



ASX ANNOUNCEMENT



11 JULY 2018

DRILLING PLANNED TO TEST LITHIUM PEGMATITES AT MALLINA AND TABBA TABBA

Highlights

- Permitting complete and government co-funding awarded for RC drilling the Mallina Area C prospect and other spodumene pegmatites
- Geochemistry extends new Area C target to over 1,400m strike length coincident with high-grade spodumene rock samples from surface
- Tabba Tabba project advanced to drill ready status with three pegmatite targets defined and drill approvals in place

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to report an exploration update at its 1,818km² project area in the Pilgangoora district of Western Australia.

Permitting at Mallina is now complete and a 20 hole, 2,500m RC drilling programme is planned to commence in August. The programme is designed to test the 1,400m strike extent of the Area C prospect and other spodumene pegmatites, where rock chip sampling has returned spodumene mineralisation up to 4.6% Li₂O.

The Mallina project, located in the world-class Pilgangoora lithium district of Western Australia, now includes multiple areas of spodumene bearing pegmatites within a 20 km² zone (see Figure 1). Government permitting and approvals have been granted and the project has been successfully awarded a co-funded Government grant. The incentive scheme grant, funded by the Government of Western Australia, allows a 50% rebate on direct drilling costs, up to a maximum of \$150,000.

Exploration within the Pilbara lithium project is focused on the Mallina, Tabba Tabba and Moolyella projects (see figure 2). Each of these areas has high prospectivity and hosts newly discovered fractionated LCT lithium prospective pegmatite systems.

First pass drilling is also planned at Tabba Tabba, where statutory approval to test three pegmatite targets has been completed. Additional exploration over the project is being expedited following the discovery of spodumene pegmatite in adjacent tenure.

Dan O'Neill, Managing Director, commented *"The Company is encouraged by the strong lithium mineralisation at the Area C prospect and having been awarded a grant of drill co-funding, providing confirmation of the high caliber of the targets at Mallina."*

Western Australia is a world-class province for the discovery of spodumene pegmatites with excellent infrastructure and in close proximity to the Chinese converter markets. The drilling program is consistent with the Company's strategy to realise value from its large portfolio of lithium prospects in Western Australia".

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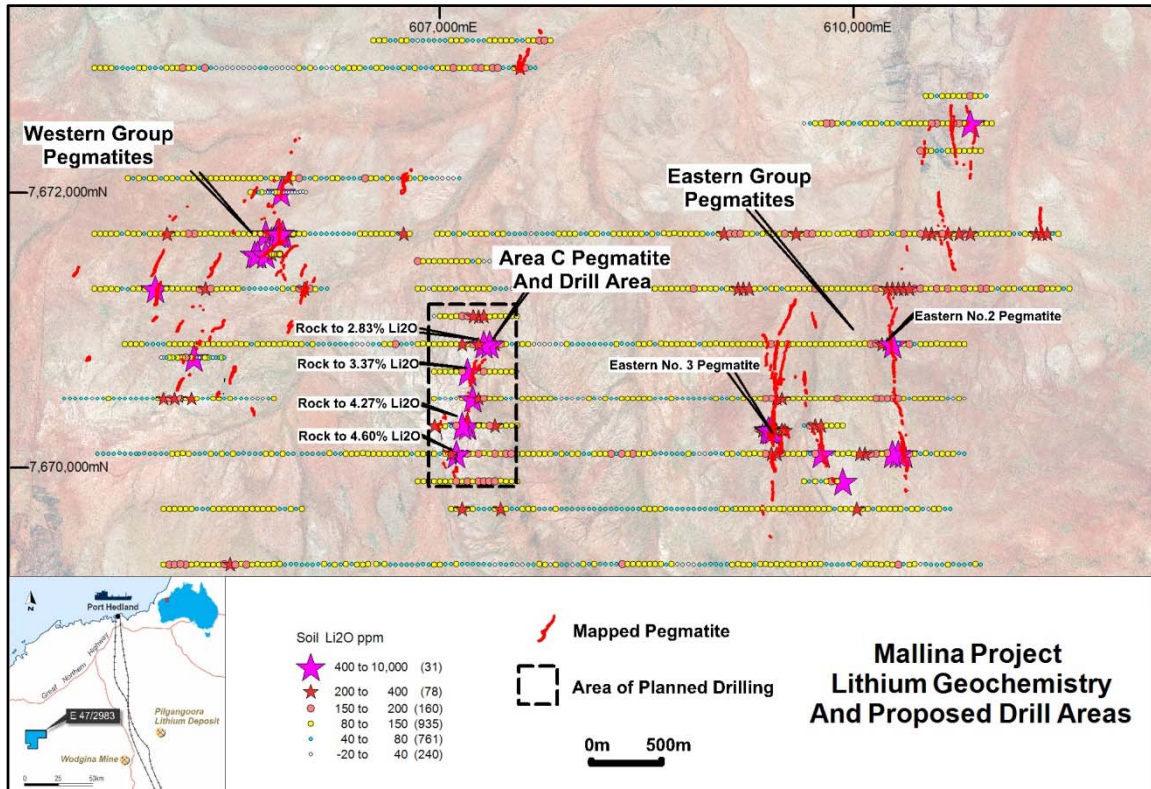


