

ASX Announcement

6 September 2023

FIRST LITHIUM SHIPMENT BOOSTS NAL REVENUES

- **First shipment of approximately 20,500 wmt (wet metric tonnes) lithium oxide concentrate generates maiden cash proceeds for NAL (North American Lithium)**
- **Approximately 30,000 wmt of concentrate inventory at port available for upcoming shipments**
- **Loading of first shipment to offtake partner Piedmont Lithium slated for September 2023**
- **NAL ramp-up progressing, with substantial progress on new project initiatives**

North American lithium producer Sayona Mining Limited (“Sayona”) (ASX:SYA; OTCQB:SYAXF) announced today receipt of the first cash proceeds for its North American Lithium (NAL) operation in Québec, Canada following the inaugural shipment of spodumene (lithium) concentrate to the international lithium market. NAL is jointly owned by Sayona (75%) and Piedmont Lithium (25%).

The initial cash payment (90% of cargo value) has now been received by NAL for its first shipment of approximately 20,500 wmt (19,200 dry metric tonnes or dmt) of spodumene concentrate, which was sold via a major trading company. The balance of the payment (10% of cargo value) will be received by NAL once final disport assays and weights are made available, after the arrival of the vessel *AAL Moon* at its port of destination, expected in late September. For clarity wmt are quoted for inventory handling purposes whilst dmt is the resultant tonnage measurement for concentrate sales.

The initial cash payment was derived from publicly available spodumene price indices as agreed with the customer and reflects the US dollar equivalent on the bill of lading date (1 August 2023). Average realised selling prices will be disclosed as part of Sayona’s regular quarterly reporting, commencing with the September 2023 quarterly report. The shipped grade of the lithium oxide (spodumene) was 5.35% Li₂O and was adjusted on a linear basis from the standard 6.0% Li₂O quoted by the indices.

The balance of Sayona’s cash and cash equivalents as at 31 August 2023 totalled A\$257m. As no further cash receipts from NAL customers are anticipated in September 2023, it is expected that Sayona’s balance of cash and cash equivalents at the end of the September quarter will be lower than at 31 August 2023. Customer payments for additional sales of spodumene concentrate recognised in September will be received by NAL in the next fiscal quarter (Q2 FY24).

NAL’s current port inventory is approximately 30,000 wmt of spodumene concentrate, sufficient to supply offtake partner Piedmont Lithium with its maiden cargo of circa 15,000 wmt due to be loaded in September (date to be confirmed). NAL will receive cash payment from Piedmont Lithium for its cargo under the offtake agreement within standard commercial terms following completion of loading at the port. The current port inventory plus the positive additional product volume from mine production will be sufficient for an upcoming cargo for the NAL joint venture in late September / October 2023 (dates to be confirmed).

The ramp-up of the NAL mine and process plant continues to progress well with the focus on optimising and debottlenecking the production process. A recent failure of the rod mill resulted in four days of lost production, however the plant came back on-line smoothly and has performed well since. The NAL joint venture is currently reviewing its forecast production and sales in light of the ramp-up performance as well as the impact of continuous improvement initiatives. NAL's spodumene concentrate grade is averaging 5.5% Li₂O for calendar year-to-date production, with other key concentrate parameters adhering to offtake specifications.

Alongside the production ramp-up, NAL has substantially progressed capital improvement projects, including a tailings storage facility (TSF) capacity increase and a new crushed ore dome which will improve winter operating efficiencies. The TSF is undergoing a wall lift to safely increase its storage capacity, with completion expected in November 2023. The new crushed ore dome is scheduled for completion in Q3 FY24 (see Figure 1 below).

Sayona's Interim CEO, James Brown commented: *"We are delighted to secure the cash proceeds from NAL's first sales of spodumene concentrate, marking another major milestone for North America's leading source of hard rock lithium production."*

We are focused on continuing to safely ramp-up production at NAL and consistently delivering high quality spodumene concentrate to port ahead of multiple shipments planned for the remainder of the year, delivering increasing cash proceeds to NAL for the benefit of the joint venture. It is also pleasing to see our partner at NAL in readiness to take their first shipment under our offtake agreement.

Sayona has an exciting outlook as we work to maximise value and cashflows from the NAL operation, while seeking to expand our lithium resource base, including at the Moblan Lithium Project, as per our commitment to delivering value for all shareholders."



Figure 1 North American Lithium – Crushed Ore Dome side wall construction

Issued on behalf of the Board.

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About Sayona Mining

Sayona Mining Limited is a North American lithium producer (ASX:SYA; OTCQB:SYAXF), with projects in Québec, Canada and Western Australia.

In Québec, Sayona's assets comprise North American Lithium together with the Authier Lithium Project and its emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL). Sayona also holds a 60% stake in the Moblan Lithium Project in northern Québec.

In Western Australia, the Company holds a large tenement portfolio in the Pilbara region prospective for gold and lithium. Sayona is exploring for Hemi-style gold targets in the world-class Pilbara region, while its lithium projects include Company-owned leases and those subject to a joint venture with Morella Corporation (ASX:1MC).

For more information, please visit us at www.sayonamining.com.au