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No worries for new Sayona chief

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A lack of sizzle in the lithium sector is the least of new Sayona Mining Ltd managing director Brett Lynch's worries.

Lynch's three-month tenure at Sayona has coincided with a major flattening of a lithium market which now appears to be oversupplied following the development and expansion of several operations around the world.

Such a scenario would ordinarily spell trouble for a company like Sayona which is seeking to bring its Authier project in Quebec, Canada online over the next three years but despite a challenging introduction to his new role, Lynch sees only upside for both the lithium industry and for Sayona.

"I'm even more confident now than when I started because I see opportunities to build a significant player with the right credentials and capabilities in the industry," Lynch told **Paydirt**.

"I have no doubt that lithium demand will be as good, if not better than what all the pundits are forecasting. And I don't think I've seen anything over the last five years that has changed this.

"These shorter term fluctuations, I've seen before in many commodity markets so I'm not too perturbed about that, however, it does mean that you need to focus on not just getting into the market, but like all mining operations, being a very competitive, if not the most competitive player,



Sayona is seeking to bring its Authier lithium project in Quebec into development for first production in 2022



Brett Lynch

and certainly being able to execute on the mining development."

A mining engineer with more than three decades of experience, particularly in the coal industry, Lynch has had his hands full since entering the hot seat at Sayona on July 1, taking over from long-serving company director Dan O'Neill.

One of his main areas of focus is preparing the final submissions for Quebec authorities to consider ahead of next year's public consultation process to ultimately obtain approvals to develop and mine Authier, about 45km from the established mining town of Val d'Or.

"We've got a very capable project management team to take this through the assessment phase, which will take us about 13-18 months, so pretty much through to the end of 2020 when we expect to have passed all the testing and assessment and got the tick of approval from the Quebec Government to proceed with the mining applications," Lynch said.

Completion and submission of the environmental impact statement will be packaged together with last year's DFS which indicated \$C89.9 million (plus \$C83.6 million life-of-mine capital) was required to develop an 87,400 tpa lithium concentrate operation at Authier.

The DFS also highlighted the project would generate a pre-tax NPV of \$C184.8 million and IRR of 33.7% over an initial 18 years of mine life. Mine gate cash costs of \$C416/t and FOB port cash costs of \$C482/t are estimated.

Lynch said the downturn in lithium had offered Sayona a chance to review development plans for Authier and consider other strategic opportunities that may be on offer in Quebec, including a bid for the

shuttered North American Lithium Inc operation.

Last month the Quebec Superior Court opened an asset sale process for the lithium mine and concentrator which ceased production in February when NAL sought protection from creditors.

The operation produced around 114,000t of spodumene last year, exceeding its 180,000 tpa nameplate capacity. Lynch believes Authier and the NAL operation could be combined and form a key part of the Quebec Government's plan to develop a lithium extraction and downstream processing hub.

"The Government wants to drive lithium very strongly in Quebec and are looking to establish hubs – of which Authier could be a deposit within a hub – to consolidate production and make sure Quebec is a world leader in costs, technology, facilities and management," Lynch said.

"From a market perspective, organising financing and funding is a different proposal today than it was two years ago. My attention is focused on where we need to be positioned to be successful, regardless of market fluctuations."

Sayona, which recently raised almost \$2 million via a SPP and placement for upcoming work at Authier, has also partnered with Australian producer Altura Mining Ltd on a three-year, \$1.5 million exploration deal over the former's tenements in the Pilgangoora district of Western Australia's Pilbara region.

Altura and Sayona share several common board members and have aligned interests, something which Lynch believes his company can leverage off.

– Michael Washbourne