

## Sayona Mining Limited

Non-Energy Minerals – Li, C, Au

SYA A\$0.175

Sayona Mining Ltd (SYA) is a mineral exploration and development company. The principal activity of the company is the identification, acquisition and evaluation of mineral exploration assets, focusing on lithium and graphite. The company's primary focus is the development of the advanced stage Authier project in Quebec, Canada. It also holds interests in East Kimberley Graphite Project and West Australian Lithium Project.

### Company Data

Number of shares	8,246.8M
Market Capitalisation (\$m)	1,443.2
Free float (%)	72.9
12-month high/low	\$0.38/\$0.073
Average Daily Turnover (\$m)	13.05
% S&P/ASX200	0.072%
DDM Ranking	N/A
% All Ordinaries	0.063%
GICS Industry Group	Mining

Source: FactSet, BPC

### Mineral Resource

#### Abitibi Hub Mineral Resource

119.1Mt @ 1.05% Li<sub>2</sub>O for 1,250,000t Li<sub>2</sub>O

#### North American Lithium Project Ore Reserve Estimate

29.2Mt @ 0.96% Li<sub>2</sub>O for 280.3lt Li<sub>2</sub>O

#### Moblan Mineral Resource (60%)

Total M + I: 12.0Mt @ 1.40% Li<sub>2</sub>O

Inferred: 4.1Mt @ 1.33% Li<sub>2</sub>O

#### Moblan Ore Reserve

Total P&P: 10.7Mt @ 1.40% Li<sub>2</sub>O

### Share Price Performance



Source: FactSet, Barclay Pearce Capital

## PIEDMONT LITHIUM AND SAYONA MINING FORMALISE RESTART PLANS FOR NORTH AMERICAN LITHIUM IN QUEBEC

On 29<sup>th</sup> of June 2022, Sayona Mining Limited (SYA) announced an update at its North American Lithium (NAL) project, with the following highlights:

### Highlights:

- The board of directors of the Sayona Quebec Inc. (SYQ), which is owned 75% by SYA and 25% by Piedmont Lithium (PLL), authorised the restart of spodumene concentrate production at its NAL project located near Val-d'Or, Quebec;
- The NAL restart will feature significant operational upgrades totalling approximately \$80m aimed at improving product quality and plant utilisation;
- Long-lead equipment was ordered and detailed design engineering commenced in late 2021 based on our jointly planned timeline;
- Operations at NAL are expected to commence in the first half of 2023;
- The NAL restart project will be entirely funded from pro-rata cash contributions by SYA and PLL, with each party having completed significant capital raises in the first half of 2022;
- SYA and PLL confirmed the terms of the spodumene concentrate offtake agreement between SYQ and PLL;
- Under the offtake agreement, PLL is entitled to purchase the greater of 113,000 metric tonnes per year of spodumene concentrate or 50% of production from the NAL project;
- The agreement also covers concentrate produced from ore mined at SYQ's Authier Project;
- Purchases are subject to market pricing with a price floor of \$500 per metric tonne and a price ceiling of \$900 per metric tonne; and
- SYA and PLL expect to begin a series of technical studies with respect to lithium conversion in Quebec and will update the market in the coming months.

### PLL MD comment:

PLL CEO, Keith Phillips, said "We are excited to take this essential step forward supplying much needed North American lithium resources. Authorising the restart of the NAL project is consistent with our plan to become a revenue generating company in 2023 and contributes to our strategic goal of becoming a leading North American lithium producer through our integrated portfolio of lithium projects."

### BPC comment:

The board of directors of the SYQ, which is owned 75% by SYA and 25% by PLL, authorised the restart of spodumene concentrate production at its NAL project. Operations at NAL are expected to commence in the first half of 2023.

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29 June 2022

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## Appendix A.

