

6 August 2021

EXPLORATION BOOST FOR PILBARA LITHIUM ASSETS

Highlights

- **WA partner, Altura Mining Limited completes due diligence on Pilbara lithium projects, with earn-in period commencing**
- **Exploration to begin at highly prospective Mallina Lithium Project, with previous drilling returning intercepts of up to 1-2% Li₂O**
- **Sayona securing major presence in both Asia-Pacific and North American lithium markets, amid rising prices and accelerating global demand.**

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTC:DMNXF) is advancing its Western Australian exploration assets, amid rising global demand for lithium from the accelerating EV revolution.

Earn-in partner, Altura Mining Limited has completed its due diligence and reached agreement to commence the earn-in period (as per ASX release 2 June 2021). The earn-in covers a range of lithium tenements in the world-class Pilgangoora lithium district, including Pilgangoora, Wodgina, Tabba Tabba and Mallina, with Altura to spend A\$1.5 million on exploration within three years to earn a 51% interest.

Exploration will focus initially on the Mallina Lithium Project (E47/2983), where previous drilling in 2017 returned intercepts of up to 5m wide, grading 1-2% Li₂O. Further RC drilling conducted in 2018 delivered similar intercept thickness and grades (refer below).

The move follows an increasing focus on Western Australia's lithium potential, amid rising prices and growing global demand, with the state already home to the world's largest spodumene mine and other producing miners.

Sayona's Managing Director, Brett Lynch commented: *"We welcome Altura's decision to commence the earn-in period and launch lithium exploration, given its track record of exploration success.*

“This exploration activity provides the potential for further increases in shareholder value from any lithium discoveries by our earn-in partner, amid rapidly rising spodumene prices and need for independent supply.

“Importantly, Sayona has a growing presence with multiple projects in the two major lithium markets of the Asia-Pacific and North America. We are shovel-ready and set for near-term production, putting us in an excellent position to benefit from accelerating global lithium demand.”

Spodumene concentrate from Western Australia has recently been quoted at more than US\$1,200 per dry metric tonne*, with Macquarie analysts predicting prices will rise by up to 30% through to 2025 due to a lack of third party, independent supply and with other analysts projecting a growing supply deficit.

The terms of the earn-in-agreement are as per the 2 June 2021 announcement whereby Altura will, through the delivery of a work program on the tenements, earn a 51% interest on the lithium rights across an exploration portfolio consisting of 765 square kilometres in the Pilbara and Murchison regions. Tenements E59/2092 and E59/2055 are subject to the agreement and are located in the Murchison region.

The tenements cover area subject to native title claims by three separate native title groups. Heritage agreements are either in place or being finalised, with clear operative requirements to enable Altura to work with the traditional owners, access the land and conduct its work activities. Sayona has retained 100% of the gold and other non-lithium rights within the tenement area.

Sayona’s Pilbara portfolio comprises 12 leases totalling 1,016 sq km in area within the world-class Pilgangoora lithium district. Ten of the tenements, covering 911 sq km have associated gold rights and are proximal to De Grey Mining’s 6.8Moz Hemi gold discovery (see Figure 1 below).

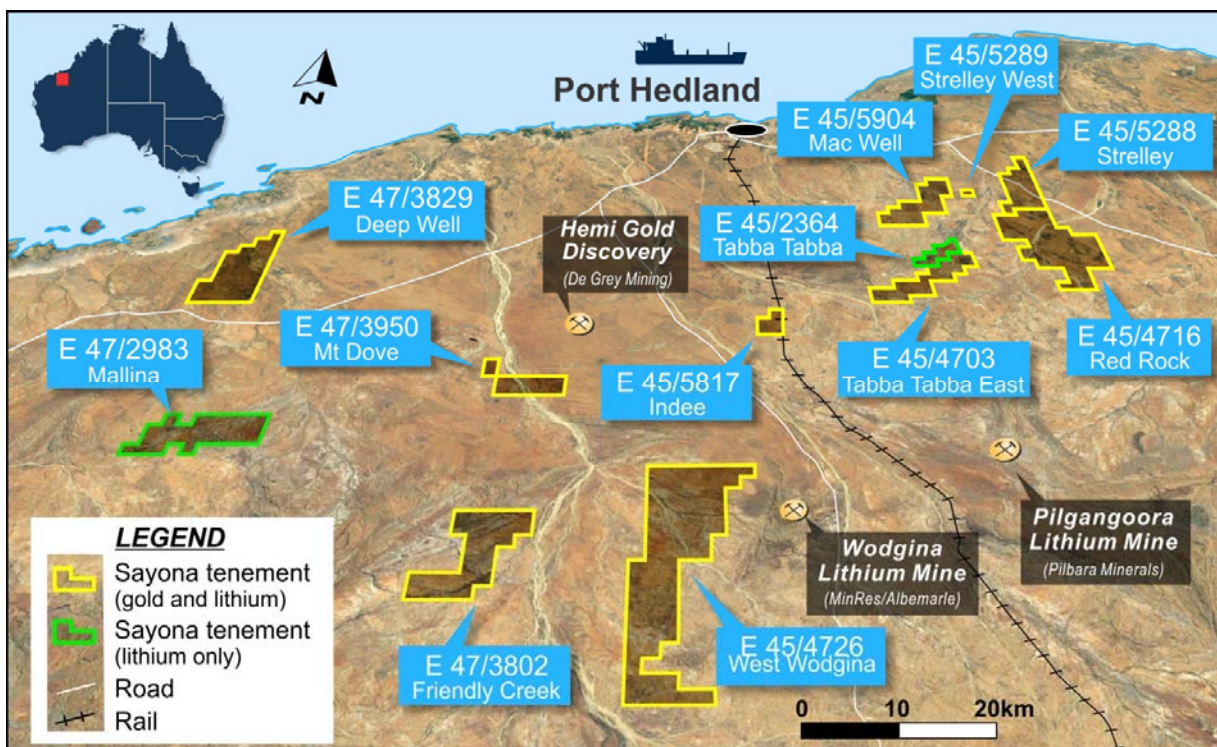


Figure 1: Sayona’s Pilbara gold and lithium assets

* Source: Pilbara Minerals presentation to 2021 Diggers & Dealers conference, 3 August 2021

