

CSR 2021

Corporate Social Responsibility Report

SAYONA 

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Introduction



A new era is dawning in transportation. The industry is, without question, undergoing one of the greatest transformations of the last century. The major shift towards electric vehicles has been driven not just by technological advances, but also by the need to take better care of the environment by slowing climate change and preserving the planet for future generations, among others.

Here in Québec, we are proud to see Sayona play a role in this major revolution. Thanks to the work invested by our teams in Abitibi-Témiscamingue and Eeyou Istchee Baie-James, the electric vehicles travelling the roads of North America in the next few years will be powered by local lithium!

Sayona's exciting mission is led by a new management team whose skills and expertise reflect the company's values and ambitions. As Environmental Director, **Annie Blie**r ensures that environmental best practices are implemented in all projects. **Carl Corriveau**, Exploration Director, manages all exploration activities on Sayona's mining properties in Quebec. **Yves Desrosiers**, Technical and Project Manager, is in charge of the detailed engineering of projects. In La Corne, **Richard St-Jean** is the General Manager of North American Lithium (NAL), the cornerstone of our operations. Finally, **Cindy Valence**, External Affairs Director, ensures that the relationships between Sayona, its stakeholders, and the communities where it operates are as strong as they are sustainable.

Over the past year, Sayona has grown from 5 to 40 employees, and this is just the beginning! In the short term, NAL's continued restart operations will involve hiring more than 200

employees and contractors, making the La Corne complex a driving economic force for the region.

The acquisitions of NAL in June 2021 and Moblan in October of the same year positioned Sayona as the largest owner of lithium resources in North America, with more than a third of those resources. These acquisitions have driven our ambition to become the North American leader in transportation electrification and a key to the success of Quebec's battery development strategy. Since then, the good news has kept on coming, with a significant increase in resources at NAL and Authier, the discovery of a new pegmatite at Moblan, and the acquisition of the Lac Albert project.

The winds of change blowing through Sayona in 2021 also impacted the way the company builds and maintains its relationships with the community. We have made a firm commitment to collaborate with all the communities where we operate to ensure that they become true partners and receive tangible benefits from our activities. We know that our projects, their regional benefits, and ultimately, their contributions to transportation electrification and the energy transition will be a source of pride for Abitibi-Témiscamingue, Eeyou Istchee Baie-James, and Québec as a whole.

In conclusion, I would like to express my gratitude to the entire Sayona team for their

unwavering commitment. Without their ongoing support, the achievements in this report would not have been possible. I would like to thank each and every one of its members for being part of Sayona's great adventure!

A handwritten signature in black ink, reading "Guy Laliberté".

Guy Laliberté
Chief Executive Officer
Sayona Inc.

Our company

Sayona is positioning itself as a solution towards the energy transition, with a large portfolio of projects spanning the first three links of the value chain for critical and strategic metals. In both exploration and lithium processing, Sayona is committed to making its projects a **source of pride** for its host communities and the entire province of Québec where it conducts business.

By adopting a sustainable development approach and showing respect for local communities and the environment, we are **joining forces** to fight climate change and contribute to the electrification of transportation.



Our leadership in Québec



GUY LALIBERTÉ
Chief Executive Officer
Sayona in Québec



CINDY VALENCE
External Business
Director



YVES DESROSIERS
Technical and Project
Director



CARL CORRIVEAU
Exploration Director



ANNIE BLIER
Environment Director



RICHARD SAINT-JEAN
General Director
North American Lithium

Our vision

Sayona aims to be an active participant in the value chain for producing batteries for electric vehicles in Québec, first by becoming a producer of lithium concentrate, then by positioning itself as a major player in the manufacture of high-grade lithium carbonate/hydroxide to serve the entire North American market.

Our mission

Sayona is developing several mining projects in the lithium spodumene sector in Québec. Sayona takes care to minimize the environmental impact and risks of its activities while maximizing the social and economic benefits of these projects for stakeholders and local communities.



Our values



Sayona’s commitment to its own guiding principles places the integrity of its organization and its leaders at the heart of its fundamental values.



Sayona is committed to conducting its mining activities with respect for the environment, its communities, and its stakeholders. The company ensures that it respects the people around its organization and treats them with dignity and kindness.



Sayona aims to achieve optimal and sustainable results by promoting an approach built on learning and continuous improvement. It uses industry best practices and transforms innovative ideas into tangible results for the benefit of shareholders, stakeholders, and communities.

Our 5 guiding principles



1.
Act with
transparency.

2.
Act to ensure
the company's
sustainability.

3.
Act in harmony
with the host
communities.

4.
Act in an environmentally
responsible manner,
encourage the circular
economy by applying
the best practice.

5.
Act with respect for our
employees, their health and
safety, and their well-being,
and promote the development
of their skills.



