



ABN 26 091 951 978

Prospectus

In relation to

A pro-rata non-renounceable Rights Issue of one (1) New Share for every thirty-five (35) Shares held at an issue price of 14.5 cents (\$0.145) per New Share.

The Rights Issue closes at 5pm (Brisbane time) on Monday, 25 October 2021.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. If you are an Eligible Shareholder, this is an important document and should be read in its entirety. If you do not understand any part of this document or are in doubt as to what you should do, you should contact your professional adviser immediately. You should have regard to all publicly available information concerning the Company.

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Lead Manager:

Canaccord Genuity (Australia) Limited

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IMPORTANT INFORMATION

General

This Prospectus is dated 4 October 2021 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give any information or make any representation in connection with this Rights Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may be reasonably expected to be known to investors and professional advisers whom potential investors may consult.

You should read this entire Prospectus carefully before deciding whether to invest in New Shares. In particular, you should consider the key risks that could affect the performance of the Company or the value of an investment in the Company, details of which are outlined in section 4 of this Prospectus.

No financial advice

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merit or risks involved. If, after reading this Prospectus, you have any questions about the Rights Issue, you should contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

Electronic Prospectus

This Prospectus will also be issued as an electronic prospectus. A copy of this Prospectus can be downloaded from the Company's website at www.sayonamining.com.au or online at <https://sayonaoffer.thereachagency.com> from the Rights Issue Opening Date.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

Disclaimer

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus. An investment in New Shares offered by this Prospectus should be considered speculative.

The Company has prepared this document based on information available to it at the time of preparation.

Forward-looking statements

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances. These statements may be in respect of the financial condition, results of operations, projects and business of Sayona. Such statements involve known and unknown risks, uncertainties, assumptions and other factors which are subject to change without notice, as many of these are outside the control of the Company and that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. Sayona gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved and this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (details of which are outlined in section 4 of this Prospectus).

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

Restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)). Shares may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This Prospectus has been prepared for publication only in Australia and New Zealand and may not be released elsewhere.

Definitions

Capitalised terms have the meaning given to them in section 7.

MESSAGE FROM THE MANAGING DIRECTOR

4 October 2021

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you to participate in this Rights Issue providing you with the opportunity to subscribe for one (1) New Share for every thirty-five (35) Shares held at 6pm (Brisbane time) on 7 October 2021 (**Record Date**) at an issue price of 14.5 cents (\$0.145) per New Share.

The Issue Price represents a discount of approximately 17% to the last closing price and a discount of approximately 14.7% to the theoretical ex-rights price (**TERP**)¹.

The Rights Issue is an offer to raise approximately AUD\$25.5 million.

This Prospectus contains details about the Rights Issue, including information about how to participate, and relevant risk factors.

Strategic Update

Sayona has been aggressively pursuing its strategy to position itself as a future key supplier to the North American lithium market. This has seen the company recently acquire North American Lithium, to expand the company's Abitibi lithium hub, and more recently, a 60% interest in the Moblan project, establishing a northern Quebec asset base. See ASX announcements for further information.

Rights Issue

This Prospectus relates to the Rights Issue, which offers Eligible Shareholders the opportunity to subscribe for one (1) New Share for every thirty-five (35) Shares.

Eligible Shareholders may also apply for New Shares in excess of their Entitlement (**Additional New Shares**), although any application for Additional New Shares may be scaled back at the Company's discretion.

Use of Funds

The net proceeds of the Rights Issue (together with the Company's existing cash) will be used primarily to advance:

- Moblan exploration and assessment;
- NAL redevelopment assessment;
- Authier mine approval process, exploration and assessment;
- Tansim exploration and assessment;
- Exploration of Western Australia gold projects; and
- Working capital.

See section 1.15.

¹ TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Offer assuming 100% take-up of the Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to the theoretical ex-rights price. TERP is calculated by reference to the closing price of Sayona's shares on ASX of \$0.175 on 29 September 2021.

Actions required to take up your Entitlement

The Rights Issue closes at **5pm (Brisbane time) on Monday, 25 October 2021**. To participate, you need to ensure that you submit your Application Monies by BPAY® so that they are received by the Company's Share Registry before this time in accordance with the instructions set out on the form and in section 3 of this Prospectus.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

It is important that you carefully read this Prospectus and the other publicly available information about the Company on our website (www.sayonamining.com.au) and consider in particular the risk factors set out in section 4 before making any investment decision.

With this Prospectus you will also find your Entitlement and Acceptance Form which details your Entitlement and provides instructions on how to participate in the Rights Issue.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Lynch', with a long horizontal flourish extending to the right.

Mr Brett Lynch
Managing Director

KEY FEATURES OF THE RIGHTS ISSUE

Summary of Rights Issue

Issue Price	14.5 cents (\$0.145) per New Share.
Discount	17 % to Sayona's closing price of \$0.175 on 29 September 2021. 14.7 % to the theoretical ex-rights price (TERP).
Entitlement	One (1) New Share for every thirty-five (35) Shares held on the Record Date (6pm (Brisbane time) on 7 October 2021).
Amount to be raised under the Rights Issue	\$25,479,072
Approximate New Shares available under the Rights Issue	175,717,738 New Shares.
Additional New Shares available under the Rights Issue	Eligible Shareholders may apply for New Shares in excess of their Entitlement. The Company may scale back applications for Additional New Shares in its absolute discretion, but will not scale back any Entitlement. If the Company scales back applications for Additional New Shares, excess funds will be returned to applicants without deduction of interest in accordance with section 3.4.

Important Dates (all times are Brisbane local time)

Lodgement of Prospectus with ASIC and ASX	4 October 2021
Record Date to determine Entitlements	7 October 2021
Dispatch of Prospectus and Entitlement and Acceptance Forms	11 October 2021
Rights Issue opens	11 October 2021
Closing Date of Rights Issue (Last date for lodgement of Entitlement & Acceptance Forms and payment of Application Money)	5pm, 25 October 2021
Rights Issue shortfall notified	28 October 2021
Shortfall settled	29 October 2021
Allotment of new shares	1 November 2021
Normal trading of New Shares expected to commence on ASX	2 November 2021
Transaction confirmation statements for New Shares expected to be dispatched	3 November 2021

Eligible Shareholders that wish to participate in the Rights Issue are encouraged to subscribe for New Shares as soon as possible after the Rights Issue opens. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Rights Issue (including extending the Rights Issue or accepting late applications) without notice.

