

24 September 2020

**MANAGING DIRECTOR'S UPDATE: CANADIAN GOVERNMENT
BACKS BILLION-DOLLAR EV OUTPUT IN 'GREEN RECOVERY' DRIVE**

Highlights

- **Canadian Government backs C\$1.8 billion (A\$1.9 billion) EV production in Ontario with goal of establishing entire battery chain; electric transportation key element of 'green recovery' strategy**
- **Analysis reaffirms Québec's economic, strategic and environmentally sustainable competitive advantages as spodumene supplier of choice to North America**
- **Sayona advances EIS studies at flagship Authier Lithium Project; bid for North American Lithium (NAL) on track with Sayona eyeing further improvements to operating efficiencies.**

Emerging lithium miner Sayona Mining Limited (ASX:SYA) announced today its strong support for Canada's 'green recovery' push, with the Company's lithium projects in Québec set to play a major role in supplying the nation's rejuvenated automotive sector centred on electric vehicles (EVs).

The Canadian Government has announced plans to establish an entire industrial chain, from mining to battery manufacturing and production of EVs, as part of its post-pandemic economic recovery strategy.

Already, the Canadian and Ontario governments have reached agreement to partner with Ford Motor Co. to invest C\$1.95 billion in its Oakville and Windsor plants, with the deal including C\$1.8 billion dedicated to the production of five EVs as well as battery assembly.

"Today, the discussion starts about how we use our lithium in Québec; our nickel in Sudbury; our cobalt in northern Ontario; our aluminium from Québec and British Columbia – to put Canadians to work," Unifor President Jerry Dias said Tuesday.

Among the world's top 10 vehicle producers, Canada produced more than 1.3 million vehicles in 2016, employing 130,000 workers, according to the Canadian Vehicle Manufacturers' Association.

The announcement by the Canadian Government has highlighted the potential for the nation to play a leading role in the EV revolution, requiring secure supplies of key battery materials such as lithium from within its own borders.

Meanwhile in Québec, Economy Minister Pierre Fitzgibbon has stated the province is ready to invest up to C\$1.4 billion to establish its battery sector, with projections of total investment exceeding C\$7 billion.

“Once and for all, we are going to take our natural resources and transform them into a value-added product,” Mr Fitzgibbon told *Le Journal de Québec*.

These government moves follow the Tesla ‘Battery Day,’ in which the leading EV maker emphasised its plans to source its clean and green lithium supply from North America. Benchmark Mineral Intelligence has estimated Tesla’s 3 terawatt-hour battery capacity target alone would require an additional 2 million tonnes per annum of lithium by 2030.

Studies undertaken by EY-Parthenon have reaffirmed Québec’s position as the leading supplier of spodumene to North America based on cost, quality, reliability and carbon footprint. An Abitibi hub, as proposed by Sayona, could deliver spodumene ore to the North American market at the lowest cost and with the smallest environmental footprint compared to competitors in Australia and South America.

Authier studies progress

Sayona has also continued to advance its environmental studies concerning its flagship Authier Lithium Project, with the aim of addressing feedback received from Québec’s Ministry of the Environment and the Fight against Climate Change (MELCC) concerning the environmental impact statement lodged in January.

More than 75% of the required survey work has been awarded, targeting completion by year-end. This will enable Sayona to compile its response to the MELCC by the end of December, with Ministry recommendations expected in early 2021.

Meanwhile, Sayona has also conducted further reviews aimed at enhancing operational efficiencies concerning the mine plans for Authier and North American Lithium (NAL), pending a successful bid for NAL. Significant reductions in operating costs are anticipated, helping ensure a successful turnaround at NAL that secures jobs and investment while contributing to Québec’s lithium revival.

Sayona’s Managing Director, Brett Lynch commented: “*We welcome the latest announcements by the Canadian and Québec Governments and their commitments to invest in support of a sustainable and viable battery and automotive sector.*”

“*Québec is the obvious supplier of choice of spodumene to Canada’s battery industry, as highlighted by industry officials. We are ready to fast-track our production plans to help deliver the required spodumene output and downstream processing of lithium hydroxide, thereby generating new jobs and investment and facilitating the nation’s clean energy future.*”

This announcement has been authorised by Sayona's Board of Directors.

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About Sayona Mining

Sayona Mining Limited is an emerging lithium miner (ASX:SYA), with projects in Québec, Canada and Western Australia. In Québec, Sayona is progressing a bid for the North American Lithium mine with the backing of a world-class support team, while advancing its flagship Authier Lithium Project and its nearby Tansim project.

In Western Australia, the Company has an earn-in agreement with leading lithium producer Altura Mining concerning its lithium and gold exploration portfolio in the Pilbara.

For more information, please visit us at www.sayonamining.com.au