

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/00, 30/9/01, 11/3/02, 1/1/03, 21/10/05, 1/8/12, 4/3/13

Name of entity

SAYONA MINING LIMITED

ABN

26 091 951 978

We (the entity) give ASX the following information:

Part 1 - All issues

1	Class of securities issued or to be issued	Ordinary Fully Paid Shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	218,000,000
3	Principal terms of the securities	As per existing shares ordinary shares.
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Ordinary shares rank equally in all respects.
5	Issue price or consideration	\$0.051 (5.1 cents)
6	Purpose of the issue	Placement to international and domestic institutional and sophisticated investors
6a	Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?	Yes
6b	The date the security holder resolution under rule 7.1A was passed	17 November 2017
6c	Number of securities issued without security holder approval under rule 7.1	Nil
6d	Number of securities issued with security holder approval under rule 7.1A	5,732,672
6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	212,267,328

+ See chapter 19 for defined terms.

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes. Shares issued at \$0.051 per Share on 24 April 2018 (issue date). The assessed VWAP for the 15 days prior to the issue date, that the company’s shares were traded, was \$0.059. This VWAP assessment has been provided by Patersons Securities Limited.				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 nil LR 7.1A 140,990,289				
7	Issue dates.	24 April 2018				
8	Number and class of all securities quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td>1,693,046,728</td><td>Ordinary shares</td></tr></table>	Number	Class	1,693,046,728	Ordinary shares
Number	Class					
1,693,046,728	Ordinary shares					
9	Number and class of all securities not quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td></td><td></td></tr></table>	Number	Class		
Number	Class					
10	Dividend policy on the increased capital (interests)	Nil				

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the securities will be offered	
14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	

+ See chapter 19 for defined terms.

Appendix 3B – New Issue Announcement

22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements in full through a broker?	
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	Issue date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

34 Type of securities (tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36 ☐ If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

38 Number of securities for which quotation is sought

39 Class of securities for which quotation is sought

40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

If not, please state:

- the date from which they do
- the extent to which they participate for the next dividend, or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

42 Number and class of all securities quoted on ASX (including the securities in clause 38)

Number	Class

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	879,084,202
Add the following:	
• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2	547,281,530
• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval	40,863,882
• Number of partly paid ordinary securities that became fully paid in that 12 month period	Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	1,467,229,614
Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	220,084,442
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:	
• Under an exception in rule 7.2	220,084,442
• Under rule 7.1A	
• With security holder approval under rule 7.1 or rule 7.4	
“C”	220,084,442
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	220,084,442
Subtract “C”	220,084,442
Total [“A” x 0.15] – “C”	0

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” (number must be same as shown in Step 1 of Part)	1,467,229,614
Step 2: Calculate 10% of “A”	
“D”	
Multiply “A” by 0.10	146,722,961

+ See chapter 19 for defined terms.

Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	5,732,672
“E”	
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 (number must be same as shown in Step 2)	146,722,961
Subtract “E” (number must be same as shown in Step 3)	5,732,672
Total [“A” x 0.10] – “E”	140,990,289

Quotation agreement

- 1 Quotation of our additional securities is in ASX’s absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 24 April 2018

(Director/Company Secretary)

Print name:

PAUL CRAWFORD

+ See chapter 19 for defined terms.