

ASX Announcement

Quarterly Activities Report – September 2023 Quarter

31 October 2023

Greenwing Resources Ltd ('**Greenwing**' or the '**Company**') (**ASX:GW1**) is pleased to report its activities for the quarter ending 30 September 2023.

Greenwing has made substantial progress over the quarter across key parts of the business. The Company has emerged from the quarter on a strong financial footing and has made progress across its portfolio. The Company continues to progress a diversified exposure to both Lithium and Graphite end markets, with both markets being characterized by robust fundamentals as the global economy shifts to a lower carbon intensity.

HIGHLIGHTS

San Jorge Lithium Project, Argentina

- Drilling commenced at end of June quarter and has been ongoing over the course of September quarter.
- Assay results and porosity numbers from the initial 3 hole program anticipated to be received by mid-November. Greenwing is highly encouraged by drilling progress to date.
- Camp and associated infrastructure updated for expanded capacity.

Millie's Reward Hard Rock Lithium Project

- Series of meeting held in Antananarivo with consultants regarding the rapid progression of the Millie's Reward
- Mining Code expected to facilitate progressing approvals, renewals, extensions of leases.

Graphmada Graphite Mining Complex, Madagascar

- Significant movement in the legislative framework for mining in Madagascar with the passing of the new Mining Code through both houses of Madagascan Parliament.
- Site visit completed with Graphmada site in good condition.

Corporate

- Equity Raising completed by way of a placement at \$0.225 raising \$2.7 million.
- Additional \$1 million debt facility provided by the Company's Chairman Rick Anthon.
- Approximately 68% of holders of Convertible Notes converted their Notes into shares with incentives issued to the Noteholders who elected to convert to shares. Approximately 32% of Noteholders has their Notes redeemed.

LITHIUM

During the Covid enforced shutdown and the Graphmada Mining Complex being placed on care & maintenance, the Board made the decision to diversify both its commodity and jurisdictional risk with a view to maintaining its exposure to the global economies undeniable shift to a lower carbon intensity.

San Jorge, Argentina

Greenwing acquired its interest in the San Jorge Lithium project in 2021. The project consists of an extensive property package that covers some 38,000 hectares in the prolific lithium triangle in Argentina.

Greenwing attracted emerging electric vehicle manufacturer NIO Inc. currently listed on the NYSE and Singapore exchanges, with NIO making a substantial investment in Greenwing and retaining an option to purchase an outright stake in the project.

Greenwing commenced its comprehensive exploration program at San Jorge at the beginning of the quarter¹ and has greatly expanded its understanding of the project in this time. Greenwing has assembled a well credentialed team, with extensive experience in lithium salt lake projects, to oversee the comprehensive exploration program at the San Jorge Salar, where drilling continued over the quarter.

Over the quarter holes SJDD001 (Hole 1) and SJDD002 (Hole 2) were drilled on the western and eastern peripheries of the salar respectively, with SJDD003 (Hole 3) completed subsequent to the end of the quarter. Due to slower than anticipated progress at SJDD001 the Company took advantage of the recent availability of drill rigs in the market and mobilised a new rig and crew to site. Subsequently there has been a major improvement in drilling efficiency at site, with the new contractor having now completed SJDD002 and SJDD003.

Results SJDD001

SJDD001 was located on the periphery of the salar as seen in Figure 1, for ease of access at the beginning of the drilling program, prior to construction of access tracks to other sites further from existing access tracks. The site is located on a gravel alluvial fan to the northwest of the salar and looked to test brine mineralisation beyond the visible salar, where TEM electrical geophysics defined an underlying strongly conductive zone interpreted as brine (in TEM Line 2).

Starting from within several metres of the surface saturated brines were intercepted. The hole was stopped in mineralisation at 130m, due to unsatisfactory performance by the drilling contractor. The hole is currently being deepened, to continue sampling and to evaluate the full thickness of the brine mineralisation.

