

JULY 2018  
ASX: **SYA**

## **NOOSA MINING CONFERENCE**

Developing a Portfolio of Lithium  
Projects including the Advanced  
Authier Lithium Project in Canada

## Forward Looking Statements

This presentation may contain certain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Sayona Limited's control. Actual events or results may differ materially from the events or results expected or implied in any forward looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward looking statements will be or are likely to be fulfilled. Sayona Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation (subject to securities exchange disclosure requirements). The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.

## Reference To Previous ASX Releases

This presentation refers to the following previous ASX releases:

- Authier JORC Resource Expanded , 12 April 2018
- Authier Maiden JORC Ore Reserve, 11 December 2017
- Authier PFS, 11 December 2017
- Authier Downstream Concept Study Demonstrates Positive Economics, 30 August 2017
- Completion of Authier Pilot Program, 21 May 2018

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

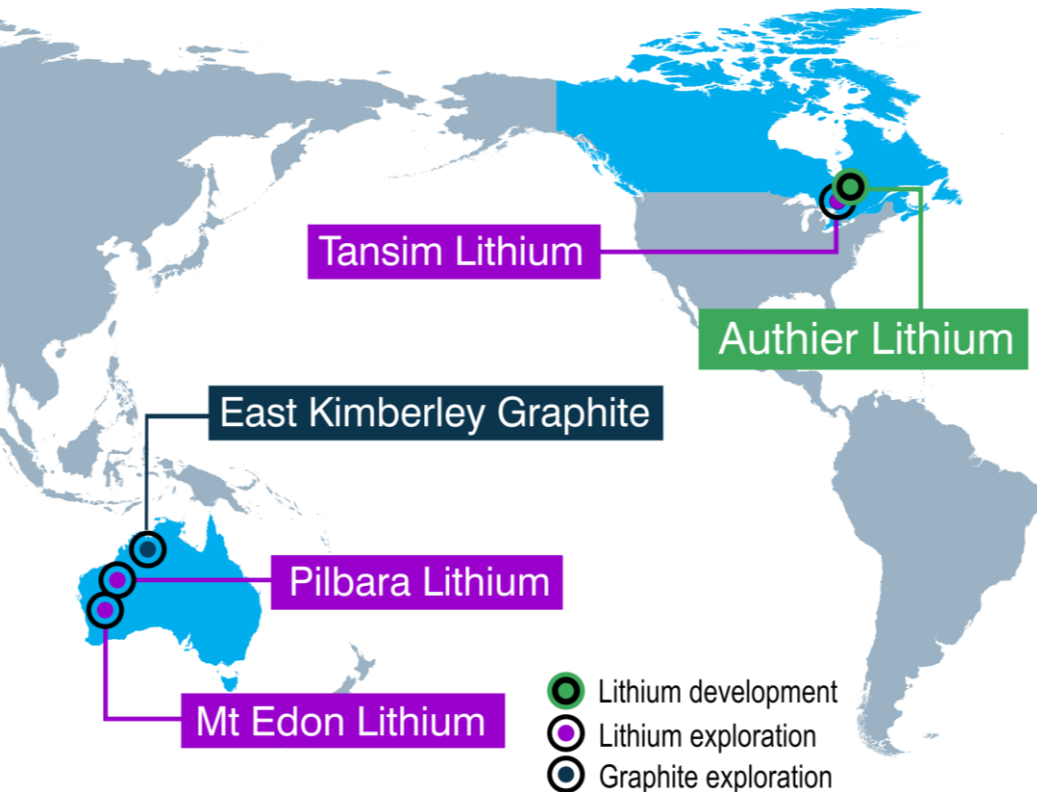
## Downstream Concept Study

The Concept Study referred to in this announcement has been undertaken to determine the potential viability of downstream processing Authier concentrates into lithium carbonate and/or hydroxide. It is based on a low level technical and economic assessment and was based on the AACE International Recommended Practice No. 18R-97, as a Class 4 estimate. The study has not been used as the basis for the estimation of Ore Reserves. Further technical and economic assessment including, metallurgical testing, Feasibility Study and permitting will be required to provide any assurance or certainty of an economic development case.

The Concept Study is based on the mine and concentrator assumptions (includes Ore Reserves) outlined in the February 2017 Authier Pre-Feasibility Study, Authier Updated JORC Resource report (14 June 2017), a report prepared by Wave International on the downstream capital and operating costs, Appendix – Project Design Criteria, and other material assumptions outlined elsewhere in this document. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the outcomes indicated in the Concept Study will be achieved.

