

21 April 2017

Dear Shareholder

### SHARE PURCHASE PLAN

Your board is writing to you today with an offer to participate in a Shareholder Share Purchase Plan (Plan) which entitles all shareholders to apply for parcels of new shares in Sayona valued between \$500 and \$15,000.

Registered holders (Shareholder) of fully paid ordinary shares as at 5.00pm (EST) on Wednesday 12 April 2017 (Record Date) with a registered address in Australia or New Zealand (Eligible Shareholder) will be eligible to participate in the Plan.

The issue price will be determined at the issue date of New Shares under the Plan based on a 20% discount to the volume weighted average price of Company shares traded on the ASX during the five trading days immediately prior to the Issue Date of the New Shares on which sales in Company Shares were recorded, rounded up to the nearest 0.1 cent (**Issue Price**).

Sayona Mining is pleased to confirm that Patersons Securities Limited (Patersons) has agreed to underwrite the Plan to the amount of \$1,500,000, subject to standard terms and conditions. Patersons has also agreed to act as the lead manager to the Plan.

Funds raised under the Plan will be used to accelerate the development of the Authier project in Canada; to fund exploration activity on the Company's Australian lithium projects and working capital.

The proposed use of the funds raised under the SPP is as follows:

- to accelerate the development of the the Company's Authier lithium project in Canada;
- to fund exploration activity on the Company's Australian lithium projects;
- to provide general working capital; and
- for corporate costs and the costs of the issue.

Authier Work programs will be focused on enhancing the value of the project, including:

- Resource upgrade following the completion of the Phase 2 drilling program;
- Geotechnical and hydrogeological programs to improve the pit wall slopes and reduce the life-of-mine waste movement;
- Further metallurgical testing to optimise recoveries and concentrate grades;
- Updating the February 2017 Pre-Feasibility Study and Ore Reserve;
- Studying the potential for producing value-added lithium carbonate and/or hydroxide; and
- Continuation of the environmental and mining lease work programs.

In addition, the Company is progressing its Mallina project in the world-class Pilgangoora lithium district in Western Australia, where mapping and sampling programs have outlined a number of prospective lithium targets.

Further details of the Company's current activities are set out in the announcements made to ASX and are available from ASX, or our website at [www.sayonamining.com.au](http://www.sayonamining.com.au).

Details of how to participate in the Plan are set out in the terms and conditions of the Share Purchase Plan, enclosed with this letter.

An Eligible Shareholder that does not wish to participate in the Plan is not required to do anything and may disregard this letter and the other Offer Documents. In this event, the number of Shares held by that Eligible Shareholder will not change but the percentage of their shareholding in the Company will be diluted.

### **Important dates**

The important dates in relation to this Offer are summarised below:

<b>Event</b>	<b>Date</b>
Record Date	5pm (EST) 12 April 2017
Announcement of Share Purchase Plan	13 April 2017
Despatch of Plan Offer Document	21 April 2017
Opening Date	21 April 2017
Closing Date	10 May 2017
Issue Date of new Shares and Dispatch of Holding Statements	15 May 2017
New Shares commence trading on ASX	16 May 2017

Subject to the Listing Rules, the dates in the table above are indicative only and subject to change. The Company reserves the right to vary these dates, including whether to close the Plan Offer early or accept late Applications, either generally or in particular cases, without notifying any recipient of the Offer Documents or any Applicants. Eligible Shareholders who wish to submit an Application are encouraged to do so as soon as practicable after the Plan Offer opens.

On behalf of your Board

Dan O'Neill  
Managing Director

The information in this document is not a recommendation to accept the offer of New Shares under the SPP and does not constitute financial advice. Any person who intends to subscribe for New Shares must conduct their own investigations, assessment and analysis of the Company and its operations and prospects and must base their investment decision solely on those investigations and that assessment analysis.

If you are in doubt about the contents of this document, or the action you should take, you should consult your financial or other professional advisor without delay who specialises in advising on the acquisition of share and other securities before taking any action.

**SAYONA MINING LIMITED**  
**SHARE PURCHASE PLAN DATED 21 APRIL 2017**  
**TERMS AND CONDITIONS**

Following are the Terms and Conditions of the Share Purchase Plan (Plan) of Sayona Mining Limited (Sayona or the Company) that have been approved by Directors of the Company.

