



ASX ANNOUNCEMENT



17 MARCH 2017

FURTHER SPODUMENE MINERALISATION IDENTIFIED AT MALLINA

Highlights

- Resumption of exploration after recent rains has identified coarse spodumene pegmatite where a recent rock assay of 3.47% Li_2O was sampled
- Spodumene has now been identified in three main pegmatite swarms within a 1km x 1km area
- Geochemistry to be carried out as prelude to drill testing
- Statutory approvals to allow drilling lodged

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to report that resumption of exploration at its Mallina project has provided further encouragement for drill testing the target areas. The Mallina project, located in the world-class Pilgangoora lithium district of Western Australia is considered prospective for albite – spodumene pegmatite mineralisation with five pegmatites within a 1km² zone already identified.

Recent work has:

- Identified extensions to the Southern pegmatites which returned 3.47% Li_2O , with coarse spodumene crystals to 25 centimetres observed;
- Further mapping at the Discovery pegmatite area has also identified additional spodumene mineralisation in the north;
- The pegmatites identified to date comprise part of a larger pegmatite swarm, and have elevated cesium-rubidium-tantalum, typical of fractionated LCT rare metal pegmatites;
- Pegmatites are typically poorly exposed with substantial potential for mineralisation to be present under shallow cover; and
- Further geochemical sampling has been carried out with samples submitted to the assay laboratory, results pending.

The 140 km² tenement forms part of the recently completed Option agreement with Great Sandy Pty Ltd, comprising a group of tenure covering 871 km² giving Sayona a total 1918 km² lithium exploration portfolio in the Pilbara region.

Corey Nolan, Chief Executive Officer, commented *"The Company is very encouraged by the continuing identification of prospective spodumene pegmatites. It is anticipated the planned geochemistry and geophysics will be quickly followed up by drill testing"*.

SAYONA MINING LIMITED

Phone: +61 7 3369 7058

Email: info@sayona.mining.com.au

Address: Suite 68, 283 Given Tce, Paddington QLD 4064

Post: PO Box 1357, Milton, Qld 4064, Australia

www.sayonamining.com.au

ASX Code: SYA

Mallina Project Exploration Update

Recent mapping continues to provide encouragement within the Mallina tenement where spodumene bearing pegmatites have returned up to 3.47% Li_2O . The initial area where lithium was identified, named the Discovery prospect, has now returned an average 1.35% Li_2O from the 21 rock samples collected along a 500 metres strike extent.

The Company's current work has followed up mineralisation at the Discovery prospect with mapping identifying further spodumene in its northern portion, which has been previously lightly prospected. The pegmatite is weathered, in part silicified and has poor outcrop, typically visible over widths of 3 to 5 metres and up to 8 metres, but without the contacts to adjacent greenstone rocks being observed. The true width of the structure is not yet known.

In the Southern pegmatite area, where a 3.47% Li_2O rock assay was recently returned (see ASX announcement 17 February 2017), mapping and sampling has commenced. Very coarse spodumene mineralisation has been observed, margined by finer grained zones, very similar in style to the Discovery prospect, located some 900 metres to the north. The similar mineralogy of the pegmatites provides encouragement the pegmatites are related to the same mineralizing event and are part of a larger swarm, part of which may be obscured by cover.



Figure 1: Southern Pegmatite Spodumene displaying characteristic striated crystal form

Geochemical samples have been collected and have been submitted for laboratory analysis. Results are pending.

Typical outcrop in the southern area is shown in the photograph below.



Figure 2: Typical exposure, Southern Pegmatite

Review of the Company's other Pilbara tenure is continuing. This large holding, totaling 1,918km² (including the Great Sandy's Option project) secures lithium prospective pegmatites, including lithium occurrences as well as tantalum and mineralisation indicative of LCT pegmatite style mineralisation. Little or no previous lithium exploration has been carried out over the portfolio and exploration is being planned to commence shortly. Tenure is displayed in the figure below.

