

FY24 Half Year Results

14 March 2024

MAIDEN REVENUES AS NAL PRODUCTION RAMPS UP

Operational Highlights

NAL ramping up towards steady-state production, with total concentrate output of 65,723 dry metric tonnes (dmt) for the half year ended 31 December 2023.

Spodumene concentrate shipments commenced, with 72,152 dmt delivered to offtake and international customers in the period.

Lithium recoveries of 60% achieved for the half year, with a record monthly recovery of 66% achieved in December 2023.

Major capital projects advanced at NAL, including the Crushed Ore Dome and Tailings Storage Facility 1, to drive increased process plant utilisation and concentrator throughput.

Extensive exploration programs completed at NAL and Moblan in Québec, Canada and an initial drill program completed at Tabba Tabba in Western Australia, Australia.

Financial Highlights

Maiden revenues of \$118 million generated by NAL for the half year.

Underlying EBITDA of \$9 million recorded by the Group for the half year.

Loss after income tax of \$32 million reflecting the impact of non-cash adjustments.

Non-cash adjustments of \$25 million for write down of inventories to net realisable value and \$5 million write-off of capitalised project costs.

Net cash flows from operating activities of \$8 million, with expenditure on exploration and capital projects totalling \$31 million and \$68 million respectively.

Maintained strong balance sheet with \$158 million in cash at end of period.

Half Year Highlights

Concentrate Produced

65,723 dmt

Concentrate Sold

72,152 dmt

Revenue

\$118M

Underlying EBITDA

\$9M



Profit/(Loss) after Income Tax

(\$32M)

(73%) HoH



Cash from Operating Activities

\$8M



Cash Balance

\$158M

81% HoH



Management Commentary

“Sayona reached a significant milestone in the first half of the 2024 financial year as we generated first revenues following the commencement of shipments of spodumene concentrate from NAL in August 2023. In total, NAL shipped five cargoes of product this half, totalling 72.2 kt of spodumene concentrate.

“We continued to invest in optimisation initiatives at NAL such as the Crushed Ore Dome and the Tailings Storage Facility, to drive increased plant reliability together with securing future tailings placement capacity. Supplementary low capital intensity initiatives were also advanced to build additional redundancy into the process circuit, such as the refeed system. These initiatives are expected to deliver more consistent mill throughput rates, higher recoveries and increased concentrate production over the coming months.

“Our Québec lithium portfolio was bolstered through the completion of approximately 120,000 metres of drilling, with high grade lithium mineralisation identified outside the resource pit shells at Moblan and NAL. This ongoing exploration provides the opportunity to expand the existing resource at both projects, enhancing Sayona’s access to exceptional hard-rock lithium resources in North America.

“Sayona is focused on continuing to ramp up production and optimise unit production costs at NAL. We are also taking important steps to streamline operations, conserve cash, deliver production efficiencies and preserve the value in our assets. We are confident that these initiatives will enable NAL to continue to produce lithium through the cycle and set the foundation for growth, delivering increased value for shareholders.”

Mr James Brown

Executive Director & Interim CEO

Operational and Financial Performance

Summary of Key Metrics for Period Ended 31 December 2023

| | Unit | H1 FY24 | H1 FY23 | Variance |
|---|--------|---------|---------|----------|
| North American Lithium¹ | | | | |
| Ore Mined | wmt | 546,868 | 68,662 | 696% |
| Recovery | % | 60 | - | - |
| Concentrate Produced | dmt | 65,723 | - | - |
| Concentrate Grade Produced | % | 5.5 | - | - |
| Concentrate Sold | dmt | 72,152 | - | - |
| Average Realised Selling Price (FOB) ² | \$/dmt | 1,640 | - | - |
| Unit Operating Cost (FOB) ³ | \$/dmt | 1,286 | - | - |
| Group¹ | | | | |
| Revenue | \$M | 118 | - | - |
| Underlying EBITDA | \$M | 9 | (20) | - |
| Profit/(loss) after income tax | \$M | (32) | (19) | (73%) |
| Net cash flow from operating activities | \$M | 8 | (52) | - |
| Net increase/(decrease) in cash | \$M | (53) | (97) | 45% |
| Cash Balance | \$M | 158 | 87 | 81% |
| Net Assets | \$M | 866 | 873 | (1%) |

Production and Financial Summary

Ore mined for the half year totalled 546,868 wet metric tonnes, an increase of 696% compared to the prior corresponding period (half year ended 31 December 2022). There was a strong ramp-up of spodumene concentrate production to 65,723 dmt, compared to zero production in the prior corresponding period.

Lithium recoveries averaged 60% for the half year with a record monthly recovery of 66% achieved in December 2023. Spodumene concentrate grade produced remained consistent throughout the period at 5.5% Li₂O. Mill utilisation and throughput rates both increased during the half year, a reflection of the continuous improvement in workforce training, maintenance programs and production planning.

NAL commenced shipments of spodumene concentrate in August 2023 with total sales of 72,152 dmt compared to zero sales in the prior period. This resulted in revenue of \$118 million reflecting shipments to offtake and international customers. Lithium prices softened throughout the period, with spot market customers preferencing lithium chemical indices as the basis for pricing cargos delivered into the international market.

Underlying EBITDA was \$9 million driven by an average realised selling price of \$1,640/dmt (FOB Port of Québec). Unit operating costs were \$1,286/dmt (FOB Port of Québec). The Company recorded a loss after income tax of \$32 million, which included non-cash adjustments for the write down of inventories by \$25 million to net realisable value, and a \$5 million write-off of capitalised project costs.

