



ASX ANNOUNCEMENT



10 JANUARY 2017

EXPLORATION COMMENCES AT THE MALLINA SPODUMENE PROJECT IN THE PILBARA

Highlights

- Initial mapping and sampling programs commence at the Mallina project
- Mallina hosts a recently discovered spodumene bearing pegmatite:
 - Rock chip samples up to 2.13% Li₂O in discovery pegmatite. The average of the 10 rock chip samples collected to date is 1.28% Li₂O
 - Spodumene crystals over 20 centimetres in diameter identified within the Discovery pegmatite, along a 500 metre strike zone
 - Pegmatite swarm remains unexplored; high potential for additional discoveries

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce that its first phase exploration program has commenced at the Mallina project which is located in the world world-class Pilgangoora lithium district of Western Australia.

Initial mapping and sampling programs have commenced, including:

- Rock chip sampling and mapping, targeting extensions of the known mineralisation (Figure 1);
- Exploring other prospective areas in the tenement package that have been identified through satellite and air photography imagery; and
- Completing orientation soil geochemistry over the discovery area and other spodumene occurrences to provide information on their geochemical signature. This information can then be used to target pegmatites hidden by shallow soil cover, widely present within the tenement.

Recent due diligence reconnaissance exploration conducted on the Mallina tenement has located significant zones of visible spodumene mineralisation within a pegmatite (Figure 2). Sample results include rock chip assays up to 2.13% Li₂O within a pegmatite which has been mapped over 500 metres of strike extent. The average of the 10 rock chip samples collected to date is 1.28% Li₂O. The Mallina area is a new spodumene discovery and has never been previously explored for its lithium potential.

The Mallina project is located 80 kilometres west of the Pilgangoora lithium deposits of Altura Mining and Pilbara Minerals, and compliments the Company's other 1,000 km² lithium exploration portfolio in the Pilbara region.

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Mallina Spodumene Project

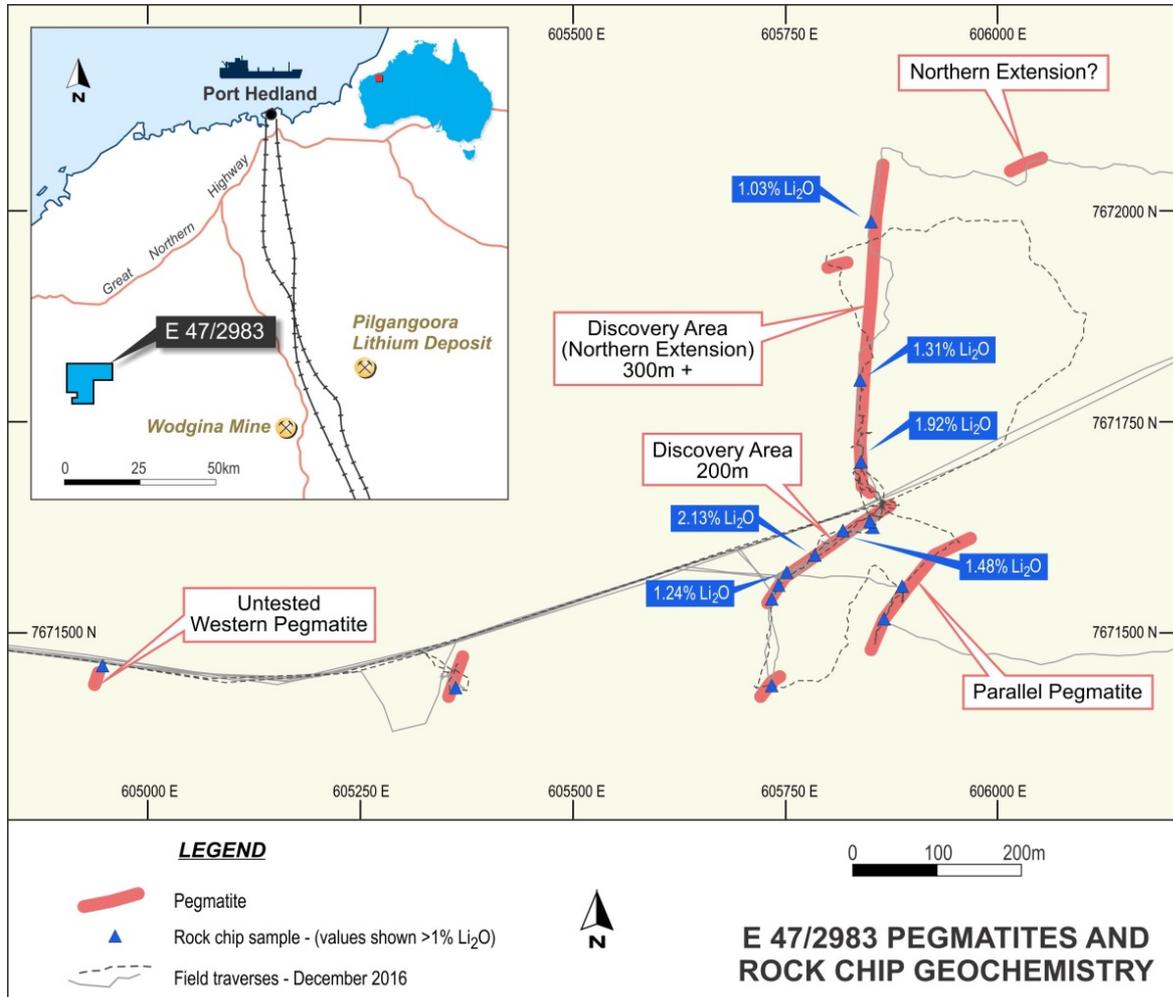


Figure 1: Discovery Pegmatite Area, Mallina Project



Figure 2: Spodumene crystal in the weathered discovery pegmatite and petrography

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:

"Option to Acquire New Pilbara Spodumene Discovery, 21 December 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.