

ASX ANNOUNCEMENT

ASX: **SYA**

4 October 2021

INVESTORS BACK MOBLAN ACQUISITION WITH A\$100M PLACEMENT

Highlights

- Placement to global institutional, professional and sophisticated investors raises approximately A\$100 million @ A\$0.145 per share; significant demand for shares shown by investors
- 1 for 35 Non-Renounceable Rights Issue to existing shareholders also raising a further A\$25.5M at same issue price as Placement, providing opportunity for all shareholders to participate in Sayona's growth
- Funds to support acquisition of Moblan Lithium Project in Northern Québec, Canada, amid accelerating battery metals demand from North America.

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) has received a vote of confidence in its acquisition of a majority interest in the Moblan Lithium Project in Northern Québec (refer ASX release 30 September 2021), completing a Placement to institutional, professional and sophisticated investors. Sayona received bids for shares in the Placement considerably in excess of the amount sought by the Company, with strong support from North American and other global institutional investors.

Funding the Company's latest expansion in Québec, the Placement has raised A\$100 million (before costs) through the issue of 689,470,310 new fully paid ordinary shares at an offer price of A\$0.145 (14.5 cents) per New Share. The offer price represents a 17.1% discount to the last closing price.

The Placement price is nearly double the Company's previous Placement (announced 12 July 2021) which was conducted at A\$0.075, reflecting the substantial continued growth in Sayona's market value.

Sayona will also undertake a Non-Renounceable Rights Issue to raise up to approximately A\$25.5 million at the same offer price as the Placement, ensuring all existing shareholders receive the same opportunity to participate in the Company's growth.

Sayona's Managing Director, Brett Lynch commented: *"I would like to thank our investors for continuing to back Sayona's expansion in Québec, where we are quickly building the leading lithium resource base in North America."*

"The Moblan acquisition represents a significant growth opportunity as we build a new lithium base in Northern Québec, adding to our existing Abitibi lithium hub."

"This is important as demand for lithium from North America continues to accelerate, as highlighted by Ford's recent US\$11.4 billion dollar battery investment on top of its US\$30 billion investment in EVs¹. Ford's demand alone has the potential to exceed projected supply from all current North American projects in production by 2030."

"Sayona wants to be at forefront in supplying this demand and now has both the means and the partners to make this happen."

Placement

Sayona has received firm commitments to raise A\$100 million (before costs) by issuing 689,470,310 new fully paid ordinary shares in the Company ("New Shares") via a Placement, at an issue price of A\$0.145 per New Share. Pricing was based on a 17.1% discount to the last traded share price (29 September 2021) on the ASX of A\$0.175 per share and a 17.6% discount to the 15-day VWAP of A\$0.176.

The New Shares issued through the Placement will be issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1.

Canaccord Genuity (Australia) acted as lead manager and bookrunner to the Placement, with Desjardins Capital Markets and Jett Capital Advisors acting as co-managers.

Further details of the equity raising are set out in the Company's investor presentation lodged with the ASX today. The investor presentation contains important information, including key risks of investing in Sayona and foreign selling restrictions with respect to the Placement.

Non-Renounceable Rights Issue

Sayona is also undertaking a 1 for 35 non-renounceable rights issue ("Rights Issue") to raise up to approximately A\$25.5 million before costs, at the same issue price as the Placement.

The Rights Issue is open to all eligible shareholders who have a registered address in Australia or New Zealand, and who hold Shares on the Record Date (7pm AEDT, 7 October 2021). The Rights Issue will close on 25 October 2021 (unless extended in accordance with the Listing Rules).

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares.

A prospectus in relation to the Rights Issue will be lodged with ASIC on 4 October 2021. Details about how to access the Prospectus and personalised Rights Issue acceptance form will be sent to eligible shareholders shortly after the Record Date.

To ensure prompt receipt of Offer details, shareholders are advised to register their email contact details on the Computershare website.

Indicative Timetable

| Event | Time/Date |
|--|-----------------|
| ASX announcement re Placement & Rights Issue; lodge Prospectus with ASIC / ASX; lodge Appendix 3B with ASX | 4 October 2021 |
| Trading halt lifted | 4 October 2021 |
| Record Date for Rights Issue | 7 October 2021 |
| Settlement and Allotment of Placement New Shares | 8 October 2021 |
| Expected date of ASX Quotation of Placement New Shares | 11 October 2021 |
| Dispatch of Prospectus, Rights Issue & Acceptance forms. Rights Issue opens | 11 October 2021 |
| Rights Issue closes | 25 October 2021 |
| Settlement of Shortfall | 29 October 2021 |
| Allotment of shares issued under Rights Issue | 1 November 2021 |
| Normal trading of shares issued under Rights Issue | 2 November 2021 |
| Dispatch of holding statements under Rights Issue | 3 November 2021 |

Note: The Company reserves the right to vary these dates. All times are Australian Eastern Daylight Time (AEDT) unless otherwise indicated.

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

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¹ "Ford to lead America's shift to electric vehicles with new mega campus in Tennessee and twin battery plants in Kentucky; \$11.4B investment to create 11,000 jobs and power new line-up of advanced EVs," 27 September 2021 (via company website)

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About Sayona Mining

Sayona Mining Limited is an emerging lithium miner (ASX:SYA; OTCQB:SYAXF), with projects in Québec, Canada and Western Australia.

In Québec, Sayona's assets comprise the Authier Lithium Project and its emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL). Sayona and Piedmont have also successfully undertaken the joint acquisition of North American Lithium, which hosts a former lithium mine and concentrator. Sayona is also acquiring the Moblan Lithium Project, located in the established mining jurisdiction of Eeyou-Istchee James Bay in Northern Québec.

In Western Australia, the Company holds a large tenement portfolio in the Pilbara region prospective for gold and lithium. Sayona is exploring for Hemi-style gold targets in the world-class Pilbara region, while its lithium projects are subject to an earn-in agreement with Altura Mining Limited.

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