



OCEANA LITHIUM LIMITED

ACN: 654 593 290

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2023

TABLE OF CONTENTS

	Page
DIRECTORS' REPORT	3-14
AUDITORS' INDEPENDENCE DECLARATION	15
INDEPENDENT REVIEW REPORT TO THE MEMBERS	16-17
DIRECTORS' DECLARATION	18
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	19
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	21
CONSOLIDATED STATEMENT OF CASH FLOWS	22
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	23-28

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Oceana Lithium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Oceana Lithium Limited (the **Company**) and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (**Period**).

DIRECTORS

The following persons were directors of the Company during the half-year and up to the date of this report, unless otherwise indicated:

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)

RESULTS AND DIVIDENDS

The consolidated entity loss after income tax for the half-year is \$2,266,485 (2022: \$757,894). There is no dividend paid or recommended.

REVIEW OF OPERATIONS

The Solonópole Project area is located in Ceará State (**Figure 1**), northeastern Brazil and consists of ten exploration permits covering approximately 124km². This includes the acquisition of the “N Green” permits (announced by the Company on 16 January 2023) which contain a series of pegmatite outcrops that include high-grade lithium rock chip results up to 4.25% Li₂O across 500m of outcropping pegmatite. The Project is approximately three to four hours by road from the state capital of Fortaleza, and is well serviced by sealed highways and high voltage electricity.

The Solonópole Project has been the subject of historical lithium, “Coltan” (columbite-tantalum) and tin mining in the 1970s and 1980s. A number of historical artisanal mines have been identified across the Solonópole permit area, highlighting the widespread mineralisation potential. Based on their geochemical signature, the Solonópole pegmatites belong to the LCT (Lithium-Caesium-Tantalum) family of rare element pegmatites enriched in Li, Be, Ta Nb and Sn over the full strike length of the recognised mineralised pegmatite corridor.

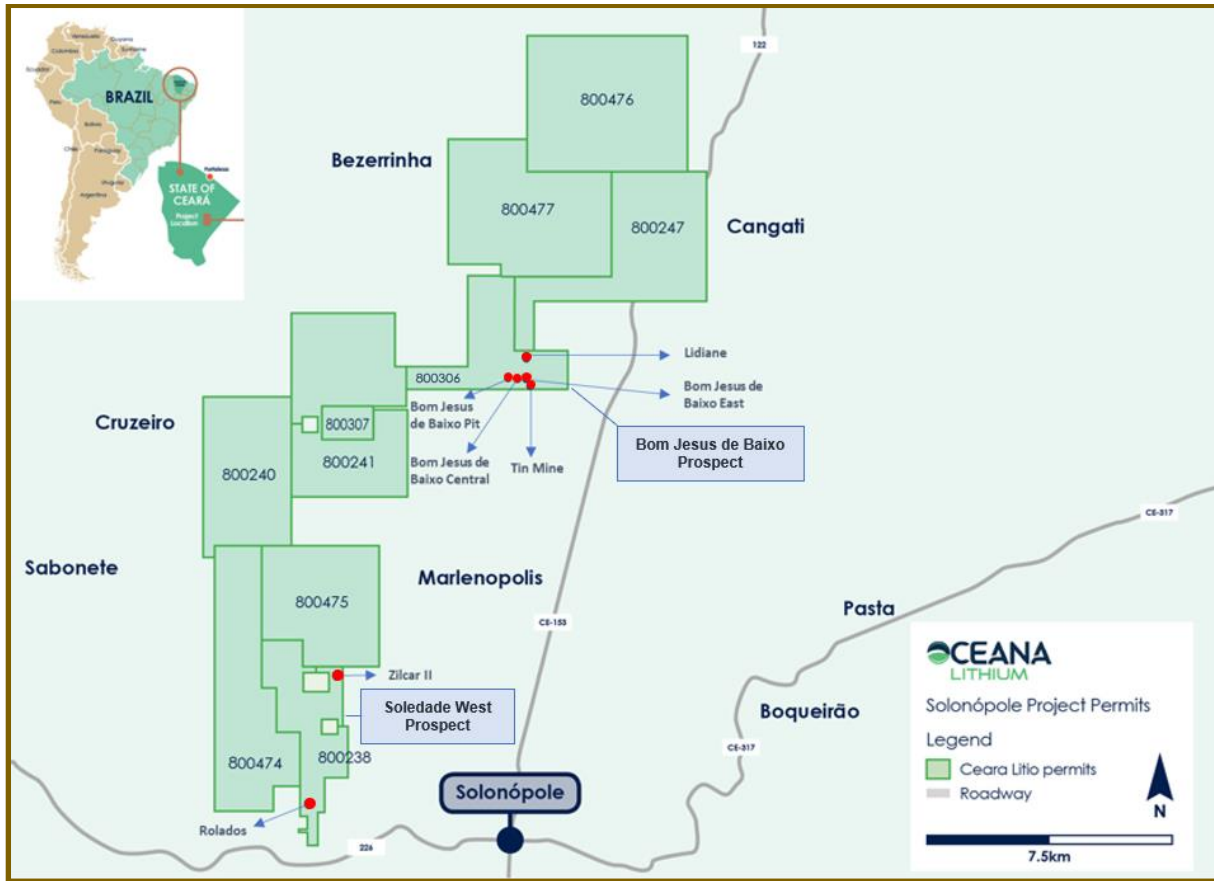


Figure 1: Solonópole Lithium Project location and targets drilled May – June 2023 (red dots)

Maiden Drilling Campaign at Solonópole

As announced by Oceana on 7 August 2023, 3 November 2023 and 5 January 2024, the shallow scout RC holes (NGR-RC-001 to NGR-RC-022) completed at the Bom Jesus de Baixo (“BJdB”) Prospect confirmed the presence of thick pegmatites in five different outcropping areas (BJdB Pit, BJdB Central, BJdB East, “Tin Mine” and “Lidiane”) on Permit 800306 (**Figure 2**).

Best scout drilling final results from the Prospect 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% Li_2O . A lithium mineralised zone exists from 23m to 38m (15m not true width) averaging 0.34% Li_2O , including 6m at 0.50% Li_2O . 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% Li_2O . A lithium mineralised zone exists from 7m to 17m (10m not true width) averaging 0.20% Li_2O , including 3m at 0.31% Li_2O .
- Tin Mine Area: NGR-RC-014, with maximum value over 1m of 0.45% Li_2O . A lithium mineralised zone exists from 4m to 7m (3m not true width) averaging 0.32% Li_2O .

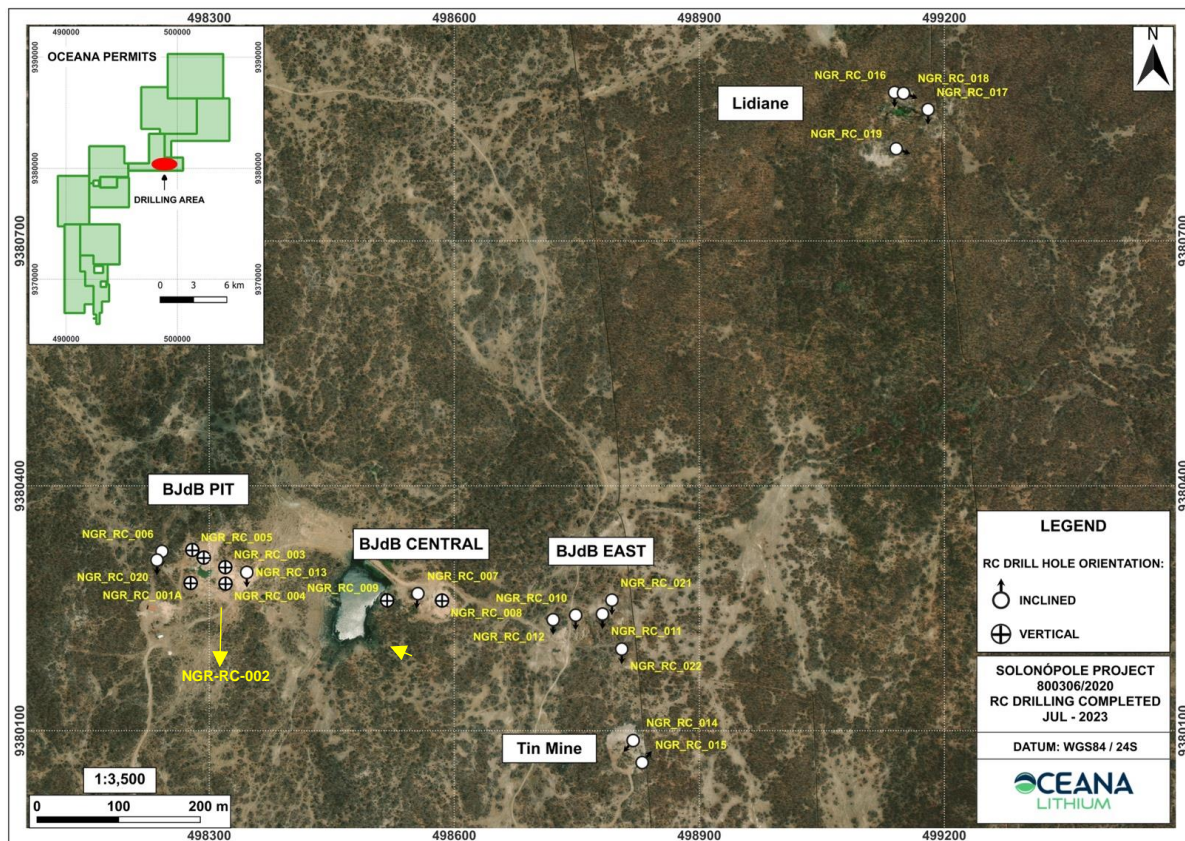


Figure 2: Map showing completed RC scout drill holes at Bom Jesus de Baixo Prospect

Although neither spodumene nor lepidolite was visually identified in the very fine RC chips, the geochemical assay signatures (low P, and low Rb and Cs) indicate that the lithium bearing mineral is spodumene, which is known to be present at surface in a weathered state. X-Ray Diffraction Analysis (XRD) analysis is planned to be undertaken to confirm this observation during the March quarter or subsequent follow-up diamond drilling campaign.

In addition, it is suspected that there has been clay alteration and lithium leaching out of the spodumene in these shallow intercepts, which are within the weathered oxidized zone. The effect of this can make the visual identification of spodumene difficult (white clays) and lower the expected Lithium grades compared to fresh spodumene in deeper un-weathered zones.

Deeper drilling into fresh rock is thus required during the next in-fill drilling phases to establish presence of commercial grades of lithium bearing mineralization.

Another two lithium-anomalous artisanal workings named Zilcar II and Rolados located within the Soledade West Prospect (Permit 800238) were also drill tested (SOL-RC-001 to SOL-RC-008).

The Zilcar II Target (**Figure 3**) is an old pit from which lithium-bearing grab-samples were taken by the previous tenement owners (Cougar Metals Ltd) in 2017/2018. Amblygonite samples returned up to 9.29% Li_2O and 17.32% P (refer to ASX Announcement dated 7 August 2023). There are also lithium anomalies in trenches of up to 803 ppm Li.

A total of 3 drill holes (212m total) and two trenches (SOL-TR-004 and SOL-TR-005) were completed across the old pit area situated ~150m to the north-west of the soil-grid. The best drill hole intercepts were from SOL-RC-008, with maximum value over 1m of 0.95% Li_2O . A lithium mineralised zone exists from 46m to 53m (7m not true width) averaging 0.49% Li_2O , including 3m at 0.69% Li_2O .

Although amblygonite was not visually identified in the very fine RC chips, the geochemical assay signatures (high P) indicate that the lithium bearing mineral could be amblygonite, which is known to be present at surface. XRD analysis is planned to confirm this observation during the March quarter or subsequent follow-up diamond drilling campaign.

