



Capital Raising to Fund Completion of the Authier DFS and Fast Track Towards Production

Investor Presentation | October 2017

Disclaimer



Forward Looking Statements

This presentation may contain certain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Sayona Limited's control. Actual events or results may differ materially from the events or results expected or implied in any forward looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. Sayona Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation (subject to securities exchange disclosure requirements). The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.

Reference To Previous ASX Releases

This presentation refers to the following previous ASX releases:

- Authier JORC Resource Expanded , 23 November 2016
- Authier Maiden JORC Ore Reserve, 17 February 2017 and JORC Resource Update, 14 June 2017
- Authier PFS, 17 February 2017

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.

Downstream Concept Study

The Concept Study referred to in this announcement has been undertaken to determine the potential viability of downstream processing Authier concentrates into lithium carbonate and/or hydroxide. It is based on a low level technical and economic assessment and was based on the AACE International Recommended Practice No. 18R-97, as a Class 4 estimate. The study has not been used as the basis for the estimation of Ore Reserves. Further technical and economic assessment including, metallurgical testing, Feasibility Study and permitting will be required to provide any assurance or certainty of an economic development case.

The Concept Study is based on the mine and concentrator assumptions (includes Ore Reserves) outlined in the February 2017 Authier Pre-Feasibility Study, Authier Updated JORC Resource report (14 June 2017), a report prepared by Wave International on the downstream capital and operating costs, Appendix – Project Design Criteria, and other material assumptions outlined elsewhere in this document. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the outcomes indicated in the Concept Study will be achieved.

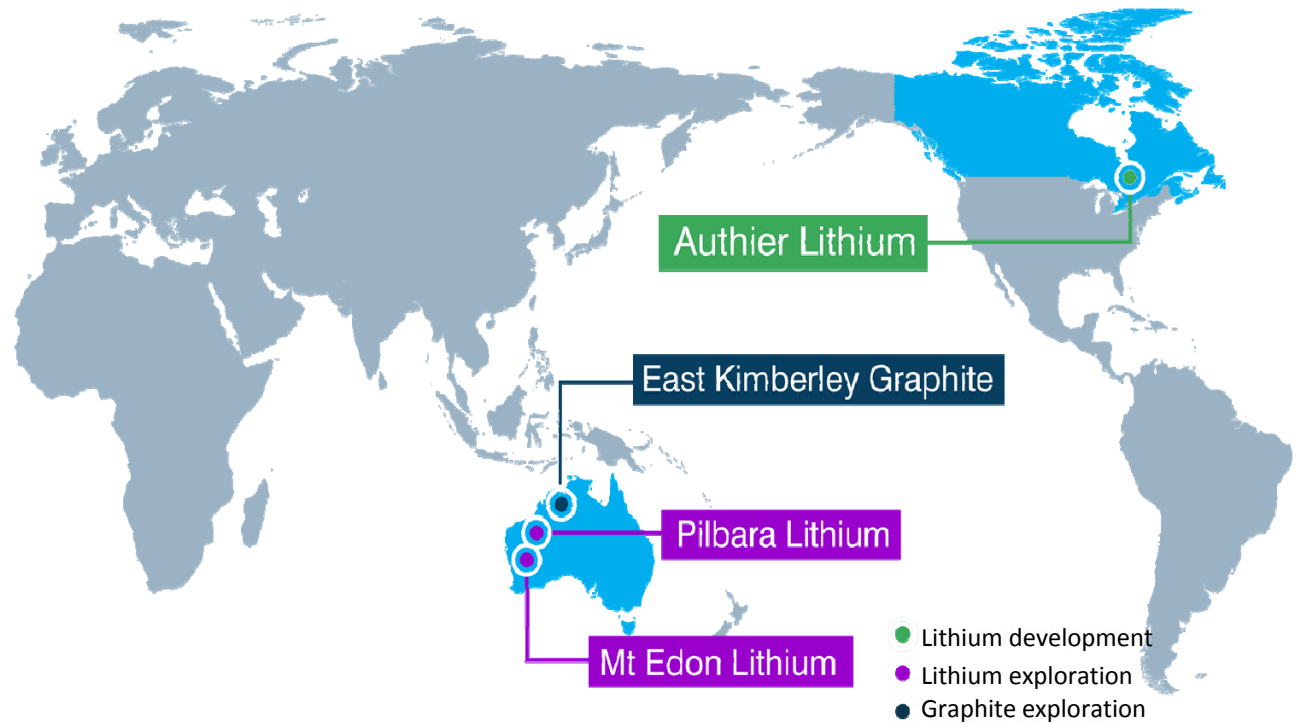
To achieve the potential downstream process plant development outcomes indicated in this Concept Study, additional funding will be required. Funding will be required to complete metallurgical testing (\$100,000), feasibility studies and permitting (approximately \$1,000,000) and development (approximately \$223 to \$240 million depending on whether it is a lithium carbonate or lithium hydroxide plant). Investors should note that there is no certainty that the Company will be able to raise the funding when needed. It is also possible that such funding may only be available at terms that may be too dilutive to or otherwise affect the value of Sayona shares. It is also possible that Sayona could pursue other 'value realisation strategies such as sale, partial sale or joint venture of the project. If it does, this could materially reduce Sayona's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Concept Study.

