SAYONA MINING LIMITED

ASX ANNOUNCEMENT

ASX: SYA

30 September 2021

SAYONA ACQUIRING MOBLAN PROJECT IN BOOST FOR QUÉBEC LITHIUM BASE

Highlights

- **Sayona to acquire world-class Moblan Lithium Project in further expansion of Québec lithium assets**
- **Agreement to acquire 60% stake for US$86.5 million, subject to financing and other customary conditions**
- **Tier-one lithium deposit with world-class 1.4% Li_2O grade and low strip ratio of 2.9:1 (refer Table 1 below and Cautionary Statement)**
- **Located in established mining jurisdiction of Eeyou-Istchee James Bay, hosting world-class lithium resources such as Nemaska Lithium's Whabouchi mine**
- **Sayona cementing leadership position in fast-growing North American industry amid accelerating lithium demand.**

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) has taken another major step forward in securing North America's leading lithium asset base, agreeing to acquire the world-class Moblan Lithium Project in the Eeyou-Istchee James Bay region of Northern Québec (**Moblan Project**).

Under an agreement with Lithium Royalty Corp. (**LRC**), Sayona will acquire LRC's right to purchase the 60% interest in the Moblan project (**Moblan Interest**) held by Guo Ao Lithium Ltd (**Guo Ao**) and will acquire the Moblan Interest from Guo Ao for a consideration of US$86.5 million. SOQUEM Inc., a wholly owned subsidiary of Investissement Québec and a 40% partner in the project, has waived its right of first refusal in connection with Sayona's acquisition of the Moblan Interest.

Sayona's Managing Director, Brett Lynch commented: *"We are delighted to be extending our relationship with Investissement Québec, which has invested billions of dollars in lithium and other resources projects across Québec, including North American Lithium (NAL), Moblan and Nemaska Lithium.*

"The recent rise in lithium prices reflects the importance of securing quality supply and there is no better place to be than Québec as we develop a lithium resource base to supply North America's fast-growing electric vehicle and battery industry."

Located about 130km north-west of Chibougamau, Moblan is host to high-grade spodumene mineralisation, with a Mineral Resource Foreign Estimate of 12.03Mt @ 1.4% Li_2O (refer Table 1 below and Cautionary Statement). It is hosted in a well-studied deposit, with previous exploration work comprising 132 diamond drill holes for more than 17,559m, establishing a 1.5km strike.

The broad thickness of mineralisation, typically 20-30m width, combined with a shallow 30-35 degree dip results in a favourable mining geometry, with a low waste to ore strip ratio of 2.9 to 1.

Sayona has identified the opportunity for a potential expansion of the resource, including following up previous geotechnical drilling which intersected up to 29.1m of continuous spodumene-bearing pegmatites outside the resource envelope.

The project is located in a proven lithium mining province, Eeyou-Istchee James Bay, which hosts proven world-class lithium resources including Nemaska Lithium's Whabouchi mine. It is well serviced by key infrastructure and transport and has access to low-cost, environmentally friendly hydro power.

Mr Lynch added: "*Moblan is a tier-one project comparable to any of the region's top hard rock lithium mines. It has potential for further expansion and will be an important asset for Sayona's future growth.*

"We have been monitoring opportunities for further expansion in Québec and this ticks all the right boxes. There is a huge opportunity here for Sayona to develop a new lithium asset base in Northern Québec, adding to our Abitibi lithium hub.

"This will further drive our transformation into the leading lithium producer in North America, supplying its accelerating demand for this key battery metal."

Consistent with the Company's focus on sustainable development, Sayona will engage in ongoing community consultation to ensure maximum benefits flow to the local community, including First Nations and other key stakeholders.

Transaction terms

Guo Ao's 60% interest in the project includes certain mineral claims, technical data and studies as well as the rights of Guo Ao in the joint venture formed with SOQUEM, Guo Ao's 40% partner. The purchase price in consideration for Guo Ao's 60% interest is payable by Sayona on closing of the transaction, expected on or prior to 15 October 2021, subject to financing and other customary conditions.

