

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

### Highlights

- **Solonopole Lithium pegmatite project, Brazil**
  - Mapping and sampling of historical artisanal pegmatite mines initiated during the quarter. Focus on prospective Zilcar 2 and Lapinha areas, where historic samples returned high grade lithium oxide values of above 9%. Samples were collected and submitted to SGS-GEOSOL laboratories in Belo Horizonte. Assays are pending with results expected in Dec Q 2022.
  - Soil sampling program commenced targeting potential pegmatite strike extensions of artisanal workings.
- **Napperby Pegmatite Project, NT**
  - Airborne hyperspectral survey completed over the Project area. The data is currently being processed with results and interpretation pending.
  - Surface and mineralogy mapping were completed during the quarter with results expected in Dec Q 2022.
- **Appointment of highly experienced lithium geologist James Abson as Senior Exploration Manager and Renato Braz Sue as Exploration Manager in Brazil.**

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

### OPERATIONS

#### Solonopole Lithium Project, Brazil

The Solonopole project area is located in Ceara State, northeastern Brazil and consists of eight exploration permits covering approximately 114km<sup>2</sup> (**Figure 1** and **Annexure 1**). The project is approximately three hours by road from the state capital and deep-water port of Fortaleza and is well serviced by sealed highways and high voltage electricity.

The Company's Brazilian team commenced exploration field work during the quarter with the initial focus on the prospective Lapinha Zone in the southern

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#### Directors and Management

**Jerome (Gino) Vitale**  
Non-Executive Chairman

**Dr Qingtao Zeng**  
Non-Executive Director

**Simon Mottram**  
Non-Executive Director

**Sebastian Kneer**  
Executive Director (until 11 Nov  
2022)

**James P Abson**  
Senior Exploration Manager

**Renato Braz Sue**  
Exploration Manager, Brazil

**Corporate Manager, Brazil**  
David Madureira

**Dan Smith**  
Company Secretary

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#### Projects

Solonopole Lithium Project  
(Ceara, NE BRAZIL)

Napperby Lithium Project  
(NT, AUSTRALIA)

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<b>Shares on Issue</b>	64,400,000
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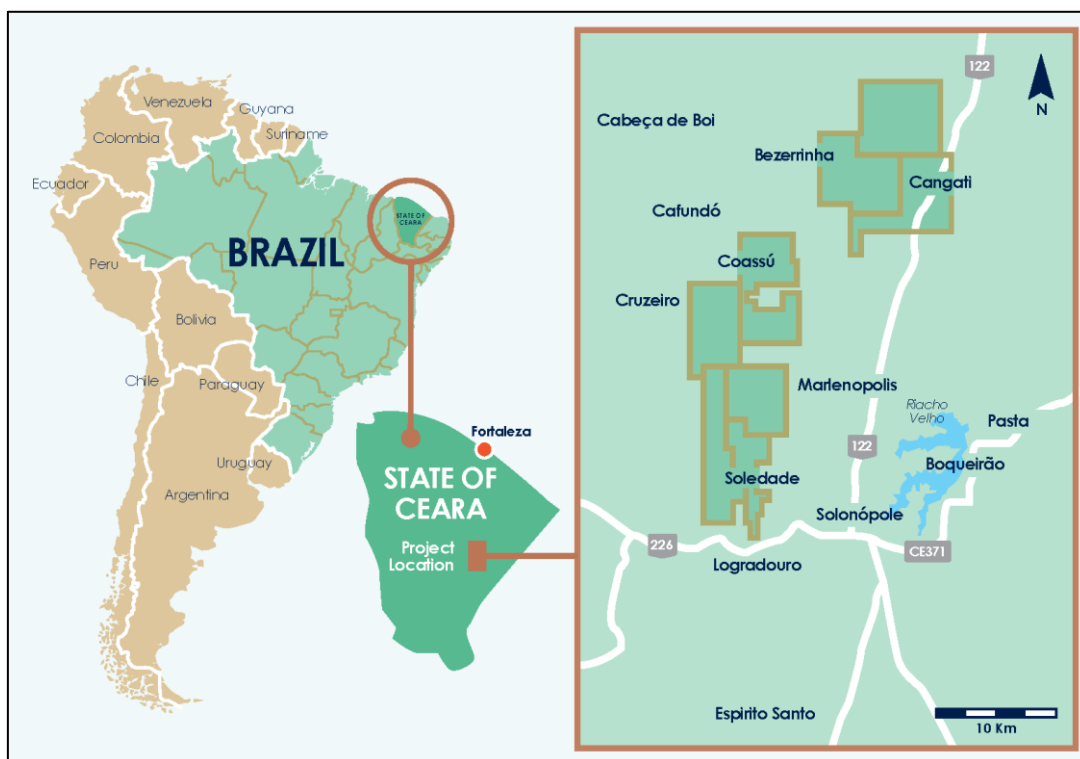
<b>Tradeable Shares</b>	33,525,000
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<b>ASX Code</b>	OCN
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part of the tenure held by Oceana. Field work conducted by a previous explorer in 2017-2018 in this area returned values of **up to 9.29% Li<sub>2</sub>O** and **up to 4,311 ppm Ta<sub>2</sub>O<sub>5</sub>** respectively<sup>1</sup>.

