



ASX ANNOUNCEMENT



19 DECEMBER 2016

PRE-FEASIBILITY STUDY PROGRESS UPDATE

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") announces that it is actively working towards completing the Authier Pre-Feasibility Study ("PFS").

The PFS will study the technical and financial viability of constructing a simple, low-strip ratio, open-cut mining operation and processing facility producing spodumene concentrates.

Whilst substantial progress has been made, the study will not be completed until early 2017. Delays in completing the resource definition drilling program and subsequent JORC Resource upgrade, and finalisation of metallurgical testing have contributed to the report not being completed in 2016.

The Company believes it is prudent to incorporate the new JORC Resource completed in November to the study given the significant increase in the tonnes, grade and contained lithium oxide (Table 1).

The Company also notes that the lithium pricing environment has changed dramatically with the recent announcement by Galaxy Resources Ltd ("Galaxy") on pricing for lithium concentrates in 2017. Galaxy announced it entered into contracts for all of 2017 production of 120,000 tonnes at a base price of US\$830 per tonne FOB for 5.5% Li₂O concentrate. The contract terms provided a payment bonus of US\$15 per tonne for every 0.1% improvement in the concentrate grade above the 5.5% Li₂O base rate or US\$905 per tonne FOB for a 6% Li₂O concentrate.

The improved pricing environment and large resource are all expected to contribute to the improved economics of the Authier project.

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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.

The Company's primary focus is the development of the advanced stage Authier lithium project in Quebec, Canada. Authier mineralisation is hosted in a spodumene-bearing pegmatite intrusion with more than 18,800 metres of drilling in 139 holes.

The Authier JORC (2012) compliant Mineral Resource estimate is tabulated below at a 0.5% Li₂O cut-off grade.

Table 1 – Authier JORC Mineral Resources Estimate (0.5% Li₂O cut-off grade)			
Category	Million Tonnes	Grades Li₂O	Contained Li₂O
Measured	4.72	1.03%	48,519
Indicated	7.13	1.10%	78,280
Inferred	1.90	1.05%	19,901
Total	13.74	1.07%	146,700

Authier is amenable to simple open-cut mining and processing methods, and is situated in close proximity to development infrastructure. The Company is currently completing a pre-feasibility study due for completion in late 2016.

In addition, the Company controls a portfolio of lithium and graphite exploration projects in Western Australia.

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

Reference to Previous ASX Releases

This presentation refers to the following previous ASX releases:

- “Authier Expanded JORC Resource”, 21 November 2016

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.