In consideration for the assignment by LRC of its rights to acquire the Moblan Interest, Sayona has agreed to the following terms with LRC:

a) in consideration for a US$5 million payment by LRC, the grant by Sayona to LRC of a Gross Overriding Revenue (GOR) Royalty on the Moblan Interest, calculated as follows:

   (i) 2.5% for the first 1 million tonnes (Mt) of ore per annum produced from the Moblan Project;

   (ii) 1.5% for any tonne of ore per annum produced from the Moblan Project in excess of the first 1 Mt.

b) in consideration for a US$3 million payment by LRC, Sayona will cause the transfer to LRC of the 2% Net Smelter Return (NSR) Royalty currently owned by Quebec Precious Metals Inc. on the Tansim project;

c) in consideration for a US$500,000 payment by LRC, the grant by Sayona to LRC of a 1.5% GOR Royalty on Sayona's Mallina Project in Western Australia;

d) Sayona and LRC have also agreed to enter into an offtake agreement with respect to the Moblan Project on the following key terms:

   (i) 10% of Sayona's ownership participation in the Moblan Project of the annual production for life of mine;

   (ii) price at a 5% discount to the prevailing market terms; and

e) Payment by Sayona to LRC of a US$1 million structuring fee on closing of the acquisition of LRC's rights to acquire the Moblan Interest.

Moblan Project Outline

The Moblan Project is host to high-grade spodumene mineralisation intruding a gabbro sequence in the Frotet-Evans greenstone terrane. Lithium was first discovered in the property during the 1970s, with first drilling conducted in 2007. A total of 132 diamond drill holes for 17,559m have been completed to date.

Resources and Reserves Foreign Estimates

In 2019, DRA/Met-Chem completed a Feasibility Study on the Moblan lithium project for Guo Ao. The report dated 24 August 2019 detailed a Mineral Resource Estimate and a Mineral Reserve Estimate which are reported in the Table below as Foreign Estimates (refer Tables 1 below and Table 2 at the end of this report for study parameters).

Table 1: Moblan 2019 Mineral Resources and Reserve Estimate

DRA/Met-Chem 2019 Mineral Resources Estimate (0.3% Li_20 cut-off grade)			
Category	**Million Tonnes**	**Grades Li_20**	**Fe (%)**
Measured	4.76	1.59%	0.57%
Indicated	7.27	1.27%	0.62%
Total	12.03	1.40%	0.60%
Inferred	4.06	1.33%	0.67%

- Tonnages have been rounded to the nearest 0.01 Mt to reflect their approximate nature.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The quantity and grade of reported Inferred resources in this Mineral Resource Estimate are uncertain in nature and there has been insufficient exploration to define these Inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to these categories.

DRA/Met-Chem 2019 Reserves Estimate (0.6% Li_20 cut-off grade)		
Category	**Tonnes (t)**	**Grades Li_20**
Proven	4,598,000	1.57%
Probable	6,133,000	1.27%
Total	10,731,000	1.40%

Note: Based on a 98% mining recovery; 10% dilution. Stripping ratio of 2.9 to 1.

Cautionary Note: The Mineral Resources and Ore Reserves stated are foreign estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code. Please see below for the ASX listing rule Chapter 5 disclosures.

Sayona regards the Moblan acquisition as a significant transaction based on the known high-grade mineralisation and opportunity for expansion of the resource base.

Key attributes include:

- Premium high-grade lithium mineralisation of 1.40% Li_2O.
- Low stripping ratio of waste rock to ore of 2.9 to 1.
- Typically hosted in a single thick, tabular pegmatite with true width commonly 20 – 30m (see Figure 1 below).