The material hosting brine is sand and gravel size and volcanic derived sediments and volcanic material. Results are awaited from porosity testing. Geophysical logging of the hole is planned following completion, with a borehole magnetic resonance tool, to measure the specific yield porosity directly in the hole and provide comprehensive porosity data. Once this information set is available the full results from this, and the other holes will be released.

¹ Refer ASX announcement dated 29 June 2023 "Drilling Commences at San Jorge Lithium Brine Project, Argentina".

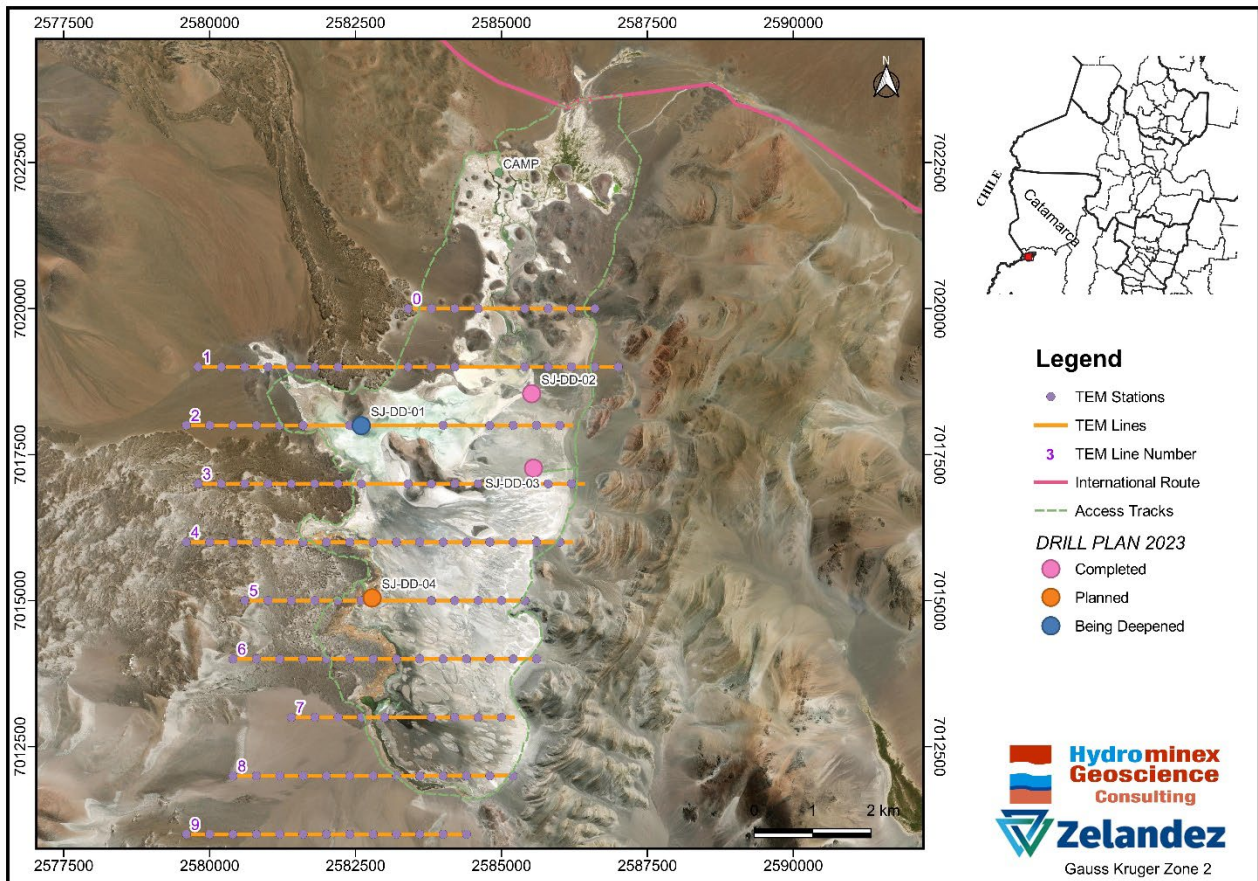


Figure 1 – TEM lines and proposed drill hole locations

Results SJDD002

SJDD002, located on the eastern periphery of the salar (Figure 1) will provide additional information on lithium concentration and porosity, in a site that was not originally considered for this program, as bedrock was suggested to be shallower in this area by the project geophysics. However, improved surface access conditions allowed access for drilling and completion of holes SJDD002 and SJDD003 without the need to construct raised access roads into this area of the salar. Information from these holes provides useful information for the initial resource estimate, to be completed following the initial drilling program, and confirmation of the geophysical interpretation for development of the project geological model.

Drilling of hole SJDD003 encountered similar host sediments and volcanic material to holes 1 and 2. Assay results are awaited for these samples.

Further steps

Greenwing is anticipating an exciting end to the calendar year with the continuation of drilling and the tabling of results.

Subject to the receipt of assay and porosity data, the Company believes it will be in a position declare an initial resource from this initial drilling program by the end of the calendar year.

Millie's Reward Hard Rock Lithium Project, Madagascar

In 2017, the Company reached an agreement to purchase the Millie's Reward Project, a highly prospective hard rock lithium project that consists of three contiguous leases² covering approximately 25km². Millie's Reward is a virgin discovery of potentially high-grade pegmatite hosted lithium located in central Madagascar.

