

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	Ordinary Fully Paid Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	<p>In accordance with the capital raising announcement on 5 August 2015:</p> <p>72,320,000 ordinary shares will be issued pursuant to the institutional component of the rights issue on 14 August 2015;</p> <p>72,320,000 options will be issued pursuant to the institutional component of the rights issue on 14 August 2015</p> <p>Subject to rounding of entitlements, approximately 30,563,703 shares will be issued pursuant to the retail component of the rights issue on 4 September 2015.</p> <p>Subject to rounding of entitlements, approximately 30,563,703 options will be issued pursuant to the retail component of rights issue on 4 September 2015.</p>
3	Principal terms of the securities	<p>Ordinary shares as per existing shares.</p> <p>Options exercisable at 3 cents each on or before 30 December 2016</p>
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	<p>Ordinary shares rank equally in all respects.</p> <p>On exercise of the options, the issued shares will rank equally in all respects.</p>
5	Issue price or consideration	<p>\$0.025 per share</p> <p>Nil consideration for options</p>
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.

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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
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	<p>72,320,000 ordinary shares will be issued pursuant to the institutional component of the rights issue on 14 August 2015;</p> <p>72,320,000 options will be issued pursuant to the institutional component of the rights issue on 14 August 2015</p> <p>Subject to rounding of entitlements, approximately 30,563,703 shares will be issued pursuant to the retail component of the rights issue on 4 September 2015.</p> <p>Approximately 30,563,703 options will be issued pursuant to the retail component of rights issue on 4 September 2015.</p>
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.	<p>Shares issued under institutional component – 14 August 2015</p> <p>Shares issued under retail component – 4 September 2015</p>

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	Number	Class
8	Number and class of all securities quoted on ASX	
	483,854,809	Ordinary shares after issue of institutional component
	72,320,000	Options exercisable at 3 cents expiring 30 December 2016 after issue of institutional component
	514,418,512	Ordinary shares after issue of retail component
	102,883,703	Options exercisable at 3 cents expiring 30 December 2016 at completion of retail offer

	Number	Class
9	Number and class of all securities not quoted on ASX	
	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
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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
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 13 August 2015 Entitlement offer to retail investors – 5pm Friday 28 August 2015
20	Names of any underwriters	Bizzell Capital Partners Pty Ltd

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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
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 – Friday 14 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 ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	405,534,809
<i>Add</i> 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
<i>Subtract</i> the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	514,418,514
<i>Step 2: Calculate 15% of “A”</i>	
“B”	0.15
<i>Multiply</i> “A” by 0.15	77,162,777
<i>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</i>	
<i>Insert</i> 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	
“C”	nil
<i>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</i>	
“A” x 0.15	77,162,777
<i>Subtract</i> “C”	Nil
<i>Total</i> [“A” x 0.15] – “C”	77,162,777

Part 2

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

Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 (number must be same as shown in Step 2)	
Subtract “E” (number must be same as shown in Step 3)	
Total [“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: 14 August 2015

Print name:

PAUL CRAWFORD