Figure 1: Location of the Mallina Spodumene Pegmatites

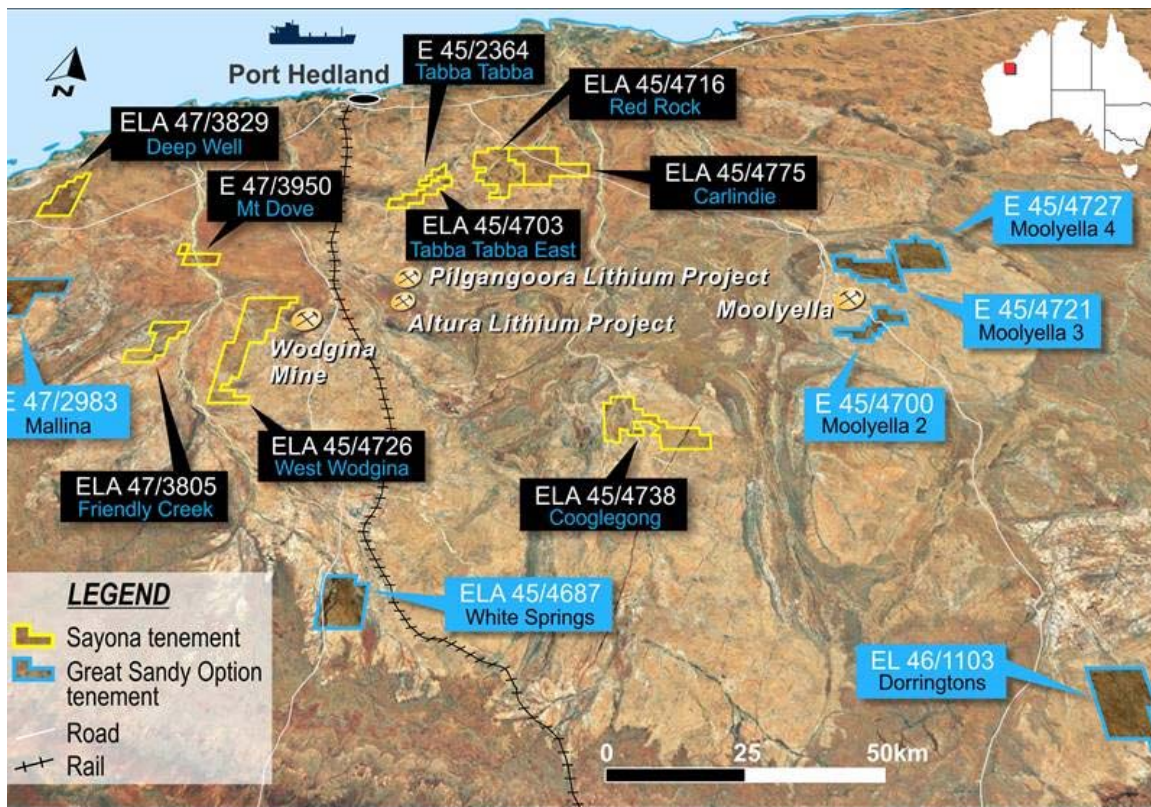


Figure 2: Location of the Company's projects including Mallina in the Pilbara region

For more information, please contact:

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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.

The Company's primary focus is the development of the Authier Lithium deposit in Quebec, Canada however exploration for additional lithium deposits is also ongoing in the Authier region and in the Pilbara of Western Australia where the Company has an extensive lithium exploration package of tenements.

Please visit us as 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.