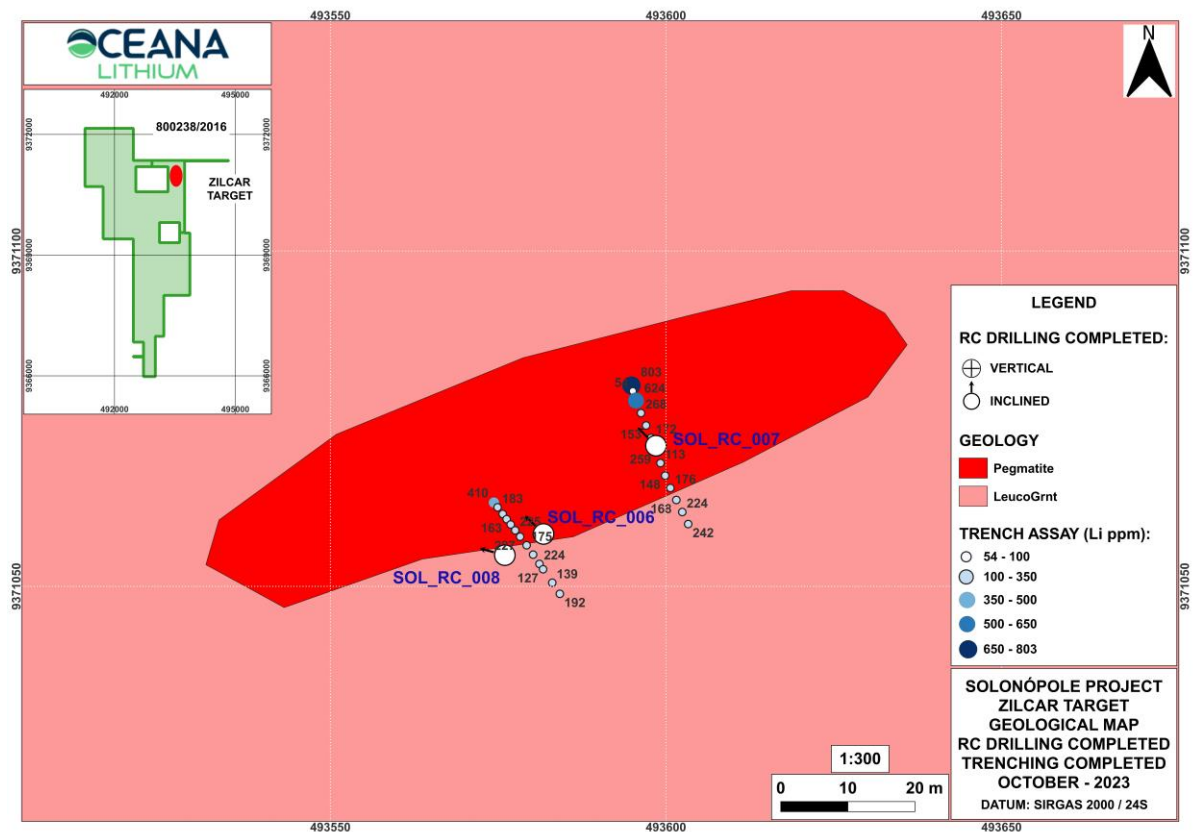


Figure 3: Map showing geology, RC drill holes and trenches completed to date at **Zilcar II**

At the Rolados Target (**Figure 4**), three trenches were completed on a portion of the anomaly (SOL-TR-001 to SOL-TR-003), and several samples have returned lithium results above 100ppm Li. Final results from shallow scout RC drilling also returned anomalous lithium grades in three drill holes (SOL-RC-001, SOL-RC-002 and SOL-RC-005). The best intercepts include:

- Rolados: SOL-RC-001, with anomalous lithium values from 43m to 44m (1m down-hole) averaging 0.26% Li_2O . This hole is proximal to mapped pegmatites and trench samples with lithium values above 200ppm Li.
- Rolados: SOL-RC-002, with 1m @ 0.28% Li_2O from 11m (down-hole). This hole is also less than 50m to mapped pegmatites and trench samples with lithium values above 200ppm Li.
- Rolados: SOL-RC-005, with anomalous lithium values from 44m to 47m (3m down-hole) averaging 0.23% Li_2O , including 1m at 0.29% Li_2O . Located only a few meters away from SOL-RC-002.

At this stage the source of the Li anomalism in the chips is uncertain. XRD analysis is planned to confirm the mineralogy of the likely mineralisation during the March quarter or subsequent follow-up diamond drilling campaign.

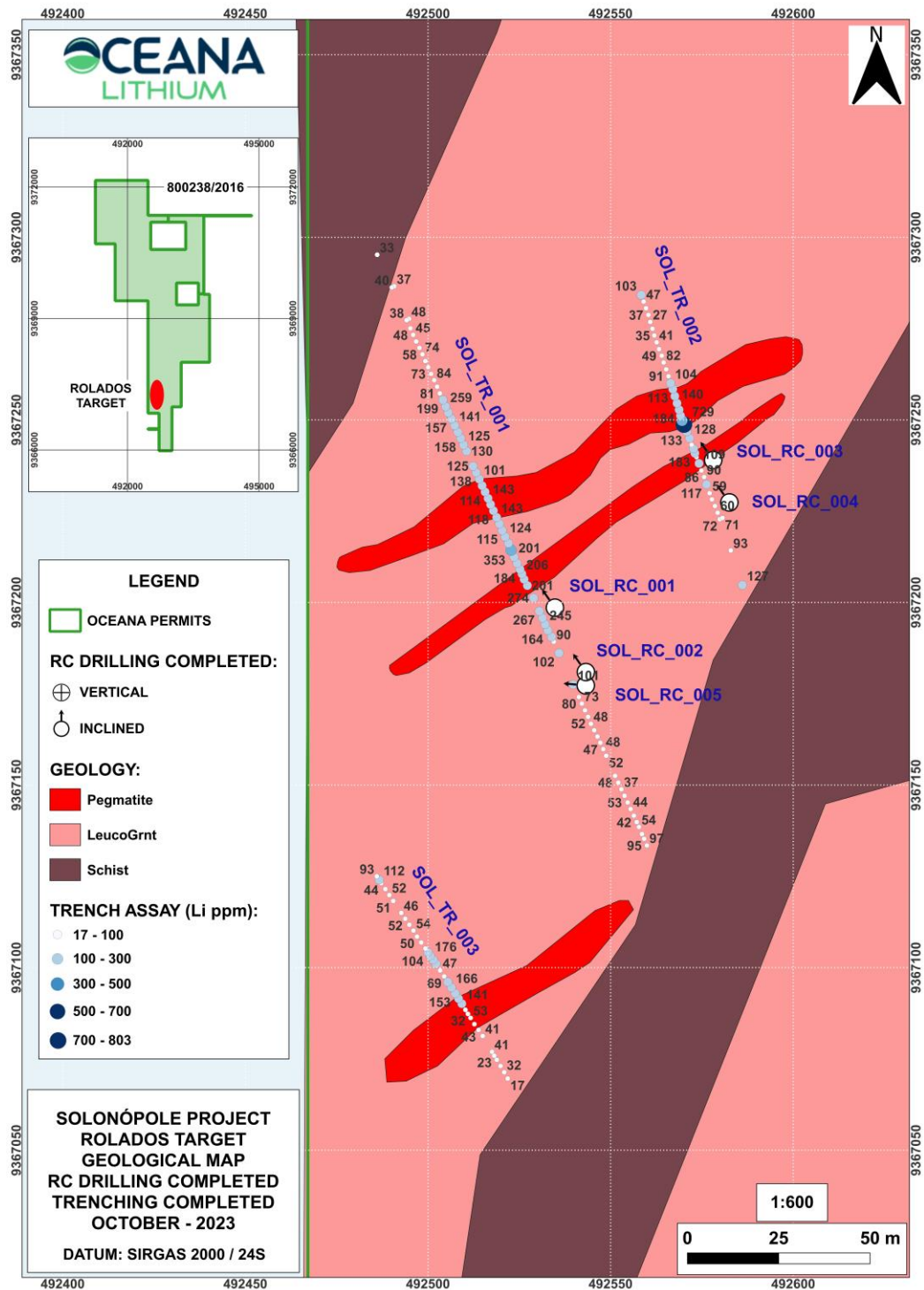


Figure 4: Map showing geology, RC holes and trenches completed to date at the **Rolados Target**

Large-Scale Soil Sampling and Target Generation at Solonópole Project

The large-scale infill soil sampling program that commenced in March 2023 continued over the Project area (Figure 5). The optimized sampling grids are along 200m spaced lines with 25m sampling stations, aligned north south to cut across all typical pegmatite strike directions in this area.