The Company has concluded it has reasonable basis for providing forward looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to continue funding the feasibility activities for the project.

Sayona - At a Glance



Sayona's strategy is to **fast-track the development of its advanced Authier Lithium Project** - first production is expected in 2019 and the Project offers significant expansion potential



Capital Raising Overview



SYA is undertaking \$4.87 million partially underwritten renounceable entitlement offer on a 1:2 basis at \$0.01 per share

Equity Raising	<ul style="list-style-type: none">• Entitlement offer to raise \$4.87m and 487m new ordinary shares issued• Partially Underwritten to \$2m by Patersons Securities Limited• Investors can apply for one share for every two shares held at the record date
Offer	<ul style="list-style-type: none">• \$0.01 per share• 9.1% discount to closing share price of \$0.011 on 2 Oct 2017
Use of Proceeds	<ul style="list-style-type: none">• Authier project expenditure – advancing studies and permitting• Administration expenses• Working capital• Expenses of the offer
Ranking	<ul style="list-style-type: none">• Shares will rank equally with existing shares

Capital Structure



Ordinary shares pre-raising	975m
Capital raising: - Rights issue 1 for 2 @ \$0.01 per share	487 m
Total ordinary shares	1,462 m
Market capitalisation @ \$0.01 per share	A\$14.6 m
Cash at bank * (Inclusive of cash balance and after expenses of offer)	A\$4.9 m - \$2.5 m

* \$2.6m at the underwritten amount and \$5.3m at the maximum subscription

Use of Funds



	Minimum Amount Raised Under the Rights Issue*	Maximum Amount Raised under Rights Issue
Capital raised pursuant to offering	\$2,000,000	\$4,874,098
Existing cash (as at June 30, 2017)	\$520,082	\$520,082
Total	\$2,520,082	\$5,394,180
Use of funds:		
Authier lithium project expenditure	\$1,350,000	\$3,610,000
Administration expenses	\$860,000	\$960,000
Surplus working capital	\$54,216	\$376,249
Expenses of the offer	\$255,866	\$447,931
Total Funds Used	\$2,520,082	\$5,394,180

*The Rights Issue is partially underwritten up to \$2 million

Entitlement Offer Timetable



Event	Date
Lodge retail offer document with ASX	Tuesday, 3 October 2017
Trading of Rights Commences	Friday, 6 October 2017
Record Date to determine entitlements	7pm (Brisbane time), 9 October 2017
Dispatch of Prospectus and Entitlement Acceptance Forms	By Wednesday, 11 October 2017
Trading of Rights ends	Friday, 27 October 2017
Closing Date of Rights Issue	5pm, 2 November 2017
Rights Issue Shortfall Notified	Tuesday, 7 November 2017
Shortfall Settled	Thursday, 9 November 2017
Issue date, Deferred Settlements Trading Ends	Friday, 10 November 2017
Normal Trading of New Shares expected on ASX	Monday, 13 November 2017

Investment Highlights



Authier is an advanced, de-risked project. Pre-Feasibility Study and Ore Reserve completed.
DFS to commence October



Executing a plan to get into **production and generate cash flow** – low capital hurdle & competitive operating costs



Located in a **first world country** with **access to world-class, low-cost infrastructure**



Base case pre-tax NPV of A\$140 million and **low enterprise value per tonne of resources** compared to industry peers



Board and management team have **track record of delivering projects**

Corporate Summary



Trading Exchange	ASX: SYA
Shares	974,819,553
Shareholders	26% Directors 56% Top 20

