20 AUGUST 2018

HIGH-GRADE LITHIUM ASSAYS RETURNED FROM RECONNAISSANCE SAMPLING AT TANSIM

Highlights:

- High-grade lithium returned in selective sampling, including 2.47 % Li₂O at Viau Dallaire and 4.5 % Li₂O at Viau, coincident with exposed pegmatite zones with large spodumene crystals. Assays indicate very low level of iron
- Pegmatites within the 9 km east-west magnetic corridor include historical channel sampling intersections up to 18.95 metres @ 0.94% Li₂O at Viau Dallaire, and selective rock chips of between 2.04% and 2.87% Li₂O
- Drilling targets defined at Viau- Dallaire and Viau and permits will be submitted shortly

Sayona Mining Limited (ASX: SYA) ("Sayona" or the "Company") is pleased to announce the assay results of selective grab samples taken at the Tansim lithium project in Quebec, Canada.

Tansim is situated 82 kilometres south-west of the Authier lithium project in Quebec. The project comprises 65 mineral claims of 12,000 hectares, and is prospective for lithium, tantalum, and beryllium. Historical exploration on the property has included mapping, sampling, geophysics and preparation of a Canadian NI43-101.

Reconnaissance selective sampling was performed at Viau-Dallaire, Viau and Gauthier prospects with a total of 21 samples taken (Table 1) over exposed pegmatites. Grab samples were taken mostly in areas with visible spodumene. Assay result highlights include:

- Viau-Dallaire: 14 grab selective samples ranging from 0.96 % Li₂O to 2.47 % Li₂O (Figure 1);
- Viau: 4 grab selective samples ranging from 0.22 % Li₂O to 4.5 % Li₂O (Figure 2);
- Gauthier: 3 grab selective samples that did not returned significant Li₂O% grade.

In all the cases high-grade lithium results were associated with albite-spodumene pegmatite with coarse grain spodumene crystals (up to 30 cm length).

Encouragingly, the assays reported are very low in iron content averaging 0.63 % Fe.

Dan O'Neill, Managing Director, commented "The Company is happy to confirm the potential to find wide zones of high grade lithium mineralisation at Viau Dallaire and

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Viau prospects. An initial drilling program is being planned for both prospects when access is established and the First Nations consultation is completed."

Drill Planning at Tansim

The priority focus of the exploration program is to define drilling targets at the following priority prospects (Figure 1 and 2):

- Viau Dallaire a 300 metre long dyke, dipping 40 degrees north, and 12 to 20 metres in thickness. Three channel samples include 10.3 metres @ 1.40% Li₂0, 11.15 metres @ 0.84% Li₂0 & 18.95 metres @ 0.94% Li₂0 (including 7.3 metres at 1.77% Li₂0); and
- Viau pegmatites have been mapped up to 200 metres long and 30 metres wide. Two separate channel samples returned grades of up to 2.77% Li₂0 and 1.37% Li₂0 over 3.2 metres, respectively.

A recent airborne geophysics survey confirmed a strong east-west magnetic anomaly coincident with historical surface mapping of pegmatites over an area 9 kilometres long and up to 700 metres wide. The host intermediate/mafic magnetic rocks confirmed through the survey have been intruded by discrete outcrops of sub-parallel lithium, beryllium, and tantalum-bearing, granitic pegmatite dykes. The conjunction of east-west trending pegmatite dykes dipping to the north and hosted by metamorphic ultramafic and schist rocks is a similar geological setting observed at Authier.

