



ACN 654 593 290

ANNUAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2024

OCEANA LITHIUM LTD

ACN 654 593 290

CONTENTS

Directors' Report.....	3
Auditor's Independence Declaration	24
Financial Report.....	26
Consolidated Entity Disclosure Statement	56
Directors' Declaration	57
Independent Audit Report	58
Shareholder Information	61
Schedule of Tenements.....	62

CORPORATE DIRECTORY

Non- Executive Chair Dr Qingtao Zeng Non-Executive Directors Mr Aidan Platel Mr Daniel Smith Company Secretary Mr Daniel Smith Stock Exchange Australian Securities Exchange – OCN	Principal Office Level 8 99 St Georges Terrace Perth, WA, 6000 Australia Registered Office Level 8 99 St Georges Terrace Perth, WA, 6000 Australia Telephone: (08) 9486 4036 Facsimile: (08) 9486 4799 Email: info@oceanalithium.com.au Website: www.oceanalithium.com.au Postal Address: PO Box 5638 St Georges Terrace Perth, WA, 6831 Australia	Share Registry Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace, Perth, WA, 6000 Australia Auditors Moore Australia Audit (WA) Level 15, 2 The Esplanade Perth, WA, 6000 Australia Bankers St George Bank 152-158 St Georges Terrace Perth WA 6000 Australia
---	--	--

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group consisting of Oceana Lithium Ltd ("**Oceana**" or "**the Company**") and its controlled entities for the year ended 30 June 2024, the notes to the financial statements and the auditor's report thereon.

DIRECTORS

The following persons were Directors of Oceana Lithium Ltd during the financial year and up to the date of this report unless otherwise stated:

Dr Qingtao Zeng – Non-executive Director; Non-executive Chairman (appointed 11 February 2024)
Mr Daniel Smith – Non-executive Director (appointed 10 February 2024)
Mr Aidan Platel – Non-executive Director (appointed 28 February 2024)
Mr Chen Chik (Nicholas) Ong – Non-executive Director (appointed 11 February 2024; resigned 28 February 2024)
Mr Jerome (Gino) Vitale – Non-executive Chairman (resigned 11 February 2024)
Mr Simon Mottram – Non-executive Director (resigned 10 February 2024)

PRINCIPAL ACTIVITIES

The Company's business model is focused on achieving exploration success and discovery of a potentially economic mineral deposit capable of being developed in Brazil or Australia, with a focus on minerals and metals that are used in the battery storage and electric vehicle sectors.

RESULTS AND DIVIDENDS

The consolidated loss of the Group after tax (including discontinued operations) amounted to \$2,858,779 (2023: \$1,407,673). There were no dividends paid or recommended during the financial year ended 30 June 2024.

CORPORATE

Annual General Meeting

On 28 November 2023 the Company announced the results of the Annual General Meeting. Resolution 1 was not passed, resulting in a 'first strike'; resolutions 2 to 4 were passed by way of a poll.

Capital Raising

On 5 July 2023 the Company announced that it had secured firm commitments from new institutions and existing significant shareholders in an oversubscribed placement to raise approximately \$4.1m at \$0.32 per share (Placement). The Placement completed during July 2023.

Board and Management

On 11 September 2023, the Company announced the appointment of Chief Executive Officer Mr Caue Araujo.

On 12 February 2024, non-executive chairman Mr Jerome Vitale and non-executive director Mr Simon Mottram resigned as directors to focus on other business commitments. Company Secretary, Mr Daniel Smith, was appointed as a non-executive director, as well as Mr Chen Chik (Nicholas) Ong. With Mr Vitale's departure, Dr Zeng assumed the role of non-executive chairman.

On 28 February 2024, the Company announced the appointment of Mr Aidan Platel as a non-executive director. Concurrently with Mr Platel's appointment, Mr Nicholas Ong resigned as a director of the Company.

Director Remuneration

On 28 November 2023, the Company advised that the Board has elected to reduce the fixed component of director remuneration by 15% per annum effective from 1 December 2023. On 21 February 2024, the Company advised of a further 20% per annum reduction in director fees.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Solonópole Project, Ceará State, Brazil

The Solonópole Project area is located in the state of Ceará, approximately three to four hours by road from the state capital Fortaleza and deep-water port of Pecém (**Figure 1**) and is well serviced by sealed highways and high voltage electricity.

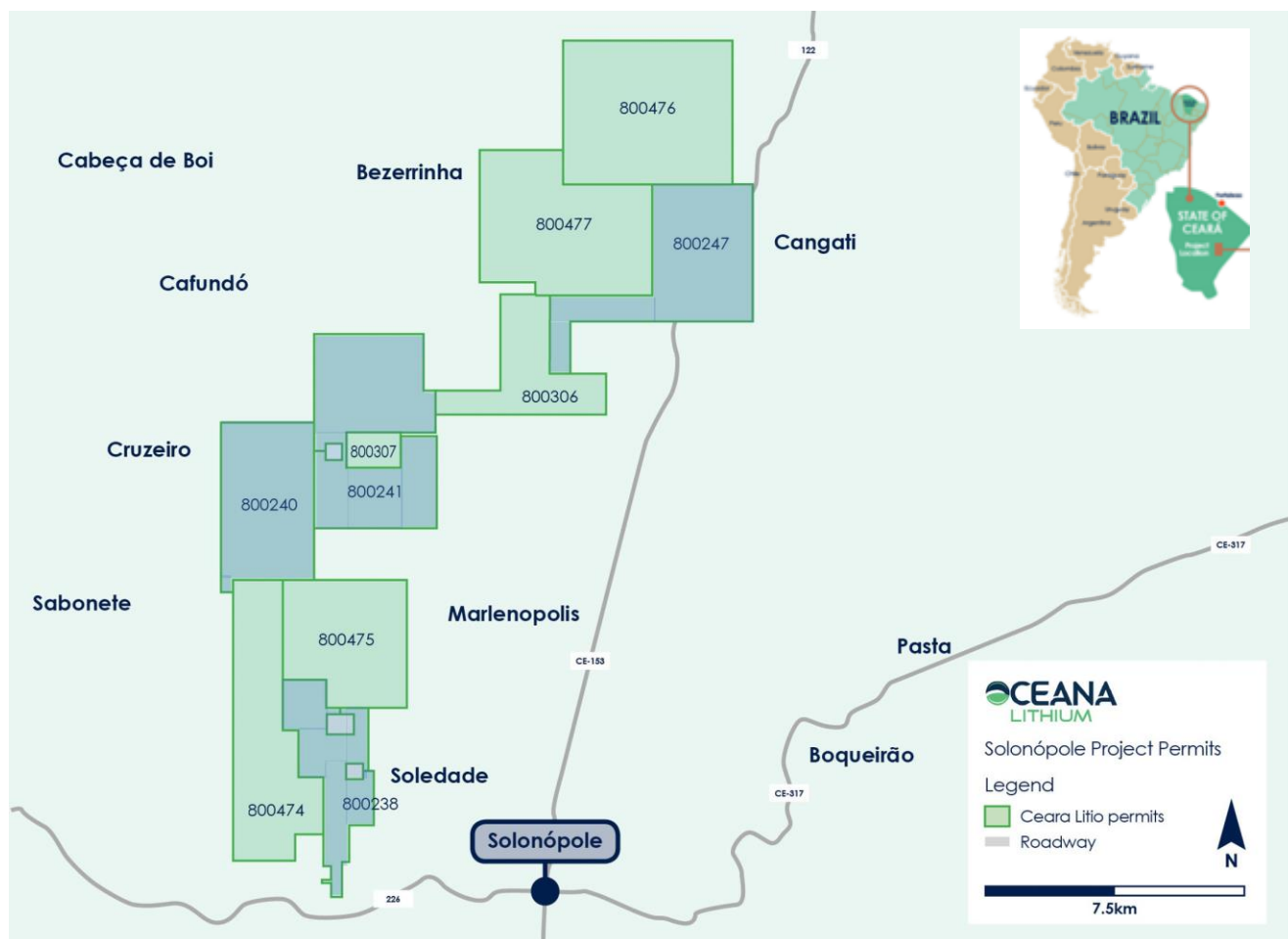


Figure 1: Solonópole Lithium Project – Tenement Map and Status (Blue = Expiring Licences)

Over 10,300 soil samples have been collected from Solonópole and 8,741 soil samples have been analysed by X-Ray Fluorescence (XRF) for Lithium-Caesium-Tantalum (LCT) pathfinders, of which 1,908 soil samples have lab results validated by Oceana's internal QA/QC. Anomalous lithium values above 100 ppm and up to 631 ppm were found in 383 soil samples within existing and new target areas.

Oceana has integrated these soil sample results with other datasets from geophysics, geological mapping (138 line-km), trenching and RC drilling (~2,000m). The combined datasets confirmed several swarms of pegmatite bodies striking in a NE-SW direction and identified high priority areas showing more than one lithium bearing pegmatite. The three main targets for the next phase of drilling are Bom Jesus de Baixo Prospect ("BJdB"), Lapinha and Urubu.

During the June quarter of 2024, a reduction in project area occurred via tenement expiries (**Table 1**), as part of strategic review of the lithium prospectivity and associated exploration costs. Oceana has decided the lithium prospectivity of three of these four exploration licences is quite low and hence would allow these tenements to expire.

DIRECTORS' REPORT

Table 1: Solonópole Lithium Project – Tenement Status – Summary Table

Mining Tenement	Area (ha)	Date of granting the current Exploration Permit	Original expiry date	Expiry date considering automatic extension*	Times Renewed	Status
List of Tenements - OCN IPO Prospectus						
800.238/2016	756	8/11/2019	8/11/2022	20/05/2024	1	Expiring**
800.240/2016	1246	8/11/2019	8/11/2022	20/05/2024	1	Expiring**
800.241/2016	1718	8/11/2019	8/11/2022	20/05/2024	1	Expiring**
800.247/2016	1399	8/11/2019	8/11/2022	20/05/2024	1	Expiring**
800.474/2016	1416	22/02/2022	22/02/2025	N/A	1	Active
800.475/2016	1180	22/02/2022	22/02/2025	N/A	1	Active
800.476/2016	2000	22/02/2022	22/02/2025	N/A	1	Active
800.477/2016	1762	22/02/2022	22/02/2025	N/A	1	Active
List of Tenements Acquired Since IPO (OCN ASX Announcement 16 January 2023)						
800.306/2020	783	6/04/2021	1/10/2024	N/A	0	Active
800.307/2020	145	6/04/2021	1/10/2024	N/A	0	Active
TOTAL Area	12,406	Total Active Area: 7,287 ha (6 exploration licences)				
*In response to the effects of the COVID 19 pandemic, the ANM published some resolutions extending the validity period of some mining rights and, among them, those of the Exploration Permits.						
**Expiring: means the second renewal has been denied by ANM Ceará (Regional), pending final decision by ANM in Brasília						

However, the fourth licence, 800241/2016, contains prospective areas such as the Nira Prospect, which the Company has not been able to access due to delays in environmental permits and landowner access agreements. As such, the Company intends to engage with the Brazilian Mines Department (Agência Nacional de Mineração (ANM)) in Brasilia to request an extension to the term for this exploration licence.

Environmental Licences for drilling and trenching covering targets within tenements 800306/2020 (Bom Jesus de Baixo) and 800475/2016 (Lapinha and Urubu) have been granted by SEMACE ("Superintendência Estadual do Meio Ambiente - Estado do Ceará", the environmental agency of Ceará State) in June / July 2024. The permits are valid until 24 June 2026.

Integration and interpretation of soil sample results with data from geophysics, geological mapping (138 line-km), trenching and RC drilling (~2,000m) has confirmed prospectivity of priority targets Bom Jesus de Baixo, Lapinha and Urubu for both lithium and tantalum. These will remain the priority targets for the Company going forward.