To achieve the potential downstream process plant development outcomes indicated in this Concept Study, additional funding will be required. Funding will be required to complete metallurgical testing (\$100,000), feasibility studies and permitting (approximately \$1,000,000) and development (approximately \$223 to \$240 million depending on whether it is a lithium carbonate or lithium hydroxide plant). Investors should note that there is no certainty that the Company will be able to raise the funding when needed. It is also possible that such funding may only be available at terms that may be too dilutive to or otherwise affect the value of Sayona shares. It is also possible that Sayona could pursue other 'value realisation strategies such as sale, partial sale or joint venture of the project. If it does, this could materially reduce Sayona's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Concept Study.

The Company has concluded it has reasonable basis for providing forward looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to continue funding the feasibility activities for the project.



- ASX-listed, lithium exploration and development company
- Primary objective is to develop the Authier Lithium project concentrate sales, targeting first production in early 2020
- Authier second-phase, the downstream project, significantly enhances the project value
- Significant portfolio of lithium exploration properties in Australia and Canada

Share Structure	
Trading Exchange	<b>ASX: SYA/SYAOB</b>
Shares	1,715,532,065
Options	120,242,789 7.8¢ exercise, expiry 30 April 2020
Shareholders	17% Directors 44% Top 20

Capitalisation	
Price <small>As at 19 July 2018</small>	<b>4.7¢</b>
Market cap	<b>AUD\$81m</b>
Cash <small>As at 30 June 18</small>	<b>AUD\$11m</b>
Debt	<b>Nil</b>
Enterprise value	<b>\$70m</b>

## Research Coverage

**Beer & Co.**

Equity Research



Dedicated to generating shareholder value by replicating past success

<b>James Brown</b>	<ul style="list-style-type: none"><li>• 35 year's experience including, 22 years with New Hope Corporation. Extensive mine development &amp; operational experience</li><li>• Managing Director of Altura Mining - &gt;\$650m market cap</li></ul>
<b>Allan Buckler</b>	<ul style="list-style-type: none"><li>• 40 year's experience building mining operations in Australia and Indonesia. Former Director and Chief Operations Officer for New Hope Corporation</li><li>• Director of Altura Mining</li></ul>
<b>Dan O'Neill</b>	<ul style="list-style-type: none"><li>• Geologist with 40 year's experience in technical and corporate roles</li><li>• Founding director of Orocobre Ltd. Director of Altura Mining</li></ul>
<b>Paul Crawford</b>	<ul style="list-style-type: none"><li>• CPA with 40 years public company experience</li><li>• Founding director of Orocobre Ltd and previously Company Secretary for a number of listed companies</li></ul>

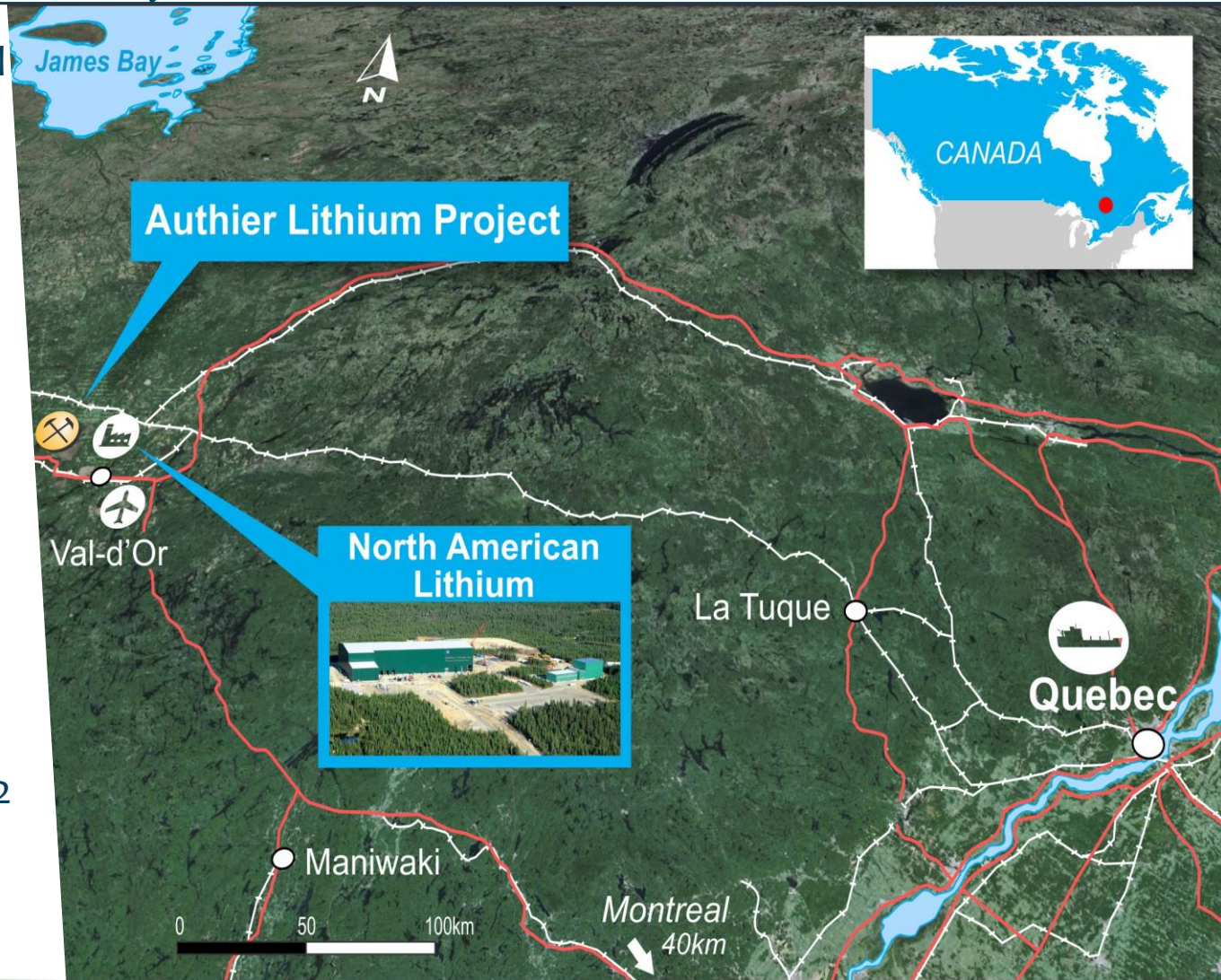
## Building in-house capability across all technical disciplines







