

29 July 2022

JUNE 2022 QUARTERLY ACTIVITIES REPORT

Quarter Highlights

Québec, Canada

- Sayona and Piedmont approve North American Lithium (NAL) restart, boosted by successful A\$190 million placement to global institutional, professional and sophisticated investors
- Positive Pre-Feasibility Study highlights value of NAL operation, confirming technical and financial viability over 27-year life-of-mine, with pre-tax NPV (8% discount) of A\$1 billion, IRR of 140% and capital payback within two years
- New lithium discoveries show potential for increased resource at Moblan Lithium Project, enhancing emerging northern lithium hub
- Positive NOVONIX battery test results reaffirm quality of Authier Lithium Project's spodumene
- Sayona Québec releases Corporate Social Responsibility report, highlighting commitment to sustainable development, community relations and health and safety

Western Australia

- Deep diamond drilling commences at Mallina Lithium Project under earn-in partner Morella Corporation Limited
- Lithium targets identified at Sayona's Mt Edon prospect
- Maiden 60-hole air-core drilling program completed at Deep Well, targeting Hemi-style gold mineralisation.

Emerging lithium producer Sayona Mining Limited (ASX:SYA; OTCQB:SYAXF) is pleased to report on its Quarterly Activities and Cashflow for the June quarter 2022, highlighted by significant advances towards the recommencement of spodumene (lithium) production at the Company's North American Lithium (NAL) operation in Québec, Canada.

Québec Projects - Abitibi Lithium Hub

Restart plans formally approved for NAL

In June 2022, a formal agreement was announced by Sayona Québec Inc (SYA 75%; Piedmont Lithium (ASX:PLL) 25%) to restart spodumene concentrate production at NAL. The restart will feature significant operational upgrades totalling approximately CAD\$98 million (~AUD\$110 million) to improve product quality and plant utilisation.

Sayona has made significant steps to expedite the restart, having recruited key personnel, secured critical long lead equipment items, progressed detailed engineering design work and obtained nearly all of the required regulatory approvals. The NAL concentrator commissioning is projected for late Q3/early Q4 2022 with first production due in Q1, 2023.

The restart of NAL operations will signal the start of revenue generation for Sayona, another step on its journey to becoming a leading North American lithium producer. Combined with the company's emerging northern lithium hub, NAL will ensure Québec is at the centre of lithium carbonate production, becoming an axis on which a successful battery ecosystem can be built.

As per the Company's agreement with the Québec Government, Sayona is committed to the development of a downstream processing capability in Québec, comprising lithium carbonate and/or lithium hydroxide production.

Upon restart of operations, an offtake agreement with Piedmont will come into effect, whereby Piedmont is entitled to purchase the greater of 113,000 metric tons per year of spodumene concentrate or 50% of production from NAL. Prior to the NAL restart, the agreement provided for offtake of 60,000 tonnes or 50% of concentrate produced from ore mined at Sayona's nearby Authier Lithium Project.

This offtake agreement will remain in place until the commencement of operation of a lithium conversion plant in Québec. At this point, spodumene concentrate produced from NAL will be preferentially delivered to that chemical plant upon the start of production. Any remaining concentrate not required by the conversion plant will be delivered to Piedmont.

Authier-NAL combined feasibility study

In May 2022, Sayona announced a positive pre-feasibility study (PFS) confirming NAL's technical and financial viability.

Forming the key part of Sayona's Abitibi lithium hub comprising NAL, the nearby Authier Lithium Project and Tansim Lithium Project, the restored NAL operation and the Authier deposit, together with the Company's emerging northern Québec hub, form North America's largest lithium (spodumene) resource base.

This will allow Sayona to launch production ahead of other North American projects, generating sustainable cash flows and putting the Company on a fast track to go downstream into value-added lithium hydroxide or carbonate production. Québec is rapidly emerging as a leader in the battery sector, benefitting from its clean and sustainable hydropower, world-class infrastructure and proximity to market.

At NAL, the overriding development objective is for the restart of production, with the benefit of supplementary ore feed from Sayona Québec's (SYQ) wholly owned Authier project, located just 30 km from the NAL site. Initially, NAL will produce a lithium concentrate for general market conversion, however NAL will become a primary feed source for SYQ's integrated downstream refined lithium products.

Based on a substantially increased Mineral Resource Estimate, Sayona mandated BBA, an experienced Canadian engineering firm, to develop the PFS and Ore Reserves estimate for the NAL project and its integration with the Authier project.

Key outcomes of the PFS included an estimated pre-tax NPV of C\$952 million) (8% discount rate), a pre-tax IRR of 140% and capital payback period within two years. The life of mine has been extended to 27 years, based on an estimated JORC Proved and Probable Ore Reserves of 29.2 Mt @ 0.96% Li₂O (Proved Reserve 1.2Mt @ 0.92% Li₂O and Probable Reserve 28.0Mt @ 0.96% Li₂O). This includes conservative allowances for non (or low) mineralised diluted material from the upper and lower contact of the pegmatite/mining horizon.

Sayona will implement a ROM (run-of-mine) ore stockpile management system whereby diluted material, lower grade ore and higher-grade feed will be segregated and managed via a stockpile management plan to ensure consistent feed to the plant. This will allow for production campaigns of similar material, providing the concentrate plant sufficient feed stock to maximise product recovery and grade.

Table 1: 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 ₂ O)	Tonnes/y	163,266		
Rod Mill Feed Grade	%	1		
Blended Li ₂ O Recovery	%	67.7		
Life of Mine (LOM)	years	27		
Total Spodumene Concentrate Produced	Mt	4.4		
LOM Strip Ratio	waste:ore	5.3		
		AUD	USD	CAD
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	

The PFS has assessed strategic options for development, determined an economic open pit mine operation, production schedule and site layout for the preferred option. All works completed to date form the basis for progressing to a Definitive Feasibility Study (DFS), with a further refined overall accuracy of +/- 15%. Sayona plans to further tighten the overall accuracy via completion of the DFS, expected later in 2022.

Following the acquisition of the NAL mine and concentrator, the Authier Lithium Project's operating strategy was revised to include only mining operations and waste and water management on-site. The Authier mine will serve as a supplementary or secondary mine and will deliver ore to NAL for processing.

A memorandum of understanding (MOU) has been reached between the Authier operation and NAL, in which NAL agrees to buy 100% of the Authier ore material at a selling price of C\$105/t, delivered to the NAL ore pad area.

The run-of-mine ore from Authier will be transported to the NAL site, where it will be blended with the NAL ore material and fed to the primary crusher.

A project revision process was initiated upon completion of the NAL acquisition and the provision of historical geological, mining and process data. The data reviewed allowed for the update of the Ore Reserves Estimate and increased concentrator mill throughput, from 3,800 tonnes per day (tpd) to 4,200 tpd to produce a 6% Li₂O spodumene concentrate.

NAL Ore Reserves Estimate

Table 2 below presents the NAL Ore Reserves Estimate. In addition to the 29.2 Mt of ore, a total of 150.4 Mt of waste and 3.8 Mt of overburden must be mined, resulting in an overall LOM strip ratio of 5.3.

Table 2: North American Lithium Project Ore Reserves Estimate

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

**Metallurgical recovery not applied*

The assumptions made for Authier and incorporated in the NAL PFS are compliant with the upcoming Authier feasibility study. Furthermore, the Authier project's economics remain in line with Sayona's expectations. For further information, refer to the ASX release dated 23 May 2022.

Novonix Testing

In April 2022, Sayona announced that testing by leading lithium-ion battery innovator NOVONIX (NASDAQ:NVX; ASX:NVX) at its Battery Technology Solutions laboratories in Nova Scotia, Canada, reaffirmed the quality of the Authier spodumene product.

Spodumene samples from Authier were processed into lithium hydroxide by Australian hydroxide technology provider, ICS Lithium. A sample of this lithium hydroxide was then sent to NOVONIX Battery Technology Solutions to evaluate its suitability in the most advanced lithium-ion battery chemistries.

NOVONIX scientists incorporated the sample into a common lithium battery cathode compound precursor (NMC622), which was used to make lithium-ion coin half-cells. The results showed the discharge capacity of Sayona’s hydroxide-based cathode cells was the same as benchmark cathode cells using currently available commercial lithium hydroxide.

The results demonstrated that the Authier product performs as well as commercially available battery-grade lithium hydroxide. The ICS Process is a clean and green solution, which combined with the benefits of Québec’s sustainable hydroelectric power, provides substantial long-term environmental and competitive advantages.

NAL comprises 19 contiguous claims covering 582.31 ha, situated in La Corne township in Québec’s Abitibi-Témiscamingue region. The project lies 60 km north of the city of Val d’Or, a major mining service centre, and in proximity to Sayona’s Authier project. Authier is a hard rock spodumene lithium deposit.

Sayona aims to produce 220kt of spodumene 6% or 30kt Lithium Carbonate Equivalent (LCE) from its Abitibi lithium hub, which combined with the Company’s emerging Northern Québec hub represents North America’s largest lithium (spodumene) resource base.

In March 2022, the Company announced a total JORC combined Measured, Indicated and Inferred Mineral Resource for NAL and Authier of 119.1 million tonnes (Mt) @ 1.05% Li₂O (refer Table 3).



Figure 1: Sayona’s Lithium Project Location Plan, Québec

Table 3: JORC Mineral Resource Estimates, NAL and Authier.

