

ASX Announcement

25 January 2024

OPERATIONAL REVIEW TO OPTIMISE NAL COST STRUCTURE

- Sayona undertaking operational review of North American Lithium (NAL) operation, focusing on optimising cost structure to manage cash flow and enhance financial sustainability
- Personnel changes enacted at Sayona's Québec subsidiary in response to market conditions
- Operational review outcomes expected by end of first quarter of calendar 2024

North American lithium producer Sayona Mining Limited ("Sayona") (ASX:SYA; OTCQB:SYAXF) is conducting an operational review of its North American Lithium (NAL) operation in collaboration with its joint venture partner, seeking to optimise NAL's cost structure in response to rapidly changing conditions in the global lithium market.

The review is focusing on opportunities to reduce NAL's cost base, manage cash flow and preserve the Québec operation's financial sustainability in a challenging market environment. Sayona expects to complete the review by the end of the first quarter of calendar 2024 and will announce the outcome to its shareholders and other stakeholders.

"This review of our Québec operations is focusing on reducing our cost base, enhancing productivity and improving Sayona's ability to continue to produce lithium throughout the market cycle," said James Brown, Sayona's Interim CEO.

"As the only operating hard rock lithium mine in North America, NAL is well positioned to remain a strategic source of lithium for the North American battery and EV market. While current market conditions are challenging, we are confident that the long-term outlook for lithium remains positive as the energy transition gains momentum and the shift to an electrified world continues."

As part of the operational review, Guy Belleau, CEO of the Company's Québec subsidiary, Sayona Inc., has departed his role effective 24 January 2024. Mr Belleau joined Sayona in late 2022 and took up the CEO position in January 2023. The Company extends its thanks to Mr Belleau for his contribution and wishes him well in his future endeavours.

Sayona's Chief Operating Officer (COO) for Québec, Mr Sylvain Collard, will assume direct management of Sayona's Québec operations, reporting to Mr Brown in Australia.

Mr Collard has worked in the mining industry for 19 years, including work on several projects for IAMGOLD Corporation. He has managed copper and gold mines and projects in Québec, Ontario and in the United States. Mr Collard joined Sayona in 2022 and has overseen NAL's restart and ramp-up process. He is also responsible for the exploration and development of the Company's Moblan Lithium Project.

In conjunction with the management changes, and responding to current lithium market conditions, an additional 14 staff have been made redundant in the Québec operations. Sayona thanks all staff for their efforts in ensuring the successful start of production at NAL in 2023.

"While regrettable, these personnel changes are well targeted to ensure that Sayona has the right mix of experience and expertise to deliver key outcomes for shareholders. We are confident we now have the right team in place in Québec to maintain and enhance production, while enabling enhanced productivity to ensure our continued growth as a leading force in North America's electrification," Mr Brown added.

Issued on behalf of the Board.

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About Sayona Mining

Sayona Mining Limited is a North American 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). Sayona also holds a 60% stake in the Moblan Lithium Project in northern Québec.

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 in the world-class Pilbara region, while its lithium projects include Company-owned leases and those subject to a joint venture with Morella Corporation (ASX:1MC).

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

References to Previous ASX Releases

- Strategic review and operational update – 9 November 2023
- Annual Report to shareholders – 31 October 2023
- Change of Leadership at Head of Sayona in Québec – 14 December 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.

Forward Looking Statements

This announcement contains certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Sayona's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of forward-looking statements in this announcement should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled.