



ASX ANNOUNCEMENT



20 DECEMBER 2017

AUTHIER PHASE 3 DRILLING UPDATE

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to provide an update on the progress of the Phase 3 drilling program at the Authier lithium project in Quebec, Canada.

The initial focus of the drilling program was collecting up to 5 tonnes of drill core for a pilot metallurgical testing program. Seven holes totalling 770 metres have been completed representing approximately 4.5 tonnes of diamond core sample. The sample has been supplemented with existing core and sent to SGS Lakefield for the pilot program that will commence in early 2018. The pilot program data will be used for inputs into the process plant design for the Definitive Feasibility Study ("DFS").

The aim of the drilling for the pilot metallurgy sample was to collect a sample representative of the deposit grade and mineralogy. Twin holes 17-35 and 17-36 have demonstrated the strong consistency of the coarser grain spodumene mineralisation at shallow levels within the deposit – see figures 1 to 3.

Following the Christmas break, the drilling will re-commence with objectives, including:

- Infill definition drilling within the main resource zone where the mineralisation is not as well defined and is currently treated as waste. This has the potential to reduce the life-of-mine waste to ore ratio;
- Potential expansion of the northern pegmatite zone where a small JORC Mineral Resources was defined as part of the Optimised Pre-Feasibility Study (see ASX release, Authier JORC Mineral Resource Update, 11th December 2017) – see Figure 4; and
- Drilling at depth and within the eastern and western sectors at shallow levels to provide better definition and potential expansion of the orebody (see Figure 5).

Corey Nolan, Chief Executive Officer, commented " *The Company's objective is to expand the size of the Authier resource and reserve during the continuation of the drilling in 2018. This would significantly enhance the positive economics demonstrated in the recently announced Optimised Pre-Feasibility Study. All of the new drilling data will be incorporated into the resource models for the DFS which is expected to be completed in the second quarter of 2018*".

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Figure 1: Hole 17-36 from 75 metres



