



ASX ANNOUNCEMENT



19 July 2016

HIGHLIGHTS

- **Accelerated Institutional Entitlement Offer closes successfully**
- **Fully underwritten Retail Entitlement Offer to open**
- **Placement funds received**
- **Funding will allow finalisation of the Authier acquisition**
- **Shares to trade on an 'ex' basis**

ACCELERATED INSTITUTIONAL ENTITLEMENT OFFER CLOSSES SUCCESSFULLY

As part of its capital raising announced on 15 July 2016 to raise \$7.1 million, **Sayona Mining Limited (ASX: SYA) ("Sayona" or "Company")** is pleased to announce the successful completion of the accelerated institutional component of the non-renounceable entitlement offer which is fully underwritten by Lead Manager and Underwriter, Bizzell Capital Partners Pty Ltd (**Bizzell Capital Partners**).

Sayona has secured firm commitments to raise approximately \$1.9 million (before expenses) from eligible institutional shareholders and new investors introduced by Bizzell Capital Partners under the Institutional Entitlement Offer. The funds raised will be available on 20 July 2016, ahead of the Authier lithium Project acquisition completion payment deadline. The securities are to be issued on 22 July 2016 and will commence trading on the ASX on a normal basis on the same day. The securities are to be issued on the same terms as the Retail Entitlement Offer, as detailed further below.

RETAIL ENTITLEMENT OFFER TO OPEN

The Company now invites its retail shareholders holding shares as at 7pm (Brisbane time) on Tuesday, 19 July 2016 (**Record Date**) with a registered address in Australia, New Zealand, Hong Kong or Singapore to participate in the Retail Entitlement Offer.

Under the Retail Entitlement Offer, eligible shareholders are being offered the opportunity to subscribe for one (1) new share at \$0.027 per new share for every five (5) shares held at the Record Date. Subscribers are to be rewarded with one (1) free attaching listed option for every two (2) new shares acquired, exercisable on a 1:1 basis at \$0.03, expiring on 30 December 2016 and otherwise on the same terms as the existing listed series of options (**Free Option**). The Entitlement Offer is fully underwritten by Bizzell Capital Partners Pty Ltd.

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ASX Code: **SYA**

Further details of the Retail Entitlement Offer and shareholders' eligibility to participate are found in the Prospectus lodged with ASIC on 15 July 2016. Sayona expects to despatch the prospectus and acceptance forms to eligible retail holders by 21 July 2016.

The proceeds the Retail Entitlement Offer and Institutional Entitlement Offer, together with the \$4.2 million raised by way of the Placement (noting \$600,000 of which is conditional on shareholder approval being obtained at the Company's extraordinary general meeting to be held in early September 2016) announced on 15 July 2016, will be used to fund the:

- acquisition of the Authier lithium Project;
- feasibility expenditure on the Authier lithium Project;
- exploration expenditure on the Company's Australian Projects; and
- administration and working capital requirements.

AUTHIER ACQUISITION UPDATE

The Company is on track for completion of the CAD\$4 million acquisition of the Authier lithium Project by 21 July 2016.

RECEIPT OF FUNDS

The Company has received the Placement proceeds of A\$3.6 million. The Placement was made on the same terms as those offered under the entitlement offer, however the Free Options under the Placement are subject to shareholder approval. The Placement shares are expected to be allotted today. With the receipt on 20 July 2016 of the additional A\$1.9 million raised from the Institutional Entitlement Offer, the Company will have A\$5.5 million (before expenses) in available funds prior to completion of the Authier acquisition.

SHARES TO TRADE ON AN 'EX' BASIS

Sayona's securities will resume trading today on an 'ex-entitlement' basis and new investors who do not hold shares as at the Record Date will not be able to participate in the entitlement offer.

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