Greenwing has all necessary documentation in place and filed at the Bureau du Cadastre Minier de Madagascar (BCMM) to formally complete the transfer of the three leases encompassing the Millie's Reward. This application has been marked as a priority case for processing post the delivery of the mining code.

Greenwing has established a strong team of advisors in Madagascar to progress the Millie's Reward Project and has maintained a healthy dialogue with the BCMM.

Following the implementation of the new mining code in Madagascar, the Company intends to undertake further exploration at the Millie's Reward project. This exploration program will focus on completing the soil sampling program over lithium bearing pegmatites, commencing pitting and trenching followed by geophysics to identify potential sub-surface pegmatites.

Millie's Reward is characterised by an outstanding surface signature³ that has delivered rock chip samples of up to 7.1% Li₂O and a 31m trench sample of 3.7% Li₂O. There are eight priority prospects located within the Millie's Reward permit area of 25 km².

GRAPHITE

Graphmada, Madagascar

The Company's main asset is the Graphmada Mining Complex, which holds two granted 40-year mining permits (PE 25600 and PE 26670) and one permit pending renewal. The graphite mine operated from early 2018 until entering care and maintenance in early 2020.

The mine previously produced and sold a range of graphite concentrates into multiple market segments, without penalty or rejection to customers in Europe under an off-take agreement and on order to customers in India, China, and the United States.

Highlights of Graphmada Operations

- ◆ Building and commissioning of process, drying and screening plant
- ◆ Two years continuous production and export.
- ◆ Production of 43% large flake graphite and 57% fine flake graphite (battery anode material).
- ◆ Mineral concentrates qualified and sold into USA, Europe, China, Japan, Korea & India.

² ASX Announcement 'Bass Completes Acquisition of Highly Prospective Millie's Reward Lithium Project' release 12 December 2017.

³ ASX Announcement 'BSM's Outstanding Lithium Intersection of 31m at 3.72%' released 11 September 2018.

