



SAYONA
MINING LIMITED



December 2017
ASX: **SYA**

Authier Lithium Project Advances to the Definitive Feasibility Stage

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 , 11 December 2017
- Authier Maiden JORC Ore Reserve, 11 December 2017
- Authier PFS, 11 December 2017
- Authier Downstream Concept Study Demonstrates Positive Economics, 30 August 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.

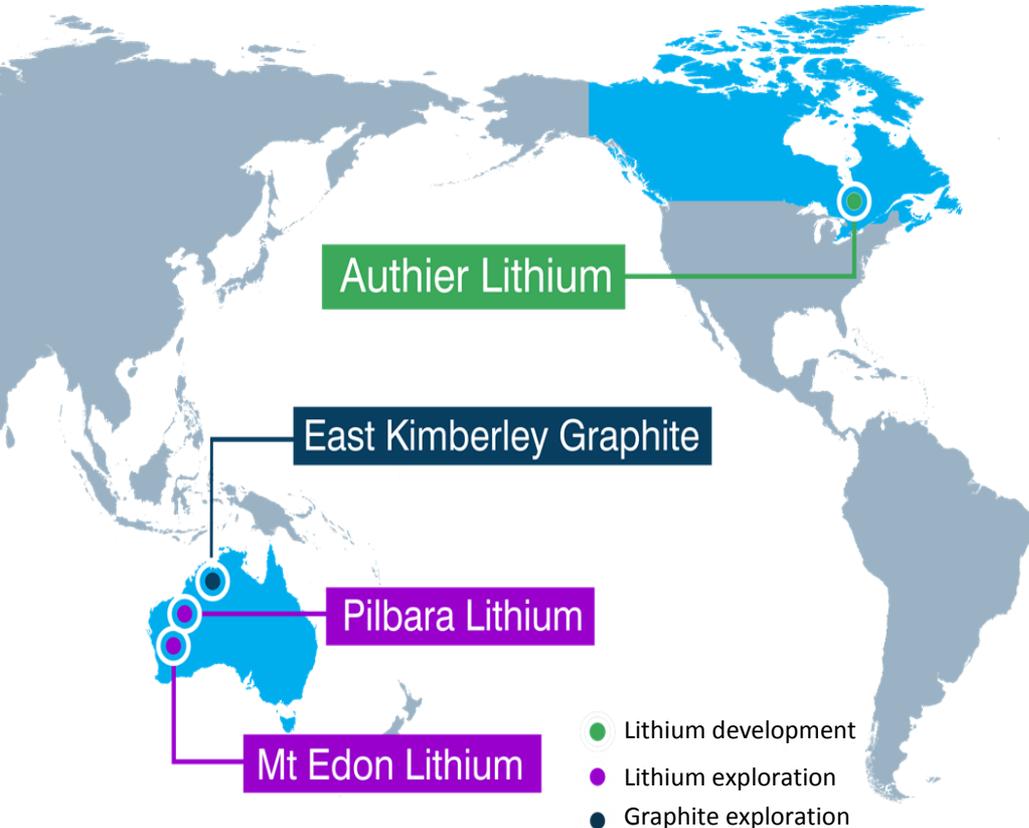
Downstream Concept Study

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.



- Australian-based, ASX listed lithium exploration and development company
- Primary objective is to fast-track development of the advanced Authier Lithium Project
- Targeting first production at Authier in late 2019
- Significant portfolio of lithium and graphite exploration properties in Australia

Corporate Summary

Trading Exchange	ASX: SYA
Shares	1,462,229,614
Shareholders	19% Directors 44% Top 20

Capitalisation	
Price <small>As at 11 Dec 2017</small>	4.3¢
Market cap	AUD\$64m
Cash <small>As at 10 Nov 2017</small>	AUD\$5.0m

Research Coverage



James Brown

- 35 year's experience including, 22 years with New Hope Corporation. Extensive mine development & operational experience
- Managing Director of Altura Mining - >\$600m market cap

Allan Buckler

- 40 year's experience building mining operations in Australia and Indonesia. Former Director and Chief Operations Officer for New Hope Corporation
- Director of Altura Mining

