

ASX / MEDIA RELEASE

29 JUNE 2022



Oceana Lithium Limited (ACN 654 593 290) (**Company**) refers to its initial public offer (**Offer**) under the Company's prospectus dated 4 April 2022 and supplementary prospectus dated 23 June 2022 (together the **Prospectus**). Capitalised terms in this announcement have the same meaning given under the Prospectus.

The Company has issued 30,000,000 Shares under the Offer to raise \$6,000,000 before costs. The Company also confirms:

1. All conditions precedent to the Offer have been satisfied, being:
 - (a) the Company raising no less than the Minimum Subscription under the Offer; and
 - (b) the Company receiving conditional approval to be admitted to the official list of ASX.
2. The Offer under the Prospectus closed on 22 April 2022 and the issue of Shares subscribed for under the Prospectus (as detailed above) has been completed.
3. The Company confirms that:
 - (a) All conditions precedent to the following agreements have satisfied and that the following agreements have completed in accordance with their terms:
 - (i) The option agreement between the Company and Ceara Litio Mineracao Eireli ("Ceara Litio") dated 8 November 2021, including the issue of 4,900,000 Shares in Oceana to the vendors of Ceara Litio, the holder of the Solonople Lithium Project; and
 - (ii) The sale and purchase agreement between the Company and Consolidate Lithium Trading Pty Ltd ("Consolidate Lithium") dated 1 April 2022, including:
 1. the issue of 1,000,000 Shares in Oceana to the vendor of Consolidate Lithium, the holder of the Napperby Lithium Project;
 2. the executed transfer documentation to effect the transfer of EL 32804 from Consolidate Lithium to Geosmart Consulting Pty Limited ('Geosmart') has been lodged with the Northern Territory Revenue Office; and
 3. the agency deeds between Consolidate Lithium and Shandong Ruifu Lithium Industry Co. and Tangshan Xinfeng Lithium Industry Co, have been novated to Geosmart,
 - (b) the issue to:

Oceana Lithium Limited

ACN 654 593 290

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Australia
www.oceanalithium.com.au

Management Team

Sebastian Kneer
Executive Director

Jerome (Gino) Vitale
Non-Executive Chairman

Dr Qingtao Zeng
Non-Executive Director

Simon Mottram
Non-Executive Director

Dan Smith
Company Secretary

Brian Talbot
Technical Consultant

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Projects
Solonople Lithium Project
(Ceara, NE BRAZIL)

Napperby Lithium Project
(NT, AUSTRALIA)

Shares on Issue	64,400,000
Tradeable Shares	33,525,000
ASX Code	OCN

- (i) R-Tek Group Pty Ltd of 3,000,000 Options exercisable at \$0.30 each with an expiry date 4 years from the date of issue;
 - (ii) Continental Mining Australia P/L ATF Continental Trust of 2,000,000 Options exercisable at \$0.30 each with an expiry date 4 years from the date of issue to;
 - (iii) Jet Capital Pty Ltd <Oscrow Family A/C> of 4,500,000 Options exercisable at \$0.30 each with an expiry date 4 years from the date of issue;
 - (iv) Minerva Corporate Pty Ltd (or its nominees) of 750,000 Options exercisable at \$0.30 each with an expiry date 4 years from the date of issue; and
 - (v) Employees and consultants of the Company of 500,000 Options each exercisable at \$0.30 with an expiry of 4 years from the date of issue;
 - (vi) Westar Capital Ltd (or its nominees) of 3,500,000 Options exercisable at \$0.30 each expiring 3 years from the date of issue; and
 - (vii) Directors of 3,268,000 Performance Rights,
- (c) that there are no legal, regulatory, statutory or contractual impediments to it entering into the tenements it is acquiring and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

4. The following securities are subject to ASX imposed escrow:

Security	Number	Restriction Period
Shares	26,823,500	Expiring 24 months from the date of quotation.
Shares	900,000	Expiring 12 months from the date of issue of the Shares (20/11/2022).
Shares	900,000	Expiring 12 months from the date of issue of the Shares (2/12/2022).
Shares	189,000	Expiring 12 months from the date of issue of the Shares (23/12/2022).
Shares	450,000	Expiring 12 months from the date of issue of the Shares (29/12/2022).
Shares	450,000	Expiring 12 months from the date of issue of the Shares (31/12/2022).
Shares	1,162,500	Expiring 12 months from the date of issue of the Shares (14/03/2023).

Options	15,750,000	Expiring 24 months from the date of quotation.
Performance Rights	3,268,000	Expiring 24 months from the date of quotation.