The Bom Jesus de Baixo (BJdB) Prospect is the most advanced exploration target at the Solonópole Project. The best scout drilling results from BJdB to date include anomalous lithium grades in three drill holes (NGR-RC-002, NGR-RC-009 and NGR-RC-014):

- BJdB Pit Area: NGR-RC-002, with maximum value over 1m of 0.83% Li₂O from 37m to 38m. A lithium-mineralised zone exists from 23m to 38m (15m not true width) averaging 0.34% Li₂O, including 6m at 0.50% Li₂O. This hole is proximal to where spodumene was previously identified in the BJdB pit.
- BJdB Central Area: NGR-RC-009, with maximum value over 1m of 0.42% Li₂O from 16m to 17m. A lithium-mineralised zone exists from 7m to 17m (10m not true width) averaging 0.20% Li₂O, including 3m at 0.31% Li₂O.
- Tin Mine Area: NGR-RC-014, with maximum value over 1m of 0.45% Li₂O from 5m to 6m. A lithium-mineralised zone exists from 4m to 7m (3m not true width) averaging 0.32% Li₂O.

Deeper drilling into unweathered fresh zones is warranted to test whether weathering near surface has resulted in possible leaching of lithium-bearing mineralisation.

DIRECTORS' REPORT

Lapinha is evolving as an exploration target. A total of 88 soil samples have been analysed to date, with 27 samples showing lithium anomalous results exceeding 100 ppm. Out of these 27 samples, 15 samples surpass 200 ppm, with the highest anomaly reaching 419 ppm. These anomalies have been interpreted as two parallel structures covering an area of over 1km² oriented in the NE-SW direction. Oceana geologists have identified at least 11 pegmatite bodies with dimensions ranging from 225 to 425 meters length and 10 to 25 meters width, oriented in the ENE-WSW direction, as indicated by soil geochemistry, geophysics and geological mapping data.

At Urubu, a total of 22 soil samples were collected at Urubu, of which 17 are located within 5m of the main pegmatite body which strikes in a NE-SW direction. Out of these 17 samples, 14 show lithium anomalous results greater than 100 ppm, and 11 of them exceed 200 ppm. Notably, five samples have lithium values ranging from 300 ppm to 742 ppm. The main body outcrops over a length of 160m, with a width of approximately 20m, oriented in the NE-SW direction.

Napperby Project, Northern Territory, Australia

The Napperby Project consists of a granted exploration licence (EL32836) covering an area of ~650km² and an exploration licence application (ELA32841) covering an area of more than 512km². The 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 2**).

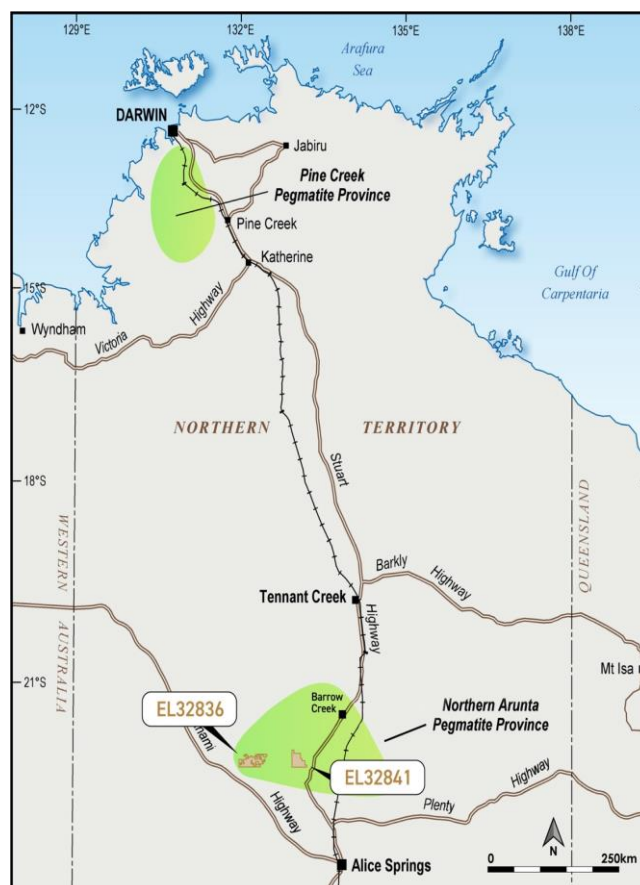


Figure 2: Napperby Project location (EL32836 and ELA32841), Northern Territory

The project is located within the highly prospective Arunta Province, which is endowed with some of the most prospective rocks for lithium, Rare Earth Elements (REEs) and uranium mineralisation in the Northern Territory. The Paleoproterozoic Wangala and Ennugan Mountains granites have long been recognised as “Hot Granites” and known to be anomalously enriched in a range of elements including U, Th, P, F and REEs.

DIRECTORS' REPORT

As shown in **Figure 3**, both granite plutons show outstanding uranium/thorium ratios and are almost fully encapsulated within Oceana's Napperby Project leases EL32836 and ELA32841 (under application).

Further to the south in the Ngalia Basin there are several mineral occurrences and deposits recorded including the Napperby Uranium Deposit, with a JORC 2012 Inferred Mineral Resource of 9.54Mt at 382ppm U_3O_8 (refer to Core Exploration Ltd - ASX Announcement dated 12/10/2018) and the Cappers Deposit where Air Core hole NAC122 intercepted 2.2m @ 211ppm U_3O_8 from 3.55m (refer to Energy Metals - ASX Announcement dated 17/09/2009).

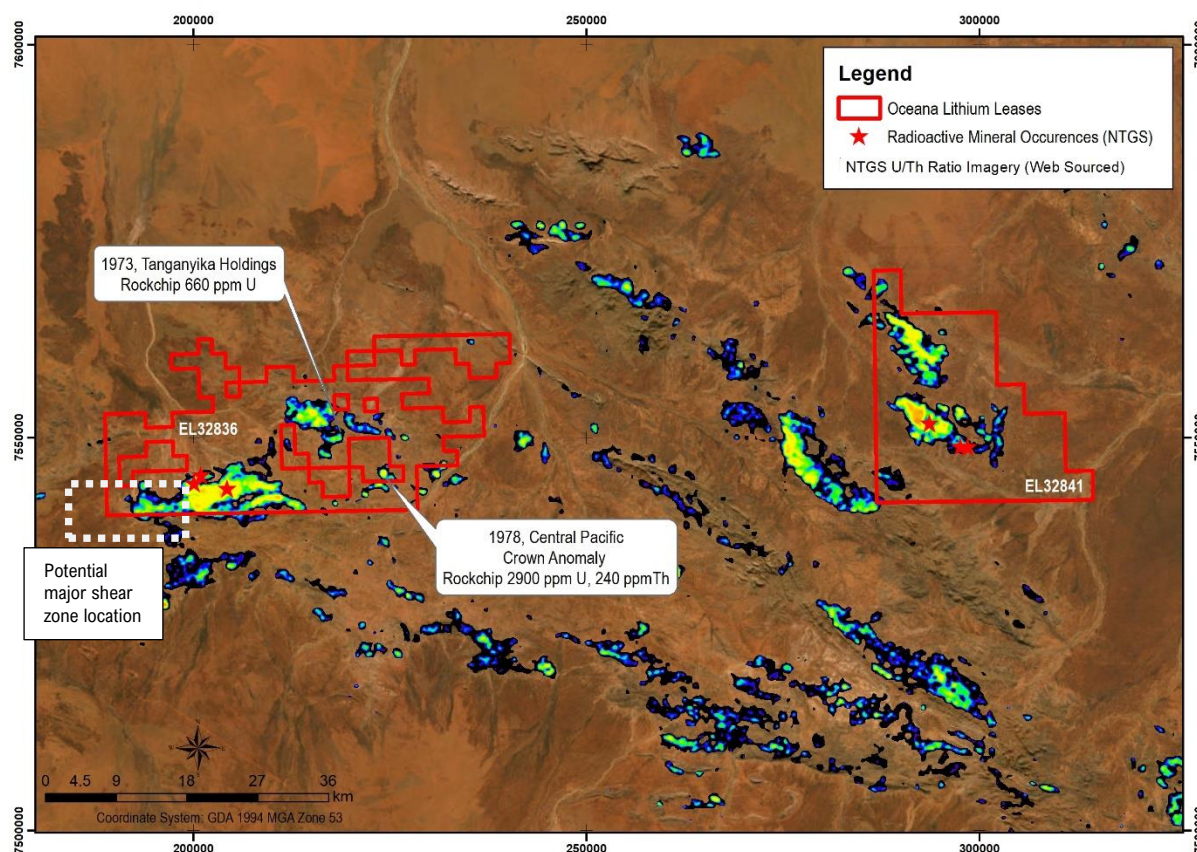


Figure 3: Map showing location of potential major shear zone, U/Th ratios and known uranium, thorium and REE mineral occurrences at Napperby Project

Due to the large amount of work that has been conducted by previous explorers and Oceana's geologists, a comprehensive data review was completed in the June 2024 quarter, as well as field work activities targeting granite- and unconformity- related uranium mineralisation in the areas of younger sediments over fertile granite, such as potential calcsilicate roof pendants in this area.

Additional geological interpretation of the untested southwest corner of EL32836 also suggests there could be a major shear zone in the area which has the potential to host uranium enrichment.

The field program conducted by Oceana included accessing and sampling some of the key areas previously identified as drill targets, as well as investigating new areas of interest. It followed Oceana's announcement that an infill soil sampling program in late 2023 successfully delineated a large uranium anomaly in excess of 4.5km in length and up to 700m in width at Napperby. This soil geochemistry infill sampling program was completed in the southeast corner of EL32836 to better define and understand the lithium anomalies highlighted by the 2022 soil sampling program (refer to ASX Announcement dated 28 November 2023).

DIRECTORS' REPORT

A total of 107 samples were collected in November 2023 at 200m spacings for approximately 30 line-km, infilling the previous 2km line spacing to 500m (refer to ASX Announcement dated 28 November 2023). Although initially targeting lithium, the results from the soil sampling have defined a large arcuate uranium anomaly, as shown in Figure 4.