The samples were from several prospects with outcropping pegmatites within this area including from the Zilcar 2 underground workings which were historically targeted by artisanal miners (**Figure 2**). Assay results are expected in Dec Q 2022. Results will guide drill target ranking for the maiden drilling campaign expected to commence later in the year.

The Company acquired a regional exploration database for the Solonopole project area from a previous mineral explorer. The data is currently being reviewed and integrated into the Company's database and is expected to aid the drill targeting process.

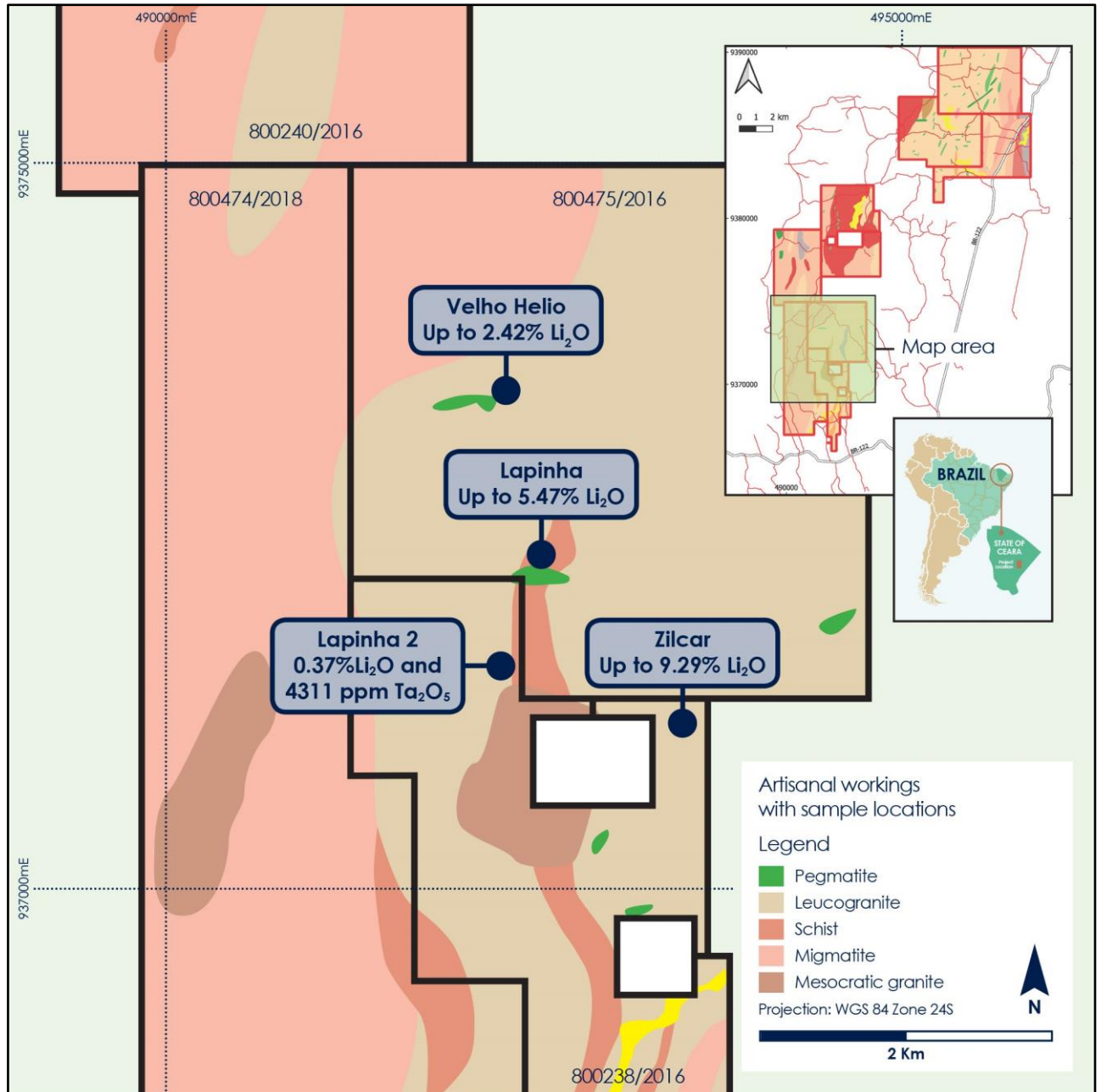


