



ASX ANNOUNCEMENT



3 MAY 2017

LARGE STRIKE LENGTH SPODUMENE PEGMATITE DISCOVERED AT MALLINA

Highlights

- New zone of spodumene pegmatites discovered, with main body outcropping along 1300 metres in strike extent
- Widths up to 20 metres observed on surface, true thickness unknown. Spodumene observed along the total strike length
- The new area is located 5 kilometres east of the Discovery pegmatite swarm that has returned rock chip grades up to 3.47% Li₂O
- Exploration and permitting being fast-tracked to allow drill testing

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to report the discovery of a significant zone of spodumene-bearing pegmatite in the eastern area of the Mallina project, in the Pilgangoora district of Western Australia (see Figure 1).

Spodumene mineralisation is observed along all parts of a pegmatite body which intermittently outcrops along a 1.3 kilometre strike extent (Figures 2 and 3). Widths at surface vary from 3 to 10 metres in the northern and central zones, and up to 20 metres in the southern 200 metres of the pegmatite (see Figure 4). Portions of the target are covered by colluvium, and have poor outcrop and the contact with surrounding stratigraphy is rarely visible, so the true width or thickness of the mineralisation is not known. Observations provide encouragement that the pegmatite has the potential to host significant mineralisation.

Two other separate pegmatites, also with observed spodumene mineralisation, have been identified in the new area, providing encouragement that the eastern 25km² portion of the tenement has very high prospectivity for additional discoveries. Statutory requirements are being undertaken to allow rapid drill testing of the pegmatite. Initial rock chip samples have been sent to the laboratory for testing.

The Mallina project, located in the world-class Pilgangoora lithium district of Western Australia, hosts albite-spodumene pegmatite mineralisation (see Figure 5). Five spodumene pegmatites within the initial western area of the Mallina project area have already been identified, with grades up to 3.47% Li₂O in assays.

Corey Nolan, Chief Executive Officer, commented *"The Company is very encouraged by the potential scale of the new pegmatite which is demonstrating the potential for robust thickness and strike length. The Company will work towards drill testing the targets as quickly as possible"*.