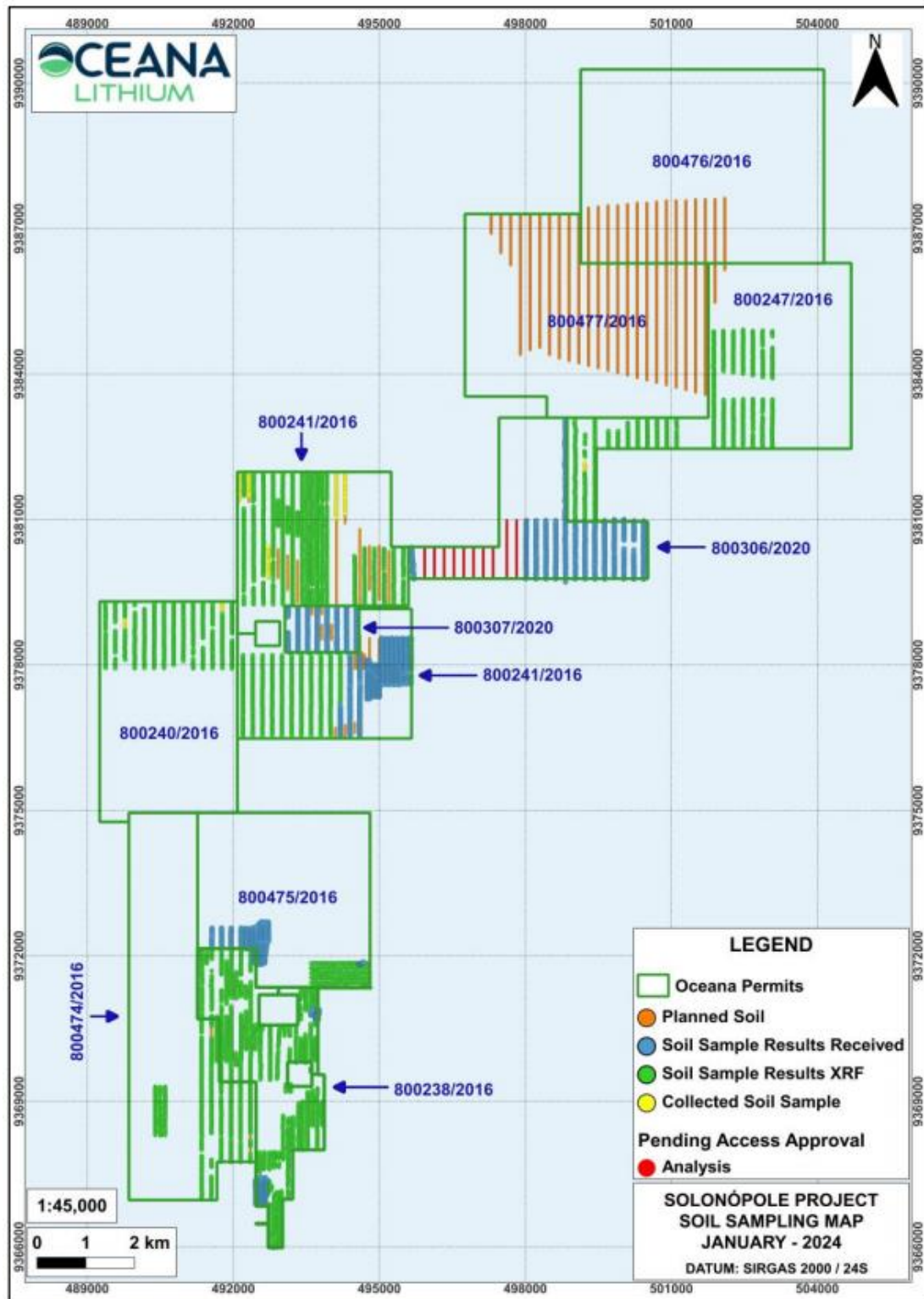


Figure 5: Map showing soil sampling progress until 31 December 2023

As at 31 December 2023, over 8,300 soil samples had been collected from Solonópole and analysed by XRF for Lithium-Caesium-Tantalum (LCT) pathfinders, of which 1,908 soil samples have also been analysed by SGS laboratory to confirm the presence of lithium (refer to ASX Announcement dated 6 February 2024).

These results show a median lithium value of approximately 42 ppm and an average lithium value of 69 ppm (background). 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 (125-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.

Nira was interpreted to be the most prospective new target, with 180 soil samples of >100 ppm Li and as high as 524 ppm Li (see **Figure 6**) covering an area of at least 1km². Nira also features 17 pegmatite outcrops with average widths of up to 30 metres and strike lengths from 200m to 600m.

