

ASX ANNOUNCEMENT

ASX: SYA

21 February 2020

**ASX ANNOUNCEMENTS
AUSTRALIAN SECURITIES EXCHANGE**

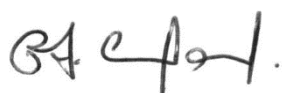
NOTICE OF MEETING - EXTRAORDINARY GENERAL MEETING

Attached is the notice of meeting for an extraordinary general meeting to be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 23 March 2020 at 10.00 am AEST.

The notice of meeting had been dispatched to shareholder today.

If you have any questions or require further information, please contact the Company Secretary.

Yours faithfully
Sayona Mining Limited



Paul Crawford
Company Secretary

Sayona Mining Limited

ACN 091 951 978

Notice of Extraordinary General Meeting and Explanatory Statement

Extraordinary General Meeting to be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on
23 March 2020 at 10.00 am AEST

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Sayona Mining Limited ACN 091 951 978 (**Company**) will be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 23 March 2020 at 10.00 am AEST, for the purpose of transacting the following business referred to in this Notice of Meeting of Meeting.

An Explanatory Statement provides additional information on matters to be considered at the Meeting.

AGENDA

ORDINARY BUSINESS

Resolution 1 – Ratification of the issue of Shares to Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 95,000,000 Shares to Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

Resolution 2 – Ratification of the issue of Shares to First Nation Abitibiwinni (Pikogan)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,500,000 Shares to First Nation Abitibiwinni on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

Resolution 3 – Ratification of the issue of Shares to Obsidian Global GP, LLC (First Purchase)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Shares and 691,400 Convertible Notes to Obsidian Global GP, LLC on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

Resolution 4 – Approval of issue of Replacement Convertible Notes

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 491,400 Replacement Convertible Notes to Obsidian Global GP, LLC on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

Resolution 5 – Approval to issue Shares and Convertible Notes to Obsidian Global GP, LLC (Second Purchase)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 40,000,00 Shares and Convertible Notes in accordance with the Convertible Securities Agreement to Obsidian Global GP, LLC on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

Resolution 6 – Approval to issue Shares and Convertible Notes to Obsidian Global GP, LLC (Third Purchase)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,000,000 Shares and Convertible Notes in accordance with the Convertible Securities Agreement to Obsidian Global GP, LLC on the terms and conditions set out in the Explanatory Statement."

Refer to applicable voting prohibitions and exclusions set out below.

VOTING EXCLUSIONS:

The Company will disregard any votes cast on Resolutions 1-6 by any persons who participated in the issue and any of their associates. The parties and their associates excluded from voting on these resolutions are:

- (a) **Resolution 1:** Acuity Capital
- (b) **Resolution 2:** The Council of the First Nation Abitibiwinini;
- (c) **Resolution 3-6:** Obsidian Global GP, LLC

However, the Company need not disregard a vote if it is cast by a person as:

- (d) a proxy or attorney for a person who is entitled to vote on the resolution in accordance with the directions of the Proxy Form or attorney to vote on the resolution in that way; or
- (e) the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction on the Proxy Form to vote as the proxy or attorney decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

NOTES

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that a General Meeting of members will be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 23 March 2020 at 10.00 am AEST.

Your Vote is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7 pm AEST on 20 March 2020.

Notice to Persons outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Privacy

To assist the Company to conduct the General Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the General Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, and the Company's agents for the purposes of implementing the Meeting. Shareholders have certain rights to access their personal information that has been collected and should contact the Company secretary if they wish to access their personal information.

ASIC and ASX involvement

Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

PROXY AND VOTING INSTRUCTIONS

Voting in Person

1. To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

2. To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.
3. In accordance with section 249L of the Corporations Act, members are advised that:
 - (a) each member has a right to appoint a proxy;
 - (b) the proxy need not be a member of the Company; and
 - (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
4. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
5. On a poll, ordinary Shareholders have one vote for every Share held.
6. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - (a) the full name of the body corporate appointed as proxy; and
 - (b) the full name or title of the individual representative of the body corporate to attend the Meeting.
7. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chairman in favour of each of the Resolutions proposed in this Notice of Meeting.
8. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.