<b>Dan O'Neill</b> Managing Director	<ul style="list-style-type: none"><li>• Over 40 years experience in exploration, project and corporate management</li><li>• Has held positions with a number of Australian and multinational companies in a diverse range of commodities and countries</li></ul>
<b>Jonathan Gagne</b> Canada Manager	<ul style="list-style-type: none"><li>• Mining Engineer with MBA and more than 10 years experience in operations and mine planning</li><li>• Joined from Glencore Zinc's open-cut mine planning division</li></ul>
<b>Jarrett Quinn</b> Processing Engineer	<ul style="list-style-type: none"><li>• Mineral processing and hydrometallurgical specialist</li><li>• Experienced in lithium processing within Canada</li></ul>
<b>Jean-Pierre Landry</b> Authier Project Manager	<ul style="list-style-type: none"><li>• More than 25 years experience in the construction industry, including 17 years in the mining industry</li><li>• Extensive experience in feasibility studies and construction</li></ul>
<b>Ann Lamontagne</b> Environmental Manager	<ul style="list-style-type: none"><li>• 20 years experience in the mining industry focused on permitting, environmental, First Nations and community aspects of project developments</li></ul>
<b>Mark Parson</b> Sustainable Development	<ul style="list-style-type: none"><li>• More than 40 years of experience in the Energy and Environmental sector, as communications team leader in Federal and Provincial public hearings processes, as well as in designing and delivery of Community relations programs</li></ul>



# Authier Lithium Project

- Located 45km from Val d'Or in Quebec, Montreal (500km SE)
- Located in established mining district
- 100% owned
- Simple deposit - 26,000m of drilling
- Environmental studies completed. Permitting advanced
- Well studied – PEA 2012 and PFS 2017
- DFS underway



-  **Simple, low-cost, truck and shovel, open-cut mining operation**
-  **Conventional concentrator** producing 96kt/yr of 6% Li<sub>2</sub>O concentrate
-  **Definitive Feasibility Study commenced.** Targeting completion Q3 2018
-  **Permitting and environmental** to be completed early 2019
-  Base case mine life **17-years**
-  **Low capital hurdle and competitive operating cost**

8 **Fast-Tracking into Production to Capitalise on Current High Prices**



Start-up capex of  
**AUD\$65** million  
and  
and opex of  
**US\$327/t**

Pre-Tax NPV (8% real)	AUD\$227m
Pre-Tax IRR	56%
Capital Payback	2.5 years
Ave Annual EBITDA	AUD\$38m
Ave Operating Margin	US\$287/t
Price Forecast	US\$614/t

# Authier JORC Ore Reserve & Resource

**Deposit well understood** – 23,000 metres of drilling in 176 holes

Majority of **Ore Reserve** hosted in **one large pegmatite** – 1.1km long, 200m deep and 35m wide – outcropping from surface

Lithium mineralisation **spodumene**

Base case mine Life – **17 years**

Deposit remains open in all **directions**

## JORC Ore Reserve (0.45% cut-off)

Tonnes (Mt)	Grades (Li2O)	Contained (Li2O)
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5.59	0.99%	55,341
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6.07	1.06%	64,363
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<b>11.66</b>	<b>1.03%</b>	<b>119,704</b>
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## JORC Mineral Resource (0.45% cut-off)