Capitalisation	
Price As at 11 Oct 2017	1.2¢
Market cap	\$11.7m
Cash As at 30 June 2017	\$1.1m

Research Coverage



Board and Management



Dan O'Neill	<ul style="list-style-type: none">• Geologist with 35 years experience in technical and corporate roles• Founding director of Orocobre Ltd. Director of Altura Mining
Allan Buckler	<ul style="list-style-type: none">• 40 years experience building mining operations in Australia and Indonesia. Former Director and Chief Operations Officer for New Hope Corporation• Director of Altura Mining
Paul Crawford	<ul style="list-style-type: none">• CPA with 35 years public company experience• Previously Company Secretary of companies including, Orocobre Ltd (founding director), Elementos and ActivEx
James Brown	<ul style="list-style-type: none">• 35 years experience including, 22 years with New Hope Corporation. Extensive mine development & operational experience• Managing Director of Altura Mining - \$220m market cap.
Corey Nolan Chief Executive Officer	<ul style="list-style-type: none">• 24 years experience in exploration, development, operations and corporate finance• Started and managed a number of resource companies with projects in a range of commodities and countries

Hard Rock Lithium Peer Universe

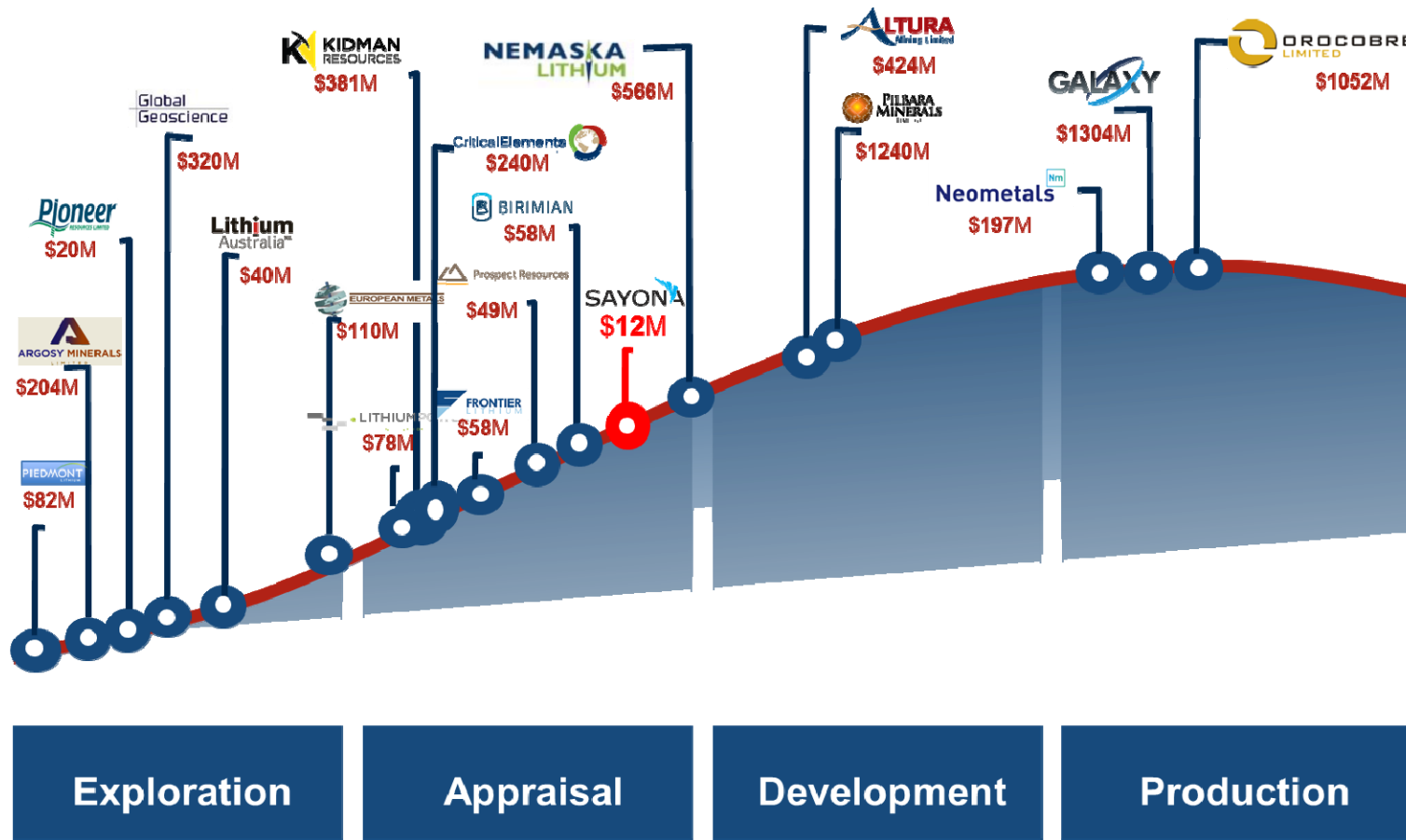


- EV / Measured & Indicated Resources

- EV/Resource value is low
 - EV is more indicative of lithium explorers



Sayona Significantly Undervalued



Deep Value in Quebec Lithium Projects

TOP rated mining jurisdiction by Fraser Institute – No.6 in world

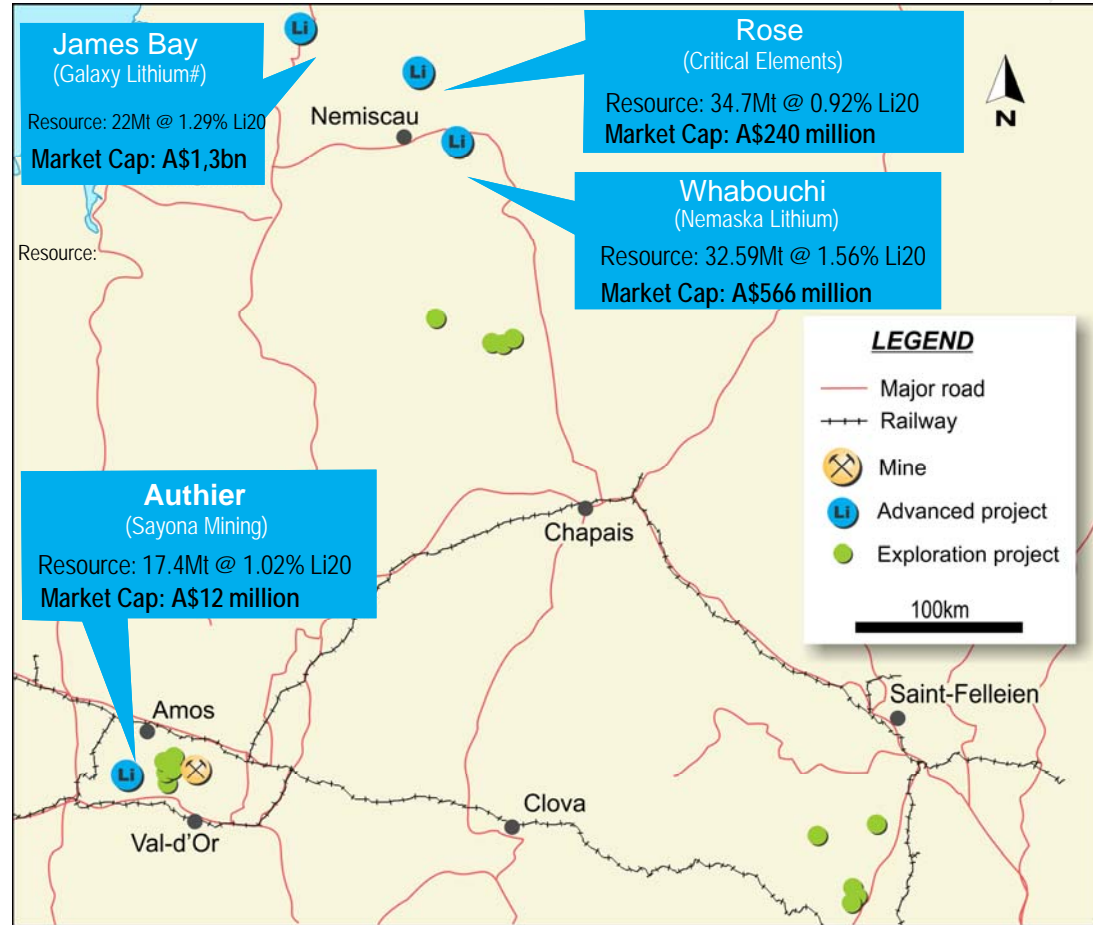
Stable taxes and no royalties

Well established permitting regime

Modern, efficient infrastructure

25 mines in production

\$8.7bn of mineral exports



Authier Lithium Project Development Plan



Base Case Development Scenario

Authier Mine and Concentrator

- Simple open-cut mining operation
- Conventional concentrator producing 100kt/yr of 6% Li₂O concentrate
- PFS completed. Optimisation work nearing completion
- DFS to commence next quarter
- Permitting and environmental progressing
- Mine life 20 years
- Opportunity to fund growth options by selling concentrates