FREQUENTLY ASKED QUESTIONS (FAQS)

What is the Rights Issue?	The Rights Issue is a pro-rata non-renounceable entitlement to Eligible Shareholders to apply to purchase one (1) New Share for every thirty-five (35) existing Shares held as at the Record Date. The Rights Issue comprises two parts: <ul style="list-style-type: none"> • Rights Issue; and • Shortfall Facility. 	Section 1.1.
What is my Entitlement?	Each Eligible Shareholder is entitled to subscribe for one] (1) New Share for every thirty-five (35) existing Shares held at the Record Date.	Section 1.1.
What is the Issue Price?	14.5 cents (\$0.145) per New Share.	Sections 1.1 and 1.2.
Am I an Eligible Shareholder?	Eligible Shareholders are those holders of Shares who: <ul style="list-style-type: none"> • are registered as a holder of Shares on the Record Date; • have a registered address in Australia or New Zealand; • are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; • are eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered in any jurisdiction other than Australia. 	Section 1.3.
What happens if I am a Shareholder on the Record Date but not an Eligible Shareholder?	You will not be entitled to subscribe for New Shares under the Rights Issue. Ineligible Shareholders will have their percentage holding in the Company (held at the Record Date) diluted as a result of the Rights Issue.	Section 1.3.
How much will be raised from the Rights Issue?	The Rights Issue will raise approximately AUD\$25 million (before costs).	Section 1.1.
What is the purpose of the Rights Issue and how will the funds raised be used?	The funds raised under the Rights Issue, net of expenses, together with the Company's existing cash and funds received from the Rights Issue, will be used to advance: <ul style="list-style-type: none"> • Moblan explorations and assessment; • NAL redevelopment assessment; • Authier mine approval process, exploration and assessment; • Tansim exploration and assessment; • Exploration of Western Australia gold projects; and • Working capital. 	Section 1.15, 2.5 and 5.21.
Is the Rights Issue underwritten?	No, the Rights Issue is not underwritten.	

What are the tax implications of participating in the Rights Issue?	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular tax treatment that will apply to them.	Section 5.14.
Are there any risks?	<p>There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Rights Issue and risks associated with financial investments generally. These risks are set out in more detail in section 4 of this Prospectus.</p> <p>In particular, key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> • Exploration risk; • Resource estimates; • Project funding; • NAL development; • Future approvals; • Foreign estimates; • Land access; • Tenure; • Sovereign and political risk; and • The acquisition of the Moblan project. 	Sections 4 and 5.18.
What effect will the issue of the New Shares have on the Company?	<p>The potential effect that the issue of New Shares will have on the capital structure and financial position of the Company are set out in sections 2.2, 2.3 and 2.5.</p> <p>The Rights Issue will increase the current number of Shares on issue. If you do not take up your Entitlement, your shareholding will be diluted.</p>	Sections 2.2, 2.3 and 2.5.
What effect will the issue of the New Shares have on the control of the Company?	The potential effects that the issue of New Shares will have on the control of the Company, and the consequences of that effect, depends on a number of factors, including investor demand. See section 2.4 for more details.	Section 2.4.
What interests do the Directors, Related Parties and any other persons have in the Rights Issue?	<p>The Directors of the Company, together, currently have a significant shareholding in the Company. As the Rights Issue is being made on the same basis to all shareholders of the Company, the Directors will be entitled to participate to the extent of their Entitlement. Brett Lynch intends to take up his full entitlement, being an investment of \$442,050 and Paul Crawford intends to subscribe for New Shares to a total of \$145,000. Allan Buckler does not intend to take up any of his entitlement and James Brown does not have any entitlement.</p> <p>Details of the interests of the Directors and potential implications are set out in section 5.5.</p> <p>There are no other related party interests or transactions with related parties to disclose.</p>	Sections 5.5, 5.7 and 5.8.

Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.sayonamining.com.au) and the Company's ASX announcements (also available on the Company's website and the ASX's website (www.asx.com.au)).	Section 1.2.
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1 Details of the Rights Issue

1.1 Overview of the Rights Issue

Sayona proposes to raise approximately \$25.5 million under the Rights Issue through the issue of approximately 175,717,738 New Shares. Under the Rights Issue, Sayona is offering Eligible Shareholders the opportunity to subscribe for one (1) New Share for every thirty-five (35) existing Shares held at the Record Date, at the Issue Price of 14.5 cents (\$0.145) per New Share.

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the next whole number of New Shares.

The Rights Issue comprises two parts:

- (a) **(Rights Issue)** under which Eligible Shareholders are being sent this Prospectus, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement.
- (b) **(Shortfall Facility)** under which Additional New Shares attributable to Entitlements:
 - (i) not taken up by Eligible Shareholders; and
 - (ii) that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Rights Issue,

will be offered under a Shortfall Facility to Eligible Shareholders that have taken up their full Entitlement. The Board reserves the right to issue such Additional New Shares at their discretion within three months after the close of the Rights Issue at a Share price not less than the price of the Rights Issue. Please see section 1.4 for further details.

1.2 The Rights Issue

Eligible Shareholders are invited to participate in a pro-rata non-renounceable Rights Issue. The Rights Issue will be conducted on the basis of one (1) New Share for every thirty-five (35) Shares held on the Record Date, at an Issue Price of 14.5 cents (\$0.145) per New Share, which is payable in full on application.

The Issue Price represents:

- a discount of approximately 14.7% to the TERP; and
- a discount of approximately 17% to Sayona's closing price on 29 September 2021.

You should also consider publicly available information about Sayona available at www.asx.com.au and www.sayonamining.com.au

1.3 Eligible Shareholders

This Prospectus contains an offer of New Shares to Eligible Shareholders. Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares on the Register on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and
- (d) are eligible under all applicable foreign securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered in any jurisdiction other than Australia.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

1.4 **Shortfall Facility**

A Shortfall Facility will allow Eligible Shareholders that have fully subscribed for their Entitlements under the Rights Issue to subscribe for Additional New Shares. Eligible Shareholders can subscribe for Additional New Shares by submitting payment through BPAY[®], please refer to section 3.3.

