SAYONA MINING LIMITED

ASX ANNOUNCEMENT

ASX: **SYA**

6 August 2020

SAYONA EXPANDS TANSIM PROJECT AMID QUÉBEC LITHIUM DRIVE

Highlights

- **Sayona expands Tansim Lithium Project, Québec to 15,998 hectares with addition of 39 claims spanning 2,234 hectares of prospective lithium acreage**
- **Move strengthens Sayona's plans for development of new lithium hub in Abitibi, encompassing Authier Lithium Project, Tansim and North American Lithium (subject to successful bid)**
- **Québec lithium sector picking up speed, with analysts pointing to economic, strategic and environmental benefits of province as key supply source for North American battery market**

Emerging lithium miner Sayona Mining Limited (ASX:SYA; OTC:DMNXF) announced today the expansion of its emerging Tansim Lithium Project, with the Company acquiring an additional 39 claims spanning 2,234 ha amid the resurgence of Québec's lithium sector.

The Tansim project now comprises 282 mineral claims encompassing 15,998 ha of prospective lithium acreage (including claims 100% owned and some under option agreements – refer appendix), with the project located around 80 kilometres south-west of Sayona's flagship Authier project.

Previous exploration by Sayona since 2018 has highlighted the project's potential to host a valuable new lithium deposit. Drilling conducted last year resulted in an Exploration Target (refer note below) for the Viau-Dallaire prospect of between 5 million and 25 million tonnes, at an estimated grade of 1.2 – 1.3% Li_2O (refer ASX release 19 November 2019).

A recent surface reconnaissance survey has highlighted a potential eastern extension of the mineralised pegmatite trend within the new mineral claims, marked by outcropping pegmatites with potential lithium mineralisation.

Note: The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Following its recent successful fund-raising (refer ASX announcement 22 July 2020), Sayona plans to undertake further exploration work at Tansim, including reconnaissance sampling at the new mine tenure area and Phase 2 drilling at the Viau-Dallaire prospect, where a 2,000m drilling program will test the Exploration Target defined after Phase 1 drilling.

Sayona's Managing Director, Brett Lynch said the project could form part of the Company's planned strategic lithium hub for Abitibi, including the Authier project and potentially North American Lithium (NAL) (subject to a successful bid by the Company).

"While Tansim is still at an early stage, initial results have been promising and we look forward to exploring the project's potential further," he said.

"Tansim's geographical proximity to Authier and NAL would allow it to form part of a lithium hub of three spodumene mines supplying a central concentrator, enabling Sayona to become a world-scale spodumene producer supplying the North American battery sector."

The expanded acreage at Tansim also follows research showing Québec's advantages as the economic, strategic and environmental supplier of choice for the North American battery market. Research by EY-Parthenon has shown that Québec can deliver lithium hydroxide to Cleveland, USA at least 20% cheaper than alternative overseas suppliers, while on a CO2 emissions basis Québec projects are by far the 'greenest' and most efficient source of lithium supply.

Strategically, Canada is already a key supplier of critical minerals to the United States, with the growing production of electric vehicles and accompanying battery production providing increasing markets for lithium hydroxide. North America requires an additional 10 x 20 kilotonne (Kt) hydroxide processing "trains" and 12 x 150Kt spodumene mines by 2030 just to satisfy its EV demand, according to the analysis.

Québec's competitive advantages also include access to economical and environmentally sustainable hydropower, together with world-class infrastructure and skilled mining labour in a transparent regulatory environment.

The current transformation of the province's lithium industry, including the court-ordered restructuring of Nemaska Lithium together with NAL, should further enhance its long-term sustainability and profitability.

"Sayona is confident that Québec's advantages will make it a winner in this key industry of the 21st century," Mr Lynch said.

"Our expansion plans both in Canada and Australia will ensure our Company emerges from this revival with some outstanding assets and we look forward to unlocking their potential for the benefit of all stakeholders."

This announcement is authorised by Sayona's Board of Directors.

