



ASX: SYA

SAYONA
MINING LIMITED
August 2015

Entitlement Issue Presentation

**Sourcing the raw materials of the
future**

Disclaimer

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Simon Attwell, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Attwell is an employee of Attgold Pty Ltd (“Attgold”) which provides geological services to Sayona. Attgold is a financial beneficiary if Sayona exercises its option to purchase agreement over the East Kimberley Graphite project.

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

FORWARD LOOKING STATEMENTS

This presentation 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 Limited’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 Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation (subject to securities exchange disclosure requirements). The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.

Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- 8 July 2015 – Strategic Entry into the Graphite market
- 9 July 2015 – Geophysics Highlights Prospective Targets
- 10 July 2015 – Jumbo and Large Flake Graphite Identified at East Kimberley project
- 20 July 2015 – Drill Target and Metallurgy Program
- 5 August 2015 – Acquisition of Advanced Graphite Project

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

Investment highlights

Strategic entry into the graphite market

- Strategic focus on sourcing and developing high purity flake graphite for use in the rapidly growing, high-value, technology and battery sectors

East Kimberley, Western Australia

- 278km² tenement package secured in a proven province of high purity, large flake graphite
- New discovery of surface graphite mineralisation with assays of up to 7.71% TGC, jumbo and large graphite flakes, within a 20km strike length target horizon
- Well established mining district in close proximity to an export port

Itabela, Brazil

- Exclusive four month, option-to-purchase and due diligence period
- Extensively tested - 8,000m drilling, geophysics, internal economic studies, bench-scale and pilot testing (38 tonnes processed into final concentrates)
- Located in well-established graphite province with three operating graphite mines. Brazil is the world's second largest producer of graphite, including large flake graphite

Board and management

- Significant exploration, mine development and operating experience
- Strong combination of corporate and capital markets experience

Corporate snapshot

Ordinary shares pre-raising	411.5 m
Current Share Price (as at close of trade 31/07/2015)	A\$0.038
Current Market capitalisation (at last traded price A\$0.038)	A\$15.6m
Cash at bank (June 30 2015)	A\$0.74m
52 week trading range	A\$0.001-A\$0.15



Directors & Management	
Dan O'Neill	Managing Director
Corey Nolan	Chief Executive Officer
Paul Crawford	Executive Director
James Brown	Non Executive Director
Allan Buckler	Non Executive Director

Major Shareholders (pre entitlement issue)

Directors	54%
Top 20 Shareholders	85%

Capital raising summary

Sayona is undertaking a \$2.57 million (approx.) partially underwritten equity capital raising via a 1 for 4 accelerated non–renounceable entitlement offer, comprising an institutional accelerated component and a retail component

EQUITY RAISING	Non renounceable entitlement offer to raise approximately \$2.57m if fully subscribed with approximately 102.9m new ordinary shares to be issued. Partially underwritten by Bizzell Capital Partners to \$2m.
RETAIL ENTITLEMENT OFFER	<p>\$0.025 per share + one free attaching listed option exercisable at \$0.03, expiring 30 December 2016 for every share subscribed to under the offer.</p> <p>34% discount to last traded share price</p> <p>34% discount to 10 day VWAP</p> <p>36% discount to 30 day VWAP</p> <p>Based on trading to close 31st July 2015</p>
USE OF PROCEEDS	<p>Exploration East Kimberley project</p> <p>Itabela Project Due Diligence</p> <p>Working capital</p> <p>Expenses of the offer</p>
RANKING	Shares will rank equally with existing shares

Capital structure post Entitlement issue

Assuming entitlement issue fully subscribed

Ordinary shares pre-raising	411.5 m
- Rights issue 1 for 4 @ \$0.025 per share	102.9 m
Total ordinary shares	514.4m
ASX listed options @ \$0.03 per option	102.9 m
Market capitalisation @ \$0.025 per share	A\$12.9 m
Cash at bank <small>*(Inclusive of cash balance 30.6.2015 and after expenses of offer)</small>	A\$3.1 m

Use of funds

A\$

Underwritten Amount

Full Take up of
Entitlement Offer

Capital raised pursuant to offering

\$2,000,000

\$2,572,000

Existing Cash (as at June 30, 2015)

\$738,000

\$738,000

Use of funds:

East Kimberley Project

- Acquisition Costs

\$250,000

\$250,000

- Exploration Costs (Geophysics and Drilling)

\$950,000

\$950,000

Itabela Project – Due Diligence Costs

\$200,000

\$200,000

Total Projects

\$1,400,000

\$1,400,000

Admin Expenses & Working Capital

\$1,190,000

\$1,733,000

Expenses of the offer

\$148,000

\$177,000

Total Funds Used

\$2,738,000

\$3,310,000

Company snapshot

ASX: SYA

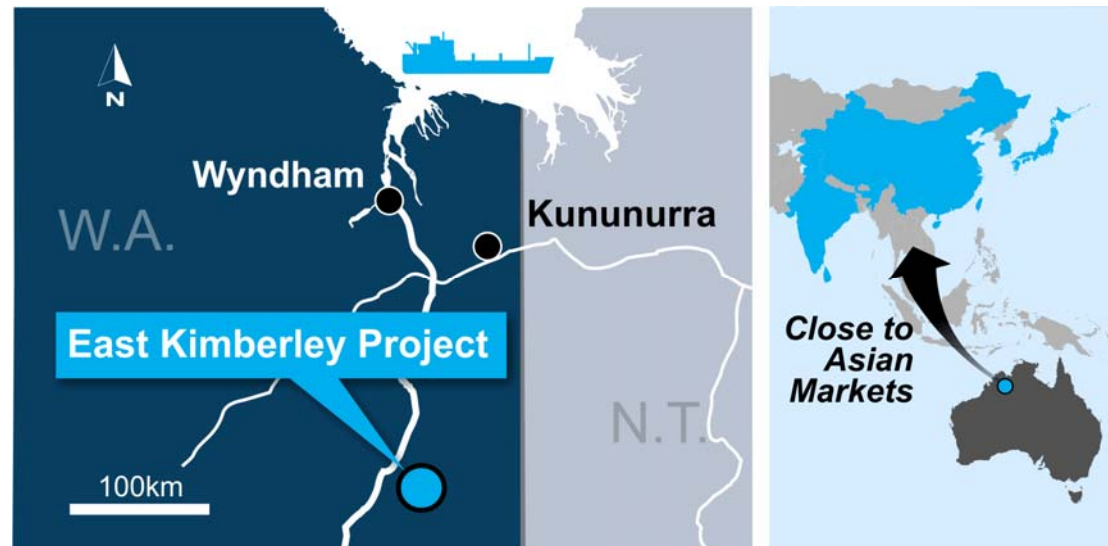
SYA's strategy is to source and **develop high purity flake graphite** for use in the rapidly growing, green technology sectors



**NEW
GROWTH
TECHNOLOGIES**

THE EAST KIMBERLEY GRAPHITE PROJECT

- 278 km² tenement package
- Located in a proven large flake graphite province
- Excellent infrastructure
- Immediate focus on drilling



SYA value proposition

Targeting proven, **large flake, high purity graphite district** – suitable for use in new green technology sectors