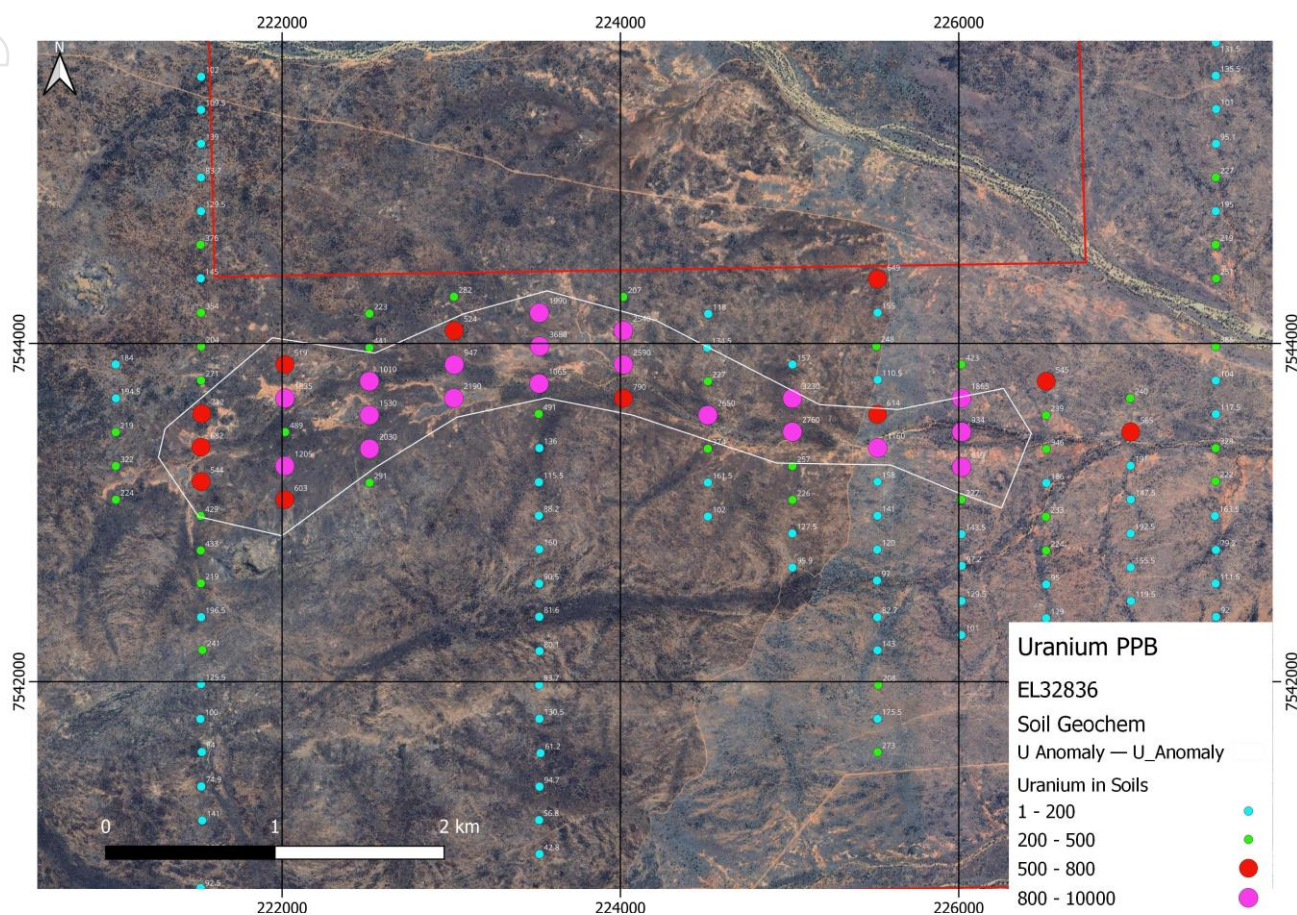


Figure 4: Large uranium anomaly in soils - Line spacing is 500m and sample centres of 200m

The uranium anomaly is mostly covered by Quaternary sediments and residual soils. The relatively low absolute values for the anomaly (500 – 3,680ppb U) are the result of using mobile metal ion sampling techniques which enables field teams to sample large areas without the need to carry large heavy samples around in the field. Because the samples are not crushed and pulverized, it is only unbound or weakly attached metal ions that are removed from soils and as such it is not the absolute values of elements that are of interest but the relative differences of values within a given data set.

Modelling and interpretation of the available hyperspectral data at Napperby was completed by HyVista Pty Ltd (HyVista). Modelling of the geochemical alteration zones interpreted from the hyperspectral data relative to the uranium surface anomaly confirmed that the anomaly has the potential to host significant “roll-front” type uranium mineralisation.

In addition to this new uranium anomaly, Oceana has identified further target areas for uranium and REEs from a review of the historic data from previous exploration, particularly from Callabonna Uranium Ltd between 2009 and 2013 as shown in Figure 5 (refer to OCN ASX Announcement dated 15 May 2024). Although there is no unconformity with younger rocks overlying older (the ideal for unconformity uranium mineralization) there is a major geological feature that arcs across the north of the tenement where the Proterozoic meets older Precambrian granites and gneisses. There is also a major mylonitic shear structure running through the granite in the south of the tenement not far from the Platform Prospect.

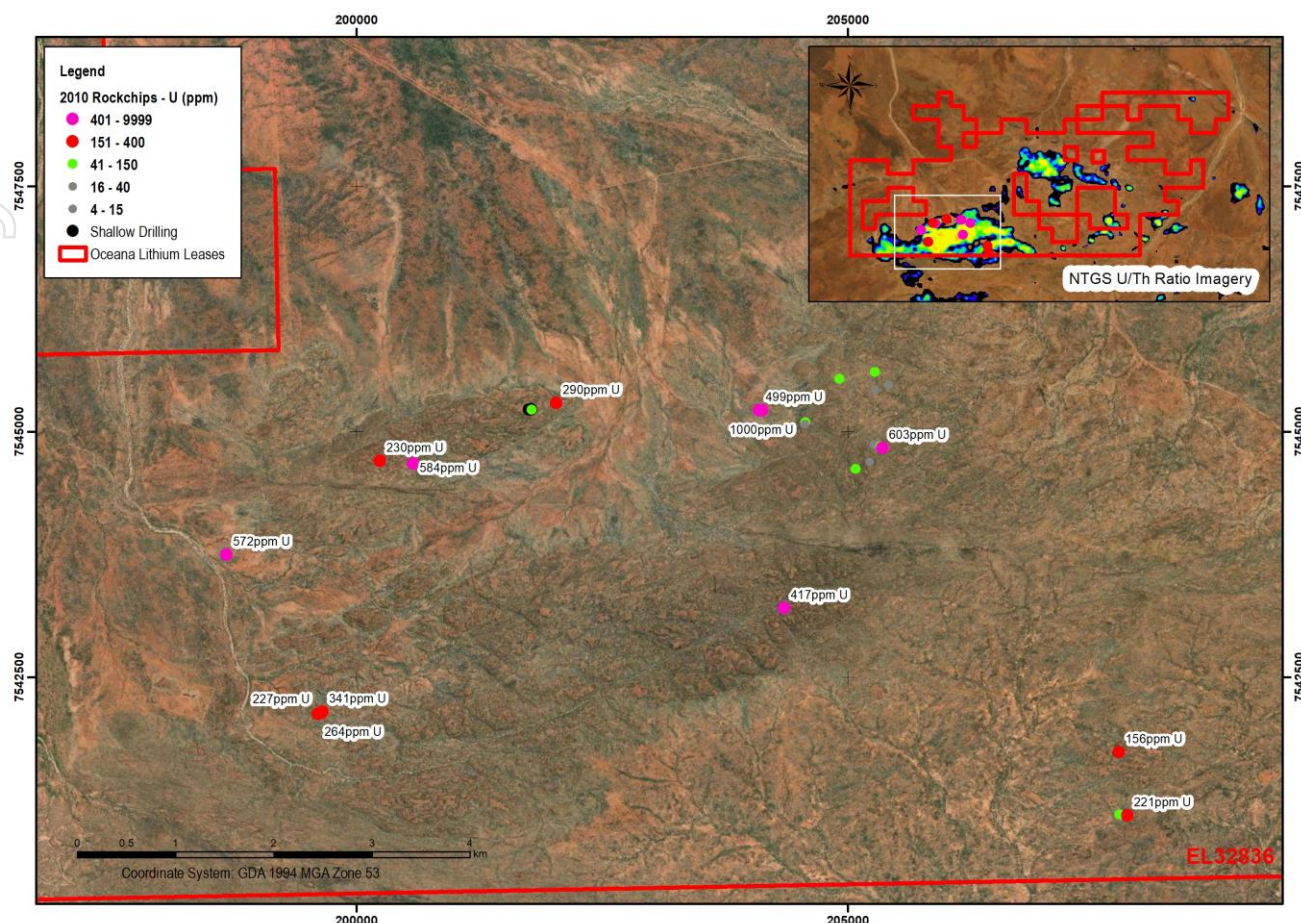


Figure 5: Location of Callabonna's historical results within Oceana's EL32836

As part of the field activities conducted in June 2024 (**Figure 6**), Oceana targeted granite- and unconformity-related uranium mineralization on the Wangala Granite contained within EL32836. The work was conducted using a RADEYE-PRD4 (425067126-SI) pocket-sized personal radiation detector, CsI (TI)-det with SPM and gamma detection. This device gives a simple reading of Count Per Second (CPS), but no discernible anomalous CPS readings were found for either of the major geological structures surveyed and described in the previous paragraph.



Figure 6: Graeme Fraser conducting field work within Oceana's EL32836, standing with a radioactive reading machine (Gamma-ray (γ -ray) spectroscopy) at the granite tested by Callabonna Uranium Limited with shallow diamond drilling

DIRECTORS' REPORT

Monaro Project, Québec, Canada

On 2 January 2024, the Company announced that it had elected to not exercise the option to acquire a 100% interest in the Monaro Lithium Project (refer to ASX Announcement dated 5 July 2023), which comprises 207 mineral claims covering an area of 104km² along the western portion of the Duhesme Lake metavolcanic-sedimentary greenstone belt in James Bay, Québec.

Although elevated levels of Rubidium (Rb) and low Potassium (K) to Rubidium ratios have delineated high-priority targets for further investigation (refer to ASX Announcement dated 16 November 2023), overall results from the field program conducted toward the end of the northern summer field season did not meet Oceana's expectations. This included results from the whole-rock analysis of 175 rock samples (including cut channel samples) that did not identify any significant anomalous lithium results.

As per the terms of the Option Agreement (refer to ASX Announcements dated 5 July 2023 and 27 October 2023), on 2 January 2024, Oceana issued 1 million OCN fully paid tradeable shares to Noranda Royalties Inc as an agreed termination payment. All rights to the Project exploration claims have now reverted to the respective vendors with no further exploration or service payment obligations to Oceana.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial period not otherwise disclosed in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 31 July 2024, the Company announced the resignation of Mr Caue Araujo as Chief Executive Officer, effective 10 September 2024.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on its website www.oceanalithium.com.au.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Group and the expected results of those operations in subsequent financial years are consistent with those reported for the current period.

ENVIRONMENTAL REGULATIONS

The Company is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

The Group is cognisant of the reporting requirements under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse Energy Efficient Reporting Act 2007, and believes it has adequate processes in place to ensure compliance with these Acts.

COMPETENT PERSON STATEMENT

The information in this annual report that relates to exploration results at the Solonópole project is based on information reviewed, collated and fairly represented by Mr Mike Sousa, who is a Member of Australian Institute of Mining and Metallurgy, to Oceana Lithium Ltd. Mr Sousa has worked at the Solonópole project in the state of Ceará in Brazil for several months and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sousa consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

DIRECTORS' REPORT

The information in this annual report that relates to exploration results at the Napperby project is based on information reviewed, collated and fairly represented by Mr Graeme Fraser who is a Member of AusIMM. Mr Fraser visited the project site and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves however, Mr Fraser has not done sufficient work to disclose the historical Exploration Results in accordance with the JORC Code 2012, and it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012. Mr Fraser consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. Mr Fraser confirms information in this annual report is an accurate representation of the available data for the exploration areas mentioned herein.

The exploration results contained in this announcement were taken directly from the annual technical report that Callabonna Uranium presented to the N.T. government in January 2011 "ANNUAL AND FINAL REPORT - EL 27181 – Denison - For the Period 12th November 2009 to 8th January 2013 prepared by Callabonna Uranium Limited on 04/01/2011". This report can be found at the following link:

https://geoscience.nt.gov.au/gemis/ntgsjspui/bitstream/1/77232/1/EL27181_2013_AS_01.pdf

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Director and Experience

Dr Qingtao Zeng (appointed 4 April 2022)

Non-Executive Chairman

Dr Zeng completed a PhD in geology at the Centre of Exploration Targeting (CET) of University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with Eldorado Gold Limited, CSA Global China and Australia, and has a range of geological and commercial experience. Since 2015, Dr Zeng has been extensively involved in the lithium exploration and corporate transactions through his strong network of contacts throughout Asia. Dr Zeng has published several academic papers on orogenic gold or structure control gold geological studies and is a member of AusIMM and Society of Economic Geologist (SEG).

