

FY24 Full Year Results

North American lithium producer Sayona Mining Limited ("Sayona") (ASX:SYA; OTCQB:SYAXF) is pleased to announce FY24 full year results following the successful ramp up of operations at North American Lithium (Sayona 75%, Piedmont Lithium 25%) .

Operational Highlights

- North American Lithium (NAL) neared steady-state operations by end of FY24, with total concentrate production of 155,822 dry metric tonnes (dmt) for the full year ended 30 June 2024. Record monthly production of 19,314 tonnes was achieved in May 2024 and record daily production of 919 tonnes in June 2024.
- Spodumene concentrate shipments totalled 157,937 dmt delivered to customers in the USA and China during the period.
- Lithium recoveries continued to improve throughout the year to reach 68% for the June quarter, with a record monthly recovery of 69% achieved in May 2024.
- Major capital projects completed at NAL, including the Crushed Ore Dome and Tailings Storage Facility 1. The Crushed Ore Dome has helped deliver record mill utilisation of 83% in the June quarter with weekly utilisation now often in excess of 90%. Capital expenditure is expected to be materially lower in the upcoming year.
- Extensive exploration programs completed at NAL and Moblan in Québec and an initial drill program completed at Tabba Tabba in Western Australia. A further 70,000 metres will be completed at Moblan and 30,000 metres at NAL by end December 2024 utilising Flow Through Shares funding.

Financial Highlights

- Maiden full year revenues of \$201 million generated by NAL for the financial year.
- Underlying EBITDA loss of \$54 million recorded by the Group for the year which included the \$23 million EBITDA loss relating to the NAL operation.
- The Group loss after income tax of \$119 million reflected the first full year of NAL depreciation expense and non-cash extraordinary items.
- Non-cash extraordinary items totalled of \$32 million which included \$10 million for write down of inventories to net realisable value, \$17 million for impairment and write down of non-financial assets and \$8 million for impairment and write down of financial assets.
- Net cash outflows from operating activities of \$65 million reflected the ramp up of NAL operations against a backdrop of declining lithium prices across the year
- Investment in capital and exploration projects totalled \$128 million with \$102 million of capital expenditure for NAL optimisation and ramp-up projects and \$26 million on exploration in Canada and Australia.
- \$91 million in cash and no debt at the end of the year underpinning solid financial position

Please see <https://sayonamining.com.au/media/videos> for a video presentation of the results by Managing Director and CEO, Lucas Dow and Chief Financial Officer, Dougal Elder.

Management Commentary

Mr Lucas Dow, MD and CEO said, "Sayona has completed a year of strong operational performance with some remarkable achievements, particularly at our NAL operation. This past year focused on delivery and performance, driven by our commitment to operational excellence and innovative practices. NAL has been the centrepiece of this focus with concentrate production of 155,822 dmt at the top end of our FY24 guidance. After only 17 months, NAL is nearing steady-state production and we will start to see improved operating metrics as this flows through into FY25. Safety will be an area of particular focus for FY25 as we strive to improve performance year on year.

"We completed optimisation and restart initiatives at NAL such as the Crushed Ore Dome and the Tailings Storage Facility, which is already delivering increased plant reliability together with securing future tailings placement capacity. Other capital initiatives were also completed to provide additional redundancy such as the re-feed system. As indicated at the FY24 Half

Year Results, these projects are now delivering more consistent mill throughput rates, higher recoveries and increased concentrate production.

"A highlight since year-end has been the recent announcement of updated Mineral Resource Estimates (MRE) for both NAL and Moblan which further boosts our Québec lithium portfolio. The material increase in resources at both projects bodes well for the future as we evaluate the opportunities before us. Further drilling of 30,000 metres at NAL and 70,000 metres at Moblan may result in additional expansion of these advanced strategically located assets. The 2024 drilling program will utilise the remaining Flow Through Shares funding that was raised in March 2023 specifically for exploration and resource definition drilling as allowed under the Income Tax Act (Canada) (refer ASX release 7 March 2023).

"Looking ahead, Sayona is poised for continued growth and success. Our strategic focus on developing an integrated lithium business in Quebec, supported by our world-class assets at NAL and Moblan, positions us to capitalise on the growing demand for lithium in the global market. We are excited about the opportunities that lie ahead and remain committed to delivering exceptional value for our shareholders. With your continued support, we are confident that Sayona will continue to thrive and contribute significantly to the North American clean energy future."