The Company reserves the right to allot Additional New Shares to the extent that the Company determines in its absolute discretion, having regard to circumstances as at the time of the close of the Rights Issue. The Board reserves the right to issue such Shares as it may in its sole discretion determine, within 3 months after the close of the Rights Issue, provided that the issue price for shares is not less than the issue price under the Rights Issue.

Any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Rights Issue.

There is no guarantee that those Eligible Shareholders will receive the number of Additional New Shares applied for, or any. The Company's decision on the number of New Shares and Additional New Shares to be allocated to you will be final.

The Company may scale back any application for Additional New Shares in its absolute discretion, but will not scale back any Entitlement. However, if the Rights Issue is oversubscribed, it is the Company's current intention to scale back all applications for Additional New Shares in the same proportions.

In the event of a scale back, the difference between the Application Monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

1.5 **Ranking of New Shares**

New Shares and Additional New Shares issued under the Rights Issue will rank equally with existing Shares. For further details of the rights attaching to the New Shares, please refer to section 5.3.

1.6 **Withdrawal of Rights Issue**

The Board reserves the right to withdraw all or part of the Rights Issue at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest.

1.7 **No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

1.8 **Renunciation and trading**

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

1.9 **Discretion to deal with shortfall**

To the extent there is any shortfall in subscriptions for New Shares and Additional New Shares under the Rights Issue, the Directors reserve the right to allocate top up Shares or place any shortfall at their discretion within three months of the close of the Rights Issue, provided that such Shares will be issued at a price not less than the price of the New Shares.

1.10 **Minimum subscription**

There is no minimum subscription for the Rights Issue.

1.11 **Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

1.12 **Opening and Closing Date for applications**

The Rights Issue opens for acceptances on 11 October 2021 and all Entitlement and Acceptance Forms and payments of Application Money must be received by **no later than 5pm (Brisbane time) on 25 October 2021**, subject to the Directors being able to vary the Closing Date in accordance with the Listing Rules. The Directors reserve the right in their absolute discretion to accept late applications or payments.

1.13 **Allotment of New Shares and ASX quotation**

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares issued under the Rights Issue will be allotted no later than 1 November 2021. However, if the Closing Date is extended, the date for allotment may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

Application for official quotation by ASX of the New Shares will be made as soon as possible and in any event within 7 days after the date of this Prospectus.

If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Money for the New Shares within the time prescribed by under the Corporations Act, without interest.

The anticipated date of commencement of official quotation of the New Shares issued in accordance with the Prospectus is 2 November 2021, subject to ASX's discretion and compliance with the Listing Rules.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

1.14 **Lead Manager**

Canaccord was appointed as Lead Manager to the Placement and is also mandated to assist the Company with the placement of any Shortfall.

1.15 **Purpose of Rights Issue and intended use of funds**

The Rights Issue is proposed to raise approximately \$25.5 million. The table below details the proposed allocation of funds.

Combined with the Company's existing cash reserves, the funds raised, net of expenses, will be used as follows.

Funds Available	(\$)
Existing Cash Reserves ¹	21.0
Proceeds of Placement	100.0
Proceeds of the Offer	25.5
Total	\$146.5
Allocation of funds	(\$m)
Moblan Lithium Project acquisition	120.0
Advance NAL redevelopment assessment	5.0
Authier mine approval process, exploration and assessment	3.0
Other project exploration and assessment	5.0
Exploration of Western Australia gold projects	2.0
Rights Issue costs ²	1.4
Surplus Working Capital	10.1
Total	\$146.5

Notes

¹ This amount is the total cash at the end of the quarter ended 30 September 2021 as recorded in the Company's pro forma accounts.

² For further details of the Rights Issue costs refer to Section 5.21.

This is a statement of present intention only. In the event that circumstances change, business opportunities vary from expected or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds.

1.16 **CHES**

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement, a wholly-owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and ASX settlement operating rules.

Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Shares. If your shareholding is held on a broker sponsored sub-register, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Shares issued to you under this Prospectus, and provide details of your holder identification number and the participant identification number of the sponsor.

If your shareholding is held on the CHES company-sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or Company statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

2 Effect of the Rights Issue on the Company

2.1 Purpose of the Rights Issue

The intended use of funds raised under the Rights Issue is detailed in section 1.15.

2.2 Effect of the Rights Issue

The principal effect of the Rights Issue will be to:

- (a) increase cash reserves by \$25.5 million immediately after completion of the Rights Issue, before deducting the estimated expenses of the Rights Issue; and
- (b) increase the total number of Shares on issue from 6,150,120,845 as at the date of this Prospectus by an additional 175,717,738 Shares.

2.3 Effect on the Company's capital structure

(a) Share capital

The principal effect of the Rights Issue on Sayona's capital structure will be to increase the total number of issued Shares. The capital structure of Sayona following the issue of the New Shares under the Rights Issue will be as follows:

Event	Approximate number of Shares issued	Resulting in approximate total number of Shares in the Company
Shares on issue as at 4 October 2021	-	6,150,120,845
New Shares to be issued under the Rights Issue	175,717,738	6,325,838,583

These numbers are approximate and may vary slightly based upon a variety of factors. The final number of Shares in the Company is subject to reconciliation after Rights Issue. The number of shares issued under the Rights Issue is approximate and is subject to directors' discretions.

(b) Other securities

As at the date of this Prospectus, the Company had the following listed and unlisted securities issued:

Security	Approximate number issued	Resulting in approximate total number of Shares in the Company
Listed Options (SYAOC) expiry 29/4/2023 exercise \$0.02	327,068,351	327,068,351
listed (SYAOD) Options exercisable at 3 cents expiring 23 July 2022	70,396,294	70,396,294
Unlisted Options exercisable at 3 cents expiring 29 November 2021	4,000,000	4,000,000
Unlisted Options exercisable at 4 cents expiring 29 November 2022	4,000,000	4,000,000

2.4 Effect on control and dilutionary impact of the Rights Issue

(a) General

It is not expected that the Rights Issue will have any material consequences on the control of the Company as at the date of this document.

The potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The level of control of all Eligible Shareholders that do not subscribe for their full Entitlement will decrease and their percentage interests in the issued Share capital of the Company will be diluted.

(b) Major shareholders/Directors' interests

Based on publicly available information, the largest Shareholders in the Company as at the date of this Prospectus are set out below:

Name	Number of Existing Shares Held	% of Existing Shares
Piedmont Lithium Limited	1,147,900,086	18.6%
Citicorp Nominees Pty Limited	245,176,285	4.0%
Merrill Lynch (Australia) Nominees Pty Ltd	176,610,134	2.8%
BNP Paribas Nominees Pty Ltd	156,522,470	2.5%
Cropanly Pty Ltd	140,400,002	2.3%

Brett Lynch has indicated that he intends to take up his full Entitlement of 3,048,618 New Shares, representing an investment of \$442,050 in the Company but he does not intend to participate in any Shortfall.

Paul Crawford has indicated that he intends to take up part of his Entitlement to approximately 1,000,000 New Shares, representing an investment of approximately \$145,000. He does not intend to take up the balance of his Entitlement or to participate in any Shortfall.

Piedmont Lithium Limited have indicated that they do not intend to take up their Entitlement under the Rights Issue or participate in any Shortfall.

The other three largest Shareholders are custodian holders and have not given an indication regarding the take up of their rights under the Rights Issue or participation in any Shortfall.

The following table sets out the effect on control of the Company with regard to the take-up of the Entitlement by Directors s:

Name	Voting Power as at 4 October 2021	Voting Power after the Rights Issue
Mr Paul Anthony Crawford	2.44%	2.39% ²

Mr Allan Charles Buckler	1.93%	1.88% ¹
Mr James Stuart Brown	0%	0% ¹
Mr Brett Laurence Lynch	1.73%	1.73%

1 Assumes no participation in Rights Issus or Shortfall.

2 Assumes acceptance of 1,000,000 New Shares and does not accept the balance of his Entitlements or participate in any Shortfall.

(c) Major shareholders/Directors' interests

Eligible Shareholders who participate in the Rights Issue have the ability to take up Shares pursuant to the Shortfall Facility. It is not expected that this will have any material effect on control of the Company.

2.5 Effect on the Company's financial position

This section provides relevant financial information for Shareholders to consider when assessing whether to participate in the Rights Issue, including details of the potential impact of the Rights Issue on the Company's financial position.

The pro-forma financial information should be read in conjunction with the limitations set out in the 'Important Information' section of this Prospectus.

Pro-forma Statement of Financial Position

The pro-forma statement of financial position comprises the audited Statement of Financial Position for the Company as at 30 June 2021, adjusted for significant transactions since that date and for the net proceeds of the Rights Issue.

Significant transactions included a capital raise (65m) and settlement of the North American Lithium acquisition, together with a placement to institutional and sophisticated investors (\$100m).

The pro-forma Statement of Financial Position has been prepared on the basis of accounting policies normally adopted by the Company. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro-forma Statement of Financial Position illustrates the effect of the abovementioned pro forma adjustments and in particular the effect of the Rights Issue on the assets and liabilities of the Company as if it had been successfully completed as at 30 June 2021. It is not intended to represent the actual financial position of the Company upon completion of the Rights Issue and is provided only as an illustration of the effect of the Rights Issue and the other pro-forma adjustments. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

	30 Jun 2021	NAL Transaction	Placement	Offer	Pro-forma
	\$	\$	\$	\$	\$
	Audited	Unaudited	Unaudited	Unaudited	Unaudited
CURRENT ASSETS					
Cash and cash equivalents	35,502,596	(14,424,855)	95,224,556	24,068,494	140,370,791
Trade and other receivables	10,412,500	(4,175,145)	-	-	6,237,355
Other assets	43,648	-	-	-	43,648
Total Current Assets	45,958,744	(18,600,000)	95,224,556		146,651,794
NON-CURRENT ASSETS					
Property, plant and equipment	162,222	81,350,000	-	-	81,512,222
Exploration & evaluation asset	25,552,728	-	-	-	25,552,728
Right of use asset	47,629	-	-	-	47,629
Total Non-Current Assets	25,762,579	81,350,000	-	-	107,112,579
TOTAL ASSETS	71,721,323	62,750,000	95,224,556	-	253,764,373
CURRENT LIABILITIES					
Trade and other payables	3,665,560	-	-	-	3,665,560
Provisions	116,872	-	-	-	116,872
Lease liability	37,540	-	-	-	37,540
Total Current Liabilities	3,819,972	-	-	-	3,819,972
NON-CURRENT LIABILITIES					
Lease Liability	15,224	-	-	-	15,224
Total Non-Current Liabilities	15,224	-	-	-	15,224
TOTAL LIABILITIES	3,835,196	-	-	-	3,835,196
NET ASSETS	67,886,127	62,750,000	95,224,556	-	249,929,177
EQUITY					
Issued capital	128,727,789	62,750,000	95,224,556	26,787,446	310,770,839
Reserves	304,633	-	-	-	304,633
Accumulated losses	(67,643,223)	-	-	-	(67,643,223)
Non-controlling interests	6,496,928	-	-	-	6,496,928
TOTAL EQUITY	67,886,127	62,750,000	95,224,556	26,787,446	249,929,177

3 How to participate

3.1 What you may do — choices available

Before taking any action, you should carefully read this Prospectus and the other publicly available information about the Company on our website (www.sayonamining.com.au) and consider the risk factors set out in section 4.

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder, you may:

Alternatives	See section
• Take up your Entitlement in full or in part	3.2
• Take up your Entitlement in full and apply for Additional New Shares	3.2 and 3.3
• Allow your Entitlement to lapse	3.8

3.2 If you wish to accept your Entitlement in full or in part

Pay by BPAY®

Please refer to your personalised instructions on your Entitlement and Acceptance Form available online at <https://sayonaoffer.thereachagency.com>. Please note that by submitting payment by BPAY®:

- you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations in this Prospectus;
- amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e., where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by **5pm (Brisbane time) on 25 October 2021**.

Excess Application Money that is not sufficient to subscribe for a number of New Shares or Additional New Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Application Money received or refunded.