### Project location



## Appendix B.

### Summary of Offtake Agreement Terms

Supply Agreement	
Buyer	Piedmont Lithium Carolinas, Inc., a wholly-owned subsidiary of Piedmont, or an affiliated cc
Seller	Sayona Quebec Inc.
Product	Spodumene concentrate containing 6.0% Li <sub>2</sub> O grade (dry basis)
Quantity	113,000 dry metric tons ("dmt") per year or 50% of production, whichever is greater
Term	Life-of-mine of the North American Lithium and Authier Projects
Price	Market pricing (based on an average price for CIF China Price (US\$) for 6.0% SC6 dry basis) with a minimum price of US\$500/t and a maximum price of US\$900/t on a DAP North Carolina basis
Conditions	<p>If Sayona and Piedmont agree to jointly develop and operate a lithium chemical plant, including a restart of the lithium carbonate plant at North American Lithium or another lithium chemical plant at a different location, then the partners agree that the order of priority for production volume of spodumene concentrate from North American Lithium will be:</p> <ol style="list-style-type: none"> <li>1. Jointly-owned lithium chemical plant</li> <li>2. Piedmont volume under the offtake agreement</li> <li>3. Third parties</li> </ol>

## Appendix C.

### Abitibi Hub Mineral Resource

NAL - Open Pit Constrained Mineral Resource Statement using a 0.6% Li <sub>2</sub> O cut-off			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
Measured	1,471,000	0.99	14,600
Indicated	52,806,000	1.01	533,300
Measured and Indicated	54,277,000	1.01	548,200
Inferred	13,874,000	0.96	133,200

NAL - Underground Constrained Mineral Resource Statement using a 0.8% Li <sub>2</sub> O cut-off			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
Measured			
Indicated	19,398,000	1.18	228,900
Measured and Indicated	19,398,000	1.18	228,900
Inferred	14,372,000	1.19	171,000

NAL - Total Open Cut and Underground Mineral Resource Statement			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
Total JORC Resource (Measured, Indicated and Inferred)	101,921,000	1.06	1,081,300

Authier - Open Pit Constrained Mineral Resource Statement using a 0.55% Li <sub>2</sub> O cut-off			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
Measured	6,042,000	0.98	59,200
Indicated	8,098,000	1.03	83,400
Measured and Indicated	14,140,000	1.01	142,800
Inferred	2,996,000	1.00	30,000

Authier - Total Mineral Resource Statement			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
Total JORC Resource (Measured, Indicated and Inferred)	17,136,000	1.01	173,000

Total Mineral Resource Statement NAL and Authier			
Category	Tonnes	Li <sub>2</sub> O %	Contained Li <sub>2</sub> O (t)
NAL and Authier JORC Mineral Resource Estimate (Measured, Indicated and Inferred)	119,057,000	1.05	1,250,000

## Appendix D.

### North American Lithium Project Ore Reserve Estimate

North American Lithium Project JORC Ore Reserve Estimate (0.60% Li <sub>2</sub> O cut-off grade)			
Category	Tonnes (Mt)	Grades (%Li <sub>2</sub> O)	Contained Li <sub>2</sub> O (kt)*
Proved Ore Reserve	1.2	0.92	10.9
Probable Ore Reserve	28.0	0.96	269.4
<b>Total Ore Reserves</b>	<b>29.2</b>	<b>0.96</b>	<b>280.3</b>

