

Sayona Mining Limited

ACN 091 951 978

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at Brisbane Workers Community Centre, 2 Latrobe Terrace, Paddington Qld 4064 on 16 November 2022 at 11:00am (AEDT) and online via <https://meetnow.global/MR9RTL7>.

NOTICE:

The Company will not be dispatching physical copies of this Notice. Instead, this Notice and accompanying Explanatory Statements (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website (www.sayonamining.com.au).
- If you have provided an email address and elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the accompanying proxy form.
- Alternatively, details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in a letter to be sent to other shareholders.

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Sayona Mining Limited ACN 091 951 978 (**Company**) will be held at Brisbane Workers Community Centre, 2 Latrobe Terrace, Paddington Qld 4064 on 16 November 2022 at 11:00am (AEDT) and online via <https://meetnow.global/MR9RTL7>, for the purpose of transacting the business referred to in this Notice.

We are holding the 2022 Annual General Meeting via a virtual platform. In order to attend, ask questions and vote virtually via the online platform at <https://meetnow.global/MR9RTL7>, please use the following details:

- Your username is your SRN/HIN;
- Select your country and if you are an Australian shareholder, also enter your postcode; and
- Overseas Shareholders should refer to the user guide at <https://www.computershare.com.au/virtualmeetingguide>.

Participating in the Annual General Meeting online, enables Shareholders to ask questions and cast direct votes at the appropriate times during the Annual General Meeting.

An Explanatory Statement provides additional information on matters to be considered at the Meeting.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary appearing at the end of the Explanatory Statement.

AGENDA

Ordinary Business

To receive and consider:

1. the Financial Report;
2. the Directors' Report; and
3. the Auditor's Report,

of the Company for the year ended 30 June 2022.

Note: This item of ordinary business is **for discussion only and is not the subject of a Resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the meeting to ask questions about, or make comments in relation to, each of the reports referred to above at the Meeting.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That the Remuneration Report set out within the Directors’ Report to the Company’s 2022 Annual Report be adopted.”

Please note that the vote on this Resolution is advisory only and does not bind the Company or its Directors.

Voting Restriction Under Section 250R of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the KMP details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of a KMP.

However, this does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with directions given to the proxy or attorney to vote on the relevant Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the Chair to vote on the relevant Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the relevant Resolution; and
 - (ii) the holder votes on the relevant Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Intention of Chair: Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on any Resolution in which case an ASX announcement will be made.

See the Explanatory Statement for further information.

Resolution 2 – Re-election of Paul Crawford as a Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Paul Crawford], who retires by rotation in accordance with Rule 75 of the Company’s Constitution, being eligible and offering himself for re-election, be re-elected as a Director.”

See the Explanatory Statement for further information.

Resolution 3 – Ratification of the issue of Shares to institutional, professional and sophisticated investors under the placement to fund its North America Lithium (NAL) project

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

“That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue by the Company of a total of 1,054,406,346 Shares under Listing Rule 7.1, at an issue price of \$0.18 per Share to those recipients (in those numbers) set out in, and otherwise on the terms and conditions set out in, the accompanying Explanatory Statement.”

Voting Exclusion Statement: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who obtained Shares in the issue and any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

See the Explanatory Statement for further information.

Resolution 4 – Approval of the issue of Shares to Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust (Acuity Capital)

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

“That in accordance with Listing Rule 7.1 and for all other purposes, the issue of up to 155,000,000 Shares to Acuity Capital on the terms and conditions set out in the accompanying Explanatory Statement, be approved.”

Voting Exclusion Statement: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of this Resolution by Acuity Capital, any of its associates or a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue and their associates, (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

See the Explanatory Statement for further information.

Resolution 5 – Ratification of the issue of Shares to Piedmont Lithium Inc

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue by the Company to Piedmont Lithium Inc. of a total of 25,038,534 Shares under Listing Rule 7.1, at the issue prices per Share and otherwise on the terms and conditions set out in the accompanying Explanatory Statement.”

Voting Exclusion Statement: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Piedmont Lithium Inc and any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

See the Explanatory Statement for further information.