3.3 Applying for Additional New Shares

Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement. Please note that Additional New Shares will only be allocated to Eligible Shareholders if and to the extent that the Company determines to do so, in its absolute discretion having regard to

circumstances as at the time of the close of the Rights Issue. Any Additional New Shares will be limited to the extent there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Rights Issue.

3.4 **Scale back**

The Company may scale back any application for Additional New Shares in its absolute discretion, but will not scale back any Entitlement. However, if the Rights Issue is oversubscribed, it is the Company's current intention to scale back all applications for Additional New Shares in the same proportions.

In the event of a scale back, the difference between the Application Money received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

3.5 **Acceptance of the Rights Issue**

By making a payment by BPAY[®], you:

- (a) agree to be bound by the terms of this Prospectus and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares or Additional New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Rights Issue;
- (e) acknowledge that once the Company receives your payment by BPAY[®], you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the Issue Price per New Share;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and that the Prospectus is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (j) acknowledge the statement of risks in section 4, and that investments in the Company are subject to risks;
- (k) represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Prospectus or making an application for New Shares; and
- (l) represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the Entitlement and Acceptance Form and that you

acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form.

3.6 Acknowledgement of acceptance of Rights Issue

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not in the United States and are not a US Person (see section 5.12 below), and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Rights Issue;
- (b) acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) agree that if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares you will only do so in regular transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person;
- (d) agree to provide (and direct your nominee and custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date; and
- (e) have not and will not send any materials relating to the Rights Issue to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

3.7 Enquiries

If you would like further information, you can:

- Contact your stockbroker, accountant or other professional adviser; or
- Call the Sayona Rights Issue Information Line on 1300 552 270 (within Australia) at any time from 8:30 am to 5:30 pm (Sydney time) Monday to Friday (excluding public holidays) during the Rights Issue period. If you are outside Australia, call on +61 3 9415 4000.

3.8 If you do not wish to accept all or any part of your Entitlement

To the extent you do not accept all or any part of your Entitlement, it will lapse.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

4 Risk factors

4.1 General

An investment in the Company is subject to risk. The existence of risk means that the performance of the Company could be adversely affected.

The Directors have identified what they believe to be the major risks that may affect the Company. While the Company has endeavoured to disclose all material risks, you should be aware that the risks contained in this Section are not exhaustive. This Section should be treated as a general guide only.

Due to the existence of risk, it is recommended that before deciding whether or not to invest you:

- read the Prospectus in its entirety;
- consider the nature, probability and materiality of the risks described in this Section; and
- seek independent advice from an Australian financial services licensee, in light of your particular needs, objectives, financial circumstances and investment preferences.

While the Company may be able to minimise the impact of some risks through various risk management techniques, many of the risks we have identified in this section are beyond our control and as such cannot be eliminated or their impact minimised.

You may personally be able to manage the impact of risk by obtaining independent professional advice tailored to your own investment objectives, financial situation and particular needs. You should:

- consider carefully whether an investment in the New Shares is an appropriate investment for you;
- appreciate that the price of shares listed on ASX can fall as well as rise; and
- regard an investment in the New Shares as a speculative investment.

4.2 Key Risks specific to the Company

Exploration Risk

The successful exploration and development of mineral properties is speculative. There is no assurance that exploration of the tenement portfolio in which the Company has an interest, will result in the discovery of a mineral deposit that can be economically mined or the increase in any current mineral resource or conversion of mineral resources to ore reserves.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may differ materially from these estimates and assumptions.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Many of the mining claims in which the Company has an interest are subject to ongoing royalty obligations. The amount of royalties payable in respect of a claim may have an impact

on the economic viability of that claim, depending on various factors such as commodity prices and prevailing economic conditions.

Project Funding and potential future dilution

The future development of the Company's Authier Lithium Project, North American Lithium Project and Moblan Project (the **Projects**) will require the Company to obtain additional equity and debt funding. There is no certainty that the Company will be able to secure the necessary funding, or secure it on terms that are economic, to enable the future development of the Projects.

The Company does not presently have any source of revenue and will require to raise additional capital to bring one or more of its projects into production. Future equity raisings by the Company will dilute existing shareholders of the Company who do not participate in that capital raising, and may diminish the value of their shareholding depending on the price at which the Company is able to raise future capital.

Land Access

From time to time, the Company's tenements or tenements the Company has a legal or beneficial interest in, may be subject to claims or other access restrictions. In those circumstances, Sayona may have to resolve access arrangements under the relevant regime prior to entering upon the land to carry out activities. Access arrangements may be subject to provision of monetary compensation, compensation for damage to land, restoration of the land.

There can be no guarantee that applications or access arrangements will be resolved in a timely fashion, in Sayona's favour, or in manner which is commercially viable for Sayona.

Tenure

Interests in a project's tenements are governed by legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it expenditure and reporting commitments, as well as other conditions requiring compliance.

In addition, an interest (or a right to earn an interest) in a project may be governed by agreements with parties which require compliance with certain conditions, commitments and obligations.

Consequently, the Company could lose title to or its interest in tenements or a project if these conditions, commitments and obligations are not met as and when they arise.

Sovereign and Political Risk

The Projects are all located in Québec, Canada. As a result, the Company is subject to political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted.

The Company's future operations in Québec may be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project and even render it uneconomic.

NAL development

Sayona is presently undertaking a scoping study for an integrated NAL and Authier mining project, with a view to recommencing operations and the production of spodumene at the NAL processing facility. The recommencement of mining operations and spodumene production involves an update of the mineral resource and block model, upgrade to the run-of-mine feed systems, crushing circuit improvement works, other plant refurbishment; pit de-watering and updates to certain permits. A delay in any of these activities may adversely impact on

Sayona's plans, related timelines and the anticipated date by which the Company presently anticipates commencing production of spodumene from the project.

Moblan Acquisition

The acquisition of the Moblan project is structured as an assignment of LRC's binding right to acquire the Moblan interest from Guo-Ao Lithium Ltd. The acquisition is subject to the Company raising sufficient capital to complete the acquisition and other customary closing conditions. Guo-Ao Lithium Ltd's obligation to assign the Moblan interest is unconditional, subject to completion occurring by 15 October 2021. If any of the conditions to closing are not satisfied or waived by the Company, or Guo-Ao Lithium Ltd defaults under its obligations, the Company may not be able to complete the acquisition, which may have a material adverse effect on the Company.