Operational and Financial Performance

Summary of Key Metrics for Period Ended 30 June 2024

	Unit	FY24	H2 FY24	H1 FY24	Variance (HoH)
North American Lithium ¹					
Ore Mined	wmt	1,131,667	584,799	546,868	7%
Recovery	%	64	67	60	12%
Concentrate Produced	dmt	155,822	90,099	65,723	37%
Concentrate Grade Produced	%	5.4	5.4	5.5	(0.1%)
Concentrate Sold	dmt	157,937	85,785	72,152	19%
Average Realised Selling Price (FOB) ²	A\$/dmt	1,272	962	1,640	(41%)
Unit Operating Cost (FOB) ³	A\$/dmt	1,417	1,526	1,286	(19%)
Group ¹					
Revenue	A\$M	201	83	118	(30%)
Underlying EBITDA (loss)	A\$M	(54)	(63)	9	(800%)
Profit/(loss) after income tax	A\$M	(119)	(87)	(32)	(172%)
Net cash inflow (outflow) from operating activities	A\$M	(65)	(73)	8	(1,013%)
Net increase/(decrease) in cash	A\$M	(120)	(68)	(53)	(28%)
Cash Balance	A\$M	91	91	158	(42%)
Net Assets	A\$M	796	796	866	(8%)

Production and Financial Summary

Ore mined for the year totalled 1,131,667 wet metric tonnes with an increase in the second half of 7% compared to the first half of the year. Spodumene concentrate production for the year was 155,822 dmt, compared to 33,120 dmt in the prior corresponding period as the operation continued to ramp up.

Lithium recoveries averaged 64% for the full year with a record monthly recovery of 69% achieved in May 2024. Spodumene concentrate has been readily accepted by customers and the grade produced remains in line with their requirements throughout the period at 5.4% Li₂O. Mill utilisation and throughput rates both increased progressively throughout the year with a step-change in performance following the completion of the Crushed Ore Dome. Mill utilisation now regularly exceeds 90% on a weekly basis.

¹ All figures are reported in 100% terms and AUD unless noted otherwise. Numbers presented may not add up precisely to the totals provided due to rounding.

² Average realised selling price is calculated on an accruals basis and reported in \$/dmt sold, FOB Port of Québec.

³ Unit operating cost is calculated on an accruals basis and includes mining, processing, transport, port charges, site-based general and administration costs and cash based inventory movements, and excludes depreciation and amortisation charges, freight and royalties. It is reported in \$/dmt sold, FOB Port of Québec.

NAL spodumene concentrate shipments totalled 157,937 dmt compared to zero sales in the prior period. This resulted in revenue of \$201 million reflecting the ramp up of shipments to offtake and international customers. Lithium prices softened throughout the period, with spot market customers preferencing lithium chemical indices as the basis for pricing contracts for cargos delivered into the international market. Subsequent to year end, Sayona has commenced combining cargoes, where possible, into ~30,000 tonne shipments which is expected to reduce shipping costs for NAL and positively contribute to realised selling prices on a FOB basis.

Underlying Group EBITDA was a loss of \$54 million which included the NAL EBITDA loss of \$23 million. The NAL EBITDA loss was driven by an average realised selling price of \$1,272/dmt (FOB Port of Québec) and unit operating costs of \$1,417/dmt (FOB Port of Québec). The Group recorded a loss after income tax of \$119 million, which included \$32 million of non-cash extraordinary items relating from the write down of inventories to net realisable value by \$10 million and \$17 million from the impairment and write down of capitalised exploration and evaluation expenditure. The impairment and write down of financial assets of \$8 million also contributed to the total non-cash extraordinary items recorded during the period.

Net cash outflows from operating activities were \$65 million for the period reflecting the progressive ramp-up of NAL operations and declining lithium prices over the year. Cash outflows from investing activities were \$114 million as Sayona invested into optimisation capital projects at NAL and Moblan in addition to capital projects relating to the restart and ramp-up of NAL operations. Minimal capital expenditure was spent on sustaining projects at NAL in FY24. A total of \$102 million was invested in capital projects across the Group with a further \$26 million spent on exploration, predominantly in Quebec funded by Flow Through Shares funding. The impact of this investment in exploration has contributed to the material increase in mineral resource estimates at both NAL and Moblan released post year-end.