Close **proximity to target** technology markets in Asia

Very low enterprise value compared to industry peers



Established Mining Jurisdictions with stable taxes and royalties

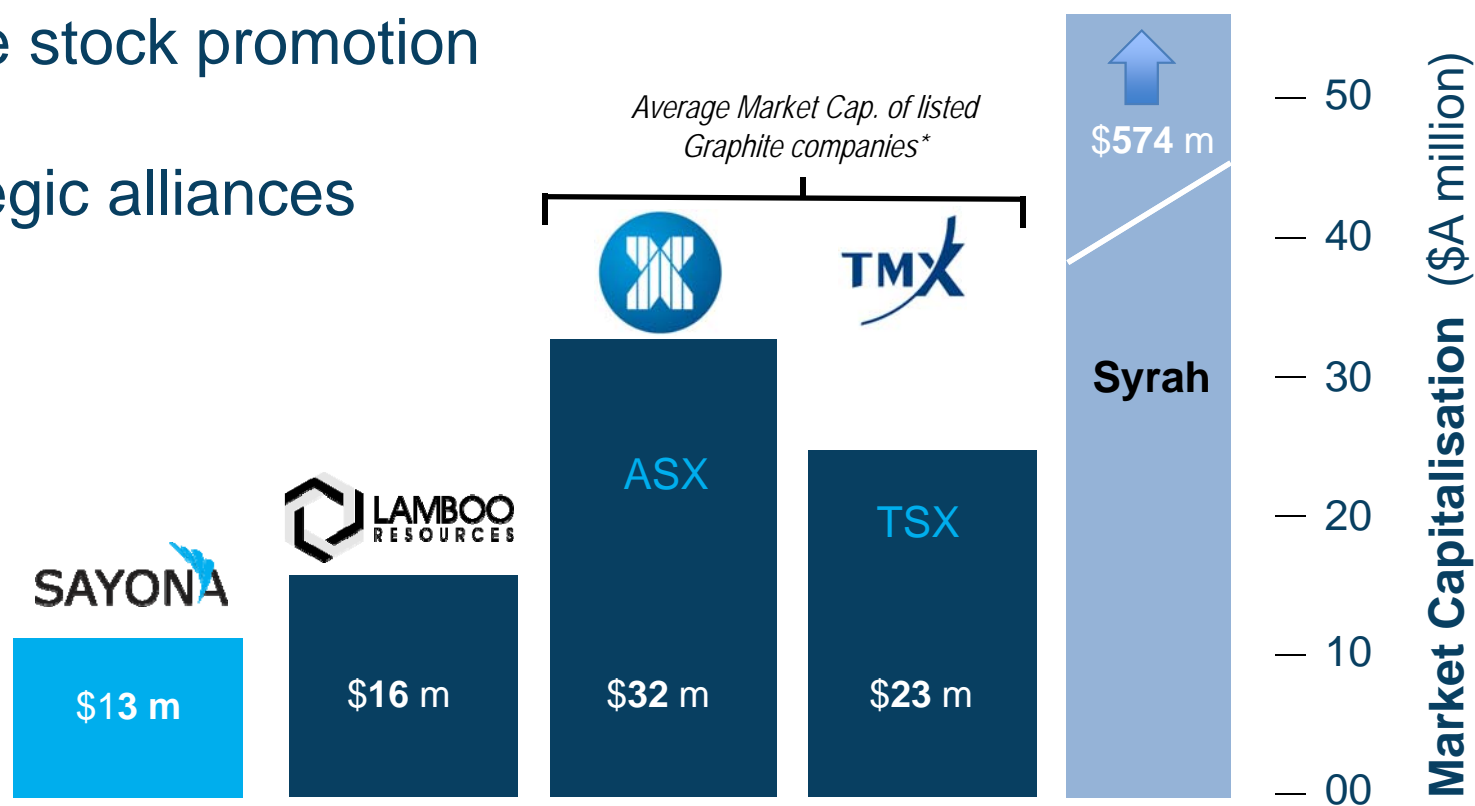
Major shareholders and **Board have strong track** record of successful investments



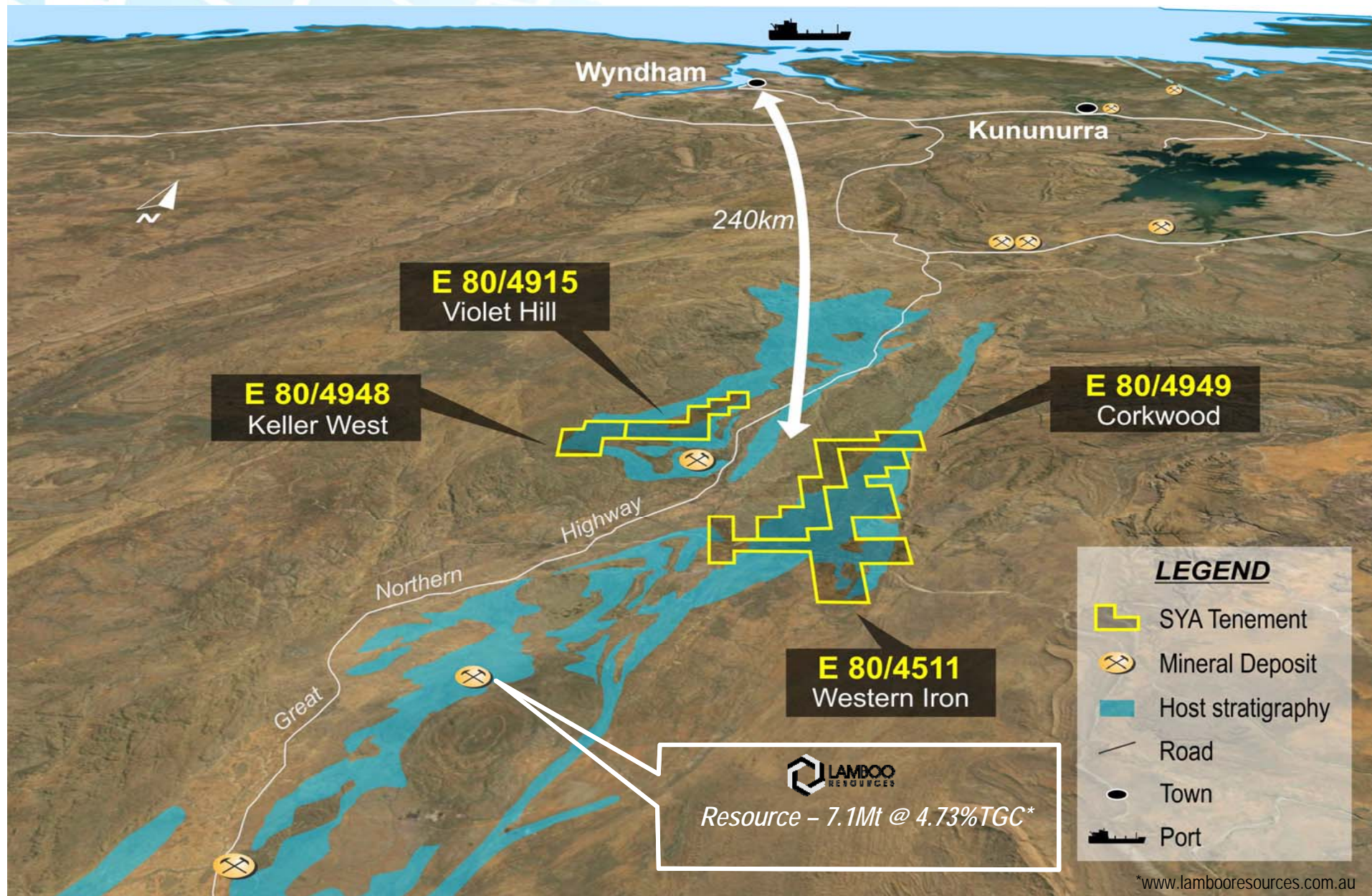
Well established mining district with **excellent infrastructure** to support low costs