Net cash flows from operating activities were \$8 million for the period. Cash outflows from investing activities were \$98 million driven predominantly by exploration of the Québec lithium projects and capital expenditure at NAL. Net cash flows from financing activities were \$39 million, resulting in a net decrease¹ in cash and cash equivalents of \$53 million for the half year.

The ending cash balance was \$158 million, representing an 81% increase in cash compared to 31 December 2022. The cash balance at 31 December 2023 was \$53 million lower than the 30 June 2023 cash balance.

¹ All figures are reported in 100% terms. Numbers presented may not add up precisely to the totals provided due to rounding.

² Average realised selling price is calculated on an accruals basis and reported in \$/dmt sold, FOB Port of Québec.

³ Unit operating cost is calculated on an accruals basis and includes mining, processing, transport, port charges, site-based general and administration costs and cash based inventory movements, and excludes depreciation and amortisation charges, freight and royalties. It is reported in \$/dmt sold, FOB Port of Québec.

Exploration

North American Lithium

An extensive 45,000m drilling program was completed at NAL which identified new high-grade lithium pegmatite mineralised zones, indicating the potential for resource expansion and in pit resource conversion.

Moblan Lithium Project

An extensive drilling program was completed at Moblan during the period, with the objective of the exploration for extensions of the existing mineral resource, with a focus on lateral and depth delimitation of the known mineral resources. At 28 September 2023, a total of 287 holes measuring a total depth of 60,084 metres had been drilled.

Sayona announced on 11 July 2023 results from the 2023 drilling program which showed a significant potential expansion to the lithium footprint. The drill results identified a 750 metre eastern extension to the flat lying South Pegmatite system. The newly identified mineralisation extends outside of the April 2023 JORC resource pit shell, indicating the opportunity to expand the existing resource.

Tabba Tabba

In December 2023, a 77-hole air-core drill program totalling 1,473 metres was completed. Drilling was focused on two areas along a 7.5 kilometre lithium prospective corridor within the lease, being the first drilling within the tenement to target lithium pegmatite mineralisation.

Morella Lithium Joint Venture Project

During the period, a total of 66 reverse circulation drillholes for a total depth of 3,754 metres were completed at the Eastern Pegmatite 2 prospect within the Mallina project. The drilling results have confirmed and improved the understanding of mineralisation previously identified within the Pegmatite 2 area, with 42 holes intersecting lithium mineralisation above 0.5% Li₂O.

Corporate

Mr Philip Lucas was appointed as a Non-Executive Director, effective 27 August 2023. Mr Lucas is an experienced corporate lawyer with a particular focus on equity capital markets, mergers and acquisitions, corporate governance and Australian Securities Exchange regulations and compliance.

Post period end, the Group announced the appointment of Mr Lucas Dow as a Non-Executive Director, effective 14 February 2024. Mr Dow is a senior resources sector professional who has led resources organisations at the Chief Executive Officer level and held executive and non-executive director roles in both listed and unlisted entities.

For further information about Sayona's operational and financial performance for the half year ended 31 December 2023, please refer to the Interim Financial Report that has been filed with the ASX and is also available via the Company's website (<https://www.sayonamining.com.au>).

Announcement authorised for release by Mr James Brown, Executive Director & Interim CEO of Sayona Mining Limited.

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About Sayona Mining

Sayona Mining Limited is a North American lithium producer (ASX: SYA; OTCQB: SYAXF) with projects in Québec, Canada and Western Australia, Australia.

In Québec, Sayona's assets include North American Lithium, the Authier Lithium Project and its emerging Tansim Lithium Project, which are supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq: PLL; ASX: PLL). Sayona also holds a 60% interest in the Moblan Lithium Project in northern Québec.

In Western Australia, Sayona holds a large tenement portfolio in the Pilbara region prospective for gold and lithium. The Company is exploring for Hemi-style gold targets in the world-class Pilbara region, while a portion of its key lithium projects are subject to a joint venture with Morella Corporation Limited (ASX: 1MC).

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

Forward-Looking Statements

This announcement may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Sayona's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled.

Sayona undertakes no obligation to update any forward-looking statement or other statement to reflect events or circumstances after the date of this announcement (subject to securities exchange disclosure requirements).

The information in this announcement does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this announcement constitutes investment, legal, tax or other advice.

Non-IFRS Measures

This announcement includes certain non-IFRS financial measures, including underlying measures of earnings or liquidity. Non-IFRS measures should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity. In the opinion of the Company's directors, these non-IFRS measures provide useful information to assess the financial performance of the Group over the reporting period.

Appendix

Reconciliation of Underlying EBITDA to Profit/(loss) after income tax

| | H1 FY24 | H1 FY23 | Variance |
|--|-----------------|----------|----------|
| Underlying EBITDA | 9,492 | (20,428) | - |
| Depreciation and amortisation expense | (15,578) | (136) | - |
| Underlying EBIT | (6,086) | (20,564) | 70% |
| Income from sale of tax benefits under flow through share arrangements | 3,014 | - | - |
| Write down of inventories to net realisable value | (24,840) | - | - |
| Write-off of capitalised project costs | (5,312) | - | - |
| Profit/(loss) from operations | (33,224) | (20,564) | (62%) |
| Financial income | 4,789 | 2,572 | 86% |
| Financial expenses | (2,670) | (727) | (267%) |
| Net financial income/(expense) | 2,119 | 1,845 | 15% |
| Profit/(loss) before income tax | (31,105) | (18,719) | (66%) |
| Income tax expense | (1,347) | - | - |
| Profit/(loss) after income tax | (32,452) | (18,719) | (73%) |