

ASX ANNOUNCEMENT

ASX: SYA

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27 May 2022

SUCCESSFUL A\$190M INSTITUTIONAL PLACEMENT TO FUND NAL RESTART AND BROADER DEVELOPMENT INITIATIVES

Highlights

- Placement to global institutional, professional and sophisticated investors raises approximately A\$190 million
- Placement bookbuild sees significant demand from numerous high-quality domestic and offshore institutions, providing strong endorsement of Sayona's growth strategy
- Proceeds to primarily fund restart of North American Lithium (NAL) operation in Québec, Canada, amid rapidly growing demand for battery metals produced in North America
- Sayona well capitalised to progress development of its emerging Abitibi and Northern Hubs, hosting the largest combined spodumene resources in North America

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) has received significant financial support for its growth strategy, with the Company undertaking a successful single-tranche placement to global institutional, professional and sophisticated investors of A\$190 million ("Placement").

Proceeds from the Placement will be primarily used to fund the restart of spodumene concentrate production at Sayona's North American Lithium ("NAL") operation in Québec, Canada (Sayona 75%; Piedmont Lithium 25%). The planned restart at NAL remains on schedule for first spodumene concentrate production in Q1 2023, with critical long-lead items secured and senior staff recruited. NAL concentrator commissioning is projected for late Q3/early Q4 2022.

The recent Pre-Feasibility Study ("PFS") for NAL (refer ASX release 23 May 2022) demonstrated the operation's technical and financial viability and will form the basis of a Definitive Feasibility Study ("DFS") expected in the second half of 2022. The DFS will assess the economics of a larger integrated NAL and Authier resource base and operation.

The Placement has provided Sayona with considerable balance sheet strength as the Company rapidly develops its leading lithium resource base in North America, amid escalating demand from the electric vehicle and clean energy revolution. Sayona is also assessing the viability of a lithium hydroxide or carbonate plant at NAL, allowing for increased value-add to the operation and supporting the Québec Government's battery strategy.

In addition to the proposed NAL restart, the Placement will also provide strategic funding for Sayona to expand and grow its highly strategic Northern Hub resource base. The Northern Hub's prospectivity is highlighted by the recent drilling discovery at the Company's Moblan Lithium Project (refer ASX release 26 April 2022).

Use of Proceeds

Proceeds from the Placement will be applied to:

- NAL refurbishment and studies (A\$100m)
- Authier development (A\$35m)
- Moblan evaluation and Feasibility Study update (A\$25m)
- Exploration and project evaluation (A\$15m)
- Working capital and offer costs (A\$15m).

Sayona's Managing Director, Brett Lynch commented: *"This Placement is a major vote of confidence in our ability to transform NAL into a sustainable and profitable producer of key battery metals."*

"I would like to thank all our investors, both existing and new, for backing Sayona as we advance towards becoming the first local producer of spodumene in North America and ultimately moving downstream to capture even greater value-add from our expanding lithium resource base."

Placement Details

Sayona has received firm commitments to raise A\$190 million (before costs) through the issue of 1,054,406,346 new fully paid ordinary shares ("New Shares") at an issue price of A\$0.18 per New Share. The issue price of the New Shares represents a 12.2% discount to the last closing price on 24 May 2022. The New Shares issued through the Placement will be issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1.

The New Shares are expected to settle on Wednesday 1 June 2022 and be issued and commence trading on the ASX on a normal basis on Thursday 2 June 2022. New Shares issued under the Placement will rank equally with existing shares on issue.

Canaccord Genuity (Australia) and Petra Capital acted as Joint Lead Managers and Bookrunners to the Placement. Desjardins Capital Markets and Jett Capital Advisors acted as Co-Managers to the Placement.

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

Issued on behalf of the Board.

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About Sayona Mining

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

In Québec, Sayona's assets comprise North American Lithium together with 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 also holds a 60% stake in the Moblan Lithium Project 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 Morella Corporation (ASX:1MC).

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

Forward-looking statements

This announcement contains "forward looking statements" concerning the financial condition, results of operations and business of Sayona. All statements other than statements of fact or aspirational statements, are or may be deemed to be "forward looking statements". Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement dates and expected costs, resources or reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, resource and reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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Reference to Previous ASX Releases

This ASX announcement contains references to the following previous ASX releases:

- Positive Pre-Feasibility Study Enhances NAL Value, 23 May 2022
- New Lithium Pegmatite Discovery at Moblan Project, 26 April 2022

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.