9. A Proxy Form is attached. If required, it should be completed, signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned in accordance with the instructions on the proxy form.

Voting by Corporate Representative

10. A body corporate that is a Shareholder, or that has been appointed as a proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the General Meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Voting by Attorney

11. A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company no later than 10.00am AEST, 23 March 2020.

By order of the Board

Paul Crawford
Company Secretary
Sayona Mining Limited
21 February 2020

EXPLANATORY STATEMENT

Purpose of this Explanatory Statement

This Explanatory Statement is provided to Shareholders to explain the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at Suite 68, 283 Given Terrace, Paddington Qld 4064 on 23 March 2020 at 10.00 am AEST.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of each Resolution. If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on an item of business, you should specify this by completing the appropriate 'Against' or 'Abstain' box on the proxy appointment form. The Chairman is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

Resolution 1 – Ratification of the issue of Shares to Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust ("Acuity Capital")

Background to Resolution 1:

On 29 October 2019 the Company entered into a controlled placement agreement (CPA) with Acuity Capital.

The CPA provides the Company with up to \$3 million of standby equity capital over the period to 31 January 2022. The Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on the Company to utilise the CPA and it may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on the Company raising capital through other methods. If the Company does decide to utilise the CPA, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by the Company and a 10% discount to a volume weighted average price over a period of the Company's choosing (again at its sole discretion).

The Company issued 95,000,000 Shares on 29 October 2019, as collateral under the CPA. The Company may, at any time, cancel the CPA and buy back these collateral shares for no consideration, subject to shareholder approval.

Listing Rules:

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

Name of person to whom Shares were issued	Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust
Date of issue	29 October 2019

Number and class of securities issued	95,00,000 fully paid ordinary Shares
Issue price of securities	Nil – issued as collateral shares
Terms of issue	The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	Collateral shares issued under the controlled placement agreement for up to \$3 million in funds, none of which have yet been used.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution.

Resolution 2 – Ratification of the issue of Shares to First Nation Abitibiwinni

Background to Resolution 2:

On 13 December 2019 the Company entered into an agreement with The Council of the First Nation Abitibiwinni (**First Nations People**) in relation to activities undertaken during the exploration phase of the Authier Lithium Project. The First Nations People are the holder of the ancestral rights of the land on which the Authier Lithium Project is situated. The agreement with the First Nations People allows the Company to undertake exploration & mining activities at the Authier Lithium Project. The Company agreed to issue 27,500,000 Shares to the First Nations People as corporation, which were issued on 31 December 2019. **Listing Rules:**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

Name of person to whom Shares were issued	The Council of the First Nation Abitibiwinni
Date of issue	31 December 2019
Number and class of securities issued	27,500,000 fully paid ordinary Shares
Issue price of securities	A\$0.01 per Share
Terms of issue	The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	No funds were raised from this. The shares were issued pursuant the agreement with The Council of the First Nation Abitibiwinni.

The Directors unanimously recommend that you vote in favour of this Resolution.

Background to Resolutions 3, 4, 5 and 6

On 10 January 2020 the Company entered into an agreement with Obsidian Global GP, LLC for a secured facility of up to A\$2.75 million (**Convertible Securities Agreement**), with an initial tranche of A\$1 million convertible notes (**First Purchase**). Each of the Convertible Notes is priced at US\$1.00, having a face value of US\$1.10, and will not accrue any interest and has a 12 months maturity date (except for a potential earlier maturity date for the Initial Convertible Note). Obsidian Global GP, LLC has subscribed for, and the Company has issued the 691,400 Convertible Notes (**Initial Convertible Notes**). The further terms of the Convertible Notes are set out in the Annexure to this Notice of Meeting. A condition of the First Purchase is that the Company will issue 40,000,000 collateral shares to Obsidian Global GP, LLC.

