



**GREENWING**  
RESOURCES LTD

**GREENWING RESOURCES LTD**

ABN 31 109 933 995

**Half-Year Report**  
**For the period ended**  
**31 December 2021**

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## DIRECTORS' REPORT

The Directors of Greenwing Resources Ltd (the **Company** or **Greenwing**) (formerly Bass Metals Ltd) present their report together with the financial statements of the consolidated entity, being the Company and its Controlled Entities (the **Group**) for the half-year ended 31 December 2021.

### Directors

The following persons were Directors of the Company during or since the end of the financial half-year. Directors were in place for the whole period unless otherwise stated.

Richard Anthon – Non-Executive Chairman  
Jeffrey Marvin – Non-Executive Director  
Peter Wright - Executive Director  
James Brown - Non-Executive Director

### Company overview

The Company is seeking to become a diversified producer and developer of critical mineral concentrates to capitalise on the compelling market fundamentals for graphite, lithium and advanced materials.

The Group is targeting production of industrial mineral concentrates from its 100% owned Graphmada Large Flake Graphite Mine. The Graphmada Mine Complex, which is located in Madagascar, has 40-year mining permits and 20-year landholder agreements in place. The mine has previously produced and sold a range of graphite concentrates into multiple market segments during the 2020 financial year. Major markets for the Company included Europe under an offtake agreement, India, China and the United States.

The Group also has interests in lithium projects in Madagascar and Argentina. Millie's Reward is a spodumene project in Madagascar and the recently acquired Andes Litio SA, which has the right to earn up to 100% of the San Jorge Lithium Brine project in Argentina, a greenfield project located in the prolific Lithium Triangle which accounts for over half of the world's annual lithium production.

The Group is also developing an advanced materials business having entered into an agreement to develop specialty carbon composite technologies for the advanced materials sector in conjunction with Swinburne University of Technology.

### Principal activities

The Company is a critical minerals and advanced materials business developing its primary asset; the Graphmada Mining Complex in Eastern Madagascar. In addition, it is exploring for lithium mineralization at Millie's Reward, also in Madagascar, and is commencing exploration at the San Jorge Lithium Brine Project in Argentina. In parallel, the Company seeks to develop Expandable Graphite and Graphene specialty carbon products and other advanced materials.

The principal activities of the Group during the year focused on the continued exploration and development of its graphite project together with exploration and evaluation of its lithium projects.

### Significant change in state of affairs

Changes to the Company's state of affairs are described in the Review of Operations which follows.

## REVIEW OF OPERATIONS

### Exploration and development

Greenwing continued its exploration and development activities during the period, delivering a material upgrade in JORC Code (2012) Mineral Resource for the Graphmada Mining Complex of 9% to 22.0 million tonnes (Mt) of large flake graphite at 4.0% Total Graphitic Carbon.

The increase in Mineral Resource was achieved through a shallow auger program of 180 holes (2,042 metres) at the Ambatofafana zone. A 3,000-metre diamond drilling program has commenced in November, with the aim to increase the size and confidence of the Mineral Resource.

The Company continues to explore and develop Graphmada for large-scale mining and processing operations along with progressing feasibility studies for the expansion of operations, with a key focus on reducing operating costs and growing production to meet market demand at the lowest possible capital intensity. The exploration program is ongoing, with a diamond drilling program underway as at the date of this report.

During the period, the Company acquired Andes Lito SA, an entity which has the right to acquire the San Jorge Lithium Brine Project located in Catamarca, Argentina. The San Jorge Project consists of 15 granted Exploration Licenses (EL's) covering some 36,000 hectares inclusive of the San Francisco Salar. An initial exploration program was completed during the period with further exploration planned for the coming period.

In addition, the Company continued with care and maintenance activities relating to its Tasmanian assets.

### Advanced materials

The Company has a research agreement with Swinburne University of Technology for advance carbon materials research and product development. This research and development work is ongoing.

### Corporate

During the period, the Company completed the placement to institutional, professional, and sophisticated investors raising \$6.15m by issuing 25.6 million shares at \$0.24 each.

During the period 26,935,139 convertible notes were converted into 861,924 shares in accordance with their terms as amended.

At an extraordinary general meeting of shareholders held on 15 July 2021, shareholders approved a number of transactions including:

- A consolidation of share capital on a 50 to 1 basis – effected in July 2021;
- A change of company name for Bass Metals Ltd to Greenwing Resources Ltd – effected in July 2021;
- An issue of a total of 4,400,000 options to directors and employees – allotted during the period resulting in a non-cash expense recognised during the period of \$620,500; and
- An issue of shares for the acquisition of Andes Lito SA – allotted during the period.

