

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2022

Highlights

- Oceana commenced trading on ASX on 1 July 2022, following oversubscribed \$6m IPO
- Funds raised will be directed towards aggressive exploration of the Company's 100% owned Solonopole and Napperby lithium pegmatite projects in Brazil and Australia
- The Solonopole lithium pegmatite project is situated in the state of Ceara in the northeast of Brazil. Significant pegmatite mineralisation has been identified along an approximate 17km corridor within the Company's exploration leases
 - surface mapping and sampling commenced on the Solonopole project, along with re-processing of government magnetic and radiometric datasets
 - targets for immediate drill testing to be ranked upon completion of the initial exploration program and detailed review of the existing datasets. To date, none of the highly prospective prospects have been drill tested
- The Napperby lithium pegmatite project is located in the Arunta Pegmatite field in the Northern Territory. A reconnaissance site visit was undertaken by the Company's consultants in late April.
- In early July, the Brazilian government issued a presidential decree, allowing unrestricted trade of any products containing lithium. This decree serves to modernize the Brazilian lithium industry, which was previously tightly regulated through requirements for quotas and export authorizations for any company handling lithium material.

Oceana Lithium Limited (ASX:OCN) (Oceana or the Company) is pleased to present its quarterly activities report for the June 2022 quarter.

Corporate

The Company commenced trading on 1 July 2022, following a \$6 million initial public offering. This included a \$1m cornerstone investment from Yahua International Industrial Group, the third largest lithium hydroxide producer globally.

The Solonopole lithium project, located in Ceara State, northeastern Brazil, consists of 8 exploration permits covering approximately 114km² (Annexure 1).

Oceana Lithium Limited ACN 654 593 290

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Management Team

Sebastian Kneer
Executive Director

Jerome (Gino) Vitale
Non-Executive Chairman

Dr Qingtao Zeng
Non-Executive Director

Simon Mottram
Non-Executive Director

Dan Smith
Company Secretary

David Madureira
Corporate Manager Brazil

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Projects

Solonopole Lithium Project
(Ceara, NE BRAZIL)

Napperby Lithium Project
(NT, AUSTRALIA)

Shares on Issue 64,400,000

Tradeable Shares 33,525,000

ASX Code OCN

The project is approximately 3 hours by road from the state capital of Fortaleza, and is situated in one of only two lithium producing regions of Brazil (**Figure 1**). The project is well serviced by sealed highways and high voltage electricity.

The Solonopole project has been the subject of historical lithium, “Coltan” (columbite-tantalum) and tin mining in the 1970s and 1980s. A number of historical artisanal mines have been identified across the Solonopole permit area, highlighting the widespread mineralisation potential. Figure 3 shows a typical artisanal mining site in the project area.

Based on their geochemical signature, the Solonopole pegmatites belong to the LCT (Lithium-Caesium-Tantalum) family of rare element pegmatites enriched in Li, Be, Ta Nb and Sn over the full strike length of the recognized mineralized pegmatite corridor. High grade outcropping rock samples have returned assay values of over 9% Li_2O and over 1% Ta_2O_5 (**Figure 2**).