Future approvals risk

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future operations, the Company may require additional approvals and permits relating to any necessary regulatory, social and community, and environmental matters. There is no assurance that such approvals will be received or that the conditions within the approvals will not be overly onerous.

Foreign estimates

The Company has announced a foreign estimate in respect of each of its NAL and Moblan assets. Sayona cautions that:

- the resource estimates in respect of the NAL and Moblan assets are foreign estimates and are not reported in accordance with the JORC Code;
- a competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code; and
- it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.

Foreign Currency Risks

The Company is exposed to foreign currency risk. The Company incurs expenses in Canadian dollars and US dollars and presently reports in Australian Dollars. The Company presently has no revenues in Canadian or US dollars and has raised capital in Australian dollars. Any adverse movement in the foreign exchange rate between Australian dollars and Canadian and US dollars will have an adverse effect on the Company.

Insurance

The Company, where economically feasible, insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance, if obtained, may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a negative effect on the financial performance of the Company and the value of an investment in the Company.

COVID-19

The COVID-19 pandemic is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The COVID-19 pandemic continues to impact many regions globally, including Quebec, Canada, and its future impact and outcome is uncertain. The effect of the COVID-19 pandemic, or government responses to the pandemic, may materially adversely delay or effect

the Company's ability to pursue its activities and the exploration and development of its assets.

Unforeseen expenditure

The Company may be subject to significant unforeseen expenses or actions, which may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Climate change

The impact of climate change on the Company is uncertain. Risks from climate change on the Company include:

- (i) regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns, which may adversely affect the Company's operations.

4.3 Industry Risks

Development Risk

There is a risk that the Company will not be able to economically mine any mineral resources or ore reserves discovered in its tenement portfolio in order to produce a satisfactory commercial return. There are significant risks associated with the development of an operating mine. Before the Company can build a mine, the Company will need to obtain various regulatory approvals and licences, including environmental licences. There is no guarantee that the Company will be able to obtain the required approvals and licences or that it will be able to comply with any conditions imposed on those approvals and licences in a cost-effective manner.

There are also many operational and technical risks associated with developing and operating a mine. These risks may have an adverse effect on the capital costs, operating costs or time to develop a project and consequently, adversely impact the economic viability of any future mining activities.

Environmental Risk

Mineral exploration and development carry some level of environmental risk. The Company may require statutory approval from relevant environmental authorities before it can undertake certain activities that may impact on the environment. Development of identified mineral resources will be dependent on the project meeting environmental guidelines and gaining the required approvals from government departments.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Market Volatility

Share market conditions may affect listed securities regardless of the operating performance of a particular company. Market conditions are affected by many factors including investor confidence, general national and global economic outlook, changes in or outlook on interest rates, changes in or outlook on inflation, commodity prices and supply of capital.

The Shares of the Company may rise or fall in price depending on market conditions and investor attitude.

Commodity Prices

The Company's Share price, future revenues and cash flows may be impacted by changes in the prices of minerals commodities. Commodity prices are influenced by physical and investment demand and may rise or fall. Fluctuations in commodity prices, specifically lithium may influence individual projects in which the Company is involved. Similarly, the demand for products in which lithium is used may impact commodity prices and in turn adversely affect the Company's own financial position and/or Share price.

The international prices of most commodities are denominated in United States dollars. Changes in the Australian/United States dollar exchange rate may impact the value of the Company and its Shares. Exchange rates are influenced by numerous macro-economic factors beyond the Company's control.

Financial Performance

Sayona is a mineral exploration company. The Company has no immediate source of revenue. The Company will not generate any revenue until such time as it is able to successfully implement its plans to restart lithium production at the Company's NAL project.

Consequently, until Sayona is able to realise value from its projects, Sayona will incur ongoing operating losses.

Reliance on Key Personnel

As an exploration company, Sayona is dependent on its senior management and key personnel for the day-to-day operations and strategic management of the Company. The value of the Shares and the operations of the Company could be adversely affected by the departure of any of these employees.

5 Important information for Shareholders

5.1 Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Rights Issue period online at <https://sayonaoffer.thereachagency.com> or by contacting the Share Registry by phone on 1300 552 270 within Australia (or on +613 9415 4000 if you are overseas) during the Rights Issue period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

You will only be entitled to accept the Rights Issue by making payment via BPAY® using the information provided on your personalised Entitlement and Acceptance Form (which accompanies the Prospectus online at <https://sayonaoffer.thereachagency.com>) (refer to section 3 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

5.2 Continuous disclosure and inspection of documents

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, accordingly, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of the securities in the Company.

This Prospectus is a 'transaction specific prospectus. In general terms, a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information, and in particular the Investor Presentation, in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made all enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete. The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC;

- (ii) disclosure documents given by the Company to ASX in accordance with Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC. These include the following announcements:

Date lodged	Announcement
04.10.21	Investor Presentation
04.10.21	Proposed Issue of Securities
04.10.21	Offer Prospectus
04.10.21	Placement Announcement
01.10.21	Full Year Statutory Accounts

5.3 Rights of the New Shares

The following is a summary of the more significant rights attaching to New Shares being offered under this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered address.

(a) Share capital

Subject to the constitution:

- (i) all matters relating to the issue of shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such person or persons on such terms and conditions and with such rights and privileges attached and at such times as the Directors may think fit; and
- (ii) any resolution passed in accordance with the constitution for the alteration of capital, the Directors may issue new shares with or without any special conditions, preferences or priority either as to dividends or capital or both with any other special rights or advantages. In the absence of any special conditions or rights, such new shares when issued shall be held upon the same conditions as if they had been ordinary shares in the original capital, and shall be subject to the provisions of the constitution that relate to ordinary shares in the Company.

(b) Voting rights

Subject to the constitution and to any rights or restrictions attached to any class or classes of Shares, at a general meeting:

- (i) each Shareholder entitled to vote may vote in person or by proxy, representative or attorney;
- (ii) on a show of hands, every Shareholder present has one vote; and
- (iii) on a poll, every Shareholder present has one vote for each share held by the Shareholder entitling the Shareholder to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) bears to the total amounts paid or payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.

