

Sayona Mining Managing Director & CEO Brett Lynch Talks With Matt Bohlsen Of Trend Investing

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About: [Sayona Mining Limited \(SYAXF\)](#)

Summary

Mr Lynch discusses the NAL acquisition and formation of Sayona Quebec (SYA:75%; PLL:25%). He discusses Sayona's Abitibi lithium hub operating with NAL at the centre supported by Authier & Tansim.

Mr Lynch discusses Sayona's masterplan to have two lithium hubs in Quebec and ultimately to become a leading North American lithium producer of lithium carbonate/hydroxide.

Mr Lynch also discusses Sayona's Western Australian projects that include lithium, gold, and graphite exploration.

Sayona Mining [ASX:SYA] ([SYAXF](#)) ("Sayona")

Sayona is an emerging lithium producer with 4 projects in Québec, Canada and 2 in Western Australia. Sayona's portfolio of projects includes:

- **North America Lithium ("NAL") Lithium Project** (held via Sayona Quebec (Sayona Mining 75%; Piedmont Lithium ([PLL](#)) 25%).
- **Authier Lithium Project**
- **Tansim Lithium Project**
- **Moblan Lithium Project** (60% owned)
- **Pilbara Projects** (lithium & gold) - Western Australia
- **East Kimberley Graphite Project** - Western Australia

Details on Sayona's projects can be found [here](#) on the Sayona website.

Sayona Mining's global projects (lithium focus)

Objective to become a world-scale hard rock lithium producer based in Québec



[Source](#)

Interview with Sayona Mining Managing Director & CEO Brett Lynch

You can read about the background of Mr Lynch [here](#), including his more than 30 years industry experience.

Can you please discuss why you bought North America Lithium (“NAL”) and formed Sayona Quebec (SYA:75%; PLL:25%) and why you believe you can make a success of it after past problems.

Sayona’s acquisition of North American Lithium ([NAL](#)) is a pivotal point for not only Sayona and our partner, Piedmont Lithium but also Quebec and its future as a leading player in the clean energy industry of the 21st century.

NAL has an existing lithium mine, concentrator and refinery and is now at the centre of Sayona’s Abitibi lithium hub, including our Authier Lithium Project and emerging Tansim Lithium Project.

Over C\$400 million has been previously invested at NAL, including the concentrator, mining operations and lithium carbonate plant. It has the capacity to produce over 200,000 tonnes per annum of spodumene concentrate and up to 20,000 tonnes per annum of lithium carbonate.

Unlike past operators at NAL, Sayona has the benefit of being able to blend nearby ores from Authier and eventually Tansim. This results in a significant improvement in plant performance, economics and grade control.

Sayona has also committed to downstream processing in Quebec, namely the production of lithium carbonate or hydroxide at NAL. The integration of our three resources and the creation of a lithium hub at Abitibi will facilitate this important step for Quebec.

Regarding Sayona Quebec, it operates in Quebec, Canada as a wholly owned subsidiary of Sayona Mining Limited. Piedmont Lithium has a 25 percent interest in Sayona Quebec following a strategic partnership agreement with Sayona, announced on January 11, 2021.

Do you plan to combine Sayona Mining's existing Authier Lithium Project in Québec (Total Resource - [20 million tonnes @ 1.01% Li2O](#)) with the Sayona Quebec's assets to produce spodumene concentrate? What's the masterplan?

Yes. As per above, Sayona plans to integrate Authier with NAL. Authier ore will be blended with that from the NAL mine to ensure a significant improvement to plant performance, economics and grade control.

As such, Authier will become a greatly simplified operation, simply supplying spodumene ore for NAL with no processing on-site. This should also simplify the permitting process and minimise environmental impacts.

Ultimately, Sayona expects to have its Abitibi lithium hub operating with NAL at the centre, also supplied by Authier and Tansim, while in northern Quebec, a northern hub will be based on the newly acquired Moblan Lithium Project.

Please discuss some of the ways Sayona Quebec may increase their Resource ([39.3 million tonnes @ 1.04% Li2O](#)) and any resource target's you may have?

Sayona has been drilling recently at our flagship Authier Lithium Project, with a goal of expanding the resource and enhancing its profitability. Some 31 drill holes for 4,500m were planned and we expect to have the results soon.

The company also plans to conduct further drilling at the emerging Tansim Lithium Project, which also looks very promising. At Tansim, Sayona plans 26 diamond drill holes for 4,200m, and the company looks forward to advancing this.

Subsequent to the acquisition of NAL, on September 13, Sayona also announced the potential for a further resource expansion at NAL.

Extensive diamond drilling completed in 2019 is being integrated with other previous drill results which are being audited, with the potential to fast-track an increased resource estimate and the resumption of operations at NAL.

Consultants BBA Inc. have been engaged to produce an updated Canadian NI 43-101 study of NAL's resource base with subsequent conversion to Australia's JORC standard by year-end, as the basis of a scoping study for the production of spodumene (lithium) concentrate from 2023.

In addition, there is potential for a resource expansion at the newly acquired Moblan project (as per below).

