SAYONA MINING LIMITED

ASX ANNOUNCEMENT

ASX: **SYA**

3 February 2021

SAYONA INVESTS IN WA EXPLORATION ASSETS

Highlights

- **Sayona to invest in Western Australian gold and lithium assets, with new exploration campaign across 100% owned Pilbara portfolio**
- **Geophysical targeting at Mt Dove Gold Project progresses with Hemi-style feature identified**
- **Regional magnetic survey planned to progress drill targets, with follow-up drilling planned amid continued high gold prices**
- **Lithium portfolio covering 929 sq km in world-class Pilgangoora district advances with commencement of drill planning at Mallina project.**

Emerging lithium miner Sayona Mining Limited (ASX:SYA; OTC:DMNXF) announced today plans to invest in its Western Australian gold and lithium portfolio, with new exploration underway in 2021 on the back of rising prices for both key metals.

The Company's initial focus is on intrusion-related gold mineralisation, similar to De Grey Mining's Hemi discovery, while it also plans to advance its lithium assets following the resumption of full ownership of its portfolio (refer ASX release 24 November 2020).

Recently acquired detailed airborne magnetics data over the eastern portion of the Mt Dove Project, E47/3950, has been interpreted with one magnetic feature identified for follow-up orientation geochemistry and drill testing. Located 10km to the south-west of Hemi, Mt Dove is masked by surficial cover and remains effectively untested for its gold potential. Additional features identified from government data will require further geophysical surveying prior to testing.

A review of geology, geophysics and remote sensing data has also commenced, seeking to identify Hemi-style features for detailed evaluation and drill testing. Sayona's portfolio has been lightly tested by past gold exploration, with much of the tenement areas effectively untested under surficial cover.

Sayona's Managing Director, Brett Lynch, Managing Director, commented: "*The commencement of exploration over our 100% owned Pilbara gold portfolio has identified a number of targets for further exploration and drilling in the 2021 season.*

"It is anticipated the studies and proposed geophysical work will build up targets which will focus exploration and unlock the prospectivity of the large tenement holding that Sayona has close to the Hemi discovery. We also remain excited by the potential of our WA lithium assets, located in the world-class Pilgangoora lithium district, which add to our flagship lithium projects in Canada."

Pilbara gold projects

Sayona's Pilbara leases comprise gold rights to nine tenements covering 824 sq km. These are considered prospective for intrusion-related gold mineralisation, similar to Hemi, with this style of mineralisation hosted within altered late stage hi-Mg diorites of the Indee Suite.

The Company is using its knowledge of late stage intrusions, built up in the search for pegmatite mineralisation, to fast track identification of Hemi-style targets. Within its Pilbara tenement portfolio the Mallina and Tabba Tabba tenements are held for their lithium rights only. Sayona's tenure is displayed in Figure 1 below.