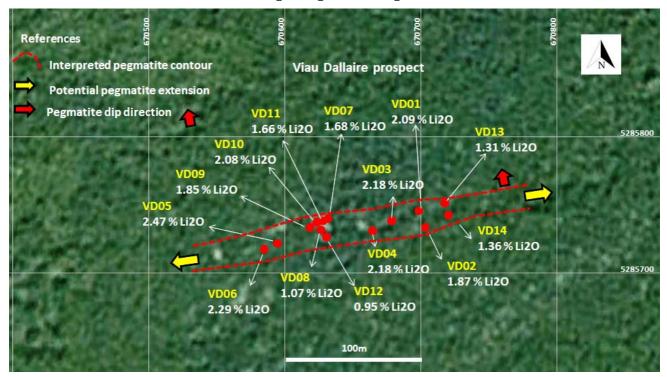


Figure 1: Selective grab samples location at Viau Dallaire with Li₂O % grades following an east-west trending pegmatite dike dipping to the north.



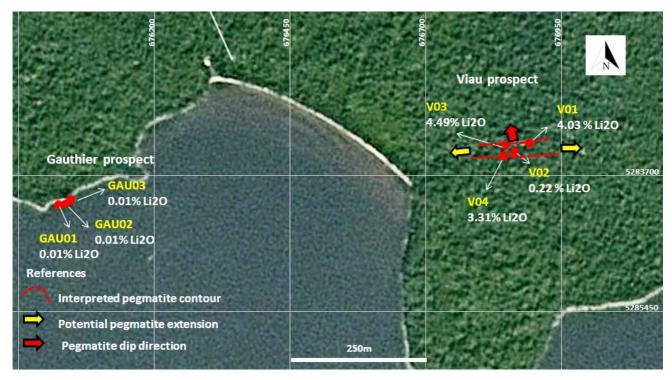


Figure 2: Selective grab samples location at Viau and Gauthier prospects with Li₂O % grades following an east-west trending pegmatite dike dipping to the north.



Figure 3: Spodumene crystals at the Viau Dallaire pegmatite

Mapping and sampling programs are planned to define the geometry of the pegmatites for future drilling. Exploration is being closely coordinated with the local First Nations group, Long Point First Nation, who will provide support services for the future work programs.



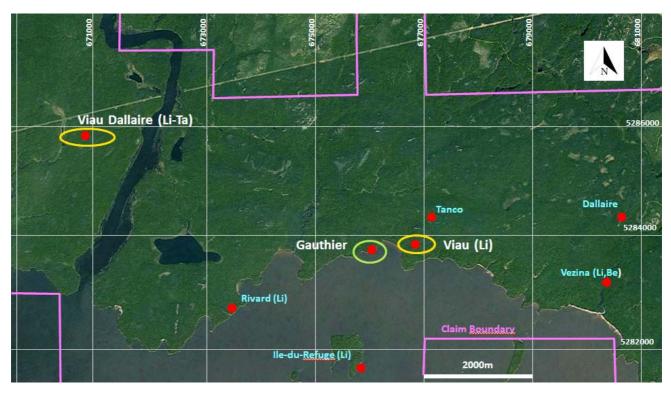


Figure 4: Distribution of prospects at Tansim project including the first priority Viau Dallaire and Viau (highlighted in yellow).

Sample ID	East	North	Li2O %	Fe %	Prospect
VD01	670724	5285765	2.09	0.75	VD
VD02	670730	5285750	1.87	0.78	VD
VD03	670700	5285755	2.18	0.71	VD
VD04	670680	5285745	2.18	0.67	VD
VD05	670591	5285733	2.47	0.8	VD
VD06	670580	5285725	2.29	0.8	VD
VD07	670639	5285754	1.68	0.64	VD
VD08	670632	5285748	1.07	0.64	VD
VD09	670623	5285746	1.85	0.73	VD
VD10	670629	5285751	2.08	0.72	VD
VD11	670635	5285751	1.66	0.75	VD
VD12	670639	5285738	0.95	0.58	VD
VD13	670748	5285773	1.31	0.48	VD
VD14	670752	5285761	1.36	0.49	VD
V01	676873	5283770	4.03	0.58	V
V02	676844	5283760	0.22	0.48	V



Sample ID	East	North	Li2O %	Fe %	Prospect
V03	676835	5283763	4.49	0.49	V
V04	676832	5283755	3.31	0.53	V
GAU01	676037	5283634	0.01	0.29	G
GAU02	676050	5283636	0.01	0.47	G
GAU03	676060	5283640	0.01	0.46	G

Table 1: Assay results for selective grab samples taken at Viau Dallaire("VD"), Viau ("V") and Gauthier ("G") prospects.