Resolution 6 – Adoption of the Company’s Employee Share & Option Plan

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

“That for the purpose of Exception 13(b) of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, the Company be authorised to issue securities within three years from the date of this Resolution, under the Company’s Employee Share & Option Plan (the terms of which are summarised in the Explanatory Statement) as an exception to Listing Rule 7.1 and 7.1A of the ASX Listing Rules.”

Voting Exclusion Statement: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are eligible to participate in the Employee Share & Option and any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Company’s Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company’s Key Management Personnel.

Voting Intention of Chair: Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on any Resolution in which case an ASX announcement will be made.

See the Explanatory Statement for further information.

General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board

Paul Crawford
Company Secretary
14 October 2022

NOTES

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that an Annual General Meeting of members will be held at Brisbane Workers Community Centre, 2 Latrobe Terrace, Paddington Qld 4064 on 16 November 2022 at 11:00am (AEDT) and online.

Your Vote is Important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (AEDT) 14 November 2022.

Notice to Persons Outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Privacy

To assist the Company to conduct the Annual General Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the Annual General Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers. Shareholders have certain rights to access their personal information that has been collected and should contact the Company secretary if they wish to access their personal information.

ASIC and ASX involvement

Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

PROXY AND VOTING INSTRUCTIONS

Voting in person

1. To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

1. To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.
2. In accordance with section 249L of the Corporations Act, members are advised that:
 - a. each member has a right to appoint a proxy;
 - b. the proxy need not be a member of the Company; and
 - c. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
3. Certain categories of persons (including Directors and the Chairman) are prohibited from voting on Resolutions relating to the remuneration of Key Management Personnel, including as a proxy, in some circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the Proxy Form carefully.
4. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice should be read together with, and form part of, this Notice.
5. On a poll, ordinary Shareholders have one vote for every Share held.
6. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - a. the full name of the body corporate appointed as proxy; and
 - b. the full name or title of the individual representative of the body corporate to attend the Meeting.
7. Proxy appointments in favour of the Chairman, the secretary or any Director that does not contain a direction on how to vote will be voted by the Chairman in favour of each of the Resolutions proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
8. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
9. A Proxy Form is attached. If required, it should be completed and signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy Forms must be returned in accordance with the instructions on the Proxy Form.

Voting by Corporate Representative

10. A body corporate that is a Shareholder, or that has been appointed as a proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Annual General Meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Voting by Attorney

11. A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company no later than 11:00 am (AEDT), 14 November 2022.

By order of the Board

Paul Crawford
Company Secretary
Sayona Mining Limited
14 October 2022

EXPLANATORY STATEMENT

This Explanatory Statement is provided to Shareholders to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at Brisbane Workers Community Centre, 2 Latrobe Terrace, Paddington Qld 4064 on 16 November 2022 at 11:00am (AEDT) and online.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of each Resolution. If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on an item of business, you should specify this by completing the appropriate 'Against' or 'Abstain' box on the proxy appointment form. The Chairman is deemed to be appointed where a signed Proxy Form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

In addition, the Corporations Act provides for a "two strikes" rule in relation to the adoption of the Remuneration Report, meaning that if 25% or more of votes cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") to determine whether another meeting should be held (within 90 days) at which all of the Directors (other than the Managing Director) must go up for re-election. No strike was recorded at the Company's previous annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards two strikes in the future, no board spill can occur this year on this basis alone.

Receive and Consider the Financial Statements

The Corporations Act requires the Financial Report which includes the Financial Statements, Directors' Declaration, Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Accordingly, the Company's Financial Report is placed before the Shareholders for discussion and no voting is required for this item of business.

Shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business and operations of the Company.

Ordinary Business

RESOLUTIONS

Resolution 1 – Adoption of Remuneration Report

The Remuneration Report of the Company for the period ended 30 June 2022 is set out in the Directors' Report section of the Company's 2022 Annual Report to Shareholders (**Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. In addition, section 250R(2) of the Corporations Act requires that Resolution 1 be put to a vote. However, the vote on this Resolution is only advisory and does not bind the Company or its Directors.