Put all this together and Sayona is rapidly gaining a leading lithium resource base in North America.

How would Sayona Mining's recent agreement to acquire a 60% interest in the Moblan high-grade spodumene deposit (Mineral Resource Foreign Estimate of [12.03Mt @ 1.4% Li2O](#)) fit in given the purchase was not by Sayona Quebec?

The acquisition has been done by the parent entity, Sayona Mining Limited. Moblan is located in a world-class lithium region, the Eeyou-Istchee James Bay region of northern Quebec, which is host to Nemaska Lithium's Whabouchi mine.

Importantly, Moblan is host to high-grade spodumene mineralisation and has significant potential for further expansion. Sayona sees Moblan as forming the basis of a northern hub, adding to our emerging Abitibi hub in Quebec and driving our transformation into the leading lithium producer in North America.

Please outline your plans for the Sayona Quebec assets, including the Scoping Study, production targets and timelines (spodumene concentrate [from 2023](#) was mentioned).

Sayona is currently completing a scoping study on integrating the Authier and NAL operations, which is expected by year-end, targeting a resumption of spodumene concentrate production at NAL in mid-2023.

Longer term, from 2025 and beyond, Sayona aims to become an integrated producer of spodumene and lithium carbonate/hydroxide production supplying the North American market.

Beyond spodumene production please discuss Sayona Quebec's downstream processing/conversion ideas, including some early production guide, timeline, and possible location.

Sayona is currently evaluating several options, including recommissioning the existing lithium carbonate plant at NAL, and/or a greenfields lithium hydroxide plant in Quebec. These studies are yet to be concluded, however the company has committed to downstream processing in Quebec.

What are your plans for Sayona Mining's [Western Australian lithium and gold assets](#)?

Under an earn-in agreement with Altura Mining, Altura has the right to earn a 51 per cent interest by spending A\$1.5 million on exploration within three years at Sayona's lithium projects in Western Australia, including a range of tenements in the world-class Pilgangoora lithium district. The initial focus will be on the Mallina Lithium Project, which is the most advanced, having multiple zones of spodumene pegmatites already identified.

Altura has a track record of exploration success in Western Australia and Sayona looks forward to the results of Altura's exploration activity.

Concerning Sayona's Pilbara gold projects, we are seeking Hemi-style targets near De Grey Mining's [discovery](#). De Grey has reported a maiden resource estimate at Hemi of 6.8 million ounces gold, cementing the Pilbara region as a tier-one exploration province.

Sayona has committed A\$2 million in funding for calendar 2021 to further exploration there, which again has the potential to deliver further shareholder value.

What are your plans for Sayona Mining's [East Kimberly Graphite](#) asset?

Sayona is exploring opportunities for key battery materials including graphite. At the East Kimberley Graphite Project, previous exploration identified graphite mineralisation within a 25-kilometre strike of the Corkwood prospect. Sayona is reviewing the project to determine the best method of maximising value for shareholders.

Where do you see Sayona Mining being in 5 years in terms of assets and production?

In five years, Sayona will have secured its position as North America's leading lithium producer, having the largest lithium asset base in the region with our Abitibi and Northern Quebec lithium hubs.

The company will be producing spodumene concentrate in Quebec for the North American EV and battery market, while progressing plans for downstream processing into lithium hydroxide/carbonate.

Meanwhile in Australia, exploration at our lithium and gold projects will have significantly advanced, with any discovery further strengthening our lithium, gold and graphite asset base.

With the global decarbonisation drive picking up speed due to 'net zero' pledges by the world's major economies, there's never been a better time to be a supplier of lithium.

Quebec is well placed as the most environmentally sustainable and economically competitive supplier to the North American EV and battery market, which is seeing billions of dollars of investments by leading automakers and battery makers together with government and other investors.

Is there anything else you would like to add about Sayona Mining?

Sayona has seen phenomenal growth over the past year in terms of its market value and shareholder base, reflecting the success of the company's Quebec lithium expansion. Sayona is now growing a significant lithium footprint in Quebec with the potential to move downstream.

Demand for lithium from North America continues to rise, based on the billions of dollars of investment committed by automakers such as Ford, General Motors and Tesla, together with the expansion of battery factory investments including Britishvolt and others in Quebec.

Bloomberg NEF predicts the world will need 35 million EVs added to the road each year by 2030 (11 times the 2020 total) to help meet the 2050 net zero target. This will require billions of dollars of investment in additional lithium supply, with lithium demand potentially rising 40-fold by 2040.

As a company with the largest lithium resource base in North America, Sayona is well placed to help supply this clean energy revolution and contribute to the fight against climate change.

Investors can view the recent company presentations [here](#).

Conclusion

I would sincerely like to thank Mr Brett Lynch for giving freely of his time and insight into the lithium sector and Sayona Mining's exciting growth plans.

As usual all comments are welcome.

Disclosure: I/we have no stock, option or similar derivative position in any of the companies mentioned, but may initiate a beneficial Long position through a purchase of the stock, or the purchase of call options or similar derivatives in Sayona Mining [ASX:SYA] over the next 72 hours.

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