Mallina Lithium Project exploration

Initially Altura will focus on the Mallina Lithium Project (E47/2983) which has been the subject of previous drilling and study work by Sayona. The spodumene-bearing dykes at Mallina are recognised as composite or hybrid intrusions of early monzogranite and latter aplite phases.

The various phases are typical components of the Split Rock Supersuite, which within the Pilbara region is considered the fundamental control on the genesis of rare-metal pegmatite systems from Pilgangoora through to Wodgina, and northwards to the Mallina Basin.

Sayona performed exploration activities in 2017-18, including mapping and the collection of seven stream, 1,509 soil and 310 rock samples. This work identified five prospect areas, three of which were targeted by RC drilling work, totalling 3,568m.

Drilling in June 2017 (refer ASX release 17 July 2017), returned intercepts up to 5m wide, grading 1-2% Li₂O for the holes drilled across Pegmatite 2 and 3 prospects. Further RC drilling was undertaken in 2018, mostly across the Discovery and Area C prospects, delivering similar intercept thickness and grades (refer ASX release 31 October 2018).

A summary of the historical drilling work completed in 2017 and 2018 can be seen in Figure 2 below. These results have guided Altura’s analysis and tenement assessment, supporting current planning and additional work.

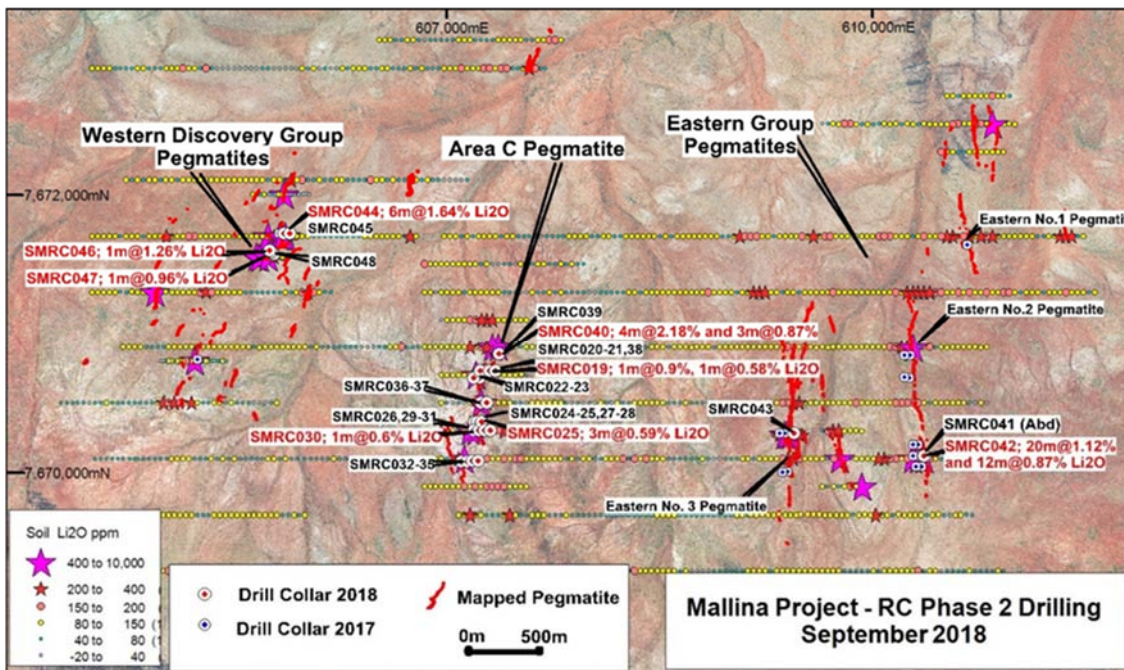


Figure 2: Historical exploration results at Mallina (2017-18)

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

-END-

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 miner (ASX:SYA; OTC:DMNXF), with projects in Québec, Canada and Western Australia. In Québec, Sayona's assets comprise the Authier Lithium Project and its emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL). Sayona and Piedmont have also successfully undertaken a joint bid to acquire North American Lithium, which hosts a former lithium mine and concentrator.

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 Altura Mining Limited.

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

Competent Person Statement

The information in this report is based on information compiled by Simon Attwell, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Attwell is an employee of Attgold Pty Ltd ("Attgold") which provides geological services to Sayona.

Mr Attwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Attwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Reference to Previous ASX Releases

This report refers to the following previous ASX releases:

- Drilling Program Completed at Mallina – 17 July 2017
- Phase 2 Drilling Completed at Mallina Lithium Project, WA – 31 October 2018
- New Drilling Underway at Authier Project; WA Lithium Earn-in – 2 June 2021
- Sayona Embarks on Next Phase of Pilbara Gold Exploration – 7 June 2021
- June 2021 Quarterly Activities Report – 30 July 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 announcements 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.