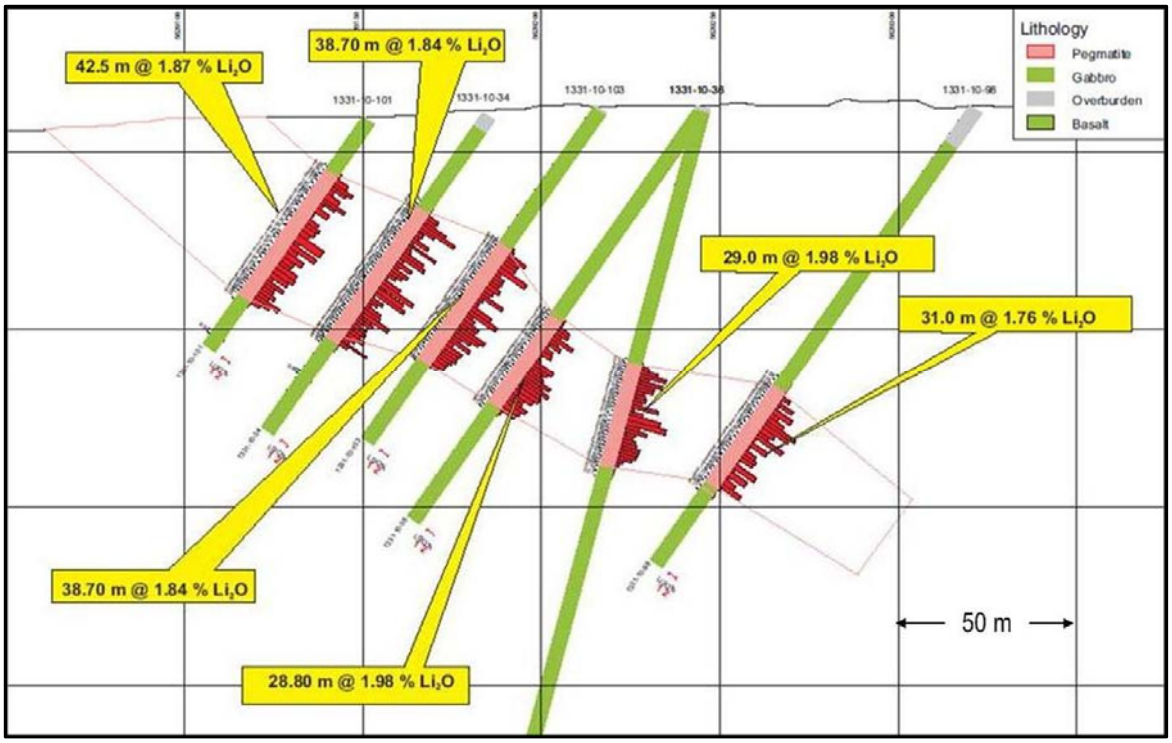

Figure 1: Cross-section 506750E, looking west

Exploration Upside

Significant opportunity to expand Moblan's lithium resource base has been identified. The resource mineralisation is open to the east and at depth, with planning for step-back and extensional drilling underway.

Subsequent to the resource calculation, 10 geotechnical holes were drilled in November 2018. One of the holes, GD-18-03, intersected 21.9m of continuous spodumene-bearing pegmatite to the north of the eastern resource area, indicating a potential for the expansion of the resource extents.

A number of subparallel footwall dykes are mapped on surface to the immediate south of the resource and which remain untested by drilling. Also, to the east, offset spodumene pegmatites have returned economic grades and remain to be drill tested. Similarly to the west, faulting has offset the main pegmatite with no drilling carried out to test for the offset extension.

In addition, Guo Ao drilled condemnation hole CD-18-08 to sterilise a proposed tailing dam on the western adjacent property. This intersected 26.45m of continuous spodumene mineralisation, indicating the high prospectivity of the project area for new discoveries, even when pegmatite does not crop out at surface.

Exploration drill planning is underway and will focus on the search for additional high-grade pegmatite mineralisation. This includes step out drilling from the resource area as well as three priority targets in parallel bodies to the south and to the east and west of the resource area (see Figure 2 below).

