



ASX Announcement

Quarterly Activities Report – September 2022 Quarter

31 October 2022

Greenwing Resources Ltd (“**Greenwing**” or the “**Company**”) (**ASX:GW1**), is pleased to report its activities for the September 2022 quarter as it continues to progress its strategy to become an integrated green metals producer with exposure to lithium, graphite and advanced materials.

HIGHLIGHTS

Corporate

- A\$12m strategic funding transaction with NIO Inc. announced on 26 September 2022.

San Jorge Lithium Project, Argentina

- Completion of detailed Transient Electromagnetic (“TEM”) geophysical survey
- Planning of maiden drill program is ongoing as the Company awaits permitting approval.
- Site visit conducted by CEO Craig Lennon including meetings with drilling and logistics contractors.
- Evaluation of multiple Direct Lithium Extraction (DLE) technologies has taken place and this evaluation will continue as larger brine samples are obtained.

Graphmada Graphite Mining Complex, Madagascar

- Updated Graphmada Mineral Resource announced, with 61.9 million tonnes (Mt) at 4.5% Fixed Carbon (FC), nearly tripling the total contained graphite to 2.7 Mt (refer Table 1)

CORPORATE

Strategic funding transaction with NIO Inc.

As announced on 26 September 2022, NIO Inc. has agreed to pay A\$12,000,000 to Greenwing to subscribe 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 Lito SA (**Andes Lito**), which holds options rights over the San Jorge Lithium Project (**Call Option**). The terms of the Placement provide for a deposit of A\$1 million, which is repayable to NIO within 5 business days if the agreement is terminated. 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. Together, the Placement and the grant of the Call Option comprise the **Proposed Transaction**.

Upon completion of the Placement NIO will hold a shareholding in the Company of approximately 12.16% on a fully-diluted basis as of the date of issuance, 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 Lito 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 Proposed Transaction remains subject to the satisfaction or waiver of various conditions precedent by 28 February 2023, including approval by Greenwing shareholders in relation to the Call Option, security pledge (as described below), offtake rights for the purposes of ASX listing rule 10.1, the appointment of the NIO nominee to the Greenwing board, the release of existing security over the Call Option shares granted in respect of the secured convertible notes on issue, various steps to be undertaken by Greenwing and Andes Lito in respect of the San Jorge Lithium Project and arrangements with third parties and no material adverse change in respect of the Company or Andes Lito.

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

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 announcement released on 26 September 2022 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.

During the quarter the Company completed a TEM Electrical Geophysical survey with an objective of mapping the extent of the brine body, particularly off the visible salar, and to provide information on the lithologies associated with aquifers in the salar, as well as to define geological structures. The survey consisted of 10 lines with 128 TEM stations.

The TEM Electrical Geophysical survey has significantly expanded the surface area underlain by a highly conductive response, indicative of an expanded brine body, and confirmed that the brine continues west from the salar under volcanic flows.