Share price re-rating driven by:

- ✓ Realisation of East Kimberley project potential
- ✓ New acquisition opportunities
- ✓ Active stock promotion
- ✓ Strategic alliances



East Kimberley project location

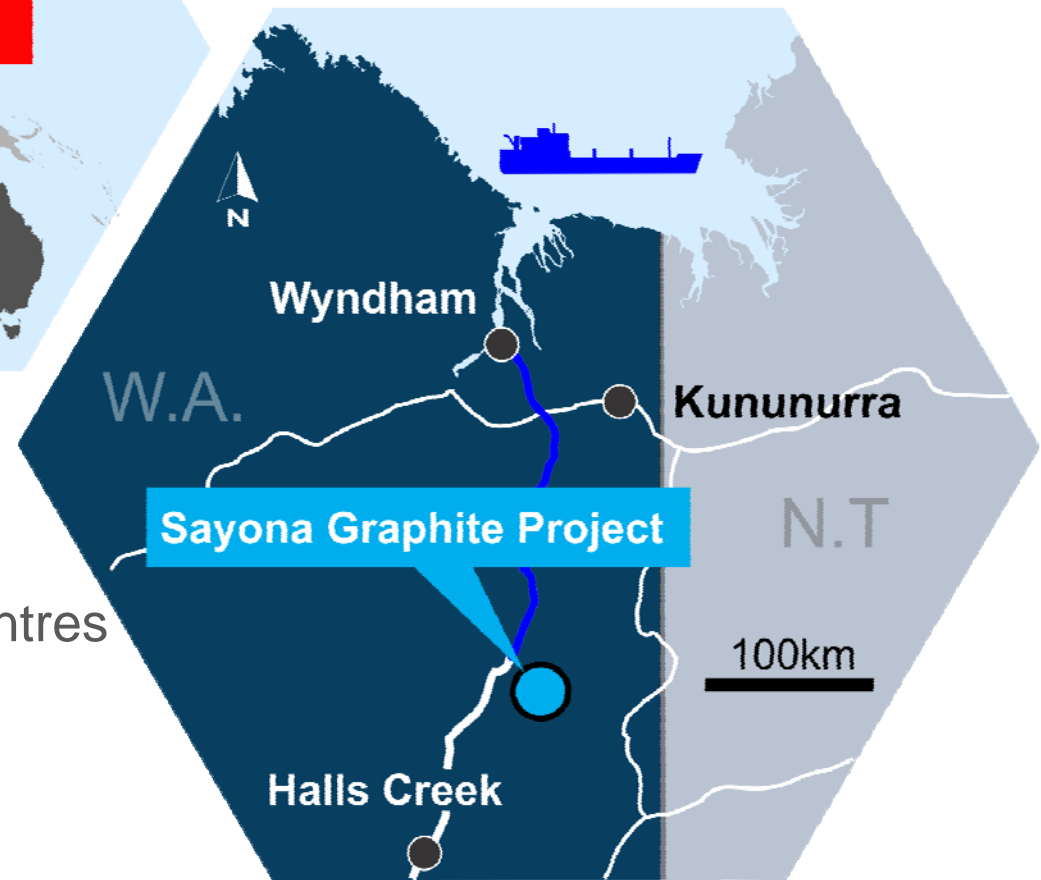


Perfectly placed to supply Asian markets

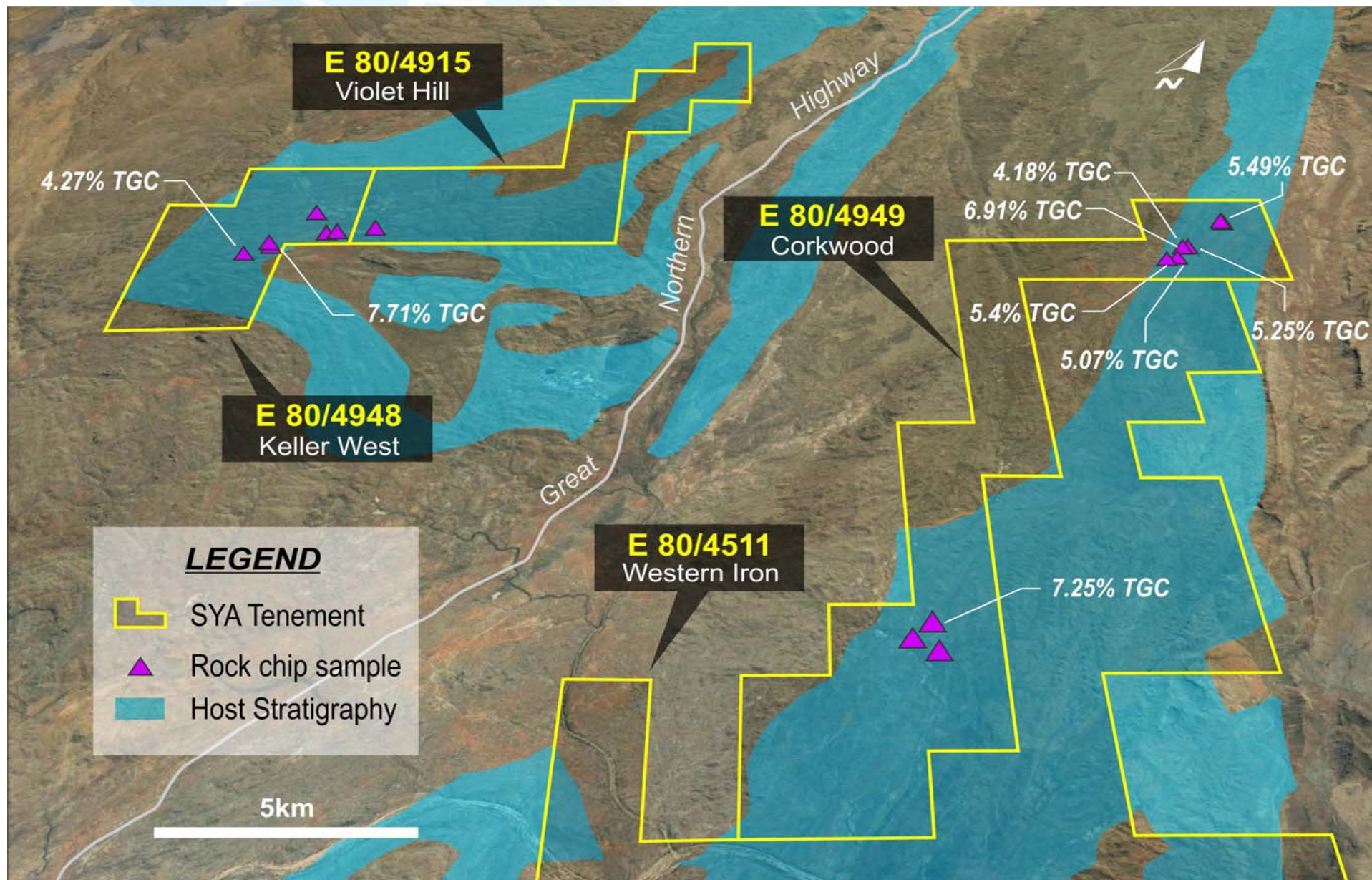


CLOSE TO ASIAN MARKETS

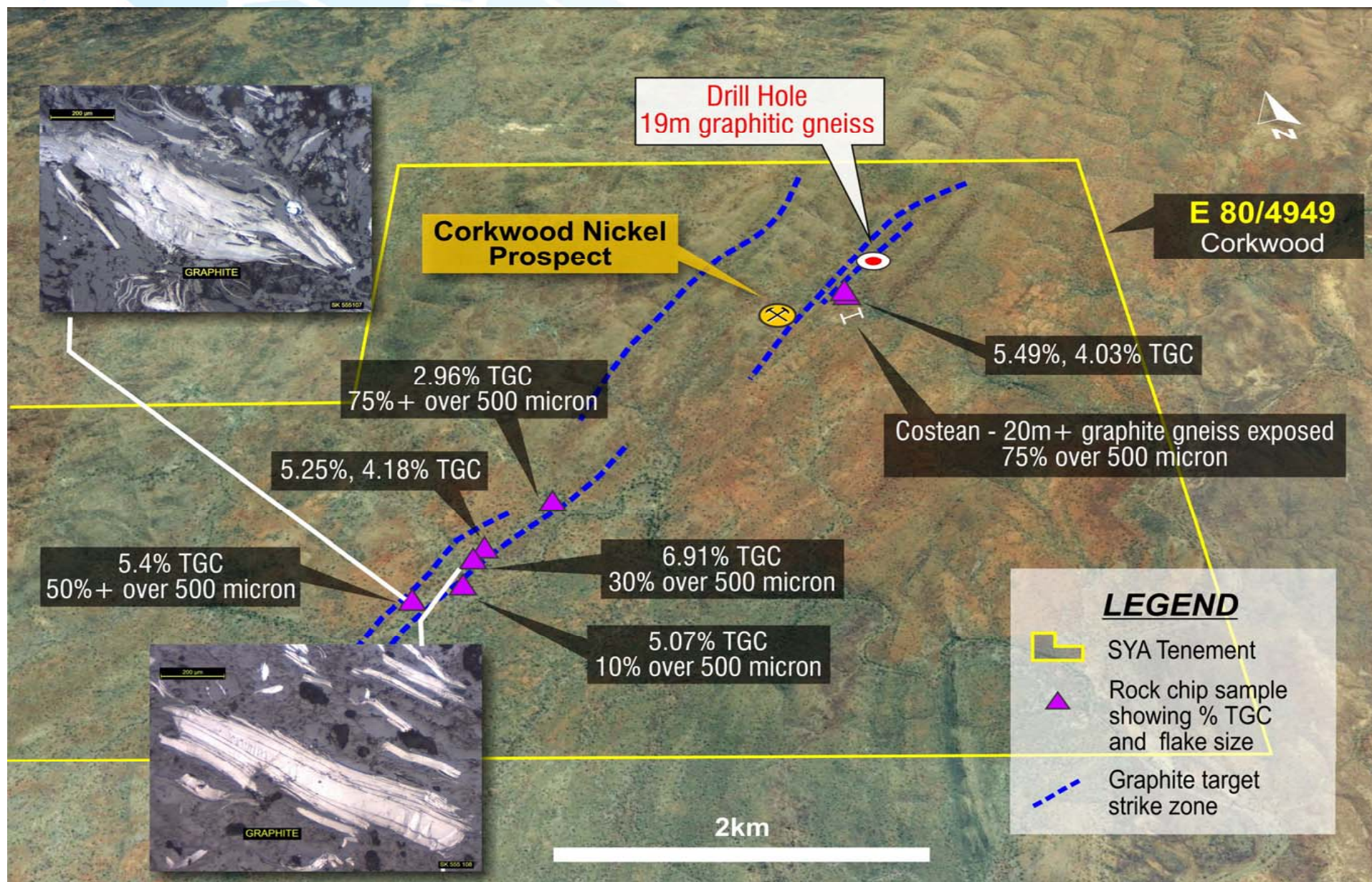
