

11 October 2017

DISPATCH OF RIGHTS ISSUE PROSPECTUS

Sayona Mining Limited ACN 091 951 978 (**ASX: SYA**) ("**Sayona**" or "**The Company**") confirms that the rights issue Prospectus and personalised Entitlement and Acceptance Form as announced on 28 September 2017 was dispatched to Eligible Shareholders on 11 October 2017.

The Prospectus was lodged with ASX on 3 October 2017 and is available on the Company's website.

A letter to Ineligible Shareholders notifying them of the Rights Issue and their ineligibility to participate has also been dispatched. A copy of the letter is attached.

Further information for Eligible Shareholders

Eligible Shareholders are encouraged to carefully read the Prospectus for further details relating to the Rights Issue.

The Rights Issue Offer closes at 5:00pm (AEDST) on Friday, 3 November 2017. Lodgement of Entitlement & Acceptance Forms and payment of application moneys must be received prior to this time.

If you have any questions regarding the Rights Issue please contact the Company as detailed below.

Yours sincerely

Sayona Mining Limited



Paul Crawford
Company Secretary

5 October 2017

Dear Shareholder

RENOUNCEABLE RIGHTS ISSUE – NOTICE TO INELIGIBLE SHAREHOLDERS

On 28 September 2017, Sayona Mining Limited ACN 091 951 978 (**ASX: SYA**) ("**Sayona**" or "**The Company**") announced that it was commencing a partially underwritten renounceable rights issue on the basis of one (1) New Share for every two (2) Shares held at an issue price of 1 cent (\$0.01) per New Share (**Rights Issue**).

Sayona may issue a maximum of approximately 487,409,777 New Shares to raise approximately \$4.9 million (before the costs of the Rights Issue).

The net proceeds of the Rights Issue (together with the Company's existing cash) will be used to fund completion of updated pre-feasibility study, a definitive feasibility study at its Authier Lithium Project, exploration of the Authier mineral claims and working capital requirements.

A prospectus in relation to the Rights Issue was lodged with ASIC on 3 October 2017 and is available on the Company's website. The Rights Issue is available to eligible shareholders with a registered address in Australia or New Zealand.

The Rights Issue will not be extended to shareholders with a registered address outside these jurisdictions as the Company has determined pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the *Corporations Act 2001* (Cth) that it would be unreasonable to do so, having regard to the number of such shareholders, their holdings and the cost of complying with regulatory requirements outside of the nominated jurisdictions.

As an ineligible shareholder, no offer is being made to you and the Prospectus prepared by the Company in relation to the Rights Issue will not be sent to you. We refer you to section 1.3 of the Prospectus which defines who is an eligible shareholder for the purpose of the Rights Issue.

The Company advises that Patersons Securities Limited has been appointed as nominee (**Nominee**) to sell the rights to New Shares that might have otherwise been issued to Ineligible Shareholders (**Ineligible Shareholders Entitlements**) and the Nominee will send Ineligible Shareholders any net proceeds from the sale of Ineligible Shareholders Entitlements.

The Nominee will attempt to sell the Ineligible Shareholders Entitlements on the ASX and if the Ineligible Shareholders Entitlements are unable to be sold on the ASX, then the Ineligible Shareholders Entitlements will be sold off-market for nominal consideration. Interest earned on proceeds of the sale of Ineligible Shareholders Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholder.

Notwithstanding that the nominee may sell Ineligible Shareholders Entitlements, Ineligible Shareholders may not receive any net proceeds if the costs of the sale are greater than the sale proceeds.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You do not have to take any further action in relation to the Rights Issue.

If you have any questions regarding the Rights Issue please contact the Company as detailed below.

Yours sincerely

Sayona Mining Limited



Paul Crawford
Company Secretary