During the period, the Company appointed Mr Craig Lennon as Chief Executive Officer of the Company. Mr Lennon is a highly experienced Brisbane based mining executive having worked with operating production assets in developing countries, and with experience in exploration, development, corporate finance, joint ventures and mergers and acquisitions.

### Result for the period

Consolidated net loss after tax for the Group for the six months to 31 December 2021 was \$2,606,165 (2020: \$732,432 loss).

### Dividends

No dividends have been paid during the period and no dividends have been recommended by the Directors (2020: nil).

### Events arising since the end of the reporting period

There are no events arising since the end of the reporting period.

### Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to the review of the half year report for the period ended 31 December 2021. This written Auditor's Independence Declaration and is located on the following page and forms part of this Directors' report.

Signed in accordance with a resolution of directors.



**Rick Anthon**  
**Chairman**  
Brisbane, Queensland  
14 March 2022

## Auditor's Independence Declaration

### To the Directors of Greenwing Resources Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Greenwing Resources Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



CDJ Smith  
Partner – Audit & Assurance

Brisbane, 14 March 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Note	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Revenue from contracts with customers	5	-	19,143
Cost of sales	7(a)	-	(27,581)
Gross loss		-	(8,438)
Other income	6	125,215	547,524
Administration expenses	7(b)	(1,391,913)	(539,006)
Finance costs	7(c)	(1,127,481)	(708,619)
Foreign currency (loss) / gain	7(d)	(17,293)	(7,165)
Research and development expenditure		(115,000)	-
<b>Loss before income tax from continuing operations</b>		<b>(2,526,472)</b>	<b>(715,704)</b>
Income tax expense		-	-
<b>Loss for the period from continuing operations</b>		<b>(2,526,472)</b>	<b>(715,704)</b>
Loss after tax from discontinued operations	8	(79,693)	(16,728)
<b>Loss for the period</b>		<b>(2,606,165)</b>	<b>(732,432)</b>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		50,703	(185,303)
<b>Total comprehensive loss for the period, net of tax</b>		<b>(2,555,462)</b>	<b>(917,735)</b>
<b>Loss attributed to:</b>			
Continuing operations		(2,475,769)	(901,007)
Discontinued operations		(79,693)	(16,728)
<b>Total comprehensive loss attributed to:</b>			
Equity holders of the parent entity		<b>(2,555,462)</b>	<b>(917,735)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share from operations (cents) <sup>1</sup>	9	(2.70)	(0.91)

Note 1: Earnings per share has been calculated on shares post-consolidation.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	31 Dec 2021 \$	30 Jun 2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,849,653	598,505
Trade and other receivables	10	502,181	250,529
Inventories	12	814,895	805,238
Other assets		72,507	120,129
<b>Total Current Assets</b>		<b>5,239,236</b>	<b>1,774,401</b>
<b>NON-CURRENT ASSETS</b>			
Restricted cash		10,801	10,801
Trade and other receivables	10	500,000	500,000
Plant and equipment	13	3,732,109	3,906,997
Right of use assets	14	-	3,962
Exploration and evaluation assets	15	4,514,120	1,465,873
Mine properties	16	2,234,157	2,234,157
<b>Total Non-Current Assets</b>		<b>10,991,187</b>	<b>8,121,790</b>
<b>TOTAL ASSETS</b>		<b>16,230,423</b>	<b>9,896,191</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	766,286	816,268
Borrowings	18	212,327	-
Lease liabilities	19	-	4,367
Liabilities directly associated with assets classified as held for sale	21	379,134	379,134
<b>Total Current Liabilities</b>		<b>1,357,747</b>	<b>1,199,769</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	18	4,762,993	4,328,796
Provisions	20	224,058	224,058
<b>Total Non-Current Liabilities</b>		<b>4,987,051</b>	<b>4,552,854</b>
<b>TOTAL LIABILITIES</b>		<b>6,344,798</b>	<b>5,752,623</b>
<b>NET ASSETS</b>		<b>9,885,625</b>	<b>4,143,568</b>
<b>EQUITY</b>			
Issued capital	22	103,785,221	96,783,430
Reserves	23	6,366,556	5,020,125
Accumulated losses		(100,266,152)	(97,659,987)
<b>TOTAL EQUITY</b>		<b>9,885,625</b>	<b>4,143,568</b>