NAL – Open Pit Constrained Mineral Resource Statement using a 0.6% Li₂O cut-off			
Category	Tonnes	Li ₂ O %	Contained Li ₂ 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% Li₂O cut-off			
Category	Tonnes	Li ₂ O %	Contained Li ₂ 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 ₂ O %	Contained Li ₂ 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% Li₂O cut-off			
Category	Tonnes	Li ₂ O %	Contained Li ₂ 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 ₂ O %	Contained Li ₂ 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 ₂ O %	Contained Li ₂ O (t)
NAL and Authier JORC Mineral Resource Estimate (Measured, Indicated and Inferred)	119,057,000	1.05	1,250,000

Moblan Lithium Project (Moblan)

In April 2022, Sayona announced the discovery of a significant new southern lithium pegmatite zone, the Moblan South Discovery, following a 35 hole, 4,683m diamond drilling program. The lithium mineralisation was at a shallow, 60m vertical depth, open in all directions and just 200m south of the main Moblan deposit.

The highlights included 5m @ 1.85% Li₂O from 3.5m and 35m @ 1.62% Li₂O from 27.6m in hole DDH135, together with 6.6m @ 1.69% Li₂O from 2.1m and 27.2m @ 1.53% Li₂O from 22m in hole DDH136.

In June, Sayona announced the discovery of multiple new mineralised lithium pegmatites at Moblan South, South East Extension, Moleon and extensions to the Main Moblan lithium deposit.

The drilling has shown that spodumene pegmatites are more significantly developed at depth than can be recognised at surface, indicating the potential for the discovery of multiple pegmatite clusters.

Highlights included 23.4m @ 1.69% Li₂O from 17.6m and 27.1m @ 1.5% Li₂O from 53.1m in drill hole DDH 134 (Moblan South); 32.1m @ 2% Li₂O from 94.1m (Main Moblan dyke); and 23m @ 1.79% Li₂O from 34.7m (Moblan East). Drill hole locations and selected intercepts are displayed in Figure 2.

Extensional drilling on the main Moblan dyke has successfully extended the known mineralisation, including high-grade mineralisation such as 32.1m @ 2.00% Li₂O from 94.1m in DDH152. The drill results demonstrate the continuity and the potential for the extension of the Main Dyke down dip.

Currently, the Main Dyke has a strike extent of over 1500m, averaging 30-40m in thickness to a vertical depth of approximately 150m. Mineralisation remains open at depth and to the east.

The Moleon prospect is located approximately 1km east of the Moblan deposit. Two main dykes, oriented north-south were intercepted in DDH 150B with results including 14m @ 1.93% Li₂O from 63.3m and 25.6m @ 1.84% Li₂O from 85.2m downhole.

Results from all of the holes at the Moleon sector have been encouraging, identifying more substantial mineralisation at depth than recognised at surface. The large number of pegmatite occurrences at surface which remain untested indicate the high potential for further discoveries as well as the benefit from drilling out the newly identified mineralisation.

Drilling at the South East Extension zone returned multiple spodumene pegmatite dykes, with intersections in DDH-22-153 and 1331-22-154 varying between 3.0m and 18.5m in width and with grades up to 1.67% Li₂O.

Only two drill holes were completed at the South East prospect during the 2022 winter program, but the very encouraging grade and thickness of the mineralised dykes indicates the area remains largely underexplored. The area will require more drilling to better understand the geometry and the relationship between the different mineralised spodumene pegmatites dykes, as well as assessing to determine if the system links up with the South Discovery area to the west.

Following the positive June drilling results, Sayona launched a new 20,000m drilling program to enable an updated and a new resource calculation on the Moblan deposit, the new Moblan South discovery and Moleon areas. More than 215 new drill sites have been permitted by the Québec resources ministry (MERN), with the objective of exploring and defining new lithium resources at Moblan. Results are pending.

During the quarter, Sayona took another step towards the creation of a lithium hub in Eeyou Istchee Baie-James by establishing an office in Chibougamau. The announcement was made within the framework of the Secretariat to the Cree Nation Abitibi-Témiscamingue Economic Alliance (SCNATEA).

In addition, within the framework of this agreement, Sayona has highlighted its approach towards local communities and more particularly with the First Nations community. Sayona created the position of liaison officer to ensure close communication with the Cree community of Mistissini.

Moblan is located in the Eeyou-Istchee James Bay region of northern Québec, a proven lithium mining province which hosts established, world-class lithium resources including Nemaska Lithium's Whabouchi mine. It is well serviced by key infrastructure and transport and has access to low-cost, environmentally friendly hydropower.

The project covers around 433 ha for a total of 20 claims and is held in a joint venture with SOQUEM Inc (Sayona 60%/SOQUEM 40%).

A Mineral Resource Foreign Estimate of 12.03Mt @ 1.4% Li₂O* has been identified at Moblan and there is potential to expand this resource based on recent drilling.

In company with the nearby Lac Albert Project, Moblan forms the basis of a major northern hub for Sayona in Québec, complementing its established Abitibi lithium hub in the south and adding to the Company's position as holding the leading lithium resource base in North America.

** The Mineral Resources and Ore Reserves stated are foreign estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.*

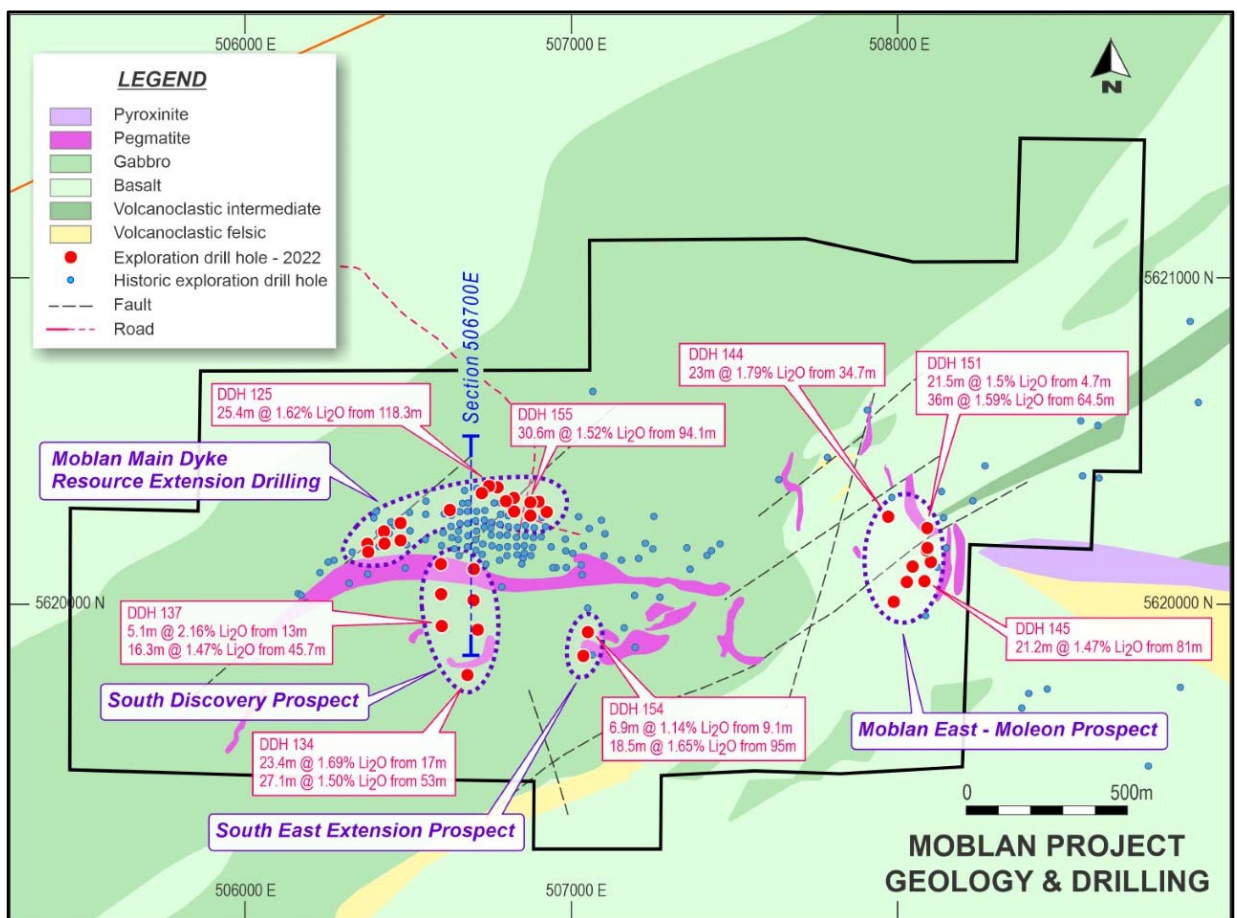


Figure 2: Moblan drillhole plan view with selected drill intercepts

Lac Albert Project

In January 2022, Sayona announced the acquisition of 121 new claims in the vicinity of Moblan known as the Lac Albert Project. Located 3.5km west of the Moblan project, in the same proven lithium mining province, the new claims span 6,592 hectares and will be assessed for lithium pegmatite occurrences during the Northern Hemisphere summer. These claims are separate to the current Moblan joint venture agreement.

Past work has been limited and the geology of the new claim area at Lac Albert is poorly understood, with much of the area obscured by glacial moraines. Exploration is targeting greenstone areas within the mapped monzogranite, along strike of the east-west trend of the Moblan deposit.