Dr Zeng is currently Managing Director of Australasian Metals Limited and a Non-Executive Director of ASX-listed Winsome Resources Limited.

Particulars of Directors Interest in Securities in the Company:

6,141,308 Fully paid ordinary shares

500,000 Director options exercisable at \$0.30 each on or before 1 April 2026

340,000 Performance rights

Directorships held in other listed entities (last 3 years):

Current: Australasian Metals Limited (ASX:A8G), Winsome Resources (ASX: WR1)

Previous: Kodal Minerals Plc, MetalsTech Limited (ASX:MTC)

Mr Aidan Platel (appointed 28 February 2024)

Non-Executive Director

Mr Platel is an experienced geologist and mining executive with over 25 years' experience in the minerals industry. He has a broad skill set covering exploration, study execution, project development, mining, mineral processing and corporate financing within the minerals and mining service sectors. He holds a Bachelor of Science degree (Honours in Geology) from UWA and has a Master of Business Administration from the Curtin Graduate School of Business.

Mr Platel has held numerous executive and non-executive director roles in ASX listed exploration companies over his career. He has a proven track-record of exploration success, having helped discover and develop several major deposits including the world-class Santa Rita Nickel deposit (>1Mt contained Ni metal) in Brazil.

Particulars of Directors Interest in Securities in the Company:

Nil

Directorships held in other listed entities (last 3 years):

Current: Charger Metals NL (ASX:CHR), Olympio Resources (ASX:OLY)

Previous: Wildcat Resources Ltd, Auroch Minerals Ltd

DIRECTORS' REPORT

Mr Daniel Smith (appointed 11 February 2024)

Non-Executive Director

Mr Smith has 15 years' experience in financial markets, including 12 years' experience with listing rules compliance and corporate governance. He is a director and co-founder of Minerva Corporate Pty Ltd, a boutique corporate services and advisory firm.

Mr Smith is a fellow member of the Governance Institute of Australia and holds a Bachelor of Arts in International Relations from Curtin University. Mr Smith is Non-Executive Chairman of ASX listed rare earths explorer DY6 Ltd and acts as company secretary for numerous ASX, AIM and NSX listed companies.

Particulars of Directors Interest in Securities in the Company:

64,000 Fully paid ordinary shares

750,000 options exercisable at \$0.30 each on or before 1 April 2026

Directorships held in other listed entities (last 3 years):

Current: DY6 Metals Ltd (ASX:DY6), White Cliff Minerals Limited (ASX:WCN), Nelson Resources Limited (ASX:NES), Lachlan Star Limited (ASX:LSA), QX Resources Limited (ASX:QXR), Europa Metals Ltd (AIM:EUZ)

Previous: Artemis Resources Limited (ASX:ARV), Alien Metals Limited (AIM:UFO)

Mr Chen Chik (Nicholas) Ong (appointed 11 February 2024; resigned 28 February 2024)

Non-Executive Director

Mr Ong brings 19 years' experience in IPO, listing rules compliance and corporate governance. He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment gold reconciliation. Nicholas is a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. Nicholas is currently a director and/or company secretary of several ASX listed companies.

Mr Jerome (Gino) Vitale (appointed 18 October 2021; resigned 11 February 2024)

Non-Executive Chair

Mr Vitale is an experienced corporate and mining operations and project development executive with 30 years of experience in the mineral resources sector. His focus has been gold, base metals, ferrous and non-ferrous metals and on turnaround situations identifying value-driven mergers and acquisitions. Former senior appointments held with Normandy Mining Group (one of Australia's largest gold producers, since acquired by Newmont), Standard Chartered Bank, Burdekin Resources/Redbank Mines Ltd (founder and CEO with operations in Australia and Fiji), Bligh Resources Ltd (since acquired by Saracen Mineral Holdings and subsequently merged with Northern Star Ltd, to become a tier 1 gold producer in Australia). Mr Vitale was previously (until June 2023) a Non-Executive Director of TSX.V listed Denarius Metals Corp which acquired the Lomero polymetallic project in Spain in April 2021 from a company of which he was foundation director.

DIRECTORS' REPORT

Mr Simon Mottram (appointed 4 April 2022; resigned 10 February 2024)

Non-Executive Director

Mr Mottram is a geologist with over 30 years' experience predominantly in base and precious metals. Mr Mottram has held both executive and senior management positions with several successful mining companies both in Australia and overseas and has seen a number of discoveries advanced through to commercial mine development and has been central to several significant exploration successes.

Mr Mottram was part of the successful executive team that took Avanco Resources Limited from a small junior through discovery and into production, building a successful mining company with an impressive portfolio, that was subsequently purchased on market by mid-tier Australian copper producer OZ Minerals for circa \$440M in 2018.

COMPANY SECRETARY – QUALIFICATIONS & EXPERIENCE

Mr Daniel Smith - BA, GradDipACG, FGIA, FCG

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year (and the number each Director was entitled to attend):

	Directors' Meetings	
	Number eligible to attend	Number attended
Qingtao Zeng	6	6
Aidan Platel	3	3
Daniel Smith	3	3
Jerome (Gino) Vitale	3	3
Simon Mottram	3	3
Nicholas Ong	-	-

REMUNERATION REPORT (Audited)

The information in this remuneration report has been audited as required by s.308 (3C) of the *Corporations Act 2001*.

(a) *Principles used to determine the nature and amount of remuneration*

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. As there is no remuneration committee the role is assumed by the full Board of Directors. The Board ensures that director and executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

DIRECTORS' REPORT

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in share price and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives;
- rewards capability and experience;
- reflects competitive reward for contribution to shareholder growth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

(a) Principles used to determine the nature and amount of remuneration (continued)

Relationship between remuneration and Group performance

During the past year the Group has generated losses because it is still involved in mineral exploration, not in production.

Given that the remuneration is commercially reasonable / appropriate / benchmarked, the link between remuneration, Group performance and shareholder wealth generation is tenuous, particularly in the exploration stage of a minerals company. Since listing the Group has recorded losses as it carries out exploration activities on its tenements, and no dividend has been paid. Share prices are subject to the influence of international metal prices and market sentiment toward the sector, and increases or decreases may occur quite independent of executive performance or remuneration. Share prices, largely unrelated to profit and loss, have fluctuated between \$0.03 and \$0.80 since listing.

Non-Executive Directors

Messrs." Zeng, Platel and Smith have entered into an appointment letter with the Company to act in the capacity of Non-Executive Directors. As Non-executive Chairman, Mr Zeng receives annual remuneration of \$54,720 (plus GST) which commenced on 11 Feb 2024. As Non-executive Directors, Messrs' Platel and Smith receive annual remuneration of \$40,800 (plus GST).

Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board seeks to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Directors' fees

The current base remuneration was set with effect from February 2024.

Non-Executive Directors' fees are determined within the Non-Executive Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at \$400,000 per annum for Non-Executive Directors has approved at the Company's General Meeting on 19 January 2022.

Retirement allowances for Directors

The Company provides no retirement allowances for Non-Executive Directors.

Executive pay

The executive pay and reward framework has four components:

- base pay and benefits;
- short-term incentives;
- long-term incentives through Directors options (refer Note 19); and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually by the Board to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executives' contracts.

Benefits

Executives receive no benefits outside of the base pay, options and superannuation disclosed in this report.

First Strike

At the Company's 2023 Annual general Meeting, 49.35% of votes cast were against adoption of the 2023 Remuneration Report, constituting a 'first strike' under the Corporations Act. On 28 November 2023, the Company advised that the Board has elected to reduce the fixed component of director remuneration by 15% per annum effective from 1 December 2023. On 21 February 2024, the Company advised of a further 20% per annum reduction in director fees.

(a) Principles used to determine the nature and amount of remuneration (continued)

Retirement benefits

Other than statutory superannuation contributions, no retirement benefits are provided for executives except statutory entitlements.

Short-term incentives

Key management personnel are entitled to short term incentives (STI's) based on performance that is agreed by the board from time to time.

Performance Conditions

Performance conditions are attached to the performance rights issued to directors as remuneration.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group are set out in the following tables:

	Short-term employee benefits			Post-employment benefits		Share-based payment		Total
	Cash salary and fees	Cash bonus	Non-Monetary benefits	Super-annuation	Retirement benefits	Options	Performance Rights	\$
2024	\$	\$	\$	\$	\$	\$	\$	
<i>Non-Executive Directors</i>								
Jerome Vitale ⁽¹⁾	106,738	-	-	11,741	-	-	668	119,147
Qingtao Zeng	54,720	-	-	-	-	-	1,084	55,804
Simon Mottram ⁽²⁾	33,500	-	-	-	-	-	470	33,970
Daniel Smith ⁽³⁾	15,810	-	-	-	-	-	-	15,810
Nicholas Ong ⁽⁴⁾	2,006	-	-	-	-	-	-	2,006
Aidan Platel ⁽⁵⁾	13,600	-	-	1,496	-	-	-	15,096
<i>Other KMP</i>								
Caue Araujo ⁽⁶⁾	214,800	-	-	13,200	-	78,956	-	306,956
Total	441,174	-	-	26,437	-	78,956	2,222	548,789

1. Resigned 12 February 2024
2. Resigned 11 February 2024
3. Appointed 12 February 2024
4. Appointed 12 February 2024 and Resigned 23 February 2024
5. Appointed 28 February 2024
6. Appointed 11 September 2023

	Short-term employee benefits			Post-employment benefits		Share-based payment		Total
	Cash salary and fees	Cash bonus	Non-Monetary benefits	Super-annuation	Retirement benefits	Options*	Performance Rights*	\$
2023	\$	\$	\$	\$	\$	\$	\$	
<i>Non-Executive Directors</i>								
Jerome Vitale	112,500	-	-	22,995	-	1,395	-	136,890
Sebastian Kneer ⁽¹⁾	60,045	-	-	4,636	-	(43,375)	(24,654)	(3,348)
Qingtao Zeng	60,000	-	-	-	-	1,395	-	61,395
Simon Mottram	60,000	-	-	-	-	984	-	60,984
Total	292,545	-	-	27,631	-	(39,601)	(24,654)	255,921

1. Resigned 12 February 2023

* 500,000 options and 750,000 performance rights previously issued to Sebastian Kneer on 30 March 2022 were cancelled on 7 October 2022, and the previous share-based payment was reversed in full.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Remuneration that is performance based % is that percentage of remuneration that consisted of options.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At risk - STI	
	2024	2023	2024	2023
Jerome Vitale ⁽¹⁾	99%	99%	1%	1%
Qingtao Zeng	99%	98%	1%	2%
Simon Mottram ⁽²⁾	99%	98%	1%	2%
Daniel Smith ⁽³⁾	100%	-	-	-
Nicholas Ong ⁽⁴⁾	100%	-	-	-
Aidan Platel ⁽⁵⁾	100%	-	-	-
Caue Araujo ⁽⁶⁾	74%	-	26%	-
Sebastian Kneer ⁽⁷⁾	-	100%	-	-

* Long-term incentives reflect the value of remuneration consisting of options expensed during the year.

1. Resigned 12 February 2024
2. Resigned 11 February 2024
3. Appointed 12 February 2024
4. Appointed 12 February 2024 and Resigned 23 February 2024
5. Appointed 28 February 2024
6. Appointed 11 September 2023
7. Resigned 12 February 2023

(c) Service agreements

There are service agreements in place for each executive and non-executive Director and the Chief Executive Officer appointed on 11 September 2023 (resignation effective on 10 September 2024).

(d) Share-based Compensation

Options

1,000,000 options were issued to the CEO during the year.

Performance rights

No performance shares were issued to directors during the year (2023: NIL).

Further information regarding options and performance rights is set out in Note 20 of the financial statements.