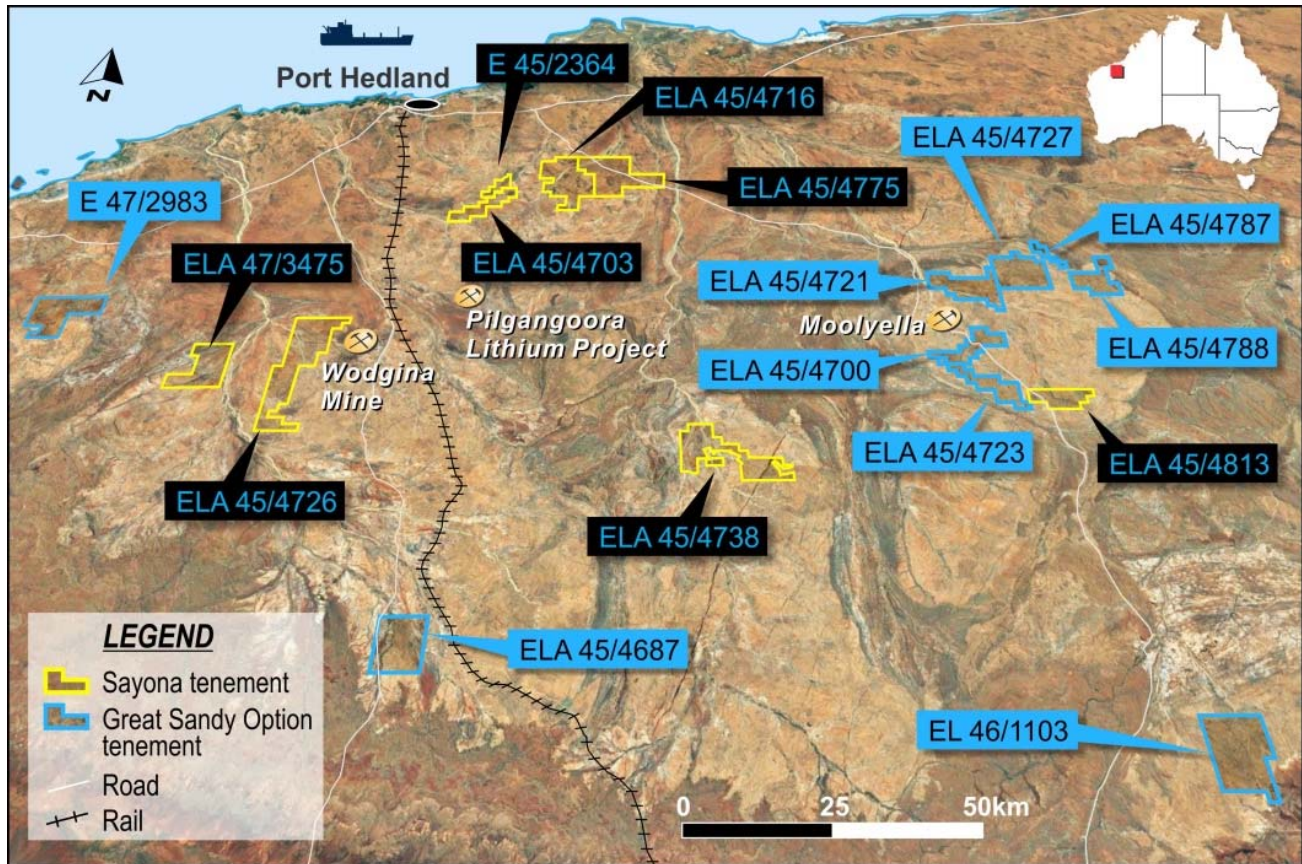


Figure 3: Location of the Company's projects in the Pilbara region

Next Steps

Submissions for the statutory approval to allow drilling have been lodged and preliminary drill programs designed. Further geochemical sampling, to help identify mineralisation under the shallow cover which affects much of the project area will also be carried as soon as ground conditions allow.

For more information, please contact:

Corey Nolan
Chief Executive Officer
Phone: +61 (7) 3369 7058
Email: info@sayonamining.com.au

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 release refers to the following previous ASX releases:

- “Maillina Spodumene Mineralisation Extended, New High Grade Zone”, 17 February 2017

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.