Resolution 3 seeks Shareholder Approval to ratify the issue of the 40,000,000 Shares and 691,400 Convertible Notes for the First Purchase. Shareholders should note that if Resolution 3 is not passed, this issue of the 40,000,000 Shares and 691,400 Convertible Notes will remain part of the Company's Listing Rule 7.1 capacity.

Under the terms of the Convertible Securities Agreement, the Company must within 60 days from the issue of the Initial Convertible Notes, seek Shareholder Approval to issue replacement convertible notes (**Replacement Convertible Notes**). These Replacement Convertible Notes and on the same terms as the Initial Convertible Notes, however, there is no cap on the number of securities to be issued and the Replacement Convertible Notes mature 12 months from the issue of the Initial Convertible Notes. Subject to Company obtaining Shareholder Approval, the Company will cancel the Initial Convertible Notes and issue the Replacement Convertible Notes. As at the date of this Notice of Meeting, Obsidian Global GP, LLC has given notice for the conversion of 200,000 Convertible Notes, so 491,400 Convertible Notes remain on issue.

Resolution 4 seeks Shareholder Approval for the issue of the Replacement Convertible Notes. Shareholders should note that if Resolution 4 is not passed, the Initial Convertible Notes are not cancelled and replaced, the Initial Convertible Notes will mature 90 days following the date of issue, which occurred on 15 January 2020.

The Convertible Securities Agreement also provided that the Company may, at its election and subject to Shareholder Approval and within 90 days of the date of the First Purchase, seek a further secured facility of up to A\$1 million (**Second Purchase**). The Second Purchase is conditional upon Shareholder Approval. A condition of the Second Purchase is that the Company will issue 40,000,000 collateral shares to Obsidian Global GP, LLC. The Company will issue Convertible Notes calculated as the number which is equivalent to the actual amount paid in US\$ by Obsidian Global GP, LLC, so as to procure the transfer of A\$1 million to the Company, rounded upwards to the next whole number.

Resolution 5 seeks Shareholder approval to issue further 40,000,000 Shares and the Convertible Notes in accordance with the Convertible Securities Agreement for the Second Purchase. Shareholders should note that if Resolution 5 is not passed, the Company cannot access the further secured facility of up to A\$1 million.

The Convertible Securities Agreement further provides that the Company may, at its election and subject to Shareholder Approval and the completion of the North American Lithium acquisition and by 31 December 2020, seek a further secured facility of up to A\$750,000 (**Third Purchase**). The Third Purchase is conditional upon Shareholder Approval and the completion of the North American Lithium acquisition. A condition of the Third Purchase is that the Company will issue 30,000,000 collateral shares to Obsidian Global GP, LLC. The Company will issue Convertible Notes calculated as the number which is equivalent to the actual amount paid in US\$ by Obsidian Global GP, LLC, so as to procure the transfer of A\$750,000 to the Company, rounded upwards to the next whole number.

Resolution 6 seeks Shareholder approval to issue further 30,000,000 Shares and the Convertible Notes in accordance with the Convertible Securities Agreement for the Third Purchase. Shareholders should note

that if Resolution 6 is not passed, the Company cannot access the further secured facility of up to A\$750,000.

Resolution 3 – Ratification of the issue of Shares and Convertible Notes (First Purchase)

Listing Rules:

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue or agreement to issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

Name of person to whom Equity Securities were issued	Obsidian Global GP, LLC
Date of issue	15 January 2020
Number and class of Equity Securities issued	40,000,000 fully paid ordinary Shares 691,400 Convertible Notes
Issue price of Equity Securities	Shares: Nil – held as collateral shares Notes: US\$1.00 per Convertible Note, with each Convertible Note having a face value of US\$1.10
Terms of issue	The Shares and the Convertible Notes were issued to Obsidian Global GP, LLC pursuant to the Convertible Securities Agreement (refer to ASX announcement dated 10 January 2020 and Cleansing Statement dated 17 January 2020). The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Initial Convertible Notes convert based on a face value of US\$1.10 at a price of the lesser of: (a) 90% of the lowest daily VWAP during the 10 actual trading days prior to the conversion notice being given; and (b) A\$0.015, and convert to a maximum of 129,523,109 Shares. The Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	Provide working capital

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution.