(e) Equity Instrument disclosures relating to KMP

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options over ordinary shares in the Company provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report, if applicable.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(e) Equity Instrument disclosures relating to KMP (continued)

(ii) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2024	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name						
Directors -						
Jerome Vitale ⁽¹⁾	500,000	-	-	(500,000)	-	-
Qingtao Zeng	500,000	-	-	-	500,000	-
Simon Mottram ⁽²⁾	500,000	-	-	(500,000)	-	-
Daniel Smith ⁽³⁾	-	-	-	750,000	750,000	-
Aidan Platel ⁽⁴⁾	-	-	-	-	-	-
Nicholas Ong ⁽⁵⁾	-	-	-	-	-	-
Other KMP -						
Caue Araujo ⁽⁶⁾	-	1,000,000	-	-	1,000,000	-
Total	1,500,000	1,000,000	-	(250,000)	2,250,000	-

1. Resigned 12 February 2024
2. Resigned 11 February 2024
3. Appointed 12 February 2024
4. Appointed 28 February 2024
5. Appointed 12 February 2024, Resigned 23 February 2024
6. Appointed 11 September 2023

(iii) Performance rights

The number of performance rights over ordinary shares held by each KMP of the Group during the financial year is as follows:

2024	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name						
Directors -						
Jerome Vitale ⁽¹⁾	340,000	-	-	(340,000)	-	-
Qingtao Zeng	340,000	-	-	-	340,000	-
Simon Mottram ⁽²⁾	240,000	-	-	(240,000)	-	-
Daniel Smith ⁽³⁾	-	-	-	-	-	-
Aidan Platel ⁽⁴⁾	-	-	-	-	-	-
Nicholas Ong ⁽⁵⁾	-	-	-	-	-	-
Other KMP -						
Caue Araujo ⁽⁶⁾	-	-	-	-	-	-
Total	920,000	-	-	(580,000)	340,000	-

1. Resigned 12 February 2024
2. Resigned 11 February 2024
3. Appointed 12 February 2024
4. Appointed 28 February 2024
5. Appointed 12 February 2024, Resigned 23 February 2024
6. Appointed 11 September 2023

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Oceana Lithium Ltd and other key management personnel of the consolidated group are set out below.

2024	Balance at the start of the year	Received during the year on the exercise of options and conversion of performance rights	Shares subscribed during the year	Other changes	Balance at the end of the year
Directors					
Jerome Vitale ⁽¹⁾	7,764,000	-	-	(7,764,000)	-
Qingtao Zeng	5,674,000	-	-	-	5,674,000
Simon Mottram ⁽²⁾	200,000	-	-	(200,000)	-
Daniel Smith ⁽³⁾	-	-	-	64,000	64,000
Aidan Platel ⁽⁴⁾	-	-	-	-	-
Nicholas Ong ⁽⁵⁾	-	-	-	-	-
Other KMP -					
Caue Araujo ⁽⁶⁾	-	-	-	-	-
Total	13,638,000	-	-	(7,900,000)	5,738,000

1. Resigned 12 February 2024
2. Resigned 11 February 2024
3. Appointed 12 February 2024
4. Appointed 28 February 2024
5. Appointed 12 February 2024, Resigned 23 February 2024
6. Appointed 11 September 2023

(f) Loans to Directors and executives

No loans were made to Directors of Oceana Lithium Ltd or other key management personnel of the consolidated group, including their personally related entities.

(g) Other transactions with Directors and other key management personnel

Former director, Jerome Vitale, had a consulting arrangement in place for the provision of consultancy and management services to the consolidated group through Vitale Corporate (Haramont Pty Ltd). The services were provided at market rates, and no specified period was agreed.

Director, Dr Qingtao Zeng, has a consulting arrangement in place for the provision of geological services to the consolidated group through Geosmart Consulting Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

A director, Daniel Smith, has a consulting arrangement in place for the provision of company secretarial services to the consolidated group through Minerva Corporate Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

No other transactions occurred between the Group and other key management personnel except for the reimbursement at cost of expenditure incurred on behalf of the Group.

Chief Executive Officer, Caue Araujo, has an arrangement in place for the provision of consulting services to the consolidated group through Pauli Advisory Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

The amounts owed to Directors, key management personnel and their related parties as at 30 June 2024 was \$nil owed to Vitale Corporate, \$nil owed to Geosmart Consulting Pty Ltd, \$nil owed to Pauli Advisory Pty Ltd and \$7,500 owed to Minerva Corporate Pty Ltd.

Aggregate amounts of each of the above types of other transactions with Directors and key management personnel of Oceana Lithium Ltd:

	2024 \$	2023 \$
Amounts recognised as expense		
Consulting fees:		
Consultancy and management services	63,825	106,500
Exploration	21,250	43,500
Company secretarial and accounting services	38,500	-
	123,575	150,000
Outstanding balance at year end	12,071	72,600

(h) Additional information

The Company has a share trading policy which imposes basic trading restrictions on all employees of the Company with 'insider information', and additional trading restrictions on the Directors of the Company.

Full details of the Share Trading Policy can be found on the Company's website.

No options provided as remuneration were exercised during the year.

Relationship between remuneration and the Group's performance

The following table shows key performance indicators for the Group over the last five years:

	2024	2023	2022	2021	2020
Loss for the year	\$2,858,779	\$1,407,673	\$1,865,787	n/a	n/a
Closing Share Price	\$0.03	\$0.39	n/a	n/a	n/a
KMP Incentives	\$81,178	(\$64,256)	\$311,610	n/a	n/a
Total KMP Remuneration	\$548,789	\$255,921	\$381,411	n/a	n/a

Remuneration Consultants

The Group did not engage the services of any remuneration consultants during the year.

END OF AUDITED REMUNERATION REPORT

DIRECTORS' REPORT

SHARES UNDER OPTION

The following unissued ordinary shares of Oceana Lithium Ltd under option are on issue as at the date of this report:

1. 3,500,000 options exercisable at \$0.30 expiring 24 June 2025
2. 8,750,000 options exercisable at \$0.30 expiring 1 April 2026
3. 750,000 options exercisable at \$0.75 expiring 24 June 2026
4. 3,000,000 options exercisable at \$0.30 expiring 10 June 2026
5. 1,000,000 options exercisable at \$0.50 expiring 11 September 2027
6. 9,450,000 options exercisable at \$0.50 expiring 17 October 2025
7. 250,000 options exercisable at \$0.30 expiring 10 June 2026

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the financial year ended 30 June 2024, there were nil shares of Oceana Lithium Ltd issued upon the exercise of options. None have been issued since the end of the financial year. (2023: nil)

INSURANCE OF OFFICERS

Since the end of the previous financial year the consolidated group has paid insurance premiums in respect of directors' and officers' legal expenses and liability insurance. The policies prohibit disclosure of details of the policies or the premiums paid. The Company has not otherwise, during or since the end of the year, except at the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Group are important.

Details of the amounts paid or payable to the auditor (Moore Australia Audit (WA)) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board in its capacity as the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

DIRECTORS' REPORT

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	2024 \$	2023 \$
Assurance services		
Audit Services		
Moore Australia Audit (WA)	33,894	32,415
Total remuneration for audit and assurance services	33,894	32,415
Taxation and Accounting Services		
Moore Australia (WA)	3,396	2,837
Total remuneration for taxation services	3,396	2,837

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsible on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under Section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.



Dr Qingtao Zeng
Non-Executive Chair

30 September 2024

Auditor's Independence Declaration
Under Section 307c of the Corporations Act 2001**To the directors of Oceana Lithium Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Suan Lee Tan
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)
Perth
30th day of September 2024



Moore Australia Audit (WA)
Chartered Accountants

FINANCIAL REPORT – 30 JUNE 2024

This financial report includes the consolidated financial statements and notes of Oceana Lithium Ltd and its controlled entities ('Consolidated Group' or 'Group'). The financial report is presented in the Australian currency.

Oceana Lithium Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Oceana Lithium Ltd
Level 8, 99 St Georges Terrace
Perth WA 6000

A description of the nature of the Group's operations and principal activities is included in the Review of Operations in the Directors' report.

The financial report was authorised for issue by the Directors on 30 September 2024. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.oceanalithium.com.au.

For queries in relation to our reporting please call +61 8 9486 4036 or email dan.smith@oceanalithium.com.au.

OCEANA LITHIUM LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue from Continuing Operations			
Revenue	4	-	-
Other income	4	40,710	36,968
		<u>40,710</u>	<u>36,968</u>
Administration		(149,862)	(96,610)
Audit fees		(33,894)	(32,415)
Compliance fees		(92,783)	(29,912)
Depreciation expense		(3,813)	(6,039)
Directors Fees	5	(320,789)	(405,921)
Legal fees		(35,325)	(111,760)
Consultants Fees	5	(463,592)	(426,737)
Other expense		(22,991)	(22,301)
Project evaluation expenses		(1,583,558)	(117,117)
Investor and public relations		(140,545)	(127,353)
Foreign exchange gains/(losses)		(6,152)	39,563
Travelling expenses		(46,185)	(108,039)
Loss before income tax		<u>(2,858,779)</u>	<u>(1,407,673)</u>
Income tax expense/(benefit)	6	-	-
Loss after tax from continuing operations		<u>(2,858,779)</u>	<u>(1,407,673)</u>
Loss for the year attributable to ordinary equity holders of Oceana Lithium Ltd		<u>(2,858,779)</u>	<u>(1,407,673)</u>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency translation reserve		(300,120)	-
Other comprehensive income for the year		(300,120)	-
Total comprehensive loss for the year attributable to ordinary equity holders of Oceana Lithium Ltd		<u>(3,158,899)</u>	<u>(1,407,673)</u>
Loss per share for the year attributable to members of Oceana Lithium Ltd			
		Cents	Cents
Continuing operations		(3.51)	(2.17)
Total basic and diluted (loss) per share	16	(3.51)	(2.17)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

OCEANA LITHIUM LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	2,148,930	2,705,790
Trade and other receivables	8	145,292	152,499
Total Current Assets		2,294,222	2,858,289
Non-Current Assets			
Property plant and equipment	9	53,644	36,215
Exploration and evaluation expenditure	10	5,405,902	3,610,780
Total Non-Current Assets		5,459,546	3,646,995
Total Assets		7,753,768	6,505,284
LIABILITIES			
Current Liabilities			
Trade and other payables	11	289,455	350,562
Total Current Liabilities		289,455	350,562
Total Liabilities		289,455	350,562
Net Assets		7,464,313	6,154,722
EQUITY			
Contributed equity	14	12,197,227	7,892,096
Reserves	15	1,399,325	1,536,086
Accumulated losses	15	(6,132,239)	(3,273,460)
Total Equity		7,464,313	6,154,722

The above Consolidated Statement of Financial Position
should be read in conjunction with the accompanying notes.

