



ASX ANNOUNCEMENT



10 September 2018

DRILLING COMMENCES AT MALLINA PROJECT SPODUMENE PEGMATITES

Highlights

- A 20 hole, 2,500m RC drill programme has commenced at Mallina over the Area C prospect and other spodumene pegmatites
- Includes first drilling over the 1,400m strike length of Area C prospect where soil anomalism and high grade spodumene rock samples to 4.60% Li₂O were identified
- Other regional projects advancing, including new pegmatite identified at the Tabba Tabba project

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to report an exploration update at its 1,898km² project area in the Pilgangoora district of Western Australia.

A 20 hole, 2,500m RC drill programme has commenced at the Mallina project. The programme is principally designed as a first pass test of the 1,400m Areas C prospect, where rock chip sampling has returned spodumene mineralisation up to 4.6% Li₂O.

The Mallina project, located in the world-class Pilgangoora lithium district of Western Australia, hosts multiple areas of spodumene bearing pegmatites within a 20 km² zone (see Figure 1). The Area C prospect is the most extensive of these and is geochemically the strongest identified to date and has not been previously drill tested. The bedrock is largely obscured by thin cover and it is anticipated drilling will outline the pegmatite morphology and possible extensions to the north where the cover is deeper.

The drilling has been awarded a co-funded government grant. This incentive scheme by the State Government of Western Australia provides a rebate of 50% on direct drilling costs, up to a maximum of \$150,000.

Regional exploration within the Pilbara lithium project has focussed around the Mallina, Tabba Tabba and Moolyella projects (see figure 2). At Tabba Tabba, recent geochemistry has identified four new soil anomalies which require detailed mapping and infill sampling, as well as a newly recognised LCT type pegmatite. Statutory approval to drill test three pegmatite targets has been completed and further work may increase this planned drill activity. Exploration over the project has being expedited following the discovery of spodumene pegmatite in adjacent tenure.

Dan O'Neill, Managing Director, commented *"The Company is pleased to be drill testing the lithium mineralisation at the Area C prospect and advancing its other extensive ground holding in the Pilgangoora district"*.

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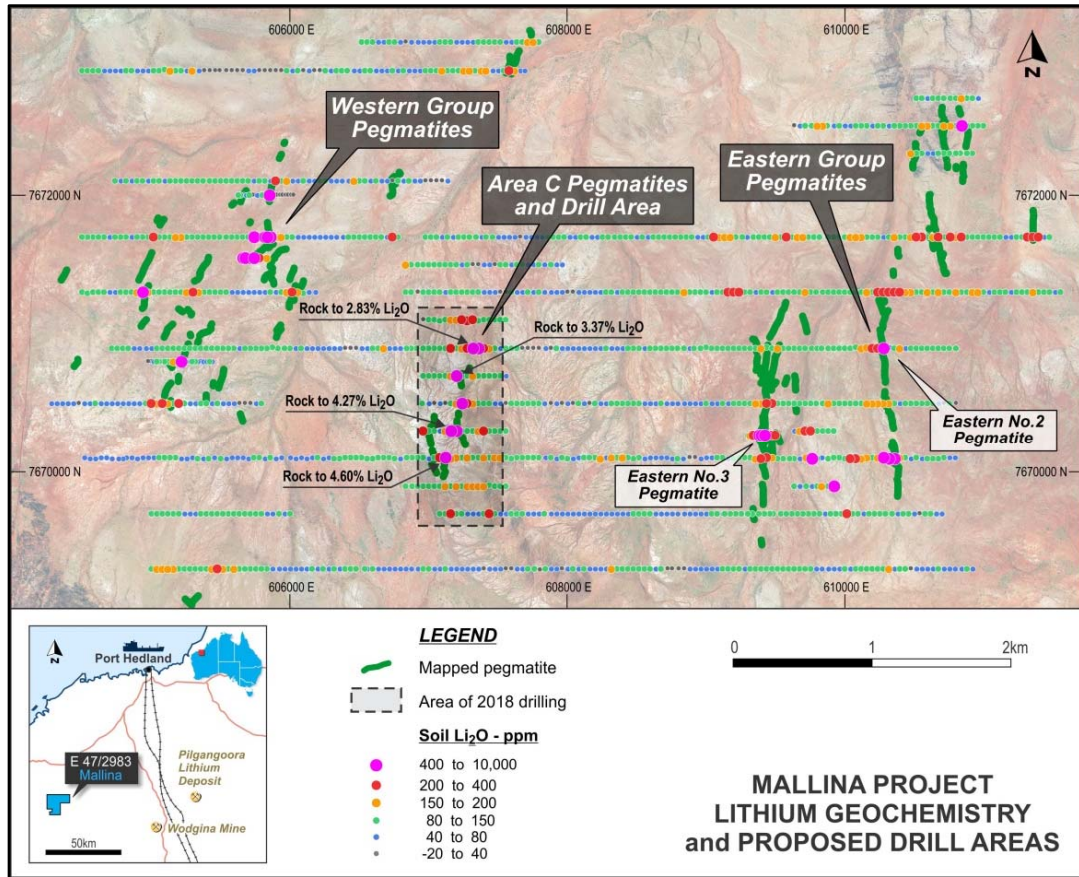