Tonnes (Mt)	Grades (Li2O)	Contained (Li2O)
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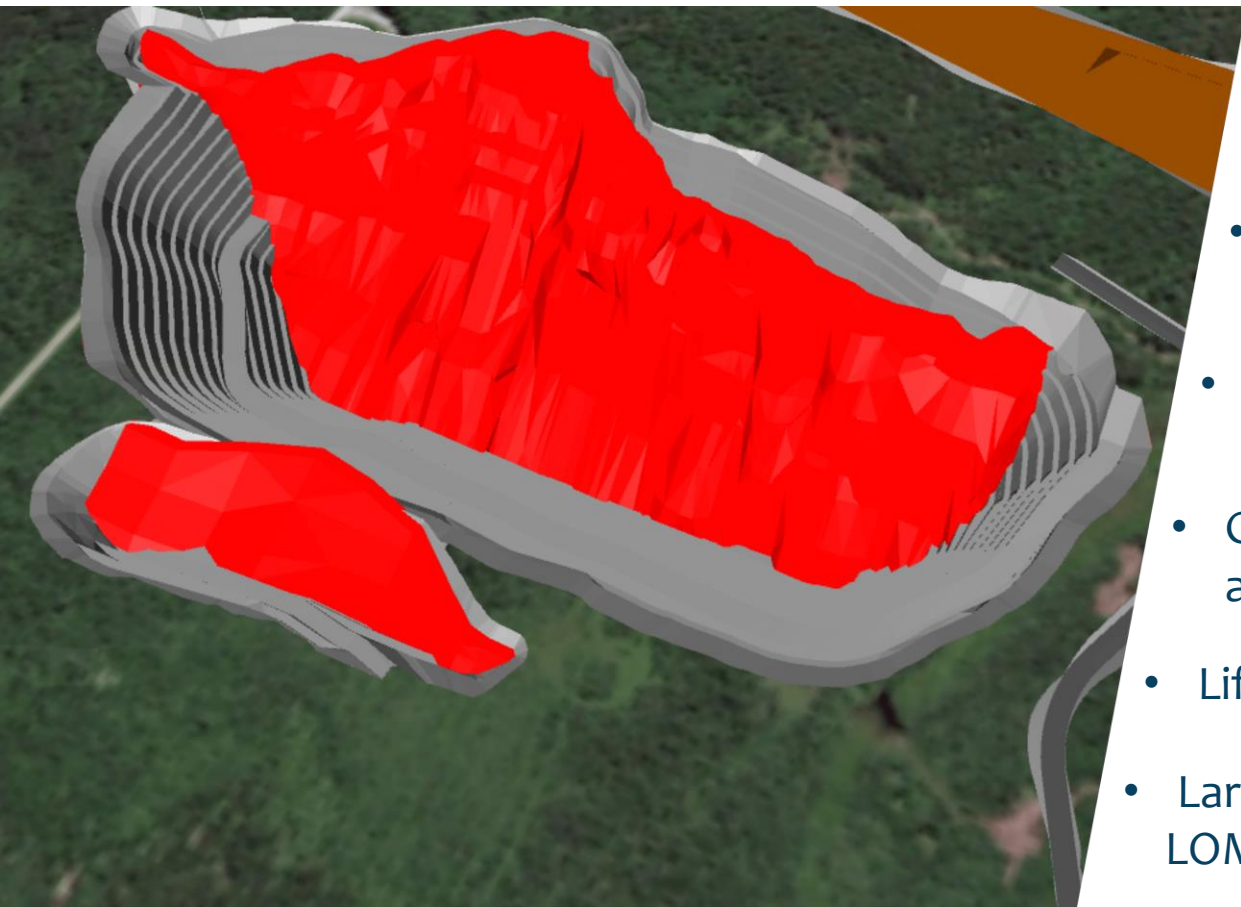
6.09	1.01%	61,509
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11.55	1.04%	120,120
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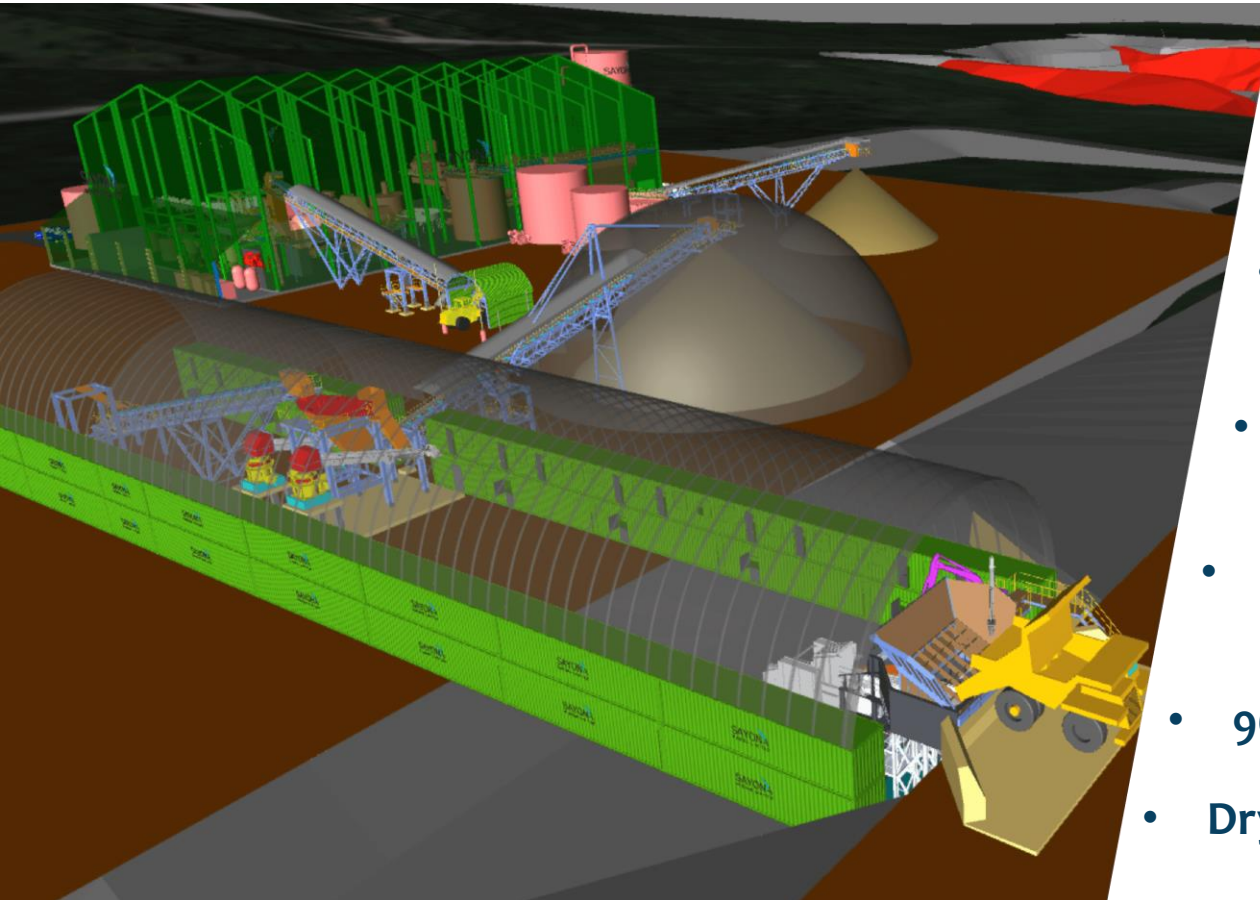
2.82	0.98%	27,636
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<b>20.46</b>	<b>1.02%</b>	<b>209,265</b>
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- Simple Mining Method  
**Truck and shovel** operation
- Competitive Mining Costs  
**A\$3.23/tonne** average LOM
- Low Capex  
Mining Fleet **Leased**
- Conservative geotechnical assumptions – **55°** pit slope
- Life-of-Mine - **17** years
- Large, thick tabular body  
LOM waste to ore ratio **6.95:1**