A till and soil sampling program was undertaken at Lac Albert from 18-27 May, with a total of 69 x 1kg soil samples and 34 x 15kg till samples collected to identify lithium bearing occurrences and associated elements. In addition, 145 outcrops and boulders have been located and mapped with 56 samples from boulders and 37 samples from outcrops collected and sent to the lab for analysis.

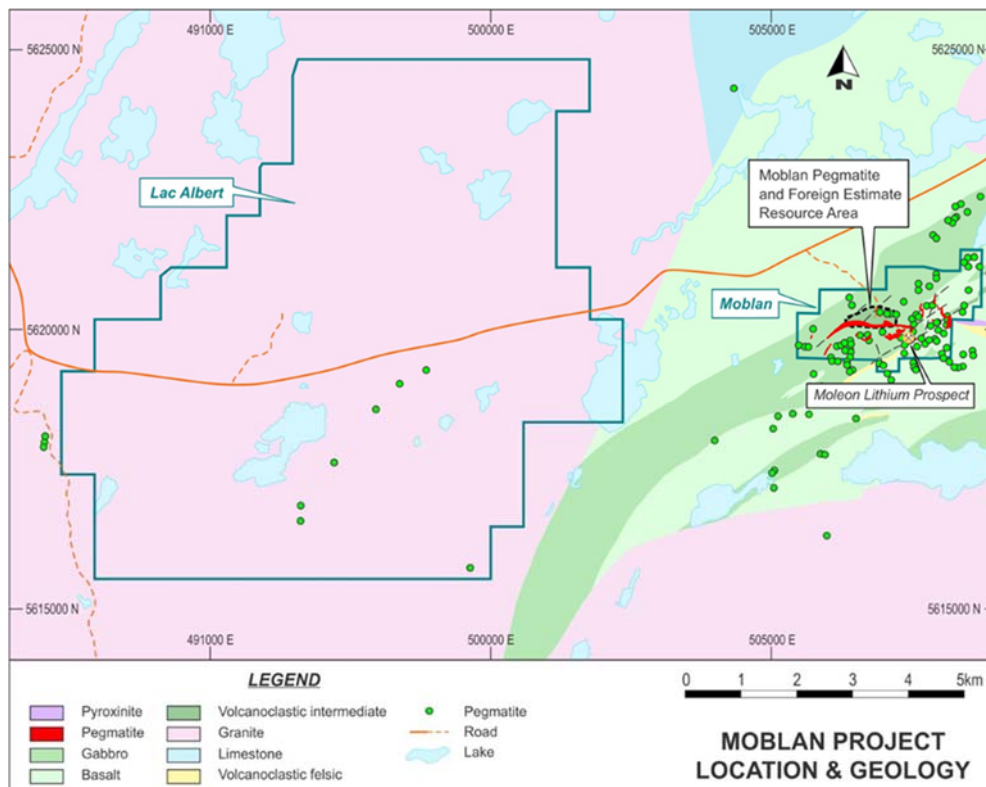


Figure 3: Moblan and Lac Albert projects

Tansim Lithium Project

The Tansim Lithium Project, located 82 kilometres south-west of the Authier project, is a highly valuable component of the Company’s Abitibi lithium hub. The project comprises 355 claims spanning 20,546 ha.

An Exploration Target** for the Viau-Dallaire prospect has been estimated at between 5 million tonnes and 25 million tonnes, at an estimated grade of 1.2-1.3% Li₂O.

Sayona is focused on ensuring the project generates maximum benefits for all local stakeholders, including First Nations, together with minimising any environmental impacts. The Company continues to engage with stakeholders to ensure a transparent and collaborative process. No activities were undertaken on site during the June quarter.

*** The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in an estimation of a Mineral Resource.*

Western Australian Projects

Sayona's leases in Western Australia cover 1,072 sq km, comprising lithium and gold tenure in the Pilbara and Yilgarn areas and graphite prospective tenements in the East Kimberley region.

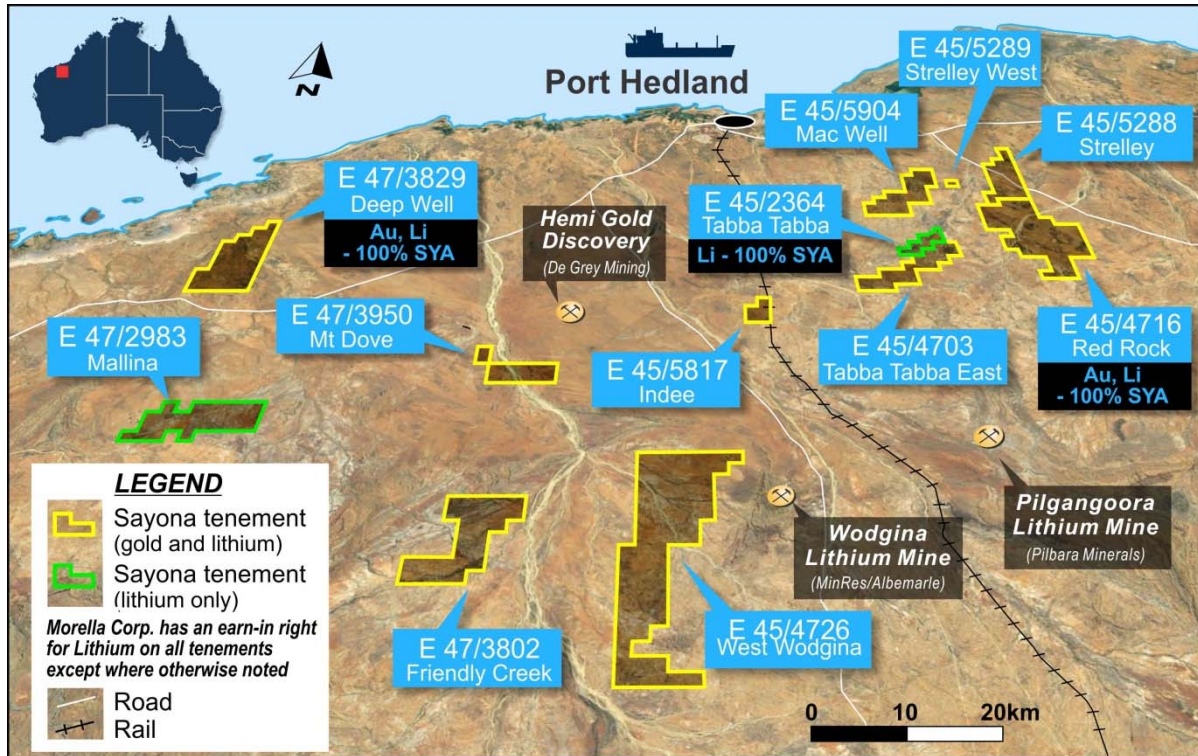


Figure 4: Sayona tenements in Western Australia

Pilbara Exploration

Sayona's Pilbara portfolio comprises 12 leases totalling 933 sq km in the Pilgangoora lithium district. Ten of the tenements have associated gold rights (100% SYA) and are proximal to De Grey Mining's 10.6 Moz Au Mallina Gold Project, which includes the 8.5 Moz Au Hemi gold discovery.

Of the 12 Pilbara tenements with lithium rights, nine are subject to an earn-in agreement with Morella Corporation Limited (ASX:1MC), which must spend at least A\$500,000 on the tenements and complete a minimum of 1,500m of drilling at the Mallina Lithium Project, E47/2983. The three remaining tenements are held within Sayona's 100% owned exploration portfolio.

Morella Farm-In: Pilbara Lithium Projects

Morella is farming into a group of nine tenements in the Pilbara region (Pilbara Lithium Project) and two tenements in the South Murchison (Mt Edon Lithium Project).

During the June quarter, Morella reported significant progress at the Mallina Lithium Project with the completion of a targeted deep drilling program. In total, three RC holes (430m) and four diamond core holes (831.4 m), including two core tail extensions were completed.

Fine grained spodumene quartz intergrowths within aplite intrusive intervals were observed in the drill core. RC chips and drill core were logged on site and samples were prepared for mineralogical studies and geochemical assay work to be completed at a Perth laboratory. Results are pending.