**1. Offer**

Under the Plan, Eligible Shareholders are offered the opportunity to participate in the Plan to apply for parcels valued between a minimum of \$500 and a maximum of \$15,000 of fully paid ordinary shares in the capital of the Company pursuant to these Terms and Conditions (Offer). Please read these Terms and Conditions carefully, as Eligible Shareholders will be bound by them by participating in the Plan. All fully paid ordinary shares in the capital of the Company (Shares) issued under the Offer will rank equally with existing Shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Shares. All amounts referred to in these Terms and Conditions are in Australian dollars.

**2. Participation in the Plan**

Shareholders who are entered in the register of members at 5.00pm (EST) on 12 April 2017 (Record Date) and who have a registered address in Australia or New Zealand (Eligible Shareholders) may apply to participate in the Offer in accordance with this Plan. The following rules apply to participation by Eligible Shareholders in the Plan:

- (a) **Single holders** - If you are the registered holder of Shares, but you receive more than one Offer under the Plan (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of \$15,000 worth of Shares.
- (b) **Joint holders** - If you are recorded with one or more persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan. Joint holders are only entitled to participate in the Plan in respect of that single holding. If the same joint holders receive more than one Offer under the Plan due to multiple identical holdings, the joint holders may only apply for up to one maximum amount of \$15,000 worth of Shares.
- (c) **Custodians and nominees** - If you are an Eligible Shareholder who holds Shares as a custodian, trustee or nominee (within the definition of 'custodian' in Australian Securities and Investments Commission (ASIC) Class Order 09/425) (Custodian) or in any more specific relief granted to the Company in relation to this Offer, and hold Shares on behalf of one or more persons (beneficiaries), this Offer is made to you and you have the discretion whether to extend this Offer to the beneficiaries on whose behalf you hold Shares. You may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each beneficiary, however, the Company will not issue Shares under the Plan to you unless you certify the following in writing to the Company:
  - (i) that you hold the Shares on behalf of one or more persons (each a participating beneficiary) on the Record Date who have subsequently instructed you to apply for Shares on their behalf under the Plan;
  - (ii) the number of participating beneficiaries;
  - (iii) the name and address of each participating beneficiary;
  - (iv) the number of Shares that you hold on behalf of each participating beneficiary;
  - (v) the number and dollar amount of Shares which each participating beneficiary has instructed you to apply for on their behalf;
  - (vi) there are no participating beneficiaries in respect of which the total of the aggregate application price for the following exceeds \$15,000:
    - (A) the Shares applied for by you on behalf of a participating beneficiary under the Plan; and

- (B) any Shares issued to you in the 12 months before the application as a result of an instruction given by a participating beneficiary to you to apply for Shares on their behalf under an arrangement similar to the Plan;
- (vii) that a copy of the Plan was given to each beneficiary; and
- (viii) where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed Custodian.

Custodians should request a custodian certificate when making an application on behalf of participating beneficiaries (Custodian Certificate). To request a Custodian Certificate, and if you would like further information on how to apply, you should contact our share registry Computershare Investor Services Pty Limited (Share Registry) on [custodians@computershare.com.au](mailto:custodians@computershare.com.au) or on 1300 850 505.

- (d) **Participation** - Applications under the Plan can be made in any amount from a minimum of \$500 to a maximum of \$15,000.

Eligible Shareholders who receive more than one offer under the Plan (for example, because they have more than one holding under a separate account) may apply on different Application Forms for Shares but they are not permitted to acquire more than \$15,000 worth of Shares in aggregate. The total application price for the Shares acquired by the Eligible Shareholder on his or her own behalf, by a Custodian on his or her behalf and by a Custodian in relation to which another Custodian holds beneficial interests in the Shares his or her behalf must not exceed \$15,000 in any 12 month period.

If you apply for Shares under the Plan, you are applying for a certain value of Shares at the Offer Price, as defined below, rather than a certain number of Shares. Fractional Shares will not be issued and any fraction of a Share will be rounded up to the nearest whole number of Shares.