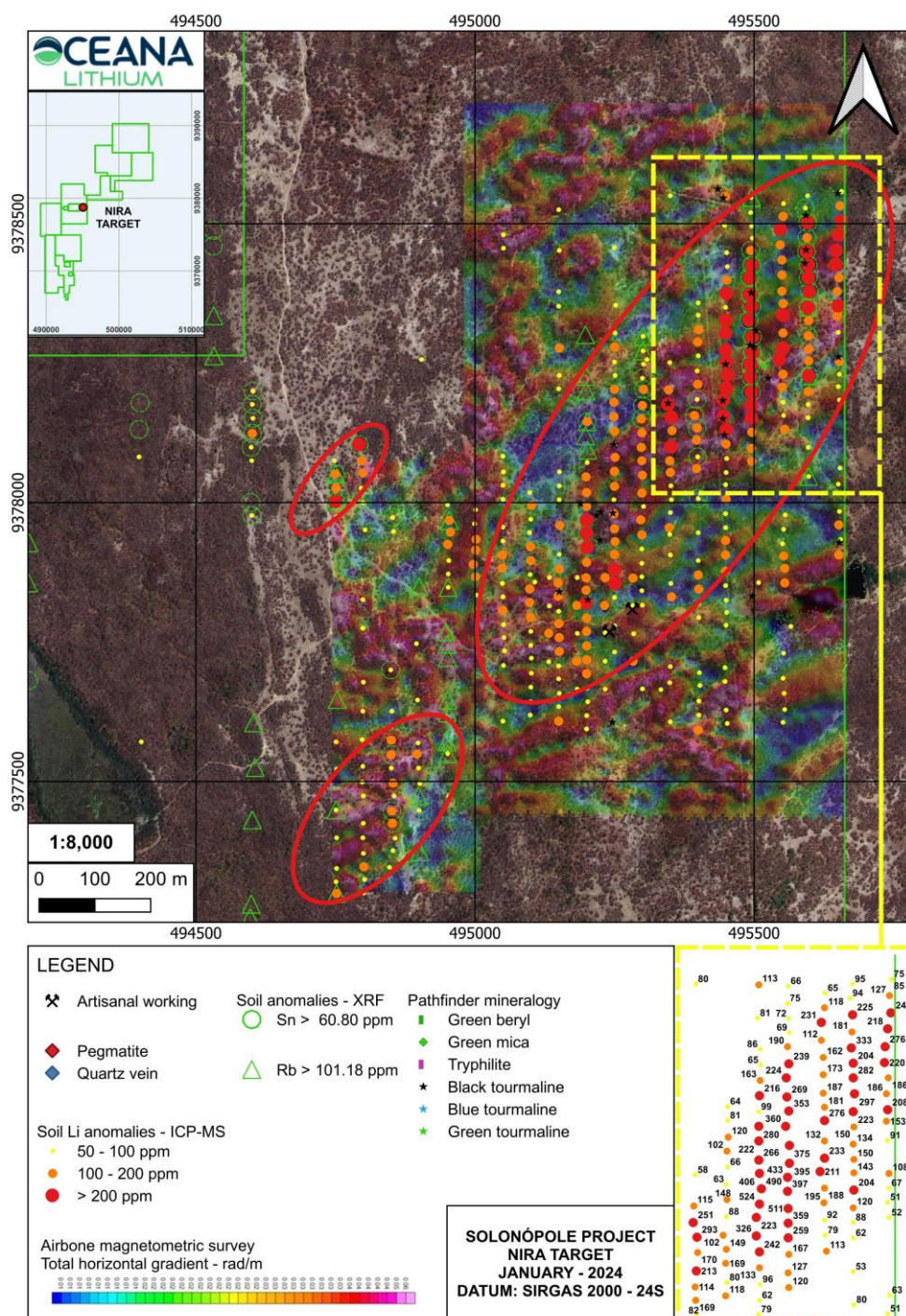


Figure 6: Nira Target - Integrated Map and Main Soil Results

The Bom Jesus de Baixo (BJdB) Prospect is the most advanced exploration target at the Solonópole Project. As shown in **Figure 7**, 129 soil samples collected at Bom Jesus de Baixo Prospect have returned anomalous lithium values above 100 ppm (up to 506 ppm). The area with elevated soil anomalies is approximately 3km², with 24 soil samples showing lithium values above 200 ppm. Within this anomalous area, Oceana geologists have observed nine artisanal workings and at least 26 pegmatite bodies with average widths of 30m and strike lengths from 150m up to 600m. These pegmatites strike NE-SW and dip to the NW, based on geophysical interpretation and the information gained from the shallow RC drill holes.

Oceana did not have all this additional information prior to the first shallow RC drilling campaign completed in May/June 2023. With it now at hand, the Company has determined that a follow-up diamond drilling campaign is warranted with drillholes perpendicular to strike against the dip, using a preliminary 3D model to guide the exact positioning. Future drilling would need to be to depths of 150m to 200m to effectively test for lithium mineralisation below the weathered zone located in top 60m previously tested.