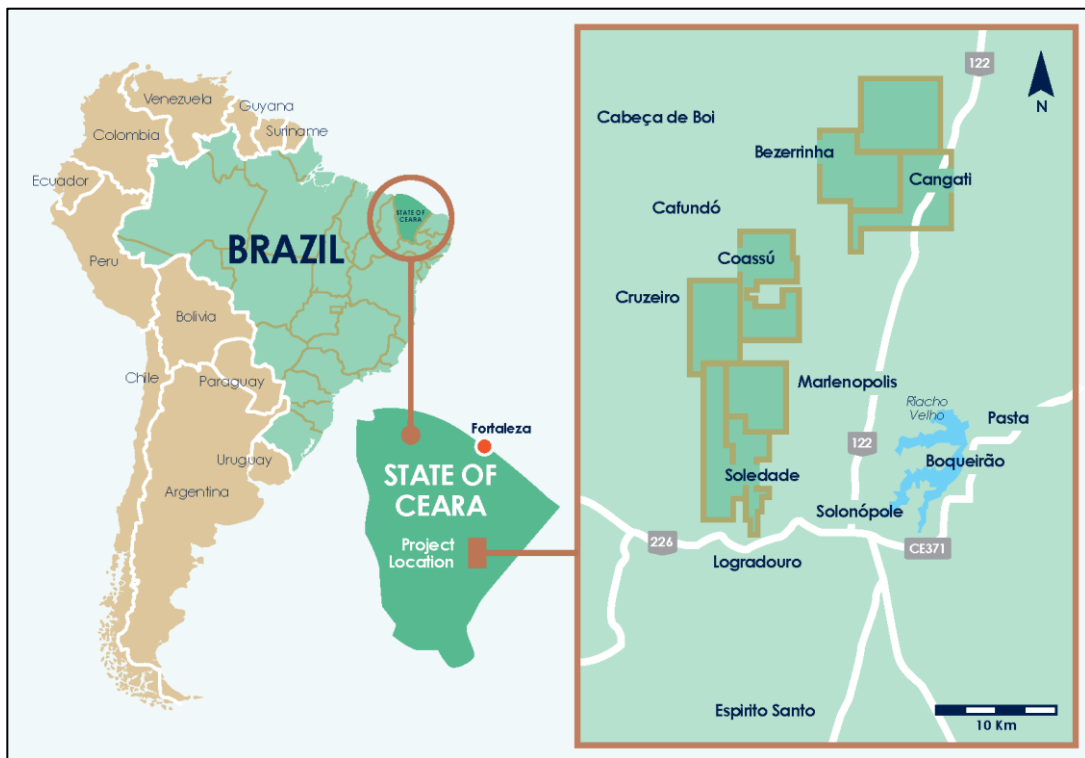


Figure 1: Solonopole Lithium Project location, Brazil

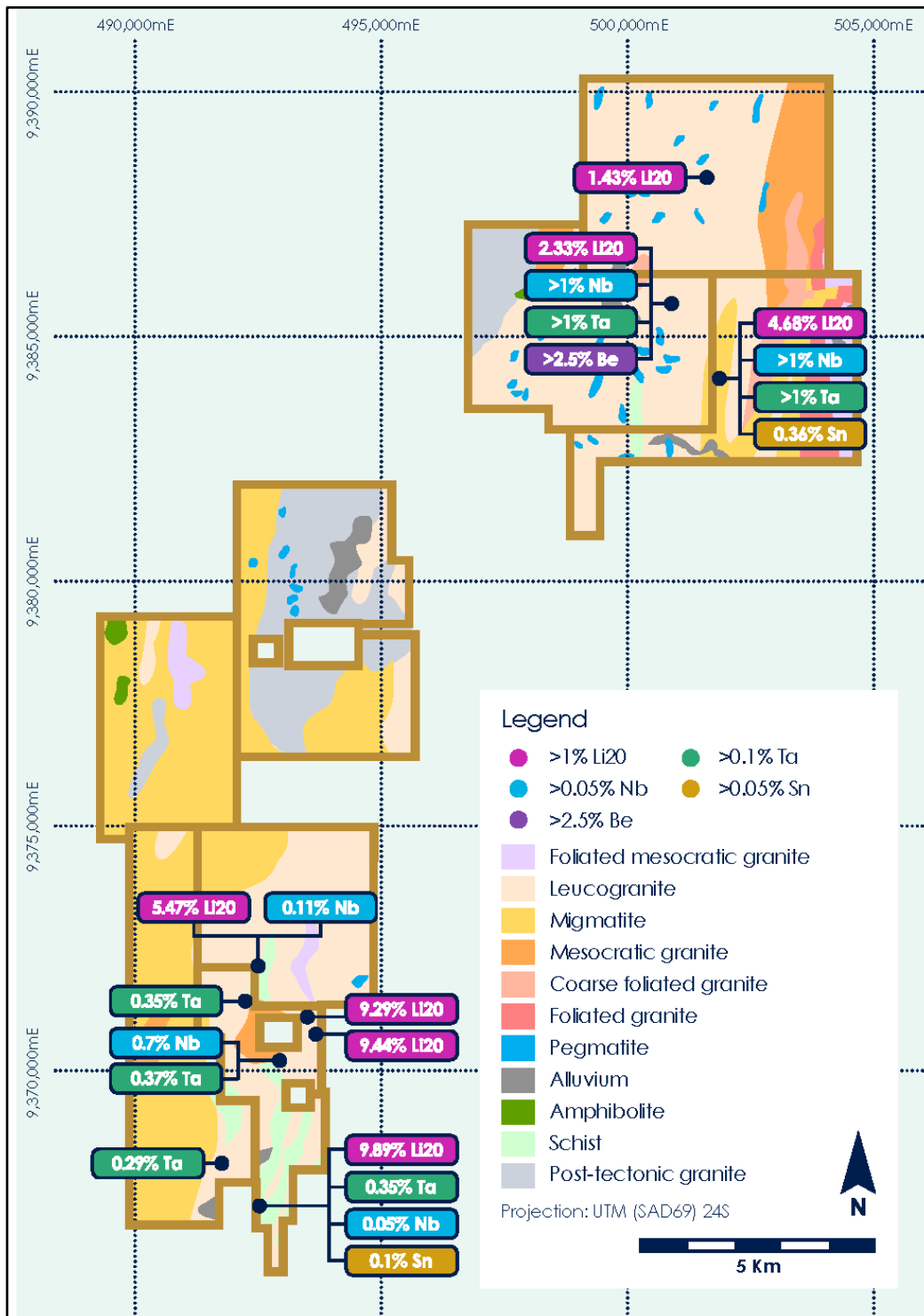


Figure 2: Geological map of the Solonopole lithium project showing significant grab sample results

Proposed Exploration

Oceana is following up on historical exploration undertaken at Solonopole in a systematic approach. This program will include:

- infill soil geochemistry down to a 50m x 50 m grid across identified Li anomalies;
- ground magnetics survey;
- trenching and mapping across identified anomalies; and
- first pass RC and/or diamond drilling program across priority targets.

Positive regulatory update from Brazil

Under a Government Decree issued by the Ministry for Mines and Energy (Ministério de Minas e Energia) on 5 July 2022, the Brazilian government is to allow unrestricted foreign trade of lithium minerals and ores and their derivatives.

The Decree serves to modernize the Brazilian lithium industry, which was previously tightly regulated through requirements for quotas and export authorizations for any company handling lithium material.

While Oceana is not directly impacted by this regulatory change, this development makes Brazil more attractive for foreign investment in downstream processing and as a potential player in the global supply chain for lithium products and sends a positive signal of the government's support for the future of lithium exploration and upstream project development in Brazil.

(Source - <https://www.gov.br/mme/pt-br/assuntos/noticias/decreto-promove-a-abertura-e-dinamizacao-do-mercado-brasileiro-de-litio>)

Napperby Lithium Project, Northern Territory

The Napperby lithium project consists of a granted exploration licence (EL32836) covering an area of ~650km² and an exploration license application (ELA32841) covering an area of more than 512km². The Napperby lithium project is located within the Northern Arunta pegmatite province near the settlement of Ti Tree, approximately 250km northwest of Alice Springs and 250km south of Tennant Creek along the Stuart Highway in the Northern Territory close to Central Australian Railway with access to Darwin Port (**Figure 3**).

Pegmatite occurrences have been identified with historical Sn and Ta production. Work by the Northern Territory Geological Survey (NTGS) reported in 2005 confirmed that the pegmatites in the area were of the LCT (lithium-caesium-tantalum) type. Numerous prospective pegmatite outcrops have been identified where systematic field investigation is warranted.