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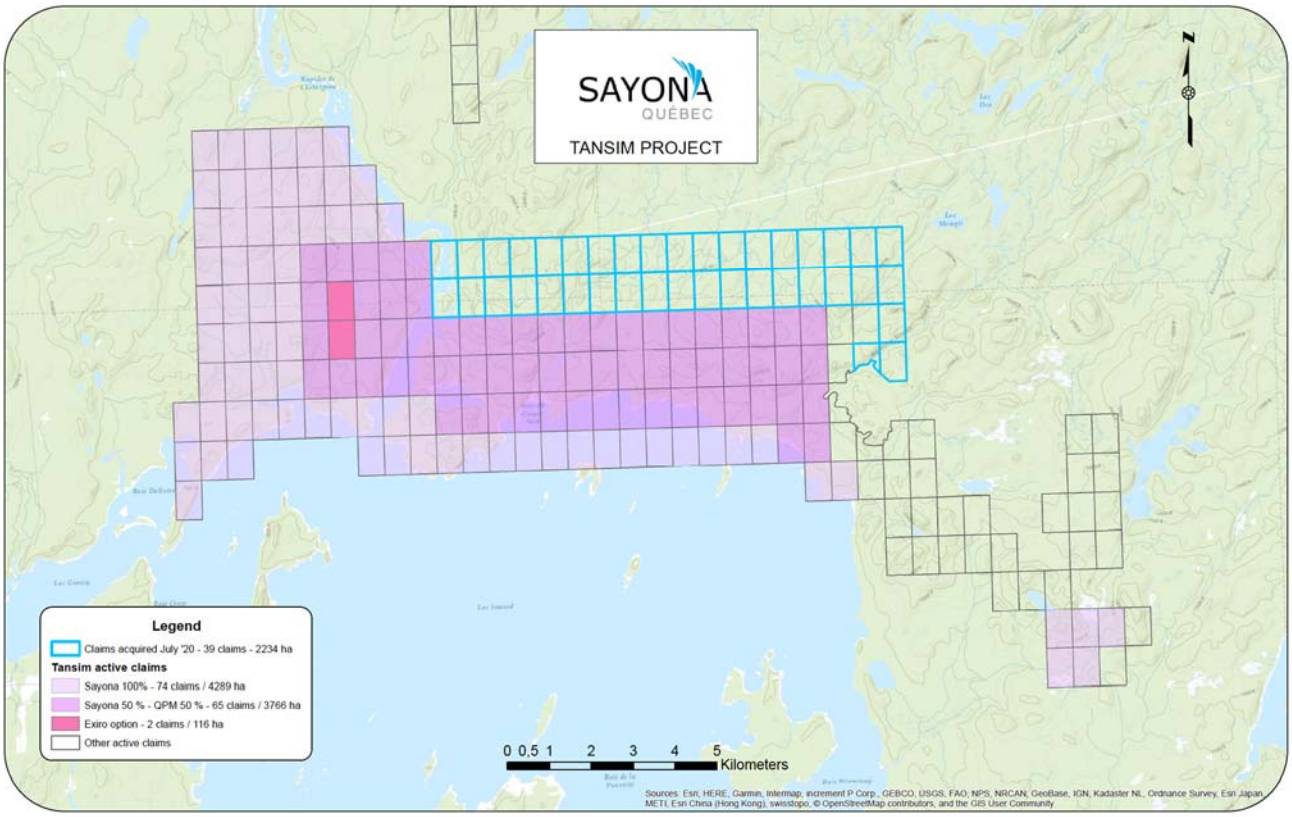

Figure 1: Sayona's Tansim project, including active claims and those under option

Figure 2: Pegmatite outcrop with potential lithium mineralisation in one of the new claims

Figure 3: Hand samples of coarse grain pegmatite with potential lithium mineralisation within new claims

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About Sayona Mining

Sayona Mining Limited is an emerging lithium miner (ASX:SYA), with projects in Québec, Canada and Western Australia. In Québec, Sayona is progressing a bid for the North American Lithium mine with the backing of a world-class support team, while advancing its flagship Authier Lithium Project and its emerging Tansim project.