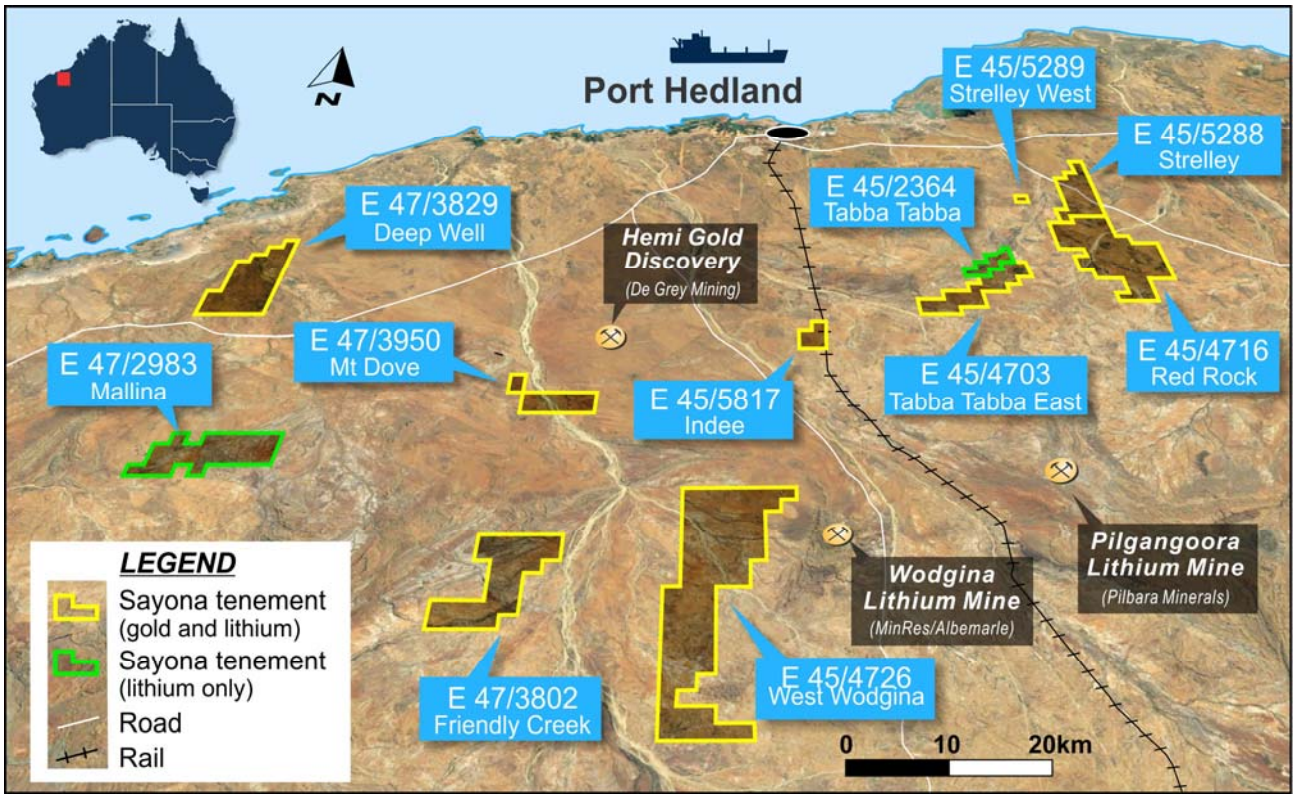

Figure 1: Sayona's Pilbara gold projects

Mt Dove Gold Project

The Mt Dove Gold Project is considered well located, being 10km south-west of Hemi. A number of targets have been identified by De Grey in their tenure to the north, north-east and west of Mt Dove (see Figure 2).