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



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share based payments reserve	Convertible notes reserve	Foreign currency translation reserve	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>96,783,430</b>	<b>75,738</b>	<b>6,417,052</b>	<b>(1,472,665)</b>	<b>(97,659,987)</b>	<b>4,413,568</b>
Loss for the period	-	-	-	-	(2,606,165)	(2,606,165)
Other comprehensive income	-	-	-	50,703	-	50,703
<b>Total comprehensive loss for the year</b>	-	-	-	50,703	(2,606,165)	(2,555,462)
<b>Transactions with owners, recorded directly in equity</b>						
Shares issued during the period	7,276,875	-	-	-	-	7,276,875
Contingent consideration on asset acquisition	-	720,000	-	-	-	720,000
Convertible notes converted to shares	189,264	-	(44,772)	-	-	144,492
Options issued	-	620,500	-	-	-	620,500
Cost of shares issued for placement	(464,348)	-	-	-	-	(464,348)
<b>Balance at 31 December 2021</b>	<b>103,785,221</b>	<b>1,416,238</b>	<b>6,372,280</b>	<b>(1,421,962)</b>	<b>(100,266,152)</b>	<b>9,885,625</b>
	Share capital	Share based payments reserve	Convertible notes reserve	Foreign currency translation reserve	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>93,931,109</b>	<b>918,983</b>	<b>1,236,079</b>	<b>(1,277,149)</b>	<b>(92,301,895)</b>	<b>2,507,127</b>
Loss for the period	-	-	-	-	(6,277,075)	(6,277,075)
Other comprehensive income	-	-	-	(195,516)	-	(195,516)
<b>Total comprehensive loss for the year</b>	-	-	-	(195,516)	(6,277,075)	(6,472,591)
<b>Transactions with owners, recorded directly in equity</b>						
Shares issued during the period	1,870,588	-	-	-	-	1,350,000
Amendment of terms of convertible notes	-	-	5,496,748	-	-	5,496,748
Convertible notes converted to shares	1,226,772	-	(315,775)	-	-	910,997
Options issued	-	75,738	-	-	-	75,738
Options expired	-	(918,983)	-	-	918,983	-
Cost of shares issued for placement	(245,039)	-	-	-	-	(245,039)
<b>Balance at 30 June 2021</b>	<b>96,783,430</b>	<b>75,738</b>	<b>6,417,052</b>	<b>(1,472,665)</b>	<b>(97,659,987)</b>	<b>4,413,568</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Note	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	111,298	234,953
Research and development grant	-	242,938
Government grants and subsidies	-	117,900
Payments to suppliers and employees	(898,283)	(1,353,116)
<b>Net cash used in operating activities</b>	<b>(786,985)</b>	<b>(757,325)</b>
<b>Cash flows from investing activities</b>		
Payment for exploration and evaluation activities	(1,201,400)	(585,752)
Interest received	63	563
Proceeds from the sale of property, plant and equipment	-	13,910
<b>Net cash used in investing activities</b>	<b>(1,201,337)</b>	<b>(571,279)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	5,787,500	1,063,398
Transaction costs on issue of shares and convertible notes	(523,252)	(96,575)
Repayment of leases	(4,367)	(46,482)
Refund of security deposits	-	25,834
Interest paid	(1,589)	(4,842)
<b>Net cash from financing activities</b>	<b>5,258,292</b>	<b>941,333</b>
<b>Net decrease in cash and cash equivalents</b>	<b>3,269,970</b>	<b>(387,271)</b>
Cash and cash equivalents at the beginning of the period	609,306	1,717,208
Exchange differences on cash and cash equivalents	(18,822)	2,847
<b>Cash and cash equivalents at the end of the period</b>	<b>3,860,454</b>	<b>1,332,784</b>
Restricted cash	(10,801)	(10,801)
<b>Cash and cash equivalents at the end of the period</b>	<b>3,849,653</b>	<b>1,321,983</b>

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

## Notes to the consolidated financial statements

### 1. General information and statement of compliance

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2021 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2021 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The interim financial statements have been approved by the Board of Directors on 14 March 2022.

The Consolidated general-purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### 2. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021. The only exception is the estimate of the provision for income taxes and revenue recognition policy which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

### 3. Significant events and transactions

During the six-month period ending 31 December 2021, the Company raised \$6.15 million via an issue of shares to sophisticated and professional investors at an issue price of \$0.24 per share.

The capital raising has provided the Company with additional working capital and provide funding to allow the Company to continue to develop its expansion plans and further, invest in additional capital and plant and equipment that is required for further expansion.

In July 2021, the Company conducted a consolidation of share capital on the basis of each 50 shares consolidating into 1 share, which resulted in the number of shares on issue as at 30 June 2021 of 4,384,790,304 being consolidated into 87,695,353 ordinary shares.

In August and October 2021, the Company issued options to directors and employees that were approved by shareholders on 15 July 2021.

In September 2021, the Company acquired Andes Lito SA which holds an option agreement over the San Jorge Lithium Brine Project located in Catamarca province, Argentina.

#### 4. Going concern

The financial report for the half year ended 31 December 2021 has been prepared based on going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period, the Group reported a loss after tax of \$2,606,165 (2020 loss for the period: \$732,432). Net cash operating cash outflows for the period were \$786,985 (2020 outflows for the period: \$757,325). Prima facie these factors create a material uncertainty about the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to raise sufficient additional capital in the future;
- its ability to achieve a financial return from its subsidiary Graphmada Mauritius;
- reducing its level of expenditure through farm outs or joint ventures; and
- disposing of assets.

If the Group is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. The Directors will continue to monitor the capital requirements of the Group on a go forward basis and will include additional capital raisings in future periods as required.

#### 5. Segment reporting

Management currently identifies two service lines as the Group's operating segments. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made based on adjusted segment operating results. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under the Accounting Standards are the same as those used in its financial statements, except expenses relating to discontinuing operations are not included in arriving at the operating loss of the operating segments. There have been no other changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group's revenue disaggregated by primary geographical markets is as follows:

<b>Six months to 31 December 2021</b>			
	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Total</b>
India	-	-	-
Europe	-	-	-
USA	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Six months to 31 December 2020</b>			
	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Total</b>
India	19,143	-	19,143
Europe	-	-	-
USA	-	-	-
<b>Total</b>	<b>19,143</b>	<b>-</b>	<b>19,143</b>

<b>Six months to 31 December 2021</b>			
	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Total</b>
Revenue at a point in time	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Six months to 31 December 2020</b>			
	<b>Graphite Mining</b>	<b>Exploration - Lithium</b>	<b>Total</b>
Revenue at a point in time	19,143	-	19,143
<b>Total</b>	<b>19,143</b>	<b>-</b>	<b>19,143</b>

## 5. Segment reporting (continued)

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Six months to 31 December 2021			
	Graphite Mining	Exploration - Lithium	Total
<b>Revenue</b>			
From external customers	-	-	-
From other segments	-	-	-
<b>Segment revenues</b>	-	-	-
<b>Segment operating profit</b>	<b>67,241</b>	<b>(1,482)</b>	<b>65,759</b>
<b>Segment assets</b>	<b>9,546,017</b>	<b>1,811,030</b>	<b>11,357,047</b>

Six months to 31 December 2020			
	Graphite Mining	Exploration - Lithium	Total
<b>Revenue</b>			
From external customers	19,143	-	19,143
From other segments	-	-	-
<b>Segment revenues</b>	<b>19,143</b>	<b>-</b>	<b>19,143</b>
<b>Segment operating profit</b>	<b>245,366</b>	<b>(745)</b>	<b>244,621</b>
<b>Segment assets</b>	<b>3,515,971</b>	<b>7,647</b>	<b>3,523,618</b>

The Group's operating profit reconciles to the Group's profit before tax as presented in its financial statements as follows:

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
<b>Profit or Loss</b>		
Total reportable segment operating profit	65,759	244,621
Other income not allocated	125,215	547,524
Corporate and head office expenses	(2,717,446)	(1,507,849)
Discontinued operations, refer Note 8	(79,693)	(16,728)
<b>Group operating loss</b>	<b>(2,606,165)</b>	<b>(732,432)</b>
<b>Group loss before tax</b>	<b>(2,606,165)</b>	<b>(732,432)</b>

## 6. Other income

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Government grants and subsidies	-	117,900
Interest received	63	563
Rent and access fees received	125,152	102,500
Research and development grant	-	242,938
Sundry income	-	83,623
<b>Total other income</b>	<b>125,215</b>	<b>547,524</b>

## 7. Loss for the period

The loss for the period is stated after taking into account the following:

### 7 (a) Cost of sales

Direct mine operating expense

Inventory adjustment

#### Total cost of sales

### 7 (b) Administration expenses

Mine administration expense:

Depreciation

Other administrative expenses

Total mine administration expenses

Corporate administration:

Employee benefits expense

Equity incentives expense

Contracting & consulting expenses

Depreciation

Director fees

Investor relations

Legal expenses

Other administration expenses

Share registry, ASX

Total corporate administration expenses

#### Total administration expenses

### 7(c) Finance costs

Interest expense

Interest on lease liabilities

Interest on convertible notes

#### Total finance costs

### 7(d) Foreign currency (gain) / loss

Foreign currency (gain) / loss - realised

Foreign currency (gain) / loss - unrealised

#### Total foreign currency (gain) / loss

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
	-	3,531
	-	24,050
	<b>-</b>	<b>27,581</b>
	3,961	10,628
	20,117	29,173
	<b>24,078</b>	<b>39,801</b>
	204,924	118,190
	620,500	-
	66,950	54,130
	445	26,113
	168,000	105,000
	52,909	-
	3,647	2,404
	187,132	105,741
	63,328	87,627
	<b>1,367,835</b>	<b>499,205</b>
	<b>1,391,913</b>	<b>539,006</b>
	1,516	2,851
	73	16,717
	1,125,892	689,051
	<b>1,127,481</b>	<b>708,619</b>
	(1,529)	9,716
	18,822	(2,551)
	<b>17,293</b>	<b>7,165</b>

## 8. Loss attributable to discontinued operations

The Company continues to seek a buyer for its Tasmanian capitalised exploration assets. The disposal group was fully impaired during 2017 and is, therefore, carried at nil value having been recognised as *Capitalised Exploration and Evaluation Assets Held for Sale* in the Statement of Financial Position. During the current and prior year, care and maintenance expenses relating to the disposal group have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the statement of profit or loss and other comprehensive income (see *loss after tax from discontinued operations*).

### Expenses

Que River operating infrastructure – care & maintenance

#### Total expenses

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
	<b>79,693</b>	16,728
	<b>79,693</b>	<b>16,728</b>

## 9. Earnings per share

	<b>6 months to 31 Dec 2021</b>	<b>6 months to 31 Dec 2020</b>
	\$	\$
Loss for the period	(2,606,165)	(732,432)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	96,648,060	80,433,515
<b>Loss per shares (cents)</b>	<b>(2.70)</b>	<b>(0.91)</b>

The weighted average numbers of ordinary shares used in the earnings per share calculated for the six months ended 31 December 2020 has been updated to reflect the share consolidation approved on 16 July 2021 as required by AASB 133 Earnings Per Share. There is no dilutive potential for ordinary shares as the exercise of options to ordinary shares or conversion of convertible notes into ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

## 10. Trade and other receivables

	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
<b>Current</b>		
Trade receivables	27,930	16,500
VAT receivable	391,411	389,295
Allowance for credit losses	(389,295)	(389,295)
Other receivables	472,135	234,029
	<b>502,181</b>	<b>250,529</b>
<b>Non-current</b>		
Other security deposits (1)	500,000	500,000
	<b>500,000</b>	<b>500,000</b>

Note 1: Security deposits and guarantees associated with the Tasmanian exploration assets held for sale.

All amounts are short-term and non-interest bearing. The net carrying value of trade receivables is considered a reasonable approximation of fair value. As at reporting date, there were no trade receivables that were past due, but not impaired. In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty.

## 11. Acquisitions and disposals

On 14 September 2021, the Group acquired 100% of the equity instruments of Andes Lito SA, an Argentinian based business, thereby obtaining control. Andes Lito has entered into an option agreement to acquire up to a 100% interest in the San Jorge Lithium Brine Project.

The acquisition has been accounted for as an asset acquisition rather than a business combination. Consideration paid in the form of equity instruments to date has been recorded in issued capital. Additional consideration payable in nine months has been measured as a share-based payment and recorded in the share-based payments reserve. The acquisition of Andes Lito has resulted in a significant increase to the carrying value of assets as recognised as exploration and evaluation assets. Refer to Note 15.

The purchase agreement relating to the San Jorge exploration area provides that additional consideration of up to \$2,000,000 may be payable in milestone payments of up to \$1,000,000 for each payment dependent on:

- achieving an inferred mineral resource (in accordance with the 2012 edition of the JORC Code or equivalent) of lithium (stated as Lithium Carbonate Equivalent tonnes) of 250,000 tonnes at an Li grade of 200mg/L; and
- achieving a measured and indicated mineral resource JORC report of Lithium (stated as Lithium Carbonate Equivalent tonnes) of 200,000 tonnes at an Li grade of 200mg/L.

The additional consideration will be paid if the above milestones is achieved. Refer to Note 24.

## 12. Inventories

	31 Dec 2021	30 Jun 2021
	\$	\$
Equipment spares and consumables	718,560	719,508
Ore stockpiles	73,234	70,836
Graphite in circuit	3,873	3,746
Graphite concentrate	19,228	11,148
	<b>814,895</b>	<b>805,238</b>

Total inventories are carried at the lower of cost and net realisable value.

## 13. Plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Plant & equipment	Motor vehicles	Capital work in progress	Buildings & infrastructure	Total
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
Balance 1 July 2021	4,298,854	1,392,189	101,589	854,962	6,647,594
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
<b>Balance 31 December 2021</b>	<b>4,298,854</b>	<b>1,392,189</b>	<b>101,589</b>	<b>854,962</b>	<b>6,647,594</b>
<b>Depreciation and impairment</b>					
Balance 1 July 2021	(1,920,174)	(535,320)	-	(285,103)	(2,740,597)
Depreciation	(116,291)	(40,872)	-	(19,737)	(176,900)
Disposal	-	-	-	-	-
Foreign exchange movement	2,012	-	-	-	2,012
<b>Balance 31 December 2021</b>	<b>(2,034,453)</b>	<b>(576,192)</b>	<b>-</b>	<b>(304,840)</b>	<b>(2,915,485)</b>
<b>Carrying amount 31 December 2021</b>	<b>2,264,401</b>	<b>815,997</b>	<b>101,589</b>	<b>550,122</b>	<b>3,732,109</b>
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
Balance 1 July 2020	4,661,288	1,449,554	101,589	854,962	7,067,393
Additions	19,052	-	-	-	19,052
Disposal	(381,486)	(57,365)	-	-	(438,851)
<b>Balance 30 June 2021</b>	<b>4,298,854</b>	<b>1,392,189</b>	<b>101,589</b>	<b>854,962</b>	<b>6,647,594</b>
<b>Depreciation and impairment</b>					
Balance 1 July 2020	(1,672,309)	(546,310)	-	(247,230)	(2,465,849)
Depreciation	(494,305)	(46,375)	-	(37,873)	(578,553)
Disposal	253,709	57,365	-	-	311,074
Foreign exchange movement	(7,269)	-	-	-	(7,269)
<b>Balance 30 June 2021</b>	<b>(1,920,174)</b>	<b>(535,320)</b>	<b>-</b>	<b>(285,103)</b>	<b>(2,740,597)</b>
<b>Carrying amount 30 June 2021</b>	<b>2,378,680</b>	<b>856,869</b>	<b>101,589</b>	<b>569,859</b>	<b>3,906,997</b>

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets. There was no Plant and Equipment impairment losses recognised during the current or prior reporting periods.

### Property, plant and equipment pledged as security for liabilities

There is no fixed and floating charge over any of the assets in the Group.



#### 14. Right-of-use assets

	31 Dec 2021 \$	30 Jun 2021 \$
Gross carrying amount – office and warehouse rent leases		
Balance	3,962	102,572
Additions	-	25,059
Disposals	-	(70,626)
Depreciation	(3,962)	(53,043)
<b>Carrying amount</b>	<b>-</b>	<b>3,962</b>

The Group's right-of-use assets and lease liabilities have been fully recognised in the period and are no longer reflected on the balance sheet as a right-of-use asset and a lease liability.

#### 15. Exploration and evaluation assets

	31 Dec 2021 \$	30 Jun 2021 \$
Exploration and evaluation expenditure consist of:		
Graphmada and Limada exploration	2,726,913	1,465,873
San Jorge exploration (refer to Note 11)	1,787,207	-
	<b>4,514,120</b>	<b>1,465,873</b>

#### 16. Mine properties

	31 Dec 2021 \$	30 Jun 2021 \$
Capitalised development and rehabilitation expenditure consist of:		
Acquisition of mining assets – Graphmada	5,070,019	5,070,019
Capitalised rehabilitation costs – Graphmada	419,081	419,081
Reclassification of deferred mining expenditure	504,472	504,472
Transfer from exploration and evaluation assets	902,418	902,418
Impairment loss	(4,296,000)	(4,296,000)
Accumulated amortisation	(365,833)	(365,833)
	<b>2,234,157</b>	<b>2,234,157</b>

#### 17. Trade and other payables

	31 Dec 2021 \$	30 Jun 2021 \$
<b>Current</b>		
<i>Unsecured liabilities:</i>		
Trade payables	485,688	478,734
Other payables	269,797	326,733
Oversubscription of investor funds to be refunded	10,801	10,801
	<b>766,286</b>	<b>816,268</b>

Other payables are recognised when the Group has identified a present obligation from the result of past events. These amounts include employee payment obligations, professional fees and statutory obligations.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Trade payables and other payables are non-interest-bearing and are normally settled on 30 to 60-day terms.