- Conventional process flow-sheet - **crush, grind and flotation**
- Cash Operating Costs **A\$19.40/t ore life-of-mine**
- **82%** recovery to a **6.00%** Li<sub>2</sub>O concentrate
- **700,000 tpa** processing capacity
- **96 Kt/yr** Li<sub>2</sub>O concentrate
- **Dry Tailings** simplifies approvals

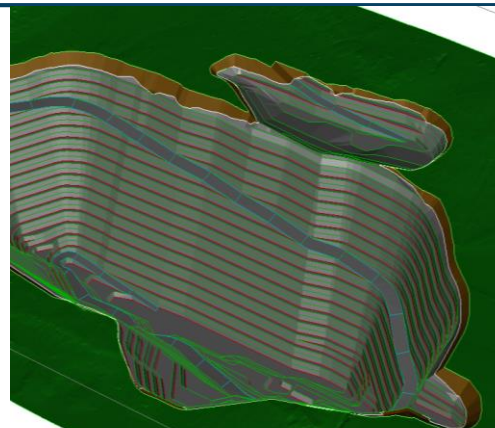


# DFS Nearing Completion

DFS mining, processing and infrastructure components awarded to **Canadian consulting engineering groups**



DFS work programs including geotechnical, transport and environmental have been **outsourced to specialist contractors**



DFS to incorporate **larger resource** following Phase 3 drilling and pilot metallurgy results