- 240km from Wyndham Port
- Regional **mining services** centres
- Local **skilled** workforce



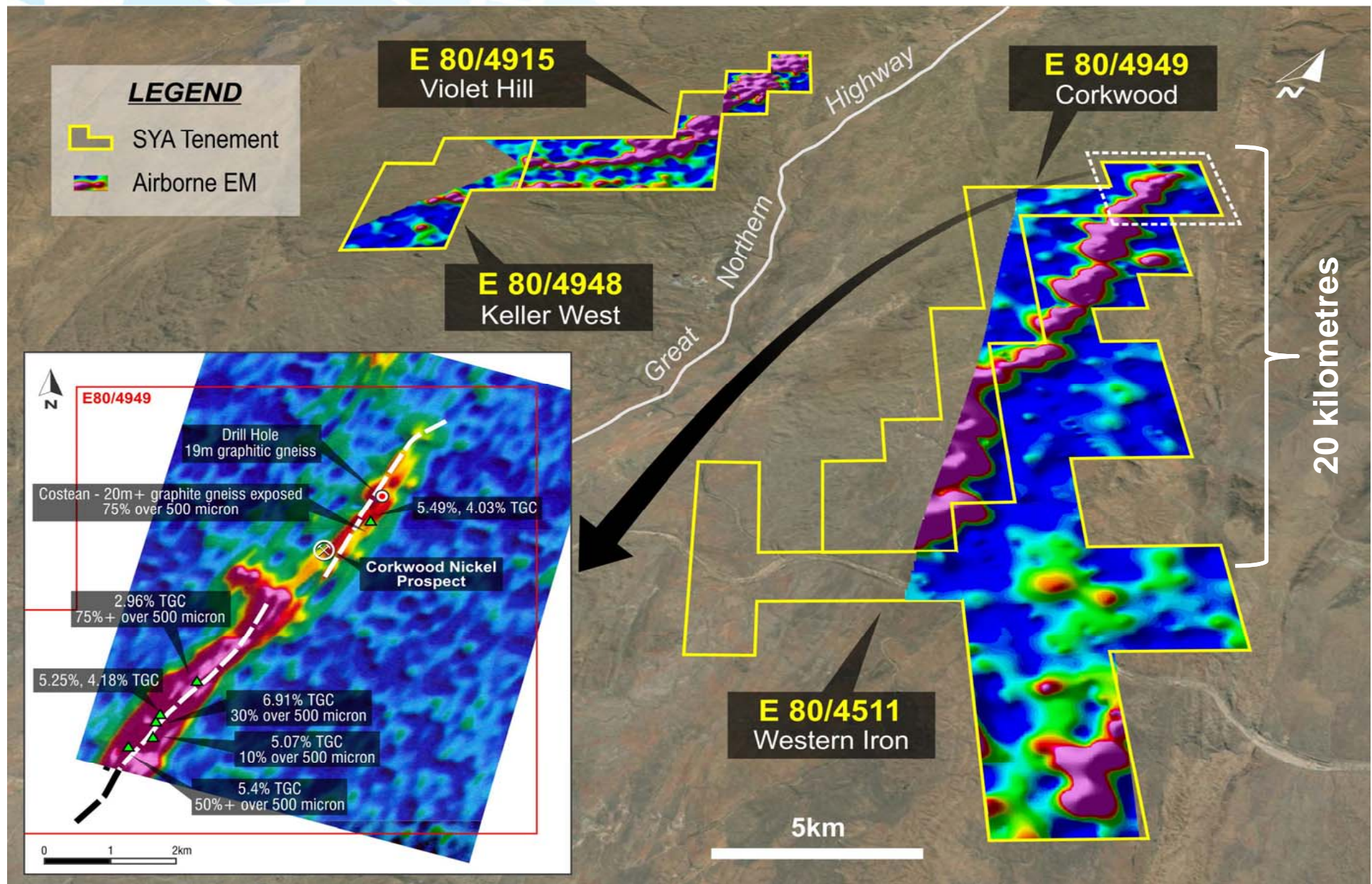
A major new graphite discovery



Jumbo and large flake size demonstrated



Geophysics highlights 20km structure



Immediate focus on delineating drill targets



- ☒ Tenement package secured
- ☒ Surface mapping & sampling
- ☒ Flake chemistry analysis