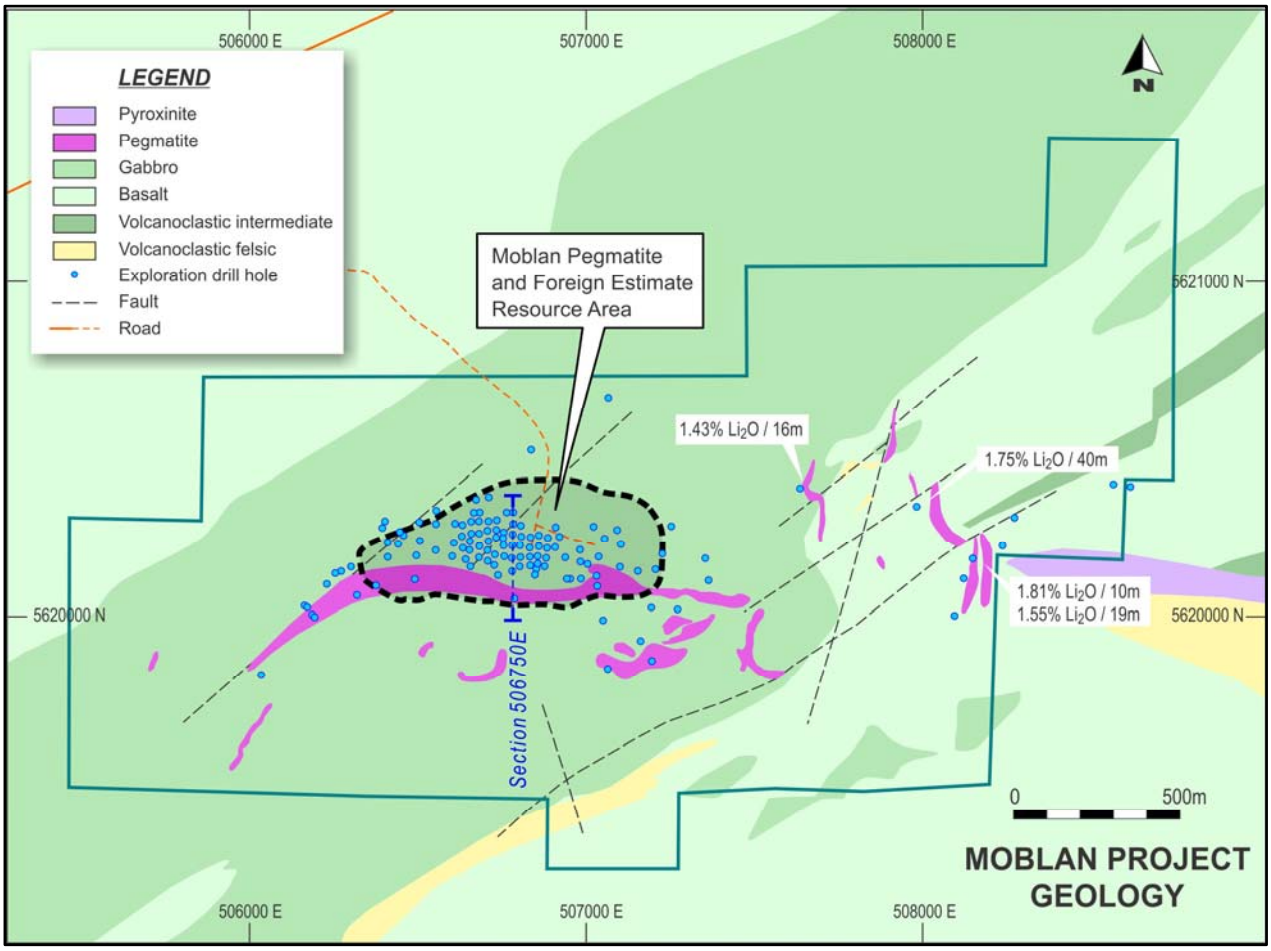

Figure 2: Local geology map and mining property boundaries

Project Background

The Moblan property is located approximately 130km to the north-west of the town of Chibougamau and 600km north of Montreal. Access is via Highway 167 onto the all-weather Route du Nord road and then via gravel roads to the project.

The project is located in the western Superior Province, within the eastern segment of the Frotet-Evans greenstone belt (FEGB), which extends over some 250km from Lac Mistassini to the Nottaway River.

The main spodumene pegmatite dyke (Main Dyke) has an east-west strike of 1,500m length, a dip of 35° to the north and widths ranging between 20 to 30m (Figure 1 and 2), with the spodumene content commonly present as coarsely grained crystals, accompanied by quartz, feldspar and muscovite.

A swarm of Li-spodumene and barren pegmatite dykes outcrop on the north and the south of the Main dyke, in the Gabbro sill. One narrow, parallel dyke occurs on the footwall of the Main dyke ("Footwall dyke"). North to south oriented pegmatite dykes are present at the Moblan East prospect, with outcrops of 150m strike length and widths of around 10m.