Dan O'Neill

- Geologist with 35 year's experience in technical and corporate roles
- Founding director of Orocobre Ltd. Director of Altura Mining

Paul Crawford

- CPA with 35 years public company experience
- Previously Company Secretary of companies including, Orocobre Ltd (founding director), Elementos and ActivEx

Building in-house capability across all technical disciplines

Corey Nolan
CEO

- 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

Jonathon Gagne
Canada Manager

- Mining Engineer with MBA and more than 10 years experience in operations and mine planning
- Joined Sayona from Glencore Zinc's open-cut mine planning division

Authier
Processing
Engineer

- Appointment to be announced soon

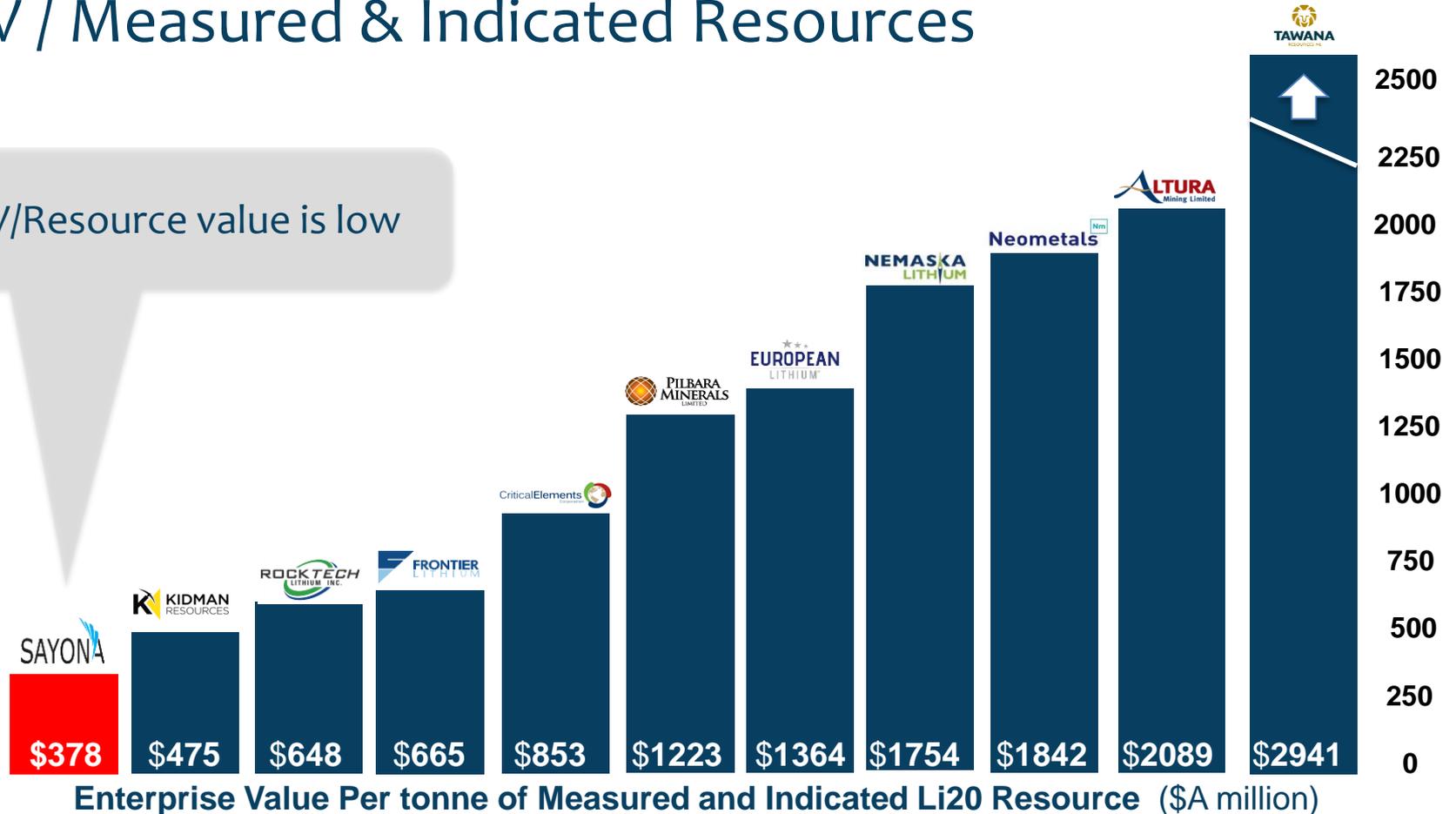
Authier Project
Manager

- Appointment to be announced soon

Hard Rock Lithium Peer Universe

- EV / Measured & Indicated Resources

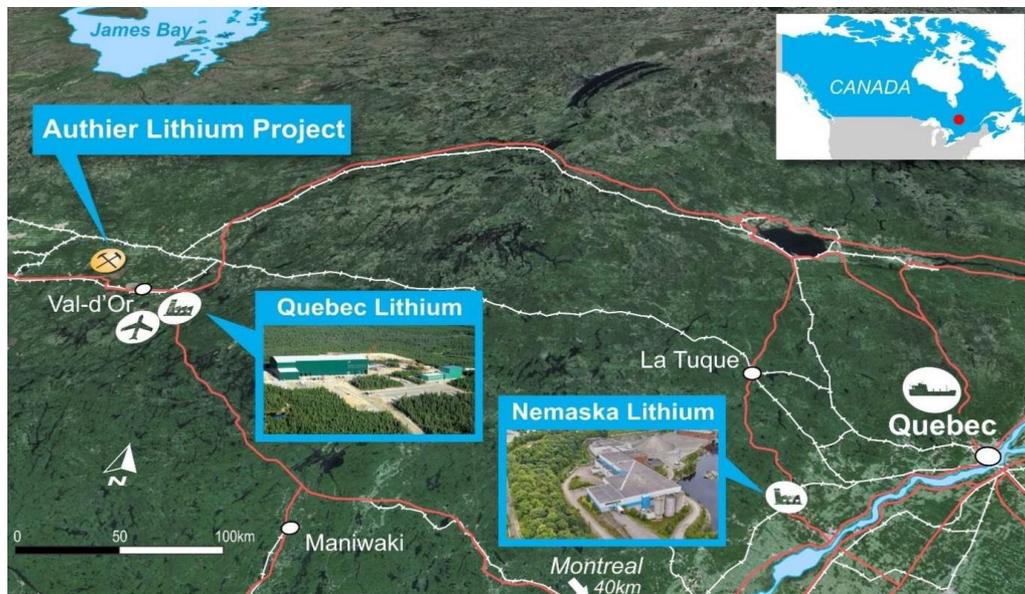
EV/Resource value is low



Sayona Significantly Undervalued



Authier Lithium Project



- Located 45km from Val d'Or in Quebec, Montreal
- Hard-rock, spodumene lithium deposit
- 100% owned
- 26,000m of drilling
- Base-line environmental completed
- Well studied – PEA 2012, PFS 2017, 4-phases of metallurgy

Authier First Phase Development

-  **Simple, low-cost, truck and shovel, open-cut mining operation**
-  **Conventional concentrator** producing 96kt/yr of 6% Li₂O concentrate
-  **Definitive Feasibility Study commenced.** Targeting completion 2Q2018
-  **Permitting and environmental** to be completed early 2018
-  Base case mine life **17-years**
-  **Low capital hurdle and competitive operating cost**

First Phase Development based on a Fast Track Permitting Regime

1. Increase Production Capacity &/or Resource Size

- Increase plant capacity to sell more concentrates and shorten mine-life to maximise NPV
- Further drilling to expand resource base (Phase 3 underway)

2. Integrated Refinery Model

- Convert Authier concentrates into lithium hydroxide or carbonate
- Scoping study completed – attractive economics
- Leverages world-class infrastructure and low energy costs in Quebec
- PFS and metallurgical test work to commence next quarter
- Site selection process underway