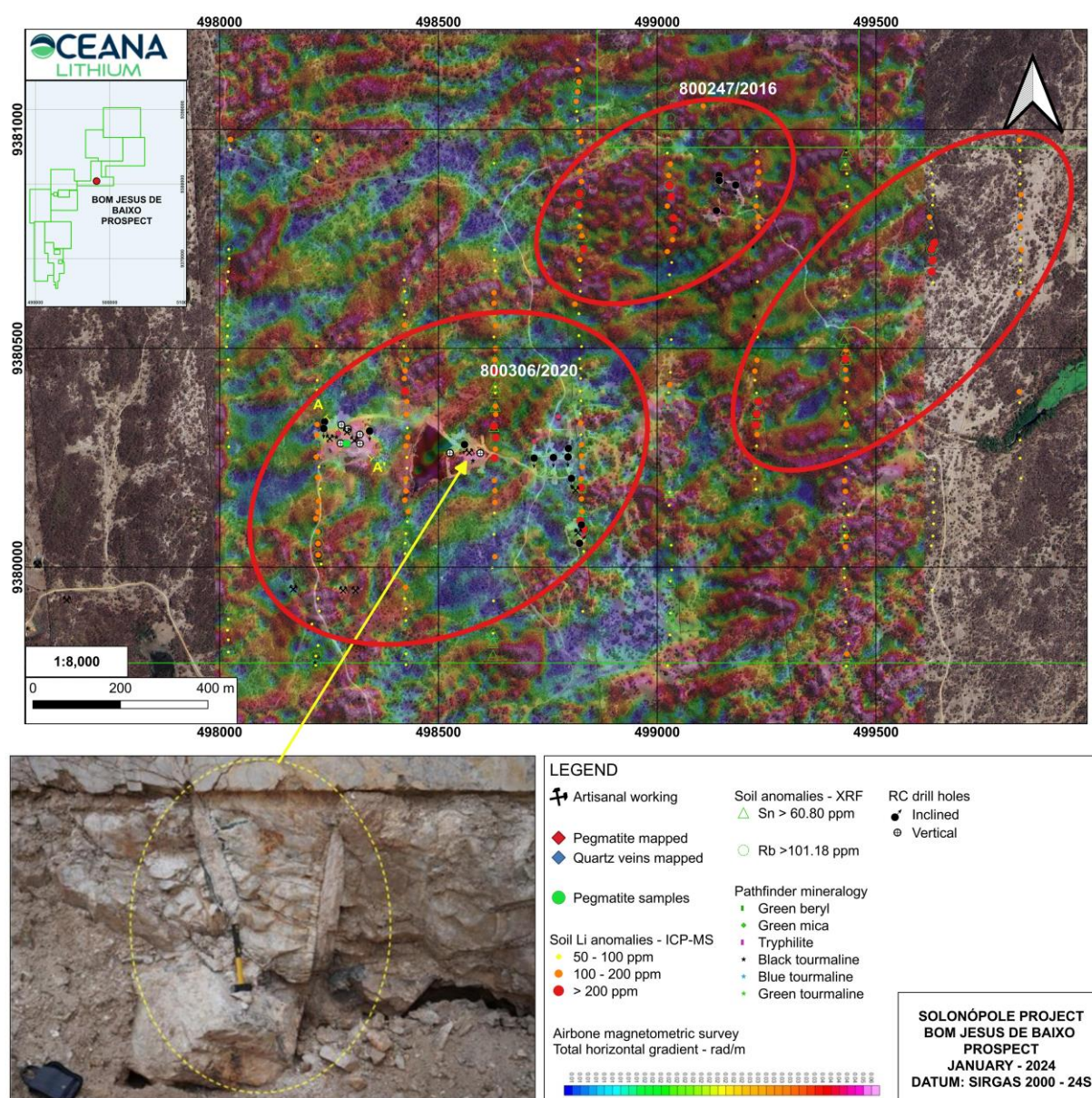


Figure 7: Bom Jesus de Baixo Prospect - Integrated Map and Main Soil Results

Other Activities – Solonópole Project

As announced by Oceana on 3 November 2023, Health and Safety Training was held on 28 September 2023. Since the Company's inception, Oceana has been developing its own Health and Safety Management System, Emergency Plans and Operational Standards, as well as Quality Control / Quality Assurance procedures to ensure the quality of the exploration outcomes. These have resulted in a safe, healthy and productive work environment on site.



Photo 1 – Solonópole Project Team at Health and Safety Training held on 28 September 2023

Napperby Project, Northern Territory

The Napperby Project consists of a granted exploration licence (EL32836) covering an area of ~650km² and an exploration license application (ELA32841) covering an area of more than 512km². The 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 8**).

The Wangala license (EL32836) was granted on 23 March 2022 for an initial term of six years has been historically explored for gold, tin, tungsten, tantalum and uranium. More recent exploration has continued to focus on the Wangala granite, where numerous significant mineral occurrences – such as up to 23.7% Sn - have been reported. License EL32836 shares its southern boundary with Rio Tinto Exploration's application for EL33135.

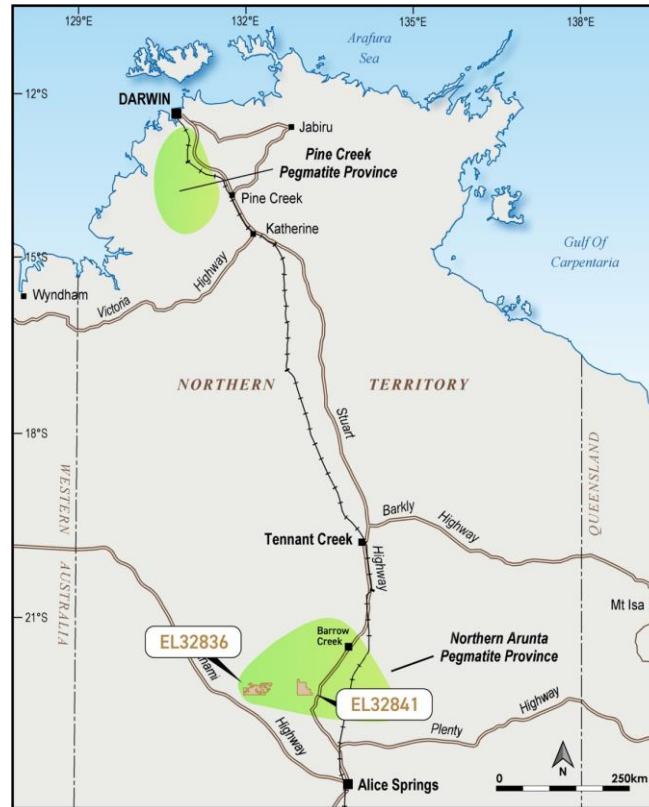


Figure 8: Napperby Project location (EL32836 and ELA32841)

A soil geochemistry infill sampling program was completed during November 2023 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 2022). A total of 107 samples were collected along approximately 30km of sample lines, with results expected in March 2024. As with the previous program, sample centres are at 200m, but the program has seen the previous 2km line separation closed down to 500m (refer to ASX Announcement dated 28 November 2022). This design is expected to confirm continuity of the lithium anomalies between the previous lines.

Uranium potential at Napperby

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. As shown in **Figure 9**, both granite plutons show outstanding uranium/thorium ratios and are almost fully encapsulated within the Napperby Project leases EL32836 and ELA32841 (under application).

Over the years, several mineral occurrences with uranium and uranium/thorium have been recorded by the Northern Territory Geological Survey, with uranium being more common in the Wangala Granite and uranium/thorium occurring in the Ennugan Mountains Granite. 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 @ 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).