Participation in the Plan is entirely optional and the Offer of Shares under the Plan is not a recommendation. You should seek independent advice if you are unsure whether you should participate in the Plan. The Offer of Shares under the Plan is non-renounceable which means that Eligible Shareholders cannot transfer their entitlement to purchase Shares under the Plan to another person.

Directors intend participating personally in the share purchase plan.

The Application Form attached to these Terms and Conditions (Application Form) specifies a minimum (\$500) and maximum (\$15,000) value of Shares for which applications may be made and application may not be made for a value of Shares less than the minimum or greater than the maximum. If an Eligible Shareholder applies for:

- (i) a value of Shares greater than the maximum that is provided for in the Application Form, the maximum number of Shares under the Plan will be issued and the excess amount paid will be refunded without interest; or
- (ii) a value of Shares less than the minimum that is provided for in the Application Form, no Shares will be issued under the Plan and any amount paid will be refunded without interest.

- (e) **Limit** - The Directors of the Company, in their absolute discretion, reserve the right to expand the amount to be raised under the Plan, subject to ASX Listing Rules or scale back all applications on an equitable basis.

### 3. Application Form

Unless payment is made by using the BPAY® facility, applications to participate in the Plan must be made on the enclosed Application Form and must be received by the Share Registry (with the correct payment) no later than 5.00pm (Brisbane time) on 10 May 2017. The Company reserves the right to return any payment and not issue any Shares if payment is received after that time. By returning the enclosed Application Form or by making a BPAY® payment, you agree to be bound by the Terms and Conditions of this Plan and certify that the aggregate of the application price paid

by you for the Shares the subject of the Application Form or BPAY® payment, and any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Plan or under any similar arrangement operated by the Company in the 12 months prior to the date of application under the Plan, does not exceed \$15,000. Applications and payments under the Plan may not be withdrawn once they have been received. Any payment made to the Company pursuant to an application to participate in the Plan will not bear interest under any circumstances.

#### **4. Payments by cheque, bank draft, money order or BPAY®**

If payment is made using the BPAY® facility (Australian bank accounts only), there is no requirement for the Application Form to be returned. Payment must be received by no later than 5.00pm (Brisbane time) on 10 May 2017. Eligible Shareholders must ensure that funds submitted through BPAY® are received by this time as their own financial institutions may implement earlier cut off times with regards to electronic payment.

Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payments and should take this into consideration when making a payment via BPAY. You may also have your own limit on the amount that can be paid by BPAY. It is your responsibility to ensure that the amount you wish to pay via BPAY does not exceed your limit and is received by the Share Registry prior to the close of the Offer. If you have multiple holdings you will have multiple customer reference numbers. To ensure you receive your Shares in respect of that holding, you must use the customer reference number shown on each personalised Application Form when paying for any new Shares that you wish to apply for in respect of that holding. Shareholders who have multiple holdings must ensure they comply with the requirements in clause 2. Applications can only be made for Shares in the amounts specified on the Application Form. Please do not forward cash. Receipts for payment will not be issued. Application Forms returned by fax will not be accepted. Payments made pursuant to an application for Shares will only be accepted if your cheque, bank draft or money order is drawn, or your BPAY payment is made, in Australian currency. Cheques must be drawn on an Australian financial institution. Payments made pursuant to an application for Shares will not bear interest as against the Company under any circumstances.

#### **5. Offer Price**

The Shares under the Plan will be a 20% discount to the volume-weighted average market price for the Shares of the Company calculated over the last 5 days on which sales in the Shares were recorded before the Issue Date (as defined in the Indicative Timetable below) down to the nearest tenth of a cent.

The Shares of the Company are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the Shares are issued. This means that the price paid for a Share under the Plan may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders and affect the actual number of Shares to be issued to each applicant pursuant to the Plan.

#### **6. Shares to be Issued**

Shares issued under the Plan will rank equally in all respects with existing Shares of the Company. Promptly after issue, application will be made by for Shares issued under the Plan to be listed for quotation on the official list of the Australian Securities Exchange. Transaction Confirmation Statements will be despatched to the Issuer Sponsored and CHESS participants for Shares issued under the Plan. No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders for their application for, or issue of, Shares under the Plan. This Offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and Class Order 10/105, which grants relief from the requirement to prepare a prospectus for the offer of shares under the share purchase plans.