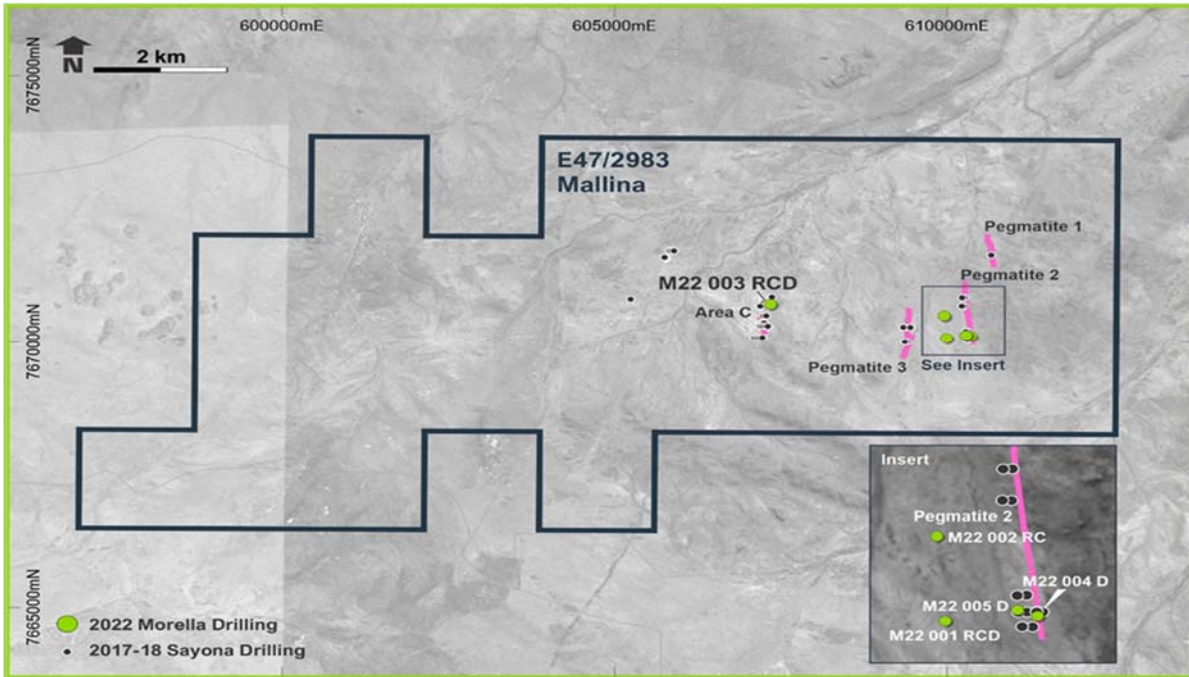


Figure 5 - Location of 2022 Malina Drill Hole Collars

During the reporting period, Morella successfully completed a surface mapping and sampling program at Mt Edon (E59/2092) and Mt Edon West (E59/2055), with a total of 53 pegmatite outcrops mapped. Rock chip assay results indicate the potential of the area for future lithium exploration, with some pegmatites indicating potential lithium mineralisation.

Morella is now reviewing geophysical techniques to support developing a better understanding of the subsurface potential of the project area to quantify potential drilling targets.

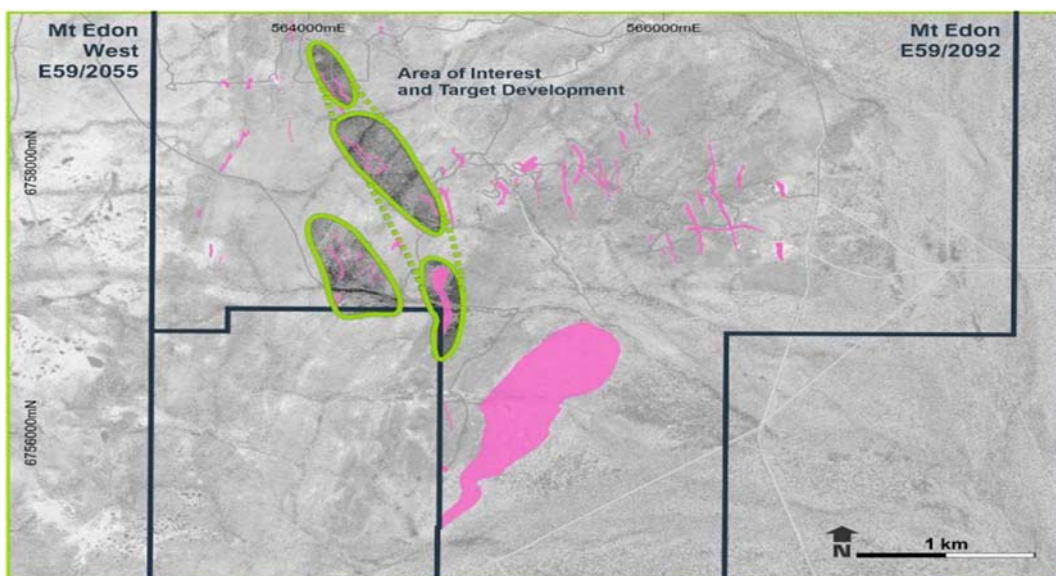


Figure 6 : Map of mapped pegmatites and priority areas for further exploration at Mt Edon

Pilbara gold exploration (Sayona 100%)

Sayona’s Pilbara gold leases are prospective for intrusion-related gold mineralisation, similar in style to that identified at the Hemi gold discovery.

The Company is using its knowledge of late-stage intrusions, built up in the search for pegmatite mineralisation, to fast-track identification of Hemi-style targets. At Hemi, part of the mineralisation identified to date is coincident with a magnetic feature and Sayona’s initial exploration includes the use of airborne magnetics to identify similar targets.

Sayona’s tenement portfolio remains effectively untested for its gold potential, with large areas masked by surficial cover. A A\$2.7 million budget and work program has been approved for calendar year 2022.