Our commitment to sustainable development

Sayona is committed to investing in its communities to provide them with a better future. The commitments we have made reflect our vision and provide a framework for defining the company's goals. This allows us to measure and communicate our performance in terms of sustainable development.

A strong commitment to health, safety, sustainability, and social responsibility is not just good for business—it also reduces risks for all stakeholders and inspires healthy relationships with all communities.

R

Respect

We operate with respect for cultures, customs, social values, laws, and human rights.

SR

Social responsibility

We are committed to contributing to the social and economic development of the communities with which we work, and to maintaining fair and respectful relationships with our employees and external partners. We actively engage with our host communities by listening to their needs and contributing to their vision of a sustainable future.

HS

Health and safety

We provide a work environment where human health and safety is a priority for everyone.

EG

Environmental governance

We aim to minimize our impact on the environment to maintain sustainability and diversity, and do so continuously to encourage sustainable development.

A brief history

In 2016, Australian mining company Sayona Mining acquired the Authier lithium deposit. It then created a subsidiary in Québec to develop the project and capture potential opportunities in Abitibi-Témiscamingue. In 2020, the company acquired the Tansim project, a high-potential deposit located 80 kilometres from the Authier project.



The acquisition of North American Lithium (NAL) in August 2021 marked a major milestone for Sayona. Since the mining complex was already equipped with a crusher and a concentrator—essential production equipment—the Authier project abandoned processing and will now be used to supply NAL.

An investment plan to modernize equipment and resume operations was then launched, allowing the Abitibi-Témiscamingue lithium hub to take shape.



In October 2021, Sayona acquired the Moblan project in Eeyou Istchee Baie-James to lay the foundation for a second hub in northern Québec.

By holding more than a third of North America's lithium reserves, Sayona is well-positioned to become the leader in energy transition



Our projects



Sayona invested \$260 million in 2021. These investments enabled us to acquire the NAL site and the Moblan project. The funds were also used to conduct various studies to continue our activities on the Authier and Tansim projects.

North American Lithium complex

Sayona's flagship project in La Corne is the heart of the lithium hub in Abitibi-Témiscamingue. Acquired in August 2021, the mining complex includes a lithium deposit, a crusher, and a concentrator. NAL is in the midst of a transformation, with plans to resume production in the first quarter of 2023. Significant hiring is expected throughout 2022 as new equipment is installed at the plant and construction ramps up.





Authier project

Located in La Motte in Abitibi-Témiscamingue, the Authier project consists of a high-quality lithium deposit. With the purchase of the NAL complex, processing and concentration equipment is no longer needed at the Authier project site, which will instead be supplying ore to NAL when production resumes. The project has thus significantly evolved, considerably minimizing its environmental impact.

Moblan project

The Moblan project in Eeyou Istchee Baie-James will be the core of northern Québec's future lithium hub. Its promising lithium deposit and the recent discoveries of lithium pegmatites suggest a very high potential for this project.

Tansim project

The Tansim project, located in Abitibi-Témiscamingue, has a strong potential that will be confirmed by future drilling campaigns.

Lac Albert property

Located near the Moblan project in Eeyou Istchee Baie-James, the Lac Albert property has promising potential that will be revealed in future drilling campaigns.

Our work environment

Sayona's greatest strength is its reliance on local employment. In a male-dominated industry, the company also boasts 2 women in senior management (out of 5 total positions) and a 40% female team within the North American Lithium complex. At Sayona, we are committed to gender balance by adopting policies for equality. In addition, even as the team tripled in size (from 10 to 30 people) in 2021, employees received several benefits:

- **Flexible hours and schedules**
- **Teleworking options**
- **Increased benefits for hourly and management positions**
- **Pension funds increased from 4 to 6%**
- **6% wage increase**
- **Social activities (with distancing measures)**
- **Clothing in Sayona colours for employees**
- **OHS training and development**

In addition, 2022 will see the development of potential partnerships with Indigenous communities and the creation of a corporate benefits program.

Health and safety

We provide workplaces in which health and safety are a priority for everyone. Over the 36,516 total hours worked in 2021, no recordable accidents occurred.

Our objectives for 2022

- **Implement a health and safety management system that meets current standards and criteria and complies with current regulations.**
- **Draft and implement an emergency response plan that meets the company's needs.**

In 2022, we will focus on prevention to ensure a safe and healthy workplace for all. As such, we will advocate for advanced indicators (such as resources and actions to prevent workplace accidents and occupational diseases) rather than delayed indicators (such as records of the frequency or severity of events).