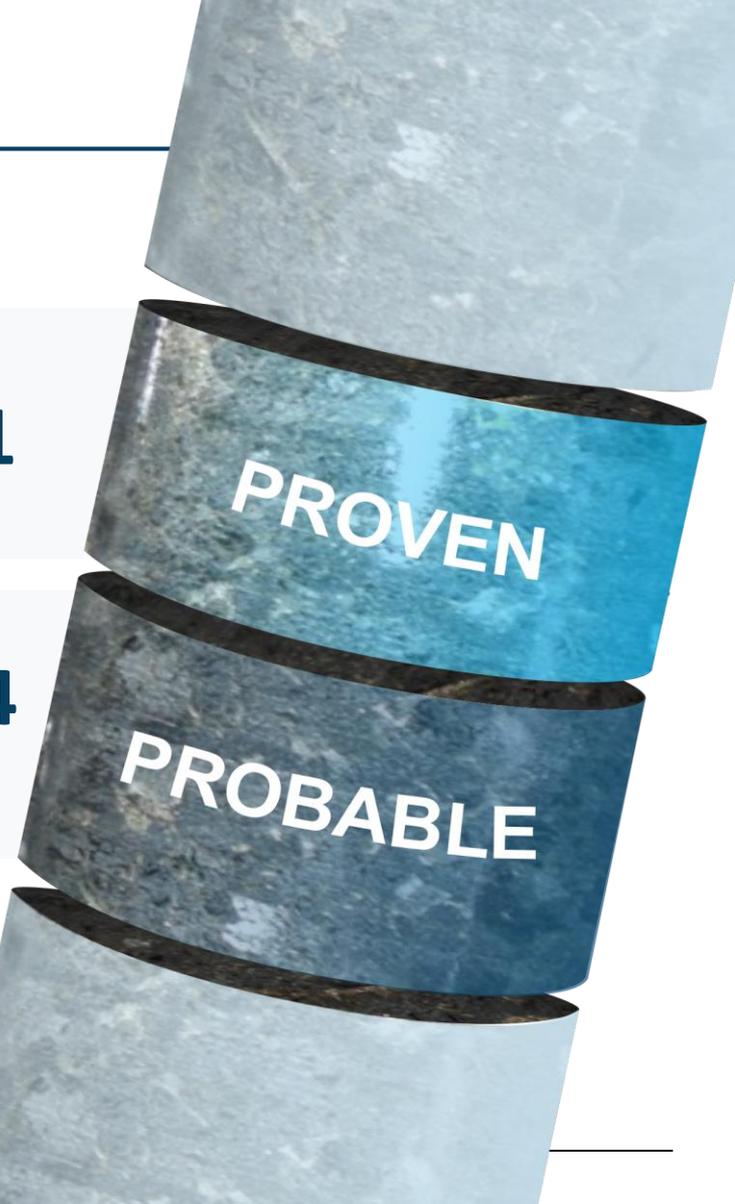
Growth Options Funded from Phase 1 Concentrate Sales

Start-up capex of
AUD\$65 million
and
and opex of
US\$327/t

Pre-Tax NPV (8% real)	AUD\$227m
Pre-Tax IRR	56%
Capital Payback	2.5 years
Ave Annual EBITDA	AUD\$38m
Ave Operating Margin	US\$287/t
Price Forecast	US\$614/t