-
- ☐ Native Title / Environmental
 - ☐ Geophysics
 - ☐ Drilling
 - ☐ Metallurgy
 - ☐ Off-take partner / agreements
 - ☐ JORC

Itabela Graphite Project

Itabela is an **advanced staged** graphite project with a substantial catalogue of **drilling and extensive pilot scale test work**

The Company believes the project can be **fast tracked towards production** by completion of a Feasibility Study, permitting and securing off-take partners

Itabela is extensively tested:

- 8,000 metres of drilling
- Geophysics
- Internal economic studies
- Bench-scale testing
- Pilot scale testing (38 tonnes)

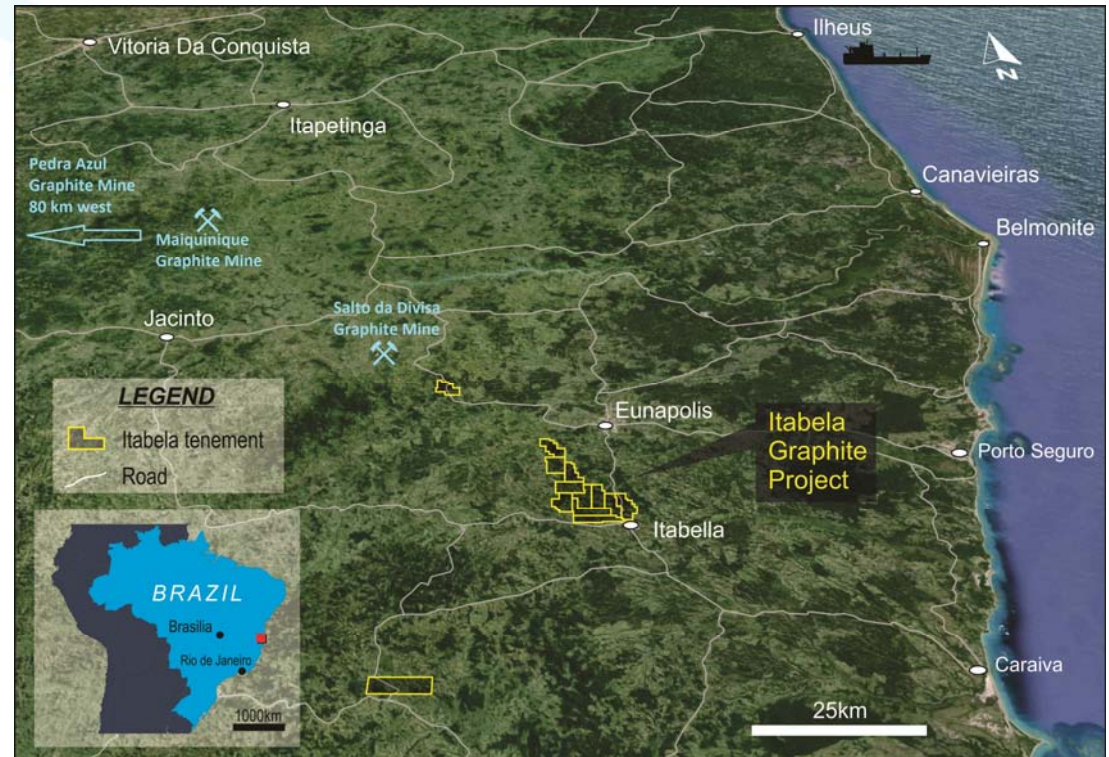
SAYONA

STRONG PROJECT FUNDAMENTALS

- ✓ **13,316ha tenement package**
- ✓ **Located in a proven large flake graphite province**
- ✓ **Graphite qualities demonstrated through extensive bench and pilot test work (38 tonnes processed)**
- ✓ **Simple processing using proven, flotation technology**
- ✓ **Simple deposit geology**
- ✓ **Favourable logistics and infrastructure - ports, roads, labour, airport**

Itabela – strategically located within a proven graphite province

- **3 operating graphite mines nearby**
- **Biggest graphite province outside of China with over 70 years of continuous large and jumbo flake production**
- **Brazil is the second largest producer of graphite in the world**



KEY WORLD GRAPHITE SUPPLIERS

Brazil



10%

Itabela Term Sheet



- **Four-month exclusive option to acquire 100% of Itabela**
- **Monthly option payment of US\$15k during DD period**
- **US\$3.5 million purchase price if option exercised**
- **Vendor retains a 2% NSR over all mineral rights**



- **Independent technical reviews during option period:**
 - **Historical exploration including drilling and resources**
 - **Convert Non-JORC resources to JORC compliant**
 - **Metallurgical test work**



- **SYA will investigate different financing strategies to fund the acquisition price**
 - **Strategic investment in project, royalties, equity, finance options in Brazil**

Targeting large flake graphite at Itabela



SYA's strategy is to source and **develop high purity flake graphite** for use in the rapidly growing, green technology sectors



Bench-scale testing of Itabela graphite



Pilot scale test work
**demonstrating recovery
of graphite concentrate**

Pilot scale test work



Itabela has been the subject of **extensive metallurgical test work**

Simple process flow sheet

38,000 kilograms
of pilot scale test work





Tight, supportive ownership structure

TRADING EXCHANGE

ASX: SYA

CAPITALISATION

Market cap **\$15.6M**

*as at close 31st July 2015

SHARES

411.5 million
shares

Cash*
As at June 30 2015

\$0.74M

SHAREHOLDERS

DIRECTORS **54%**

TOP 20 **90%**

Strong team with track record of success

Dan O'Neill

Managing Director

- 35 years of resources industry experience
- Geologist with significant project development and public company experience
- Founding director of lithium company, Orocobre Ltd

Corey Nolan

Chief Executive Officer

- 23 years of resources industry experience
- Strong combination of corporate and capital markets experience
- Previously Managing Director of South American focused exploration company, Elementos Limited

Paul Crawford

Executive Director

- 35 years of resources industry experience
- CPA and previously Company Secretary of companies including Orocobre Ltd (founding director), Elementos Ltd and ActivEx Ltd

James Brown

Non-Executive Director

- 35 years of operating experience in the resources sector
- Significant coal development and operating experience including 22 years with New Hope Corporation
- Managing Director of ASX listed lithium development company, Sayona Mining Ltd

Allan Buckler

Non-Executive Director

- 40 years of development and operating experience in the resources sector
- Built large-scale mining operations in Australia and Indonesia
- Former director and chief operations officer for New Hope Corporation

SYA Accelerated Non-Renounceable Entitlement Offer Timetable

	Date
Accelerated Offer	
Announce capital raising details	6 August 2015
Accelerated Entitlement Offer (AEO) opens 12pm	6 August 2015
Accelerated Entitlement Offer(AEO) closes 5pm	6 August 2015
Announce outcome of AEO (pre-open)	7 August 2015
Trading resumes on an ex-entitlement basis	7 August 2015
Record Date for determining entitlements for the offer (by 7pm)	10 August 2015
Settlement of AEO	13 August 2015
AEO shares and options issued and normal trading commences	14 August 2015
Retail Offer	
Lodge retail offer document with ASX	6 August 2015
Retail offer document and acceptance forms dispatched	13 August 2015
Retail offer opens	13 August 2015
Retail offer closes	5pm 28 August 2015
Final allotment of retail offer shares and shortfall subscriptions	4 September 2015
Normal trading commences	7 September 2015
Dispatch of holding statements	8 September 2015

Key Risks

Sayona Mining Ltd is subject to a number of risk factors both specific to its business and of a general nature. Sayona's business, financial condition and results of operations could be materially and adversely affected by the occurrence of any of the risks associated with the business. As a result, the traded price of Sayona's shares could decline and shareholders could lose all or part of their investment. The risks outlined should not be considered exhaustive of the risks faced by Sayona and its investors but these and other risks could have a material impact on the financial performance if Sayona and the value of Sayona shares.

