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MOBLAN DRILLING PLANNED AS SAYONA EYES LITHIUM RESOURCE EXPANSION

Highlights

- **Major drilling program planned from February 2022 at Moblan Lithium Project, adding to resource expansions planned across Québec lithium projects**
- **North American Lithium (NAL) scoping study advances, targeting resumption of production from 2023**
- **Western Australian lithium/gold projects picking up speed as Sayona builds global asset base.**

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) is launching a major new drilling program in partnership with SOQUEM Inc. at the Moblan Lithium Project in Northern Québec, with the aim of further expanding its lithium resource base amid accelerating demand for the key battery metal.

The drilling program will commence in February 2022 and will consist of 55 drill holes totalling nearly 9,000 metres. The program is being conducted in partnership with SOQUEM Inc, which holds a 40% stake in the Moblan project, with Sayona holding the remaining 60% interest. SOQUEM will use its in-depth knowledge of the project and the region to act as operator.

Sayona Managing Director Brett Lynch commented: *“Having just completed our investment in Moblan in mid-October, Sayona is moving quickly with plans to expand its resource, consistent with our accelerated lithium development program.*

“The new drilling at Moblan will add to other planned resource upgrades in 2022 across our projects, helping to further build capacity with the aim of ultimately going downstream to produce lithium carbonate/hydroxide, potentially the first to do so in North America.”

The Moblan project is located about 100km north of the town of Chibougamau and approximately 85 kilometres from the Cree (First Nations) community of Mistissini. The project is accessible year-round via the Route du Nord and its proximity to Chibougamau and Mistissini with their available infrastructure makes it an ideal location for exploring and mining deposits of industrial energy minerals.

The program aims to investigate the lateral and shallow extensions of the deposit, which has already been identified over a length of 1.5 kilometres and remains open in all directions (refer ASX release 30 September 2021). It also aims to test the Moleon areas, as well as several spodumene pegmatite dykes that were investigated during previous prospecting campaigns.

Sayona is committed to engaging local communities as the project progresses, including First Nations and other local community members, consistent with its stakeholder engagement approach.

North American Lithium (NAL) advances

Sayona's plans to resume spodumene production at NAL have picked up speed, with the Company recruiting new local personnel to advance the project.

Sayona Québec has recently added a number of senior recruits to its growing team, including Carl Corriveau, Exploration Director; Annie Blier, Environmental Director; and Cindy Valence, Director, External Affairs, together with new NAL hires including OHS Coordinator, Philippe Caron.

The construction management team has been mobilised and various inspection and preparatory work has already started on-site.

A site visit by a team from Investissement Québec has further emphasised plans to upgrade the NAL plant to facilitate the production of lithium carbonate/hydroxide, facilitating plans by the Québec Government to develop a 100% local battery chain from mining to processing.

A project review has shown the potential to expand the lithium resource at NAL, with consultants BBA Inc. engaged to produce an updated Canadian NI 43-101 study to facilitate conversion to Australia's JORC standard. The results of this study are expected in the new year.

A scoping study is also underway examining the production of spodumene (lithium) concentrate at NAL from 2023, combined with Sayona's nearby Authier Lithium Project. The study results are expected in February 2022.

Authier drilling

Sayona has developed the leading lithium asset base in North America following its successful acquisitions of NAL and a 60% stake in the Moblan Lithium Project, together with its Authier and Tansim projects.

At Authier, recent drilling further enhanced the Company's confidence in the quality and expansion potential of its resource. A 25-hole, 3,908m diamond drill program was undertaken with the results of the first 22 holes received (refer ASX release 1 December 2021). Assay results are expected soon from the additional three holes.

Product testing

The purity of the Québec spodumene product has already been confirmed by successful CSIRO tests, which showed Authier spodumene is capable of being processed into 99.99% lithium hydroxide (refer ASX release 7 July 2021).

A portion of these samples were dispatched to Novonix Battery Technology Solutions in Nova Scotia, Canada, for further testing to confirm the product's conformance with commercial battery cells.

Testing at Novonix has been delayed due to COVID-19 shipping delays and customs clearance issues, however new samples have subsequently been provided from ICS Lithium for retesting in Canada in January. These results are expected to show the product's conformity with lithium-ion battery standards and enable performance comparisons in commercial cells suitable for potential offtake partners.

WA lithium development

Concerning the Company's Western Australian lithium portfolio, Sayona's earn-in partner, Altura Mining (now known as Morella Corporation Limited), has announced the completion of an extensive technical review over the Mallina Lithium Project and the rest of the tenement package related to the earn-in in the Pilbara.

Drawing upon its geological knowledge and experience in the region, Morella plans to commence drilling at Mallina during the first half of 2022, with the potential to define another key lithium resource.

Sayona's Pilbara gold leases are prospective for intrusion-related gold mineralisation, similar to De Grey Mining's Hemi discovery. Subject to the necessary drilling and heritage approvals, Sayona aims to undertake the first drill testing of these Hemi-style targets in 2022.

On the corporate front, Sayona has seen its shareholder base expand enormously over the past year, from approximately 4,600 shareholders in September 2020 to currently around 27,000. The Company's Annual General Meeting is now scheduled for late January 2022 and the Board looks forward to engaging with shareholders on the growth opportunities ahead.

Speaking from Québec, Sayona's Mr Lynch said the outlook was bright for the Company's lithium resource expansion in the Canadian province.

"Québec continues to attract enormous investment interest from EV and battery makers globally, with the Québec Government highlighting the province's potential to produce the greenest battery with the most reliable supply chain in the world," he said.

"Our projects in the province are well placed to benefit, as we build the largest lithium resource base in North America, facilitating the electrification of transport and industry as part of the global decarbonisation drive.

"Having been among the ASX's top performers in 2021, the year ahead is looking equally exciting as we advance our North American lithium production plans."

This announcement has been authorised by Sayona's Board of Directors.

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About Sayona Mining

Sayona Mining Limited is an emerging lithium producer (ASX:SYA; OTCQB:SYAXF), with projects in Québec, Canada and Western Australia.

In Québec, Sayona's assets comprise North American Lithium together with the Authier Lithium Project and its emerging Tansim Lithium Project, supported by a strategic partnership with American lithium developer Piedmont Lithium Inc. (Nasdaq:PLL; ASX:PLL). The Company also holds a 60% stake in the Moblan Lithium Project.

In Western Australia, the Company holds a large tenement portfolio in the Pilbara region prospective for gold and lithium. Sayona is exploring for Hemi-style gold targets in the world-class Pilbara region, while its lithium projects are subject to an earn-in agreement with Altura Mining Limited.

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

Reference to Previous ASX releases

- Drilling results advance Authier project – 1 December 2021
- Quarterly Activities Report – 29 October 2021
- Resource expansion eyed as Moblan acquisition closes – 18 October 2021
- Sayona acquiring Moblan project to boost Québec lithium base – 30 September 2021
- Sayona eyes potential NAL resource increase – 13 September 2021