Figure 3: Outcrop, Moblan Pegmatite

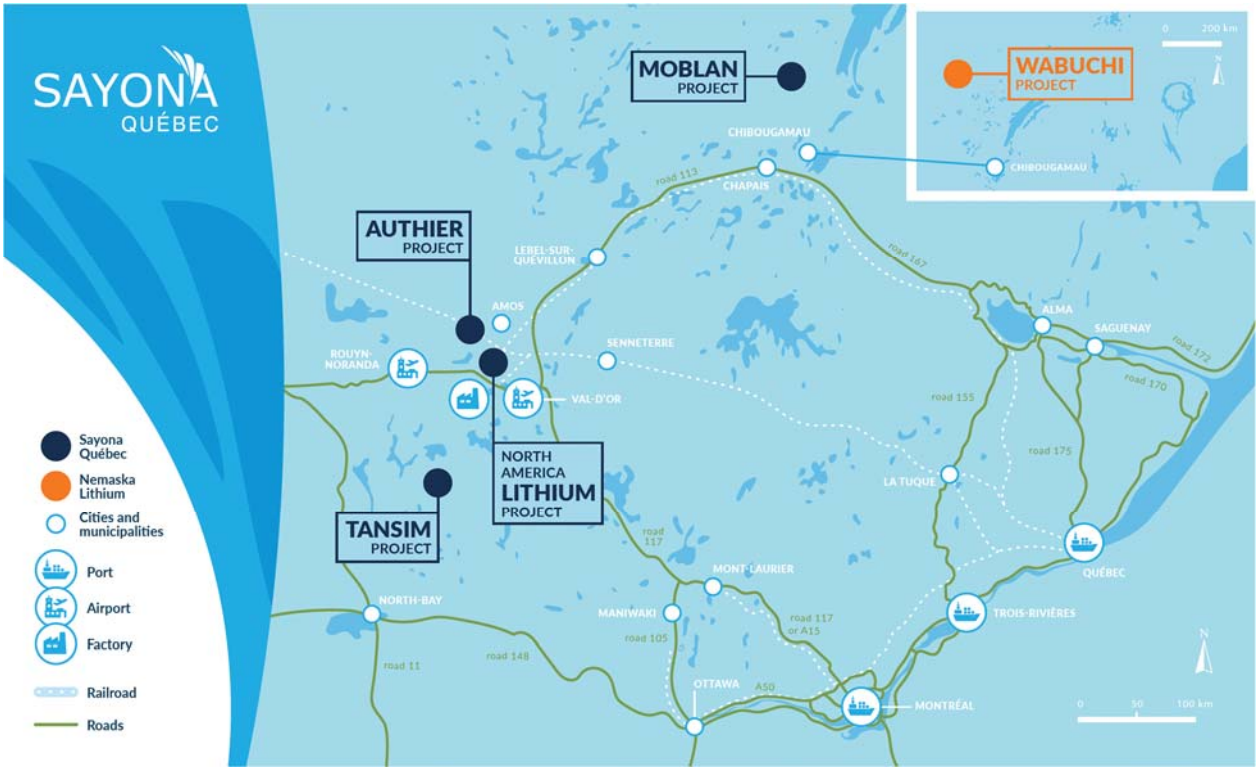

Figure 4: Location of Moblan and other lithium projects in Québec

Sayona continues to expand its Québec lithium assets, having recently announced the potential for a significant resource expansion at its newly acquired North American Lithium (NAL) mine (refer ASX announcement 13 September 2021).

Recent drilling conducted at the Company's nearby Authier Lithium Project also has the potential to increase its lithium resource, together with planned drilling at the emerging Tansim Lithium Project.

Sayona's moves to strengthen its asset base follow accelerating lithium demand in North America, with lithium prices recently hitting three-year highs amid an upsurge in sales of electric vehicles and following multi-billion dollar investments by North American automakers and governments.

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

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About Sayona Mining

Sayona Mining Limited is an emerging lithium producer (ASX:SYA; OTCQB:SYAXF), 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 the joint acquisition of 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**

Reference to Previous ASX Releases

- Sayona eyes potential NAL resource increase – 13 September 2021
- NAL acquisition finalised and production plans advance – 30 August 2021
- Quarterly Activities/Cash Flow Report – 30 July 2021

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 review of the exploration and drilling information, 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.