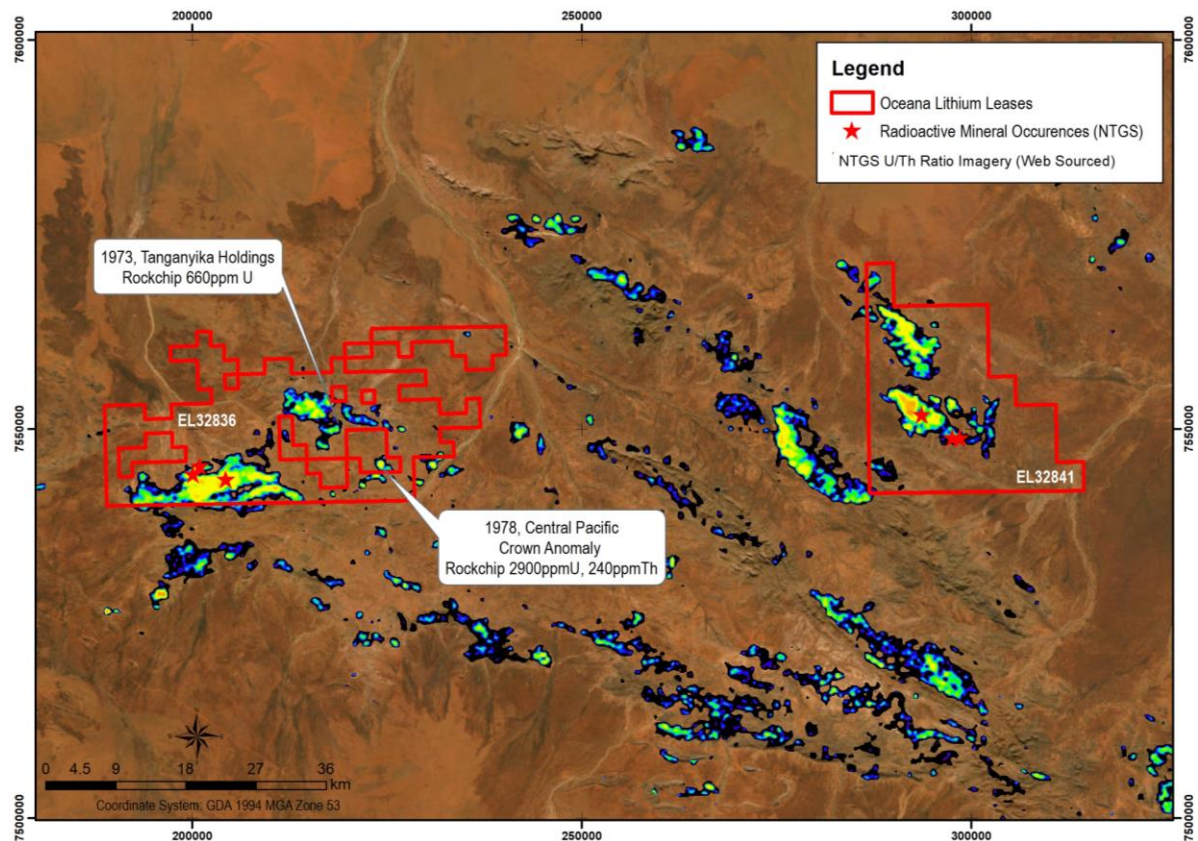


Figure 9: Map showing U/Th ratio and known uranium, thorium and REEs mineral occurrences at Napperby Project

Monaro Project, Québec

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.

CORPORATE

ANNUAL GENERAL MEETING

On 28 November 2023 the Company announced the results of the Annual General Meeting. Resolution 1 was not passed; 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.

APPOINTMENT OF CEO

On 11 September 2023, the Company announced the appointment of Mr Caue Araujo as Chief Executive Officer. Caue is a qualified Australian-Brazilian geologist and an experienced mining industry professional.

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.

SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

On 2 January 2024, the Company announced that it was not proceeding with the option over the Monaro Lithium Project, Quebec. As per the terms of the Option Agreement (refer to ASX Announcements dated 5 July 2023 and 27 October 2023), Oceana issued 1 million OCN fully paid tradeable shares to Noranda Royalties Inc as an agreed termination payment.

Other than the events above there were no other significant events after reporting date.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

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



Dr Qingtao Zeng
Non-Executive Chairman

15th of March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OCEANA LITHIUM LIMITED**

As auditor for the review of Oceana Lithium Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2024.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OCEANA LITHIUM LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Oceana Lithium Limited (the company) and its controlled entities (the group or consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2024.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 19 to 28 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Oceana Lithium Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dr Qingtao Zeng
Non-Executive Chairman

15th of March 2024

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		\$	\$
Continuing Operations			
Interest received		23,127	18,381
		<u>23,127</u>	<u>18,381</u>
Administration		(128,736)	(98,045)
Compliance fees		(79,781)	(20,385)
Consultancy	2(a)	(239,991)	(313,820)
Directors fees		(240,065)	(113,290)
Depreciation		-	(5,756)
Employment expenses		(27,603)	(65,943)
Investor and public relations		(84,175)	(81,293)
Foreign exchange losses		(4,405)	(13,200)
Project evaluation expenses	2(b)	(1,463,288)	-
Travelling expenses		<u>(21,568)</u>	<u>(64,543)</u>
Loss from continuing operations		(2,266,485)	(757,894)
Income tax expense		-	-
Loss after income tax		<u>(2,266,485)</u>	<u>(757,894)</u>
Other comprehensive income			
Items that may be reclassified subsequently to operating results			
Foreign currency translations differences		<u>(47,683)</u>	<u>-</u>
Total comprehensive loss for the half-year		<u>(2,314,168)</u>	<u>(757,894)</u>
Total comprehensive loss for the half-year is attributable to:			
Equity holders of Oceana Lithium Limited		<u>(2,314,168)</u>	<u>(757,894)</u>
Total comprehensive loss/income for the half-year		<u>(2,314,168)</u>	<u>(757,894)</u>
Loss per share for loss attributable to the ordinary equity holders of Oceana Lithium Limited		Cents	Cents
Basic and diluted loss per share		(11.53)	(1.18)

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

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31-Dec-23 \$	30-Jun-23 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,346,728	2,705,790
Trade and other receivables		199,660	152,499
Total Current Assets		<u>3,546,388</u>	<u>2,858,289</u>
Non-Current Assets			
Property, plant and equipment		64,693	36,215
Exploration & Evaluation Expenditure	6	<u>4,930,096</u>	<u>3,610,780</u>
Total Non-Current Assets		<u>4,994,789</u>	<u>3,646,995</u>
Total Assets		<u>8,541,177</u>	<u>6,505,284</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		<u>363,612</u>	<u>350,562</u>
Total Current Liabilities		<u>363,612</u>	<u>350,562</u>
Total Liabilities		<u>363,612</u>	<u>350,562</u>
Net Assets		<u>8,177,565</u>	<u>6,154,722</u>
EQUITY			
Contributed equity	4	12,082,227	7,892,096
Reserves	5	1,635,283	1,536,086
Accumulated losses		<u>(5,539,945)</u>	<u>(3,273,460)</u>
Total Equity		<u>8,177,565</u>	<u>6,154,722</u>

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

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2023

Consolidated Entity	Contributed Equity	Accumulated Losses	Performance Rights Premium Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Total
Balance at 30 June 2023	7,892,096	(3,273,460)	30,466	1,505,620	-	6,154,723
Loss for the half-year	-	(2,266,485)	-	-	-	(2,266,485)
Foreign currency reserve	-	-	-	-	(47,683)	(47,683)
Total Comprehensive Income/(Loss) for the period	-	(2,266,485)	-	-	(47,683)	(2,314,168)
Transactions with equity holders -						
Shares issued	4,513,000	-	-	-	-	4,513,000
Transaction costs	(322,869)	-	-	-	-	(322,869)
Option Issued during the period	-	-	-	130,828	-	130,828
Performance rights issued the period	-	-	16,052	-	-	16,052
Balance at 31 December 2023	12,082,227	(5,539,945)	46,518	1,636,448	(47,683)	8,177,565
Balance at 30 June 2022	7,271,682	(1,865,787)	138,110	1,363,875	-	6,907,880
Loss for the half-year	-	(757,894)	-	-	-	(757,894)
Total Comprehensive Income/(Loss) for the period						
Transactions with equity holders -						
Option Issued during the period	-	-	-	185,120	-	185,120
Options cancelled during the period	-	-	-	(43,375)	-	(43,375)
Performance rights issued the period	-	-	12,780	-	-	12,780
Performance rights cancelled during the period	-	-	(24,655)	-	-	(24,655)
Balance at 31 December 2022	7,271,682	(2,623,681)	126,235	1,505,620	-	6,279,856

