



ASX ANNOUNCEMENT



21 DECEMBER 2017

MALLINA OPTION PAYMENT TO FACILITATE NEW PHASE OF EXPLORATION

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce that it is making the first stage option payment to Great Sandy Pty Ltd ("Great Sandy") to acquire a 694 km² package of 6 tenements in the world-class Pilgangoora lithium district of Western Australia (see Figure 1).

The primary focus of exploration over Great Sandy tenure in 2017 has been concentrated on the 141 km² Mallina tenement E47/2983. Exploration activities have included mapping, sampling, geophysics and drilling. Spodumene has been identified in three main areas of pegmatites across a zone 6 kilometres x 3 kilometres. An initial small drilling program was completed in 2017. Further drilling is required to better understand the zonation of the pegmatites at Mallina and follow up recent high grade mineralisation returned over the Area C prospect.

The Option includes three other project areas comprising five tenements which have only been lightly explored and will be reviewed in detail during 2018.

The Great Sandy purchase terms include an option to acquire an 80% interest in all the tenements by making staged payments in cash or shares at Great Sandy's election of \$300,000 (current payment) within 12 months and \$300,000 within 24 months and free carrying Grant Sandy to Decision to Mine. At the Decision to Mine, Great Sandy can either elect to dilute or contribute to ongoing expenditure commitments. Great Sandy can elect to convert the 20% interest to a 2% gross smelter royalty.

Corey Nolan, Chief Executive Officer, commented "*The Company is excited by the prospectivity of the Mallina project where new spodumene bearing pegmatites have been recently identified. Further exploration and drilling is required to better understand the mineralisation within the complex rare metal pegmatites. Mallina is a very prospective province in close proximity to other major spodumene deposits including Pilgangoora and Wodgina*".

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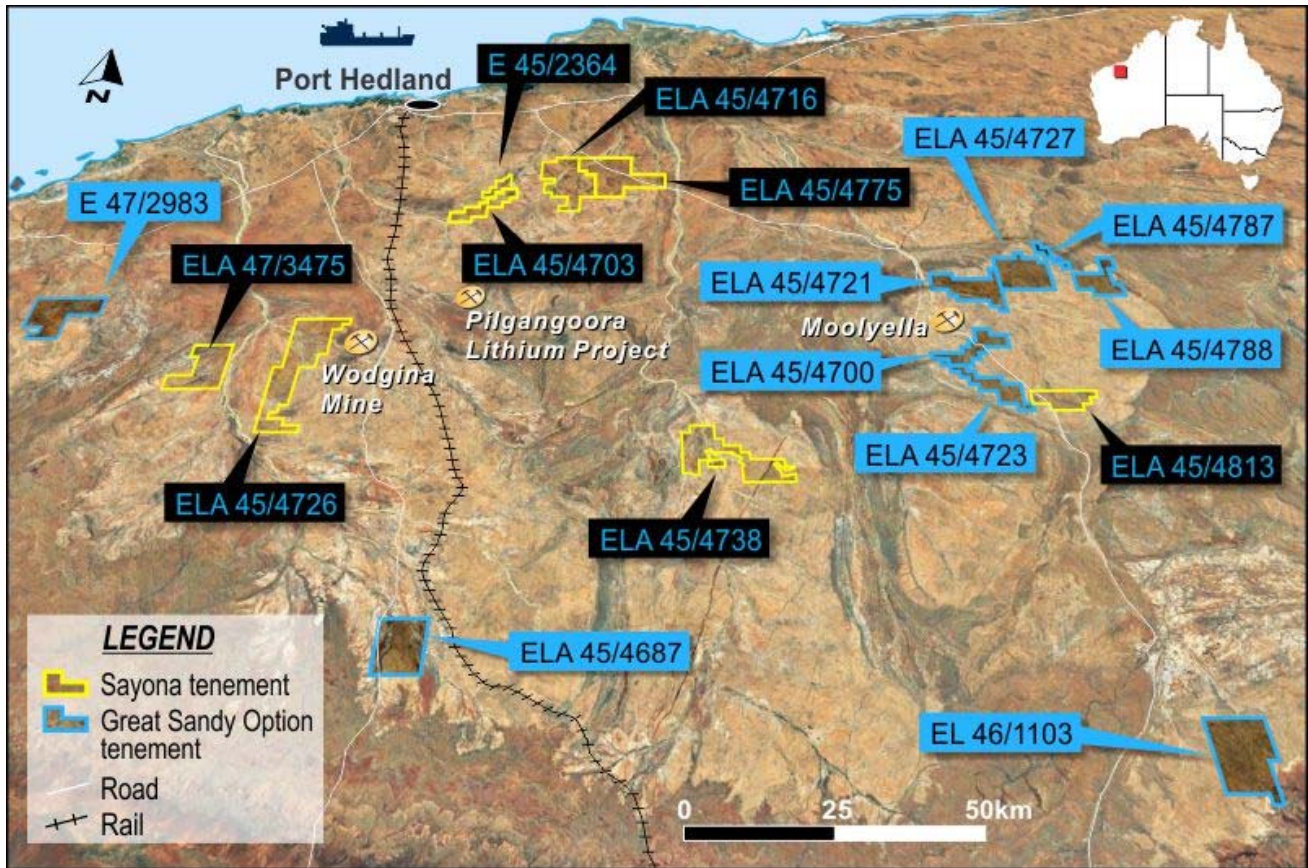


Figure 1: Sayona Lithium Tenements in Western Australia

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.

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