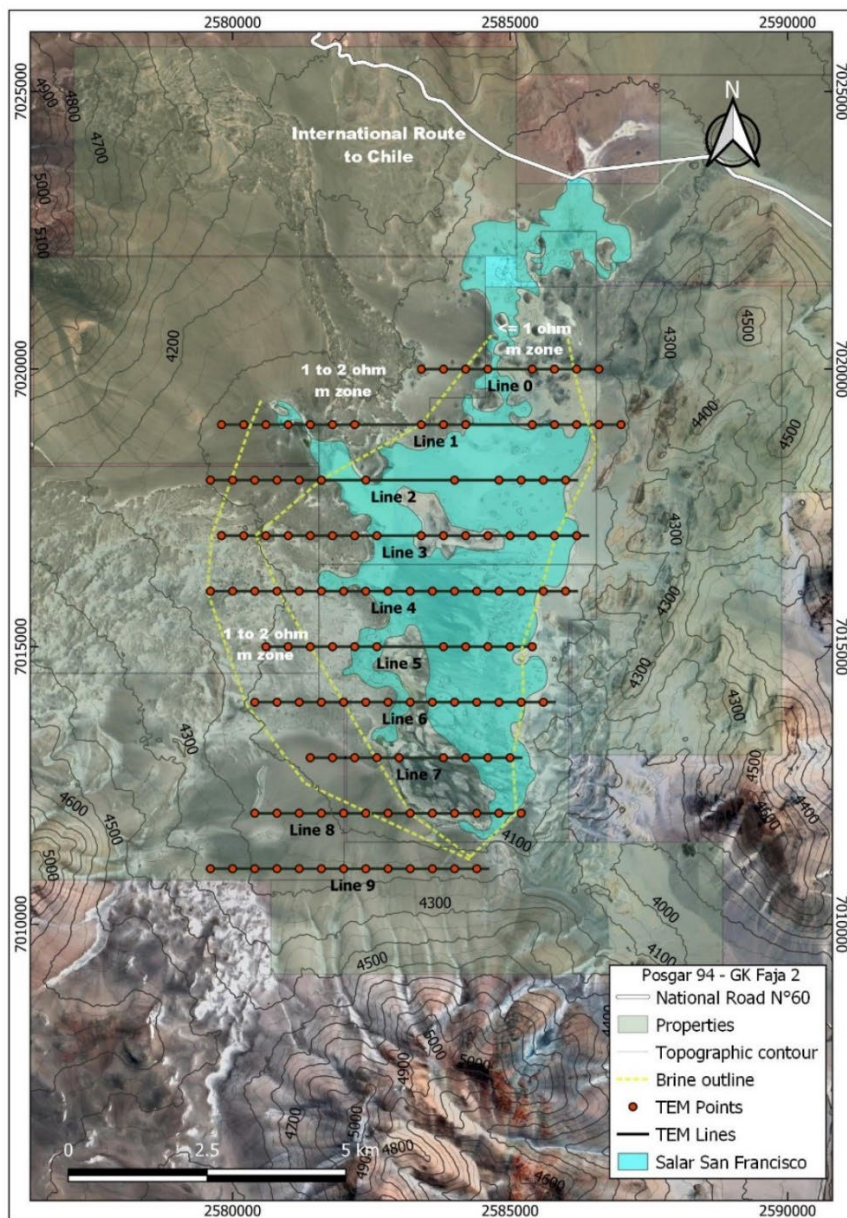


Figure 1: Location of TEM geophysical lines to evaluate brine distribution

The survey successfully defined the brine body extending beneath lava flows and gravels west of the salar (Figure 2, Line 6), extending up to 2.4 km west of the salar surface. Over the salar the survey defined the presence of brine to depths of 100 to 150m, the maximum depth resolution of the survey in the highly conductive environment of the salar. Off the salar the survey has defined extension of the brine body to depths up to 500m. The conductivity responses are 1 ohm m or less, which is considered very positive for discovery of brine with potentially economic characteristics for lithium production. The high conductivity < 1 ohm m zone is surrounded by an extensive zone with a 1 to 2 ohm m conductivity response, representing less concentrated brine, or brine in a more resistive host material.

Figure 2 shows the conductive unit (pink to blue) extending under thin lava flows west of the salar (white), with some more resistive units that probably represent lava flows (volcanic), also hosting brine (pink). There appear to be more conductive units beneath the resistive (dry) surface lava flow (white), and these may be volcanic ash, salar sediments, porous or fractured lava flows. The porous units terminate against the volcano to the south of the salar, with brine also extending beneath sporadic volcanic units north of the salar.

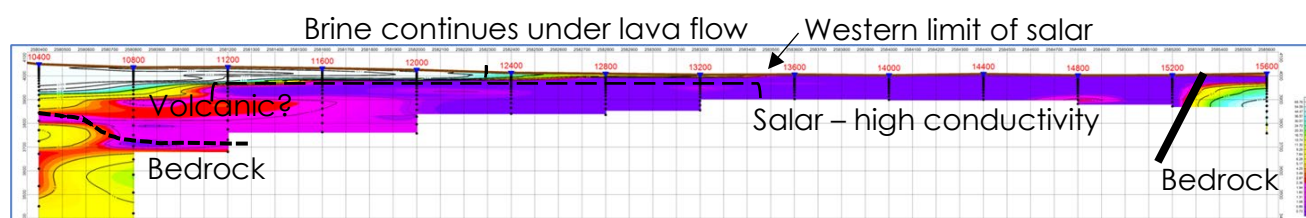


Figure 2: Cross section along TEM line 6, showing the extension of brine (pink to blue zones) beneath lava flows west of the salar

The Company's maiden drilling program, targeting the western margins of the salar, has been delayed while we await permitting approval. The Company remains confident that the permits will be received, and continues to work on finalising both drilling and logistic contracts.