Resolution 4 - Approval of issue of Replacement Convertible Notes

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Replacement Convertible Notes during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

Name of person to whom Equity Securities were issued	Obsidian Global GP, LLC
Number and class of Equity Securities issued	491,400 Convertible Notes ¹
Issue price of Equity Securities	US\$1.00 per Convertible Note with each Convertible Note having a face value of US\$1.10
Terms of issue	The Replacement Convertible Notes convert by Obsidian Global GP, LLC's election giving notice to the Company while there is an amount outstanding based on a face value of US\$1.10 at a price of the lesser of: (a) 90% of the lowest daily VWAP during the 10 actual trading days prior to the conversion notice being given; and (b) \$0.015. The Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares. The Replacement Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). If the conversion notice were given when: (a) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0126,² then the number of shares to be is 55,668,935, where the where amount outstanding is AU\$701,429³ (US\$491,000); (b) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0063,⁴ then the number of shares to be issued is 11,337,937, where the where amount outstanding is AU\$701,429⁵ (US\$491,000).
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	Provide working capital

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution.

¹This excludes the 200,000 Convertible Notes that have been converted

²Based on \$0.014

³Based on US\$1.00:AU\$0.70

⁴Based on \$0.007

⁵Based on US\$1.00:AU\$0.70

Resolution 5 - Approval of issue of Shares and Convertible Notes (Second Purchase)

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares and the Convertible Notes for the Second Purchase during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

Name of person to whom Equity Securities were issued	Obsidian Global GP, LLC
Number and class of Equity Securities issued	40,000,000 fully paid ordinary Shares. Convertible Notes under the Convertible Securities Agreement, calculated as the number which is equivalent to the actual amount paid in US\$ by Obsidian Global GP, LLC, so as to procure the transfer of A\$1 million to the Company, rounded upwards to the next whole number. If the exchange rate is US\$0.70:A\$1.00 and the Company requests AU\$1 million then, Obsidian Global GP, LLC will transfer US\$700,000 to the Company and the Company will issue 700,000 Convertible Notes.
Issue price of Equity Securities	Shares: Nil – held as collateral shares Notes: US\$1.00 per Convertible Note, with each Convertible Note having a face value of US\$1.10
Terms of issue	The Shares and the Convertible Notes were issued to Obsidian Global GP, LLC pursuant to the Convertible Securities Agreement (refer to ASX announcement dated 10 January 2020 and Cleansing Statement dated 17 January 2020). The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Convertible Notes convert by Obsidian Global GP, LLC's election giving notice to the Company while there is an amount outstanding based on a face value of US\$1.10 at a price of the lesser of: (a) 90% of the lowest daily VWAP during the 10 actual trading days prior to the conversion notice being given; and (b) \$0.015. The Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares. If the conversion notice were given when: (a) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0126 ⁶ , then the number of shares to be issued is 79,365,080, where the amount outstanding is AU\$1,000,000 (US\$700,000);

⁶ Based on \$0.014

	(b) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0063 ⁷ , then the number of shares to be issued is 158,730,159, where the amount outstanding is AU\$1,000,000 (US\$700,000).
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	Provide working capital

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution.