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Receipt of interest	23,127	18,381
Payments to suppliers and employees	(681,474)	(706,595)
Net cash flows used in operating activities	<u>(658,347)</u>	<u>(688,214)</u>
Cash Flows from Investing Activities		
Payments for exploration and evaluation expenditure	(2,522,187)	(500,748)
Payments for property, plant and equipment	(11,743)	(5,834)
Net cash flows used in investing activities	<u>(2,533,930)</u>	<u>(506,582)</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares (net of share issue costs)	4,128,000	-
Payments for capital raising costs	(270,997)	(322,750)
Net cash flows from / (used in) financing activities	<u>3,857,003</u>	<u>(322,750)</u>
Net (decrease) / increase in cash and cash equivalents	664,726	(1,517,546)
Cash and cash equivalents at the beginning of the half-year	2,705,790	6,021,690
Effect of exchange rates on cash holdings in foreign currencies	(23,788)	(3,965)
Cash and cash equivalents at end of the half-year	<u><u>3,346,728</u></u>	<u><u>4,500,179</u></u>

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

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Oceana Lithium Limited and its controlled entities. As such, Oceana Lithium Limited and its controlled entities (the Group) does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements except as described below.

Application of new and revised accounting standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

2. LOSS FOR THE PERIOD

	2023	2022
	\$	\$
The following expense items are relevant in explaining the financial performance for the interim period:		
(a) Consultants fees		
Consultants fees	225,071	118,239
Consultants benefits expense	14,920	195,581
	<u>239,991</u>	<u>313,820</u>
Directors fees (incl. share-based payments)	240,065	113,290
(b) Project evaluation expenses	1,463,288	-

These are exploration and evaluation expenses (including initial option fees) associated with the Monaro Lithium Project, Quebec. As detailed in the Directors' Report, the Company has elected not to exercise the option to acquire this project.

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3. OPERATING 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 principal locations of its projects – Australia, Brazil and Canada (ceased 2 January 2024).

Corporate expenses include administration and regulatory expenses arising from operating as 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 Treasury segment.

	Canada	Brazil	Australia		
	Exploration	Exploration	Exploration	Treasury	Total
	\$	\$	\$	\$	\$
For the Half-Year to 31 December 2023					
Segment revenue	-	-	-	23,127	23,127
Segment results	(1,463,288)	-	-	23,127	1,440,161
Amounts not included in segment results but reviewed by the Board:					
Corporate expenses					(731,317)
Share-based payment expenses					(95,007)
Loss before income tax					(2,266,485)
As at 31 December 2023					
Segment assets	-	4,340,036	590,060	3,611,081	8,541,177
Segment liabilities	-	68,887	-	294,725	363,612

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3. OPERATING SEGMENTS (continued)

	Brazil Exploration \$	Australia Exploration \$	Treasury \$	Total \$
For the Half-Year to 31 December 2022				
Segment revenue	-	-	18,381	18,381
Segment results	-	-	18,381	18,381
Amounts not included in segment results but reviewed by the Board:				
Corporate expenses				(646,404)
Share-based payment expenses				(129,871)
Loss before income tax				(757,894)
As at 31 December 2022				
Segment assets	1,482,807	396,689	4,703,620	6,583,116
Segment liabilities	14,866	-	288,394	303,260

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4. EQUITY SECURITIES

	Dec 2023	Jun 2023	Dec 2023	Jun 2023
	Shares	Shares	\$	\$
Balance at beginning of the period	67,598,000	64,400,000	7,892,096	7,271,682
Share issue (net of costs)	13,900,000	3,198,000	4,190,131	620,414
Balance at end of the period	81,498,000	67,598,000	12,082,227	7,892,096

Options to purchase ordinary shares

	Dec 2023	Jun 2023
	Options	Options
Balance at 1 July	16,250,000	16,250,000
Issue of key management personnel options	1,000,000	500,000
Issue of brokers options	3,000,000	-
Issue of options pro-rata on placement	6,450,000	-
Cancellation of directors' options	-	(500,000)
Balance at end of the period	26,700,000	16,250,000

Performance shares

	Dec 2023	Jun 2023
	Rights	Rights
Balance at 1 July	1,420,000	3,268,000
Cancellation of director performance rights	-	(1,000,000)
Issue of consultants performance rights	-	750,000
Vesting of performance rights to ordinary shares	-	(1,598,000)
Balance at end of the period	1,420,000	1,420,000

5. RESERVES

	Dec 2023	Jun 2023
	\$	\$
Foreign currency translation reserve	(47,683)	-
Performance rights premium reserve	46,518	30,466
Options premium reserve	1,636,448	1,505,620
	1,635,283	1,536,086

Movements – Foreign currency translation reserve

Balance at beginning of the period	-	-
Foreign currency reserve	(47,683)	-
Balance at end of the period	(47,683)	-

Movements – Performance rights premium reserve

Balance at beginning of the period	30,466	138,110
Performance rights expense	16,052	36,251
Conversion of performance rights to ordinary shares	-	(108,414)
Performance rights cancelled	-	(35,481)
Balance at end of the period	46,518	30,466

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

	Dec 2023	Jun 2023
	\$	\$
Movements – Options premium reserve		
Balance at beginning of the period	1,505,620	1,363,875
Options issued	130,828	185,120
Options cancelled	-	(43,375)
Balance at end of the period	<u>1,636,448</u>	<u>1,505,620</u>

6. CAPITALISED EXPLORATION AND EVALUATION

	Dec 2023	Jun 2023
	\$	\$
Exploration and evaluation assets		
Reconciliation:		
Balance at beginning of the period	3,610,780	1,407,480
Issue of ordinary shares – project acquisitions	-	512,000
Cash payments – project acquisitions	-	77,747
Exploration expenditure	1,319,316	1,613,553
Application Costs incurred	<u>4,930,096</u>	<u>3,610,780</u>

7. SHARE BASED PAYMENTS

The total expense arising from share based payment transactions recognised during the period in relation to the performance rights was \$16,399, and options issued to consultants was \$130,828, totalling \$147,227 in share based payment expenses for the period.

Director 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 19 September 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

OCEANA LITHIUM LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

8. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments remain consistent with those noted at 30 June 2023. The Group has no contingent liabilities at 31 December 2023.

9. DIVIDENDS

There were no dividends paid or recommended during the financial period ended 31 December 2023.

10. SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

On 2 January 2024, the Company announced that it was not proceeding with the option over the Monaro Lithium Project, Quebec. As per the terms of the Option Agreement (refer to ASX Announcements dated 5 July 2023 and 27 October 2023), Oceana issued 1 million OCN fully paid tradeable shares to Noranda Royalties Inc as an agreed termination payment.

Other than the events above there were no other significant events after reporting date.