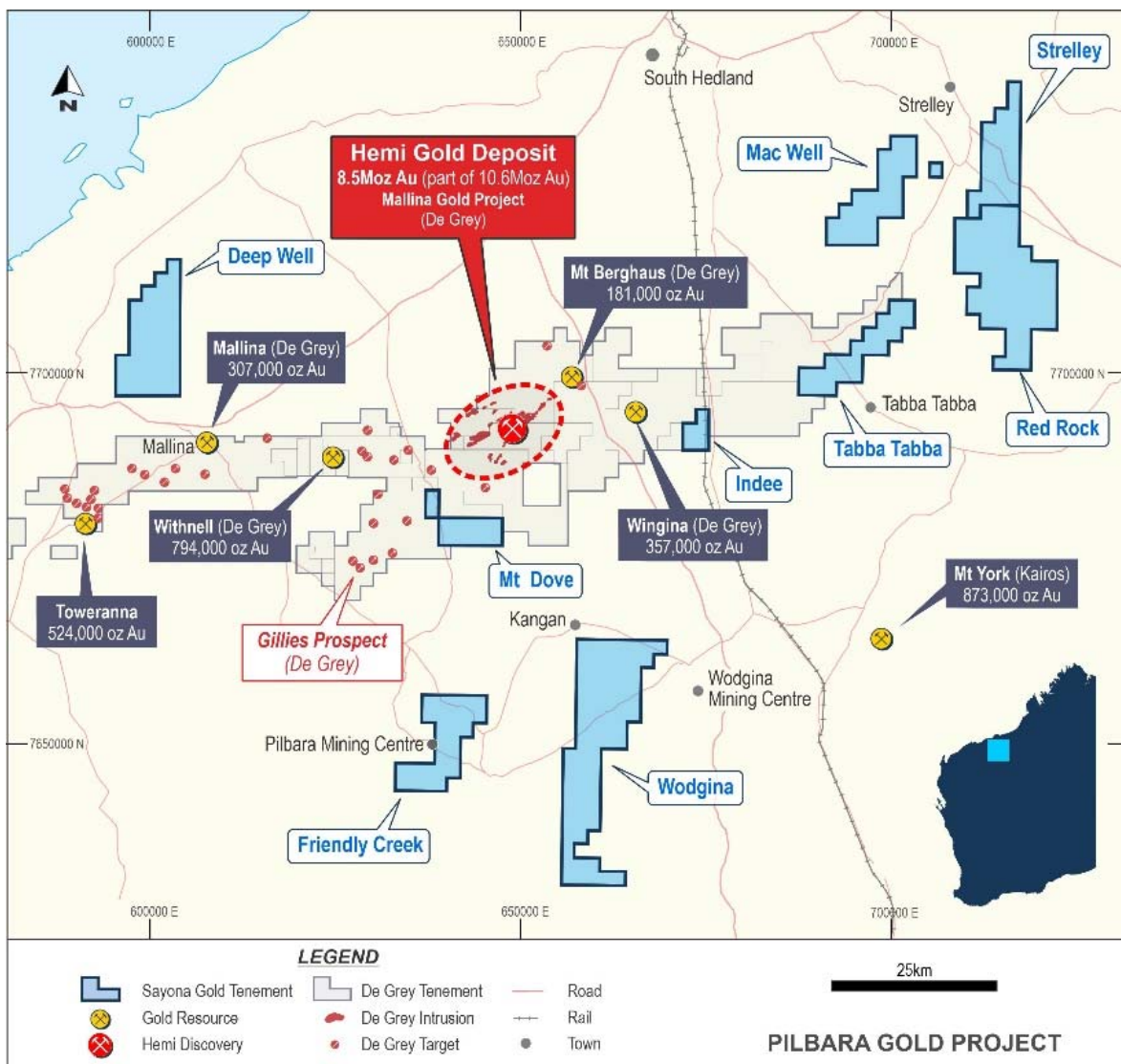


Figure 7: Pilbara gold leases

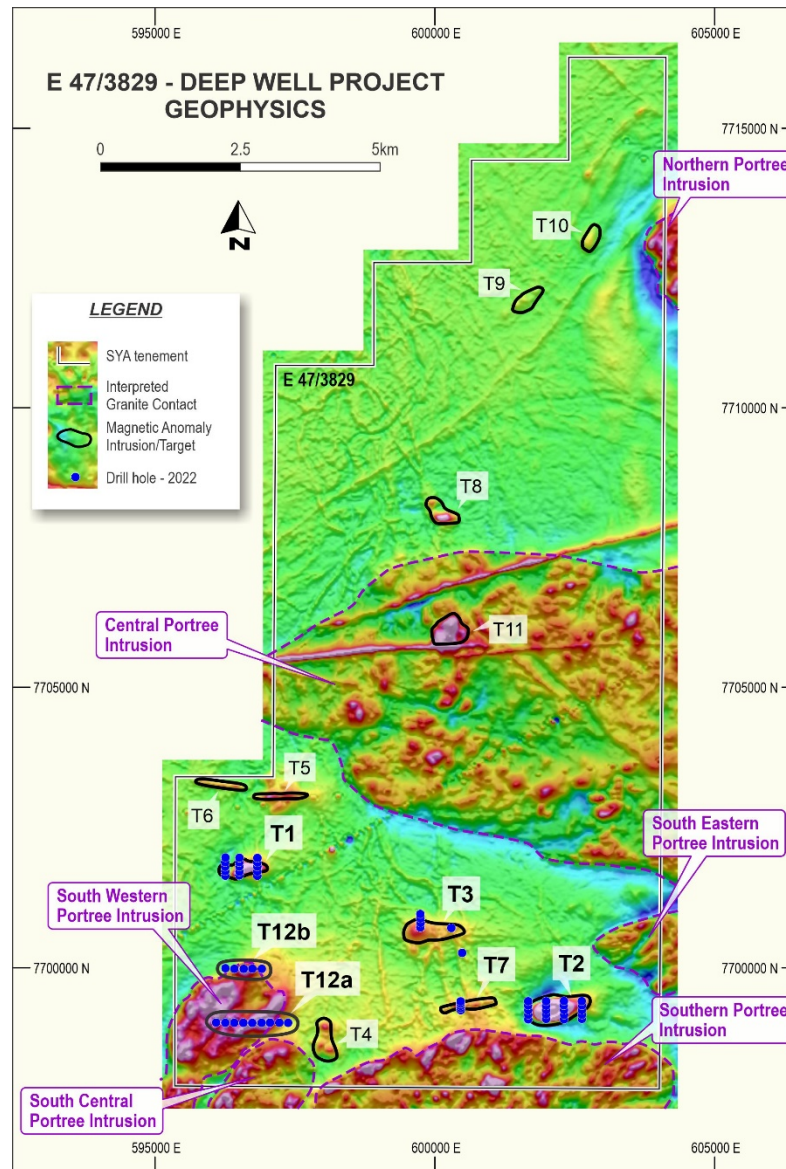


Figure 8: Deep Well Project with RTP magnetics and targets

Deep Well Project

The Deep Well Project, E47/3829 covers Mallina Basin sediments which have been intruded by the Portree Suite, a range of tonalite, granodiorite and other intrusive rocks which are of the same age as those associated with the Hemi deposit. Much of the tenement area is obscured by surficial cover and airborne magnetic surveying has been used to identify Hemi-style magnetic gold targets.

Early in the quarter, tracks and drill pads were completed for a 60-hole air-core drilling program which was carried out in May 2022, with a total of 60 drill holes for 1,677 metres completed. A total of 588 samples have been submitted for gold, lithium and multi-element analysis. Assay results are pending.

Drilling targeted magnetic features that display similarities to the Hemi style of intrusion-related gold mineralisation. The T1, T2, T3, T7, T12a and T12b targets were tested.

Holes ranged from 6m to 55m in depth, with an average of 28m depth. This is less than anticipated, due to a shallower veneer of transported surficial cover being present. The transported cover sequence ranged from 3m to 15m in downhole depth. Once drill assay results are received further drilling can be planned.

Sayona holds 100% of the lithium rights within Deep Well and exploration is proceeding with an awareness of the lithium potential of the project area. The tenement is underlain by sediments of the Mallina Basin, similar to those at the Mallina tenement E47/2983, where Sayona has identified spodumene pegmatite mineralisation in its past exploration work.

Mt Dove Project

The Mt Dove project is the closest Sayona lease to De Grey's Hemi project, being 10km south-west of the Falcon prospect and 12 km south-west of the Broлга prospect. It is within 5km of the greater Hemi project area, a 15km trend which includes Hemi and adjacent intrusions.

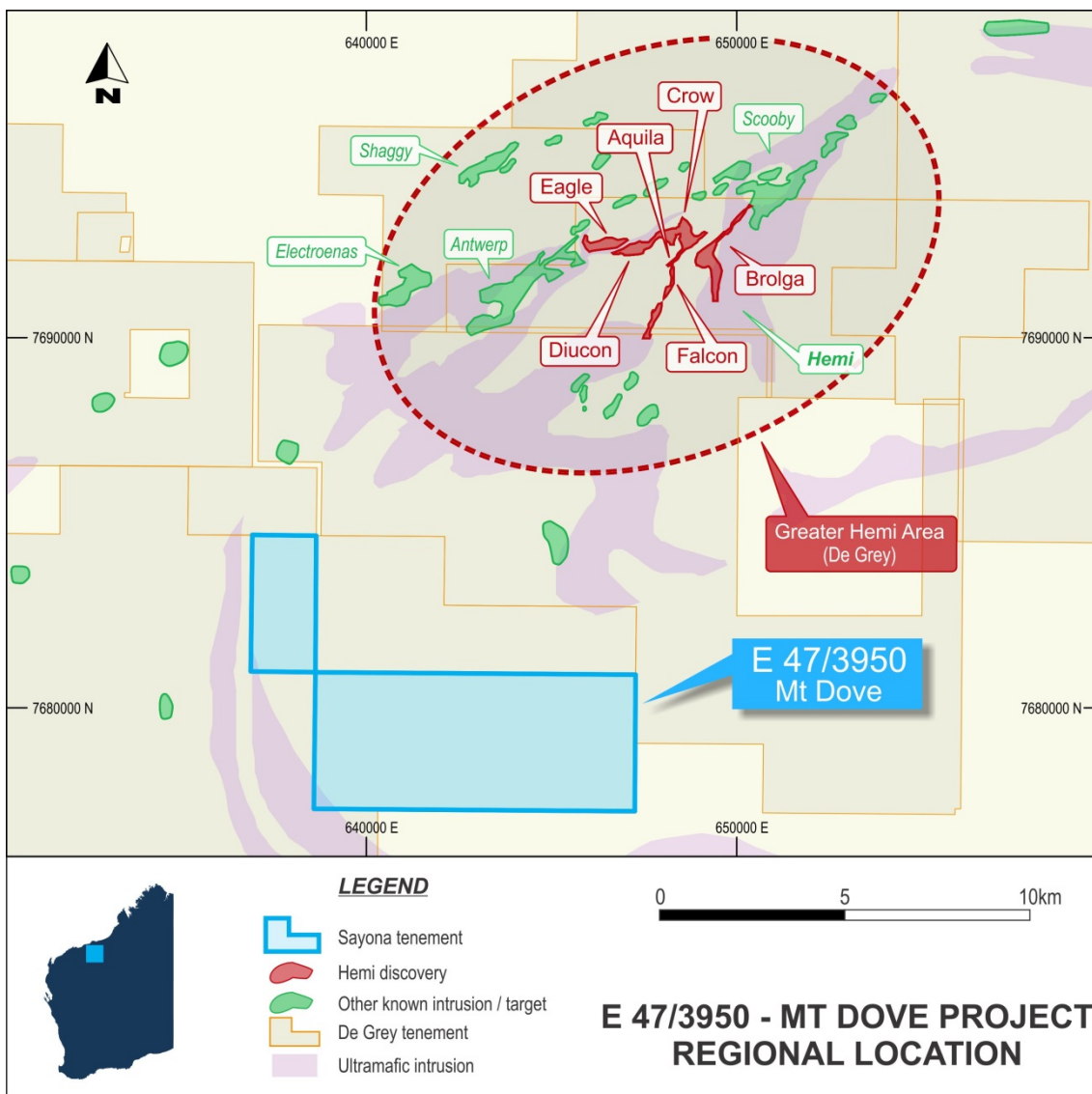


Figure 9: Mt Dove Project and surrounding De Grey targets and Hemi Discovery

A 3,500m air-core/RC drill program has been planned to test magnetic features and structural targets for bedrock gold anomalism. Work is continuing for heritage surveying so that this work can proceed.

The western 9.4 sq km of the Mt Dove tenement lies within the Yandeyarra Aboriginal Reserve. An access agreement is required before exploration can be undertaken over this area, which covers approximately 25% of the total lease area of 38.4 sq km.

