

30 November 2016

Dear Option Holder

YOUR OPTIONS TO ACQUIRE SAYONA MINING LIMITED SHARES AT 3 CENTS PER SHARE EXPIRE ON 30 DECEMBER 2016

We are writing to you as a registered holder of listed options in Sayona Mining Limited to remind you that the options will expire at 5:00pm Eastern Standard Time (EST) on 30 December 2016.

Your options holding may be exercised in whole or in part by payment of 3 cents for each option. If payment is not received by 5:00pm (EST) on 30 December 2016 the options will lapse and all rights under the options will cease at that time.

The courses of action available to you as a holder of these options are:

- (a) Exercise the options on or before 30 December 2016;
- (b) Sell your options. Quotation of the options will cease at the close of trading 22 December 2016; or
- (c) Do nothing (i.e., allow your options to expire). If you do not exercise or sell your options they will expire on 30 December 2016 and your right to subscribe for ordinary shares in Sayona Mining Limited at 3 cents a share will lapse.

There is no obligation on options holders to exercise their options. However, under clause 6.1 of Appendix 6A of the Australian Securities Exchange (ASX) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market closing price of Sayona Mining Limited shares on the ASX was 2.5 cents on Monday 28 November 2016, second last trading day prior to the date of this notice. During the three (3) months preceding the date of this notice:

- The highest market sale price of ordinary shares on ASX was 3.0 cents which occurred on three occasions, the last been 25 October 2016; and
- The lowest market price of ordinary shares on ASX was 2.1 cents on 25 & 31 August 2016.

If you wish to exercise your Options then you must complete the "Notice of Exercise of Options" form accompanying this notice and forward it, together with payment of 3 cents per option being exercised, to be received by 30 December 2016 to the Company at:

Sayona Mining Limited, PO Box 1357 Milton Qld 4061

Cheques should be made payable to Sayona Mining Limited" in Australian dollars only and should be crossed "Not Negotiable".

If you have any queries regarding your current holdings then please do not hesitate to contact our Registry, Computershare Investor Services Pty Limited, on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia).

All other questions should be directed to Mr Paul Crawford (Company Secretary) on (07) 3369 7058 or email pcrawford@sayonamining.com.au.

Yours faithfully
Sayona Mining Limited

Paul Crawford
Company Secretary

How to complete this form

Exercise of your Options in full or part

Registration Name(s)

The fully paid ordinary shares will be registered in the name(s) printed on the form.

A Options Exercised

Enter the number of Options you wish to exercise.

B Exercise Moneys

Enter the amount of exercise moneys. To calculate the amount payable, multiply the number of Options exercised by the exercise price.

C Payment

Make your cheque or bank draft payable to 'Sayona Mining Limited' in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Exercise of Options Notice being rejected. Pin (do not staple) your cheque(s) to the Exercise of Options Notice. Cash will not be accepted. Receipt for payment will not be forwarded.

D Signature(s)

You must sign the form as follows in the space provided:

- Individual: where the holding is in one name, the Optionholder must sign.
- Joint holding: the holding is in more than one name all of the Optionholders must sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach an originally certified copy of the Power of Attorney to this form when you return it.
- Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.
- Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form.

If you are in any doubt as to how to deal with this document, please consult your Financial or other Personal Advisor.

If you have any enquiries concerning your Optionholding, please contact Computershare Investor Services Pty Limited on 1300 552 270 (within Australia) or +61 (03) 9415 4000 (from outside Australia).

Lodgement of Notice

The Exercise of Options Notice must be received at the address below by no later than **5pm (Brisbane time) on 30 December 2016**.

Return the Exercise of Options Notice with cheque(s) attached to **Sayona Mining Limited, PO Box 1357 Milton QLD 4064**

Sayona Mining Limited accepts no responsibility if this Options Notice is lodge at any other address or by any other means.

New Options

The New Options issued pursuant to the Prospectus dated 15 July 2016 have been issued on the following terms and conditions:

(a) Entitlement

Each New Option shall entitle the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) Exercise Price and Date

The New Options are exercisable wholly or in part at any time prior to 5pm (Brisbane time) on the expiry date of 30 December 2016 (**Expiry Date**), at the exercise price of 3 cents (\$0.03) as indicated on the option certificate or holding statement. New Options not exercised by the Expiry Date shall lapse.

(c) Notice of Exercise

Each New Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the New Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of exercise of that Option as at the date of receipt of the notice and accompanying payment (**Exercise Date**).

(d) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if admitted to the official list of the ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

(e) Change in exercise price

A New Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the New Options can be exercised.

(f) Shares issued on exercise

Shares issued upon exercise of the Options will rank equally in all respects with the then issued fully paid ordinary shares of the Company.

(g) Quotation

The Company will apply for quotation of the New Options on the ASX. The Company will apply for quotation on ASX of all Shares issued upon exercise of the New Options.

(h) Transferability

Subject to the Corporations Act, the Constitution and the ASX Listing Rules, the New Options are freely transferable.

(i) Participation Rights

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining Entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced so as to give New Option holders the opportunity to exercise their New Options before the date for determining entitlements to participate in any issue.

(j) Reconstruction of Capital

If at any time the issued capital of the Company is reorganised, the rights of a New Option holder are to be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.