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 has taken place and this evaluation will continue as larger brine samples are obtained

Millie's Reward, Madagascar

Millie's Reward is a potentially high-grade pegmatite-hosted lithium project located in central Madagascar which has been the subject of some early stage exploration (refer ASX announcements dated 7 May 2018 and 11 September 2018).

The Company continued planning activities for a future exploration program at Millie's Reward.

GRAPHITE

Graphmada, Madagascar

Update Mineral Resources

An expanded Graphmada Mineral Resource of **61.9Mt at 4.5% Fixed Carbon (FC)** announced during the quarter. The contained graphite has nearly tripled, increasing from 890kt to 2,780kt.

Next steps involve advancing studies on large scale mining and processing, while actively looking for partners that can help advance the project.

The recent drilling program has made a significant advancement in realising the Exploration Target estimate of 86-146 Million tonnes between 4-6% TGC.

Table 1: June 2022 Graphmada Mining Complex Mineral Resources

	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.

CORPORATE/ COMPANY

Sale of Tasmanian Assets

The Company has executed an Asset Sale Agreement for the Que River tenements (CML68M/1984). 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 30 September 2022, the Company had net cash outflows of \$488k 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 \$11k for directors' fees, with an amount of \$81k accrued for the quarter.

Annual Report

The Company's Annual Report was released on 30 September 2022.

Investor Presentations

Please refer to the presentation released on 20 July 2022 at the Noosa Mining Conference.

Shareholder Meetings

The Company's Annual General Meeting will be held on 24 November 2022.

A General Meeting to consider the strategic transaction with NIO Inc. is expected to be convened in December 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:GWI) 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 September 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")

30 SEPTEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(13)	(13)
(b) development	-	-
(c) production	-	-
(d) staff costs	(31)	(31)
(e) administration and corporate costs	(520)	(520)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	66	66
1.9 Net cash from / (used in) operating activities	(499)	(499)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(1)
(d) exploration & evaluation (if capitalised)	(475)	(475)
(e) investments	(335)	(335)
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(812)	(812)

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	(4)	(4)
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) Proceeds from loan from strategic investor	1,000	1,000
3.10 Net cash from / (used in) financing activities	996	996

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,896	1,896
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(499)	(499)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(812)	(812)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	996	996

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of period	1,570	1,570

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	1,570	1,895
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)	1,570	1,895

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
11
-

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

Payment of directors' fees relating to prior and current quarters, with a further \$81k outstanding relating to the current quarter.

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

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)

(499)

8.2 Capitalised exploration & evaluation (Item 2.1(d))

(475)

8.3 Total relevant outgoings (Item 8.1 + Item 8.2)

(974)

8.4 Cash and cash equivalents at quarter end (Item 4.6)

1,570

8.5 Unused finance facilities available at quarter end (Item 7.5)

-

8.6 Total available funding (Item 8.4 + Item 8.5)

1,570

8.7 **Estimated quarters of funding available (Item 8.6 divided by Item 8.3)****1.6**

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:

The Company will continue to operate with expenditure priorities carefully considered. The Company will continue 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:

As announced on 26 September 2022, the Company has entered into a strategic funding agreement with NIO Inc which will subscribe \$12m with at least 80% of these funds to be directed to the San Jorge Lithium Project in Argentina. A \$1m advance was provided during the quarter, and a shareholder meeting to consider the transaction is expected to be convened in December 2022.

The Company will continue to consider its funding options to fund its exploration and development activities in Argentina and Madagascar. The Company has a number of options including:

- raising additional capital or securing other forms of financing to meet the Company's working capital requirements;
- reducing its level of expenditure through farm outs or joint ventures; and
- disposing of assets

The Company has successfully raised funds as required in the past and retains the support of its major shareholders and corporate advisors and is optimistic that it will be able to raise further funding as required in the future.

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:

Yes. 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 October 2022

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.