Under the Corporations Act, a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report is required and provides that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the remuneration report at the next Annual General Meeting of the Company also receives a 'no' vote of 25% or more. If this occurs, the shareholders will vote at that Annual General Meeting to determine whether the Directors will need

to stand for re-election at a separate, subsequent meeting (the **Spill Resolution**). If this Spill Resolution passes with 50% or more of the eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Board makes no recommendation on voting for this Resolution. A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

Resolution 2 – Re-Election of Paul Crawford as a Director

In accordance with Director rotational retirement provisions of the Company's Constitution and ASX Listing Rule 14.5, Mr Crawford is due to retire at this Meeting and being eligible, offers himself for re-election at this Meeting.

Mr Crawford was a founding Director of the Company appointed on 10 March 2000. He is an accountant with 40 years of commercial experience in various technical and management roles within the minerals, coal and petroleum industries. He has also had significant corporate experience in the management and governance of ASX listed resource and mining companies.

There is no voting exclusion statement for this Resolution.

Directors' Recommendation

The Board (with Mr Crawford abstaining) supports the re-election of Mr Crawford and recommends Shareholders to vote in favour of Resolution 2.

Resolution 3 – Ratification of the issue of Shares to institutional, professional and sophisticated investors under the placement to fund its North America Lithium (NAL) project

Background

On or about Wednesday 1 June and Thursday 2 June 2022, the Company undertook a successful single-tranche placement (the **Placement**) to global institutional, professional and sophisticated investors (the **Placees**) to raise approximately A\$190 million through the issue of 1,054,406,346 new fully paid ordinary shares (the **Placement Shares**). The proceeds from the Placement are being and will be primarily used to fund the restart of spodumene concentrate production at Sayona's North American Lithium (NAL) operation in Quebec, Canada. Details of this Placement are as announced in the Company's ASX Announcement of 27 May 2022 ("Successful A\$190M Institutional Placement To Fund NAL Restart And Broader Development Initiatives"). NAL is 75% owned by the Company and 25% by Piedmont Lithium Ltd.

Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (**Capacity**).

On 2 June 2022 the Company issued without Shareholder approval, 1,054,406,346 Placement Shares in reliance on Listing Rule 7.1.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue the Company will retain the flexibility to issue Equity Securities in the future up to the 15% Capacity without the requirement to obtain prior Shareholders' approval. Accordingly, the

Company now seeks Shareholder approval to ratify the issue of the Placement Shares in accordance with Listing Rule 7.4.

If the Resolution is not passed, 1,054,406,346 Placement Shares will be included when calculating the Company's Capacity.

Information required by Listing Rule 7.5

Listing Rule 7.5 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.4. For the purposes of Listing Rule 7.5 the Company notes as follows:

1. The Company issued 1,054,406,346 Placement Shares which are fully paid ordinary shares in the capital of the Company. The Placement Shares are not subject to escrow restrictions, and were issued on the same terms as and rank *pari passu* with the Shares that were already on issue.
2. The Placement Shares were issued to Institutional, professional, and sophisticated investors introduced by Joint Lead Managers and Bookrunners, Canaccord Genuity (Australia) and Petra Capital.
3. The Placement Shares were issued on 2 June 2022.
4. The price at which Placement Shares were issued was \$0.18 per Placement Share.
5. The proceeds of the Placement were and are to be applied to:
 - a. NAL refurbishment and studies;
 - b. Authier development;
 - c. Moblan evaluation and Feasibility Study update;
 - d. exploration and project evaluation; and
 - e. working capital and costs of the Placement.
6. A Voting Exclusion Statement for this Resolution is set out in the Notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of Resolution 3.

Resolution 4 – Approval of the issue of Shares to Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust (Acuity Capital)

Background

On 29 October 2019, the Company entered into an At-the-Market Subscription Agreement (**ATM**) (previously referred to as a Controlled Placement Agreement (CPA)) with Acuity Capital. On 29 April 2021 the parties agreed to increase the ATM limit from \$3 million to a new limit of \$15 million and to extend the expiry date of the ATM to 31 July 2023. On 1 March 2022 the Company announced it had agreed to increase the ATM limit to a new limit of \$50 million.

On 5 August 2022 the parties agreed to further increase the ATM limit to a new limit of \$200 million and to extend the expiry date of the ATM to 31 July 2025. To date, the Company has utilised the ATM to raise \$6.45 million. See announcements on 29 October 2019, 26 October 2020, 29 April 2021, 30 June 2021, 1 March 2022 and 5 August 2022 for more information.

