



ASX ANNOUNCEMENT



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ACQUISITION BOOSTS SAYONA'S HOLDINGS IN WORLD-CLASS WA LITHIUM DISTRICT

Highlights

- Sayona adds to 100% owned Western Australia portfolio through acquisition of six tenements in world-class Pilgangoora lithium district
- Company now holds 1,898 sq km in Pilbara region, with tenure in close proximity to other spodumene deposits, including the Pilgangoora and Wodgina mines.

Emerging lithium miner [Sayona Mining Limited \(ASX:SYA\)](#) has added to its Western Australia lithium portfolio, announcing today the exercise of the final option payment to Great Sandy Pty Ltd to acquire an 80% interest in six tenements covering 871 km² in the world-class Pilgangoora lithium district.

The Company has also reached agreement to acquire the remaining 20% of the tenure so that on completion, Sayona will hold a 100% unencumbered interest in the tenement package.

Welcoming the agreement, Sayona's Managing Director, Dan O'Neill said: "Sayona is pleased to have consolidated the Great Sandy option tenements into its portfolio. This acquisition complements the Company's existing 100% held Pilbara tenement holding, which now totals 1,898km², with tenure in close proximity to other spodumene deposits including the Pilgangoora and Wodgina mines."

The primary focus of exploration within the tenement group has been at the 141 km² Mallina Lithium Project, E47/3475 (Figure 1 overleaf). Recent drilling (refer ASX announcement 31 October 2018) identified spodumene pegmatites at the Area C, Discovery and Eastern Group prospects, all located within a 5km x 5km zone.

Drilling intersected a varied suite of pegmatite and aplite bodies of variable dip, strike and thickness, including **4m @ 2.18% Li₂O from surface, including a peak assay value of 3.18% Li₂O over 1m from 2m in hole SMRC040** (Area C prospect), with mineralisation open at depth and to the east, south and north.

However, much of the remaining tenement area remains unexplored. More than 30 lithium soil geochemical anomalies have been identified to date within the tenement, requiring further testing.

Other tenure included in the Great Sandy portfolio comprises the Moolyella Project (334km²), located east of Marble Bar, where three tenements cover the surrounds of the historic Moolyella tin field which hosts spodumene pegmatite.

Targets on Sayona's ground include rock and soil lithium anomalies and fractionated pegmatites, which now require systematic soil sampling and detailed exploration.

The Great Sandy Option purchase terms comprise a final \$300,000 option payment to acquire an 80% interest in all of the tenements. A Heads of Agreement has been entered into to acquire the remaining 20% free carried interest from Great Sandy by the issue of fully paid ordinary shares in Sayona with an aggregate value of \$100,000. These have been calculated using the volume weighted average price

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(VWAP) of Sayona shares traded on the ASX in the 10 trading days preceding the issue of shares to Great Sandy.

The Great Sandy Option tenements are displayed in blue in the figure below, together with Sayona's other 100% owned Pilbara ground (in yellow).

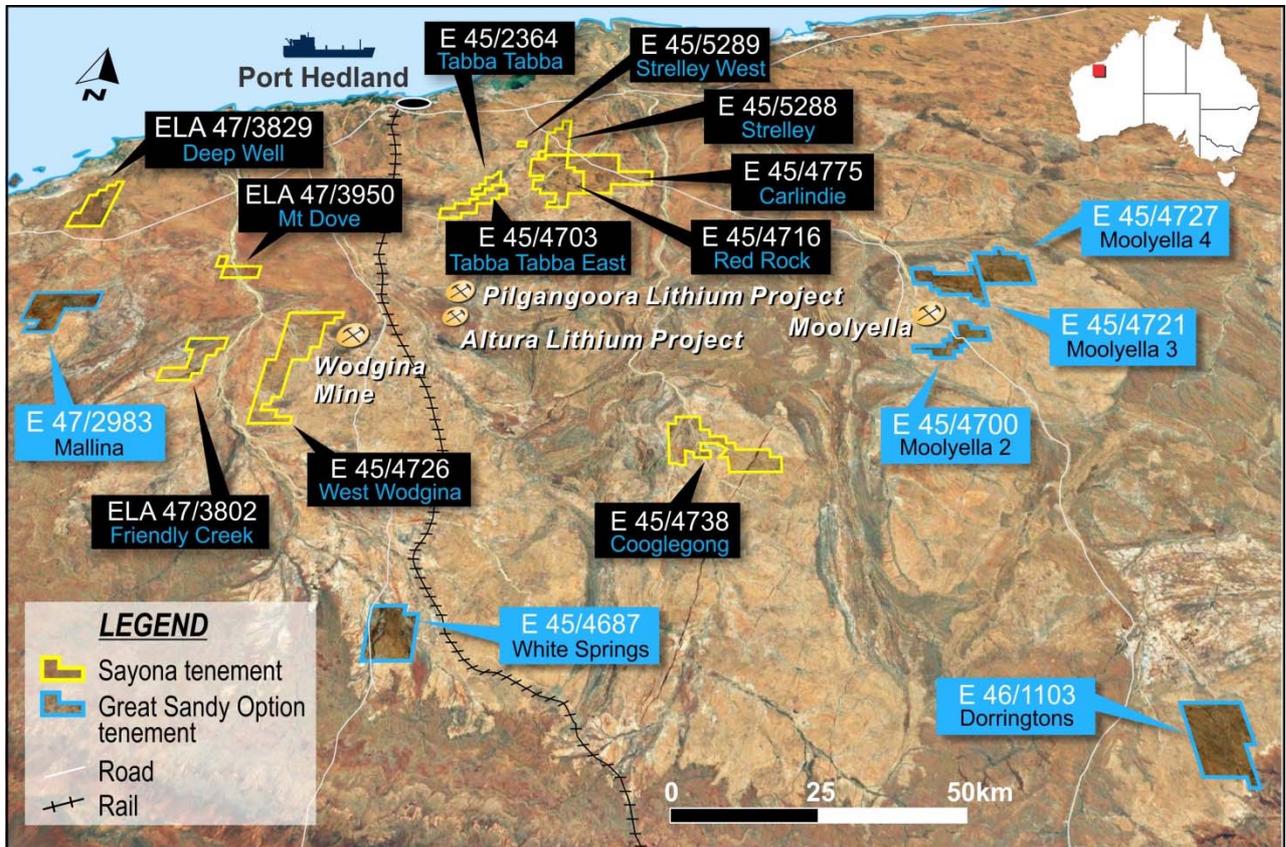


Figure 1 Sayona's lithium tenements, Western Australia

Currently the world's biggest lithium exporter, Australia is expected to account for around 80% of global supply from hard rock deposits by fiscal 2020, principally from Western Australia. Analysts point to continued demand growth for lithium, due to its usage in applications including electric vehicles and bicycles along with battery storage and consumer electronics.

Mr O'Neill added: "Western Australia is at the heart of the lithium boom, with expectations that it could soon produce half the world's supply. Sayona's tenements in the state add to our flagship Authier Lithium Project in Canada, as we work to unlock shareholder value from the metal of the 21st century."

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.

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