



Sayona and Piedmont hope to restart the NAL operations in Quebec next year and produce spodumene concentrate from 2023

## Sayona charged for growth ambitions

After almost three years of frustrating delays and stalled progress, Sayona Mining Ltd managing director Brett Lynch and his team are barely finding time to catch their breath.

Since Sayona was confirmed as the preferred bidder for the mothballed North American Lithium (NAL) operations in Quebec, Canada in late May – more than 2.5 years after first submitting the proposal for its new flagship asset – the company has put in an offer for another in-demand lithium project and undertaken two significant capital raisings.

“Our philosophy from day one has been to take little steps, and quickly,” Lynch told **Paydirt**. “We’re probably starting to take those little steps even more quickly now, but I think that’s really in step with how the market is moving as well, and we need to keep pace.

“It has been quite a growing experience for Sayona, but we’ll continue to step quickly, we’ll keep going up, and we haven’t slipped. It’s been a great time for us, for our shareholders, given this big change we’re seeing in the industry with respect to climate change. There’s no time to lose. We, like the rest of industry, need to move fast.”

Having only recently finalised the long-awaited acquisition of NAL, in conjunction with fellow ASX-listed North American lithium hopeful Piedmont Lithium Inc, Sayona has wasted no time expanding its presence both at the mine site but also into other parts of Quebec.

That ambition to become the dominant lithium player in Quebec hit new heights on September 30 when Sayona entered into an agreement with Lithium Royalty Corp to

acquire a 60% stake in the Moblan lithium project for \$US86.5 million.

Located in the Eeyou-Istchee James Bay region which also includes Nemaska Lithium Inc’s Whabouchi mine, Moblan boasts a 12.03mt @ 1.4% lithium resource and is widely considered to be a Tier-1 deposit due to its reported low strip ratio of just 2.9:1.

Lynch revealed Moblan was actually one of the first projects Sayona looked at when the company “planted its flag” in Quebec five years ago.

“It’s always been there for us. A window opened around mid-year, just as we were completing NAL, and as these things happen in life, windows open, windows close, and we took the opportunity,” he said.

“It’s a world-class resource in its own right in terms of its 1.4% grade, enviable low strip ratio of less than three-to-one, low iron content and lots of potential to expand to meet the growing demand in North America.

“It ticks all the boxes and that’s why we moved pretty quickly to acquire it, albeit straight off the back of completing NAL. Again, it was one of those little, but quick, steps.”

Moblan is being viewed as a likely standalone operation for Sayona given it lies more than 600km from the proposed Abitibi lithium hub incorporating both NAL and the company’s undeveloped Authier and Tansim projects.

Support for Sayona’s latest acquisition has been overwhelming with the company quickly pulling together a \$100 million placement and \$25.5 million via an accompanying rights issue in the days which followed the Moblan announcement, such has been

the demand for lithium stocks.

It comes less than four months after Sayona raked in some \$65 million from an earlier oversubscribed placement and SPP to fund the NAL acquisition.

“It’s been really a great vote of confidence for Sayona in terms of how our investors, both new and existing, have supported us,” Lynch said.

“I only have to think back to when I first started at Sayona [in mid-2019] and we had around 4,000 shareholders. Today we have over 20,000.

“To do [this latest raise] so quickly and off the back of the relatively recent raises we did to complete NAL, it’s given us great confidence our shareholder base supports our strategy to continue to make good decisions and get good quality assets to build our production base for the future, especially with the North American lithium market growing exponentially.”

Sayona and Piedmont recently completed a review of the NAL operations which indicated potential to increase the resource base. Diamond drilling from 2019 is being audited for the potential to fast-track a new resource estimate (39.3mt @ 1.04% lithium) with a view towards restarting operations next year and producing first spodumene concentrate in 2023. An initial scoping study is expected before the end of this year.

“It’s all about integrating and creating the largest single resource base of spodumene in North America,” Lynch said. “We’ve just done some drilling at Authier, and I hope to be able to publish those results shortly, and we’ll soon begin another drilling programme at Tansmin. We expect that will be followed by a further programme at NAL sometime in the new year.”

Lynch also expects doors will continue to open for Sayona in the burgeoning North American market, given the rapidly evolving EV and decarbonisation thematics and the unprecedented demand for Tier-1 lithium supply.

“They say a year is a long time in show business, and it’s certainly been a long 12 months in lithium,” Lynch said. “We’ve seen the move now between supply and demand and there is certainly a lot of interest from customers and offtakers on where they can secure quality and reliable product within North America.

“It’s very comforting for an incoming producer to have such a queue of customers who are clearly very interested in getting secure supply for their market.”

– Michael Washbourne