Following the increase in the ATM limit to \$200 million, the remaining standby equity capital available under the ATM is \$193.55 million, over the period to 31 July 2025. The Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the ATM, the maximum quantum of issued Shares, the minimum issue price of Shares and the timing of each placement tranche (if any). There are no requirements on the Company to utilise the ATM and it may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any

time on the Company raising capital through other methods. If the Company does decide to utilise the ATM, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by the Company and up to a 10% discount to a volume weighted average price over a period of the Company's choosing (again at its sole discretion).

The Company issued 95,000,000 Shares on 29 October 2019, as security under the ATM. As part of the extension and increase of the ATM facility announced on 5 August 2022, the Company has agreed to issue an additional 155,000,000 new Shares for nil cash consideration, taking the total number of Shares issued as security pursuant to the terms of the ATM to 250,000,000 (the **Collateral Shares**). The Company may, however, at any time cancel the ATM as well as buy back (and cancel) the Collateral Shares for no cash consideration (subject to shareholder approval).

Listing Rules 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Capacity**).

The effect of Resolution 4 will be to allow the Company to issue 155,000,000 Shares no later than 3 months after the date of this Meeting without using the Company's 15% annual placement capacity.

If Resolution 4 is not passed and the Company the shares will not be issued.

Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

1. If Resolution 4 is passed, the maximum number of securities that will be issued by the Company is 155,000,000 Shares.
2. The Shares will be issued for nil cash consideration, in consideration for Acuity Capital agreeing to an increase and extension of the ATM.
3. The proposed allottee of the Shares is Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust.
4. Each of the Shares will be issued on the terms set out in the ATM, and otherwise will be issued on the same terms as and rank *pari passu* with the Shares that are already on issue. The rights and liabilities of all Shareholders are set out in the Constitution of the Company.
5. As the Shares will be issued for nil cash consideration no funds will be raised from their issue. However, the issue of the Shares is a condition of the ATM.
6. The Shares will be issued on the date provided for under the ATM, and in any event within three months of the date of this Meeting.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of Resolution 4.

Resolution 5 – Ratification of the issue of Shares to Piedmont Lithium Inc

Background

On 11 January 2021, the Company entered into various agreements with Piedmont Lithium Inc (**Piedmont or PLL**), as detailed in the ASX Announcement of 11 January 2021 ("Piedmont Lithium Invests in Sayona; Partnership to Boost Quebec Projects"), including a share placement agreement.

Under the terms of a share placement agreement, and utilising the Company's available Placement Capacity, the Company issued:

- 2,407,392 fully paid ordinary shares to Piedmont on 28 January 2022, at a Share price of \$0.0273 per Share; and
- 22,631,142 fully paid ordinary shares to Piedmont on 14 April 2022, at a Share price of \$0.0607 per Share,

in each case without Shareholder approval (the **Placement Shares**).

Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying the issue of 25,038,534 Placement Shares, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% Capacity without the requirement to obtain prior Shareholders' approval. Accordingly, the Company now seeks Shareholder approval to ratify the issue of the Placement Shares in accordance with Listing Rule 7.4.

If Resolution 5 is not passed, 25,038,534 Placement Shares will be included in calculating the Company's Placement Capacity under Listing Rule 7.1, which will limit the capacity of the Company to issue further Shares as required, without Shareholder approval. So this may mean, for example, that the Company has to pay cash for an acquisition (thereby depleting its cash reserves) rather than issuing Shares as acquisition currency.

Information required by Listing Rule 7.5

Listing Rule 7.5 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.4. For the purposes of Listing Rule 7.5 the Company notes as follows:

1. The Company issued the Placement Shares to Piedmont Lithium Inc
2. The Company issued 25,038,534 Placement Shares in two tranches:
 - a. 2,407,392 Placement Shares (**Tranche 1 Shares**); and
 - b. 22,631,142 Placement Shares (**Tranche 2 Shares**)
3. The Placement Shares were issued on:
 - a. 28 January 2022 (**Tranche 1 Shares**); and
 - b. 14 April 2022 (**Tranche 2 Shares**)
4. The price at which Placement Shares were issued was:
 - a. \$0.0273 per Placement Share – Tranche 1 Shares; and
 - b. \$0.0607 per Placement Share – Tranche 2 Shares.
5. The Placement Shares are fully paid ordinary shares, are not subject to escrow restrictions, and were issued on the same terms as and rank *pari passu* with the Shares that were already on issue.
6. The proceeds of the Placement were and are to be applied to working capital.
7. Material terms of the agreement under which these shares were issued include:

