

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/00, 30/9/01, 11/3/02, 1/1/03, 21/10/05, 1/8/12, 4/3/13

Name of entity

SAYONA MINING LIMITED

ABN

26 091 951 978

We (the entity) give ASX the following information:

Part 1 - All issues

1	Class of securities issued or to be issued	Ordinary Fully Paid Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	<ol style="list-style-type: none"> 1. 22,485,337 ordinary shares to be issued pursuant to the rights issue; 2. 11,242,652 options to be issued pursuant to the rights issue; 3. 109,000,137 options to be issued pursuant to the Private Placement issued on 24 April 2018.
3	Principal terms of the securities	Ordinary shares as per existing shares; Options exercisable at 7.8 cents each on or before 30 April 2020.
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Ordinary shares rank equally in all respects On exercise of the options, the issued shares will rank equally in all respects
5	Issue price or consideration	\$0.051 (5.1 cents) per share Nil consideration for options
6	Purpose of the issue	Provide funding to advance the Company's Authier lithium project towards production, exploration activities at Tansim and Mallina lithium properties, and general working capital.
6a	Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?	Yes
6b	The date the security holder resolution under rule 7.1A was passed	17 November 2017

+ See chapter 19 for defined terms.

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6c	Number of securities issued without security holder approval under rule 7.1	Nil						
6d	Number of securities issued with security holder approval under rule 7.1A	Placement – Shares 2,360,185 - Options 109,000,137						
6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of securities issued under an exception in rule 7.2	Rights Issue – Shares 22,485,337 Rights Issue – Options 11,242,652						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes. Placement shares issued at \$0.051 per share on 24 April 2018 (issue date). The assessed VWAP for the 15 days prior to the issue date, that the company's shares were traded, was \$0.059. This VWAP assessment was provided by Patersons Securities Limited. Options to be issued are free attaching to the Placement shares issued 24 April 2018.						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 nil LR 7.1A 37,611,146						
7	Issue dates.	31 May 2018						
8	Number and class of all securities quoted on ASX	<table border="1"> <thead> <tr> <th>Number</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1,715,532,065</td> <td>Ordinary shares</td> </tr> <tr> <td>120,242,789</td> <td>Options exercisable at 7.8 cents, expiring 30 April 2020</td> </tr> </tbody> </table>	Number	Class	1,715,532,065	Ordinary shares	120,242,789	Options exercisable at 7.8 cents, expiring 30 April 2020
Number	Class							
1,715,532,065	Ordinary shares							
120,242,789	Options exercisable at 7.8 cents, expiring 30 April 2020							
9	Number and class of all securities not quoted on ASX	<table border="1"> <thead> <tr> <th>Number</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td></td> </tr> </tbody> </table>	Number	Class	Nil			
Number	Class							
Nil								
10	Dividend policy on the increased capital (interests)	Nil						

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the securities will be offered	

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14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements in full through a broker?	
31	How do security holders sell part of their entitlements	

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	through a broker and accept for the balance?	<input style="width: 100%; height: 20px;" type="text"/>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<input style="width: 100%; height: 30px;" type="text"/>
33	Issue date	<input style="width: 100%; height: 20px;" type="text"/>

Part 3 - Quotation of securities

34 Type of securities (tick one)

(a) Securities described in Part 1

(b) All other securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36 If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

38	Number of securities for which quotation is sought	<input style="width: 100%; height: 20px;" type="text"/>				
39	Class of securities for which quotation is sought	<input style="width: 100%; height: 20px;" type="text"/>				
40	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities? If not, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<input style="width: 100%; height: 100px;" type="text"/>				
41	Reason for request for quotation now	<input style="width: 100%; height: 20px;" type="text"/>				
42	Number and class of all securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">Class</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> </tr> </tbody> </table>	Number	Class		
Number	Class					

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	967,319,553
Add the following:	
• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2	522,395,125
• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval	Nil
• Number of partly paid ordinary securities that became fully paid in that 12 month period	Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	1,489,714,678
Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	223,457,202
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:	
• Under an exception in rule 7.2	223,457,202
• Under rule 7.1A	
• With security holder approval under rule 7.1 or rule 7.4	
“C”	223,457,202
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	223,457,202
Subtract “C”	223,457,202
Total [“A” x 0.15] – “C”	0

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” (number must be same as shown in Step 1 of Part)	1,489,714,678
Step 2: Calculate 10% of “A”	
“D”	
Multiply “A” by 0.10	148,971,468

+ See chapter 19 for defined terms.

Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	111,360,322
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 (<i>number must be same as shown in Step 2</i>)	148,971,468
Subtract “E” (<i>number must be same as shown in Step 3</i>)	111,360,322
Total [“A” x 0.10] – “E”	37,611,146

Quotation agreement

- 1 Quotation of our additional securities is in ASX’s absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Director/Company Secretary)

Date: 31 May 2018

Print name:

PAUL CRAWFORD

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