Growth Opportunities

Increase Production Capacity

- Increase plant capacity to sell more concentrates and shorten mine-life to maximise NPV
- Invest into further exploration to expand the resource base

Integrated Refinery Model

- Convert Authier concentrates into lithium hydroxide or carbonate
- Scoping study completed
- PFS and metallurgical test work to commence next quarter
- Site selection process underway

Authier Project Highlights



Simple geology, extensively drilled - 22,000 metres



Low-cost, truck and shovel mining operation



Proven process for recovery of **spodumene** into a saleable concentrate – **no technology risk**



World-class development infrastructure



Valuation based on a PFS **lithium price of US\$515/t** - **well below** current traded market price for concentrates



Low capital hurdle and **competitive operating costs**

2017 Pre-Feasibility Study Outcomes#

Start-up capex of
CAD\$66 million
and opex of
US\$280/t

Pre-Tax NPV's	CAD\$140m
Pre-Tax IRR	39%
Capital Payback	2.2 years
Ave Annual EBITDA	CAD\$31m
Ave Operating Margin	US\$235/t
Price Forecast*	US\$515/t

- Price of US\$/t per tonne of concentrate based on a 5.75% Li2O concentrate
- #See ASX release, Authier Pre-Feasibility Study, 17 February 2017

PFS JORC Ore Reserve



	Tonnes (Mt)	Grades (LizO)	Contained (LizO)
Proven	4.9	0.97%	47,821
Probable	5.3	1.06%	55,904
Total	10.2	1.02%	102,725

The Ore Reserve has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% LizO cut-off grade



Post-PFS JORC Mineral Resource Upgrade



	Tonnes (Mt)	Grades (Li ₂ O)	Contained (Li ₂ O)
Measured	5.62	1.01%	56,762
Indicated	9.57	1.03%	98,571
Inferred	2.21	0.99%	21,879
Total	17.4	1.02%	177,879

The resource has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% Li₂O cut-off grade.



Updated PFS to Improve Project Value



Work Programs

1. **Increased Ore Reserve following Mineral Resource upgrade**

2. **Metallurgical optimisation:**
 - 6% Li₂O concentrate produced
 - Improved processing recoveries