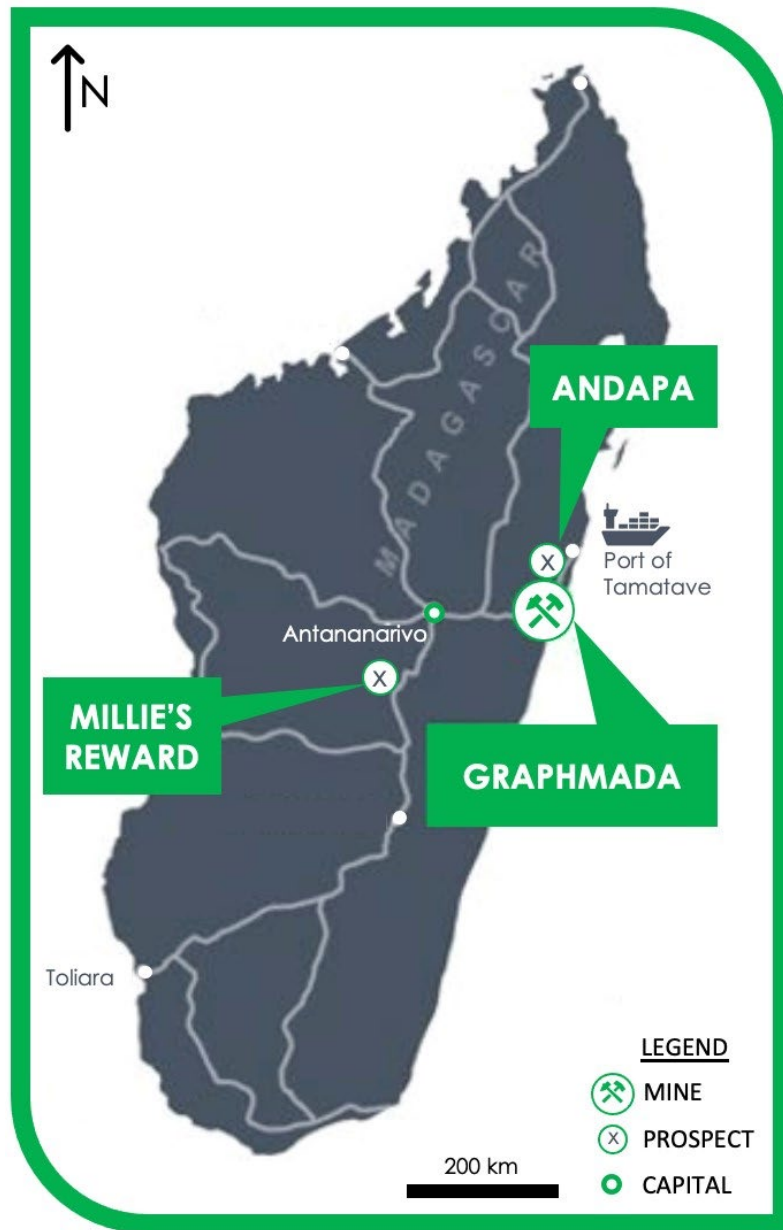


Figure 2 – Locations of Greenwing's projects in Madagascar

Infrastructure pathway have been established with Graphmada located adjacent to the sealed national highway and 120 km from Madagascar's only deep-water port at Tamatave.

Whilst in care and maintenance, the Company has increased the Mineral Resource from 14.3 Mt @ 4.0% FC containing 0.6 Mt of graphite⁴, to an existing Mineral Resource of 61.9 Mt @ 4.5% FC containing 2.8 Mt of graphite⁶.

The last 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% TGC⁵.

⁴ ASX Announcement 'Exploration Update' released 11 February 2021.

⁵ Refer ASX Announcement dated 3 June 2019 "Significant Exploration Program to commence at Graphmada".

Table 1: June 2022 Graphmada Mining Complex Mineral Resources^{6,7,8}

	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.

Greenwing notes with the interest the recent announcements regarding the imposition of restrictions on the export of Natural Graphite from China. Greenwing sees restrictions of export of Natural Graphite concentrates from China which currently dominate the export market with around 65-70%, having the potential to severely interrupt an already undersupplied Graphite market.

Greenwing sees the potential for the strategic value of Graphite assets ex China to increase. The Graphmada mine has already qualified its concentrates for sale into the key EU/USA export markets which are characterised by low internal supply with both jurisdictions along with Korea have classified natural Graphite as a critical mineral.

Greenwing has commenced a process to attract strategic investment in Graphmada based on an expanded production profile capitalising on existing infrastructure, sales record and materially increased resource.