Figure 2: Hole 17-35 from 35 metres



Figure 3: Hole 17-34 from 45 metres

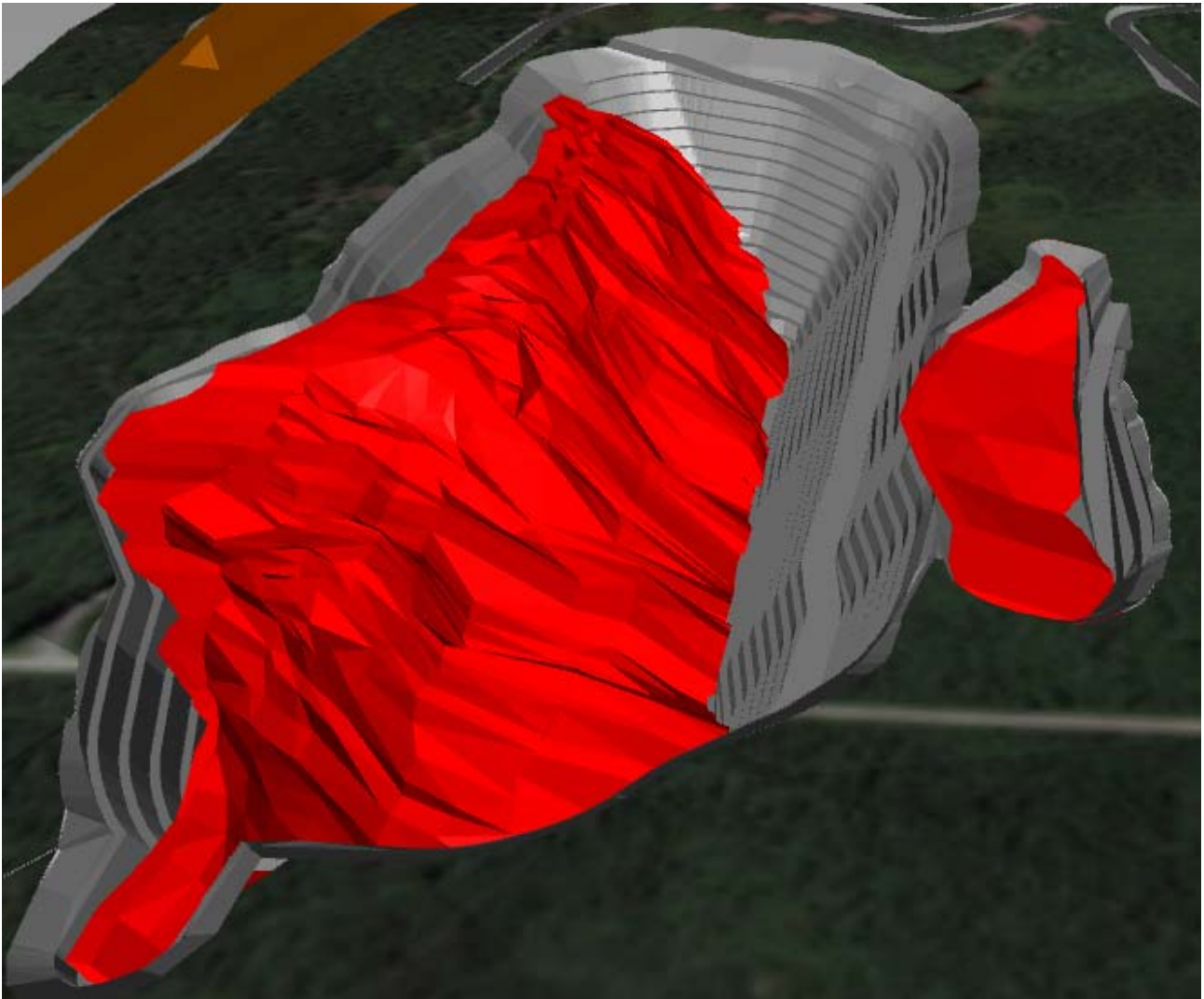


Figure 4 – Main Authier deposit (left) and Authier North I(right) lithium solids model at 0.45% Li_2O

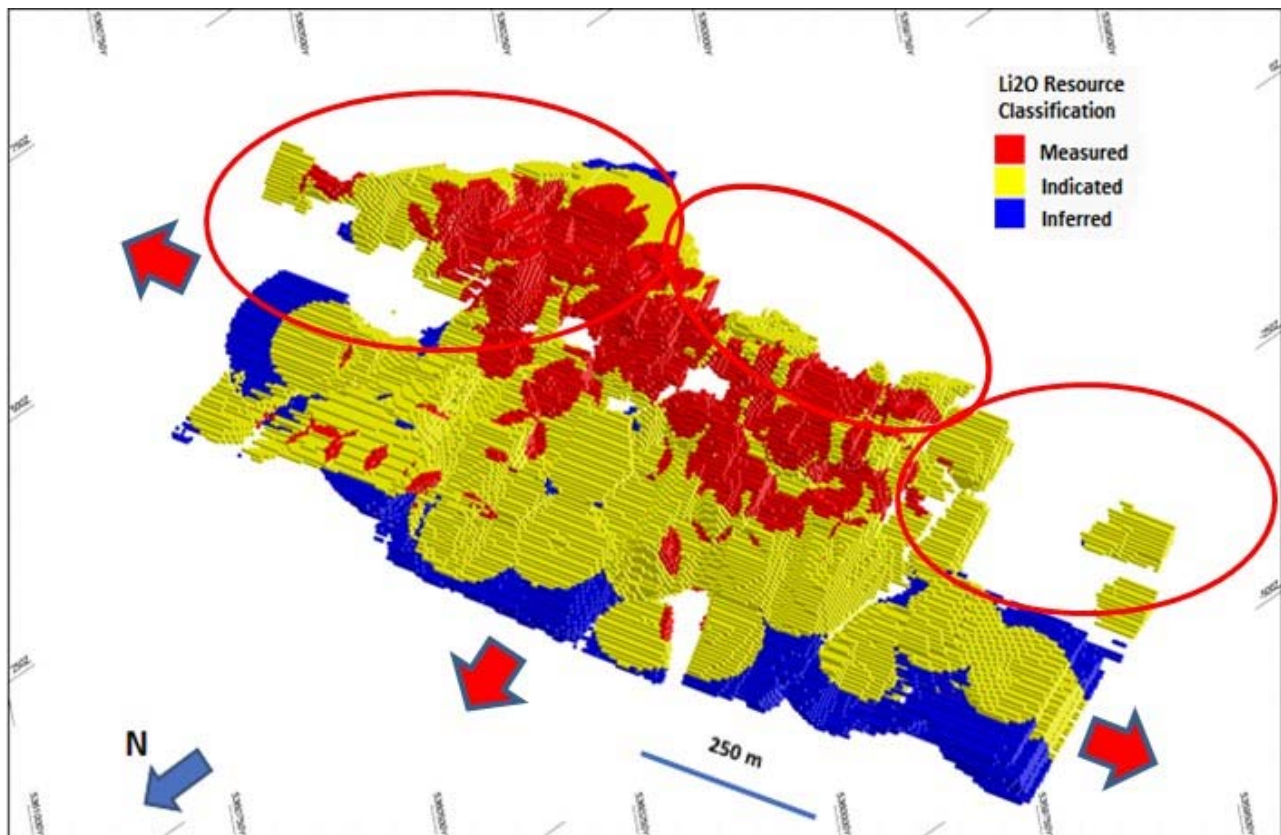


Figure 5: Target areas for expansion of the Authier resource and reserve

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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

Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- Authier JORC Resource Expanded , 11 December 2017
- Authier Maiden JORC Ore Reserve, 11 December 2017
- Authier PFS, 11 December 2017

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.