3. **Geotechnical & dilution study enhancements**

Value Outcomes

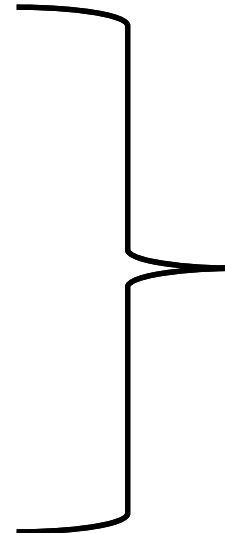
- Longer mine life

- Capacity expansion potential

- Increased revenues

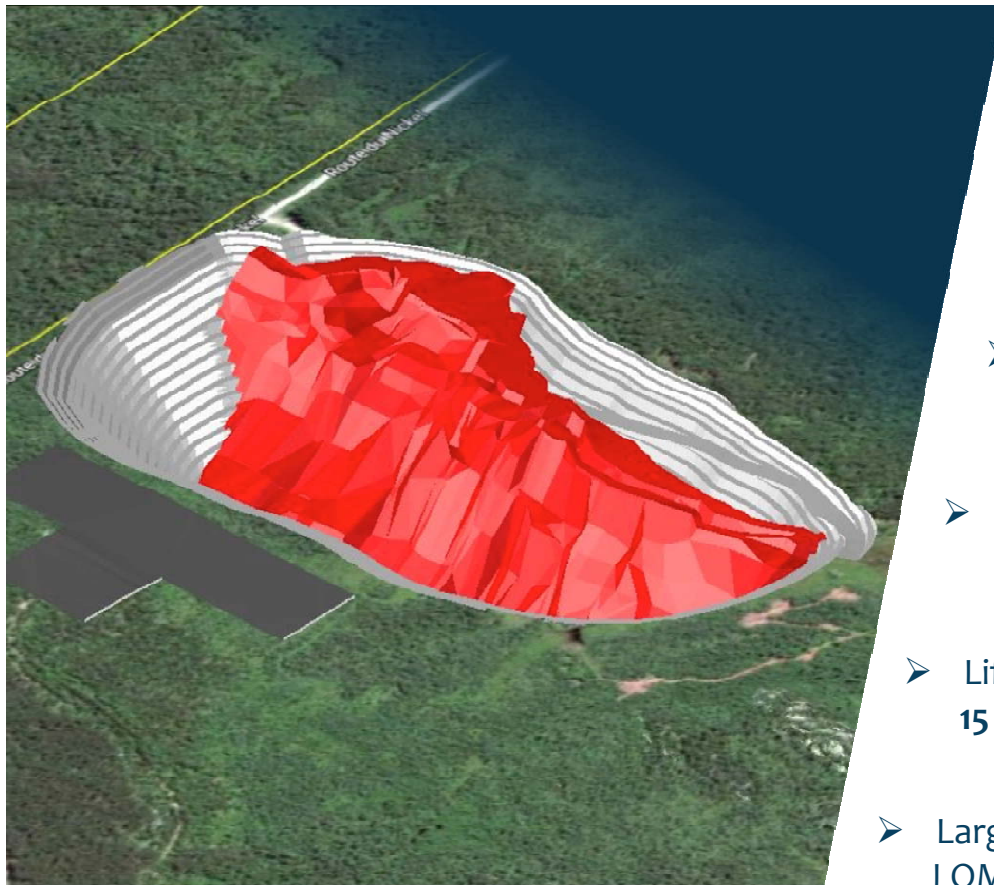
- Lower operating costs

- Higher NPV and IRR



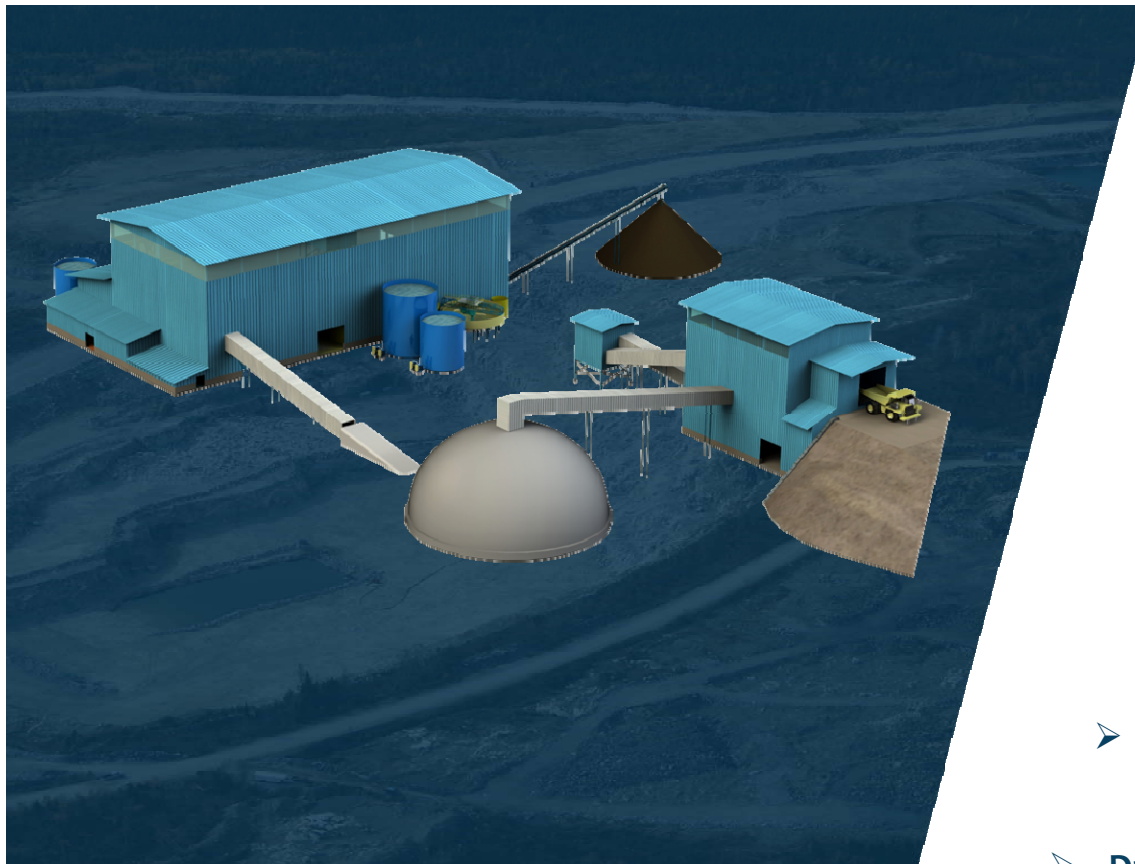
Fast tracking Authier towards production
- six month DFS to commence in October