## **7. Underwriting**

The Offer is underwritten by Patersons Securities Limited (ABN 69 008 896 311) (Underwriter) to the value of \$1,500,000 (Underwritten Amount). In the event that Eligible Shareholders do not subscribe for Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement, be placed at the discretion of the Underwriter. The underwriting agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either parties.

In addition to the Underwritten Amount, the Company may in consultation with the Underwriter elect to undertake a placement of additional shares at the same price as the Offer of Shares under the Plan (Top-Up Placement).

The Underwriter will be entitled to a fee of 6% of the funds raised under the Plan and the amount raised in the Top-Up Placement.

## **8. The Company's discretion with regard to application**

The Company may accept or reject any application under the Plan at its discretion. When determining if an application is to be accepted or rejected, or the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding, the extent to which Eligible Shareholders have sold or bought additional shares after the Record Date and the date an application was made.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

## **9. Variations, Waivers and Resolution of Disputes** The Plan is governed by the law in force in Queensland and the Company reserves the right to:

- (a) vary the Closing Date (including closing the Offer early) and Issue Date for Shares under the Plan;
- (b) waive compliance with any of these Terms and Conditions;
- (c) refuse to issue Shares where it believes there has been a breach of the Terms and Conditions of this Plan;
- (d) amend or vary these Terms and Conditions or suspend or terminate the Plan at any time (In the event the Plan is terminated before the issue of Shares, all application monies will be returned to you, without interest as soon as practicable.);
- (e) scale back applications; and
- (f) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the Plan. Any determinations by the Company will be binding on all Eligible Shareholders and other persons to whom the determination relates.

The Company's rights may be exercised by the board of the Company or any delegate thereof.

## **10. Applications and Notices**

Applications and notices given to the Company for the Plan must be in writing and in such form as the Company may from time to time require. Such applications and notices will be effective on receipt by the Company subject to:

- (a) these Terms and Conditions; and
- (b) in the case of applications, acceptance by the Company before the Closing Date.

## 11. Raising Amount and Scale Back

The Company seeks to raise \$1,500,000. Notwithstanding this, the Company reserves absolute discretion regarding the amount raised under the Plan.

In the event of an oversubscription by the Closing Date the directors of the Company may, in their absolute discretion, accept or scale-back all applications on an equitable basis.

If applications under the Plan are received in excess of \$1,500,000, the Company retains the discretion to issue more Shares to satisfy all or part of such applications, subject to the maximum number of Shares to be issued under the Plan not exceeding 30% of the issued share capital the Company immediately preceding the Issue Date.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

## 12. Indicative Timetable

<b>Event</b>	<b>Date</b>
Record Date	5pm (EST) 12 April 2017
Announcement of Share Purchase Plan	13 April 2017
Opening Date	21 April 2017
Closing Date	10 May 2017
Issue Date of new Shares and Dispatch of Holding Statements	15 May 2017
New Shares commence trading on ASX	16 May 2017

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. The Company reserves the right to close the Plan early. Accordingly, Eligible Shareholders wishing to subscribe under the Offer are encouraged to submit their Application Forms as early as possible.

## 13. Questions

If you have any enquiries in relation to the Plan, please contact the Company Secretary Paul Crawford on [pcrawford@sayonamining.com.au](mailto:pcrawford@sayonamining.com.au) or 0416 104 633.

## **NOTICE UNDER CLASS ORDER 09/425**

In accordance with ASIC Class Order 09/425 (CO 09/425), **Sayona Mining Limited (ASX: SYA)**, (Company) advises that:

1. The Company will make offers to issue ordinary shares under a Share Purchase Plan (Plan) without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Act);
2. This notice is given in accordance with CO 09/425 and in particular, paragraph 7(f)(ii) of CO 09/425 which requires that the Company gives this notice to ASX within the 24 hours period before the Plan offer.
3. As at the date of this notice, the Company has complied with:
  - a) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - b) section 674 of the Act.
4. As at the date of this notice, there is no excluded information as defined in section 708A(7) and section 708A(8) of the Act which is required to be disclosed by the Company