5. Set out below is the Company's capital structure:

Security	Number
Shares	
Shares on issue at the date of the Prospectus	28,500,000
Shares issued in consideration of the project acquisitions	5,900,000
Shares issued under the Offer	30,000,000
Total	64,400,000
Options	
Director and Advisor Options on issue at the date of the Prospectus (\$0.30 expiring 1 April 2026)	9,250,000
Advisor Options issued 10 June 2022 (\$0.30 expiring 10 June 2026)	3,000,000
Broker Options (\$0.30 expiring 24 June 2025)	3,500,000
Employee Options (\$0.30 expiring 10 June 2026)	500,000
Total	16,250,000
Performance Rights	
Directors	3,268,000

6. The Company's tenement interests are as follows:

Project	Tenement Numbers	Interest
Solonopole	800.238/2016, 800.240/2016, 800.241/2016, 800.247/2016, 800.474/2016, 800.475/2016, 800.476/2016, 800.477/2016	100%
Napperby	EL32836, ELA34841	100%

7. Waiver of Listing Rule 1.1 condition 12

Based solely on the information provided, ASX grants the Company a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue 3,268,000 Performance Rights issued to the directors of the Company ('Performance Securities') with a nil exercise price on condition that the material terms and conditions of the Performance Securities are clearly disclosed in the Prospectus.

ASX has considered Listing Rule 1.1 Condition 12 only and makes no statement as to the Company's compliance with other listing rules.

Basis for Waiver Decision - Listing Rule 1.1 Condition 12

If an entity seeking admission to the official list has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports listing rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

Facts and Reasons for granting the waiver

In the present case, the number of Performance Securities will represent approximately 5.1% of the ordinary shares on issue at the time of the Company's admission on an undiluted basis. The Performance Rights are fixed in number and will be held by Directors are therefore unlikely to have any impact on the trading price of the Company's shares. The Performance Securities will convert into ordinary shares in the Company on a one-for-one basis on the vesting date, being the achievement of the three milestones, subject to satisfaction of the relevant vesting conditions.

It is considered that the existence of Performance Securities will not undermine the existence of the 20 cent rule in the circumstances. The Performance Securities will be subject to 24 months escrow. The waiver is granted on the condition that the material terms and conditions of the Performance Rights are clearly disclosed in the Prospectus

8. Confirmation Decision

Based solely on the information provided ASX confirms that the terms 3,268,000 Performance Rights ('Performance Securities') issued by the Company to the directors of the Company ('Directors') are appropriate and equitable for the purposes of Listing Rule 6.1 subject to the following conditions:

- (a) The prospectus issued in connection with the Company's IPO contains the following details in respect of the Performance Securities:
 - (i) the party or parties to whom the Performance Securities are to be issued and the number of Performance Securities to be issued to them or each of them;
 - (ii) any relationship the recipient of the Performance Securities or an associate of the recipient has with the entity;
 - (iii) In respect of those Performance Securities proposed to be issued to the Directors of the Company:

1. a statement that Performance Securities are being issued to remunerate or incentivise a director or employee;
 2. details of the role (if any) the director will play in meeting the respective performance milestones;
 3. details of the existing total remuneration package of the director;
 4. if the director or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;
 5. an explanation why it is considered necessary or appropriate to further remunerate or incentivise the director to achieve the applicable performance milestone; and
 6. details of how the Company determined the number of Performance Securities to be issued to the director and why it considers that number to be appropriate and equitable;
- (iv) The number of ordinary shares that the Performance Securities will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.
- (v) The full terms of the Performance Securities, including:
1. The Performance Securities are not quoted.
 2. The Performance Securities are not transferrable.
 3. The Performance Securities do not confer any right to vote, except as otherwise required by law.
 4. The Performance Securities do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
 5. The Performance Securities do not carry an entitlement to a dividend.
 6. The Performance Securities do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
 7. The Performance Securities do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.
- (b) Each Performance Securities is converted into one fully paid ordinary share on achievement of the relevant milestone.
- (c) If the relevant class of Performance Securities is not converted into a share by the relevant expiry date then all the Performance Securities of that class lapse.
- (d) The Company makes an announcement immediately upon the satisfaction of any milestones, the conversion of any of the Performance Securities and the expiry of any of the Performance Securities.

- (e) The terms and conditions of the Performance Securities, including without limitation the relevant milestones that have to be satisfied before each Performance Securities converted into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.
- (f) Upon conversion of the Performance Securities into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- (g) The Company discloses the following in each annual report, annual audited financial accounts and half-yearly report issued by the Company in respect of any period during which any of the Performance Securities remain on issue or were converted or cancelled:
 - (i) The number of Performance Securities on issue during the relevant period;
 - (ii) A summary of the terms and conditions of the Performance Securities, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones.
 - (iii) Whether any of the Performance Securities were converted or cancelled during that period; and
 - (iv) Whether any milestones were met during the period.

ASX has considered Listing Rule 6.1 only and makes no statement as to the Company's compliance with other listing rules.

Authorised for release by: Board of Directors

For further information please contact:

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ABOUT OCEANA LITHIUM

Oceana Lithium Limited is a mineral exploration and development company with advanced and early stage Lithium Pegmatite projects in mining friendly jurisdictions in the state of Ceara, Brazil, and the Northern Territory, Australia. The Company's exploration team is led by Sebastian Kneer, previously head of exploration with Galaxy Resources, with technical support provided by experienced process engineer Brian Talbot, also a former senior executive at Galaxy.