Site Visit

As announcement on 25 October 2023⁹, during the quarter Company executives visited Madagascar for the first time following COVID -19.

The primary objectives of the trip were to conduct a site visit of the Graphmada Graphite mine and to conduct a series of meetings in Antananarivo regarding the implications for the Millie's Reward Hard Rock Lithium Project post the anticipated passage of the mining code.

⁶ Refer ASX Announcement '212% Increase in Graphite Resource at Graphmada Mining Complex' released 12 July 2022.

⁷ Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Reserves ('the JORC Code 2012') at a >3% cut-off.

⁸ Figures are subject to rounding

⁹ Refer ASX Announcement dated 26 October 2023 "Madagascar Update: Site Visit Completed to Graphmada Mining Complex".

The Company has had the asset on an active care and maintenance program since 2020 which has ensured that the plant and infrastructure has remained in good condition. The process plant maintenance has focused on key equipment; ball mills (See Figure 3), motors and pumps. Flotation cells will require replacement upon restart.



Figure 3 – Ball Mill #1 of Process Plant

The flash dryer and screening plant has been well maintained with the necessary items repaired to ensure Graphmada can effectively dry and screen flake graphite.



Figure 4 – Operational Flash Dryer and Screening Plant

CORPORATE

Financing Arrangements

During the quarter, the Company announced an update in relation to its funding arrangements¹⁰, with the Company emerging with no secured debt and approximately A\$9.5 million in cash to continue its progress its work programs in both Argentina and Madagascar.

The Company had on issue unlisted convertible notes with a face value of approximately \$4.2 million which matured on 30 June 2023. The Convertible Notes were originally issued in 2019, and the terms of issue (as amended) provide that each Note converts into 0.32 ordinary shares (effective conversion price of \$0.25), with the Notes being redeemable at maturity unless converted prior.

In the 3 months up until 30 June 2023, the Company's shares traded in the range of \$0.185 to \$0.28. Given the share price, it was considered likely that many holders may not convert their Noteholdings. As a result, all Noteholders (other than related parties of the Company) were offered, at their election, the opportunity to receive an incentive of a fee of 2.5% of the face value of the Noteholding being converted, plus 1 option for each 2 shares to be issued on conversion of their Noteholding. The 2.5% fee was settled by the issue of additional ordinary shares at an issue price of \$0.25 each, and the options are on the same terms as a current series of unlisted options exercisable at \$0.60 each on or before 30 June 2025.

Approximately 68% of Noteholders (representing face value of approximately \$2.8m) accepted this offer, which resulted in approximately 11.3 million shares being issued on conversion of the Convertible Notes, plus an additional 0.28 million shares and 5.65 million options being issued as incentives to convert.

Convertible Notes that were not converted will be redeemed in accordance with their terms.

To assist in funding the part redemption of Convertible Notes and to provide additional working capital, the Company raised \$2.7 million by way of a placement of \$2.375 million to professional and sophisticated investors, and a conditional placement of \$0.325 million to directors subject to shareholder approval which was received 15 September 2023. The offer price for the placement shares was \$0.225 per share, which is considered to be equivalent to the value received by Noteholders on conversion of their Notes inclusive of the incentive fees paid as noted.

In addition, to further assist with the Company's potential future funding requirements, the Company's Chairman, Rick Anthon has provided an unsecured debt facility of \$1 million. The terms of the facility, which are standard for this type of arrangement, include an interest rate payable of 14% p.a., and maturity of 31 December 2023.

Sale of Tasmanian Assets

As noted in the previous quarter, the conditions precedent to the previously disclosed Asset Sale Agreement for the Que River tenements (CML68M/1984) were not satisfied by the revised conditions date and the agreement has now lapsed. The Company remains in discussions in relation to a potential sale of this asset.

¹⁰ Refer ASX Announcement dated 24 July 2023 "Equity Raising and Maturity of Convertible Notes".