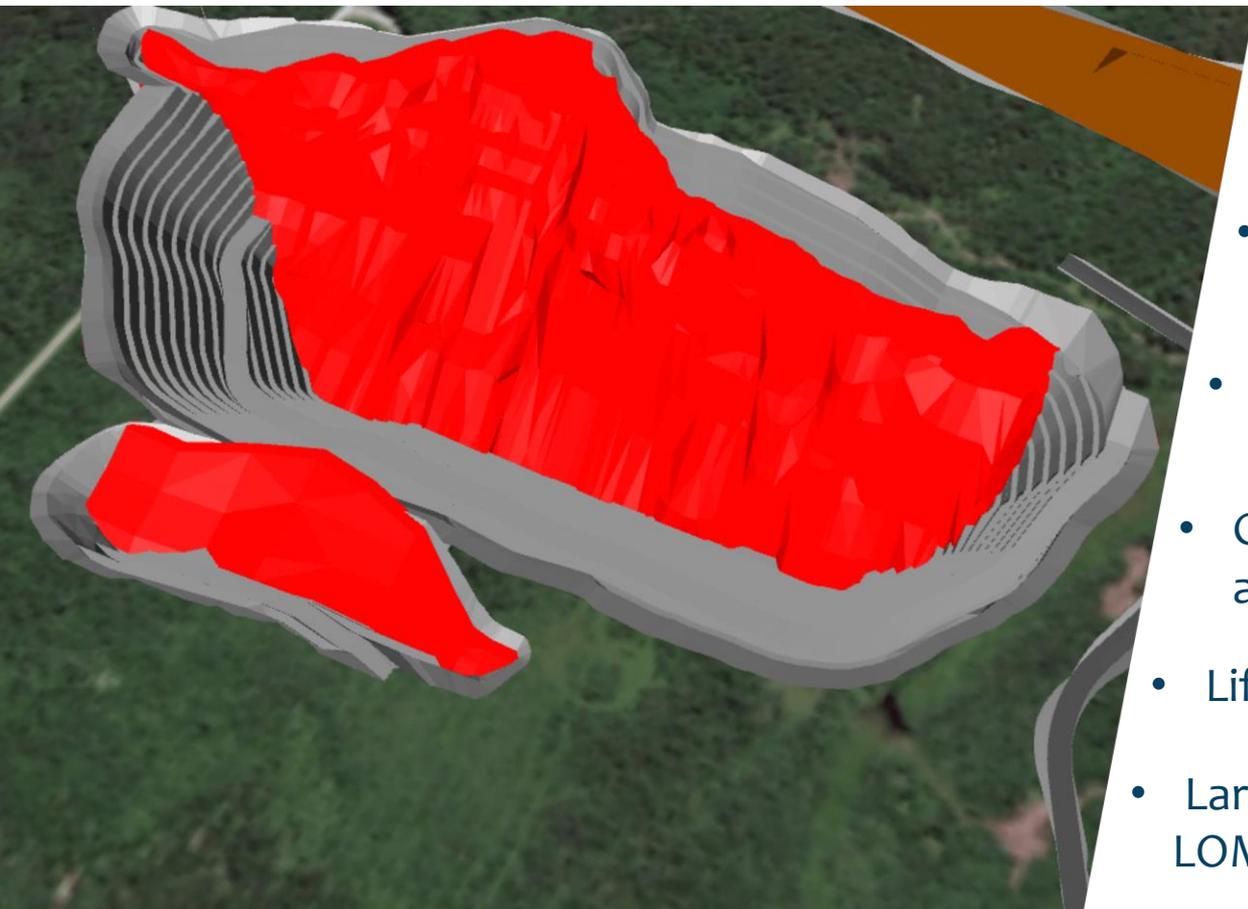
Maiden JORC Ore Reserve

	Tonnes (Mt)	Grades (Li20)	Contained (Li20)
PROVEN	4.9	0.97%	47,821
PROBABLE	5.3	1.06%	55,904
TOTAL	11.6	1.02%	102,725



