

# Sayona stays the course

Sayona Mining Ltd managing director Brett Lynch believes his company's bid to acquire the troubled North American Lithium (NAL) operations in Quebec, Canada is finally "rounding the home straight".

More than a year after Sayona first put up its hand for the mothballed lithium mine and concentrator in Abitibi, the company will soon find out if its long-awaited ambition becomes reality.

All bids for NAL closed on January 22, almost 12 months after the original deadline which was extended on multiple occasions by the court-appointed administrator last year due to factors such as the COVID-19 pandemic.

Sayona's pitch is centred on the fact its flagship Authier project is just 50km east of the NAL operations and the company possesses the skills and talent to unlock some of the mining challenges which have forced the asset to be shuttered three times in the last decade.

Despite still having no firm timeline on when the winning bidder will be unveiled, Lynch believes his company remains in the box seat.

"It's been a long journey, but I think we're rounding the home straight," Lynch told **Paydirt**.

"We submitted our revised bid on January 15, which was actually ahead of the deadline, and we're confident that we're still in a very good position given some of the unique features in our bid, including Authier and the ability for it to be the real key to turning around NAL's woes. If anything, these various extensions have actually enabled us to do some more homework and put an even stronger, more confident bid on the table.

"We felt we were really prepared, we haven't been sitting idle. Of course, we would have liked for it to come to fruition quicker than it has, but at the same time the world's done some amazing iterations in the last 12 months – COVID being one of the major ones – so it is understandable that the process was extended because the Quebec Government needed to prioritise addressing the pandemic."

An updated DFS published in late 2019 indicated Sayona could generate a NPV of



Sayona will soon resume drilling at Authier in a bid to expand the current resources for its proposed Abitibi lithium hub in Quebec, Canada

\$C216 million, IRR of 33.9% and EBITDA of \$C461 million over a 14-year mine life at Authier, based on a higher average production rate of 2,600 tpd compared to the original target of 1,850 tpd.

One company which is confident of Sayona emerging victorious in its bid for NAL is fellow ASX-listed junior Piedmont Lithium Ltd which recently signed a \$12 million investment and offtake agreement for 50% of the proposed spodumene production from Quebec.

Piedmont, which now holds 19.9% of Sayona and 25% of its Quebec-based subsidiary, is developing its own lithium project in North Carolina, US and last year struck a lucrative sales agreement with Tesla Inc.

Lynch said both Sayona and Piedmont were looking at a potential lithium production hub in Quebec through the "same strategic lens".

"I think it's a win-win for both of us and it's certainly strengthened our competitive and strategic position on what we might be able to do together with NAL," Lynch said.

"This is an example of two relatively small Australian companies who have gone off and set sail for the world, specifically North America, and are now taking a lot of that knowledge we've gleaned from being based in Australia, along with that Aussie 'can do' attitude, and working towards the establishment of a local supply chain for lithium in North America.

"We came together relatively quickly and seamlessly and that's because we both have a similar view of how the North American lithium market will evolve... so rather than

competing, we are combining to really deal and succeed with this challenge that is the EV revolution."

Sayona's quest to become a key local supplier of lithium received a huge boost late last year when the Quebec Government announced was banning the sale of new gasoline vehicles from 2035 as part of its plan to slash greenhouse gas emissions by 37.5% by 2030.

Canada's federal government has also flagged its intention to end all sales of gaso-

line vehicles by 2040.

Over the coming months, Sayona will resume drilling at Authier as well as the nearby Tansim project with an 8,700m programme targeting expansion of current resources in the Abitibi lithium hub.

Sayona's share price has soared as much as 450% since the start of the year, with Lynch suggesting the increase was reward for continuing to invest in exploration and other opportunities when the market was anything but favourable.

"We've got small and humble beginnings, but we've always taken a very long-term and strategic view because we've been in mineral development for a long, long time as a board and management team. We all could see and were committed to developing down the renewable energy stream," he said.

"You only have to look at how much money we've invested in Authier and Tansim while the market has been so low. And the fact we've invested in a lithium opportunity like NAL during a market downturn just shows that we can see the value of these opportunities in a different market scenario."

Sayona is also planning to revive its lithium and gold exploration projects in Western Australia now that it has regained full control of the Pilbara-based tenements which were previous under an earn-in agreement with collapsed lithium miner Altura Mining Ltd.

– Michael Washbourne