**Figure 1: Solonopole Lithium Project location, Brazil**

### Ongoing Exploration

A technical support team is being recruited to accelerate systematic exploration which will include continuation of soil sampling program, mapping and sampling of historic artisanal mines and first pass RC and/or diamond drilling program across priority targets identified from field work. Company premises are being secured in the township of Solonopole which will serve as exploration office, staff accommodation and storage facility.

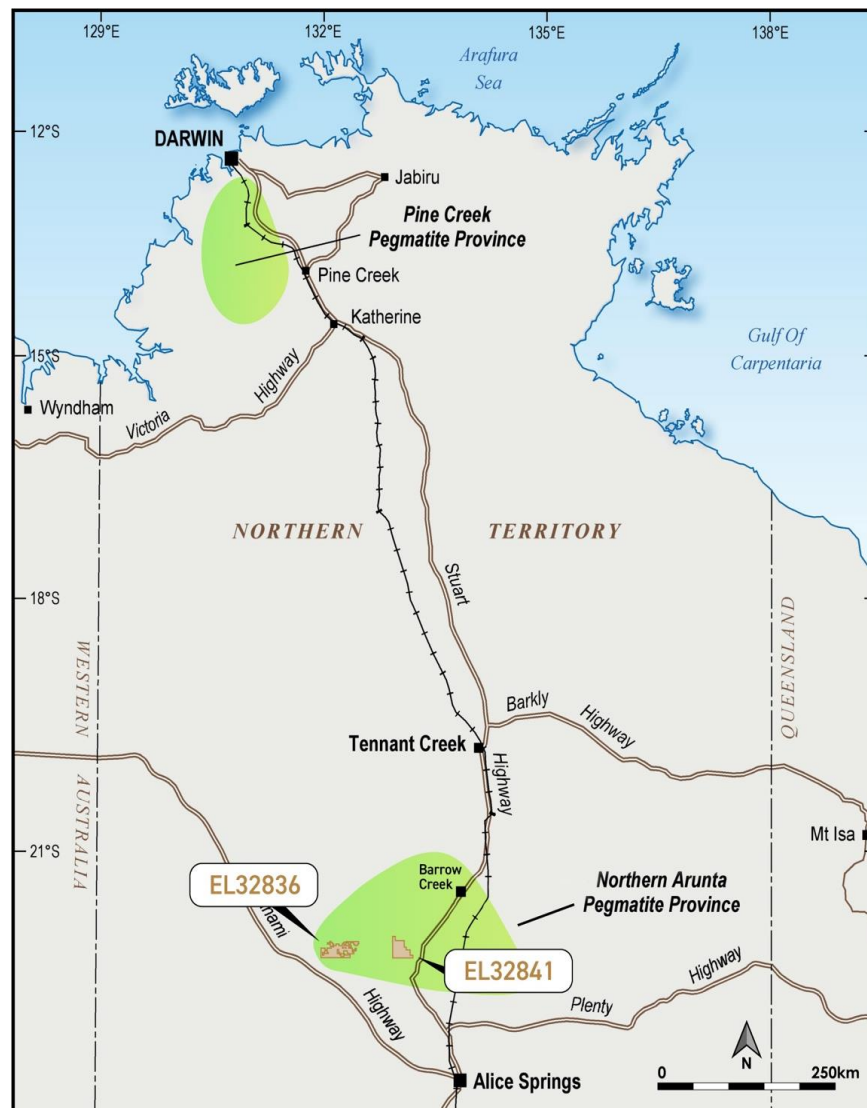
<sup>1</sup> Refer Solonopole Lithium Project Technical Report from GE21 Consultoria Mineral contained within the Company's prospectus announced to ASX 29 June, 2022.