For more information, please contact:

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results 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 which it is undertaking 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 was responsible for the design and conduct of the most recent Sayona exploration drilling campaigns at the Authier project in Canada supervised the preparation of the technical information and audit of all the historical drilling data contained in this release and has relevant experience and competence of the subject matter. 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 herein.

Forward Looking Statements

This announcement may contain forward-looking statements. These forward-looking statements are based on Sayona's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sayona, which could cause actual results to differ materially from such statements. Sayona makes no undertaking to subsequently update or revise the forward-looking statements made in the announcement, to reflect the circumstances or events after the date of that announcement.

Reference to Previous ASX Releases

This document refers to the following previous ASX releases:

- Tansim Airborne Geophysics Highlights Targets, 21 March 2018
- Tansim Field Season commences, 11 July 2018



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.

JORC CODE, 2012 EDITION - TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	 Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	 Reconnaissance selective rock chip sampling conducted by visual identification of lithium-bearing mineralization (spodumene) pegmatites within the Tansim project. Location of samples was determined using a Garmin handheld GPS unit with an accuracy of +/- 5 m. Sample weight (2.4 kg average), preparation and assaying techniques are within industry standard and appropriate for this type of mineralisation.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Not applicable. No drilling conducted.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	Not applicable. No drilling conducted.
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	 No drilling conducted A brief description of each grab selective sample was performed focused in lithology, mineralogy and spodumene grain size and concentration. Rock chip samples were taken within the pegmatite aiming to cover different exposed zones along strike and in width, perpendicular to the strike of the pegmatite dyke. A number of samples were taken close to historical sawn blade channel samples performed by previous explorers.
Sub- sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 No drilling conducted 2 to 3 kg rock chip sample (2.4 kg average weight) was collected from the pegmatite outcrops identified. Sample preparation completed at the SGS Canada Inc laboratory ("SGS") facilities in Sudbury, Ontario follows industry best practice, involving oven drying, crushing and pulverising there to respect the specifications of the analytical protocol and then shipped to SGS Mineral Services laboratories in Lakefield, Ontario, for analysis. Field duplicates were not taken. High grade samples were not reassayed. Sample sizes are considered appropriate of the outcropping pegmatite units and are representative of the coarse grained pegmatite.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	 Assaying of Sayona's reconnaissance rock chip samples samples received at SGS were processed according to the following procedure at the SGS preparation facilities in Sudbury, Ontario. All samples are inspected and compared to the chain of custody (COC) and logged into the SGS laboratory management system, then weighted and dried. Sample material is crushed to 75% passing 10 mesh (2mm), split to obtain a 250 g sub-sample which is then pulverized to 85% passing 200 mesh (75 microns). The analyses of the reconnaissance samples were conducted at the SGS laboratory located in Lakefield, Ontario, which is an accredited laboratory under ISO/IEC 17025 standards accredited by the Standards Council of Canada. The analytical protocol used at SGS Lakefield for Lithium (Li) is the GE ICP91A 29 element analysis - sodium peroxide fusion, which involves the complete dissolution of the sample in molten flux for ICP-AES analysis. The detection limits for Li are 10 ppm (lower) and 10,000 ppm (upper). The analytical protocol used at SGS Lakefield for Tantalum (Ta) is a separate test coded ICPM90A. No geophysical or handheld tools were used. Quality control protocol ("QA/QC") involve a review of laboratory supplied internal QA/QC. No in-house reference material (standards or blanks) was inserted by Sayona for this sampling.
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. 	 No drilling conducted Samples were collected, visually inspected, geologically described and verified against assay results