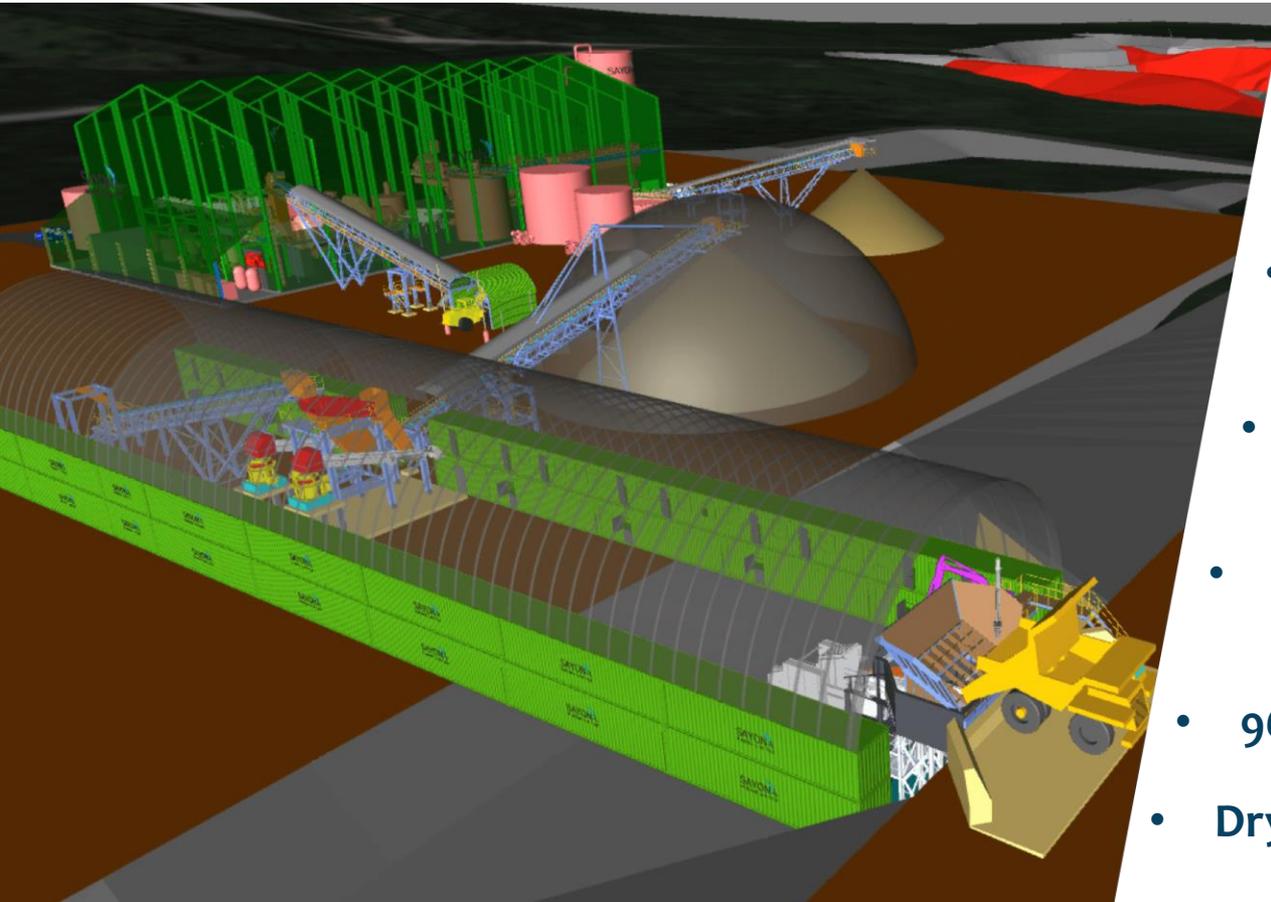
The Ore Reserve has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% Li20 cut-off grade