**Figure 2:** Solonopole Project - Lapinha area showing high grade lithium and tantalum values recovered by previous explorer's field work in 2017-2018 and focus of current sampling

### Napperby Lithium Project, Northern Territory

The Napperby lithium project consists of a granted exploration licence (EL 32836) covering an area of ~650km<sup>2</sup> and an exploration license application (ELA 32841) covering an area of more than 512km<sup>2</sup>. The project area 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**).

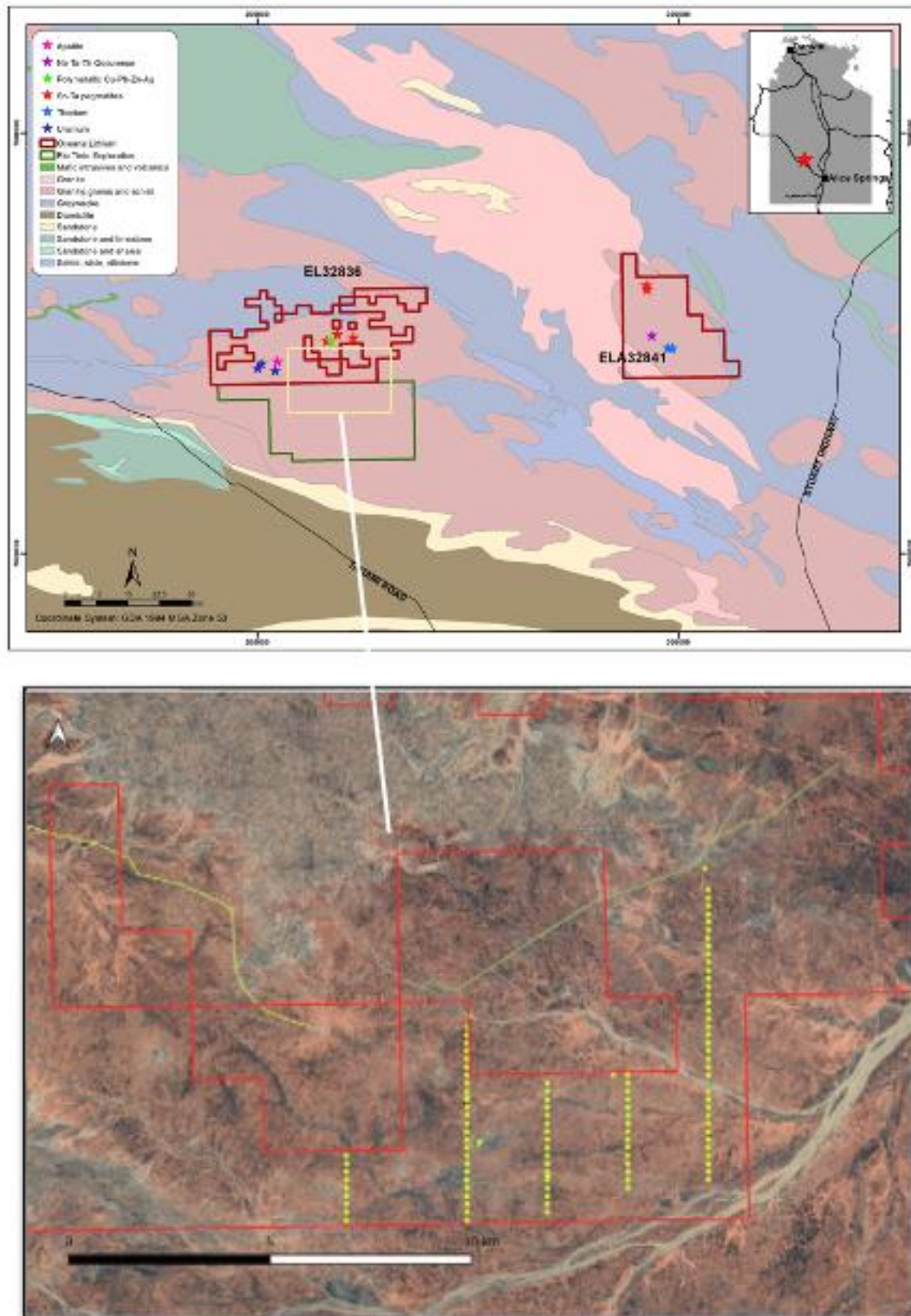


**Figure 3: Napperby Lithium Project location (EL32836 and EL32841), Northern Territory**

The Wangala license (EL 32836) was granted on 23 March 2022 for an initial term of six years and 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. Licence EL32836 shares its southern boundary with Rio Tinto Exploration’s application for EL33135 (**Figure 4**).