Table 2 - Australian Securities Exchange Listing Rules Chapter 5.12 - Reporting Requirements for a Foreign and/or Historical Estimate – Moblan DRA/Met-Chem 2019		
Listing Rule	Criteria	Comment
5.12.1	*The source and date of the historical estimates or foreign estimates.*	The Moblan Mineral Resource foreign estimate was sourced from the DRA/Met-Chem produced 'Moblan Lithium Project Feasibility Study', dated March 22, 2019. The Mineral Resource estimate was carried out by DRA/Met-Chem in accordance with the regulations from the Canadian Institute of Mining (CIM) guidelines. The effective date of the resource is March 9, 2018. The Mineral Reserves for the project have been estimated as defined by best practice in accordance with CIM guidelines.
5.12.2	*Whether the historical estimates of foreign estimates use categories of mineralization other than those defined in Appendix 5A (JORC Code) and if so an explanation of the differences.*	The Mineral Resource and Reserve Estimates referred to in the report are all consistent with those terms defined in Appendix 5A of the Joint Ore Reserve Committee ("JORC") 2012 Guidelines.
5.12.3	*The relevance and materiality of the historical estimates or foreign estimates to the entity.*	The foreign estimate is relevant and material to the entity as it pertains to a project that could be economically viable for the entity.
5.12.4	*The reliability of the historical estimates or foreign estimates, including by reference to any of the criteria in Table 1 of Appendix 5A (JORC CODE) which are relevant to understanding the reliability of the historical estimates or foreign estimates.*	All criteria in Table 1 of Appendix 5A have been addressed in the foreign estimate.
5.12.5	*To the extent known, a summary of the work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical estimates or foreign estimates.*	The Moblan lithium deposit 2019 foreign resource estimate was estimated using the Nearest Neighbour Kriging (NNK) estimation methodology. NNK is a modified version of Ordinary Kriging (OK) where composite in the block is given an increased weight while other composite weights are proportionally decreased. This method has been found to better reflect the mineralization characteristics by comparing block model output statistics and composites statistics, after having compared different estimation approaches such as OK, Inverse Distance Squared (IDW2), area influence kriging and outlier restricted kriging. Three (3) successive interpolation passes were used in the estimation. In the first pass, the search ellipse was set equal to 100 m × 100 m × 10 m. The maximum and minimum numbers of composites were respectively set to 15 and 9, while the maximum number of composites allowed for a single hole was fixed equal to 3. As a consequence, the combination of these constraints dictates that at least three (3) different holes are required to allow a block to be interpolated during that pass. In the second pass, the search ellipse was kept same as the initial pass (100 m × 100 m × 10 m) but the maximum and minimum numbers of composites were respectively set to 15 and 6, while the maximum number of composites allowed for a single hole was kept same. Therefore, the search ellipse remains unchanged but at least two (2) holes are required to allow a block to be interpolated during that pass. During the third pass, the search ellipse was relaxed to 150 m × 150 m × 25 m