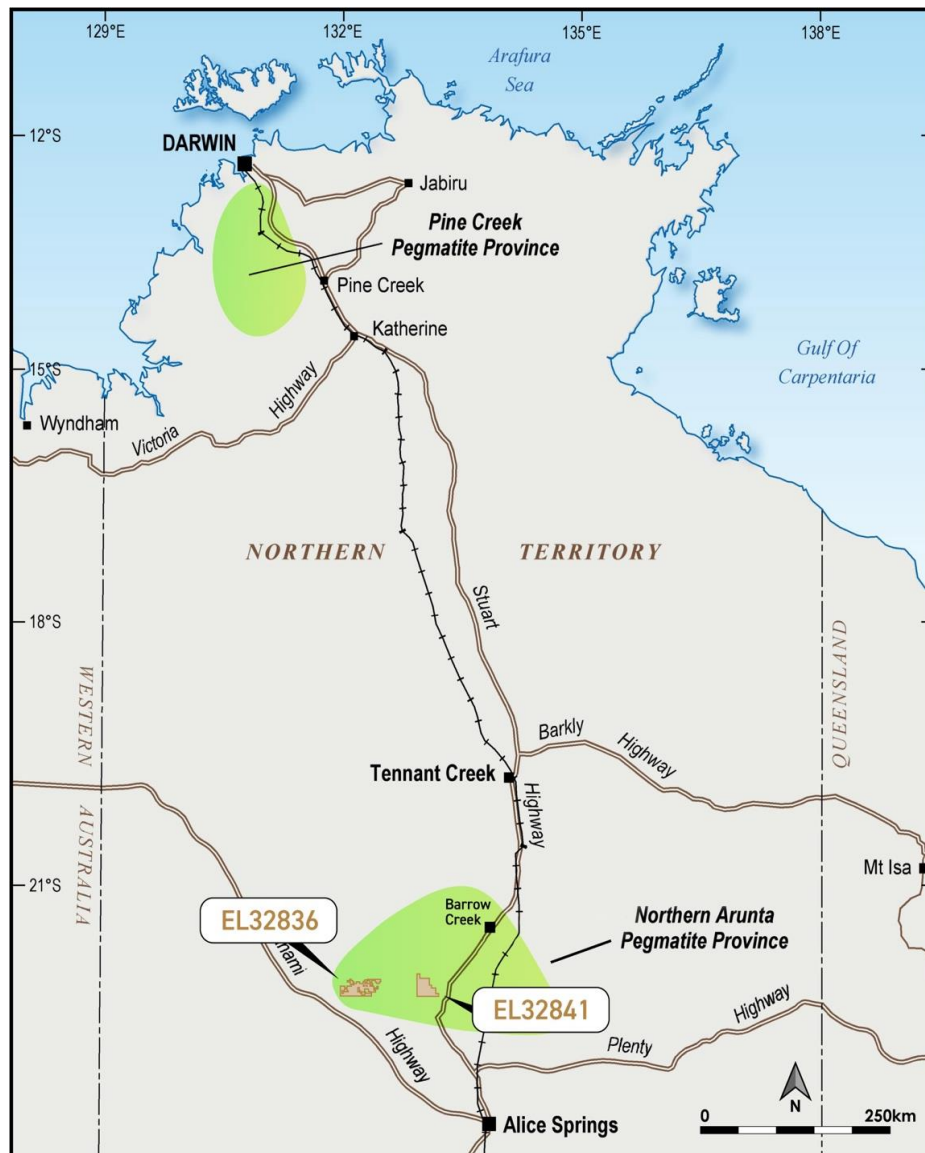


Figure 3: Napperby Lithium Project location (EL32836 and ELA32841), Northern Territory

The Wangala license (EL32836) was granted on 23 March 2022 for an initial term of 6 years has been historically explored for gold, tin, tungsten, tantalum and uranium. More recent exploration has continued to focus on the Wangala granite, where numerous significant mineral occurrences – such as up to 23.7% Sn- have been reported.

Nine mineral localities (U, Ta, W, Cu and apatite) are recorded by the NTGS, three of which are associated with LCT pegmatites. Rock chip XRF analysis returned 35.4% Ta and 18.5% Sn, however Li was not assayed. **Figure 4** shows significant mineral occurrences within the licence area.