### Hyperspectral Survey

The Company commissioned HyVista Corporation (“HyVista”) to conduct an airborne hyperspectral survey over the Napperby project area. The survey has now been completed, with processing of captured data and subsequent interpretation expected to be completed in the December quarter. For a detailed description of the HyVista technology refer ASX announcement of 7 September 2022.



**Figure 4:** Ozeana Lithium tenements in red, Rio Tinto application in green (top map). Mineral occurrences shown as stars and soil geochemistry sample locations (lower map).

## Field Activity

The Company embarked on an intensive field exploration program, the focus of which is to gain an improved understanding of the area's geology. Initial work indicates that the central area of the tenement is dominated by a granite pluton (Wangala Granite), with differing characteristics observed in the way it has crystallised and fractionated. In the north large feldspar crystals (up to 100mm) are common, suggesting slow cooling while further south the granite is generally finer grained with more biotite and possible tourmaline, indicating that this granite is more evolved.

The Company's field team observed a zonation in the pegmatites where dykes in the north of the project area consist of quartz, feldspar and muscovite while in the south the pegmatites also contain tourmaline. The addition of tourmaline is a clear indicator of greater fractionation.

A soil geochemistry program was conducted in the southeast of the project area on EL 32836 (Figure 4, lower map). Results of the program are pending.

## CORPORATE

### Senior management appointments

On 7 October 2022, the Company announced that it had engaged Mr James Abson as Senior Exploration Manager and Mr Renato Braz Sue as Exploration Manager, Brazil. These appointments significantly enhance the Company's ability to execute its exploration programs at its Solonopole lithium project in Brazil and the Napperby project in the NT.

Mr Abson has been involved in the exploration and technical and financial assessment of various lithium pegmatite projects globally, including the Arcadia lithium project in Zimbabwe and brings to the Company vast experience in lithium exploration and project development.

Mr Braz Sue is an experienced geologist with over 25 years of exploration and project development experience in his native Brazil and internationally, having worked in numerous terranes and commodities including LCT Pegmatites.

For more detail on these and other management changes, refer to the Company's ASX announcement.

### 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 September 2022 (4 months)
Exploration – Solonopole (2 years)	\$3,206,000	\$300,415
Exploration – Napperby (2 years)	760,000	\$96,884
Administration (2 years)	\$1,100,000	\$383,940
Working capital (2 years)	\$886,000	\$nil
New project opportunities	\$290,000	\$nil
Expenses of the Offer	\$533,000	\$369,341
<b>TOTAL</b>	<b>\$6,715,000</b>	<b>\$1,150,580</b>

### Appendix 5B Disclosures

At 30 September 2022 the Company had cash on hand of approximately \$4,982,000.

Appendix 5B Note 6: Payments to related parties of the entity and their associates: during the September quarter \$155,450 were paid to Directors and associates for director and consulting fees.

Authorised for release by the Board.

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 effort is led and co-ordinated by James Abson, with Renato Braz Suez heading up the team in Brazil. James and Renato are supported by the Company's Non-Executive Director resident in Brazil, Simon Mottram, a widely experienced geologist fluent in Portuguese, and Non-Executive Director Dr Qingtao Zeng who based on local knowledge provides oversight of 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 September 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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
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	(391)	(391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(3)	(3)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(65)	(65)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(453)</b>	<b>(453)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(262)	(262)
(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 (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(262)</b>	<b>(262)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(323)	(323)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(323)</b>	<b>(323)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,022	6,022
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(453)	(453)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(262)	(262)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(323)	(323)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,982</b>	<b>4,982</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,982	6,018
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,982</b>	<b>6,018</b>

**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**

155

-

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      \$155,450

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(453)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(262)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(715)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,982
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,982
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	6
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: 31 October 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.