Figure 1: Location of the Mallina Spodumene Pegmatites

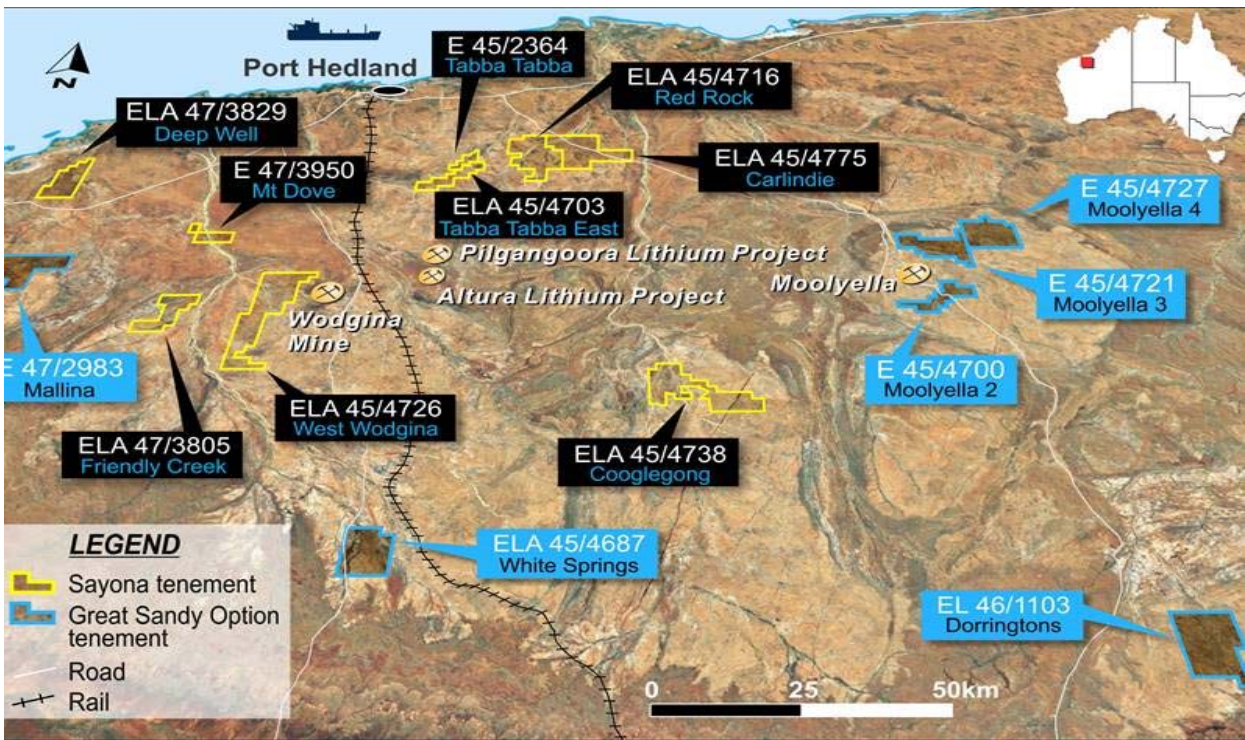


Figure 2: Location of the Company's projects including Mallina in the Pilbara region

For more information, please contact:

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Sayona Mining Limited is an Australian, ASX-listed (SYA), company focused on sourcing and developing the raw materials required to construct lithium-ion batteries for use in the rapidly growing new and green technology sectors.

The Company's primary focus is the development of its Authier Lithium deposit in Quebec however exploration for additional lithium deposits is also ongoing in the Authier region and in the Pilbara of Western Australia where the Company has an extensive lithium exploration package of tenements. Please visit us as at www.sayonamining.com.au

Competent Person Statement

The information in this report is based on information compiled by Mr. Simon Attwell, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Attwell is an employee of Attagold Pty Ltd ("Attagold") which provides geological services to Sayona.

Mr. Attwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Attwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.