



# ASX ANNOUNCEMENT



**5 August 2015**

## **NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$2.57 MILLION**

Further to today's announcement regarding the acquisition of the Itabela Project, **Sayona Mining Limited (ASX: SYA) ("Sayona" or "The Company")** is pleased to announce that it is commencing an accelerated non-renounceable rights issue, comprising an Institutional Offer and Retail Offer on the basis of one (1) New Share for every four (4) Shares held at an issue price of 2.5 cents (\$0.025) per New Share together with one (1) free attaching New Option for every New Share issued (**Rights Issue**).

Sayona may issue a maximum of approx. 102,883,703 New Shares (subject to rounding) to raise up to \$2.57 million (before the costs of the Rights Issue). A maximum of 102,883,703 New Options may be issued under the Rights Issue. The New Options are to be listed on the ASX, exercisable on a 1:1 basis at 3 cents (\$0.03) per Share and will expire on 30 December 2016.

The net proceeds of the Rights Issue, together with the Company's existing cash will be used to fund the East Kimberley Project acquisition costs, exploration at the East Kimberley Project, Itabela Project Due Diligence costs and working capital requirements.

The Rights Issue will be partially underwritten to a minimum amount of \$1.5 million by Bizzell Capital Partners Pty Ltd, who are also acting as the Lead Manager to the Rights Issue.

The Company proposes to lodge a prospectus with ASIC and ASX by 12pm on Thursday, 6 August 2015 setting out the full terms and conditions of the Rights Issue.

The indicative timetable is provided below and an Appendix 3B in respect of the Rights Issue is also attached.

**SAYONA MINING LIMITED**

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ASX Code: **SYA**

### Indicative Timetable

The current proposed timetable for the Rights Issue is documented below. The dates are indicative only and Sayona reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

Activity	Date
Institutional Entitlement Offer opens	Wednesday, 5 August 2015
Institutional Entitlement Offer closes	Thursday, 6 August 2015
Institutional Shortfall bookbuild	Thursday, 6 August 2015
Lodge Prospectus with ASIC and ASX - Release copy of offer documentation on ASX	By 12pm on Thursday, 6 August 2015
Announce results of Institutional Offer	Friday, 7 August 2015
<b>Record Date for Entitlement to participate in the Retail Offer</b>	<b>7pm (Brisbane time) Monday, 10 August 2015</b>
Last date to send Prospectus and Entitlement and Acceptance Form to Shareholders and Announce Offer documents have been dispatched	Thursday, 13 August 2015
<b>Retail Offer opens</b>	<b>9am (Brisbane time) Thursday, 13 August 2015</b>
<b>Retail Offer Close - Closing Date for Receipt of Entitlement and Acceptance Form</b>	<b>5pm (Brisbane time) Friday, 28 August 2015</b>
Quotation of securities issued under Retail Offer	Monday, 7 September 2015
Normal ASX trading for New Shares and New Options commences	Monday, 7 September 2015

### For more information, please contact:

Paul Crawford  
Executive Director and Company Secretary  
Phone: +61 (7) 3369 7058  
Email: [info@sayonamining.com.au](mailto:info@sayonamining.com.au)

Sayona Mining Limited is an Australian, ASX-listed, company focused on sourcing and developing high purity flake graphite for use in the rapidly growing new technology sectors.

**Please visit us at [www.sayonamining.com.au](http://www.sayonamining.com.au)**

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

**SAYONA MINING LIMITED**

ABN

**26 091 951 978**

We (the entity) give ASX the following information:

### Part 1 - All issues

1	Class of securities issued or to be issued	1. Ordinary Fully Paid Shares 2. Options over Ordinary Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	1. Approximately 102,883,703 2. Approximately 102,883,703
3	Principal terms of the securities	1. As per existing shares 2. Options exercisable at 3 cents each on or before 30 December 2016
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	1. Yes 2. On exercise of the options, the issued shares will rank equally in all respects with existing quoted ordinary shares.
5	Issue price or consideration	1. \$0.025 2. Nil
6	Purpose of the issue	Provide funding for East Kimberley Project acquisition and exploration costs together with Itabela Project due diligence costs and working capital requirements.
6a	Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of securities issued without security holder approval under rule 7.1	Nil
6d	Number of securities issued with security holder approval under rule 7.1A	Nil

