

28 June 2022

SAYONA & PIEDMONT FORMALLY APPROVE NAL RESTART

Highlights

- **Sayona Québec Inc. formally approve restart of North American Lithium (NAL) operation, with budget of approx. C\$98 million**
- **NAL on track for resumption of spodumene concentrate production in first quarter 2023, becoming the first North American local supplier of lithium concentrates**
- **Sayona and Piedmont evaluating options for downstream processing in Québec, in order to capture further value in the fast-growing EV and battery sector.**

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) has cemented plans to commence North American spodumene (lithium) production in 2023 following the formal agreement of the North American Lithium (NAL) restart program.

The Sayona Quebec Inc. (SYQ) board has formally authorised the restart of spodumene concentrate production at the NAL operation in Québec, requiring significant plant and infrastructure upgrades, aimed at improving product quality, recovery, and plant availability. SYQ is owned 75% by Sayona Mining and 25% by Piedmont.

The proposed upgrade and restart budget is approximately C\$98 million (approx A\$110 million). Sayona has made significant steps to expedite the production restart, having recruited key personnel, secured critical long lead equipment items, progressed detailed engineering design work and obtained nearly all required regulatory approvals. The NAL concentrator commissioning is on track, with first production due in Q1 2023.

Sayona's Managing Director, Brett Lynch commented: *"We are delighted to put the seal on our plan to launch North America's first local spodumene concentrate production, amid growing demand from both Canada and the United States for local and sustainable sources of this key battery metal."*

“Our team in Québec has hit the ground running since our official takeover of the operation in August 2021. Progress to date has been excellent, including the recruitment of experienced operating personnel and the move to secure major items of equipment early, before recent cost hikes.

“Importantly, we continue to work closely with both the Québec Government and Piedmont to take the next step of downstream processing. This will maximise local value-add, delivering increased returns to shareholders, enhancing local employment and investment and minimising the carbon footprint in supplying North America’s battery industry compared to current imports.

“All the key players in the North American auto and battery sector are moving to invest in local production in Québec, benefitting from its world-class infrastructure, skilled labour, proximity to key battery markets and low cost, sustainable hydroelectric power.

“Combined with our emerging northern lithium hub, NAL will ensure Québec is at the centre of lithium carbonate and/or hydroxide production in North America, becoming the axis on which a successful battery ecosystem can be built.”

The NAL restart project has been funded through cash contributions by both Sayona and Piedmont, each company having successfully completed significant capital raises in the first half of 2022.

Following the restart of NAL operations, the offtake agreement with Piedmont entitles it to purchase the greater of 113,000 metric tons per year of spodumene concentrate, or 50% of production from NAL. Prior to the NAL restart, the agreement provided for offtake of 60,000 tonnes or 50% of concentrate produced from ore mined at SYQ’s nearby Authier Lithium Project.

This offtake agreement will remain in place until the commencement of operation of a lithium conversion plant in Québec. At this point, spodumene concentrate produced from NAL will be preferentially delivered to that chemical plant upon the start of production. Any remaining concentrate not required by the conversion plant will be delivered to Piedmont.

As per the Company’s agreement with the Québec Government, Sayona is committed to the development of a downstream processing capability in Québec, comprising lithium carbonate and/or lithium hydroxide production.

Issued on behalf of the Board.

For more information, please contact:

Brett Lynch
Managing Director
Email: info@sayonamining.com.au

For media queries, please contact:

Anthony Fensom
Republic PR
Ph: +61 (0)407 112 623
Email: anthony@republicpr.com.au

About Sayona Mining

Sayona Mining Limited is an emerging lithium producer (ASX:SYA; OTCQB:SYAXF), with projects in Québec, Canada and Western Australia.

In Québec, Sayona’s assets comprise North American Lithium together with the Authier Lithium Project and the emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL). The Company also holds a 60% stake in the Moblan Lithium Project.

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 Morella Corporation (ASX:1MC).

For more information, please visit us at www.sayonamining.com.au

Summary of Offtake Agreement Terms

Buyer	Piedmont Lithium Carolinas, Inc., a wholly-owned subsidiary of Piedmont, or an affiliated company
Seller	Sayona Quebec Inc.
Product	Spodumene concentrate containing 6.0% Li ₂ O grade (dry basis)
Quantity	113,000 dry metric tons (“dmt”) per year or 50% of production, whichever is greater
Term	Life-of-mine of the North American Lithium and Authier Projects
Price	Market pricing (based on an average price for CIF China Price (US\$) for 6.0% SC6 dry basis) with a minimum price of US\$500/t and a maximum price of US\$900/t on a DAP North Carolina basis
Conditions	<p>If Sayona and Piedmont agree to jointly develop and operate a lithium chemical plant, including a restart of the lithium carbonate plant at North American Lithium or another lithium chemical plant at a different location, then the partners agree that the order of priority for production volume of spodumene concentrate from North American Lithium will be:</p> <ol style="list-style-type: none"> 1. Jointly-owned lithium chemical plant 2. Piedmont volume under the offtake agreement 3. Third parties

References to Previous ASX Releases

- Piedmont Lithium Invests in Sayona - Strategic Partnership – 11 January 2021

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.