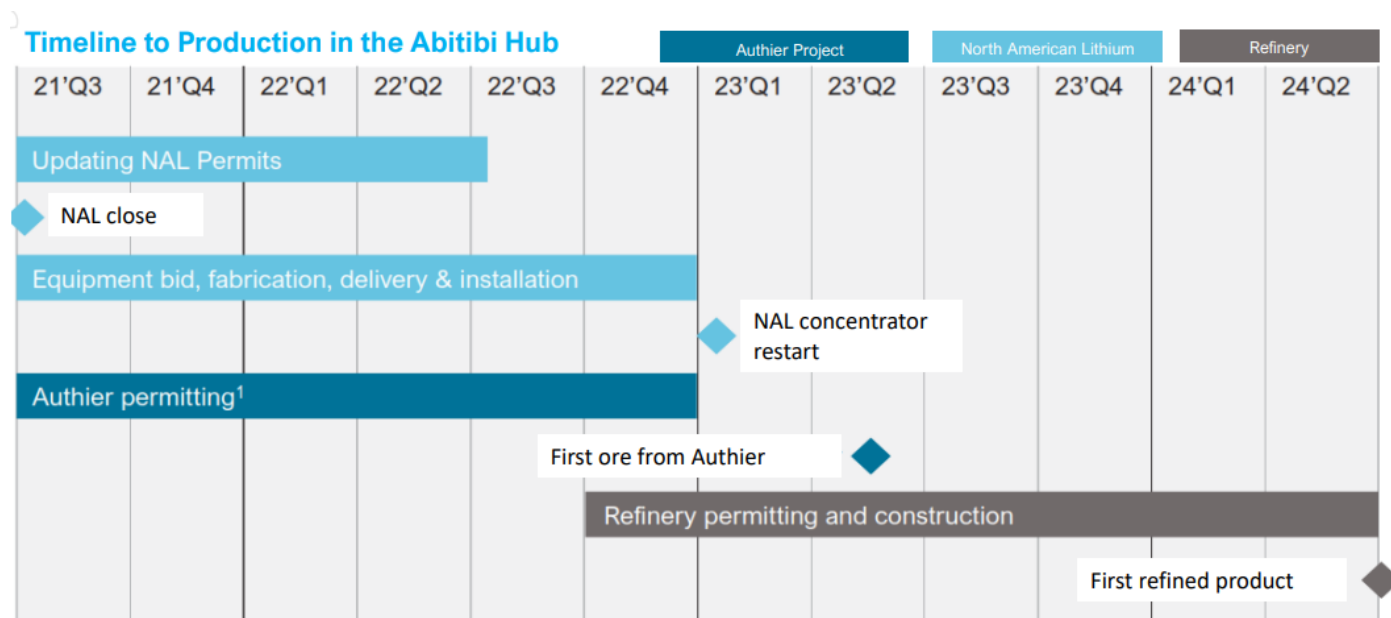
## Appendix E.

### Moblan Mineral Resource

Category	Tonnes (millions)	Grade (% Li <sub>2</sub> O)
Proven	4.6	1.57
Probable	6.1	1.27
<b>Total P&amp;P</b>	<b>10.7</b>	<b>1.40</b>
Measured	4.8	1.59
Indicated	7.3	1.27
<b>Total M&amp;I</b>	<b>12.0</b>	<b>1.40</b>
Inferred	4.1	1.33

## Appendix F.

### NAL and Authier – timeline to production



## Appendix G.

### NAL operation including Authier ore supply – PFS key results

Item	Unit	Results	Results	Results
Average Annual Ore Feed to Plant	Mtpa	1.5		
Total Ore Mined	Mt	183.4		
Annual Spodumene Concentrate Production (@ 6% Li <sub>2</sub> O)	Tonnes/y	163,266		
Rod Mill Feed Grade	%	1		
Blended Li <sub>2</sub> O Recovery	%	67.7		
Life of Mine (LOM)	years	27		
Total Spodumene Concentrate Produced	Mt	4.4		
LOM Strip Ratio	waste:ore	5.3		
		<b>AUD</b>	<b>USD</b>	<b>CAD</b>
Spodumene Concentrate Market Price	\$	1,836	1,242	1,634
Capital Cost Estimate	\$M	102	69	91
Total Net Revenue	\$M	7,888	5,335	7,020
Project EBITDA	\$M	3,234	2,187	2,878
Total C1 Cash Cost	\$M	3,812	2,578	3,392
Total Cash Cost FOB / tonne product	\$	873	590	777
Pre-Tax Net Present Value (NPV)	\$M	1,070	724	952
Pre-Tax Internal Rate of Return (IRR)	%	140	140	140
Discount Rate	%	8	8	8
Pre-Tax Project payback period	years	2	2	2
After-tax NPV	\$M	844	571	751
After-tax payback period	Years	2.1	2.1	2.1
After-tax IRR	%	139	139	139
Exchange Rate	A\$:C\$	0.89		
	C\$:US\$		0.76	



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**Buy** – Describes stocks that we expect to provide a total return (price appreciation plus net yield) of 15% or more within a 12-month period.

**Hold** – Describes stocks that are neither a buy nor underperform.

**Underperform** – Describes stocks that we expect to provide a total return (price appreciation plus net yield) of less than minus 10% within a 12-month period.

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29 June 2022

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Buy	37.9%	0.0% of stocks with recommendations are Barclay Pearce clients)
Hold	22.8%	0.0% of stocks with recommendations are Barclay Pearce clients)
Underperform	39.4%	0.0% of stocks with recommendations are Barclay Pearce clients)