



ASX ANNOUNCEMENT



17 MAY 2016

WESTERN AUSTRALIAN LITHIUM EXPLORATION RAMPS UP

Highlights

- Orientation sampling at Tabbatabba in the Pilgangoora district identifies new rare metal pegmatites
- Additional teams mobilised in the Pilbara and Mt Edon
- Lithium tenement portfolio expanded to over 1,000km²

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce that it is continuing to advance its lithium exploration programs in the Western Australia.

The company is exploring the project areas with the principle aim of defining the albite-spodumene class of rare metal pegmatite. The Company now has granted and tenement applications of 986km² in the Pilbara region, for a total of 1,065km² in Western Australia – see Figure 1.

Pilbara District

An orientation mapping and sampling program has identified rare metal pegmatites at its Tabbatabba project, a granted Exploration Lease in proximity to the Pilgangoora deposits. Further mapping and sampling is underway. A second team is mobilising to evaluate the recent Cooglegong application areas in the Shaw River tin field.

The Company is encouraged by its exploration results to date and has made application for further tenure adjoining its Red Rock project area following processing of magnetic and radiometric data. The work suggests remnant greenstone lithologies adjacent to a favourable granite contact may host lithium prospective pegmatites. The bedrock geology is obscured over much of the application area. The Company intends applying its developing exploration methodology to identify the areas of highest prospectivity.

The new tenement area, Carlindie (ELA45/4775), together with the existing tenure will be subjected to detailed reconnaissance sampling. This work is anticipated to continue for the next month and define prospect areas for detailed evaluation.

Mt Edon

A field team is being mobilised to undertake a detailed soil sampling program at the Mt Edon project in the south Murchison. This follows recent encouraging rock chip sampling results where assays up to 1%Li₂O were reported.

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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. Please visit us as at www.sayonamining.com.au

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results 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

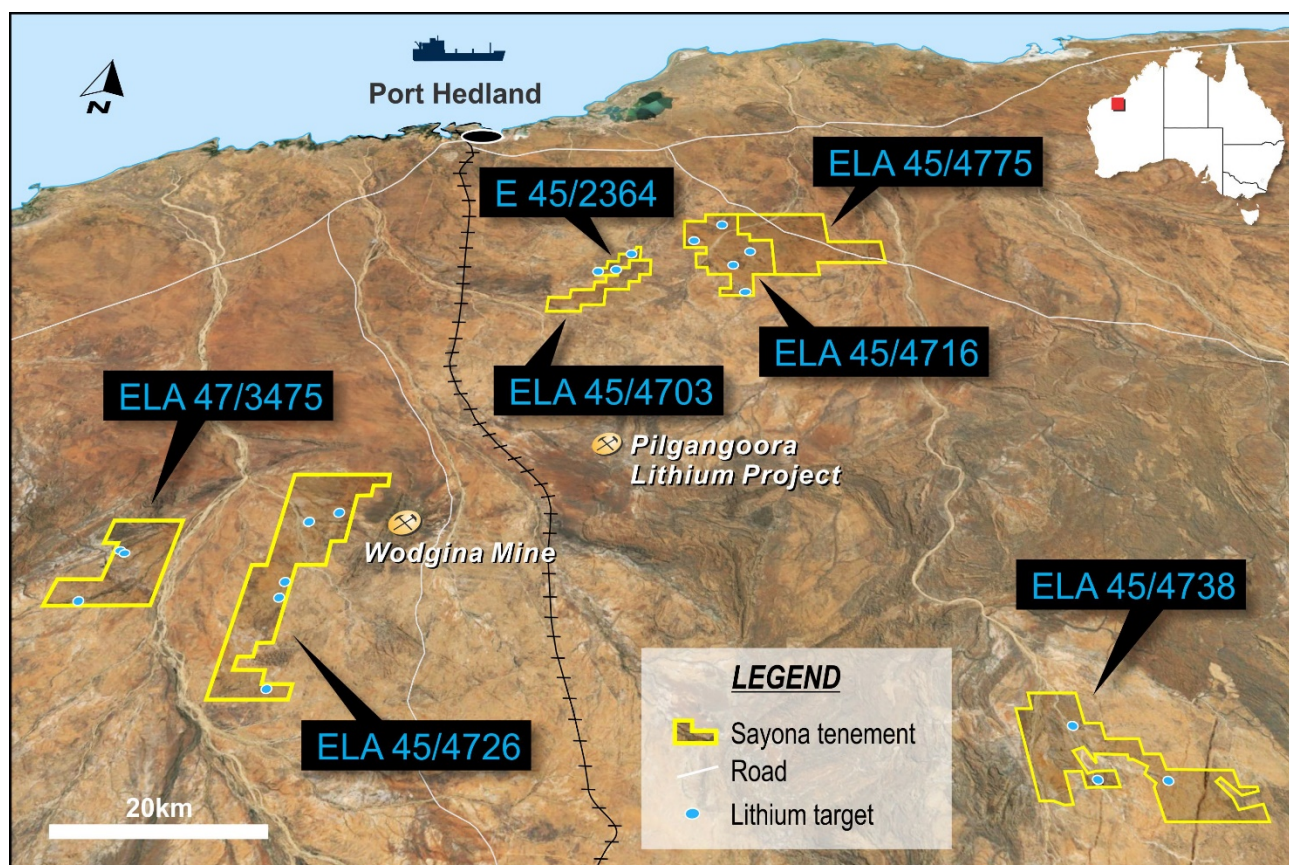


Figure 1: Pilbara Project Area