

**22 June 2021**

## **UPDATE ON SAYONA'S BID FOR NORTH AMERICAN LITHIUM**

**Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTC:DMNXF)** announced today an update on the status of Sayona Québec Inc.'s (**Sayona Québec**) bid to acquire North American Lithium Inc. (**NAL**) as part of the *Companies' Creditors Arrangement Act (CCAA)* proceedings of NAL.

On 11 June 2021, NAL and the court-appointed CCAA monitor (*administrator*) Raymond Chabot Inc. (the **Monitor**) filed a joint motion (the **Joint Motion**) with the Superior Court of Quebec (Commercial Division) (the **Court**) seeking the Court's approval of the acquisition of NAL by Sayona Québec. The proposed acquisition of NAL may only proceed with the Court's approval.

A preliminary hearing of the Joint Motion was held on 18 June, at which the Court scheduled the substantive hearing of the Joint Motion for 28 June 2021. The Joint Motion is being jointly contested by an alternative bidder for, and unsecured creditor of, NAL.

In addition to the approval of the Court, the transaction is subject to all necessary approvals under the ASX Listing Rules, clearances required under the *Competition Act (Canada)* and *Investment Canada Act (Canada)* and other customary closing conditions.

If approved by the Court, the contemplated acquisition of NAL is to be achieved through a reverse vesting order type transaction structure, which will entail the implementation of a pre-closing reorganisation of NAL.

Sayona Québec's offer to acquire NAL, for which the Court's approval is being sought, entails the following\*:

- an assignment and assumption of the senior and subordinated secured debts of Investissement Québec (**IQ**) – C\$48,898,000 and C\$63,000,000 respectively;
- repayment of IQ's interim financing facility in favour of NAL (Debtor-in-Possession (DIP) financing) – C\$10,948,000;
- repayment of Contemporary Ampere Technology Canada Limited's senior secured debt – C\$47,000,000;

- assumption of certain liabilities associated with reclamation guarantees in favour of the Ministère de l'Énergie et des Ressources naturelles (Québec ministry of energy and natural resources) – C\$25,600,000; and
- assumption of certain construction liens (legal hypothecs), if valid – C\$753,000.

In addition to the above payments and assumptions, Sayona Québec's offer provides for the assumption of all liabilities relating to assumed employees at the closing of the transaction.

Sayona's Managing Director, Brett Lynch, commented: *"We are continuing to work our way through the process of acquiring NAL, as per our joint bid with Piedmont Lithium (refer ASX release 27 May 2021).*

*"We remain confident of progressing this through to successful completion and delivering the benefits of our bid for all stakeholders."*

The Company will provide a further update to the market once the Court has made a determination on the Joint Motion.

\* All amounts in Canadian dollars; amounts stated are as at 11 June 2021 and may be subject to adjustment at closing.

This announcement is authorised by Sayona's Board of Directors.

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### **About Sayona Mining**

Sayona Mining Limited is an emerging lithium miner (ASX:SYA; OTC:DMNXF), with projects in Québec, Canada and Western Australia. In Québec, Sayona's assets comprise the Authier Lithium Project and its emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer **Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL)**. The Company is also advancing a joint bid with Piedmont for North American Lithium (NAL).

In Western Australia, the Company holds a large tenement portfolio in the Pilbara region prospective for gold and lithium. Sayona is exploring for Hemi-style gold targets in the world-class Pilbara region, while its lithium projects are subject to an earn-in agreement with Altura Mining Limited.

For more information, please visit us at [www.sayonamining.com.au](http://www.sayonamining.com.au)