Itabela Project Acquisition and Completion Risk

Sayona has entered into a four month, exclusive binding term sheet to acquire the Itabela Project at its election. The Company intends to conduct reasonable due diligence enquiries on the project at its own expense during this period. The Company may or may not elect to proceed with the acquisition as a result of these enquiries. In the event, Sayona elects to acquire the Itabela Project, the successful completion of the acquisition will remain subject to regulatory approval by the relevant Brazilian mining authorities. Similarly, if Sayona elects to proceed with the purchase, the deal's smooth completion remains contingent upon a variety of parties' continued support for the transaction. In the event Sayona exercises the option to acquire the project but the deal does not complete, the Company's expenses associated with the transaction, including legal fees, may increase as Sayona assesses its legal position and whether to attempt to enforce such legal rights, should the need arise. Additionally, upon exercising the option to complete the acquisition, the Company will require further funding. The Company will investigate further funding options however there is no certainty that the Company will be able to secure the desired or minimal level of funding on acceptable terms or at all.

Exploration Risks

The successful exploration and development of mineral properties is speculative. There is no assurance that exploration of the tenement portfolio, which the Company may have an interest in, will result in the discovery of a mineral deposit that can be economically mined. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may differ materially from these estimates and assumptions.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Land Access

From time to time, the Company's tenements or tenements the Company has a legal or beneficial interest in, may be subject to claims or other access restrictions. In those circumstances, Sayona may have to resolve access arrangements under the relevant regime prior to entering upon the land to carry out activities. Access arrangements may be subject to provision of monetary compensation, compensation for damage to land, restoration of the land.

There can be no guarantee that applications or access arrangements will be resolved in a timely fashion, in Sayona's favour, or in manner which is commercially viable for Sayona. The Managing Director and management team closely monitors the potential effect of claims involving tenements in which the Company has or may have an interest.

Key Risks Cont'd

Sovereign and Political Risk

The Company has an option to acquire a project located in Brazil in South America. As a result the Company is subject to political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted. The Company's future operations in Brazil may be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project and even render it uneconomic.

Development Risk

There is a risk that the Company will not be able to economically mine any mineral reserves discovered in its tenement portfolio in order to produce a satisfactory commercial return. There are significant risks associated with the development of an operating mine. Before the Company can build a mine, the Company will need to obtain various regulatory approvals and licences, including environmental licences. There is no guarantee that the Company will be able to obtain the required approvals and licences or that it will be able to comply with any conditions imposed on those approvals and licences in a cost effective manner.

There are also many operational and technical risks associated with developing and operating a mine. These risks may adversely impact the economic viability of any future mining activities.

Future Capital Needs

The Directors consider that the Company will have sufficient working capital for the Company's objectives stated in this Prospectus, following the close of the Offer if all the Shareholders take up their full Entitlements, or if Shareholders or other investors subscribe for all the Shortfall. However, the Company will require additional funding to progress its projects beyond the work programs identified in this Prospectus and to exercise its option to acquire the Itabela Project. There is no assurance that the Company will be able to access this funding on favourable terms or at all.

Environmental Risk

Mineral exploration and development carries some level of environmental risk. The Company may require statutory approval from relevant environmental authorities before it can undertake certain activities that may impact on the environment. Development of identified mineral resources will be dependent on the project meeting environmental guidelines and gaining the required approvals from government departments.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Market Volatility

Share market conditions may affect listed securities regardless of the operating performance of a particular company. Market conditions are affected by many factors including investor confidence, general national and global economic outlook, changes in or outlook on interest rates, changes in or outlook on inflation, commodity prices and supply of capital.

The Shares of the Company may rise or fall in price depending on market conditions and investor attitude.

Key Risks Cont'd

Commodity Prices, Demand and Exchange Rate Risk

The Company's Share price, future revenues and cash flows may be impacted by changes in the prices of minerals commodities. Commodity prices are influenced by physical and investment demand and may rise or fall. Fluctuations in commodity prices, specifically graphite and graphite products may influence individual projects in which the Company is involved. Similarly, the demand for products which graphite is used may impact commodity prices and in turn adversely affect the Company's own financial position and/or Share price.

The international prices of most commodities are denominated in United States dollars. Changes in the Australian/United States dollar exchange rate may impact the value of the Company and its Shares. Exchange rates are influenced by numerous macro economic factors beyond the Company's control.

Financial Performance

Sayona is a mineral exploration company. The Company has no immediate source of revenue. The Company will not generate any revenue until such time as it is able to commercially mine any mineral deposit that the Company discovers or it enters into commercial agreements with other parties for the mining of those deposits. Consequently, until Sayona is able to realise value from its projects, Sayona will incur ongoing operating losses.

Reliance on Key Personnel

As an exploration company, Sayona is dependent on its senior management and key personnel for the day-to-day operations and strategic management of the Company. The value of the Shares and the operations of the Company could be adversely affected by the departure of any of these employees.

Tenure

Interests in a project's tenements are governed by legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it expenditure and reporting commitments, as well as other conditions requiring compliance. In addition, an interest (or a right to earn an interest) in a project may be governed by agreements with parties which require compliance with certain conditions, commitments and obligations. Consequently, the Company could lose title to or its interest in tenements or a project if these conditions, commitments and obligations are not met as and when they arise.

Appendix: Graphite Industry Review

Graphite ... solution to global problems



Why Graphite?