		to allow all remaining un-coded blocks to be interpolated. The maximum number of composites to interpolate a block and the maximum number of composites allowed for a single hole were kept the same while the minimum number of composites required was reduced to 3. At least one (1) hole is required to allow a block to be interpolated during that pass. Geological and mineralisation domains were constructed using MineSight ® V9 software package. Geological interpretation was carried out on vertical cross-sections with 25m spacing. Polygons digitized in 2D during the sectional interpretation were then joined together to deliver a 3D envelope of each mineralized envelope. A topographic surface was provided by the client and used for the purpose of the current resource modelling. No Li2O% cut-off was used for the geological interpretation and resource interpolation. Two (2) pegmatite bodies, superior pegmatite and inferior pegmatite, as well as one internal gabbro dyke were interpreted and modelled. The superior pegmatite is the main body. According to structural information gathered through the new drilling program performed in 2016 a fault structure is present in the eastern part of the deposit. The structural interpretation of this fault suggests a dextral movement which has affected the superior and inferior pegmatite bodies on their eastern parts. The internal gabbro dyke is an internal dilution to the superior pegmatite and it has been interpreted on several sections. The volume related to that internal gabbro dyke was excluded from the main pegmatite dyke prior the mineral resource interpolation since it could be isolated during mining. The Moblan lithium deposit 2019 foreign resource estimate contains one hundred twenty-seven (127) drill hole records with a cumulated length of 16,720 m, and ten (10) trench records with a cumulated length of 458 m. Drilling data originates from the drilling campaigns spread between 2002 and 2016 while trenching data originates from the two (2) trenching programs performed in 2004 and 2009. It should be noted that the more extensive drilling program which has sourced the drill holes database was performed in 2010 where 99 holes (78% of the drill holes) were drilled. The cumulative drilling length in the whole database is 16,720 m and from this total drilled length, 9,703 m was sampled. A total length of 3,975 m has intersected pegmatite dykes. With the objective to have samples aggregated through the compositing, it was elected to composite all samples into a uniform fixed compositing length of 1.5 m. Compositing was done with respect to the lithological and solid contacts, and all compositing less than 0.5 m, were discarded prior the mineral resource interpolation in order to avoid bias that may have been introduced by short samples during the resource interpolation. A block model was created using the MineSight® software package to generate a grid of regular blocks to estimate tonnes and grades. A single block model was created for all mineralized zones. Given the averaged drilling spacing which is 25 m. the block size is 5 m × 5 m × 5 m respectively in the X, Y and Z directions. No rotation was applied to the model. Under CIM definition standards, Mineral Resources should have a reasonable prospect of eventual economic extraction. In order to determine the mineralization zones that can be potentially mined economically, an optimized pit shell was developed using the Lersch-Grossman (LG) algorithm in MineSight® software. Resources classification was determined from variography and was based on both the mean distance of composites to blocks and the drilling density. The deposit covers about 1,500 metres long, east-west direction and 300

		metres wide, north-south direction, open to depth with a main lithium bearing dyke width ranging between 20 to 30 metres, dipping 35° to the north. Guo Ao Neotec Lithium (Quebec) Ltd and its predecessors had a rigorous "good industry practice" quality control process, including routine assaying of standards, duplicates and blanks.
5.12.6	*Any more recent estimates or data relevant to the reported mineralisation available to entity.*	No resource estimates have been completed subsequent to the DRA/Met-Chem 2019 study. Subsequent to the resource calculation, ten geotechnical holes were drilled in November 2018. One of the holes, GW-18-01, intersected 21.9m of spodumene bearing pegmatite to the north of the eastern resource area, indication potential for expansion of the resource extents.
5.12.7	*The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code).*	Sayona plans to undertake geological modelling using all project data in order to complete an updated NI 43-101 and JORC compliant resource estimate.
5.12.8	*The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and comment on how the entity intends to fund that work.*	Sayona´s Project Development strategy includes additional drilling at Moblan Main Dyke and exploratory drilling elsewhere within the tenement to allow NI 43-101 and JORC compliant studies to progress and allow economic development studies to be considered. Funding for this work is by use of existing working capital.
5.12.9	*A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates.*	See Table 3 above. Sayona cautions that the mineral resources for the project are not reported in accordance with the JORC Code. A competent person has not yet done sufficient work to classify the resources as mineral resources in accordance with the JORC Code. It is uncertain that following evaluation or further work that the foreign estimate will be able to be reported as mineral resources in accordance with the JORC Code.
5.12.10	*A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c)*	I, Gustavo L. Delendatti, confirm that I authored the information described under rules 5.12.2 to 5.12.7 and that the information is an accurate representation of all information and data to my knowledge. I am not an employee of Sayona nor do I hold any interest in any Sayona shares. I am an independent consultant based in San Juan, Argentina. I am a member of the Australian Institute of Geoscientist (MAIG 8009). I am a Competent Person under JORC 2012 Code & Guidelines. I have not visited the Moblan Lithium project I am responsible for the review of the exploration and drilling information, supervised the preparation of the technical information in this release and have relevant experience and competence of the subject matter. As competent person for this announcement, I have consented to the inclusion of the information in the form and context in which it appears herein.