Simple, Open-Cut Mining Operation



- Simple Mining Method
Truck and shovel operation
- Competitive Mining Costs
CAD\$2.90/tonne average LOM*
- Low Capex
Mining Fleet **Leased**
- Conservative geotechnical assumptions –
45° hanging wall pit slope
- Life-of-Mine
15 years*
- Large, thick tabular body
LOM waste to ore ratio **6:1**

Conventional Process Flow-Sheet



- Conventional process flow-sheet
Crush, grind and flotation
- Cash Operating Costs
\$20 / tonne life-of-mine
- **80%** recovery to a
5.75% Li₂O concentrate*
- **700,000 tpa** processing capacity to
produce
- **98 Kt/yr** Li₂O concentrate
- **Dry Tailings** simplifies approvals

World-Class Infrastructure



5km
Low cost hydro power and gas

5km
Sealed road access

20km
Rail access to export port

Experienced local mining
workforce

Major new hub of lithium
carbonate production

Electricity 5¢ kWh

Gas < \$3 /GJ

Integrated Refinery



Concentrate Sales Strategy



- Sell **lower-value concentrates** to battery converters in Canada or China
- Concentrate sells at **>US\$750/t**

Why go downstream?

- Substantially higher margins than concentrate operations
- Much higher prices for value-added products
 - Significantly higher NPV's
- Opportunity to create significantly more shareholder value

Integrated Refinery Strategy



- Sell **value-added lithium** products to battery manufacturers across the world
- **Lithium hydroxide sells for >US\$18,000/t**

Quebec location advantages

- Low-cost energy
- Skilled low-cost, workforce
- Close to the US battery markets
- Favourable taxation regime
- Reagents readily available

Integrated Refinery Model



Authier Downstream Processing Financial Highlights* (Approximate Values Derived from the Scoping Study)

Description	Unit	Lithium Carbonate	Lithium Hydroxide
Annual Production Capacity	Tonnes	13,000	14,000
Ave Cash operating Costs*	C\$ per tonne	6,331	6,032
Ave Cash Operating Costs*	US\$ per tonne	4,812	4,585
Price forecast	US\$ per tonne	10,200	12,000
Initial Capital#	C\$ million	223	240
Total Capital#	C\$ million	284	301
Pre-tax NPV @ 9%DR	C\$ million	426	794
Pre-Tax IRR	%	31	44
Exchange rate	CAD\$:US\$	0.76	0.76

* Cash Operating Costs includes mining, processing, administration, royalties, transport, and downstream processing

Capital expenditure includes all mine, concentrator and downstream process plant

* Please see Scoping Study disclaimer on page 2 and ASX release, "Downstream Study Demonstrates Positive Economics", 30 August 2017

Authier Development Timetable



Milestones	2017		2018				2019				2020	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Phase 2 Metallurgy	█											
PFS Update		█										
Environmental	█	█	█									
Mining Lease	█	█	█	█								
Pilot Metallurgy		█										
Definitive Feasibility Study		█	█	█								
Engineering & Design				█	█							
Off-take					█							
Finance					█							
Construction						█	█	█	█			
Operation										█	█	█
Downstream Concept study	█											
Downstream Testing		█										
Downstream Studies			█	█	█	█						

Conclusions

- Opportunity to participate in a **capital raising** that will **fund** the **completion** of the **Authier pre-development studies**
- Company targeting near-term opportunity to **commence production** and **capitalise** on the **high price environment for concentrates**
- **Cash flows** can be **directed to growth options** including the integrated refinery model and further exploration
- Integrated refinery model provides an opportunity to **value-add Authier concentrates** and create **significant shareholder value**
- **Board and management** team have track record of **delivering projects**



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