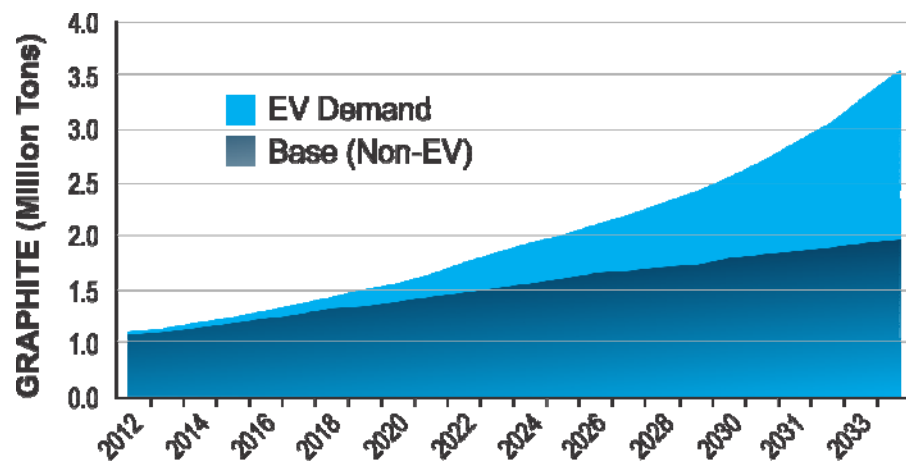
\$12 BILLION GROWING MARKET

FORECAST DEMAND FOR
GRAPHITE IN ELECTRIC
VEHICLES TO INCREASE OVER
10 YEARS

80%



THE BATTERY MEGA
FACTORIES ARE COMING



Graphite – a diverse and critical raw material

GRAPHITE HAS UNIQUE PROPERTIES



Lubricity



Non-corrosive



Light



Heat resistant



Strong



Conductive

GRAPHITE IS EVERYWHERE



Lubricants



New technologies



Refractories



Batteries



Electronics



Applications are growing

Key Graphite growth markets

NEW **GREEN**
TECHNOLOGIES



DRIVING
GLOBAL
DEMAND

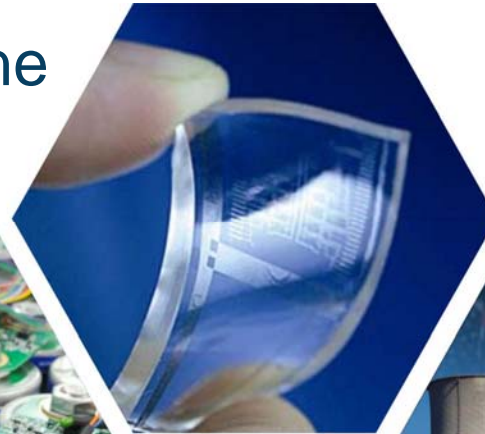


Lithium Ion
Batteries

Graphene



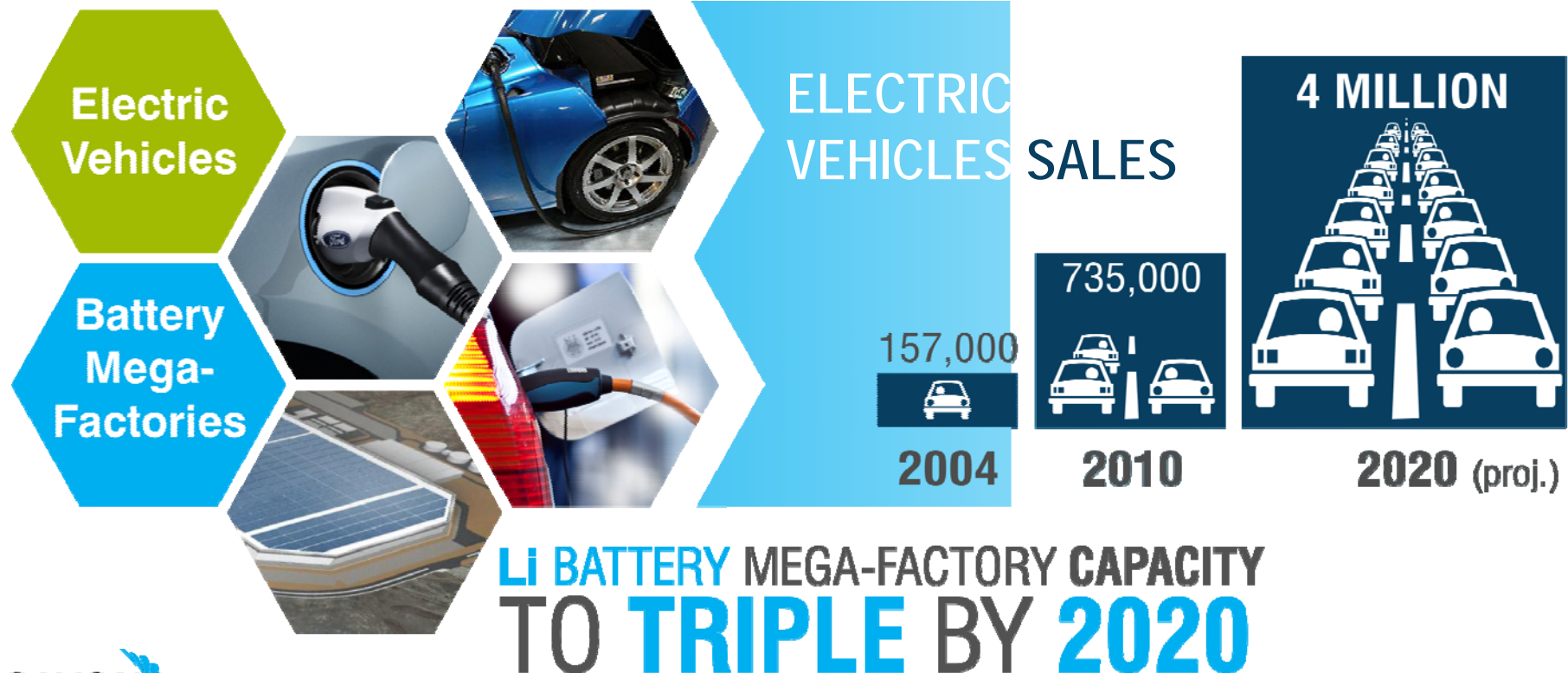
Super-
capacitors



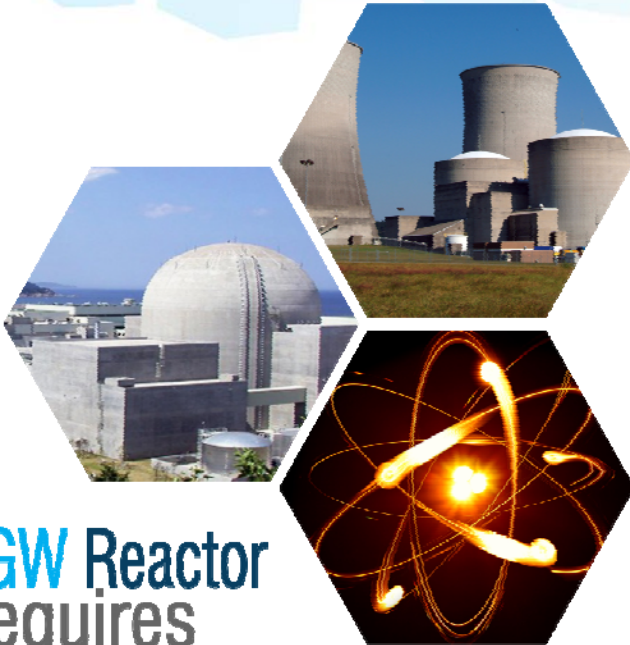
Pebble Bed
Nuclear Energy



Lithium Ion Battery Market



Nuclear Power



1GW Reactor
requires



- **3000t** GRAPHITE FOR START UP
- **1000t** GRAPHITE TO OPERATE ANNUALLY

Super Capacitors

GRAPHITE IS KEY RAW MATERIAL



- cost effective
- mechanical stability
- huge energy storage

80kg GRAPHITE USED IN
AVERAGE FUEL CELL

Graphene – the new super material*

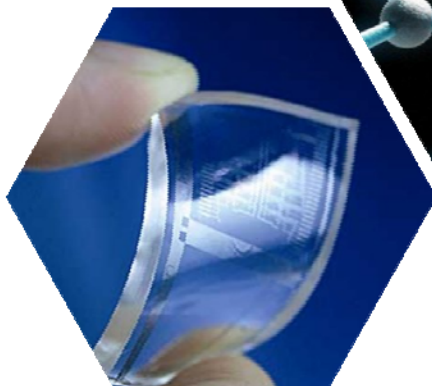
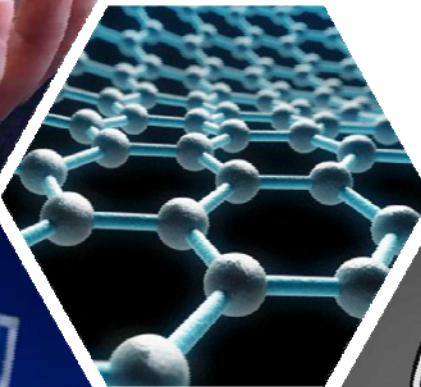
1000x ELECTRICAL CURRENT
CAPACITY OF COPPER WIRE

