

ASX Announcement

Quarterly Activities Report – December 2022 Quarter

31 January 2023

Greenwing Resources Ltd (“**Greenwing**” or the “**Company**”) (**ASX:GW1**) is pleased to report its activities for the quarter ending 31 December 2022.

HIGHLIGHTS

Corporate

- The Company has made considerable progress executing its strategy to become an integrated green metals producer with exposure to lithium, graphite and advanced materials.
- Fundamentals for both lithium and graphite concentrates remain strong as the global economy transitions toward a lower carbon economy intensifies.
- A\$12m strategic funding transaction with NIO Inc. approved by shareholders on 19 December 2022 and after quarter-end the transaction was completed in January 2023.
- Greenwing welcomes NIO, an emerging electric car manufacturer with a primary listing on the New York Stock Exchange with a current market capitalisation of approximately \$US20bn, as its largest shareholder.
- This funding provides Greenwing with a robust financial platform to pursue its strategy.
- NIO's nominee Mr Alan Zeng has been appointed as a non-executive director effective 13 January 2023.

San Jorge Lithium Project, Argentina

- With the completion of the funding transaction with NIO, Greenwing is in a strong position to progress the exciting San Jorge lithium project a 38,000-hectare property located in the prolific Lithium Triangle.
- Planning for maiden drill program is ongoing as the Company awaits environmental approval.
- Drilling and logistics contracts for the maiden drill program secured.
- Evaluation of Direct Lithium Extraction (DLE) technologies continues, and this evaluation will advance as the Company obtains larger brine samples.

Graphmada Graphite Mining Complex, Madagascar

- Study activities continued using the updated Graphmada Mineral Resource (61.9 million tonnes (Mt) at 4.5% Fixed Carbon (FC)).
- Material increases in graphite concentrate prices support the continued investment in this project.

CORPORATE

Strategic funding transaction with NIO Inc.

The transaction announced on 26 September 2022 with NIO Inc (**NIO**) settled after quarter-end on 12 January 2023.

NIO has paid A\$12,000,000 to Greenwing for 21,818,182 Greenwing shares at a deemed issue price of A\$0.55 per share (**Placement**) and a call option to acquire, at NIO's election, between 20% to 40% of the issued capital of Andes Litio SA (**Andes Litio**), which holds option rights over the San Jorge Lithium Project (**Call Option**). The Call Option is exercisable within 365 days after a JORC report in respect of the San Jorge Lithium Project has been issued or obtained, based on certain assumptions and outcomes being achieved, which, if realised, could result in an exercise price of between US\$40 million and US\$80 million.

Upon completion of the Placement NIO holds a shareholding in the Company of approximately 14.7% and will have a right to a nominee on the board of the Company for so long as it continues to hold at least 10% of the shares.

Upon exercise of the Call Option, NIO will have direct rights to offtake production in the San Jorge Lithium Project based on its then-effective equity interest in Andes Litio and, subject to any necessary shareholder approvals under the ASX listing rules, will also have the right to match any offer to purchase the remaining offtake share. Greenwing has agreed to ensure that a JORC report on the San Jorge Lithium Project is issued by 31 December 2023.

The Company's obligations under the Subscription Agreement and Call Option Deed is secured by a first ranking security pledge over 40% of the shares in Andes Litio.

Greenwing is pleased to welcome NIO's nominee, Mr Alan Zeng, as a director as of 13 January 2023. Mr Zeng brings a diverse set of skills to the Company that will be beneficial to the Company's growth.

About NIO Inc

NIO is a pioneer and a leading company in the premium smart electric vehicle market and is listed on the New York Stock Exchange, with secondary listings in Hong Kong and Singapore. NIO designs, develops, jointly manufactures and sells premium smart electric vehicles, driving innovations in next-generation technologies in autonomous driving, digital technologies, electric powertrains and batteries.

Please refer to the announcements released on 26 September 2022 and 13 January 2023 for full details.

LITHIUM

San Jorge, Argentina

The San Jorge Lithium Project consists of a 38,000 hectare tenement package, inclusive of the entire 2,800 hectare San Francisco Salar, in the highly prospective Lithium Triangle, which accounts for a significant proportion of the world's lithium production.

Initial work undertaken to date has been compelling, with extensive lithium mineralisation being encountered via surface sampling and an impressive basin depth identified using geophysics.

During the quarter the Company continued planning for its maiden drilling program which will target the western margins of the salar. The commencement has been delayed while the Company awaits approvals. The Company remains confident that the permits will be received, however issuing of permits is currently affected by the large number of requests by companies to be processed by the Mines Department.

Drilling and logistics contracts have been secured, the Company is currently evaluating a borehole geophysics program to supplement the drilling program. This program will:

1. Measure and characterise porosity, as well as estimate permeability and hydraulic conductivity;
2. Identify vertical fluid variations and formation resistivity; and
3. Provide information for lithological characterization.