**DFS Paves Way to Complete Permitting and Financing**

**DFS**

**~95% complete**

and scheduled for **completion in**

**3Q 2018**







5km

Low cost **hydro power & gas**

5km

Sealed **road access**

20km

Rail access to export port

Experienced **local mining workforce**

**Major new hub of lithium carbonate production**







Electricity 5¢ kWh and Gas \$3 /GJ

MOU signed with **Hunan Changyuan Lico Co Ltd** - a subsidiary of Fortune 500 company, Minmetals Group – a battery materials manufacturer

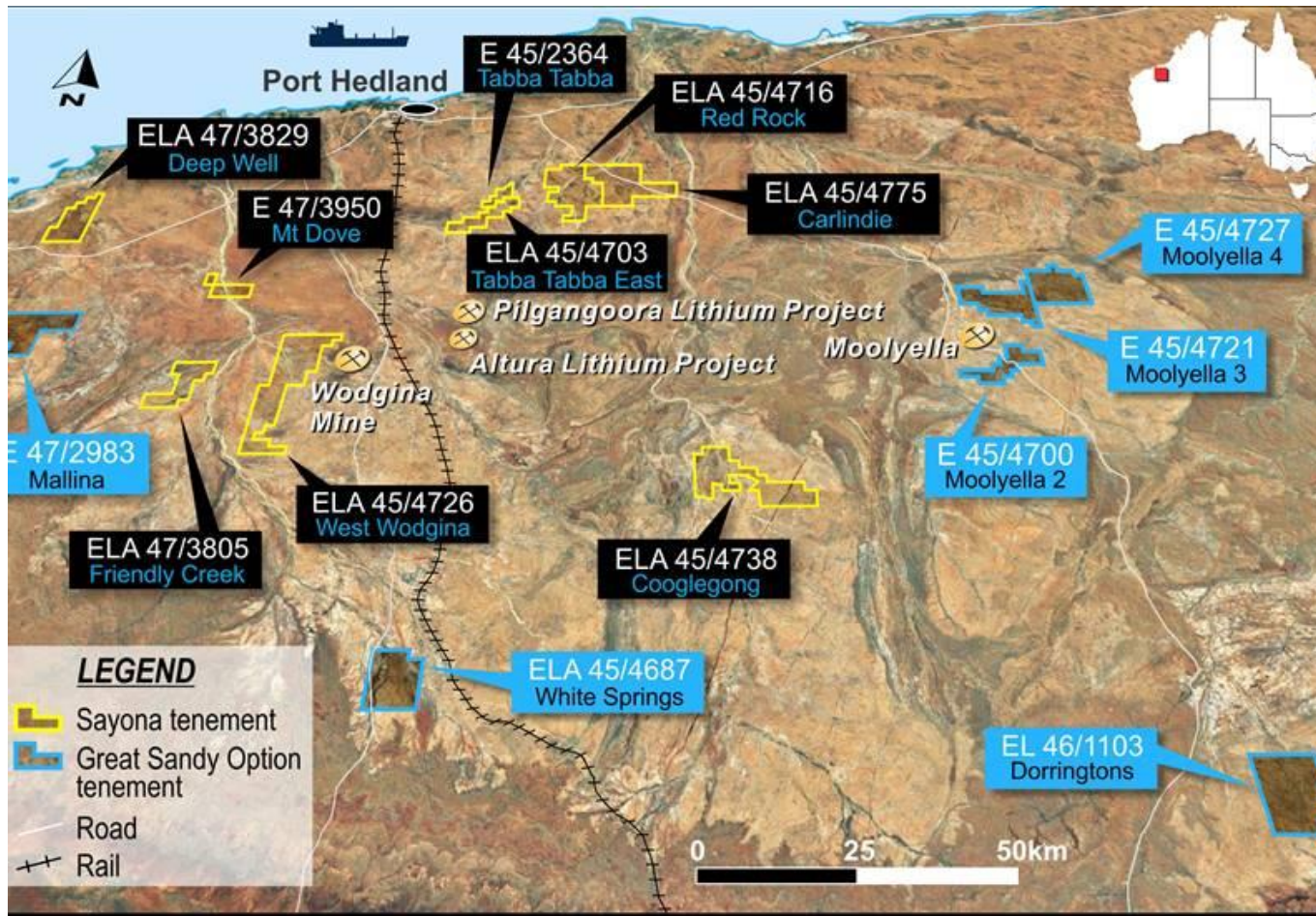
Strategic alliance to explore **marketing, technical, and financial development** options for the Authier lithium project

MOU contemplates Hunan Changyuan purchasing all the Authier concentrates and assessing potential for downstream processing