OCEANA LITHIUM LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

Balance at 1 July 2022

Loss attributable to ordinary equity holders of
Oceana Lithium Ltd

Other comprehensive income -

Foreign currency translation

Total comprehensive loss for the year

**Transaction with owners, in their capacity as
owners -**

Performance rights issued during the year

Performance rights vested during the year

Performance rights cancelled during the year

Options issued during the year

Options cancelled during the year

Shares issued during the year, net of costs

Balance at 30 June 2023

At 1 July 2023

Loss attributable to ordinary equity holders of
Oceana Lithium Ltd

Other comprehensive income

Foreign currency translation

Total comprehensive loss for the year

**Transaction with owners, in their capacity as
owners -**

Performance rights issued during the year

Options issued during the year

Shares issued during the year, net of costs

Balance at 30 June 2024

Contributed Equity	Foreign Currency Translation Reserve	Accumulated Losses	Performance Rights Premium Reserve	Options Premium Reserve	Total
\$	\$	\$	\$	\$	\$
7,271,682	-	(1,865,787)	138,110	1,363,875	6,907,880
-	-	(1,407,673)	-	-	(1,407,673)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(1,407,673)	-	-	(1,407,673)
-	-	-	36,251	-	36,251
108,414	-	-	(108,414)	-	-
-	-	-	(35,481)	-	(35,481)
-	-	-	-	185,120	185,120
-	-	-	-	(43,375)	(43,375)
512,000	-	-	-	-	512,000
7,892,096	-	(3,273,460)	30,466	1,505,620	6,154,722
7,892,096	-	(3,273,460)	30,466	1,505,620	6,154,722
-	-	(2,858,779)	-	-	(2,858,779)
-	-	-	-	-	-
-	(300,120)	-	-	-	(300,120)
-	(300,120)	(2,858,779)	-	-	(3,158,899)
-	-	-	32,531	-	32,531
-	-	-	-	130,828	130,828
4,305,131	-	-	-	-	4,305,131
12,197,227	(300,120)	(6,132,239)	62,997	1,636,448	7,464,313

The above Consolidated Statement of Changes in Equity
Should be read in conjunction with the accompanying notes.

OCEANA LITHIUM LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$	\$
Cash Flows From Operating Activities			
Payments to suppliers and employees		(1,094,317)	(1,089,685)
Payments for exploration and evaluation expenditure		(1,075,631)	-
Interest received		40,593	36,975
Net cash outflow from operating activities	22	(2,129,355)	(1,052,710)
Cash Flows From Investing Activities			
Payments for purchase of property, plant and equipment		(11,743)	(16,426)
Payments for exploration and evaluation expenditure		(2,211,110)	(1,841,167)
Payments to acquire tenements		-	(77,747)
Payments to acquire subsidiaries		-	-
Net cash inflow/(outflow) from investing activities		(2,222,853)	(1,935,340)
Cash Flows From Financing Activities			
Proceeds from the issue of shares and options		4,128,000	-
Payments for capital raising costs		(270,997)	(322,750)
Net cash inflow/(outflow) from financing activities		3,857,003	(322,750)
Net increase/(decrease) in cash and cash equivalents		(495,205)	(3,310,800)
Foreign exchange difference		(61,655)	(5,070)
Cash at date of incorporation at beginning of year		2,705,790	6,021,660
Cash at 30 June	7	2,148,930	2,705,790

The above Consolidated Statement of Cash Flows
should be read in conjunction with the accompanying notes.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report includes the consolidated financial statements and notes of Oceana Lithium and controlled entities ('Consolidated Group' or 'Group').

Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Oceana Lithium Limited is a for profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern basis

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2024 of \$2,858,779 (2023: \$1,407,673) and experienced net cash outflows from operating activities of \$2,129,355 (2023: \$1,052,710). At 30 June 2024, the cash and cash equivalents balance was \$2,148,930 (2023: \$2,705,790).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company raising capital from equity and debt markets as completed during the year and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt on whether the Group is able to continue as a going concern.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all currently forecasted commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Company may need to raise further capital in order to fund future exploration programs.

Based on the cash flow forecasts, and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required, should the need arise.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Oceana Lithium Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealized gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(c) Exploration and evaluation expenditure

Evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 11.50% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Employee benefits (continued)

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options and performance rights are determined using the Black-Scholes and/or binomial pricing models respectively. The number of performance rights and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(f) Revenue recognition

All revenue is stated net of the amount of goods and services tax (GST).

(g) Equity compensation to non-employees

Equity-settled compensation

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options and performance rights are determined using the Black-Scholes and/or binomial pricing models respectively. The number of performance rights and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(h) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit after tax attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

(m) Foreign currency transactions and balances

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Foreign currency transactions and balances (continued)

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- a. Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- b. Income and expenses are translated at average exchange rates for the period; and
- c. Share capital and retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(o) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Directors have determined that these new standards do not materially impact the Group.

(p) New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. Management is currently assessing the impact of these standards on the Group's financial statements in the year of initial application.

(q) Financial Instruments

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(q) Financial Instruments (continued)

The Group subsequently measures all equity investments at fair value. The Group has not elected to present fair value gains and losses on equity investments in OCI, where there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

(r) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Items of plant and equipment are depreciated over their estimated useful lives. The diminishing balance method is used. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Estimates of useful lives are made at the time of acquisition and varied as required.

Expected useful lives are: Plant and Equipment between 4 years and 7 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

NOTE 2 FINANCIAL RISK MANAGEMENT

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

The Group's activities expose it to a variety of financial risks; market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the board as a whole and no formal risk management policy has been adopted but is in the process of development.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the Brazilian Real. Since the Group has not yet commenced mining operations or to sell products the exposure is limited to the movement in loan accounts between the Parent and the Subsidiary located in Brazil.

The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. The Group's exposure to foreign currency risk on Brazilian Real, translated into Australian Dollars at 30 June, was as follows:

	2024 AUD	2024 BRL	2023 AUD	2023 BRL
Foreign currency assets and liabilities				
Cash and cash equivalents	66,377	188,061	144,642	450,504

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. Exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

2024	Floating Interest Rate \$	Non-interest bearing \$	Total \$
Financial assets			
Cash and cash equivalents	2,148,930	-	2,148,930
Trade and other receivables	-	145,292	145,292
	<u>2,148,930</u>	<u>145,292</u>	<u>2,294,222</u>
Weighted average interest rate			
Financial liabilities			
Trade and other payables	-	289,455	289,455
	<u>-</u>	<u>289,455</u>	<u>289,455</u>
Net financial assets	<u>2,148,930</u>	<u>(144,163)</u>	<u>2,004,767</u>
2023	Floating Interest Rate \$	Non-interest bearing \$	Total \$
Financial assets			
Cash and cash equivalents	2,705,790	-	2,705,790
Trade and other receivables	-	152,499	152,499
	<u>2,705,790</u>	<u>152,499</u>	<u>2,858,289</u>
Weighted average interest rate			
Financial liabilities			
Trade and other payables	-	350,562	350,562
	<u>-</u>	<u>350,562</u>	<u>350,562</u>
Net financial assets	<u>2,705,790</u>	<u>(198,063)</u>	<u>2,507,727</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

The following table illustrates sensitivities of the Group's exposure to changes in interest rates. The table indicates the impact on how profit reported at balance date would have been affected by changes in the interest rate risk variable that management considers to be reasonably possible.

	2024	2023
	\$	\$
Net financial assets subject to variable interest rates	2,148,930	2,705,790
Increase in profits resulting from a 1% pa increase in variable interest rates	21,489	27,057
Decrease in profits resulting from a 1% pa decrease in variable interest rates	(21,489)	(27,057)

The following table illustrates sensitivities of the Group's exposure to changes in foreign exchange rates. The table indicates the impact on how other comprehensive income reported at balance date would have been affected by changes in the foreign exchange rate variable that management considers to be reasonably possible.

	2024	2023
	\$	\$
Decrease in other comprehensive income resulting from a 10% increase in Australian Dollar against the Real	37,235	10,520
Increase in other comprehensive income resulting from a 10% decrease in Australian Dollar against the Real	(37,235)	(10,520)

The entity is not exposed to material price risk.

Net Fair Value

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

(b) Credit risk

Credit risk exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables including intercompany loans and cash. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. Credit terms are generally 30 days from the invoice date. The Group has no concentrations of credit risk, other than holding all its cash with St George Bank and ANZ. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position, which has not changed materially from the prior year.

Credit risk exposures

Credit risks related to balances with bank and other financial institutions is managed by the Board in accordance with Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. Cash is held with St George Bank and ANZ, which are AA Rated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2024	2023
	\$	\$
Current Assets:		
Cash and cash equivalents	2,148,930	2,705,790
Trade and other receivables	145,292	152,499
Non-Current Assets:		
Trade and other receivables	-	-
	<u>2,294,222</u>	<u>2,858,289</u>

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The Group's current financial assets and liabilities are summarised as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	2,148,930	2,705,790
Trade and other receivables	145,292	152,499
Trade and other payables	<u>(289,455)</u>	<u>(350,562)</u>
	<u>2,004,767</u>	<u>2,507,727</u>

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days from the reporting date.

The contractual amounts payable are equal to the carrying amounts in the accounts.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below

(a) Impairment of assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(b) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes or Binomial option pricing model, using the assumptions detailed in Note 20.

(c) Capitalised exploration and evaluation expenditures

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Company's accounting policy (refer Note 1(c)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. The Company applies the principles of AASB 6 and recognises exploration and evaluation assets when the rights of tenure of the area of interest are current, and the exploration and evaluation expenditures incurred are expected to be recouped through successful development and exploitation of the area. If, after having capitalised the expenditure under the Company's accounting policy in Note 1(b), a judgment is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss in accordance with the Company's accounting policy in Note 1(c). The carrying amounts of exploration and evaluation assets are set out in Note 10.

NOTE 4 REVENUE AND OTHER INCOME

From continuing operations

Interest – unrelated parties

Total Revenue

2024
\$

2023
\$

40,710

36,968

40,710

36,968

NOTE 5 EXPENSES AND SIGNIFICANT ITEMS

Significant Items

Consultants fees (incl. share-based payments)

463,592

426,737

Directors fees (incl. share-based payments)

320,789

405,921

Project evaluation expenses

1,583,558

-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 6: INCOME TAX EXPENSE

	2024 \$	2023 \$
a. The components of tax expense comprise:		
Current income tax	-	-
Deferred tax	-	-
	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 30% from ordinary operations:	(857,634)	(422,303)
Add/(less) tax effect of:		
- Other non-allowable items	637,915	151,646
- Revenue losses not recognised	310,750	388,984
- Effect of tax rates of subsidiaries in different jurisdictions	(14,894)	(4,208)
- Other deferred tax balances not recognised	(76,137)	(114,119)
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income from ordinary operations	-	-
c. Deferred tax recognised		
Deferred Tax Liabilities		
- Capitalised exploration	(99,685)	(99,685)
- Property, plant and equipment	(8,086)	-
Deferred Tax Assets		
- Carry forward revenue losses	107,771	99,685
Net deferred tax	-	-
d. Unrecognised deferred tax assets at 30% (Note 1):		
Carry forward revenue losses	744,532	441,867
Capital raising costs	50,799	12,899
Provisions and accruals	6,300	67,059
Other	720	720
	802,351	522,545
The tax benefits of the above Deferred Tax Assets will only be obtained if:		
(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;		
(b) the company continues to comply with the conditions for deductibility imposed by law; and		
(c) no changes in income tax legislation adversely affect the company in utilising the benefits.		

Note 1 - the corporate tax rate for eligible companies reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 7 CASH AND CASH EQUIVALENTS

**2024
\$** **2023
\$**

Cash and cash equivalents	2,148,930	2,705,790
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank	2,148,930	2,705,790
Bank deposits at call	-	-
Cash on hand	-	-
Cash and cash equivalents	2,148,930	2,705,790

Cash at bank earns an interest rate of 0.5%. Refer to note 2 for the Group's exposure to interest rate risk.

NOTE 8 TRADE AND OTHER RECEIVABLES

CURRENT

Other receivables (a)	145,292	152,499
	145,292	152,499

No receivables were past due but not impaired.

NOTE 9 PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	63,496	42,254
Less accumulated depreciation	(9,852)	(6,039)
Carrying amount at the end of the financial year	53,644	36,215

Reconciliation

Reconciliations of the carrying amount of plant and equipment at the beginning and end of the financial year are set out below:

Carrying amount at the beginning of the financial year	36,215	-
Additions	21,242	42,254
Depreciation expense	(3,813)	(6,039)
Carrying amount at the end of the financial year	53,644	36,215

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

**2024
\$** **2023
\$**

Exploration and evaluation assets	5,405,902	3,610,780
Reconciliation:		
Balance at beginning of the year	3,610,780	1,407,480
Issue of ordinary shares – project acquisitions	-	512,000
Cash payments – project acquisitions	-	77,747
Exploration expenditure	1,795,122	1,613,553
	5,405,902	3,610,780

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE (continued)

The recoverability of deferred project acquisition costs is dependent upon the successful development and commercial exploitation, or alternately the sale of the areas of interest.

