

Sayona Mining plugs into 'electric car revolution' with Tesla lithium deal

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A Brisbane junior lithium miner founded by a group of self-described “dirty coal miners” from Ipswich is set to tap into the electric vehicle revolution with a deal that will result in its lithium ore being supplied to Tesla.

Nasdaq and ASX-listed Piedmont Lithium will take a 19.9 per cent stake in Brisbane-based Sayona Mining, which is progressing plans for a lithium spodumene mine in Quebec, Canada.

The deal will result in Sayona supplying 60,000 tonnes of lithium spodumene concentrate annually to Piedmont’s processing plant in North Carolina.

Sayona managing director Brett Lynch said both companies complemented each other, with Sayona seeking a customer for its lithium and Piedmont seeking a supplier of good-quality ore in North America. Piedmont, which signed a sales agreement with Tesla in September last year, will become Sayona’s biggest single shareholder.

“At the moment a lot of lithium is shipped up from Australia to China for processing,” Mr Lynch said. “With trade wars, COVID-19 and issues like global warming, it makes more sense for companies like Piedmont to seek a North American supplier.”

Sayona shares rose 64 per cent to 2.3c on Monday.

“One of the attractions of this deal is that we can supply super clean ore just as companies like Tesla, Chrysler and GM are all progressing their electrical vehicle roll outs,” Mr Lynch said.

“Instead of shipping the ore 16,000km from China we can ship it from Quebec, which is only 1600km from Piedmont’s operation in North Carolina.”

Mr Lynch and fellow directors James Brown, Allan Buckler and Dan O’Neill all started their careers at the New Hope coal mine near Ipswich before going their separate ways.

“We are all dirty old coal miners from Ipswich, but now we are mining lithium,” said Melbourne-based Mr Lynch, who added that the “electric car revolution” was unstoppable.

Piedmont chief executive Keith Phillips said Quebec was destined to become one of the world’s major lithium hydroxide production centres given its abundant mineral resources, low-cost hydro-electric power and proximity to major US and European electric vehicle markets.

Perth-based Piedmont holds a 100 per cent interest in the Piedmont Lithium Project in North Carolina. Mr Lynch said the Piedmont investment would help Sayona fast-track development of its Quebec operations, including a bid for the Chinese-owned North American Lithium project north of Montreal and 60km from its own Quebec project.

He said acquiring the project, which had failed to make money for previous owners because the lithium was contained in thin seams, made sense given more than \$444m had already been spent on a mill and processing plant. “It will cut the development time by half as opposed to building a green field site,” he said.