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

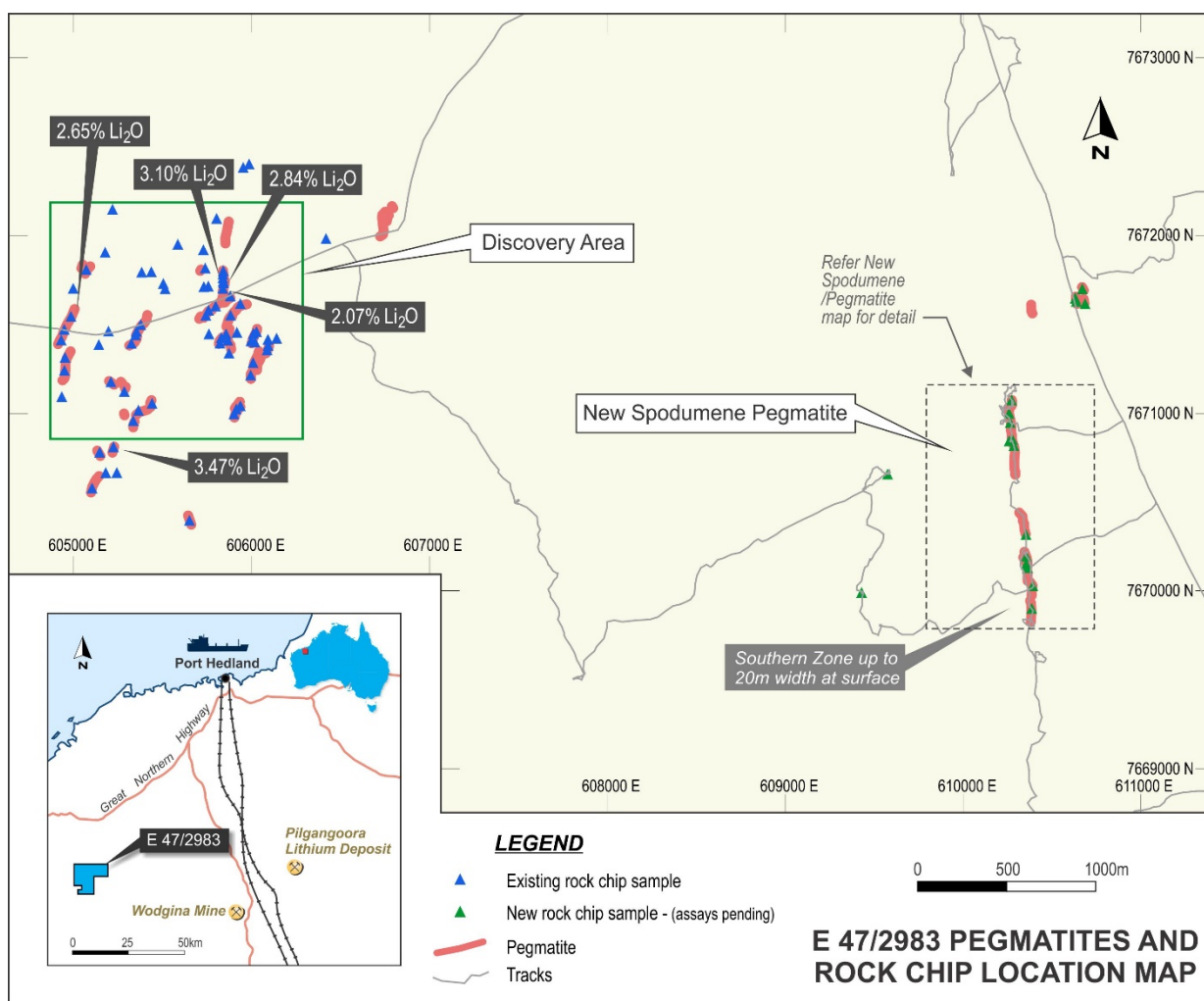


Figure 1: Location of the eastern pegmatite



Figure 2: Zones of outcropping pegmatite in the new eastern zone

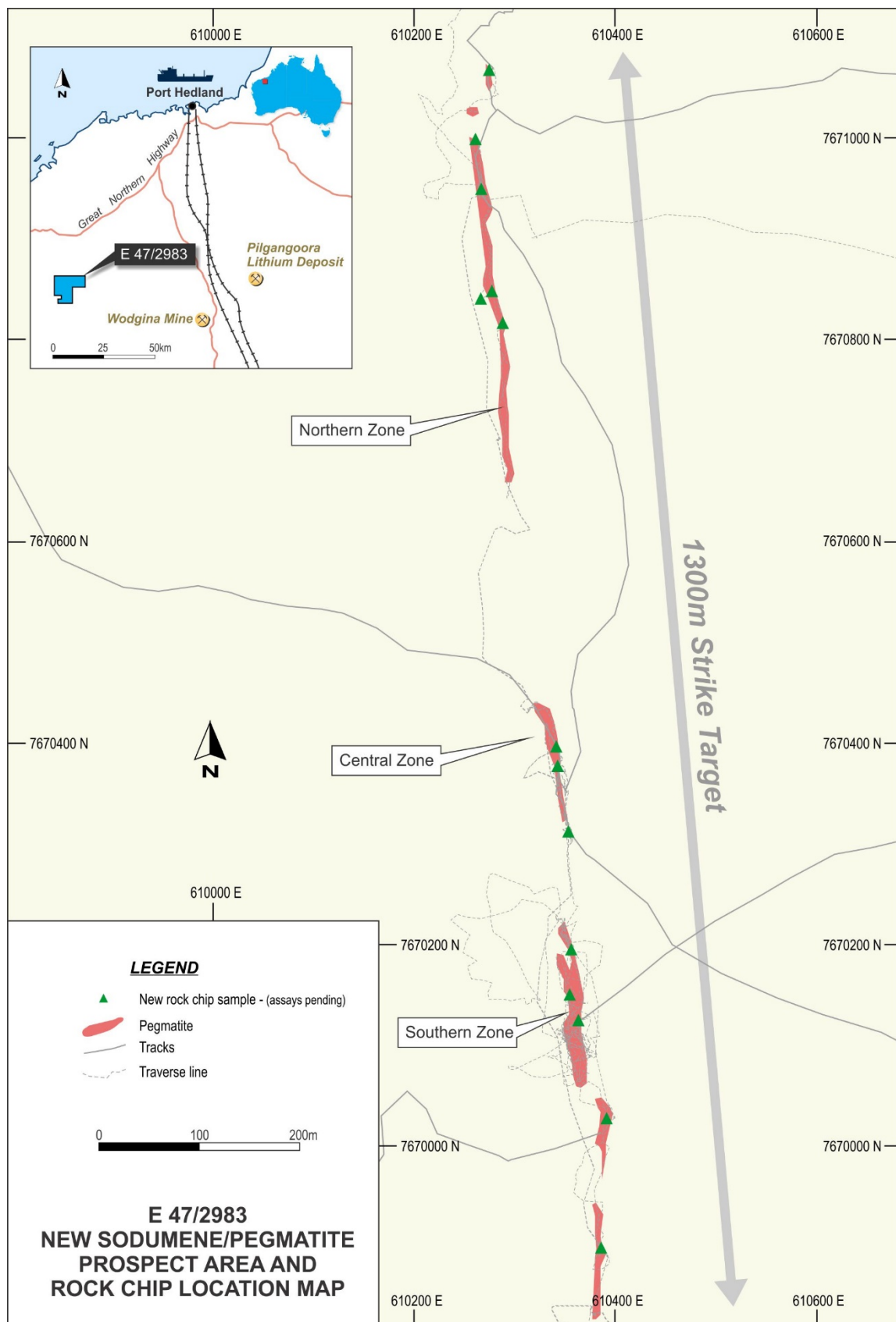


Figure 3: Map demonstrating strike extent of the new pegmatite



Figure 4: Spodumene mineralisation in the new Eastern Pegmatite

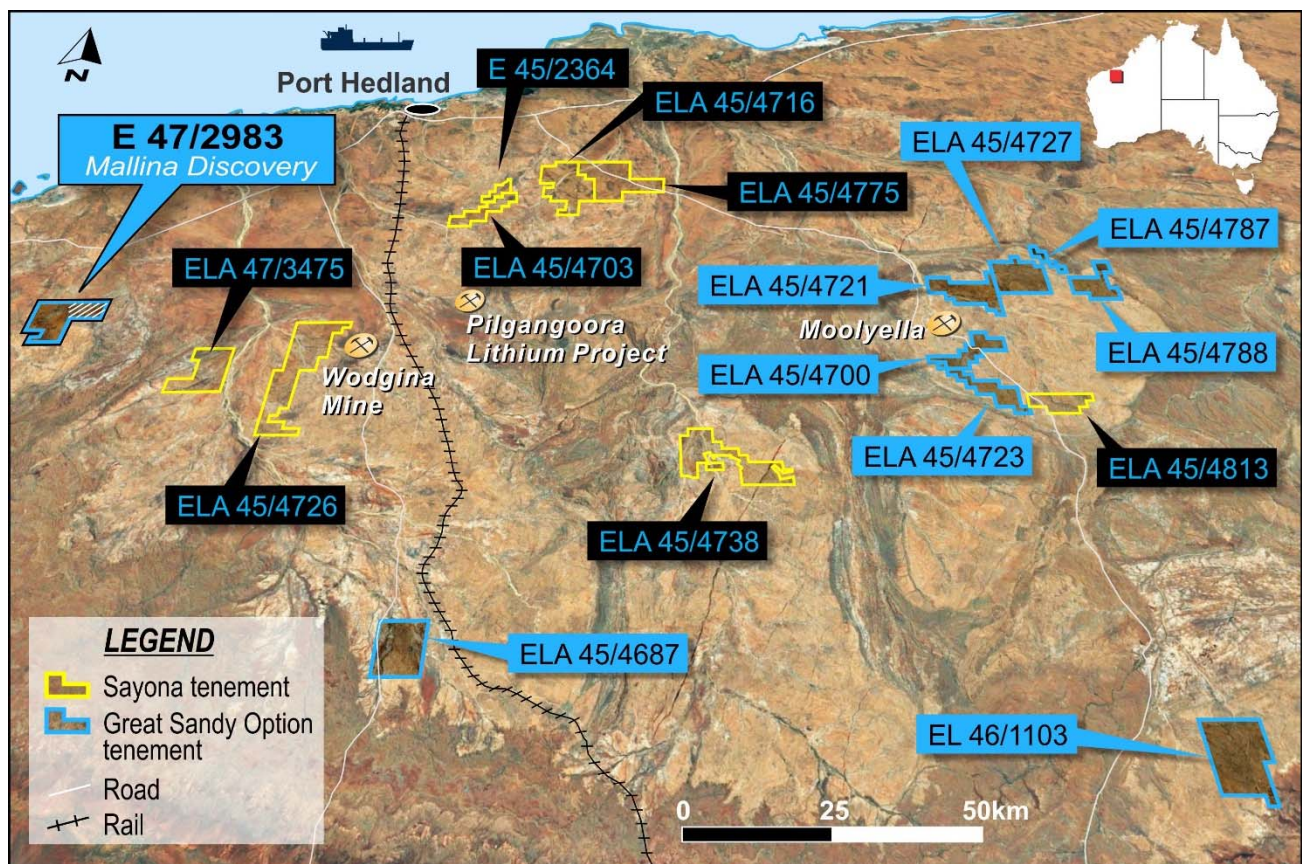


Figure 5: Location of the Company's projects including Mallina in the Pilbara region

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 at www.sayonamining.com.au

Competent Person Statement

The information in this report is based on information compiled by Mr. Simon Attwell, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Attwell is an employee of Attgold Pty Ltd ("Attgold") which provides geological services to Sayona.

Mr. Attwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Attwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Previous Disclosure - 2012 JORC Code

Certain Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with the Company's project has been extracted from the following ASX Announcement:

- Further Spodumene Mineralisation Reported at Mallina, 17 March 2017

Copies of these reports are available to view on the Sayona Mining Limited website www.sayonamining.com.au. These reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 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. 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 announcement.