- a. Piedmont agrees to subscribe for 336,207,043 shares for US\$3,000,000;
 - b. While Piedmont holds voting power of at least 9% in the Issuer, the Subscriber will have the right to appoint one person as a non-executive director of the Issuer; and
 - c. While Piedmont holds voting power of at least 9%, the Issuer must not issue shares (other than a pro-rata offer of shares to all shareholders on the same terms in which the Subscriber is entitled to participate) without the Subscriber's prior written consent. Piedmont may elect to participate in any issue on the same terms as other participants.
8. A Voting Exclusion Statement for this Resolution is set out in the Notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of Resolution 5.

Resolution 6 – Adoption of the Company's Employee Share & Option Plan

Background

Shareholder approval is being sought to adopt an employee share & option plan (**ESOP**) under this Resolution of this Notice of Meeting, as an exception to Listing Rule 7.1. The Board of the Company wishes to adopt the ESOP, so as to enable it to issue Equity Securities to its key employees based in Quebec, Canada and Australia. The issue of these Equity Securities will provide an incentive to the Company's employees to achieve the long-term objectives of the Company to attract employees of experience and ability.

A summary of the key terms of the ESOP is set out in Annexure A, and a copy of the rules of the ESOP is available upon request from the Company.

Listing Rules 7.1

Broadly speaking, and subject to a number of exceptions (none of which are relevant here), Listing Rule 7.1 limits the number of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on the issue at the start of that period (**Capacity**).

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules including ASX Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the securities issued by the Company under the ESOP to be automatically excluded from the formula to calculate the Company's Capacity during each of the next three years. However, Equity Securities will only be treated as having been issued under exception 13(b) of Listing Rule 7.2 (and therefore not reducing the Company's Capacity) if:

1. the number of Equity Securities issued under the ESOP does not exceed the maximum number of securities proposed to be issued as set out below; and
2. there is no material change to the terms of the ESOP.

If this Resolution is not passed, the Company will be able to proceed with the issue of securities under the ESOP to eligible participants (if it has sufficient Capacity), but any issues of Equity Securities under the ESOP will reduce the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, for the 12 month period following the issue of their issue. This will decrease the number of other Equity Securities that the Company can issue without Shareholders' approval over the 12-month period following each issue.

Directors are eligible for issues of Equity Securities under the ESOP, however issues to Directors and their associates will still require separate approval under ASX Listing Rule 10.14 whether or not Shareholders pass Resolution 6.

Information for Shareholders

In accordance with exception 13(b) of Listing Rule 7.2, the Company advises as follows:

1. a summary of the terms of the ESOP is set out in Annexure A;
2. as the ESOP has not previously been adopted, there are currently no Options (or other Equity Securities) on issue pursuant to the ESOP; and
3. if Shareholders pass Resolution 6, the maximum number of Options (or other Equity Securities) that may be issued for monetary consideration pursuant to the ESOP during the three year period following that approval (without any further approval by Shareholders) is 400,000,000. However this is not intended to be a prediction of the actual number of Equity Securities to be issued under the ESOP, but is specified for the purposes of setting a ceiling on the number of Equity Securities approved to be issued under and for the purposes of Exception 13(b) in Listing Rule 7.2.

Voting restrictions

A voting exclusion statement is set out in the Notice of Meeting.

Directors' Recommendation

Given that they are eligible to be issued shares under the ESOP, in the interests of good corporate governance, the Directors do not make a recommendation in relation to Resolution 6.

Glossary

In this Explanatory Statement and the Notice of Meeting:

AEDT means Australian Eastern Daylight Time.

Annual General Meeting, AGM or Meeting means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691 and includes any successor body.

Board means the Company's board of Directors.

Chairman or Chair means the chair of the Annual General Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Sayona Mining Limited ACN 091 951 978.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a current director of the Company.