ASX listing rule 5.3 disclosures

For the quarter ended 30 September 2023, the Company had net cash outflows of \$202k in expensed and capitalised exploration and evaluation activities.

In addition, exploration and evaluation expenditure activities were undertaken by Andes Litio SA which is not included in the above amount – please refer further explanation below.

As noted in the audited annual financials for the year ended 30 June 2023¹¹, as a result of the strategic funding transaction with NIO, the Company is considered to have lost sole control of Andes Litio SA (Andes Litio) and even though the Group retains 100% of the shares and voting rights, joint control exists as decisions about the relevant activities of the San Jorge Project require unanimous consent of the parties. Accordingly, the Company's interest in Andes Litio is recognised as an interest in a jointly controlled entity and is accounted for under the equity accounting method.

Under this accounting treatment, any funds provided to, or expenditure incurred by the Company in relation to, Andes Litio are reported as an increase in the investment in Andes Litio in the cash flow statement. For the September quarter this amount was \$821k (previous quarter \$98k).

Also, any cash held by Andes Litio is not recognised as cash on hand for Greenwing at the end of the period in the cash flow statement. As of 30 September 2023, a further \$0.8m is held by Andes Litio, which will be utilised for in-country exploration and associated expenses.

The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$46k, with an amount of \$93k also accrued for the quarter.

Summary

The Company is pleased with its progress over the quarter and is looking to capitalise on this progress in the last quarter of the year. With the progression of the drilling at San Jorge project on the Western and Eastern boundaries and with initial results expected shortly. The Company is pleased with progress to date and looking forward to a more comprehensive update over the coming weeks.

The visit to Madagascar was pleasing on several fronts with the active care and maintenance program having the mine in good shape. The comprehensive exploration effort over the last three years has quadrupled the resource and provides a robust platform for the Company to progress towards its stage two objectives.

For more information:

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

Rick Anthon, Chairman

Peter Wright, Executive Director

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

¹¹ ASX Announcement dated 28 September 2023 "Annual Report to Shareholders".

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 September 2023 quarter, the Company had an interest in 25% 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 Madagascar 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.

Mr 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 2023

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)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(44)	(44)
(e) administration and corporate costs	(545)	(545)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	35	35
1.5 Interest and other costs of finance paid	(47)	(47)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	80	80
1.9 Net cash from / (used in) operating activities	(521)	(521)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(4)
(d) exploration & evaluation (if capitalised)	(202)	(202)
(e) investment – Andes Litio SA ^(a)	(821)	(821)
(f) other non-current assets	-	-

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
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	(1,027)	(1,027)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,261	2,261
3.2	Repayment of convertible debt securities	(916)	(916)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(43)	(43)
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	-	-
3.10	Net cash from / (used in) financing activities	1,302	1,302

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,051	8,051
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(521)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,027)	(1,027)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,302	1,302

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	-	-
4.6	Cash and cash equivalents at end of period	7,805	7,805

Notes:

- (a) As noted in the annual financial reports, as part of the strategic funding transaction with NIO Inc., the Company is considered to have lost sole control of the relevant activities of Andes Lito SA on signing the subscription agreement in September 2022. Even though the Group retains 100% of the shares and voting rights, joint control exists as decisions about the relevant activities of the San Jorge Project require unanimous consent of the parties. The Company has deconsolidated its interest in Andes Lito SA from the date of signing the subscription agreement (as control was deemed to have been lost) and recognise its interest in Andes Lito SA as an interest in a jointly controlled entity and is accounted for under the equity accounting method.

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	7,805	8,051
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)	7,805	8,051

Notes:

- (a) In addition to the cash noted above, a further \$0.8m is held by the Group's equity accounted investment, Andes Lito located in Argentina which will be utilised for in-country exploration and associated costs.

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
46
-

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 \$93k outstanding relating to the current 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. 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)	(521)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(202)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(723)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	7,805
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	7,805
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10.8

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: n/a	
	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: n/a	
	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: n/a	

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 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.