Resolution 6 - Approval of issue of Shares and Convertible Notes (Third Purchase)

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Company to issue the Shares and the Convertible Notes for the Third Purchase during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company 15% annual placement capacity. If the Company does not issue the Shares and the Convertible Notes within 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), the approval will lapse.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

Name of person to whom Equity Securities were issued	Obsidian Global GP, LLC
Number and class of Equity Securities issued	30,000,000 fully paid ordinary Shares. Convertible Notes under the Convertible Securities Agreement, calculated as the number which is equivalent to the actual amount paid in US\$ by Obsidian Global GP, LLC, so as to procure the transfer of A\$1 million to the Company, rounded upwards to the next whole number. If the exchange rate is US\$1.00:A\$0.70 and the Company requests AU\$750,000 million then, Obsidian Global GP, LLC will transfer US\$525,000 to the Company and the Company will issue 525,000 Convertible Notes.
Issue price of Equity Securities	Shares: Nil – held as collateral shares Notes: US\$1.00 per Convertible Note, with each Convertible Note having a face value of US\$1.10
Terms of issue	The Shares and the Convertible Notes were issued to Obsidian Global GP, LLC pursuant to the Convertible Securities Agreement (refer to ASX announcement dated 10 January 2020 and Cleansing Statement dated 17 January 2020). The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Convertible Notes convert by Obsidian Global GP, LLC's election giving notice to the Company while there is an amount outstanding based on a face value of US\$1.10 at a price of the lesser of:

⁷ Based on \$0.007

	(a) 90% of the lowest daily VWAP during the 10 actual trading days prior to the conversion notice being given; and (b) \$0.015. The Shares issued on conversion will be fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares. If the conversion notice were given when: (c) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0126⁸ then the shares to be issued is 59,523,810 where the amount outstanding is AU\$750,000; and (d) 90% of the lowest daily VWAP during the 10 actual trading days prior is \$0.0063⁹ then the shares to be issued is 119,047,619, where the where amount outstanding is AU\$750,000.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting
Use of funds	Provide working capital

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution.

⁸ Based on \$0.014

⁹ Based on \$0.007

Glossary

In this Explanatory Statement and the Notice of Meeting:

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691 and includes any successor body.

Board means the Company's board of Directors.

Chairman means the chair of the Extraordinary General Meeting.

Company means Sayona Mining Limited ACN 091 951 978.

Constitution means the constitution of the Company.

Convertible Note has the same meaning as "Convertible Security" in the Listing Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a current director of the Company.

EGM means Extraordinary General Meeting.

Equity Securities has the same meaning as the Listing Rules.

Explanatory Statement means this explanatory statement that accompanies and forms part of the Notice of Meeting.

Listing Rules means the Listing Rules of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Meeting, General Meeting or Extraordinary General Meeting means the extraordinary general meeting of the Company the subject of this Notice of Meeting of Meeting.

Notice of Meeting means this Notice of Meeting of extraordinary general meeting which this Explanatory Statement accompanies and in which the Resolutions are set out.

Resolution means the resolutions in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Shareholder Approval means the approval of the Company's shareholders, for the purpose of Listing Rule 7.1, and all other relevant purposes.

Annexure – Additional Terms of Convertible Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes that are not set out under the Background. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the noteholder.

(A) NON-USAGE FEE

If 190 days after the issue of the Convertible Notes or the agreement is terminated and the aggregate purchase price paid by the Noteholder is less than A\$2,750,000 which is the Total Facility, then Company must pay 5% of the amount by which the aggregate of the purchase price is less than A\$2,750,000.

(B) SECURITY

The Convertible Notes are secured by a general security agreement over all of the assets of the Company in favour of the Noteholder.

(C) PROTECTIVE PROVISIONS

Upon the occurrence of certain events, including a Share consolidation, subdivision, pro-rata cancellation of the Company's issued share capital, payment of a dividend to shareholders or a distribution of Shares to existing shareholders (other than by way of rights offering or a bonus issue), the Fixed Conversion Price will be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, consolidated, subdivided or cancelled.

If the Company, after the Execution Date:

- (i) issues or agrees to issue Shares to any person at a per Share price which is less than the Fixed Conversion Price;
- (ii) issues Options to any person with an exercise price which is less than the Fixed Conversion Price; or
- (iii) issues any debt, equity or equity-linked securities to any person which are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other securities at a fixed price which is less than the Fixed Conversion Price,

(all of which prices will be a **Lesser Price**) then the Fixed Conversion Price will be reduced to the Lesser Price.