Dollar or "\$" means Australian dollars.

Equity Securities has the meaning given in ASX Listing Rule 19.

Explanatory Statement means this Explanatory Statement that accompanies and forms part of the Notice of Meeting.

Employee Share & Option Plan or ESOP means the incentive scheme entitled "Sayona Employee Share & Option Plan" for which Shareholders' approval is being sought for the adoption under Resolution 6.

ESOP Securities means the Securities that may be granted by the Company pursuant to the terms of the ESOP.

KMP means a member of the key management personnel named in the Company's latest remuneration report.

Listing Rules means the Listing Rules of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Notice of Meeting or Notice means this notice of annual general meeting which this Explanatory Statement accompanies and in which the Resolutions are set out.

Option means an option to subscribe for a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the relevant meeting.

Performance Right means a performance right which, subject to its terms, could convert to a Share.

Proxy Form means the Proxy Form attached to this Notice of Meeting.

Record Date means 7.00pm (AEDT) on 14 November 2022.

Resolution means the resolutions to be proposed at the Meeting, and which are set out in this Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Special Resolution means a resolution that can only be passed if at least 75 % of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the relevant meeting.

Annexure A – ESOP Summary

1.1 Operation

The Sayona Share & Option Plan (**Plan**) will commence operation on the date that it is adopted by the Board. A grant of Performance Rights and/or Options under the Plan will be subject to both the Plan rules, the terms and conditions of the specific grant and the Constitution.

1.2 Eligibility

The Plan is open to anyone who is an ‘eligible participant’ for the purposes of the Corporations Act. The Board may also choose to invite a person to participate in the Plan at its absolute discretion. Participation in the Plan is voluntary, not mandatory.

The Board may invite senior managers to apply for Performance Rights and/or Options (**Award**) under the ESOP in its absolute discretion.

1.3 Vesting

The vesting of a Performance Right and/or Options will be conditional on the satisfaction of all Vesting Conditions attaching to the Performance Right and/or Options. Vesting Conditions are determined by the Rules and the Board in its discretion as specified in the invitation letter.

1.4 Maximum potential Award

The Board may grant such number of Options and/or Performance Rights under the Plan as the Board determines as long as no limit specified, imposed or calculated by any relevant policy, guideline of ASIC or the Corporations Act, including any regulatory guide, class order or condition for relief, is exceeded.

1.5 Method for calculating Awards

The Board will determine the extent to which each Vesting Condition has been achieved and the Plan Shares earned in respect of the Vesting Conditions and invitation.

1.6 Transfer of Plan Shares

Any restrictions on dealing with the Plan Shares issued or transferred to an eligible participant or an incentive entitlement holder is determined by the Board at its discretion.

1.7 Change of control

In the event of a change of control of the Company, all unvested entitlements immediately vest, subject to any additional terms and conditions of any particular invitation.

1.8 Termination of employment

If a participant’s employment ends due to ill health or death, the Board has the discretion to determine if any of the incentive entitlements vest.

If a participant’s employment is terminated due to serious wilful misconduct, the Board may decide that any vested or unvested incentive entitlements have lapsed.

1.9 Ultimate discretion of the Board

The Board retains the ultimate discretion to:

- (a) make decisions on the Plan subject to complying with the Corporations Act and the Listing Rules;

- (b) set and amend:
 - (i) Trading Locks;
 - (ii) Vesting Conditions;
 - (iii) Expiry Dates; and
 - (iv) the Plan rules,for Options and/or Performance Rights;
- (c) act or refrain from acting under or in connection with the Plan or any Incentive Entitlements under the Plan.

SYA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 552 270 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 am AEST on Monday, 14 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sayona Mining Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sayona Mining Limited to be held as a virtual meeting via <https://meetnow.global/MR9RTL7> on Wednesday, 16 November 2022 at 10.00am AEST and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Paul Crawford as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of the issue of Shares to institutional, professional and sophisticated investors under the placement to fund its North America Lithium (NAL) project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the issue of Shares to Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust (Acuity Capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of the issue of Shares to Piedmont Lithium Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of the Company's Employee Share & Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SYA

2 9 3 8 9 6 A



Computershare

