



ASX ANNOUNCEMENT



21 JULY 2016

AUTHIER LITHIUM PROJECT ACQUISITION COMPLETED

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce it has completed the Authier lithium project acquisition for CAD\$4 million.

The Company's primary strategy is to focus on completing the studies required to commence the development of the project. Authier is a near-term development project and cash-flow generation opportunity. The Company believes it will create significant share value-uplift potential for shareholders as the project is advanced towards development.

The key attractions of the Authier lithium project, include:

- **Extensively drilled** - mineralisation hosted in a spodumene-bearing pegmatite intrusion with more than 15,000 metres of drilling in 123 holes;
- **Simple deposit** - 825 metres long with an average thickness of 25 metres dipping at 40 degrees, amenable to low-cost, open-cut mining techniques;
- **Defined resources** - JORC Mineral Resources totalling 9.12 million tonnes at 0.96% Li₂O containing 87,302 tonnes of Li₂O at a 0.5% cut Li₂O (refer Table 1);
- **Simple metallurgy** - extensive metallurgical testing and flowsheet designed to produce a 5-6% Li₂O concentrate at an 85% metallurgical recovery;
- **Well studied** - a NI43-101 Technical Report – Preliminary Economic Assessment – completed in 2013, demonstrated the technical and commercial viability of developing the deposit, and selling lithium concentrates;
- **Excellent infrastructure** – situated 45 kilometres from mining support services, and links to road and rail networks, including the Quebec export port; and
- **Large sunk cost** – significant investment in drilling, geophysics and development studies.

Table 1 – Authier JORC Mineral Resources Estimate (0.5% Li₂O cut-off grade)

<u>Category</u>	<u>Million Tonnes</u>	<u>Grades Li₂O</u>	<u>Contained Li₂O</u>
Measured	2.08	0.95%	19,730
Indicated	5.16	0.97%	50,092
Inferred	1.88	0.93%	17,480
Total	9.12	0.96%	87,302

Cautionary Note - Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate.

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Corey Nolan, Chief Executive Officer, commented *“The Company is pleased to have completed the acquisition of an advanced lithium project with JORC resources. The Company is now preparing for the rapid completion of a Pre-Feasibility Study, a final campaign of resource definition drilling required to complete a Bankable Feasibility Study and securing off-take for the spodumene concentrate”*.

Authier Next Steps

The Company’s strategy is to develop Authier in a staged approach, including:

- Completion of a new phase of metallurgical testing which more broadly reflects the average grade and resource distribution of the deposit than previous metallurgical testing. The results will be used to provide an updated Pre-Feasibility Study;
- Converting the inferred mineral resources to measured and indicated through further drilling;
- Converting the mineral resources to reserves;
- Exploring for extensions to the existing mineral resources and other potential mineralisation within the tenement package;
- Consolidating other potential resources in the district;
- Studying options for improving the project economics, including:
 - operating and capital cost reductions (e.g. leasing and purchasing of second hand equipment);
 - metallurgical optimisation using latest technologies available like dense medium separation;
 - downstream processing options including the production of high-value lithium carbonate;
- Completion of an Environmental Impact Statement and Bankable Feasibility Study;
- Negotiating production off-take agreements; and
- Sourcing development finance and constructing the project.

For more information, please contact:

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Sayona Mining Limited is an Australian, ASX-listed (SYA), company focused on sourcing and developing the raw materials required to construct lithium-ion batteries for use in the rapidly growing new and green technology sectors. Please visit us as at www.sayonamining.com.au

Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- "Authier JORC Resources", 5 July 2016

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.