

Sayona Mining Ltd: Revised Authier DFS Shows Boost to Profitability

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Brisbane, Australia - Emerging lithium miner [Sayona Mining Ltd.](#) (ASX:SYA) (FRA:DML) (OTCMKTS:DMNXF) announced today a revised Definitive Feasibility Study (DFS) for its flagship Authier Lithium Project, showing the Quebec project's potential to become a sustainable and profitable new lithium mine with higher returns than previously estimated.

Highlights

- Revised Definitive Feasibility Study (UDFS) for Authier Lithium Project shows potential to become a sustainable and profitable new mine for benefit of all stakeholders
- Net present value (NPV) rises to C\$216 million (A\$238m) from previous study's C\$184.8m; pre-tax internal rate of return of 33.9% and estimated capital payback 2.7 years, based on annual average spodumene production of 114,116 tonnes (6% Li₂O).
- Potential to generate up to 176 new jobs for benefit of local community for mining operation spanning an estimated 14 years
- Pending regulatory approval, Authier project adds to Sayona's Quebec lithium portfolio, with potential to supply North American Lithium concentrator (pending successful bid).

The new mine could create up to 176 new jobs for the benefit of the local community in Abitibi, with Sayona putting priority on local employment and suppliers.

Significantly, the revised DFS shows an improved net present value (NPV) compared to the DFS released last year (refer ASX announcement 24 September 2018). Sayona sees the project as contributing to the Quebec Government's lithium strategy of developing a complete lithium value chain in the Canadian province, from mining through to downstream processing.

Welcoming the new study, Sayona's Managing Director, Brett Lynch said it provided increased confidence to investors and project partners of the Authier project's potential to become a highly valuable operation for the benefit of all stakeholders, including First Nations, government and other members of the local community.

"This revised DFS highlights the value of Authier producing a spodumene concentrate for the fast-growing lithium-ion battery market," Mr Lynch said.

"Quebec aims to become a leader in this new energy sector and we are determined to make a substantial contribution through our Authier project to delivering on the government's vision."

Key findings of the DFS include:

- NPV (real terms @ 8% discount rate) of C\$216m vs previous study's C\$184.8m
- Pre-tax internal rate of return 33.9% vs 33.7%
- Annual average spodumene production - dry (6% Li₂O) of 114,116t vs 87,400t; 78% recovery rate
- Life of mine 13.8 years (based on a higher daily production rate of 2,600 tonnes per day compared to the previous DFS rate of 1,850t)
- Total EBITDA of C\$461m and total net revenue of C\$1,412m
- Initial capital costs C\$120m; life of mine capital costs C\$211m
- Project payback period of 2.7 years (after start of production)

The project's low capital and operating costs reflect its close proximity to established infrastructure including rail and road and access to a skilled local workforce, in addition to no requirement for on-site infrastructure

such as accommodation camps and power plants. It also benefits from access to economical, environmentally friendly hydroelectric power and offers a simple deposit geology, mining and production processes.

The Authier project is currently undergoing a revised Environmental Impact Statement (EIS) in accordance with Article 31.1 of the Environment Quality Act, as per the BAPE (bureau d'audiences publiques en environnement) process stipulated by the Quebec Government. The EIS is expected to be submitted to the relevant authority by year-end.

Importantly, the revised DFS demonstrates the Authier project will not "in any way and under any circumstances" impact the water quality of the St-Mathieu Berry esker, an important water resource for the region.

The revised DFS is based on a higher average daily production rate of 2,600 tonnes as permitted under the BAPE. This compares to the previous DFS, which planned a lower daily rate of 1,850t as per the daily production threshold under article 22 of the Act.

Pending the necessary stakeholder support and government approval, construction could commence as early as 2021, with the start of mining operations a year later.

Significantly for Quebec's lithium strategy, the project has the potential to supply the nearby North American Lithium mine's concentrator, pending a successful bid for NAL by Sayona (refer ASX announcement 7 November 2019).

An earlier study also showed the technical and economic viability of unlocking further value from Authier by producing lithium carbonate or lithium hydroxide, utilising conventional processing technology (refer ASX announcement 30 August 2017).

The revised DFS was undertaken by Sayona Quebec in collaboration with leading engineering group, BBA.

Sayona's Mr Lynch added: "Stakeholder support is essential and we will continue to engage closely with all local stakeholders concerning the establishment of a profitable and sustainable new lithium mine at Authier. Combining this project with NAL affords the opportunity for even greater value creation and we look forward to further progressing our bid for NAL, with the backing of our world-class support team."

Key Study Outcomes

Key outcomes of the DFS include an NPV of C\$216 million over an initial 13.8-year mine life, based on the current Proven and Probable Ore Reserve estimate of 12.10 Mt @ 1.00% Li₂O at a 0.55% Li₂O cut-off grade (*refer table below).

The pre-tax Internal Rate of Return ("IRR") is estimated at 33.9% and payback on capital is 2.7 years. The LOM cash operating costs are estimated at C\$400 per tonne (mine gate basis) or C\$469 per tonne FOB Port of Montreal, based on a development capital expenditure of C\$120 million and a life-of-mine capital cost estimate of C\$211 million.

*To view the report, please visit:
<https://abnnewswire.net/lnk/749H8AB0>

About Sayona Mining Ltd:

[Sayona Mining Ltd.](#) (ASX:SYA) (OTCMKTS:DMNXF) is an Australian, ASX-listed (SYA) company focused on sourcing and developing the raw materials required to construct lithium-ion batteries for use in the rapidly growing new and green technology sectors. The Company has lithium projects in Quebec, Canada and in Western Australia.

Please visit us as at www.sayonamining.com.au

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