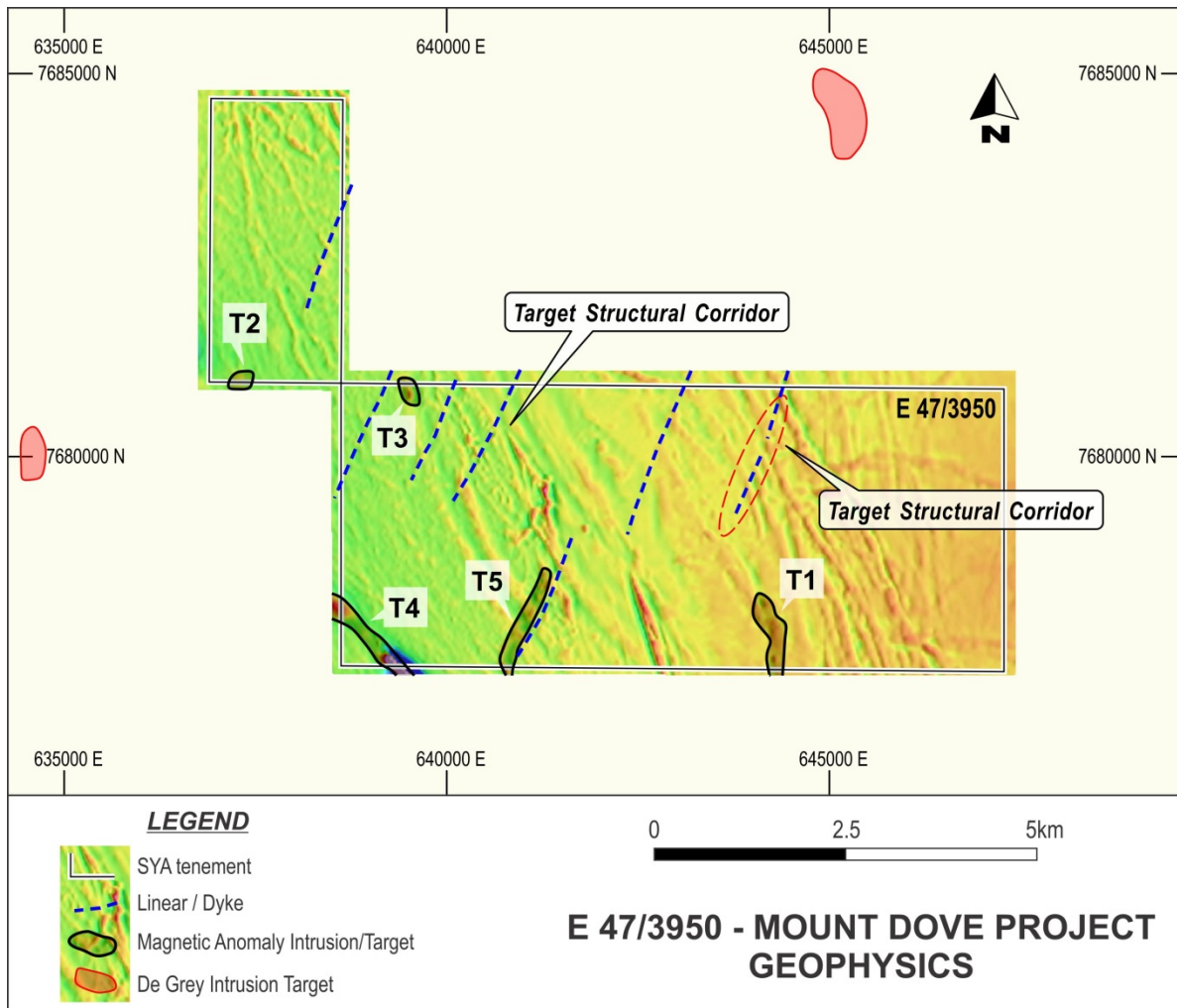


Figure 10: Mt Dove Project with RTP AGC magnetics and targets

Sayona Lithium Tenure – Pilbara Region

Sayona holds the lithium rights at the Deep Well (E47/3829), Tabba Tabba (E45/2364) and Red Rock E45/4716) tenements which cover a total of 334km².

Red Rock Project, E45/4716

As a first pass test for lithium and gold mineralisation, a soil geochemical sampling program was initiated over north-east trending structural zones extending from Pilgangoora in the south. This is considered to be a favourable conduit for pegmatite emplacement and a 10km+ extent to this zone, together with splay structures, cuts the Red Rock lease. This 750-sample program commenced post quarter, in early July.

The structural interpretation highlights an association of the identified structures with rare metal pegmatite occurrences and historic dredging and alluvial claims which targeted tin and tantalum mineralisation, commonly associated with lithium pegmatites. Figure 11 below displays the structural setting and lithium target areas within the Red Rock and Tabba Tabba project areas.

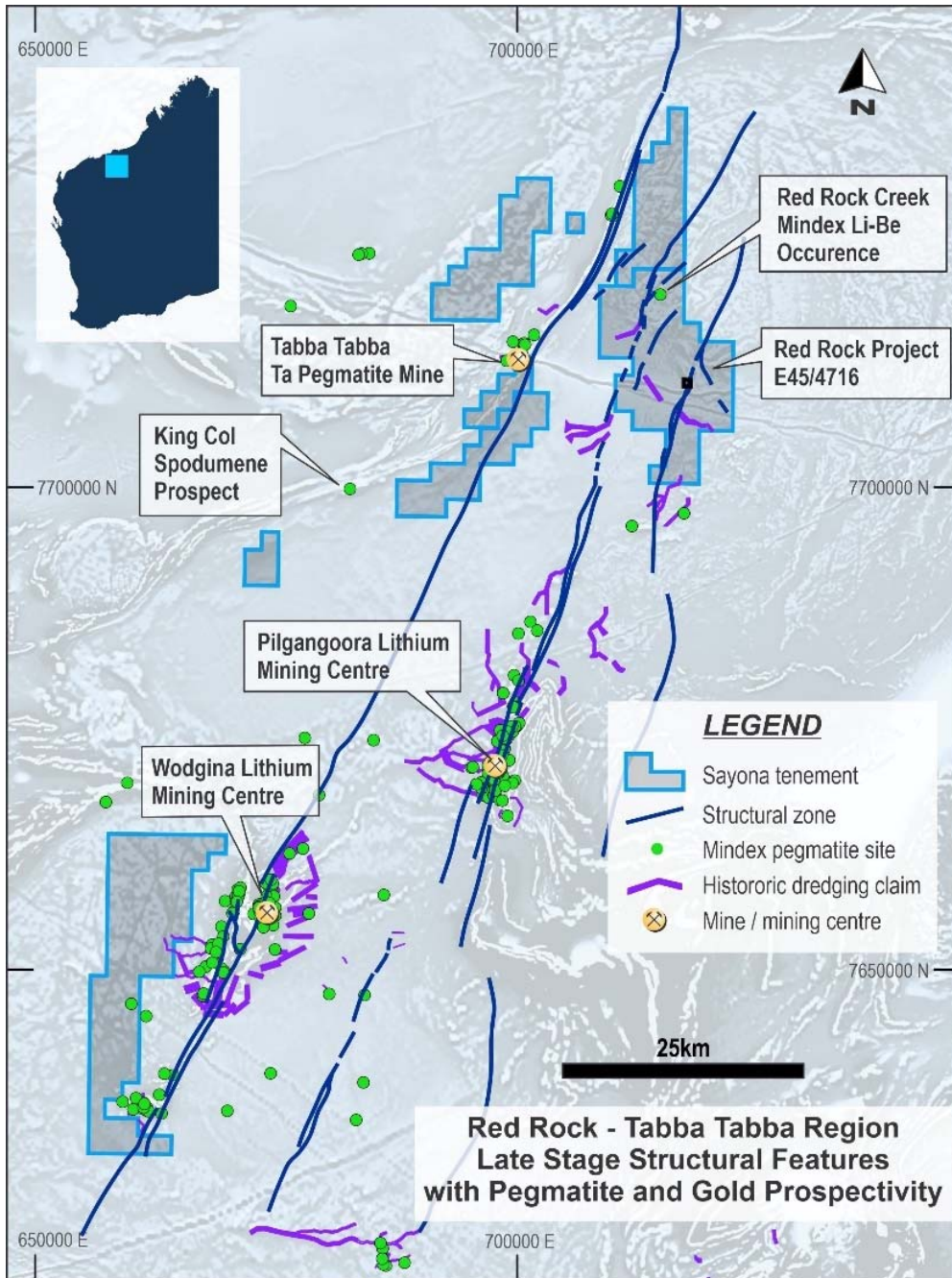


Figure 11 : Red Rock Region Lithium prospectivity

Tabba Tappa Project, E45/2364

The Tappa Tappa lease, E45/2364 covers greenstone and granite stratigraphy, adjacent to the Tappa Tappa tantalum mine (not operational). Sayona’s prior work over E45/2364 has identified pegmatite and lithium geochemical anomalism characteristic of LCT-type pegmatites which remain untested by drilling.

Work during the quarter included advancing drill testing of the A5, A3 and A4 anomalies. A program of air core drilling is currently being planned to test anomalies at depth within fresh bedrock.

