

ASX ANNOUNCEMENT

ASX: SYA

4 July 2023

NEW NAL MILESTONE WITH 30,000T LITHIUM CONCENTRATE PRODUCED

Highlights

- 30,000 tonnes of spodumene (lithium) concentrate produced by North American Lithium (NAL) operation, ahead of schedule; average concentrate grade 5.5% Li₂O
- Stockpile building at port ahead of first planned shipment in July 2023
- NAL continuing successful ramp-up amid focus on safe and sustainable production, supporting North America's electrification drive.

North American lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) has achieved a new production milestone at its North American Lithium (NAL) operation in Québec, Canada with more than 30,000 tonnes of spodumene (lithium) concentrate produced ahead of target.

As of 25 June 2023, the average grade of all spodumene concentrate produced by NAL was approximately 5.5% Li₂O, with all key parameters in line with offtake specifications. During the ramp up phase at NAL, an assessment of determining the optimal product lithium grade versus recoveries from the process plant was undertaken.

Mine production and process plant output to date has shown that the current spodumene concentrate product grade of circa 5.5% Li₂O delivers higher recoveries and more tonnes of spodumene concentrate, therefore maximising profitability to the NAL joint venture.

On 6 June 2023, NAL hit a new daily production record, with output of 643 tonnes at 5.67% Li₂O, with a 71% recovery rate. A stockpile of approximately 26,000 tonnes of spodumene concentrate is being stored at the port, ahead of the first shipment planned for this month. All of the concentrate has been transported to port via rail since the start of June 2023.

In achieving this production milestone, Sayona has maintained its focus on safety under its Zero Tolerance policy, together with its commitment to the highest environmental standards and on benefitting local communities. The Company is targeting total NAL spodumene concentrate production of between 85,000 tonnes and 115,000 tonnes during the first half of fiscal 2024.

Welcoming the latest milestone, Sayona's Managing Director, Brett Lynch said: *"I am extremely delighted to see NAL yet again exceeding expectations. Congratulations to the NAL team for achieving this latest milestone, which is truly a remarkable result."*

"Since restarting production in March 2023, we have worked hard to ensure a successful production ramp-up and we continue to deliver speed and tonnage ahead of schedule. This is an amazing achievement in the lithium industry given recent supply chain and cost challenges."

"NAL's recent lithium carbonate study highlighted the value of moving downstream at our flagship operation. With more drilling planned in 2023, we look forward to expanding the resource and further enhancing North America's leading source of lithium production."

Table 1: NAL Production

NAL Production	Units	March 2023	April 2023	May 2023	June 2023*
Concentrate produced	Dmt	3,510	7,224	10,119	9,802

**Production figures as at 25 June 2023.*

Currently North America's only major source of hard rock lithium production, NAL is targeting becoming the region's only vertically integrated producer by 2026 with a move downstream into lithium carbonate production. A preliminary technical study released on 21 June 2023 estimated a fully integrated NAL net present value (NPV) of A\$5.4 billion (pre-tax), including the NAL DFS estimate of 14 April 2023.

A preliminary economic trade-off analysis of lithium carbonate versus lithium hydroxide production at NAL was completed prior to a decision to undertake the preliminary carbonate technical study. Sayona and Piedmont Lithium will work together with technical advisers to undertake a further trade-off study of lithium carbonate versus lithium hydroxide production at NAL, with a definitive technical study to follow for release during 2024.

The Company also plans additional drilling at NAL in 2023, with more than 50,000m of drilling planned both at NAL and at the adjacent Vallée Lithium Project, which comprises 28 claims subject to an earn-in and joint venture agreement with Consolidated Lithium Metals Inc (previously known as Jourdan Resources Inc). Drilling at NAL has commenced and will continue over the coming months.

Sayona is currently in the process of negotiating offtake agreements for the uncommitted portion of spodumene concentrate produced at NAL.

Issued on behalf of the Board.

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Figure 1: Spodumene concentrate being loaded on rail cars



Figure 2: Spodumene concentrate stockpile at port

About Sayona Mining

Sayona Mining Limited is a North American 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). Sayona also holds a 60% stake in the Moblan Lithium Project in northern Québec.

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 a joint venture agreement with Morella Corporation (ASX:1MC).

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

References to Previous ASX Releases

- Standalone lithium carbonate plant NPV of A\$3.2B at NAL produces a combined NAL NPV of A\$5.4B – 21 June 2023
- Quarterly Activities Report – 28 April 2023
- DFS confirms NAL value with A\$2.2B NPV – 14 April 2023
- 1,200 tonnes saleable lithium concentrate produced at NAL – 16 March 2023
- First lithium concentrate produced at NAL – 8 March 2023

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.