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SAYONA MINING LIMITED

ASX ANNOUNCEMENT

ASX: **SYA**

7 September 2020

PLACEMENT TO U.S. BATTERY METALS INVESTOR BOOSTS SAYONA EXPANSION

Highlights

- **Placement agreed with Battery Metals Capital Group, LLC, raising up to US$2 million (AUD$2.73m); additional US$6m available at Sayona's sole request**
- **Funds to support Company's growth plans, including Authier Lithium Project, Tansim project and Pilbara lithium/gold portfolio in Western Australia and other potential opportunities, including bid for North American Lithium (NAL) amid accelerating EV revolution.**

Emerging lithium miner Sayona Mining Limited (ASX: SYA) announced today it has secured additional funding for its growth plans, agreeing a placement of ordinary shares ("Placement Shares") worth up to US$2 million (AUD$2.73m) with Battery Metals Capital Group, LLC (BMCG), a U.S.-based battery metals investor.

BMCG will make an initial investment of US$585,000 for Placement Shares worth US$635,000 in the coming days from Sayona's existing placement capacity. Subject to approval by Sayona shareholders, a second investment of US$1,415,000 for Placement Shares worth US$1,545,000 will be made in the days following the shareholders' meeting, to be held no later than 30 October 2020.

The placement agreement follows recent progress at Sayona's flagship Authier Lithium Project and the expansion of its nearby Tansim project in Québec. It provides the Company with additional financial support to progress these projects together with other opportunities, such as the NAL bid (refer ASX release 1 September 2020) and Sayona's Pilbara lithium and gold exploration portfolio.

In addition to these investments, Sayona has the option at its sole discretion to receive an additional investment of US$2,000,000 for Placement Shares worth US$2,180,000 at each of the six month, 12 month and 18 month anniversaries of the date of the second investment (for total additional investments of US$6,000,000 for Placement Shares worth US$6,540,000). Sayona is under no obligation to draw down these additional investments.

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BMCG will notify Sayona when Placement Shares in relation to all or part of each investment previously made by BMCG are to be issued, within 18 months of each investment having been made by BMCG. The purchase price of the Placement Shares is 90% of the average of the five daily volume-weighted average prices during a specified period prior to the date of issuance of the shares (rounded down to the next one tenth of a cent, or if the price is greater than a tenth of a cent, rounded down to the next half a cent).

Accordingly, the number of shares issued to BMCG will be the subscription amount in relation to which the shares are issued, divided by the purchase price. However, if BMCG requests that Placement Shares be issued within the first nine months of an investment, the percentage used in the determination of the purchase price will be increased to 92%.

Sayona has agreed to make an issue of 45 million Placement Shares following the upcoming AGM (subject to shareholder approval) with the remainder to be issued as set out above. Alternatively, in lieu of applying these shares towards the aggregate number of Placement Shares to be issued by Sayona, BMCG may make an additional payment to Sayona, equal to the value of these shares determined using the purchase price (determined as set out above) on the date of the payment.

Sayona has agreed to issue 39,545,230 shares in satisfaction of a fee payable to BMCG, and following the upcoming AGM (subject to shareholder approval), to grant 48 million options exercisable at A$0.013 (representing a 144% premium over the prevailing market price) to BMCG.

Sayona's Managing Director, Brett Lynch said the funding would open up additional opportunities for growth across the Company's projects in Canada and Western Australia.

"This funding comes at a significant time in Sayona's evolution, with the finishing line for the NAL transaction approaching and the recent announcement of the Nemaska Lithium deal as part of the consolidation of Québec's lithium sector," Mr Lynch said.

"Importantly though, it provides added optionality for the Company in allowing us to take advantage of compelling expansion opportunities across our portfolio as they arise for the benefit of shareholders.

"We welcome Battery Metals' investment as a vote of confidence in Sayona's future, yet again highlighting our ability to secure capital when needed to support our exciting growth plans."

This announcement is authorised by Sayona's Board of Directors.

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About Sayona Mining

Sayona Mining Limited is an emerging lithium miner (ASX:SYA), with projects in Québec, Canada and Western Australia. In Québec, Sayona is progressing a bid for the North American Lithium mine with the backing of a world-class support team, while advancing its flagship Authier Lithium Project and its nearby Tansim project.

In Western Australia, the Company has an earn-in agreement with leading lithium producer Altura Mining concerning its lithium and gold exploration portfolio in the Pilbara.

For more information, please visit us at **www.sayonamining.com.au**