Health and safety related to COVID-19

Due to the pandemic, Sayona has implemented a rigorous health and safety protocol to limit the spread of COVID-19:

- **Rapid testing every week to prevent symptomatic and asymptomatic employees with COVID-19 from spreading the virus**
- **Symptom questionnaire and temperature check every time an employee enters a site**
- **Occupational health nurse on site at NAL to perform tests if an employee has concerns or experiences symptoms during the day**
- **Social distancing of at least one metre**
- **Requirement to wear masks while moving if distancing is not possible**
- **Daily cleaning of the office spaces and lunchroom**
- **Introduction of preventative best practices for employees to adopt at the company**
- **Plexiglass in company vehicles**



Sayona and the environment

As projects are developed, Sayona interacts regularly with its stakeholders, allowing the company to better understand the realities of various communities, the industry, and the market.

Our ESG factors

Environmental, social, and governance



We build relationships of trust with the community and pursue our environmental, social, and governance (ESG) commitments. **ESG factors provide important guidance for strategic decision-making and risk management.**

In order to measure our environmental, social, and governance performance, we are in the process of implementing our own **environmental management system (EMS)**. This set of standards is based on the ESG criteria that have become the standards for responsible investment today. With this system, we will be able to demonstrate the ways in which sustainable development is integrated into our operations and project planning.

The main objectives of the EMS are to:

- **Comply with or exceed and anticipate regulations.**
- **Better understand the environmental impacts of Sayona's operations.**
- **Manage the environmental hazards caused by our operations.**

This approach responds to the growing demand from partners, regulatory authorities,

investors, customers, and the public, who are keeping a close eye on companies' sustainable development commitments. Because they care about the environment, all of these stakeholders are now demanding **credible, verifiable, and comparable** ESG metrics to support their decisions, and we are proud to be able to provide them.

Our ESG performance summary report covers the period from January 1 to December 31, 2021.

Towards Sustainable Mining initiative

Near the start of commercial production, Sayona joined the Québec Mining Association (QMA). As a result, it is now obligated to participate in the Towards Sustainable Mining (TSM) initiative. This globally recognized performance system helps mining companies evaluate and manage their environmental and social responsibilities.

We have three years to implement it, which gives us time to train our staff and integrate the program into our operations.

We will be incorporating the following protocols:

- Indigenous and community relations
- Climate change
- Tailings management
- Biodiversity maintenance management
- Health and safety
- Crisis management and communications planning
- Water stewardship





Ecologo certification

In order to promote the global application of environmental, social, and economic best practices in the mining exploration industry, Sayona is in the process of obtaining the UL ECOLOGO® certification for mining exploration through the Québec Mineral Exploration Association (QMEA). Sayona is expected to obtain certification in 2022.

Environmental stewardship for 2021

Our report for the year was positive. Here are the highlights:

- Zero notices of non-compliance
- Zero major environmental spills
- 566,076 m3 of water treated and released at the NAL complex
- Improvements in detailed engineering for the NAL restart
- Progress on the amendment of the Authier impact study after the project was amended following the acquisition of the NAL complex

Water management

Like most industries, mining activities directly and indirectly affect major aspects of the environment, such as water management, energy consumption, greenhouse gas emissions, tailings management, and biodiversity. We are constantly working to reduce our environmental footprint, as demonstrated by the modification of the Authier project.

Mining requires a significant amount of water, which must be removed from a body of water, then returned to the environment as effluent. Careful management of this resource is crucial for Sayona, because it is important for us to preserve the quality of the water we release back into nature.

A **robust sampling program** and quality analysis allows us to ensure water quality. In 2018/19 and 2020/21, the final effluent water discharged to the environment was in full compliance with provincial and federal regulations on mine effluents.

In order to continue our efforts in this direction, in 2022 we began a new hydrogeological study to plan the construction of the NAL open-pit extension. This will allow us to extend the network to all our operations and further reduce our natural water consumption.

In addition, we further reduce our water consumption by reusing water to supply the ore processing plant. **More than 85% of the plant's water supply comes from the dewatering of the NAL mine.**

At Sayona, our goal is to reduce freshwater consumption, use water efficiently, maintain water quality, recycle water, and engage with communities to collaboratively manage shared water resources.

A detailed and updated water management plan that promotes recirculation will be developed in 2022. The management plan will consider potential fluctuations that may occur due to changes in operations, mine phases, and precipitation levels.

Energy and greenhouse gas management

To further reduce its environmental impact, Sayona strives to reduce its energy consumption and its greenhouse gas (GHG) emissions. A policy and management system for energy consumption and GHG emissions will be implemented in 2022.

Consumption and CO₂ table

	TONS OF CO ₂	%
DIESEL	159.3	49
GASOLINE	51.3	16
PROPANE	110.8	34
ELECTRICITY	4.2	1
TOTAL	325.6	100

Management of tailings sites

Sayona attaches great importance to the **responsible management of tailings**, recognizing that tailings sites pose a risk to the environment if they break down. Our sites meet high safety and environmental standards. In addition, all of our facilities are designed by qualified professionals.

An OMS (operation, maintenance and surveillance) manual is in place, as well as a continuous audit and inspection program. Finally, a tailings management policy will be developed in 2022.



Remediation plan

Sayona is committed to the responsible management of the tailings and waste rock generated by its operations. Key elements of our future plans include rehabilitation of the site once operations are complete and planning financial resources to responsibly close our sites.

The Government of Québec currently holds over \$29 million in financial guarantees to ensure the safe and timely closure of the NAL mine site once it ceases operations. NAL’s closure plan is under revision. It will be submitted to Québec’s Ministry of Energy and Natural Resources for approval in 2022.

Biodiversity and management of impacts on fauna and flora

Sayona recognizes the importance of maintaining the biodiversity and ecosystems in and around the sites it occupies. As a result, a biodiversity policy will be in effect starting in 2022. This policy will be used to guide Sayona on biodiversity issues throughout the mining process, from planning to closure.

Since our actions can extend to habitats and species that live and migrate beyond the specific areas in which we operate, we also need to monitor the biodiversity around our mine sites. The extent of our operations' impacts must be factored into land and habitat management and integrated into our operational plans.

- As part of any project permit process, we conduct **detailed studies** that consider potential impacts on biodiversity and incorporate **mitigation measures** where deemed appropriate.
- We consult with **local communities and the First Nations** for advice and information on wildlife.
- Our plans include **monitoring, studying, protecting, and supporting ecosystems**.

Once a month, a grab sample of effluent is collected from each final discharge point to determine whether that effluent is acutely lethal.

Biodiversity

Once every three years, biological monitoring studies are conducted. These include:

- a) a study on the fish population;
- b) a study on benthic invertebrates.

Under the federal Fisheries Act, metal mine owners are required to conduct environmental effects monitoring studies as a condition of their authorizations to discharge effluent. The Environmental Effects Monitoring (EEM) study is a scientific performance measurement tool used to assess the relevance of the regulation.

2022 objectives

- Experience no major environmental incidents at Sayona's sites and receive no financial penalties or environmental notices of violation
- Secure permits and the BAPE hearing for Authier
- Obtain all permits for NAL concentrator operations
- Update the water balance
- Perform an environmental baseline study for Moblan
- Develop policies on biodiversity maintenance and tailings management
- Implement an environmental management system

Our relationships with communities



With the acquisition of NAL and the Moblan project, Sayona's stakeholders have grown considerably in number, but our wish to maintain a **close** relationship with our host communities remains unchanged.

Because our projects cover such a large area in Quebec, our actions compel us to intensify our efforts to build a close relationship with all of these communities. To date, Sayona has been discussing and collaborating with four First Nations communities (Abitibiwinni, Lac-Simon, Long Point, and the Cree Nation of Mistissini), as well as the citizens of the numerous towns near its projects.

In the past year, we have held **more than a hundred meetings** with a multitude of stakeholders, such as groups, organizations, elected officials, representatives of various levels of government, territorial and sectoral development agencies, and more.

Our actions and our presence take several forms:

- Face-to-face meetings for collaborative exchanges and better sharing of information
- Active Facebook and LinkedIn pages for both Sayona and NAL
- Ongoing website updates and a complete redesign coming in 2022 to communicate more actively with all stakeholders
- Increased presence in communities through a donation and sponsorship program
- Attendance at mining industry events and job fairs
- Regular listings in regional newspapers
- A monthly newsletter distributed to all our external contacts and printed for our employees

Our approach is defined by the framework projects we build with all of our communities. Sayona has actively contributed to organizations such as the Santa Claus committee of La Motte, the Route du terroir, and the Amos Hospital Foundation, to name but a few.

Our relationship with the First Nations



In 2019, Sayona laid the foundation for a lasting relationship with the Abitibiwinni community of Pikogan by allowing it to become an integral part of Sayona Mining as a shareholder. This is a partnership agreement in development for the Authier project.

In 2022, we will continue to strengthen our relationships with the entire region where we operate and will establish a dialogue and a relationship of trust with all of our stakeholders.