(c) General meetings

Shareholders are entitled to receive written notice of and attend and vote at general meetings of the Company. Annual general meetings of the Company are held in accordance with the Corporations Act.

(d) **Dividend rights**

Subject to the Corporations Act, the Company's profits which the Directors determine to distribute by way of dividends are divisible amongst the holders of Shares in proportion to the amounts paid (excluding any amount paid or credited as paid in advance of a call) on the Shares at the date of declaration of the dividend.

(e) **Transfer of Shares**

Generally, all Shares are freely transferable subject to the procedural requirements of the constitution and to the provisions of the Corporations Act, Listing Rules and ASX Settlement and Transfer Corporation Pty Limited (**ASTC**) Settlement Rules. If, when permitted to do so, the Directors refuse to register a transfer of shares, the Company must give notice of the refusal and the precise reasons for such action within 5 business days after the date on which the transfer was lodged by the Company.

(f) **Winding-up**

Subject to the rights of holders of Shares issued on special terms and conditions, on a winding up of the Company, the liquidator, with the sanction of a special resolution of the Company, may:

- (i) divide in specie among the contributories of the Company any part of the surplus assets (being those assets of the Company which, upon the winding up of the Company, remain after payment of debts and liabilities of the Company and the costs of winding up); and
- (ii) may vest any part of the surplus assets in trustees on such trusts for the benefit of the contributories or any of them as the liquidator shall think fit.

(g) **Variation of rights**

At present, the Company only has ordinary Shares on issue and has no current plans to create further classes of Shares. The rights and restrictions attaching to a class of the Company's Shares shall not at any time, be varied without:

- (i) the consent in writing of the holders of 75% of the issued shares of that class; or
- (ii) the sanction of a special resolution passed at a separate meeting of holders of the shares of that class.

(h) **Number of Directors**

The constitution provides that the Company may from time to time by resolution at a meeting increase or reduce the number of Directors. Currently, the number of Directors must not be less than 3 or more than 9.

5.4 **Lead Manager Mandate**

On 25 September 2021, Sayona and Canaccord entered into a Mandate under which Canaccord was appointed as Lead Manager to the Placement and is also mandated to assist the Company with the placement of any Shortfall. The terms of the Mandate are customary for an agreement of this nature.

5.5 **Placement**

Prior to the Rights Issue, the Company has agreed to a Placement of New Shares to raise approximately \$100 million.

The issue price under the Placement is the same price of 14.5 cents (\$0.145) per New Shares as under the Rights Issue.

5.6 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner:

- (a) has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:
 - (i) the formation or promotion of the Company; or
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue under this Prospectus; or
 - (iii) the Rights Issue under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
 - (i) to induce them to become or to qualify as a Director; or
 - (ii) for services rendered by them in connection with the formation or promotion of the Company or the Rights Issue under this Prospectus.

The relevant interests of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below. The combined interests of the Directors and other holders is also shown on an undiluted basis.

Director	Shares held as at 4 October 2021	% of Company Shares as at 4 October 2021	Entitlements (New Shares) Intended to be accepted	Value of New Shares to be subscribed (\$)
Mr Brett Laurence Lynch	106,701,619	1.73	3,048,621	442,050
Mr Allan Charles Buckler	118,690,114	1.93	0	0
Mr Paul Anthony Crawford	150,288,108	2.44	1,000,000	145,000
Mr James Stuart Brown	0	0	0	0
Total	375,679,841	6.11	4,048,621	587,050

5.7 Related party disclosure

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements;
- (b) issue of securities to Directors or entities associated with Directors; and
- (c) payment of Director's fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than the further disclosure made in this section Prospectus does not intend to make any further disclosure of such transactions, which will either proceed on an 'arm's length basis', be reasonable remuneration or be approved by Shareholders in general meeting.

5.8 Interests of experts and advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer of the New Shares; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offer of the New Shares.

GRT Lawyers have acted as legal adviser to the Rights Issue and have generally advised in relation to due diligence enquiries and are entitled to receive \$35,000 plus outlays and GST in respect of these services. Further amounts may be paid to GRT Lawyers in accordance with their usual time-based charge-out rates.

The Lead Manager is entitled to receive the fees and expenses set out in section 5.21 of this Prospectus.

5.9 Consents to be named

The following persons have given and have not, prior to the lodgement of this Prospectus with ASIC, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named.

- (a) GRT Lawyers has consented in writing to be named in this Prospectus as solicitors for the Company and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.
- (b) Canaccord has consented in writing to be named in this Prospectus as Lead Manager and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.
- (c) Computershare Investor Services Pty Limited has consented in writing to be named in this Prospectus as the share registry for the Company and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.

5.10 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three calendar months immediately preceding the date of issue of this Prospectus is set out below:

	Date	Price
3 month high	16 September 2021	\$0.20
3 month low	21 July 2021	\$0.075
Last market sale price	29 September 2021	\$0.175

5.11 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus, the Investor Presentation or other ASX disclosures which is likely, in the opinion of the Directors, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company.

5.12 Shareholders outside Australia and New Zealand

(a) General restrictions

This Prospectus and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and New Zealand. The New Shares may not be offered in a jurisdiction outside Australia and New Zealand where such an offer is not made in accordance with the laws of that place.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia and New Zealand.

(b) New Zealand securities law requirements

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus contains an offer to eligible shareholders of continuously quoted securities and has been prepared in accordance with section 713 of the Australian Corporations Act. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(c) United States

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Rights Issue is not being made to US persons or persons in the United States.

(d) Ineligible Shareholders

The Company is not extending the Rights Issue to Ineligible Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia or New Zealand, the number of Ineligible Shareholders and the number and value of New Shares which could be offered to Ineligible Shareholders.

Where this Prospectus has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

5.13 **Notice to nominees and custodians**

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Sayona. Nominees and custodians should consider carefully the contents of the letter and note in particular that the Rights Issue is not available to Ineligible Shareholders.

Sayona is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any nominee or custodian is acting on behalf a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws. Any person in the United States or any US Person with a holding through a nominee may not participate in the Rights Issue. Nominees and custodians may not distribute any part of this Prospectus in the United States or in any other country outside of Australia or New Zealand.