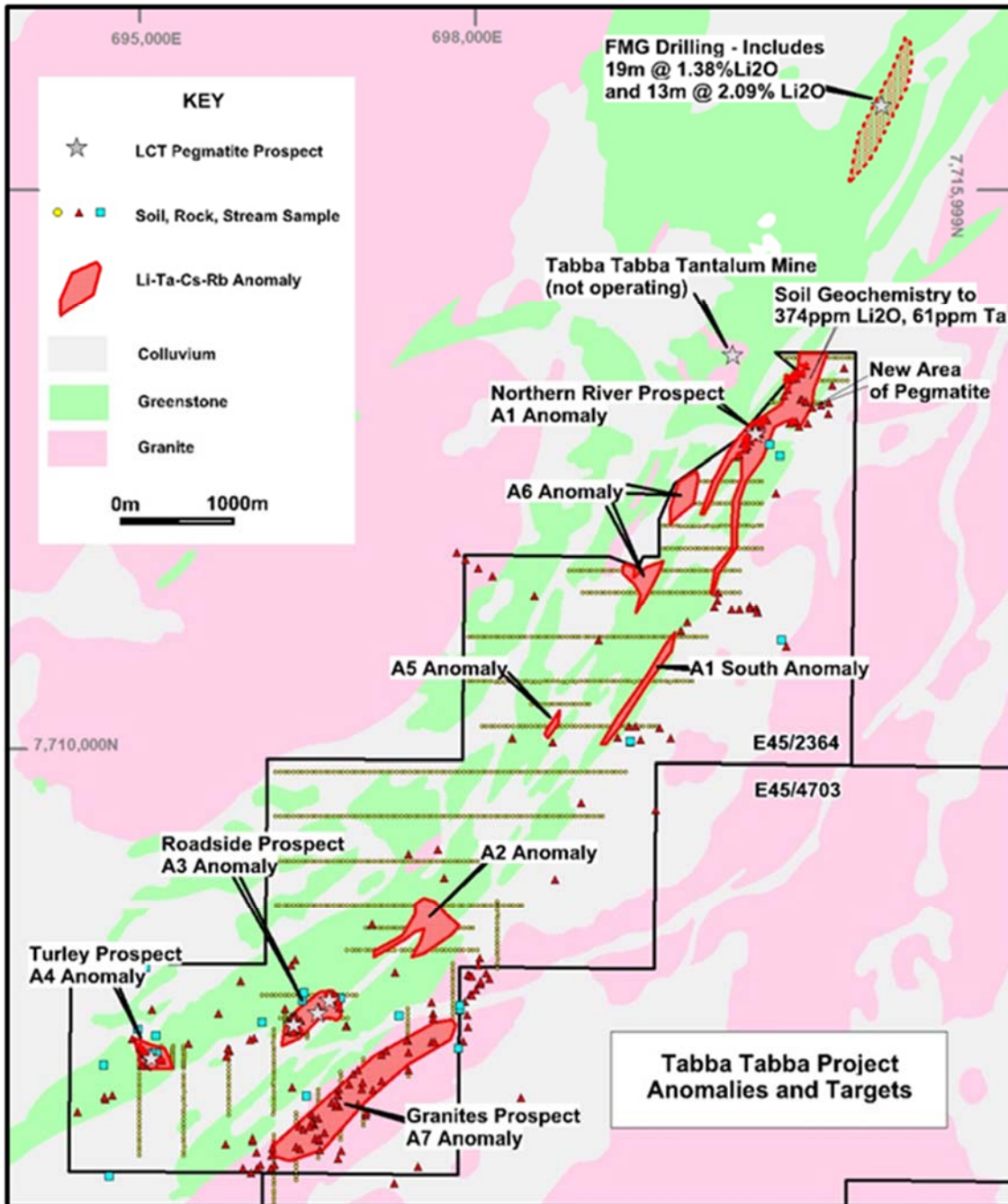


Figure 12: Tabba Tabba Project – Geochemistry and Targets

East Kimberley Graphite Project

Sayona’s past exploration has identified coarse flake graphite mineralisation hosted in sediments off the Tickalara Metamorphics. A 250m diamond drilling program is planned for calendar 2022.

During the quarter statutory approval for the planned drilling was received.

Corporate

A\$190 million Placement

In May 2022, Sayona announced it had successfully completed a A\$190 million placement to global institutional, professional and sophisticated investors, the proceeds of which will primarily be directed to the restart of NAL.

Sayona received firm commitments to raise A\$190 million (before costs) through the issue of 1,054,406,346 new fully paid ordinary shares (“New Shares”) at an issue price of A\$0.18 per New Share. The issue price of the New Shares represented a 12.2% discount to the last closing price on 24 May 2022. The New Shares issued through the Placement will be issued under the Company’s placement capacity pursuant to ASX Listing Rule 7.1. New Shares issued under the Placement will rank equally with existing shares on issue.

Canaccord Genuity (Australia) and Petra Capital acted as Joint Lead Managers and Bookrunners to the Placement. Desjardins Capital Markets and Jett Capital Advisors acted as Co-Managers to the Placement.

In addition to the proposed NAL restart, the placement will also support Sayona to expand and grow its highly strategic northern hub. It has provided the Company with considerable balance sheet strength as it rapidly develops its leading lithium resource base in North America.

Québec team expands

In May, Sayona announced the appointment of a new chief financial officer as part of an enhanced corporate structure to reflect the Company’s growth strategy as it advances towards production in the first quarter of 2023.

Salvatore Vitale (CPA, CA) joined Sayona Québec as chief financial officer, responsible for overseeing all financial activities of the Company. His appointment is part of a revamp of Sayona Québec’s corporate structure to reflect the Company’s progression towards production and its positioning as a sustainable and socially responsible enterprise.

The corporate team was further enhanced with the appointments of Anne Blier as Vice President, Environment; Carl Corriveau, Vice President, Exploration; and Cindy Valence as Chief Sustainability Officer. In addition, Richard Saint-Jean was appointed General Manager of NAL, among other recruitment to progress the operation’s restart.

Corporate Social Responsibility report released

Sayona Québec released during the quarter its inaugural Corporate Social Responsibility (CSR) report, highlighting the Company’s commitment to sustainable development, community relations and health and safety.

The report was unveiled during the Prospectors & Developers Association of Canada (PDAC) conference, held in Toronto from 13-15 June. It is available via the Sayona Québec website (French) (see <https://www.sayona.ca/developpement-durable/>).

Sayona is committed to ensuring its projects are sources of pride for host communities and the entire territory of Québec where it conducts its activities. It is an approach of sustainable development, respect for communities and the environment, contributing to the fight against climate change and the electrification of transportation.

Among recent community engagement activities, Sayona collaborated with the Municipality of La Corne by providing electric bicycles for rental, highlighting the tourist attractions of the municipality. For more information, see https://www.sayona.ca/wp-content/uploads/2022/06/Communique-Velos-electriques-La-Corne_VF.pdf (French).

“Le Lithium d’ici” awareness campaign

Sayona Québec launched an education and awareness campaign: “Le lithium d’ici” (“Lithium from here”). Focused on simple, short and frank messages, the campaign presents the advantages of extracting and transforming lithium in the province.

Sayona wishes to arouse in Québécois and in the communities where it operates, the pride of participating in the energy transition by breaking the clichés about lithium, by talking about the future and by highlighting the strategic role that Québec can play in the energy transition and electrification of transport.

More information on the campaign is available via this link (French language): <https://www.sayona.ca/wp-content/uploads/2022/05/Communique-C3%A9-Le-lithium-dici-VF-20220511.pdf>

Together with PDAC, Sayona also participated in the “Lithium Supply and Battery Raw Materials 2022” convention in Phoenix, USA, from 27-29 June.



Figure 13: Sayona’s team at PDAC, from left to right: Sayona Québec CEO, Guy Laliberté; Cindy Valence, Chief Sustainability Officer; Paul Crawford, Executive Director/CFO; Salvatore Vitale, Sayona Québec CFO; Managing Director Brett Lynch; Jarrett Quinn, Process Lead; Carl Corriveau, VP Exploration

Appendix 5B Disclosures

Cash on hand at the end of the quarter was \$195,705,000.

During the quarter, the Company made payments of \$198,000 to related parties (item 6.1), representing director remuneration, including executive director salaries and non-executive director fees.

During the quarter, the Company spent approximately \$3,440,000 on exploration and project evaluation costs, primarily on its Québec lithium projects. In addition, the Company spent approximately \$10,038,000 on plant and equipment in relation to the NAL refurbishment.

This announcement is authorised by Sayona's Board of Directors.

For more information, please contact:

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Managing Director
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For media queries, please contact:

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About Sayona Mining

Sayona Mining Limited is an emerging 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). The Company also holds a 60% stake in the Moblan Lithium Project.

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, while its lithium projects are subject to an earn-in agreement with Morella Corporation (ASX:1MC).

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

References to Previous ASX Releases

This report refers to the following previous ASX releases:

- Potential for new lithium deposit at Viau-Dallaire – 19 November 2019
- Tests confirm Authier delivers high purity lithium hydroxide – 7 July 2021
- Drilling results advance Authier Project – 1 November 2021
- Sayona doubles Québec lithium resource base – 1 March 2022
- Positive Novonix tests reaffirm Authier product quality – 4 April 2022
- New lithium pegmatite discovery at Moblan Project – 26 April 2022
- 1MC Drilling underway at Mallina – 22 April 2022
- Sayona builds Corporate Team in Québec for 2023 Production - 27 May 2022
- Placement to Fund NAL Restart and Development Initiatives - 27 May 2022
- 1MC Mallina Drilling Program Complete - 6 June 2022

- 1MC Lithium Targets identified at Mt Edon - 23 June 2022
- New Lithium Discovery strengthens Moblan Potential - 27 June 2022
- Sayona and Piedmont formally approval NAL Restart - 28 June 2022

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.

Competent Person Statements

Exploration Targets

The information in this report that relates to Exploration Targets is based on information compiled by Dr Gustavo Delendatti, a member of the Australian Institute of Geoscientists.

Dr Delendatti is an independent consultant and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code (2012 Edition) of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Dr Delendatti, as competent person for this announcement, has consented to the inclusion of the information in the form and context in which it appears.