In this light, we have collaborated with the community of Pikogan to create the Comité Mikis, a committee dedicated to the preservation and transmission of traditional craftsmanship. Sayona is committed to ensuring that all communities where it is active become true partners, so it has provided \$6,000 in financial support for the creation of this committee.

Our monitoring committees

The monitoring committees that we have established for **Authier and NAL** are **structured spaces for consultation and dialogue with the project’s host communities**. Each committee brings together the developer and the local stakeholders to discuss the issues surrounding the project and promote harmonious cohabitation in La Motte, La Corne, and their surroundings.

The Authier committee was created on October 16, 2019, before the mining lease was even obtained. By law, the committee must be in place 30 days after the lease is granted, but Sayona established direct and close contact with its stakeholders ahead of time. In 2021, more than three meetings were held virtually due to the pandemic. For the coming year, four meetings will be held in the format preferred by the committee members.

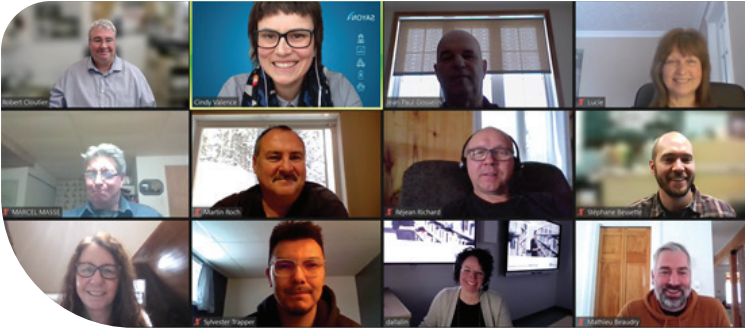
In preparation for the restart of operations at the NAL complex, Sayona revived the **NAL monitoring committee** on December 14 to establish a close dialogue with the community of La Corne and the surrounding area. Four meetings are also planned for this project in 2022.

The monitoring committees are made up of representatives from different backgrounds. Other than one Sayona representative, all members are independent from the developer. Expert stakeholders are also invited as needed.

In addition to the project updates shared with committee members at each meeting, the following topics will be addressed in 2022:

- **The environment**
- **Water management**
- **Biodiversity**
- **Employability**
- **Economic impact**

All meeting minutes are available on our website (in French) in the “Comité de suivi Authier Lithium” and “Comité de suivi Lithium Amérique du Nord” sections.



Local economic impact


With the acquisition of NAL and the Moblan and Lac Albert projects, the process of obtaining the Authier permits, and the exploration work on the Tansim project, Sayona is ready to position itself as an employer of choice in Abitibi-Témiscamingue and anticipates significant benefits for the region.

The company, which had just 10 employees at the beginning of 2021, tripled that number by the end of the year. A full leadership team of area residents was hired in the fall of 2021.

Thanks to a local purchasing policy that encourages the use of goods and services companies based near our operations, several partnerships will be created in Abitibi-Témiscamingue.

Over the last year, Sayona purchased over **\$1,000,000** from local suppliers in Abitibi-Témiscamingue.

Over the next year, Sayona expects to hire close to 100 people. All of our available positions will be advertised on our media platforms, in local newspapers, and in First Nations communities.



\$1 M

In search of guiding impacts

In order to stay abreast of best practices, Sayona endeavours to actively participate in research and development. Several research projects were initiated in 2021. Here are two examples:

At the Authier project site, a biogeochemical exploration method that consists of identifying trace elements in plant tissues has revealed valuable information on lithium exploration.

In short, it consists of taking samples of tree bark from predetermined locations within a forest ecosystem and having them analyzed by a specialized laboratory in order to identify the presence of lithium in the subsoil. The element's high solubility means that plant tissues that can accumulate it are good indicators of its content in the soil. It is probably one of the most underutilized exploratory tools that is both cost-effective and non-invasive.

At the NAL complex, a tailings reclamation project is currently underway in collaboration with COREM and a private company. The objective is to minimize the environmental footprint in order to reclaim tailings and turn them into a circular economy. The results of this research project are anticipated in 2022.



Conclusion

At Sayona, 2021 was an exceptional year in terms of the growth of its projects, its position in the battery industry, and its commitment to ensuring the secondary processing of lithium in Québec. This exciting time was also an opportunity for the company to reaffirm its ongoing commitment to its employees, its partners, and the communities in which it operates. Through concrete actions and accomplishments in the field, Sayona has forged new relationships that point to a proud and promising future for all. Thanks to local lithium, our ambition of becoming the North American leader in transportation electrification and a key to the success of Québec's strategy for the battery industry is within reach.

CSR 2021



Our head office is located in La Motte,
in the administrative region of
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