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Criteria	JORC Code explanation	Commentary
	 Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	for Sayona's CP. Lithium (ppm) reported in assays is converted to Li2O by multiply Li (ppm) X 2.153 (conversion factor). Similar for Ta ppm to industry standard Ta2O5 ppm using the formula Ta2O5 = Ta (ppm) x 2.442) Primary data was recorded on field notebook and passed to laptop computers directly into standardised Excel spreadsheet with built in look-up codes. This information is merged with the assay certificate data into a Sayona's in-house database No adjustments to assay data have been undertaken.
Location of data points	 Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 No drilling conducted Samples were located using a Garmin handheld GPS with an accuracy of +/- 5m The grid system used is 1983 North American Datum (NAD83) Topographic control using GPS is more than adequate for rock chip sampling.
Data spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Sample points were selected on the basis of visual logging and thus were not collected on a regular grid or pattern. Sampling reported is of reconnaissance nature and not for the purposes of the delineation of a mineral resource. Sample compositing has not been applied.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 No drilling conducted Sampling was conducted across specific points to cover the exposed strike extension of pegmatites dykes Further systematic sawn blade channels sampling is planned to be conducted.
Sample security	 The measures taken to ensure sample security. 	All reasonable measures have been taken to ensure sample

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Criteria	JORC Code explanation	Commentary
		security along the value chain. These measures include the sample collection by company's field personnel, recording of sample dispatch and receipt reports, secure delivering of samples to SGS laboratory facilities.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	 No audit or review of the sampling techniques and data for this release has been carried out. The quality control protocols implemented at Tansim Lithium project are considered to represent good industry practice and allow some assessment of analytical precision and accuracy. The assay data is considered to display acceptable precision.

Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	 The Tansim Lithium Property consists in one block of map designated claim cells located within the Temiscamingue region of Quebec, north of Lake Simard and 82 km south-west of the Company's flagship Authier lithium project, totalling 243 mineral claims covering 13,764 ha. The property extends 24 km east-west direction and 7 km north-south. On January 23, 2018 Sayona signed and option-to-purchase agreement with Matamec Explorations Inc ("Matamec") to acquire 100 % of Tansim project through a staged acquisition strategy. The agreement states that Sayona obtains an initial 50 % interest in the property through the expenditure of CAD\$ 105k for claim renewal costs of the property, as required

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Criteria	JORC Code explanation	Commentary
Criteria	JORC Code explanation	by the Quebec department of natural energy and resources. This expenditure amount is reduced by the exploration amount (up to CAD\$ 65k) completed on the property prior to 31 January 2018. Sayona can then earn 100 % interest in the property by completing the milestones in the timeframes outlined below: • Investing CAD\$200k in exploration and pay CAD\$100k in cash to Matamec within the first 12 months; and • Investing CAD\$350k in exploration and pay CAD\$250k in cash to Matamec within 12 and 24 months of signing. • Sayona will be the operator of a joint venture to be signed between both parties to manage the property. Once Sayona earns 100 %, Matamec receives a 2% Net Smelter Return Royalty ("NSR") from the payable metals extracted from the property. The NSR can be bought back for an amount of CAD\$1.0M per royalty percentage. Sayona will have the choice to buy back 1.0% or 2.0% NSR for an amount of CAD\$1.0M or CAD\$2.0M, respectively. • If Sayona earns 50% but doesn't proceed any further with the purchase option, Matamec can buy the 50 % back property interest for CAD\$1 and Sayona will receive a 2% NSR. • According to Quebec government records, no part of the land covered by the Tansim property is a park or mineral reserve. To our knowledge, the property is devoid payments or other encumbrances. The Tansim property is not subject to environmental liabilities .The Issuer, Matamec Explorations Inc., holds 100% of the claim titles of the Tansim property. • An intervention permit must be
		obtained from the Quebec