NOTE 11 TRADE AND OTHER PAYABLES

	\$	\$
CURRENT		
Trade and sundry creditors (a)	163,032	232,567
Accrued expenses	126,423	117,995
	<u>289,455</u>	<u>350,562</u>

(a) All creditors are non-interest bearing and are normally settled on 30 day terms.

Refer to note 2 for the Group's exposure to liquidity risk.

NOTE 12 COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements as specified by various governments.

Outstanding obligations are not provided for in the accounts and are payable:

Not later than 1 year	66,700	117,500
Later than 1 year but not later than 5 years	-	-
Any greater than 5 years	-	-
	<u>66,700</u>	<u>117,500</u>

NOTE 13 CONTINGENT LIABILITIES

As at 30 June 2024, the Group has a 2.5% royalty payable over future concentrate product sold from the Napperby Lithium project.

Performance based payments:

For a period of 3 years from the execution of the Definitive Agreement regarding N Green tenements dated 16 January 2023, within 5 business days of delineation and publication of a minimum JORC classified Mineral Resource of 2 million tonnes or more with a minimum grade at 1.2% Li₂O on either one or both of Exploration Permits 800.306/2020 and 800.307/2020, Oceana will:

- Pay N Green A\$50,000 in cash, and
- Issue N Green 600,000 fully paid ordinary Oceana shares, subject to voluntary escrow for a period of 3 months from the date of issue.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 14 CONTRIBUTED EQUITY

	2024 Shares	2023 Shares	2024 \$	2023 \$
(a) Paid Up Capital				
Ordinary shares – fully paid of no-par value	82,498,000	67,598,000	12,197,227	7,892,096

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

(b) Movements in ordinary share capital of the Company:

Date	Details	Number of Shares	Issue Price \$	\$
30 June 2022	Closing Balance	64,400,000		7,271,682
4 May 2023	Consideration shares – acquisition of N Green tenements	1,600,000	0.32	512,000
16 Dec 2022	Conversion of Class B and C performance rights - Directors	1,598,000		108,414
30 June 2023	Closing Balance	67,598,000		7,892,096
5 Jul 2023	Consideration shares – Option fee - Monaro Lithium project	1,000,000	0.385	385,000
13 Jul 2023	Share Placement	12,009,375	0.320	3,843,000
19 Jul 2023	Share Placement	890,625	0.320	285,000
4 Jan 2024	Consideration shares – Termination fee - Monaro Lithium project	1,000,000	0.115	115,000
	Share capital raising costs			(322,869)
30 June 2023	Closing Balance	82,498,000		12,197,227

(c) Performance rights

	Jun 2024 Rights	Jun 2023 Rights
Balance at beginning of year	1,420,000	3,268,000
Issue of consultants performance rights	-	750,000
Cancellation of performance rights	-	(1,000,000)
Vesting of performance rights to ordinary shares	-	(1,598,000)
Balance at 30 June	1,420,000	1,420,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 14 CONTRIBUTED EQUITY (continued)

(d) Option Issues

Options to purchase ordinary shares

	Jun 2024 Options	Jun 2023 Options
Balance at beginning of year	16,250,000	16,250,000
Cancellation of director options	-	(500,000)
Issue of key management, directors and consultant's options	1,000,000	500,000
Issue of brokers options	3,000,000	-
Issue of free options as part of placement	6,450,000	-
Balance at 30 June	<u>26,700,000</u>	<u>16,250,000</u>

(e) Option Exercise

During the financial year nil options were exercised.

(f) Option Expiry

During the financial year the no options expired unexercised.

(g) Option Cancellation and Lapse

During the financial year nil options lapsed.

(h) Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2024 and 30 June 2023 was as follows:

	2024 \$	2023 \$
Cash and cash equivalents	2,148,930	2,705,790
Other receivables	145,292	152,499
Trade and other payables	(289,455)	(350,562)
Working capital position	<u>2,004,767</u>	<u>2,507,727</u>

The Group is not subject to any externally imposed capital requirements.

Refer to note 2 for Financial Risk Management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 15 RESERVES AND ACCUMULATED LOSSES

(a) Reserves

	2024 \$	2023 \$
Performance rights premium reserve	62,997	30,466
Options premium reserve	1,636,448	1,505,620
Foreign Currency Translation Reserve	(300,120)	-
	<u>1,399,325</u>	<u>1,536,086</u>

Movements

Performance rights premium reserve

Balance at beginning of year	30,466	138,110
Cancellation of performance rights	-	(35,481)
Conversion of performance rights to ordinary shares	-	(108,414)
Performance rights expense	32,531	36,251
Balance 30 June	<u>62,997</u>	<u>30,466</u>

Options premium reserve

Balance at beginning of year	1,505,620	1,363,875
Cancellation of options	-	(43,375)
Options issued	130,828	185,120
Balance 30 June	<u>1,636,448</u>	<u>1,505,620</u>

Foreign currency translation reserve

Balance at beginning of year	-	-
Currency translation differences arising during the year	(300,120)	-
Balance 30 June	<u>(300,120)</u>	<u>-</u>

(b) Accumulated losses

Movements in accumulated losses were as follows:

Balance at beginning of the year	(3,273,460)	(1,865,787)
Net loss for the year	(2,858,779)	(1,407,673)
Balance 30 June	<u>(6,132,239)</u>	<u>(3,273,460)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 15 RESERVES AND ACCUMULATED LOSSES (continued)

(c) Nature and purpose of reserves

Performance rights premium reserve

This reserve is used to recognise the fair value of performance rights issued.

Options premium reserve

This reserve is used to recognise the fair value of options issued.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(n). The reserve is recognised in profit or loss when the net investment is disposed of.

	2024 \$	2023 \$
NOTE 16 LOSS PER SHARE ("EPS")		
<i>Earnings per share from continuing operations</i>		
Loss after income tax	(2,858,779)	(1,407,673)
Weighted average number of shares used in the calculation of the basic EPS.	81,535,962	64,650,549
The number of potential ordinary shares relating to options not exercised at the end of the year. These potential ordinary shares are anti-dilutive and have not been included in the EPS calculations.	-	-
Basic and diluted loss per share	(3.51) cents	(2.17) cents

NOTE 17 DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2024. (2023: nil)

NOTE 18 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors and specified executives

Disclosures relating to Directors and specified executives are set out in Directors' Remuneration Report.

Wholly owned group

The consolidated group consists of Oceana Lithium Ltd and its wholly owned subsidiaries, Consolidate Lithium Trading Pty Ltd, and Ceara Litio Mineracao Eireli. Ownership interests in these subsidiaries are set out in Note 23.

Other related parties

There were no transactions or balances with other related parties including director related entities during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel (KMP) Compensation

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2024.

The totals of remuneration paid to KMP during the year are as follows:

	2024	2023
	\$	\$
Short term employee benefits	441,174	292,545
Post-employment benefits	26,437	27,631
Share based payments	81,178	(64,255)
	<u>548,789</u>	<u>255,921</u>

Other transactions with related parties

A director, Jerome Vitale, has a consulting arrangement in place for the provision of consultancy and management services to the consolidated group through Vitale Corporate (Haramont Pty Ltd). The services are provided at market rates, and no specified period has been agreed.

A director, Dr Qingtao Zeng, has a consulting arrangement in place for the provision of geological services to the consolidated group through Geosmart Consulting Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

A director, Daniel Smith, has a consulting arrangement in place for the provision of company secretarial services to the consolidated group through Minerva Corporate Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

No other transactions occurred between the Group and other key management personnel except for the reimbursement at cost of expenditure incurred on behalf of the Group.

Chief Executive Officer, Caue Araujo, has an arrangement in place for the provision of consulting services to the consolidated group through Pauli Advisory Pty Ltd. The services are provided at market rates, and no specified period has been agreed.

The amounts owed to Directors, key management personnel and their related parties as at 30 June 2024 was \$nil owed to Vitale Corporate, \$nil owed to Geosmart Consulting Pty Ltd, \$nil owed to Pauli Advisory Pty Ltd, and \$7,500 owed to Minerva Corporate Pty Ltd.

Aggregate amounts of each of the above types of other transactions with Directors and key management personnel of Oceana Lithium Ltd:

	2024	2023
	\$	\$
Amounts recognised as expense		
Consulting fees:		
Consultancy and management services	63,825	106,500
Exploration	21,250	43,500
Company secretarial and accounting services	38,500	-
	<u>123,575</u>	<u>150,000</u>
Outstanding balance at year end	12,071	72,600

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 20 SHARE-BASED PAYMENTS

The total expense arising from share-based payment transactions recognised during the period in relation to the performance rights was \$32,531, options issued to the CEO and brokers was \$130,828, and shares issued for Monaro project evaluation of \$500,000 totalling \$663,358 in share-based payment expenses for the year.

Performance Rights – Consultants

On 7 October 2022, the Company issued 750,000 performance rights to consultants. These performance rights were issued in one tranche and include a performance milestone. Each performance right will convert into 1 ordinary share of Oceana Lithium Limited upon achievement of the performance milestone.

The company has assessed the probability of achievement and have recognised an expense accordingly. The details are tabled below:

Tranche	Number of Performance Shares	Grant Date	Exercise Price	Probability of achievement of milestone	Expiry Date of Performance Right	Expected Date of Milestone Achievements	Underlying Share Price	Total Fair Value
A	750,000	07/10/22	Nil	50%	01/07/27	30/03/27	\$0.53	\$198,750

Tranche A performance rights were valued at their issue dates and the expense recognised over the life of expected achievement of the milestone, resulting in an expense during the year of \$32,530. This expense has been expensed as consultants' fees expense.

Key Management Options– 19 September 2023

On 19 September 2023, the Company issued 1,000,000 options to the Chief Executive Officer, each exercisable at \$0.50 with a 3.98 year expiry period. These options were valued using a Black-Scholes valuation model and the expense recognised in full at their issue date is \$78,956. For the options issued during the period, a Black-Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
19/09/2023	11/09/27	\$0.22	\$0.50	71.05%	3.86%	0%	1,000,000	\$0.078956	78,956	Immediately

Broker Options– 17 October 2023

On 17 October 2023, the Company issued 3,000,000 options to brokers, each exercisable at \$0.50 with a 2 year expiry period. These options were valued using a Black-Scholes valuation model and the expense recognised in full at their issue date is \$51,872. For the options issued during the period, a Black-Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
17/10/2023	17/10/25	\$0.1550	\$0.50	71.05%	3.86%	0%	3,000,000	\$0.017291	51,872	Immediately

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 20 SHARE-BASED PAYMENTS (continued)

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of director benefits or share based payment expense were as follows:

	2024	2023
	\$	\$
Options issued to directors/executives	78,955	(20,881)
Performance rights issued to directors	2,223	(43,374)
	<u>81,178</u>	<u>(64,255)</u>

NOTE 21 OPERATING SEGMENTS

Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of minerals and metals that are used in the battery storage and electric vehicle sectors. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the two principal locations of its projects – Australia and Brazil.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Cash and cash equivalents are reported in the Unallocated segment.