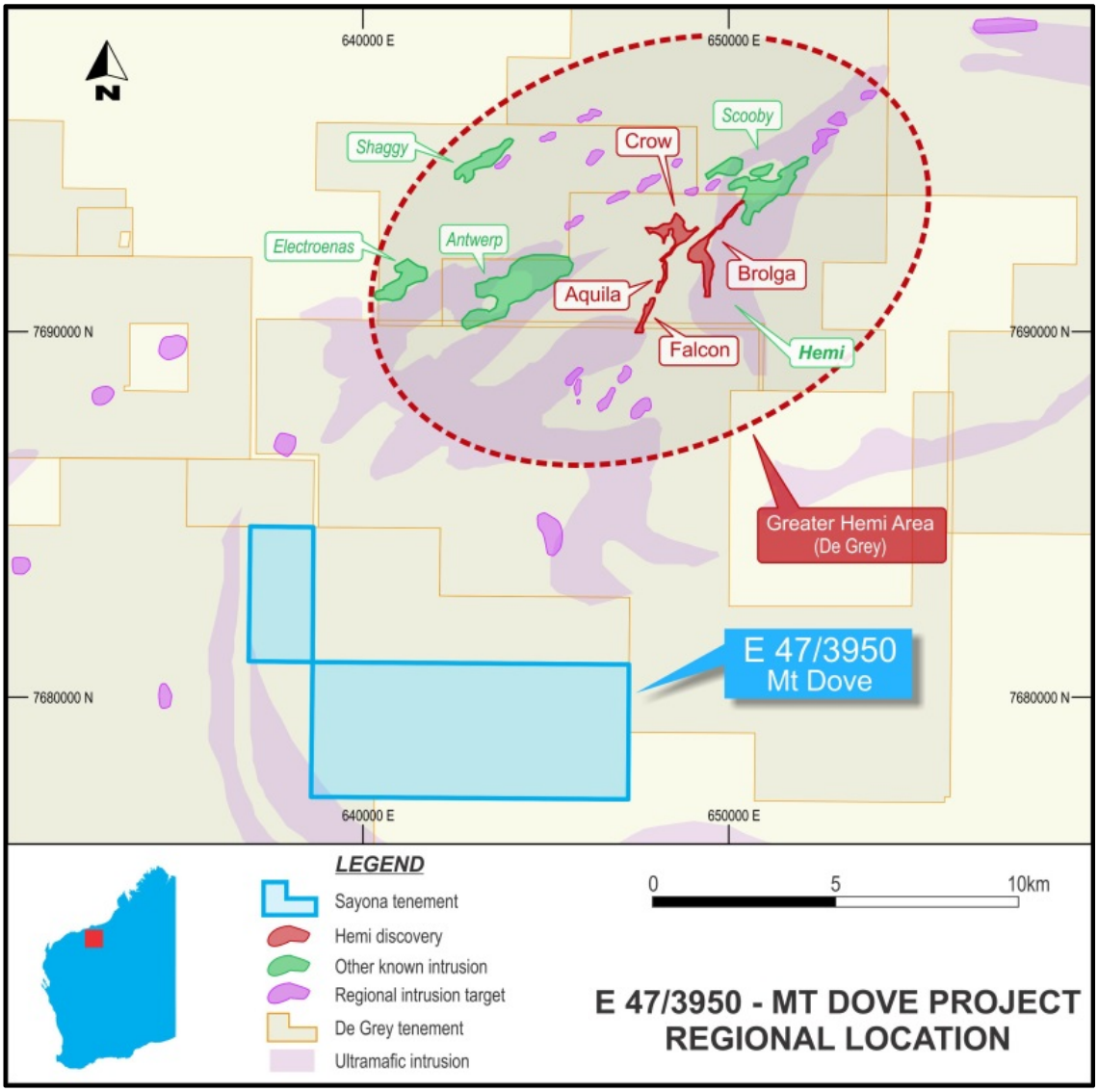

Figure 2: Mt Dove Project and surrounding De Grey targets, including the Hemi discovery

High-resolution airborne magnetic data has been recently acquired for the eastern portion of the tenement, with processing and interpretation of the data identifying a range of magnetic features. The majority of these relate to cultural features, localised accumulations of magnetite in sand dune systems and in fossil river terraces. One feature in the southern portion of the tenement has been identified for exploration follow-up.

The western tenement area has only been covered by regional-scale government airborne magnetics surveying. Preliminary review of this data has identified five magnetic features of interest, but more detailed data is required before these can accurately assessed.

The western 9.4 sq km of the Mt Dove Project lies within the Yandeyarra Aboriginal Reserve. An access agreement is required before exploration can be undertaken over this area, which covers approximately 25% of the total lease area of 38.4 sq km.

Rock sample re-assays

Results of the gold analysis of 119 previously collected rock from within the 824 sq km gold project area have identified two samples with detectable gold (+1ppb Au).

The highest gold result was 12ppb Au, returned from sample SP556019 (664233E, 7658265N MGAz50), collected from the West Wodgina project area. Although subdued, results indicate the collected rock is not of pegmatitic origin and may relate to a nearby gold prospective late stage intrusions.

Next steps

Geophysical interpretation is continuing over the Deep Well, Tabba Tabba East and Wodgina West areas to establish targets and areas which will require dedicated high resolution magnetic surveying. It is anticipated once this study is completed a regional magnetic survey, including the Mt Dove Project area will be commissioned to progress target identification for drill testing.

Drilling will commence once heritage and statutory approvals are in place, anticipated to be completed in the second quarter 2021.

WA lithium portfolio

Meanwhile, Sayona also plans to advance exploration across its 100% owned WA lithium portfolio covering 929 sq km, centred in the world-class Pilgangoora lithium district (see Figure 1).

The Mallina area is the most advanced project, with multiple zones of spodumene pegmatite identified within a 25 sq km zone. Drill planning has commenced with a focus at the Area C prospect, where shallow spodumene mineralisation (4m @ 2.18% Li_2O from surface in RC drillhole SMRC040) remains open at depth and to the north and south.

Mr Lynch added: "Our Pilbara gold and lithium projects have potential to deliver value for shareholders, adding to our flagship lithium projects in Québec. Sayona has made a great start to 2021 in advancing towards a mid-tier miner and we are excited by the opportunities in front of us both in Canada and Australia."

This announcement is authorised by Sayona's Board of Directors.

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About Sayona Mining

Sayona Mining Limited is an emerging lithium miner (ASX:SYA; OTC:DMNXF), with projects in Québec, Canada and Western Australia.