## 18. Borrowings

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>Current</b>		
Accrued interest on convertible notes	212,327	-
	<b>212,327</b>	<b>-</b>
<b>Non-Current</b>		
Convertible notes	4,762,993	4,328,796
	<b>4,762,993</b>	<b>4,328,796</b>

The Group's convertible notes are treated as a compound financial instrument. A split accounting approach is adopted, where the debt component and the conversion option are accounted for separately. The debt component is initially recognised at its fair value. It is then amortised over its life using the effective interest method.

## 19. Lease liabilities

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>Current</b>		
Warehouse leases	-	4,367
	<b>-</b>	<b>4,367</b>

The Group's lease liabilities have all been fully repaid and are no longer reflected on the balance sheet as a right-of-use asset and a lease liability.

## 20. Provisions

	31 Dec 2021	30 Jun 2021
	\$	\$
Provision for rehabilitation	224,058	224,058
	<b>224,058</b>	<b>224,058</b>

## 21. Liabilities directly associated with assets classified as held for sale

	31 Dec 2021	30 Jun 2021
	\$	\$
Tasmanian exploration assets	379,134	379,134
	<b>379,134</b>	<b>379,134</b>

## 22. Issued capital

### Ordinary shares

	31 Dec 2021	30 Jun 2021
	\$	\$
118,395,395 (30 June 2021: 87,695,353) fully paid ordinary shares	103,785,221	96,783,430

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of fully paid ordinary shares. 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 upon a poll each share is entitled to one vote. The Group has no authorised share capital and the shares have no par value.

Ordinary shares at 30 June 2021 are shown on a post-consolidation basis. In July 2021, the Company conducted a consolidation of share capital with 50 shares being consolidated into 1 share.

## 22. Issued capital (continued)

The movement in ordinary shares during the financial period are as follows:

	31 Dec 2021 Number of shares	31 Dec 2021 \$	30 Jun 2021 Number of shares	30 Jun 2021 \$
<b>Balance at the beginning of the period</b>	<b>87,695,353</b>	<b>96,783,430</b>	<b>69,633,062</b>	<b>93,931,109</b>
<b>Issued during the period</b>				
Share placement	25,625,000	6,150,000	10,800,020	1,350,000
Shares issued for acquisition of subsidiary	3,000,000	750,000	-	-
Convertible notes converted	861,925	189,264	6,079,137	1,226,772
Shares issued in lieu of convertible note interest	1,063,117	334,875	1,183,154	520,588
Shares issued for payment of consulting fees	150,000	42,000	-	-
Capital raising costs	-	(464,348)	-	(245,039)
<b>Balance at the end of the period</b>	<b>118,395,395</b>	<b>103,785,221</b>	<b>87,695,353</b>	<b>96,783,430</b>

The movement in ordinary shares for the year ended 30 June 2021 is shown on a post 50:1 share consolidation basis.

## 23. Reserves

	Foreign currency translation reserve \$	Convertible notes reserve \$	Share based payments reserve \$	Total \$
<b>Balance 1 July 2021</b>	<b>(1,472,665)</b>	<b>6,417,052</b>	<b>75,738</b>	<b>5,020,125</b>
Convertible notes converted to shares	-	(44,772)	-	(44,772)
Exchange differences on translating foreign operations	50,703	-	-	50,703
Acquisition of subsidiary	-	-	720,000	720,000
Options issued	-	-	620,500	620,500
Before tax	50,703	(44,772)	1,340,500	1,346,431
Tax benefit/(expense)	-	-	-	-
Net of tax	50,703	(44,772)	1,340,500	1,346,431
<b>Balance 31 December 2021</b>	<b>(1,421,962)</b>	<b>6,372,280</b>	<b>1,416,238</b>	<b>6,366,556</b>
	Foreign currency translation reserve \$	Convertible notes reserve \$	Share based payments reserve \$	Total \$
<b>Balance 1 July 2020</b>	<b>(1,277,149)</b>	<b>1,236,079</b>	<b>918,983</b>	<b>877,913</b>
Change in convertible note terms	-	5,496,748	-	5,496,748
Convertible notes converted to shares	-	(315,775)	-	(315,775)
Exchange differences on translating foreign operations	(195,516)	-	-	(195,516)
Options issued	-	-	75,738	75,738
Options expired	-	-	(918,983)	(918,983)
Before tax	(195,516)	5,180,973	(843,245)	4,142,212
Tax benefit/(expense)	-	-	-	-
Net of tax	(195,516)	5,180,973	(843,245)	4,142,412
<b>Balance 30 June 2021</b>	<b>(1,472,665)</b>	<b>6,417,052</b>	<b>75,738</b>	<b>5,020,125</b>

### Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

### Convertible notes

Relates to the equity portion of convertible notes issued by the Company.