100x STRONGER THAN STEEL

10x BETTER HEAT CONDUCTOR
THAN COPPER



**STRONGEST
MATERIAL
KNOWN TO
MAN**



Flake Graphite – the highest value product

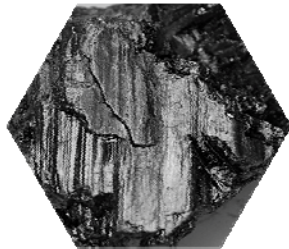
GRAPHITE TYPES

AMORPHOUS

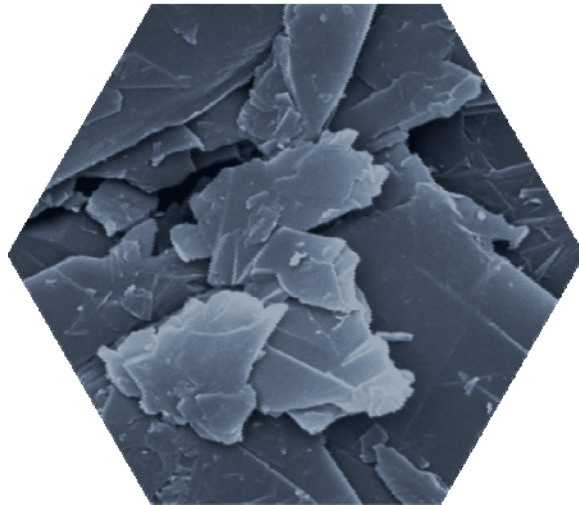


LOW PURITY
LOW PRICE
LOW GROWTH

LUMP



MEDIUM PURITY
LOW MARKET
FLAT GROWTH



FLAKE
GRAPHITE



HIGHEST PURITY



HIGHEST PRICES

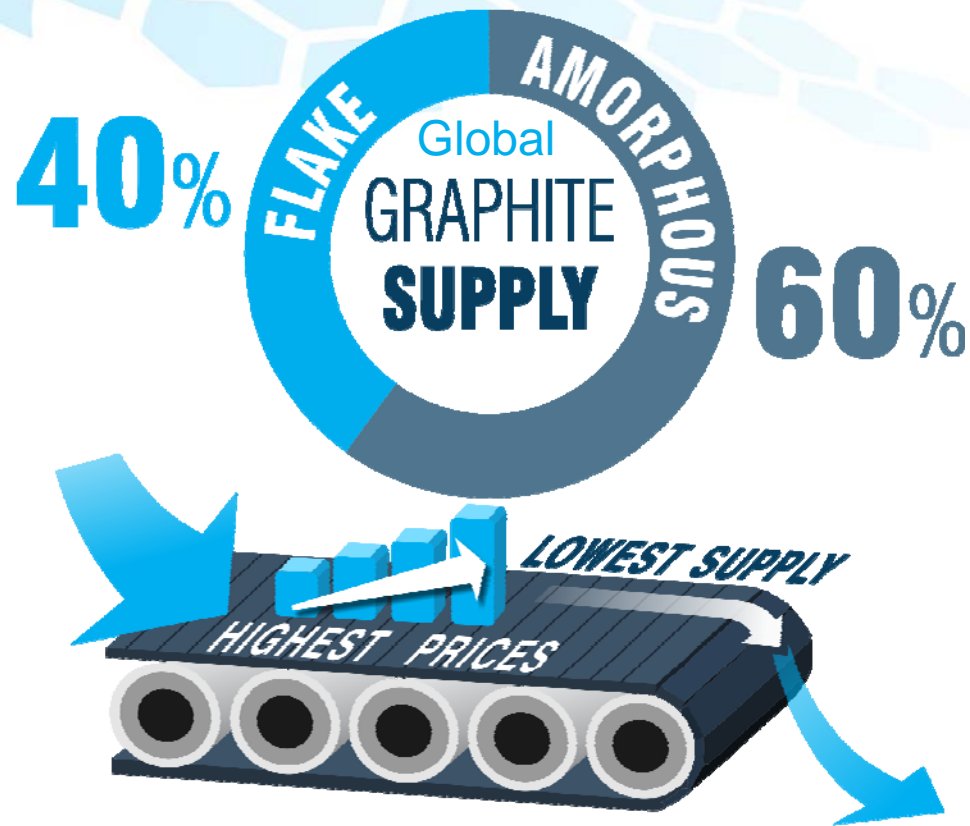


LIMITED SUPPLY

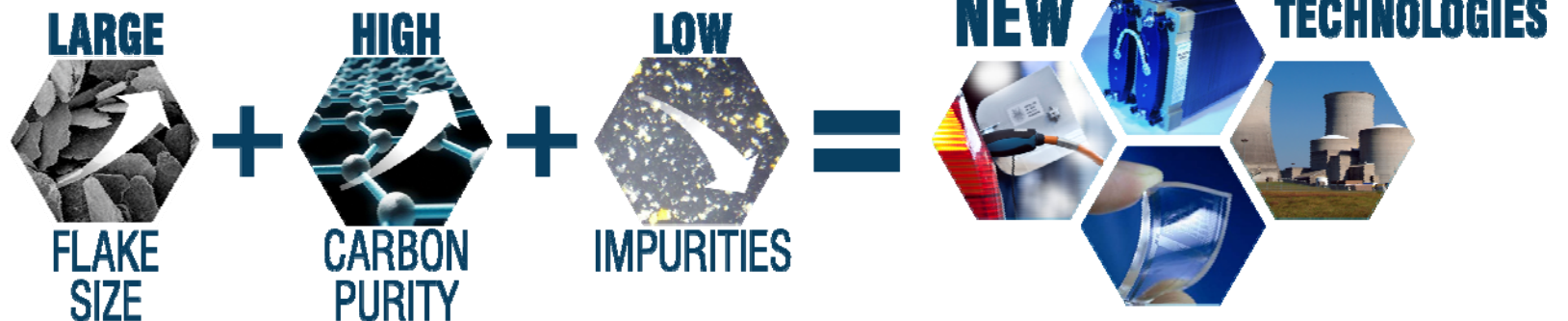
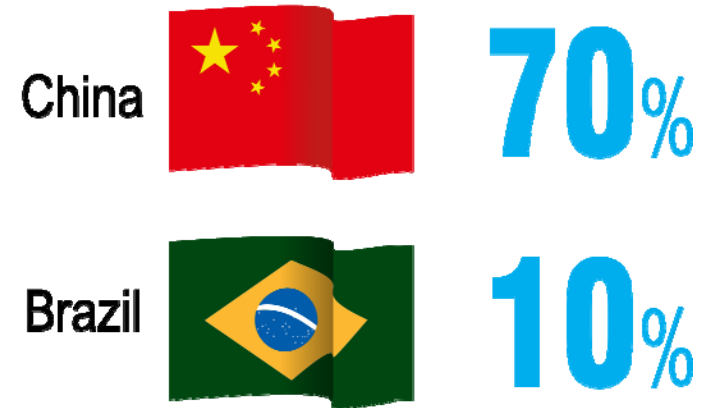


HIGHEST GROWTH
DRIVEN BY NEW TECHNOLOGIES

Sayona to target high-growth segments



KEY WORLD SUPPLIERS



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