Tenement Schedules

Australian Tenement Schedule				
Tenement	Name	Status	Interest at Beginning of Quarter	Interest at end of Quarter
E59/2092	Mt Edon	Granted	80% of pegmatite minerals only*	80% of pegmatite minerals only*
E59/2055	Mt Edon West	Granted	100% (pegmatite minerals only)*	100% (pegmatite minerals only)*
E45/2364	Tabba Tabba	Granted	100% (pegmatite minerals only)	100% (pegmatite minerals only)
E45/4703	Tabba Tabba East	Granted	100%*	100%*
E45/4716	Red Rock	Granted	100%	100%
E45/4726	West Wodgina	Granted	100%*	100%*
E80/4511	Western Iron	Granted	100%	100%
E80/4949	Corkwood	Granted	100%	100%
E47/3802	Friendly Creek	Granted	100%*	100%*
E47/3829	Deep Well	Granted	100%	100%
E47/3950	Mt Dove	Granted	100%*	100%*
E45/5288	Strelley	Granted	100%*	100%*
E45/5289	Strelley West	Granted	100%*	100%*
E47/2983	Mallina	Granted	100% (pegmatite minerals only)*	100% (pegmatite minerals only)*
E45/5817	Indee	Application	100%*	100%*
E45/5904	Mac Well	Application	100%*	100%*

*Tenement Subject to Morella Lithium Earn-in

Canadian Tenement Schedule - Authier		
Tenement	Location	Interest in Tenement
2116146	Authier	100%
2116154	Authier	100%
2116155	Authier	100%
2116156	Authier	100%
2183454	Authier	100%
2183455	Authier	100%
2187651	Authier	100%
2187652	Authier	100%
2192470	Authier	100%
2192471	Authier	100%
2194819	Authier	100%
2195725	Authier	100%
2219206	Authier	100%
2219207	Authier	100%
2219208	Authier	100%
2219209	Authier	100%
2240226	Authier	100%
2240227	Authier	100%
2247100	Authier	100%
2247101	Authier	100%
2472424	Authier	100%
2472425	Authier	100%
2480180	Authier	100%
2507910	Authier	100%

Canadian Tenement Schedule – Tansim

Tenement	Interest	Tenement	Interest	Tenement	Interest
1133877	100%	2440898	100%	2519280	100%
2415443	100%	2440899	100%	2519281	100%
2415444	100%	2440900	100%	2519282	100%
2436732	100%	2440901	100%	2519283	100%
2436733	100%	2440902	100%	2519284	100%
2436734	100%	2440903	100%	2519285	100%
2438472	100%	2440907	100%	2519286	100%
2438473	100%	2440908	100%	2519287	100%
2438474	100%	2440909	100%	2519288	100%
2438475	100%	2440919	100%	2519289	100%
2438476	100%	2440920	100%	2519290	100%
2438477	100%	2440925	100%	2519291	100%
2438478	100%	2440930	100%	2519292	100%
2438723	100%	2440935	100%	2519293	100%
2440836	100%	2440936	100%	2519294	100%
2440837	100%	2440993	100%	2519295	100%
2440838	100%	2440994	100%	2519296	100%
2440839	100%	2450758	100%	2519297	100%
2440840	100%	2519251	100%	2519298	100%
2440841	100%	2519252	100%	2519299	100%
2440842	100%	2519253	100%	2519300	100%
2440843	100%	2519254	100%	2519301	100%
2440844	100%	2519255	100%	2519302	100%
2440845	100%	2519256	100%	2519303	100%
2440846	100%	2519257	100%	2519304	100%
2440847	100%	2519258	100%	2519305	100%
2440848	100%	2519259	100%	2519306	100%
2440849	100%	2519260	100%	2519307	100%
2440850	100%	2519261	100%	2519308	100%
2440851	100%	2519262	100%	2519309	100%
2440852	100%	2519263	100%	2519310	100%
2440853	100%	2519264	100%	2519311	100%
2440854	100%	2519265	100%	2519312	100%
2440855	100%	2519266	100%	2519313	100%
2440856	100%	2519267	100%	2519314	100%
2440857	100%	2519268	100%	2519315	100%
2440858	100%	2519269	100%	2519316	100%
2440859	100%	2519270	100%	2519317	100%
2440860	100%	2519271	100%	2519318	100%
2440890	100%	2519272	100%	2519319	100%
2440891	100%	2519273	100%	2519320	100%
2440892	100%	2519274	100%	2519321	100%
2440893	100%	2519275	100%	2519322	100%
2440894	100%	2519276	100%	2519323	100%
2440895	100%	2519277	100%	2519324	100%
2440896	100%	2519278	100%	2572665	100%
2440897	100%	2519279	100%	2572666	100%

Canadian Tenement Schedule – Tansim

Tenement	Interest	Tenement	Interest	Tenement	Interest
2572667	100%	2579271	100%	2601810	100%
2572668	100%	2601761	100%	2601811	100%
2572669	100%	2601762	100%	2601812	100%
2572670	100%	2601763	100%	2601813	100%
2572671	100%	2601764	100%	2601814	100%
2572672	100%	2601765	100%	2601815	100%
2572673	100%	2601766	100%	2601816	100%
2572674	100%	2601767	100%	2601817	100%
2572675	100%	2601768	100%	2601818	100%
2572676	100%	2601769	100%	2601819	100%
2572677	100%	2601770	100%	2601820	100%
2572678	100%	2601771	100%	2601821	100%
2572679	100%	2601772	100%	2601822	100%
2572680	100%	2601773	100%	2601823	100%
2572681	100%	2601774	100%	2601824	100%
2572682	100%	2601775	100%	2601825	100%
2572683	100%	2601776	100%	2601826	100%
2572684	100%	2601777	100%	2601827	100%
2572685	100%	2601778	100%	2601828	100%
2572686	100%	2601779	100%	2601829	100%
2572687	100%	2601780	100%	2601830	100%
2572688	100%	2601781	100%	2601831	100%
2572689	100%	2601782	100%	2601832	100%
2572690	100%	2601783	100%	2601833	100%
2572691	100%	2601784	100%	2601834	100%
2572692	100%	2601785	100%	2601835	100%
2572693	100%	2601786	100%	2601836	100%
2572694	100%	2601787	100%	2601837	100%
2572695	100%	2601788	100%	2601838	100%
2572696	100%	2601789	100%	2601839	100%
2572697	100%	2601790	100%	2601840	100%
2572698	100%	2601791	100%	2601841	100%
2572699	100%	2601792	100%	2601862	100%
2572700	100%	2601793	100%	2601863	100%
2572701	100%	2601794	100%	2601864	100%
2572702	100%	2601795	100%	2601865	100%
2572703	100%	2601796	100%	2601866	100%
2579261	100%	2601797	100%	2601867	100%
2579262	100%	2601798	100%	2601868	100%
2579263	100%	2601799	100%	2601869	100%
2579264	100%	2601803	100%	2601870	100%
2579265	100%	2601804	100%	2601871	100%
2579266	100%	2601805	100%	2601872	100%
2579267	100%	2601806	100%	2601918	100%
2579268	100%	2601807	100%	2601922	100%
2579269	100%	2601808	100%	2603761	100%
2579270	100%	2601809	100%	2603762	100%

Canadian Tenement Schedule – Tansim				Moblan	
Tenement	Interest	Tenement	Interest	Tenement	Interest
2603763	100%	2603809	100%	2331201	100%
2603764	100%	2603810	100%	2331202	100%
2603765	100%	2603811	100%	2331203	100%
2603766	100%	2603812	100%	2331204	100%
2603767	100%	2603813	100%	2331205	100%
2603768	100%	2603814	100%	2331206	100%
2603769	100%	2603815	100%	2331207	100%
2603770	100%	2603816	100%	2331208	100%
2603771	100%	2603817	100%	2331353	100%
2603772	100%	2603818	100%	2331354	100%
2603773	100%	2603819	100%	2331355	100%
2603774	100%	2603820	100%	2331356	100%
2603775	100%	2603821	100%	2331357	100%
2603776	100%	2603822	100%	2331358	100%
2603777	100%	2603823	100%	2331359	100%
2603778	100%	2603824	100%	2195586	100%
2603779	100%	2603825	100%	2195587	100%
2603780	100%	2603826	100%	2338382	100%
2603781	100%	2603827	100%	2378688	100%
2603782	100%	2603828	100%	2378689	100%
2603783	100%	2603829	100%		
2603784	100%	2603830	100%		
2603785	100%	2603831	100%		
2603786	100%	2603832	100%		
2603787	100%	2603833	100%		
2603788	100%	2603834	100%		
2603789	100%	2603835			
2603790	100%				
2603791	100%				
2603792	100%				
2603793	100%				
2603794	100%				
2603795	100%				
2603796	100%				
2603797	100%				
2603798	100%				
2603799	100%				
2603800	100%				
2603801	100%				
2603802	100%				
2603803	100%				
2603804	100%				
2603805	100%				
2603806	100%				
2603807	100%				
2603808	100%				

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SAYONA MINING LIMITED

ABN

26 091 951 978

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(3,440)	(12,496)
(b) development		
(c) production		
(d) staff costs	(1,869)	(4,008)
(e) administration and corporate costs	(2,558)	(8,295)
1.3 Dividends received (see note 3)		
1.4 Interest received	71	74
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		42
1.8 Other –		
1.9 Net cash from / (used in) operating activities	(7,796)	(24,683)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		(180,733)
(b) tenements		
(c) property, plant and equipment	(10,038)	(15,262)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(10,038)	(195,995)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	190,954	383,903
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	1,795	4,247
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9,086)	(16,948)
3.5	Proceeds from borrowings	8,879	8,879
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.10	Net cash from / (used in) financing activities	192,542	380,081

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,781	35,503
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,796)	(24,683)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,038)	(195,995)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	192,542	380,081
4.5	Effect of movement in exchange rates on cash held	1,216	799
4.6	Cash and cash equivalents at end of period	195,705	195,705

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	186,390	6,973
5.2 Call deposits	9,315	12,808
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	195,705	19,781

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	198
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	7,796
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	7,796
8.4	Cash and cash equivalents at quarter end (item 4.6)	195,705
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	195,705
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) Note: If entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.	25

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2, and 8.8.3 above must be answered.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

29 July 2022

Date:

Paul Crawford – Company Secretary

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash*

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.