Simple, Open-Cut Mining Operation



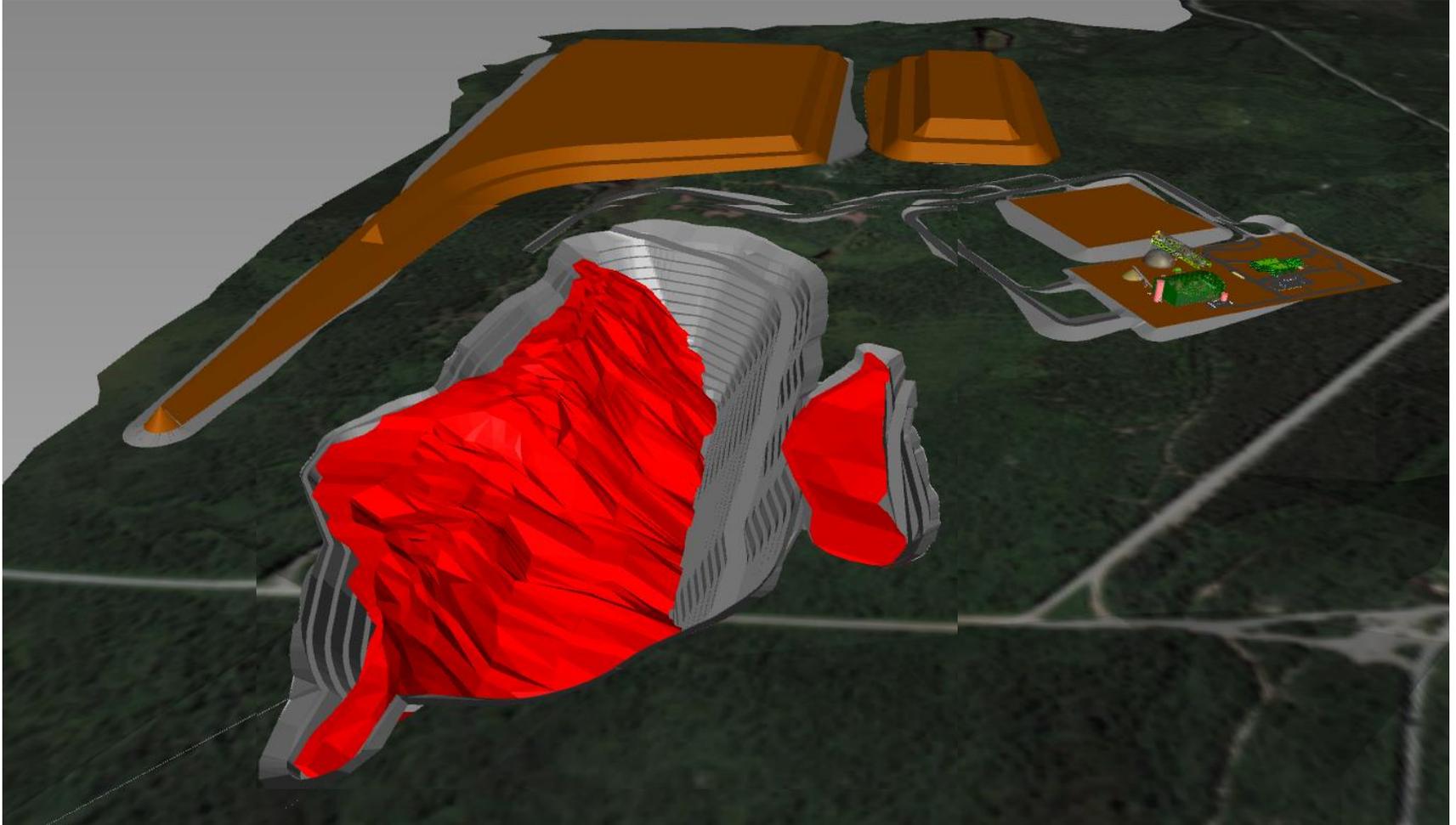
- Simple Mining Method
Truck and shovel operation
- Competitive Mining Costs
A\$3.23/tonne average LOM
- Low Capex
Mining Fleet **Leased**
- Conservative geotechnical assumptions – **55°** pit slope
- Life-of-Mine - **17** years
- Large, thick tabular body
LOM waste to ore ratio **6.95:1**

Conventional Process Flow-Sheet



- Conventional process flow-sheet - **crush, grind and flotation**
- Cash Operating Costs **A\$19.40/t ore life-of-mine**
- **82%** recovery to a **6.00%** Li₂O concentrate
- **700,000 tpa** processing capacity
- **96 Kt/yr** Li₂O concentrate
- **Dry Tailings** simplifies approvals

Authier Project Site Layout



World-Class Infrastructure



5km

Low cost hydro power & 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

Off-take & Financing

MOU signed with **Huan Changuan Lico Co Ltd** - a subsidiary of Fortune 500 company, Minmetals Group – a battery materials manufacturer

Strategic alliance to explore **marketing, technical, and financial development** options for the Authier lithium project

MOU contemplates Changuan purchasing all the Authier concentrate production and assessing potential for downstream processing



Mineral Resource

	Tonnes (Mt)	Grades (Li ₂ O)	Contained (Li ₂ O)
MEASURED	5.86	1.01%	59,186
INDICATED	10.19	1.03%	104,957
INFERRED	2.20	0.99%	22,796
TOTAL	18.1	1.02	186,939