In Québec, Sayona is progressing a bid for the North American Lithium mine with the backing of a world-class advisory team, while advancing its flagship Authier Lithium Project and its emerging Tansim Project, supported by a strategic partnership with **Piedmont Lithium Limited (ASX:PLL; Nasdaq:PLL)**.

In Western Australia, the Company holds a large tenement portfolio in the Pilbara region prospective for gold and lithium.

For more information, please visit us at **www.sayonamining.com.au**

Competent Person Statement

The information in this report is based on information compiled by Mr Simon Attwell, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Attwell is an employee of Attgold Pty Ltd ("Attgold") which provides geological services to Sayona.

Mr Attwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Attwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Reference to Previous ASX Releases

This report refers to the following previous ASX release:

- Gold exploration to commence over Pilbara projects for Hemi-style targets, 7 December 2020
- December 2020 Quarterly Activities Report, 29 January 2021

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.

JORC Code, 2012 edition – Table 1 (section 1; Sampling Techniques and Data)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The sample material is pulp residue previous rock samples collected for potential lithium mineralisation but not previously analysed for their gold content. The samples have an irregular spacing reflecting the reconnaissance nature of the assessment. • Samples are grab samples. • The presence or absence of mineralisation was initially determined visually by the field geologist. • The type of geochemical sampling is a standard approach during the initial style reconnaissance.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable, no drilling has been carried out
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable, no drilling has been carried out
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable, no drilling has been carried out. This information is of insufficient detail to support any Mineral Resource Estimation.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable, no drilling has been carried out • • No measures have been taken to ensure sampling is statistically representative of the in situ sampled material. The collection methodology is considered appropriate for this early stage assessment of the project. • The sample size is considered appropriate to the early stage of exploration carried out.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Analysis was carried out by ALS, Perth which is a certified laboratory in compliance with AS/NZS-9001:2000. Analysis of gold was determined by aqua regia digest followed by ICPMS determination, method Au-TL43. This is considered appropriate for the type of samples submitted. • Not used • No additional quality control measures beyond that of the Laboratory QA/QC were implemented.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The results are considered acceptable and have been reviewed by multiple geologists. The company conducts internal data verification protocols which have been followed. • No adjustments to assay data has been undertaken
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Samples were located during collection by handheld GPS • The grid system used is Australian Geodetic MGA Zone 50 (GDA94). • The level of topographic control offered by the handheld GPS is considered sufficient for the work undertaken
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• There was no predetermined grid spacing to the rock sampling program. Soil geochemistry was carried put on MGA grid. . • The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation procedures. • Samples have not been composited.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is*	• Sampling was carried out over small areas of the project and it is not known if they are representative. • Not applicable, no drilling has been carried out

Criteria	JORC Code explanation	Commentary
	considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• Industry standard sample collection and storage have been undertaken in past assay submissions. Since original assay work was completed the residual sample pulps have been stored by ALS or in the companies secured Perth office facilities.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the data have been conducted at this stage

JORC Code, 2012 edition – Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenements of the Pilbara gold Project are held 100% by Sayona Mining. • The western part of Mt Dove and Friendly Creek areas are within the Yandeyarra Aboriginal Reserve. An Access agreement is required before exploration can commence in these areas and it is uncertain when or if this may be negotiated. • There are no impediments that have been identified for operating in the project areas
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Little past work has been carried out within the Companies gold tenure. • Use of government data provided by GSWA has allowed recognition of the projects potential, complemented by the Companies past pegmatite exploration activities.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Gold is being targeted associated the intrusion related style of gold mineralisation, associated with late stage Archaean hi-Mg diorites of the Indee Suite. These intrusions are of sanukitoid type and host gold in other parts of the Pilbara region, including the Toweranna deposit.. It is anticipated the Hemi discovery of De Grey Mining will also be of the same type.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly*	• Drilling has not been carried out.

Criteria	JORC Code explanation	Commentary
	explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No variation to laboratory reported assays has been made.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Exploration is at an early stage and information contains insufficient data points to allow these relationships to be reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Sample results and locations, where above the level of gold detection (1ppb Au), are tabulated within the main body of this report
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant assay results are reported herein.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The exploration reported herein is at a very early stage but results are consistent with geological and geophysical data
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further more detailed mapping and follow up sampling is required to identify gold targets and mineralisation, followed by drilling as appropriate.