-  Capitalises on the **premium price paid for value-added products**
-  **Standard sulphate process route** to produce 13kt/yr LCE –  $\text{LiCO}_3/\text{LiOH}$
-  **Scoping Study completed.** Testing underway and PFS to commence Q318
-  Close to the **US battery markets**
-  Leverages **low-cost** energy and **world-class infrastructure** in Quebec
-  **Significantly enhances project NPV:** pre-tax NPV \$795m for LiOH

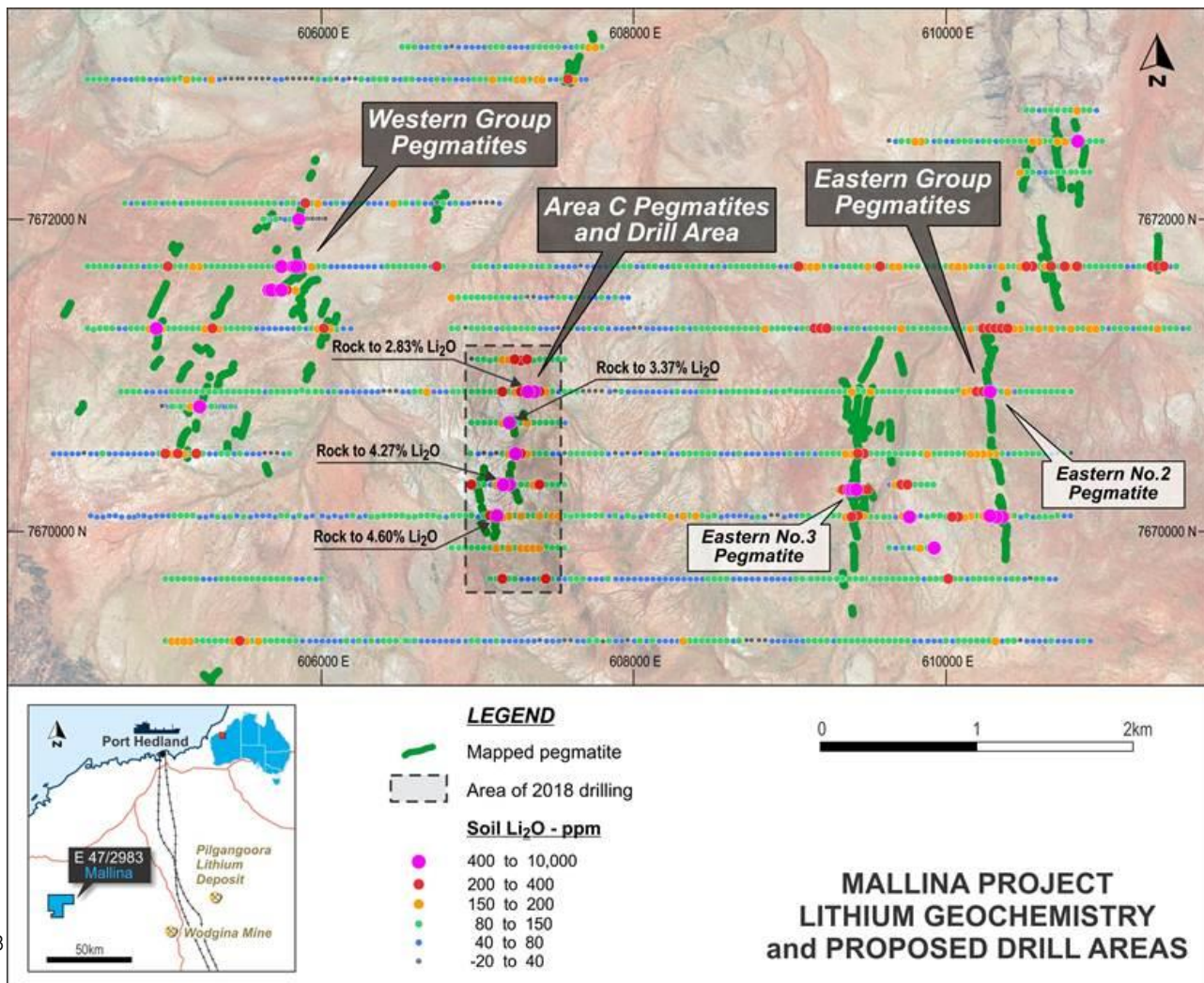
Funded from Stage 1 Concentrate Sales



1,818km<sup>2</sup> Tenement Package in a World-Class Lithium Province



# Mallina Drilling Planned in August



- Since maiden drilling program in early 2017, two new target pegmatite systems defined
- Up to 2,500 metres drilling planned
- Co-funded with a Government grant up to \$150,000
- Drilling at Mallina and Tappa Tappa planned August 2018