## Appendix 3B – New Issue Announcement

6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A								
6f	Number of securities issued under an exception in rule 7.2	1. Approximately 102,883,703 2. Approximately 102,883,703								
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A								
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A								
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Approximately 77,162,777								
7	Dates of entering securities into uncertificated holdings or despatch of certificates.	Shares issued to institutional investors – Monday 17 August 2015 Shares issued to retail investors – 5pm Friday, 4 September 2015								
8	Number and class of all securities quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td>514,418,512</td><td>Ordinary shares</td></tr><tr><td>102,883,703</td><td>Options exercisable at 3 cents expiring 30 December 2016</td></tr></table>	Number	Class	514,418,512	Ordinary shares	102,883,703	Options exercisable at 3 cents expiring 30 December 2016		
Number	Class									
514,418,512	Ordinary shares									
102,883,703	Options exercisable at 3 cents expiring 30 December 2016									
9	Number and class of all securities not quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td>6,000,000</td><td>Options exercisable at 0.5 cent expiring 30 June 2016</td></tr><tr><td>6,000,000</td><td>Options exercisable at 1 cent expiring 31 December 2016</td></tr><tr><td>6,000,000</td><td>Options exercisable at 1.5 cents expiring 30 June 2017</td></tr></table>	Number	Class	6,000,000	Options exercisable at 0.5 cent expiring 30 June 2016	6,000,000	Options exercisable at 1 cent expiring 31 December 2016	6,000,000	Options exercisable at 1.5 cents expiring 30 June 2017
Number	Class									
6,000,000	Options exercisable at 0.5 cent expiring 30 June 2016									
6,000,000	Options exercisable at 1 cent expiring 31 December 2016									
6,000,000	Options exercisable at 1.5 cents expiring 30 June 2017									
10	Dividend policy on the increased capital (interests)	Nil								

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the securities will be offered	1 fully paid ordinary share for every 4 shares held on the record date
14	Class of securities to which the offer relates	Fully paid ordinary shares
15	Record date to determine entitlements	7pm AEST 10 August 2015

## Appendix 3B – New Issue Announcement

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlement will be rounded up to the next whole number of share
18	Names of countries in which the entity has security holders who will not be sent new issue documents	All countries except Australia or New Zealand Singapore and Hong Kong
19	Closing date for receipt of acceptances or renunciations	Entitlement offer to institutional investors – Thursday 6 August 2015  Entitlement offer to retail investors – 5pm Friday 28 August 2015
20	Names of any underwriters	Bizzell Capital Partners Pty Ltd
21	Amount of any underwriting fee or commission	An Underwriting Fee of 3% of amount underwritten. A Management Fee of 2% of amount raised under the Offer. An Option Fee of two options Options (exercisable at 3 cents each on or before 30 December 2016) issued for every dollar of funds raised under the Offer. Up to 50% of the Management Fee and 50% of the Net Underwriting Fee may be paid by the Company via the issue of shares at a issue price of \$0.025 together with one free-attaching option for every share issued.
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Prospectus and Entitlement and Acceptance Form will be sent to eligible shareholders by Thursday, 13 August 2015
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements in full through a broker?	Not applicable
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	Not applicable

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32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	Issue date	Shares issued to institutional investors – Monday 17 August 2015 Shares issued to retail investors – 5pm Friday, 4 September 2015

### Part 3 - Quotation of securities

- 34 Type of securities (tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36 ☐ If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37 ☐ A copy of any trust deed for the additional securities

### Entities that have ticked box 34(b)

- 38 Number of securities for which quotation is sought
- 39 Class of securities for which quotation is sought
- 40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?  
 If not, please state:  
 • the date from which they do  
 • the extent to which they participate for the next dividend, or interest payment  
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- 42 Number and class of all securities quoted on ASX (including the securities in clause 38)
- | Number               | Class                |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for <sup>+</sup>eligible entities

Introduced 01/08/12

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	405,534,809
<b><i>Add</i></b> the following:	
• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2	102,883,703
• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval	6,000,000
• Number of partly paid ordinary securities that became fully paid in that 12 month period	Nil
<b><i>Subtract</i></b> the number of fully paid ordinary securities cancelled during that 12 month period	
<b>“A”</b>	514,418,514
<b><i>Step 2: Calculate 15% of “A”</i></b>	
<b>“B”</b>	0.15
<b><i>Multiply</i></b> “A” by 0.15	77,162,777
<b><i>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</i></b>	
<b><i>Insert</i></b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:	nil
• Under an exception in rule 7.2	
• Under rule 7.1A	
• With security holder approval under rule 7.1 or rule 7.4	
<b>“C”</b>	nil
<b><i>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</i></b>	
“A” x 0.15	77,162,777
<b><i>Subtract</i></b> “C”	Nil
<b><i>Total</i></b> [“A” x 0.15] – “C”	77,162,777

#### Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b>“A”</b> ( number must be same as shown in Step 1 of Part )	Not Applicable
<b><i>Step 2: Calculate 10% of “A”</i></b>	
<b>“D”</b>	
<b><i>Multiply</i></b> “A” by 0.10	

<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	
<b>“E”</b>	
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A”</b> x 0.10 ( number must be same as shown in Step 2)	
<b>Subtract</b> “E” ( number must be same as shown in Step 3)	
<b>Total</b> [“A” x 0.10] – “E”	

## Quotation agreement

- 1 Quotation of our additional securities is in ASX’s absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those securities should not be granted quotation.
  - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Director/Company Secretary)

Date: 5 August 2015

Print name:

**PAUL CRAWFORD**