For the Year to 30 June 2024

	Brazil Exploration \$	Australia Exploration \$	Treasury \$	Total \$
Segment Revenue			40,710	40,710
Segment Results	-	-	-	40,710
Amounts not included in segment results but reviewed by Board:				
- Corporate charges				(2,788,003)
- Share-based payments				(111,486)
Loss before Income Tax				<u>(2,858,779)</u>
As at 30 June 2024				
Segment Assets	4,751,848	654,053	2,347,867	7,753,768
Segment Liabilities	12,829	-	276,626	289,455

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 21 OPERATING SEGMENTS (continued)

For the Year to 30 June 2023

	Brazil Exploration \$	Australia Exploration \$	Treasury \$	Total \$
Segment Revenue	-	-	36,968	36,968
Segment Results	-	-	-	36,968
Amounts not included in segment results but reviewed by Board:				
- Corporate charges				(1,302,122)
- Share-based payments				(142,516)
Loss before Income Tax				(1,407,670)
As at 30 June 2023				
Segment Assets	3,068,697	542,083	2,894,504	6,505,284
Segment Liabilities	58,516	-	292,046	350,562

NOTE 22 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

(a) Reconciliation of operating loss after income tax to the net cash flow from operations:	2024 \$	2023 \$
Operating loss after income tax	(2,858,779)	(1,407,673)
Adjustment for non-cash items:		
- Share-based payments expense	663,358	142,516
- Depreciation	3,813	-
- Foreign exchange movement	116,153	-
Change in operating assets and liabilities:		
- Trade and other receivables	7,207	(31,470)
- Trade and other payables and provisions	(61,107)	243,917
Net cash outflow from operating activities	(2,129,355)	(1,052,710)

NOTE 23 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2024 %	2023 %
Oceana NT Pty Ltd (previously Consolidate Lithium Trading Pty Ltd)	Australia	Ordinary	100	100
Ceará Litio Mineração Ltda (previously Ceará Litio Mineração Eireli)	Brazil	Ordinary	100	100

	2024 \$	2023 \$
NOTE 24 PARENT ENTITY DISCLOSURES		
(a) Financial Position of Oceana Lithium Ltd		
CURRENT ASSETS		
Cash and cash equivalents	2,082,584	2,561,179
Trade and other receivables	67,679	55,536
TOTAL CURRENT ASSETS	2,150,263	2,616,715
NON-CURRENT ASSETS		
Other non-current assets	6,297,580	3,829,490
TOTAL NON-CURRENT ASSETS	6,297,580	3,829,490
TOTAL ASSETS	8,447,843	6,446,206
CURRENT LIABILITIES		
Trade and other payables	246,702	227,126
TOTAL CURRENT LIABILITIES	246,702	227,126
TOTAL LIABILITIES	246,702	227,126
NET ASSETS	8,201,141	6,219,079
EQUITY		
Contributed equity	12,197,228	7,892,096
Reserves	1,699,444	1,536,087
Accumulated losses	(5,695,531)	(3,209,104)
TOTAL EQUITY	8,201,141	6,219,079

(b) Financial Performance of Oceana Lithium Ltd

	2024 \$	2023 \$
Loss for the year	(2,486,427)	(1,343,326)
Total comprehensive loss	(2,486,427)	(1,343,326)

(c) Guarantees entered into by Oceana Lithium Ltd to the debts of its subsidiaries

There are no guarantees entered into by Oceana Lithium Ltd for the debts of its subsidiaries as at 30 June 2024.

(d) Contingent liabilities of Oceana Lithium Ltd

There are no contingent liabilities as at 30 June 2024 other than those disclosed in note 13.

(e) Commitments Oceana Lithium Ltd

There are no commitments as at 30 June 2024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 25 REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditors of the Group, their related practices and non-related audit firms.

	2024 \$	2023 \$
Assurance services		
Audit Services		
Moore Australia Audit (WA)	33,894	32,415
Total remuneration for audit services	33,894	32,415
Non-Assurance services		
Taxation and Accounting Services		
Moore Australia Corporate Finance (WA) Pty Ltd	-	-
Moore Australia (WA)	3,396	2,837
Total remuneration for taxation services	3,396	2,837

NOTE 26 EVENTS OCCURRING AFTER THE BALANCE DATE

On 31 July 2024, the Company announced the resignation of Mr Caue Araujo as Chief Executive Officer, effective 10 September 2024.

Other than the above no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Group's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
30 JUNE 2024

Name	Entity type	Body corporate country of incorporation	Country of tax residence	Body corporate % of ownership interest	
				2024 %	2023 %
Oceana Lithium Ltd	Body Corporate	Australia	Australia	nil	nil
Oceana NT Pty Ltd (previously Consolidate Lithium Trading Pty Ltd)	Body Corporate	Australia	Australia	100	100
Ceará Litio Mineração Ltda (previously Ceará Litio Mineração Eireli)	Body Corporate	Brazil	Brazil	100	100

DIRECTORS' DECLARATION
30 JUNE 2024

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance of the year ended on that date of the consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. In the directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.
4. The remuneration disclosures included in pages 15 to 22 within the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2024, comply with section 300A of the *Corporations Act 2001*.
5. The consolidated entity disclosure statement for Oceana Lithium Ltd and its controlled entities as at 30 June 2024 is true and correct.
6. The directors have been given the declarations by the chief executive officer and chief financial officer (or the equivalent) required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Dr Qingtao Zeng
Non-Executive Chair

30 September 2024

Independent Auditor's Report

To the members of Oceana Lithium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oceana Lithium Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration. The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial period

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty related to Going Concern

We draw attention to Note 1 – *Going Concern Basis* in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Should the Group be unable to raise sufficient capital to fund its future working capital and exploration programs, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
How the matter was addressed in our audit
Capitalised Exploration and Evaluation Expenditures
Refer to Notes 3(c) – Capitalised exploration & evaluation expenditures and 10 – Exploration and Evaluation Expenditure

The Group's total exploration and evaluation expenditure capitalized for the year was \$5.4 million at balance date, being its single largest asset.

The ability to recognise and defer exploration and evaluation assets under AASB 6: Exploration and Evaluation ("E & E") for Mineral Resources is impacted by the Group's ability and intention to continue to explore the tenements or its ability to realise this value through development or sale.

Due to the significance of these assets and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter

Our audit procedures included:

- Assessing the Group's accounting policy for compliance with AASB 6.
- Agreeing additions to supporting documentation such as acquisition agreements & tested a sample of E & E expenditures capitalised during the year to supporting invoices.
- Reviewed tenement registers/licenses & other documents to ensure the Group has ongoing tenement rights.
- Assessing & evaluating management's assessment on capitalised E & E expenditure recognition and that no indicators of impairment existed at the reporting date.
- Assessing and evaluating management's assessment that exploration and evaluation activities have not yet reached a stage where the existence of an economically recoverable mineral reserve may be assessed.
- Enquiring with management and reviewing budgets, minutes of meetings and other supporting documentation such as subsequent ASX announcements as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future.
- Assessing the carrying value of these assets for any indicators of impairment including reviewing management's assessment of their carrying values against the Company's market capitalisation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Oceana Lithium Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SUANN LEE TAN
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
30th day of September 2024



Moore Australia Audit (WA)
Chartered Accountants

ADDITIONAL INFORMATION

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 20 SEPTEMBER 2024

a)	Distribution of Shareholders	No. of Shareholders	No. of Units
	Size of Holding		
	1 – 1,000	55	31,967
	1,001 – 5,000	185	462,155
	5,001 – 10,000	144	1,267,484
	10,001 – 100,000	286	10,550,849
	100,001 and over	94	70,185,545
	Total	764	82,498,000
b)	Number of holders of less than marketable parcels at \$0.033 per unit:	443	2,538,071

- c) The following shareholders hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX:

Name	Units	% of Units
MR JEROME GINO VITALE + MRS MOLLY CLARA VITALE <VITALE SUPER FUND A/C>, HARAMONT PTY LTD <D&V INVESTMENT A/C>	7,764,000	9.41
CONTINENTAL MINING AUSTRALIA PTY LTD <CONTINENTAL A/C>	7,414,500	8.99
WOODSOUTH ASSET MANAGEMENT PTY LTD	5,000,000	6.06
YA HUA INTERNATIONAL INVESTMENT&DEVELOPMENT CO LTD	5,000,000	6.06

- d) Twenty largest shareholders as at 20 September 2024:

Rank	Name	Units	% of Units
1.	CONTINENTAL MINING AUSTRALIA PTY LTD <CONTINENTAL A/C>	7,414,500	8.99
2.	CITICORP NOMINEES PTY LIMITED	5,865,324	7.11
3.	WOODSOUTH ASSET MANAGEMENT PTY LTD	5,000,000	6.06
4.	MR JEROME GINO VITALE + MRS MOLLY CLARA VITALE <VITALE SUPER FUND A/C>	4,190,000	5.08
5.	MMH CAPITAL LIMITED	3,675,000	4.45
6.	HARAMONT PTY LTD <D&V INVESTMENT A/C>	3,574,000	4.33
7.	JET CAPITAL PTY LTD THE OSCROW FAMILY A/C>	3,015,922	3.66
8.	MR XIANGENG ZENG	1,940,000	2.35
9.	MR DEEPAK NARVANIA	1,600,000	1.94
10.	ZYWIEC INVESTMENTS PTY LTD	1,475,377	1.79
11.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,249,836	1.51
12.	SAVVY CAPITAL MANAGEMENT PTY LTD <SAVVY FAMILY A/C>	1,225,000	1.48
13.	SOL SAL INVESTMENTS PTY LTD <SOL SAL INVESTMENT A/C>	1,200,000	1.45
14.	LEEWIN EQUITY PTY LTD <DEAKIN FAMILY A/C>	1,166,928	1.41
15.	BT LITHIUM PTY LTD	1,071,710	1.30
16.	ALISSA BELLA PTY LTD <C & A TASSONE S/F NO 2 A/C>	1,019,375	1.24
17.	STRATA INVESTMENT HOLDINGS PLC	1,004,068	1.22

18.	CLIPPER GROUP LIMITED	1,000,000	1.21
19.	METAL TIGER PLC	968,750	1.17
20.	ARALAD MANAGEMENT PTY LTD <THE TRK SUPER FUND A/C>	878,750	1.07
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		48,534,540	58.83
Total Remaining Holders Balance		33,963,460	41.17
Total Shares On issue		82,498,000	100.00%

e) Voting Rights

Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.

f) There are currently no on-market buybacks in process.

g) There following securities are currently subject to escrow.

Nil

h) As at 20 September 2024 the following class of unquoted securities had a holder with greater than 20% of the class on issue:

Class/Name	Number of Securities Held	% Held
<i>Options exercisable at \$0.30 each on or before 1 April 2026</i>		
Jet Capital Pty Ltd	3,000,000	32.43%
R-Tek Group Pty Ltd	3,000,000	34.43%
<i>Options exercisable at \$0.30 each on or before 10 June 2026</i>		
Jet Capital Pty Ltd	1,500,000	50%
Continental Mining Pty Ltd	1,500,000	50%
<i>Options exercisable at \$0.75 each on or before 24 June 2026</i>		
James Abson	500,000	66.66%
Cintia Maia	250,000	33.34%
<i>Options exercisable at \$0.30 each on or before 11 September 2027</i>		
Caue Pauli De Araujo <The Pauli Bowen Family A/C>	1,000,000	100%

i) Interest in mining and exploration permits

Project	Tenement Details	Acquired during quarter	Disposed of during quarter	Ownership	State/ Country
Solonópole	800.238/2016*, 800.240*/2016, 800.241/2016*, 800.247*/2016, 800.474/2016, 800.475/2016, 800.306/2020, 800.307/2020, 800.476/2016, 800.477/2016	-	-	100%	Ceará, Brazil
Napperby	EL32836 (Wangala), ELA32841 (Ennugan)	-	-	100%	Northern Territory, Australia

* Expiring: means the means the second renewal has been denied by ANM Ceará (Regional), pending final decision by ANM in Brasília