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Company Announcements
Australian Securities Exchange

31 January 2014

QUARTERLY REPORT – DECEMBER 2013

HIGHLIGHTS

- **Field work completed on the Wills Creek project in the Mount Isa Inlier**
- **Actively seeking an advanced exploration/development project**
- **Proceedings commenced against Mantle Diamonds Limited for the recovery of a USD\$500,000 retention payment retained by them as part of the sale of the Lerala diamond mine in Botswana to Mantle diamonds**

CORPORATE

On 24 December 2013 Sayona issued legal proceedings in the High Court in London against Mantle Diamonds Limited for the recovery of USD \$500,000 retained by Mantle as part of warranties and indemnities provisions of the Sale and Purchase agreement for their purchase of the Lerala Diamond mine.

This action is currently on foot and Sayona will keep the market advised of developments.

During the quarter the Company continued its assessment of projects on a worldwide basis with a view to acquiring an advanced exploration/development project to add to its portfolio of assets.

EXPLORATION & PROJECT ACTIVITY

Field work was completed on the Wills Creek project, a joint venture with Superior Resources Limited (SPQ) in Northwest Queensland.

Under the terms of the joint venture, Sayona may earn a 50% interest in EPM 17012 by spending \$500,000 on exploration over an initial 2 year period and can earn up to 75% by incurring an additional \$1.5 million of exploration expenditure over the next 2 years.

The joint venture area is prospective for rare earth minerals and copper. Previous sampling of strongly ferruginous material within EPM17012 by SPQ yielded anomalous rare earth values totalling 0.76 % rare earth oxides (TREO) and copper of 1,110 ppm.

Field work comprising geological mapping and geochemical sampling was completed late in the quarter.

Zones of anomalous gold, rare earths and base metal geochemistry were delineated.

Subsequent to the end of the quarter the company advised Superior Minerals that it was withdrawing from the Joint Venture as the project did not meet its Corporate objectives.

For more information, please contact:

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**SAYONA MINING LIMITED
TENEMENT SCHEDULE**

As at 31 December 2013

Tenement	Holder	Location	Nature	Interest - Start of Quarter	Interest - End of Quarter
EPM 17012	Superior Resources Limited	North Queensland	Farm-in	Nil	Nil