In Western Australia, the Company has an earn-in agreement with leading lithium producer Altura Mining concerning its lithium and gold exploration portfolio in the Pilbara.

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

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Gustavo Delendatti, a member of the Australian Institute of Geoscientists. Dr Delendatti is an independent consultant, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which it is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition) of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

Dr Delendatti was responsible for the design and conduct of this exploration drilling campaign, supervised the preparation of the technical information in this release and has relevant experience and competence of the subject matter. Dr Delendatti, as competent person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

APPENDIX

TANSIM PROJECT – TENEMENT SCHEDULE

Tenement Id	Interest	Tenement Id	Interest	Tenement Id	Interest	Tenement Id	Interest
1133877	50%	2440851	50%	2440935	50%	2519275	100%
2415443	50%	2440852	50%	2440936	50%	2519276	100%
2415444	50%	2440853	50%	2440991	100%	2519277	100%
2436732	50%	2440854	50%	2440992	100%	2519278	100%
2436733	50%	2440855	50%	2440993	50%	2519279	100%
2436734	50%	2440856	50%	2440994	50%	2519280	100%
2438472	50%	2440857	50%	2450758	50%	2519281	100%
2438473	50%	2440858	50%	2519251	100%	2519282	100%
2438474	50%	2440859	50%	2519252	100%	2519283	100%
2438475	50%	2440860	50%	2519253	100%	2519284	100%
2438476	50%	2440890	50%	2519254	100%	2519285	100%
2438477	50%	2440891	50%	2519255	100%	2519286	100%
2438478	50%	2440892	50%	2519256	100%	2519287	100%
2438723	50%	2440893	50%	2519257	100%	2519288	100%
2440836	50%	2440894	50%	2519258	100%	2519289	100%
2440837	50%	2440895	50%	2519259	100%	2519290	100%
2440838	50%	2440896	50%	2519260	100%	2519291	100%
2440839	50%	2440897	50%	2519261	100%	2519292	100%
2440840	50%	2440898	50%	2519262	100%	2519293	100%
2440841	50%	2440899	50%	2519263	100%	2519294	100%
2440842	50%	2440900	50%	2519264	100%	2519295	100%
2440843	50%	2440901	50%	2519265	100%	2519296	100%
2440844	50%	2440902	50%	2519266	100%	2519297	100%
2440845	50%	2440903	50%	2519267	100%	2519298	100%

Tenement Id	Interest	Tenement Id	Interest	Tenement Id	Interest	Tenement Id	Interest
2440846	50%	2440907	50%	2519268	100%	2519299	100%
2440847	50%	2440908	50%	2519269	100%	2519300	100%
2440848	50%	2440909	50%	2519270	100%	2519301	100%
2440849	50%	2440919	50%	2519271	100%	2519302	100%
2440850	50%	2440920	50%	2519272	100%	2519303	100%
2519306	100%	2519321	100%	2572680	100%	2572699	100%
2519307	100%	2519322	100%	2572681	100%	2572700	100%
2519308	100%	2519323	100%	2572682	100%	2572701	100%
2519309	100%	2519324	100%	2572683	100%	2572702	100%
2519310	100%	2572665	100%	2572684	100%	2572703	100%
2519311	100%	2572666	100%	2572685	100%		
2519312	100%	2572667	100%	2572686	100%		
2519313	100%	2572668	100%	2572687	100%		
2519314	100%	2572669	100%	2572688	100%		
2519315	100%	2572670	100%	2572689	100%		
2519316	100%	2572671	100%	2572690	100%		
2519317	100%	2572672	100%	2572691	100%		
2519318	100%	2572673	100%	2572692	100%		
2519319	100%	2572674	100%	2572693	100%		
2519320	100%	2572675	100%	2572694	100%		
2519321	100%	2572676	100%	2572695	100%		
2519322	100%	2572677	100%	2572696	100%		
2519323	100%	2572678	100%	2572697	100%		
2519324	100%	2572679	100%	2572698	100%		