## 23. Reserves (continued)

### Share based payments reserve

The share-based payments reserve records the fair value of equity instruments granted for goods and services received.

## 24. Contingencies

### Contingent liabilities

Millie's Reward lithium project:

During 2017, the Company entered into a binding Term Sheet with Ruby-Red Madagascar SARL ("Ruby Red", a Company incorporated in Madagascar) and acquired two contiguous mining permits and the lithium mining rights for a third mining permit in Madagascar, that are prospective for pegmatite-hosted lithium mineralisation. The consideration payable by the Company includes certain cash payments and the requirement to issue shares to Ruby Red, contingent on the Company achieving the following milestones on the project:

- a) \$US50,000 in shares on the acquisition of the mining permits and completion of the transaction;
- b) \$US50,000 worth of shares upon establishing a JORC compliant resource of >5 million tonnes at >1.5% Li<sub>2</sub>O;
- c) \$US50,000 worth of shares upon the tabling of a feasibility study for Millie's Reward;
- d) \$US50,000 worth of shares upon first sales of either Direct Shipping Ore (DSO) or Chemical Grade (>6% Li<sub>2</sub>O) lithium concentrates.

In addition, the Company is required to pay to Ruby Red a 0.25% concentrate sales royalty on any future lithium concentrate or DSO sales from Millie's Reward for a period of 12 years from first concentrate or DSO sales, up to \$US2m.

Stratmin Global Resources Plc ("Stratmin"):

As part of the agreement to acquire the Graphmada mine, the Company is required to pay Stratmin a 2.5% sales royalty. The agreement terminates on 1 January 2029 or upon total Royalty payments reaching \$5,000,000, whichever occurs first.

Andes Litio SA:

As part of the agreement to acquire the Andes Litio SA ("Andes Litio"), The consideration payable by the Company includes the requirement to issue shares to Andes Litio, contingent on the Company achieving the following milestones on the project:

- a) \$AUD 1,000,000 in shares on achieving an Inferred Mineral Resource (in accordance with the 2012 edition of the JORC Code or equivalent) of Lithium (stated as Lithium Carbonate Equivalent tonnes) of 250,000 tonnes at an Li grade of 200mg/l; and
- b) \$AUD 1,000,000 in shares on achieving a Measured and Indicated Mineral Resource JORC Report of Lithium (stated as Lithium Carbonate Equivalent tonnes) of 200,000 tonnes at an Li grade of 200mg/l.

### Contingent Assets

No contingent assets exist at reporting date.

## 25. Post-reporting date events

As the date of this report there are no post-reporting date events.

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Greenwing Resources Limited, in the Directors' opinion:

The consolidated interim financial statements and notes set out on pages 6 to 19 are in accordance with the Corporations Act 2001, including:

1. Giving a true and fair view of Group's financial position as at 31 December 2021 and of its performance, for the half year period ended on that date;
2. Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
3. There are reasonable grounds to believe that Greenwing Resources Limited will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the directors:



**Rick Anthon**  
**Chairman**

Brisbane, Queensland  
14 March 2022

# Independent Auditor's Review Report

To the Members of Greenwing Resources Ltd

## Report on the review of the half-year financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Greenwing Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, 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 accompanying half-year financial report of Greenwing Resources Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Greenwing Resources Ltd's financial position as at 31 December 2021 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 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 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material uncertainty related to going concern

We draw attention to Note 4 in the financial report, which indicates that the Group incurred a net loss of \$2,606,165 and net operating cash outflows of \$786,985 during the half year ended 31 December 2021. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

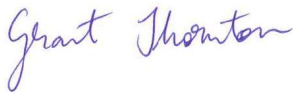
### Directors' responsibility for the half-year financial report

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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and 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 other 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



CDJ Smith  
Partner – Audit & Assurance

Brisbane, 14 March 2022

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Richard Anthon - Non-Executive Chairman  
James Brown – Non-Executive Director  
Jeffrey Marvin – Non-Executive Director  
Peter Wright – Executive Director

### **COMPANY SECRETARY**

Angus Craig

### **CHIEF EXECUTIVE OFFICER**

Craig Lennon (appointed 16 November 2021)

### **REGISTERED OFFICE**

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### **AUDITORS**

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145 Ann Street  
Brisbane City Qld 4000

### **STOCK EXCHANGE LISTING**

ASX Ltd (Code: GW1)