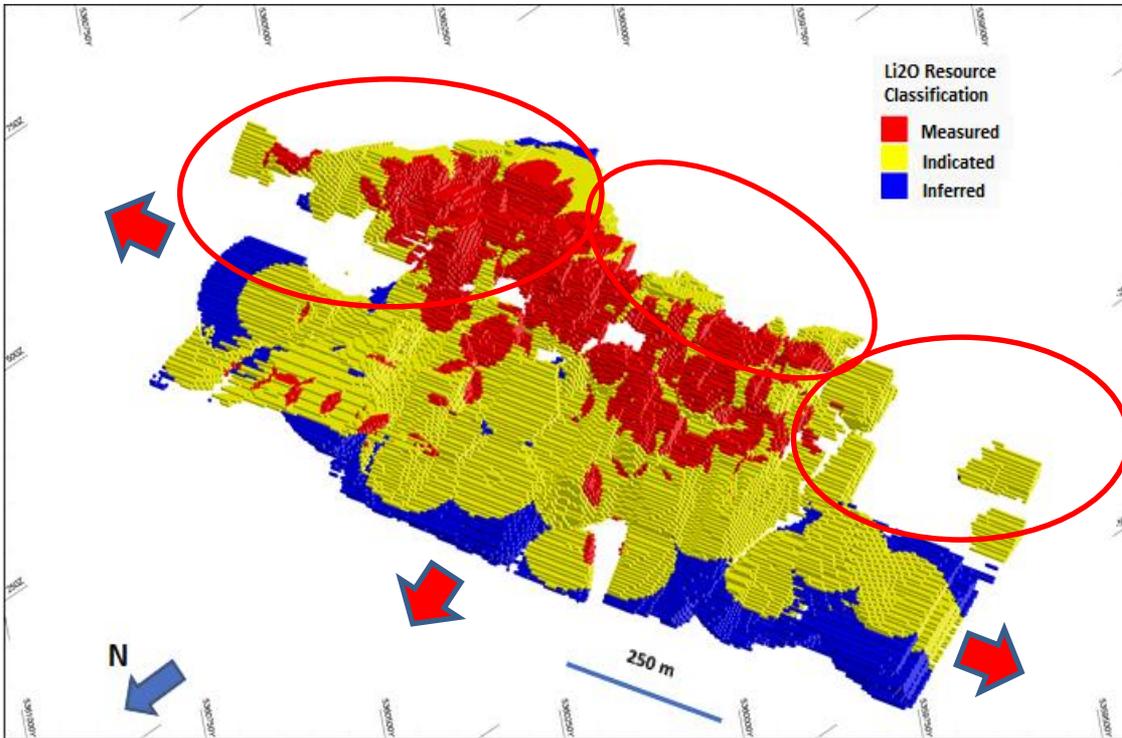


The resource has been estimated and reported in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) at a 0.45% Li₂O cut-off grade.

Phase 3 Drilling Targeting Resource Expansion SAYONA

3,000 – 4,000 metres Drilling Program Objectives

- ✓ Upgrading the Mineral Resources categories
- ✓ Expand the Northern pegmatite
- ✓ Converting mineral resources to reserves
- ✓ Exploring for extensions to the mineralisation
- ✓ Collecting geotechnical data for Definitive Feasibility Study
- ✓ Metallurgical testing



Concentrate Sales Strategy

Sell **lower-value concentrates** to battery converters in Canada or China

Concentrate sells at >US\$750/t

Integrated Refinery Strategy

Sell **value-added lithium** products to battery manufacturers

Lithium hydroxide sells for >US\$18,000/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

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
PFS Update												
Environmental												
Mining Lease												
Pilot Metallurgy												
Definitive Feasibility Study												
Engineering & Design												
Off-take												
Finance												
Construction												
Operation												
Downstream Concept study												
Downstream Testing												
Downstream Studies												



Authier is an advanced, de-risked project. DFS underway



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**



Integrated refinery model provides an opportunity to **value-add Authier concentrates** and create **significant shareholder value**



Base case pre-tax NPV of A\$227 million and **low enterprise value per tonne of resources** compared to industry peers



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

The logo for SAYONA MINING LIMITED features the word "SAYONA" in a large, white, sans-serif font. To the right of "SAYONA" is a stylized blue graphic consisting of several curved, overlapping shapes that resemble a flame or a fan. Below "SAYONA" is the text "MINING LIMITED" in a smaller, white, sans-serif font. The background of the logo area is a dark, semi-transparent overlay on a photograph of a white electric vehicle being charged. The vehicle's charging port is open, and a blue charging cable is plugged in. The background also shows solar panels in the lower-left corner and a rocky, mountainous landscape in the upper-right corner.

SAYONA

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