sale without disclosure.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 12 March 2020



.....

Signed for and on behalf of Sayona Mining Limited

By Brett Lynch
Managing Director and CEO

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Sayona	Sayona Mining Limited (ACN 091 951 978).
Convertible Note	a convertible note issued by the Company, the terms of which were first announced to ASX on 10 January 2020.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 5.00pm (Sydney time) on the Record Date.

Full Subscription	approximately \$4,283,309 before costs.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
Minimum Subscription	means \$1,500,000.
New Option	means an Option on the terms set out in section 9.2 and offered under this Prospectus.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	has the meaning given in section 8.6.
Shortfall Shares	New Shares for which valid Applications have not been received for Entitlement by the Closing Date.
Underwriting Agreement	has the meaning given in section 8.4.
Underwritten Amount	means \$1,500,000.
Underwritten Securities	has the meaning given in section 8.4.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

13 PRO FORMA STATEMENT OF FINANCIAL POSITION

	31 December 2019 (reviewed)	Issue of Notes	Underwritten Amount	Full subscription	Proforma Balance (unaudited)	
	\$	\$	\$	\$	Underwritten Amount	Full subscription
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	407,265	1,000,000	386,000	3,068,000	1,793,265	4,475,265
Trade and other receivables	367,127				367,127	367,127
Other assets	99,105				99,105	99,105
Total Current Assets	873,497	1,000,000	386,000	3,068,000	2,259,497	4,941,497
NON-CURRENT ASSETS						
Property, plant and equipment	152,664				152,664	152,664
Exploration and evaluation asset	22,340,602				22,340,602	22,340,602
Right of Use Asset	104,784				104,784	104,784
Total Non-Current Assets	22,598,050	-	-	-	22,598,050	22,598,050
TOTAL ASSETS	23,471,547	1,000,000	386,000	3,068,000	24,857,547	27,539,547
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables	1,222,588				1,222,588	1,222,588
Borrowings - convertible note	-	1,000,000	(1,000,000)	(1,000,000)	-	-
Provisions	23,150				23,150	23,150
Lease Liabilities	33,708				33,708	33,708
Total Current Liabilities	1,279,446	1,000,000	(1,000,000)	(1,000,000)	1,279,446	1,279,446
NON-CURRENT LIABILITIES						
Lease Liabilities	72,954				72,954	72,954
Total Non-Current Liabilities	72,954	-	-	-	72,954	72,954
TOTAL LIABILITIES	1,352,400	1,000,000	(1,000,000)	(1,000,000)	1,352,400	1,352,400
NET ASSETS	22,119,147	-	1,386,000	4,068,000	23,505,147	26,187,147
EQUITY						
Issued capital	81,434,121		1,304,000	3,986,000	82,738,121	85,420,121
Reserves	766,186				766,186	766,186
Accumulated losses	(60,081,160)		82,000	82,000	(59,999,160)	(59,999,160)
TOTAL EQUITY	22,119,147	-	1,386,000	4,068,000	23,505,147	26,187,147



For all enquiries:


Phone:
 (within Australia) 07 3369 7058
 (outside Australia) +61 7 3369 7058

Web:
 www.investorcentre.com/contact

SYA

MR SAM SAMPLE
 123 SAMPLE STREET
 SAMPLETOWN VIC 3000

Make your payment:

 See overleaf for details of the Offer and how to make your payment

Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) Friday 3 April 2020**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

ASX will quote a market for rights between 16 March 2020 and 27 March 2020. Please refer to the Prospectus for details on how to renounce your rights.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you take up your full Entitlement, you may also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated 12 March 2020.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Sayona Mining Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Sale of your Entitlement rights in full by your Stockbroker/ Agent

If you wish to sell your rights entitlement in full, you should instruct your Stockbroker personally and provide details as requested, which appear overleaf.

DO NOT forward your requests for sale to Computershare Investor Services Pty Limited.

Disposal of your Entitlement rights held on the Issuer sponsored sub-register

A Standard Renunciation Form must be used for an off market transfer of Entitlement rights. These forms may be obtained from your Stockbroker or Computershare Investor Services Pty Limited.

Sale of your Entitlement rights in part by your Stockbroker/ Agent and take up the balance

If you wish to sell part of your Entitlement rights and take up the balance you should:


- Instruct your Stockbroker personally and provide details as requested, which appear overleaf, **AND**
- Send the payment slip to Computershare Investor Services Pty Limited with your cheque, bank draft or money order payment **OR** make payment using BPAY, in order to take up the balance of your Entitlement rights.

Entitlement and Acceptance Form with Additional New Shares

X 9999999991

I ND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
17 March 2020:

Entitlement to New Shares
on a 1 for 4 basis:

Amount payable on full acceptance
at \$0.008 per New Share:

STEP 2 Make Your Payment

	Bill Code: 999999
	Ref No: 1234 5678 9123 4567 89

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Sayona Mining Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Friday 3 April 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Sayona Mining Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Friday 3 April 2020. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Sayona Mining Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Sayona Mining Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.008 per New Share: **A\$**



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (AEDT) Friday 3 April 2020

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+000000001-3051+14