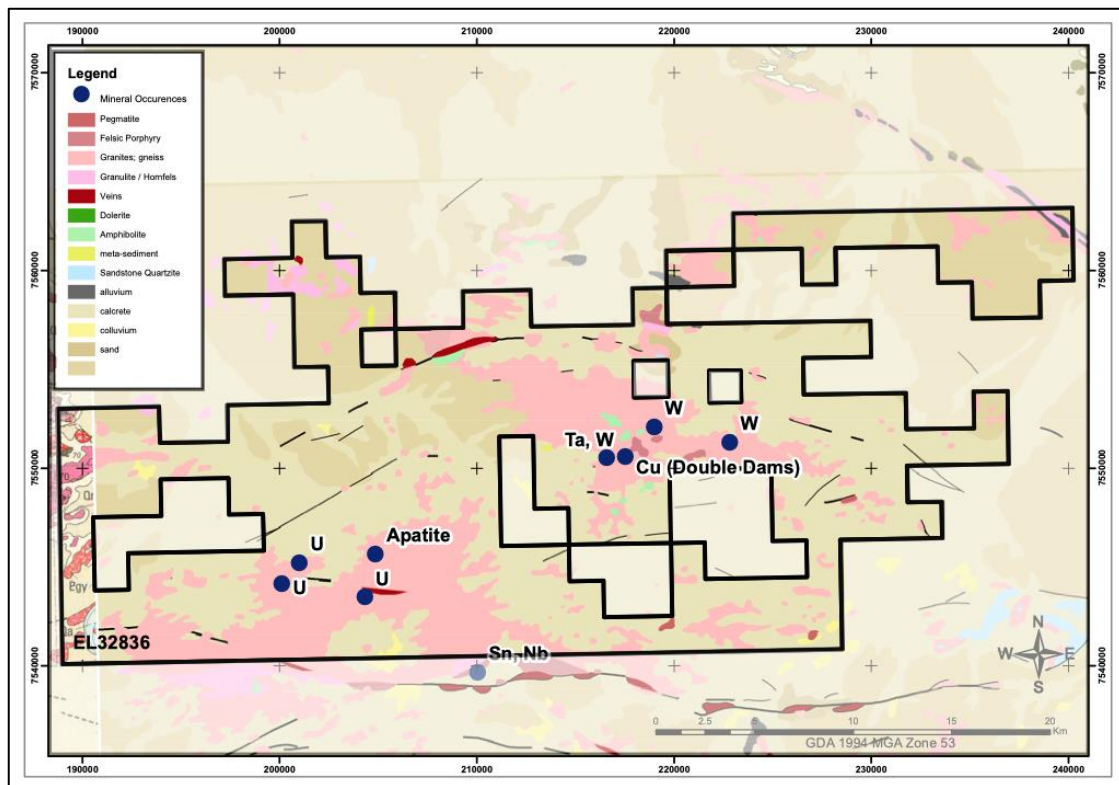


Figure 4: EL32836 overlying Wangala Granite and significant mineral occurrences and excluded areas

Proposed Exploration

Oceana plans to undertake a first-pass exploration program at Wangala consisting of:

- detailed geological mapping, following up on previously identified pegmatite occurrences;
- rock-chip sampling and trenching across identified anomalies;
- geophysical surveys; and
- systematic soil sampling.

A similar program is planned for Ennugan (ELA 32841), to be undertaken when the license is granted, subject to the Company's then circumstances and exploration success on its granted permits.

Finance and use of funds

Pursuant to ASX listing rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in in section 5.5 of the Company's Prospectus.

Activity Description	Funds allocated pursuant to Prospectus from commencement (assume 1 June 2022)	Actual payments from commencement to 30 June 2022 (1 month)
Exploration – Solonopole (2 years)	\$3,206,000	\$75,473
Exploration – Napperby (2 years)	760,000	\$nil
Administration (2 years)	\$1,100,000	\$25,314
Working capital (2 years)	\$886,000	\$nil
New project opportunities	\$290,000	\$nil
Expenses of the Offer	\$533,000	\$46,591*
TOTAL	\$6,715,000	\$147,378

* excludes brokerage on \$6.0m capital raising which was paid after 30 June 2022

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the June quarter \$56,550 were paid to Directors and associates for director and consulting fees.

Authorised for release by: Jerome G Vitale, Chairman

For further information please contact:

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Competent Person Statement

Sebastian Kneer, a Director of the Company, is a Member and Registered Professional of the Australian Institute of Geoscientists (MAIG RPGeo), and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Sebastian Kneer consents to the inclusion in the report of the information in the form and context in which it appears.

The exploration results contained in this announcement were first reported by the Company in its prospectus dated 4 April 2022 and announced to ASX on 29 June 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.

ABOUT OCEANA LITHIUM

Oceana Lithium Limited is a mineral exploration and development company with advanced + early stage Lithium Pegmatite projects in mining friendly jurisdictions in the state of Ceara, Brazil, and the Northern Territory, Australia. The Company's exploration team is led by Sebastian Kneer, previously head of exploration with Galaxy Resources (since acquired by Orocobre, now Allkem Ltd, ASX: AKE). Sebastian is supported by Simon Mottram, a widely experienced geologist and resident of Brazil and Dr Qingtao Zeng who is coordinating the Company's exploration effort at the Napperby project in the Northern Territory.



Annexure 1: Oceana Lithium Limited – tenements held directly by Oceana Lithium or subsidiary companies as at 30 June 2022

Project	Tenement Details	Acquired during quarter	Disposed of during quarter	Held at end of quarter	State/ Country
Solonopole	800.238/2016, 800.240/2016, 800.241/2016, 800.247/2016, 800.474/2016, 800.475/2016, 800.476/2016, 800.477/2016	100%	-	100%	Ceara, Brazil
Napperby	EL32836 (Wangala), ELA32841 (Ennugan)	100%	-	100%	Northern Territory

Appendix 5B

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

Name of entity

OCEANA LITHIUM LTD

ABN

18 654 593 290

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(239)	(264)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(23)	(36)
1.9	Net cash from / (used in) operating activities	(262)	(300)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	(25)	(100)
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(111)	(201)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(136)	(301)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,050	6,765
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(47)	(145)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,003	6,620

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,414	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(262)	(300)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(136)	(301)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,003	6,620

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	6,018	6,018

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	6,018	1,414
5.2 Call deposits	-	-
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)	6,018	1,414

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

57

-

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

Consulting fees, directors' fees and related-party fees \$56,550

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>			
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.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(262)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(111)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(373)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,018
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	6,018
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	16
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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	
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	
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	

Compliance statement

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

Date: 25 July 2022

Authorised by: (lodged electronically)
Daniel Smith – Company Secretary

Notes

1. 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.
2. 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 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.