(D) EARLY REDEMPTION

The Company may at any time prior to the Maturity Date redeem some or all of the outstanding Convertible Notes by giving notice to the Noteholder (**Early Redemption Notice**). On or before the date which is 10 Business Days after the date of the Early Redemption Notice, the Company must pay the Noteholder (in US\$) an amount equal to 110% of the aggregate Face Value of the Convertible Notes being redeemed (the **Redemption Amount**).

(E) PERIODIC PAYMENT OR CONVERSION

The Company may elect to redeem the outstanding Convertible Notes, by paying the Noteholder the Redemption Amount of the aggregate face value of the redeemed securities.

(F) REDEMPTION ON MATURITY DATE

Any Convertible Notes outstanding at the Maturity Date must be redeemed on the Maturity Date at 110% of their aggregate Face Value.

(G) EVENTS OF DEFAULT

If an event of default occurs and:

(i) either:

- (A) it is not capable of being remedied; or
- (B) it is capable of being remedied but has not been remedied to the satisfaction of the Noteholder within ten Business Days of the Noteholder notifying the Company of its occurrence; or
- (C) there have been two or more previous events of default; and

(ii) the event of default has not been expressly waived by the Noteholder in writing;

then the Noteholder may do one or more of the following:

- (A) Face Value of all Convertible Notes will (unless converted) automatically increase by 10% in the first instance and afterward by an additional 2% for any further unremedied event of default and the Noteholder may declare, by notice to the Company, the redemption amount of the amount outstanding and all other amounts payable by the Company under the Convertible Securities Agreement to be immediately due and payable by the Company to the Noteholder; and/or
- (B) terminate the Convertible Securities Agreement, by notice to the Company; and/or
- (C) exercise any other right, power or remedy granted to it by the Convertible Securities Agreement and/or otherwise permitted to it by law.

(H) PARITY VALUE

If the Company is unable to issue shares to the Noteholder where it is required to under the Convertible Securities Agreement, then the Noteholder may require the Company to pay the Noteholder such amount in US\$ which is determined in accordance with the following formula (**Parity Value**):

$$PV = P/CP \times MV$$

Where:

PV = the Parity Value;

P = the amount of the payment required to be made under the Convertible Securities Agreement (which has not been paid);

CP = the Variable Conversion Price (in case of a failed Conversion) that applied to the date Conversion, or (in the case of an unpaid payment) 90% of the lowest daily VWAP during the period starting on the date upon which payment was required to be made was the Conversion Notice Date and ending on the date upon which payment of the Parity Value is made; and

MV = the highest average VWAP of any period of 3 consecutive trading days during the period commencing on the date on which the event of default occurred or payment was required to be made and ending on the day immediately prior to the date upon which payment of the Parity Value is made.

(I) TRANSFERABILITY

The Convertible Notes are transferable, subject to the transferee executing a deed of covenant in favour of the Company agreeing to be bound by the provisions of the Convertible Securities Agreement and compliance at all times to the Corporations Act and any applicable law.

SYA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST)**
Wednesday 11 March 2020.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sayona Mining Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Sayona Mining Limited to be held at Suite 68, 283 Given Terrace, Paddington QLD 4064 on Friday, 13 March 2020 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

For Against Abstain

1	Ratification of the issue of Shares to Acuity Capital	☐	☐	☐
2	Ratification of the issue of Shares to First Nation Abitibiwinni (Pikogan)	☐	☐	☐
3	Ratification of the issue of Shares to Obsidian Global GP, LLC (First Purchase)	☐	☐	☐
4	Approval of issue of Replacement Convertible Notes	☐	☐	☐
5	Approval to issue Shares and Convertible Notes to Obsidian Global GP, LLC (Second Purchase)	☐	☐	☐
6	Approval to issue Shares and Convertible Notes to Obsidian Global GP, LLC (Third Purchase)	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SYA

261042A



Computershare