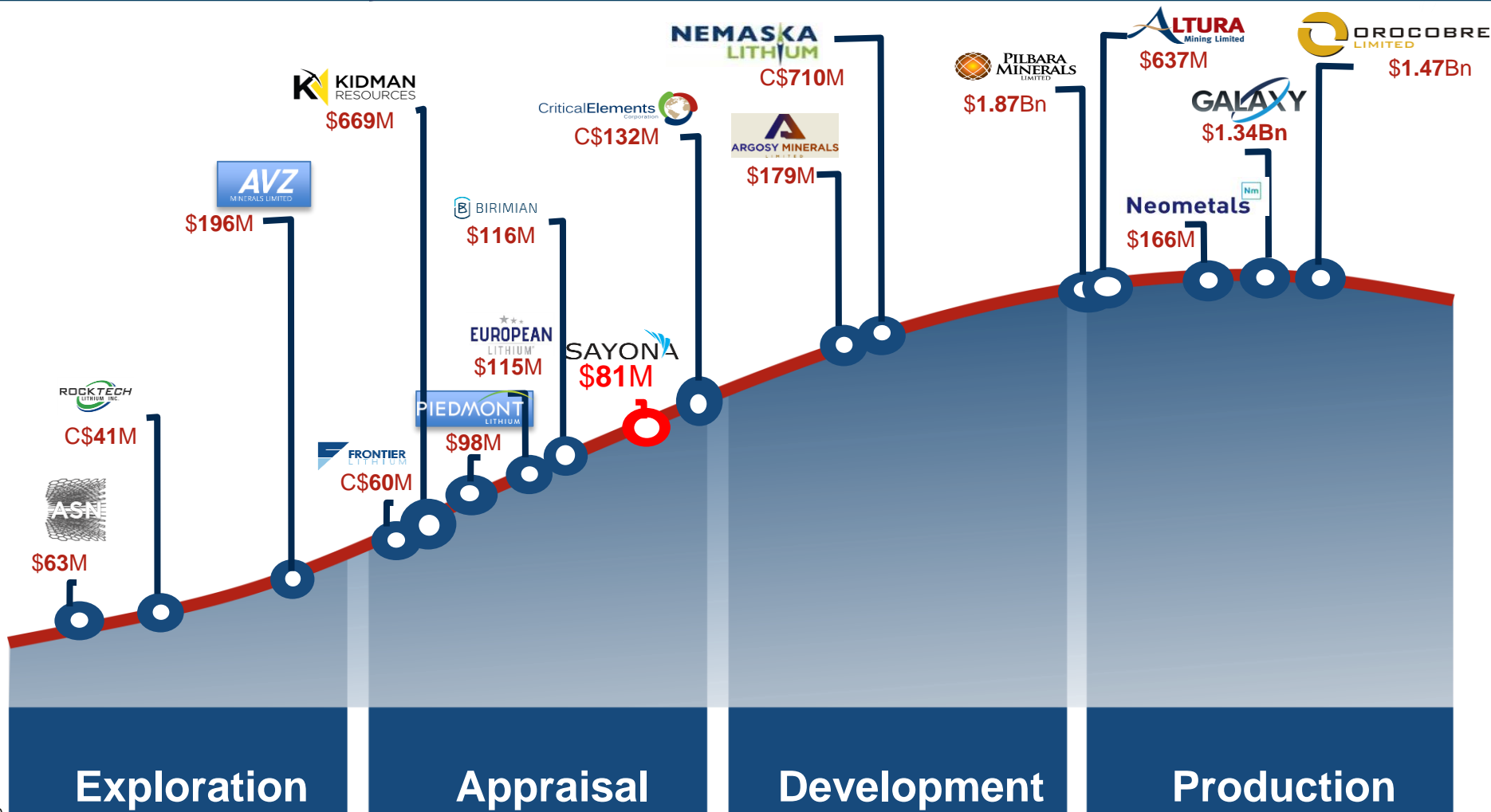


# Tansim Demonstrates Early Potential



- 9 kilometre pegmatite system mapped
- Channel sample intersections includes 19 m @ 0.94%Li<sub>2</sub>O
- Mapping and sampling program underway

# Attractively Valued vs Peers





**Authier is an advanced, de-risked project.** DFS underway



Executing a plan to get into **production and generate cash flow** – low capital hurdle & competitive operating costs



Located in a **first world country** with **access to world-class, low-cost infrastructure**



**Base case pre-tax NPV of A\$227 million** and **low enterprise value per tonne of resources** compared to industry peers



Opportunity to **value-add Authier concentrates** and create **significant shareholder value** - \$794m pre-tax NPV



Board and management team have **track record of delivering projects**





# SAYONA

MINING LIMITED

ACN 091 951 978  
Suite 68, 283 Given Terrace  
Paddington, Queensland, 4064  
Brisbane, Australia  
Ph: +61 7 3369 7058  
[info@sayonamining.com.au](mailto:info@sayonamining.com.au)

[www.sayonamining.com.au](http://www.sayonamining.com.au)