Three initial diamond holes to the bedrock depth (estimated to be around 400m) are planned, with the objective of confirming the lithium concentration and obtaining Initial Information about different types of host lithologies. Positive results from the maiden drill program would justify construction of access roads on to the salar to undertake resource drilling on a regular grid, which is currently planned as a follow up program to the initial program.

Concurrently to undertaking the drilling program the Company will also extract larger brine samples for processing evaluation.

Evaluation of multiple Direct Lithium Extraction (**DLE**) technologies continues, and this evaluation will advance when larger brine samples can be obtained.

Millie's Reward, Madagascar

Millie's Reward is a potentially high-grade pegmatite-hosted lithium project located in central Madagascar. The Company continued planning activities for a future exploration program at Millie's Reward.

GRAPHITE

Graphmada, Madagascar

The Company continued work on advancing studies on large scale mining and processing based on the recently updated Mineral Resource of **61.9Mt at 4.5% Fixed Carbon (FC)**, resulting in contained graphite of 2,780kt¹.

The recent diamond drilling program and resulting Mineral Resource increase has made a significant advancement in realising the Exploration Target estimate of 86-146 Million tonnes between 4-6% TGC².

The Company has continued with an auger drilling program during the quarter and into the current quarter. The aim of this drilling program is to assist in planning for a further diamond drilling program in the future and provide additional information for input into the Concept Study currently underway.

The Company notes a material increase in graphite concentrate prices in last quarter, with the price of the -100 mesh 94-95% FC contract enjoying a strong quarter with this contract achieving prices of US\$813/t on a FOB (free on board basis)³. This compares to a price of circa US\$ 330/t FOB received by the Company for this concentrate specification in the last quarter of 2019 prior to placing the mine on care and maintenance.

This strengthening of graphite concentrates prices along with the growing Mineral Resource support the continued investment in this project.

The Company is also actively looking for partners to advance the project.

Table 1: June 2022 Graphmada Mining Complex Mineral Resources¹

	Tonnes (Mt)	FC%	Contained Graphite (kt)
Measured	18.7	4.9	911
Indicated	12.3	4.7	582
Inferred	30.9	4.2	1,288
Total	61.9	4.5	2,780

Important Notes:

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate an additional Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases, and the form and context of the announcement has not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

¹ Refer ASX announcement dated 12 July 2022 "212% Increase in Graphite Resource at Graphmada Mining Complex".

² ASX Announcement dated 3 June 2019 "Significant Exploration Program to commence at Graphmada".

³ Benchmark Mineral Intelligence: Flake Graphite Price Index – December 2022 Assessment published 5 January 2023.

CORPORATE

Sale of Tasmanian Assets

The Company executed an Asset Sale Agreement for the Que River tenements (CML68M/1984) in July 2023 and during the quarter extended the closing deadline to the end of February 2023. Completion of the asset sale remains subject to various conditions precedents being met, including but not limited to the tenement being renewed and transferred and a replacement security deposit on terms acceptable to both parties.

ASX listing rule 5.3 disclosures

For the quarter ended 31 December 2022, the Company had net cash outflows of \$755k in expensed and capitalised exploration and evaluation activities and nil in research and development activities. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was nil, with an amount of \$81k accrued for the quarter.

Investor Presentations

Please refer to the presentation released on 10 November 2022 and delivered at the Noosa Mining Conference.

Shareholder Meetings

The Company's Annual General Meeting was held on 24 November 2022 with all resolutions passed.

The General Meeting to consider the strategic transaction with NIO Inc. was held on 19 December 2022 with all resolutions passed and the transaction settling on 13 January 2023.

Annual Report

The Company issued its Annual Report and Corporate Governance Statement on 30 September 2022.

For more information:

visit www.greenwingresource.com or contact info@greenwingresources.com

Rick Anthon, Chairman

Craig Lennon, CEO

This announcement has been approved by the Company's Board of Directors for release.

ABOUT GREENWING RESOURCES

Greenwing Resources Ltd (ASX:GW1) is an Australian-based critical minerals exploration and development company committed to sourcing metals and minerals required for a cleaner future. With lithium and graphite projects across Madagascar and Argentina, Greenwing plans to supply electrification markets, while researching and developing advanced materials and products.