5.14 **Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

5.15 **Privacy**

If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to Sayona, its agents, contractors and third-party service providers. Sayona, its agents, contractors and third-party service providers will collect, hold and use that information to assess your acceptance, carry out administration of your shareholding, service your needs as a Shareholder and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your acceptance is not able to be processed efficiently, if at all.

You may request access to your personal information held by (or on behalf of) Sayona and by the Share Registry. You can request access to, or the updating of, your personal information by telephoning or writing to Sayona or the Share Registry using the details shown in the Corporate Directory.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act.

5.16 **Forward looking statements**

Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Rights Issue.

5.17 Past performance

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is, or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX.

5.18 Risks

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Rights Issue.

Section 4 details important factors and risks that could affect the financial and operating performance of Sayona. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Rights Issue.

5.19 Disclaimer of representations

No person is authorised to give any information or make any representation in connection with the Rights Issue, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Sayona in connection with the Rights Issue. Except as required by law, and only to the extent so required:

- (a) none of Sayona, or any person, warrants or guarantees the future performance of Sayona or any return on any investment made pursuant to the information contained in this Prospectus; and
- (b) Sayona, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Prospectus being inaccurate or incomplete in any respect.

5.20 ASX waivers and ASIC relief

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Rights Issue. The Company is relying on ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, but no other specific ASIC relief, in order to conduct the Rights Issue.

5.21 Expenses of the Rights Issue

The \$28.4 million represents the total funds to be raised under the Rights Issue.

The total expenses of raising funds under the Rights Issue are estimated to be approximately \$1,555,749 (excluding GST).

The proportion of these attributable to the Rights Issue, and proposed application of funds, are set out in the following table:

Expense	Total Fees	Proportion of Total Fees attributable to the Rights Issue	Proportion of Total Fees attributable to the Rights Issue, as a % of total funds raised
ASIC fees	2,400	0.2%	-
ASX fees	34,224	2.4%	0.1%
Legal fees	25,000	1.8%	0.1%
Lead Manager Management Fee	1,273,954	90.3%	5.0%

Other Fees	75,000	5.3%	0.3%
TOTAL	1,410,578	100.0%	5.5%

5.22 Authorisation and disclaimers

This Prospectus is issued by, and is the sole responsibility of Sayona Mining Limited.

None of the parties referred to in the Corporate Directory of the Prospectus (other than Sayona), has:

- (a) authorised or caused the issue of this Prospectus; or
- (b) made or authorised the making of any statement that is included in this Prospectus or any statement on which a statement in this Prospectus is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Prospectus (other than Sayona) expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

In particular, Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company.

5.23 Governing law

This Prospectus, the Rights Issue and the contracts formed on acceptance of applications are governed by the laws applicable in Queensland, Australia.

5.24 Interpretation

Some capitalised words and expressions used in this Prospectus have meanings which are explained in section 7.

A reference to time in this Prospectus is to the local time in Brisbane, Australia, unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

5.25 No handling fees

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Shareholders.

6 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated: 4 October 2021

A handwritten signature in blue ink, appearing to read 'Paul Crawford', is positioned above the printed name of the director.

Mr Paul Crawford
Director

For and on behalf of
Sayona Mining Limited

7 Definitions

Additional New Shares	New Shares which Eligible Shareholders apply for in excess of their Entitlement.
Application Money	Money received in respect of an application for New Shares and Additional New Shares (if applicable).
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable.
Board	The board of Directors.
Closing Date	The last day for payment of Application Money and return of Entitlement and Acceptance Forms being, 5pm (Brisbane time) on Wednesday, 10 August 2016 (unless extended).
Company or Sayona	Sayona Mining Limited ACN 091 951 978.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A shareholder to whom Listing Rule 7.7.1(a) does not apply and who received an offer under the Rights Issue and as described in section 1.3 of this Prospectus.
Entitlement	The entitlement to one (1) New Share for every thirty-five (35) Shares held on the Record Date. The entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.
Ineligible Shareholder	A Shareholder: <ul style="list-style-type: none"> • who has a registered address outside Australia and New Zealand and any other jurisdictions as Sayona agrees; and • to whom Listing Rule 7.7.1(a) applies.
Investor Presentation	The various investor presentations announced to the ASX in 2019, 2020 and 2021.
Issue Price	14.5 cents (\$0.145) per New Share.
Lead Manager	Canaccord Genuity (Australia) Limited ACN 075 071 466.
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time.
Management	The senior management team of the Company.
New Shares	Shares offered under the Rights Issue.
Option	An option to acquire a Share.
Prospectus	This document.

Record Date	6pm (Brisbane time) on 7 October 2021.
Register	The register of Shareholders required to be kept under the Corporations Act.
Rights Issue	The offer of New Shares and the Shortfall Facility made under this Prospectus.
Shortfall Facility	The offer of Additional New Shares to Eligible Investors that have fully subscribed to the Rights Issue as described in section 1.4.
Share	A fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
Shareholder	A holder of Shares.
TERP	The theoretical price at which Shares should trade immediately after the ex-date for the Rights Issue assuming 100% take-up of the Rights Issue. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Rights Issue will depend on many factors and may not be equal to the theoretical ex-rights price.
US or United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
US Person	The meaning given in Regulation S under the US Securities Act.
US Security Act	The <i>United States Securities Act of 1933</i> , as amended.

CORPORATE DIRECTORY

Directors

Paul Anthony Crawford (Executive Director)
Brett Laurence Lynch (Managing Director)
Allan Charles Buckler (Non-Executive Director)
James Stuart Brown (Non-Executive Director)

Company Secretary

Paul Anthony Crawford

Registered Office

Unit 68, 283 Given Terrace
Paddington QLD 4064

Lead Manager

Canaccord Genuity (Australia) Limited
Level 15, 333 Collins Street
Melbourne VIC 3000

Lawyers to the Company

GRT Lawyers
Level 27, 111 Eagle Street
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
117 Victoria Street
West End QLD 4101
(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

Contact Details

Web: <http://www.sayonamining.com.au/>
Email: info@sayonamining.com.au
Telephone: 07 3369 7058
Facsimile: 07 3300 9213

ASX Code: SYA