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Criteria	JORC Code explanation	Commentary
		 Province government in order to initiate a drilling campaign. There are no mineral resources or mineral reserves on the Tansim property according to the JORC 2012 and 2005 CIM Definition Standards. There are no existing mines workings, tailing ponds, waste deposits and important natural features and improvements relative to the outside property boundaries. There is sufficient unused land within the Tansim claim block for waste and tailing disposal and the construction of a mine and milling installations. The Tansim property contains mineralized zones manifested by outcrops, small pits and/or trenches. Sayona will apply for drilling and forestry permits in short term as per agreement schedule with Matamec.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	 The Property has been explored in the late 1950's and early 1960's when zoned granitic pegmatite dykes containing spodumene, beryl, and colombo-tantalite were found. In 1977, the discovery of tantalum and uranium-rich granitic pegmatites samples from the Ille du Refuge site sparked new interest from Noranda and particularly SOQUEM, the latter conducting geophysical surveys, mapping campaigns and litho-geochemical sampling during the early 1980's. In 2003, Matamec acquired a large package of land (the Tansim property) located north of Lake Simard and encompassing most of the previously investigated rare metal showings. Matamec has conducted exploration on the property including mapping, sampling (rock and soil), geophysics and the preparation of a Canadian NI43-

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Criteria	JORC Code explanation	Commentary
		 101. The project has been subject of historical reconnaissance shallow drilling at Viau Dallaire, Viau and lle du Refuge showings (1961, 1974 and 1979 respectively) for 446.5 metres of drilling in 12 diamond holes. There are no assay records of diamond core stored, except a visual description of spodumene in the 4 holes drilled at Viau Dallaire. Sayona conducted an airborne magnetic survey in December 2017 and the reconnaissance sampling reported in this announcement.
Geology	Deposit type, geological setting and style of mineralisation.	 The Tansim property is part of the Pontiac subprovince; a Late Archean metasedimentarymetavolcanic-granitoid-gneiss terrane situated along the southeastern margin of the Superior Province of Quebec. Mineralisation at Tansim is hosted within east-west trending complex spodumene-bearing pegmatite intrusions. The priority focus of the exploration program is to define drilling targets at the following priority prospects: Viau Dallaire – a 300 metre long dyke, dipping 40 degrees north, and 12-20 metres in thickness, hosted by metamorphic schists. Three channel samples include 10.3 metres @ 1.40% Li₂0, 11.15 metres @ 0.94% Li₂0 (including 7.3 metres at 1.77% Li₂0); and Viau – pegmatites have been mapped up to 200 metres long and 30 metres wide. Two separate channel samples returned grades of up to 2.77% Li₂0 and 1.37% Li₂0 over 3.2 metres, respectively. The lithium mineralisation at the Viau Dallaire and Viau

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Criteria	JORC Code explanation	Commentary
		prospects are related to coarse spodumene bearing quartz-feldspar pegmatite. Higher lithium grades are related with high concentrations of mid-to-coarse spodumene crystals (up to 30 cm long).
Drill hole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	Not applicable. No drilling conducted. All historical exploration data has been compiled by Matamec. .
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	 No modification of results was conducted No aggregation of data was conducted. No weight averaging or high-grade cut has been applied to any of the sample assay results. No metal equivalent values are reported.
Relationship between mineralisation widths and	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the 	 No drilling or intercepts reported. The general orientation and geometry of revised pegmatite bodies are described in the body

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Criteria	JORC Code explanation	Commentary
intercept lengths	mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	of this announcement.
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Map of sampling location and pegmatite prospects location have been included in the body of announcement.
Balanced reporting	 Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	 The reporting is considered to be balanced.
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	All the available historical data pertaining to the project area has been compiled by Matamec and used for all Sayona's announcements at date.
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Sayona's Project Development strategy will be initially focused at Viau Dallaire and Viau prospect. Work program includes: Application for drilling permits at Viau Dallaire and Viau. Access preparation Sawn blade channel sampling over existing outcrops at Viau Dallaire and Viau; Initial exploration drilling at Viau Dallaire and Viau aiming to delineate mineralized pegmatites and build an inferred resource. Evaluation of results

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