Tenement & Permit Holding

The Company's interests in mining and exploration tenements and permits are as follows:

Country	Region	Tenement / Permits	Interest
Australia	Tasmania	CML 68M/1984 Que River Mine Lease	100% ¹
Madagascar	Antsinanana	PE 25600 Loharano (East)	100%
Madagascar	Antsinanana	PE 26670 Mahefedok	100%
Madagascar	Antsinanana	PE 24730 Andapa	100%
Madagascar	Antsirabe	PRE 4383	100%
Madagascar	Antsirabe	PRE 11545	100%
Madagascar	Antsirabe	PRE 39808	Mineral Rights
Argentina	Catamarca	File No. 49/2017 – Gruta San Francisco	Option ²
Argentina	Catamarca	File No. 22/2020 – Safra Lik	Option ²
Argentina	Catamarca	File No. 23/2020 – Safra 1 Lik	Option ²
Argentina	Catamarca	File No. 68/2017 – San Jorge Este 1	Option ²
Argentina	Catamarca	File No. 54/2017 – San Jorge Este 2	Option ²
Argentina	Catamarca	File No. 59/2017 – San Jorge Este 3	Option ²
Argentina	Catamarca	File No. 55/2017 – San Jorge Norte 1	Option ²
Argentina	Catamarca	File No. 53/2017 – San Jorge Norte 2	Option ²
Argentina	Catamarca	File No. 52/2017 – San Jorge Oeste 1	Option ²
Argentina	Catamarca	File No. 50/2017 – San Jorge Oeste 2	Option ²
Argentina	Catamarca	File No. 56/2017 – San Jorge Oeste 3	Option ²
Argentina	Catamarca	File No. 57/2017 – San Jorge Oeste 4	Option ²
Argentina	Catamarca	File No. 58/2017 – San Jorge Sur 1	Option ²
Argentina	Catamarca	File No. 67/2017 – San Jorge Norte 4	Option ²
Argentina	Catamarca	File No. 51/2017 – San Jorge Norte 3	Option ²

Notes:

1. Intec Limited holds a 2.5% NSR Royalty over all Product from Greenwing's interests in CML68M/1984.
2. Greenwing has the option to acquire up to 100% of each of these permits – refer to ASX announcements dated 26 March 2021, 3 September 2021 and 26 September 2022. As at the end of the December 2022 quarter, the Company had an interest in 15% of each of these permits.

Disclaimer

This document has been prepared by Greenwing Resources Ltd (the "Company"). It should not be considered as an invitation or offer to subscribe for or purchase any securities in the Company or as an inducement to make an invitation or offer with respect to those securities. No agreement to subscribe for securities in the Company will be entered into based on this document.

This document is provided on the basis that neither the Company nor its officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives, and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance, or completeness of the material contained in the document and nothing contained in the document is, or may be relied upon as a promise, representation, or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

Forward Looking Statements

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified using forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology.

Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

Greenwing Resources Ltd does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will occur and you are

cautioned not to place undue reliance on forward-looking statements. The information in this document does not consider the objectives, financial situation, or needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.

Competent Person Statement

The information in this document that relates to Exploration Results, Exploration Targets and Mineral Resources in relation to the Madagascan and Australian Projects is based on information compiled by Tim McManus, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy, who is a consultant to the Company.

Tim McManus has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Tim McManus consents to the inclusion of the information in this document in the form and context in which it appears.

The information in this document that relates to Exploration Results in relation to the Argentinean Project has been prepared by Mr Murray Brooker. Murray Brooker is an employee of Hydrominex Geoscience Pty Ltd and is independent of Greenwing.

Mr Brooker has sufficient experience to qualify as a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Brooker consents to the inclusion of the information in this document in the form and context in which it appears.

Appendix 5B

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

Name of entity

GREENWING RESOURCES LTD

ABN

31 109 933 995

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(8)	(21)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(29)	(60)
	(e) administration and corporate costs	(217)	(737)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	66	132
1.9	Net cash from / (used in) operating activities	(189)	(688)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(1)
	(d) exploration & evaluation (if capitalised)	(747)	(1,222)
	(e) investments	(301)	(637)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,048)	(1,860)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(270)	(274)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (leases)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	1,000
	Proceeds from loan from strategic investor		
3.10	Net cash from / (used in) financing activities	(270)	726

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,570	1,896
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(688)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,048)	(1,860)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(270)	726

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	77	66
4.6	Cash and cash equivalents at end of period	140	140

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	140	1,570
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	140	1,570

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

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

**Current quarter
\$A'000**

-

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

No directors' fees during the quarter, however a further \$81k was accrued for fees relating to the December quarter.

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(189)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(747)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(936)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	140
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	140
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.15

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes, the Company expects to continue to operate with similar levels of net outflow, with expenditure priorities carefully considered for both its exploration and development activities in both Argentina and Madagascar.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

In January 2023, the Company completed the previously announced strategic funding transaction with NIO Inc (via its wholly owned subsidiary Blue Northstar Limited) with \$11m received on 13 January 2023, which equates to the equivalent of 11.9 quarters using the methodology above in paragraph 8.7.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Based on the funding received post quarter end, the Company will maintain exploration, development and maintenance activities whilst managing its net cash outflows allowing it to continue these activities in the near term.

Compliance statement

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

Date: 31 January 2023

Authorised by: the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.