Net cash inflows from financing activities over the period were \$60 million resulting in a net decrease in cash and cash equivalents of \$120 million for the financial year, ending the year with a \$91 million cash balance.

Exploration

North American Lithium

An extensive 45,000m drilling program was completed at NAL which identified new high-grade lithium pegmatite mineralised zones. An updated Mineral Resource Estimate released in August 2024 identified a 51% increase in Resource to 87.9 million tonnes @ 1.13% Li₂O. A further 30,000 metres of drilling will be completed by end December 2024 which will test further extensions to mineralisation utilising Flow Through Shares funding.

Moblan Lithium Project

An extensive drilling program was completed at Moblan during the year, with the objective of testing extensions of the existing mineral resource and identification of new zones of mineralisation. This program was highly successful and results were collated in an updated Mineral Resource Estimate released in August 2024. The MRE identified an 81% increase in Resource to 93.1 million tonnes @ 1.21% Li₂O. A further 70,000 metres of drilling will be completed by end December 2024 which will test further extensions to mineralisation utilising Flow Through Shares funding.

Tabba Tabba

Throughout the year, exploration at the Tabba Tabba project aimed to identify strike extensions south of recent discoveries by Wildcat Resources at the Leia and Luke pegmatite systems. Extensive geochemical sampling provided baseline data to guide drilling efforts.

A 77-hole, 1,473m air core drilling programme completed in December 2023 identified targets in the north and south drill areas, leading to a ground gravity geophysical survey in April. Gravity data over a 7km x 2km area revealed several prospective targets and structural settings.

In the north drill area, 16 reverse circulation (RC) holes, totalling 2,716m, targeted extensions of the Tabba Tabba mine stratigraphy. At the Roadside prospect to the south, five RC holes, totalling 822m, followed up on narrow pegmatites and surface anomalies.

Planning is advanced for a follow-up diamond drilling programme in the north drill area to test targets at greater depths for Luke-style pegmatite systems and extensions. These efforts are crucial for understanding the region's mineralisation potential.

Morella Lithium Joint Venture Project

A total of 66 RC drillholes for 3,754m were completed at the Eastern Pegmatite 2 prospect within the Mallina project, confirming and improving the understanding of previously identified mineralisation, with 42 holes intersecting lithium mineralisation above 0.5% Li₂O. The Pegmatite 2 area hosts a 1.5km long pegmatite swarm, with recent drilling confirming pegmatite thicknesses up to 20 metres.

Additionally, RC drilling at the Tabba Tabba East project involved 14 holes for 1,392m, targeting lithium geochemical soil anomalies along a major fault structure linked to the main shear hosting the Wildcat lithium discovery at Tabba Tabba.

Strategy

The Sayona strategy is a comprehensive plan aimed at solidifying the Company's position in the global lithium industry. The strategy is centred on optimising operations, with a clear focus on increasing production and reducing costs at NAL to enhance returns and ensure a steady cash flow. This approach is designed to create a strong foundation for future growth.

Expansion is another critical pillar of the strategy. The company plans to extend its resource base through targeted drilling programs in Québec (utilising Flow Through Shares funding) and Western Australia. This effort is intended to secure a competitive advantage in an industry where long-term demand is expected to grow in line with global decarbonisation activities.

The strategy also includes a focus on asset development, aiming to unlock value within the company's portfolio through strategic growth initiatives. Downstream integration is being approached cautiously, with plans to evaluate opportunities in lithium carbonate and hydroxide production. The goal is to ensure these investments provide meaningful returns without exposing the company to undue technical and commercial risk.

Strategic partnerships are highlighted as essential for securing market demand and establishing a vertically integrated supply chain. The strategy underscores the importance of building these alliances to support the company's broader goals both in the near term and longer term.

Overall, Sayona takes a balanced approach that prioritises both immediate operational improvements and long-term growth, positioning the company to navigate the evolving landscape of the lithium market.

Corporate

Mr Lucas Dow was appointed as a Non-Executive Director, effective 14 February 2024 and subsequently appointed as Managing Director and Chief Executive Officer on 3 July 2024. Mr Dow is a senior resources sector professional who has led resources organisations at the Chief Executive Officer level and held executive and non-executive director roles in both listed and unlisted entities.

Mr Philip Lucas was appointed as an independent Non-Executive Director, effective 27 August 2023. Mr Lucas is an experienced corporate lawyer with a particular focus on equity capital markets, mergers and acquisitions, corporate governance and Australian Securities Exchange regulations and compliance. Mr Lucas is Chair of the Remuneration and Nomination Committee and Chair of the Audit and Risk Committee.

Guidance⁴

The following guidance is provided for the Group for the FY25 financial year:

Concentrate Production ⁵	Concentrate Sales ⁶	Unit Operating Costs ⁷	Capital Expenditure ^{8,9}	Exploration Expenditure ^{10,11}
190,000 – 210,000 dmt	200,000 – 230,000 dmt	A\$1,150 – A\$1,300 / dmt	~A\$20M	~A\$30M

⁴ Guidance is based on assumptions, budgets and estimates existing at the time of assessment which may change over time impacting the accuracy of those estimates. These estimates are developed in the context of an uncertain operating environment including in respect of inflationary macroeconomic conditions, incomplete engineering and uncertainties surrounding the risks associated with mining and project development including construction, commissioning and ramp up which may delay or impact production and have a flow on effect on sales. Actual results may therefore vary significantly depending on these risks and the timing required to address them. The information is provided as an indicative guide to assist sophisticated investors with modelling of the Company. It should not be relied upon as a predictor of future performance.

⁵ Production and Sales guidance assumes spodumene concentrate grade of 5.4% Li₂O

⁶ Approximately two thirds (67%) of concentrate sales will be sold to Piedmont Lithium under the offtake agreement in FY25


⁷ Guidance assumes average annual foreign exchange rates of AUD:CAD 0.91 and AUD:USD 0.667

⁸ Capital expenditure guidance excludes movements in capital creditors which amounted to A\$3 million as at 30 June 2024

⁹ Capital expenditure relates predominantly to sustaining capital projects at NAL

¹⁰ Exploration expenditure guidance excludes movements in exploration creditors which amounted to A\$7 million as at 30 June 2024

¹¹ Exploration expenditure relates predominantly to utilisation of Flow Through Share funding which must be spent by 31 December 2024



Guidance is based on assumptions, budgets and estimates existing at the time of assessment which may change over time. Actual results may vary significantly based on inherent risks in the Group's operating environment. This information should not be relied upon as a precursor for future performance (see Forward Looking Statement below).

Issued on behalf of the Board.

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About Sayona Mining

Sayona Mining Limited is a North American 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 the Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. 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 include Company-owned leases and those subject to a joint venture with Morella Corporation.

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

Forward Looking Statements

Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements, including but not limited to, the risk of further changes in government regulations, policies or legislation; the risks associated with the current joint venture with Piedmont Lithium; the risks that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with development of the Company Projects; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Company's Projects; risks associated with investment in publicly listed companies, such as the Company; and risks associated with general economic conditions.

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Appendix

Reconciliation of Underlying EBITDA to Loss after income tax

\$'000	FY24	FY23	Variance
Underlying EBITDA	(54,154)	(23,465)	(131%)
Underlying depreciation and amortisation expense	(33,307)	(634)	(5,153%)
Underlying EBIT	(87,461)	(24,099)	(263%)
Income from sale of tax benefits under flow through share arrangements	5,294	2,578	105%
Net movement in inventories relating to net realisable value adjustments	(10,437)	-	-
Impairment and write down of non-financial assets	(17,066)	-	-
Impairment and write down of financial assets	(8,134)	-	-
Loss on disposal of financial assets	(1,264)	-	-
Loss from operations	(119,068)	(21,521)	(453%)
Financial income	7,668	16,327	(53%)
Financial expenses	(4,046)	(1,506)	(169%)
Net financial income	3,622	14,821	(76%)
Loss before income tax	(115,446)	(6,700)	(1,623%)
Income tax expense	(3,576)	(3,649)	2%
Loss after income tax	(119,022)	(10,349)	(1,050%)