GREENWING
RESOURCES LTD

GREENWING RESOURCES LTD

ABN 31 109 933 995

Annual Report

For the year ended

30 June 2022

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CHAIRMANS REVIEW

CHAIRMAN'S REVIEW

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Dear Shareholders,

It is my pleasure to present the Annual Report of Greenwing Resources Ltd.

Greenwing is progressing a three tiered and complimentary strategy in the sectors of:

- **Lithium**: Capitalising on the Company's extensive lithium experience to build and develop a portfolio of lithium assets.
- **Graphite**: Continuing to develop the Graphmada Mining Complex, growing the Mineral Resource, and capitalising on significant progress made to date, inclusive of a successful global sales record.
- **Advanced Materials**: Developing specialty carbon and advanced material products from the Company's high quality natural flake concentrates.

Greenwing has made substantial progress in these three areas during the year.

During the year we completed the acquisition of Andes Litio which has an option to acquire up to 100% of the San Jorge Lithium Brine Project in Argentina, a greenfields project which is located in the lithium triangle and is surrounded by a number of large sale lithium resources.

Initial early-stage exploration has confirmed the presence of lithium, and at the time of writing the maiden drilling program is planned to be undertaken in the coming months. This is an exciting prospect, and we look forward to updating shareholders in due course.

The Company has extensive lithium experience, with Non-Executive Director James Brown and myself have been involved in developing lithium assets from exploration into production, obtaining funding, negotiating offtake agreements and bringing in strategic partners.

Since the end of the year, Greenwing was pleased to announce a strategic funding transaction with NIO Inc. enabling Greenwing to accelerate its exploration program at San Jorge Lithium Project and aligning NIO as the Company's potential joint venture and offtake partner.

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.

We are very encouraged by this validation of the prospectively of this project, and the Company, by a reputable, sophisticated and independent third party.

Looking to our graphite asset, Greenwing has successfully produced graphite concentrates to specification across all grades from fine flake through to super jumbo graphite. These premium concentrates have been sold across all major markets, without penalty or rejection.

Our exploration program in ongoing, including a significant diamond drilling program executed during the year. The exploration undertaken continue to yield results with 212% increase in the mineral resource to 61.9Mt @ 4.5% FC as announced on 11 July 2022[1].

This growing mineral resource and strong anticipated demand and pricing are key factors in progressing the aim of a larger scale mining operation being undertaken at Graphmada.

[1] Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') released to the ASX 12 July 2022 "Mineral Resource Update 212% increase in Graphite Resource at Graphmada Mining Complex".

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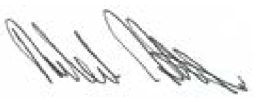
UBS[2] recently forecast a long-term graphite price for fine flake graphite (94-95% C, - 100 mesh, FOB China) of USD$725/t and large flake graphite (94-95% C, +80 mesh, FOB China) of USD$950/t. These prices are materially higher than the prices Greenwing were achieving in Graphmada's final quarter of production in late 2019 (prior to operations being placed on care and maintenance due to the worldwide pandemic).

The Company also continued its R&D efforts with its partner, Swinburne University, on graphite sourced from Graphmada. This work has achieved the characterisation of graphene as defined by International Organization for Standardization. Greenwing is the only ASX listed company to report that its graphene has been produced to this high standard in an ISO 9001 facility. This milestone is a key step in the Company's plans to create a patentable and environmentally friendly process to produce advanced materials such as expandable graphite and graphene.

Greenwing continues to progress towards its goal of becoming a supplier of critical minerals and advanced materials into a rapidly growing green economy. The Company sees enduring fundamentals for lithium, graphite and advanced materials, with the world is at a point of carbon inflection, and Greenwing has a coherent strategy that will add significant shareholder value.

Lastly, I want to thank all shareholders for your ongoing support.

Yours sincerely,



Rick Anthon
Chairman

[2] UBS Global Research Report dated 4 March 2021 - Battery Raw Materials: EVs Shifting into Overdrive: can commodity supply keep pace?

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MINERAL RESOURCE STATEMENT

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MINERAL RESOURCE STATEMENT

As at 30 June 2022, the Graphmada Mineral Resource was last updated on 19 November 2021 from the results of a shallow auger program of 180 holes (2,042 metres) within the Ambatofafana Zone. The drilling delineated a maiden Mineral Resource for this zone, extending the overall strike of the Graphmada Mineral Resource.

Comparison of Mineral Resources as at 30 June 2022 and 30 June 2021 is as follows:

	30 June 2022[3]			30 June 2021[4]		
Category	Tonnes (Mt)	FC%	Contained Graphite (kT)	Tonnes (Mt)	FC%	Contained Graphite (kT)
Measured	2.9	4.2	121	2.9	4.2	121
Indicated	3.3	4.3	143	3.3	4.3	143
Inferred	15.8	4.0	625	14	3.9	550
Total	**22.0**	**4.0**	**890**	**20.2**	**4.0**	**815**

Numbers subject to rounding.

During 2022, the Company undertook a diamond drilling program of 69 holes for a total of 3,268 metres at the Mahela and Ambatofafana Zones[5]. Subsequently **an updated Mineral Resource was published on 12 July 2022**[6], and the Mineral Resource now stands as follows:

Category	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**

Numbers subject to rounding.

TECHNICAL SUMMARY (ASX LR 5.8.1)

The following summary presents a fair and balanced representation of the information contained within JORC Table 5 (sections 1-3)[6]:

- The Company holds the Mineral Resources via 100% owned exploitation permit numbers 26670, 25600 and the Loharano renewal. The permit grants the exclusive rights for 40 years to explore and mine graphitic resources.

[3] Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') released to the ASX 19 November 2021 "Graphmada Mining Complex - Mineral Resource Update".

[4] Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') released to the ASX 16 March 2021 "41% Increase in Graphite Mineral Resource to Advance Plans for Large Scale Mining and Processing Operations".

[5] ASX announcement dated 13 April 2022 "Drilling Program Completed"

[6] Reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code 2012') released to the ASX 12 July 2022 "Mineral Resource Update 212% increase in Graphite Resource at Graphmada Mining Complex".

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- The mineralization contains large flake graphite mineralized within both the weathered profile (regolith) and underlying crystalline graphitic gneisses (hard rock), broadly coinciding with regional graphite mineralization trends.
- Diamond and auger drilling have intersected the mineralization, which is distributed broadly within the known mineralization footprint. The mineralization broadly dips to the west at approximately 45° and consists of a broad mineralization profile that continues to depth.
- 25,368 samples from 2,212 auger holes (18,843 meters drilled) and 212 diamond holes (8,555 meters drilled) were prepared, split, and analysed at the in-house Graphmada laboratory, with a representative proportion analysed by an SANAS accredited laboratory in South Africa for Fixed Carbon and Graphitic Carbon respectively, as well as further analysis for Sulphur.
- The estimate was classified as Measured, Indicated, and Inferred based on augering, diamond drilling, surface mapping, drill hole sample assay results, drill hole logging, assigned density values based on core sample measurements, flake size distribution studies, and nearby mining and processing operations.
- Grade estimation was completed using the ordinary kriging estimation method and checked using inverse distance weighting to the power of two estimation.
- A nominal 3% cut-off is supported by statistical analysis of the grade population distribution of the total dataset.

Competent Person statement

The Mineral Resource is based on information compiled by Tim McManus, a Competent Person, who is a member of the Australasian Institute of Mining & Metallurgy and 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.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of Greenwing Resources Ltd (the **Company** or **Greenwing**) present their report together with the financial statements of the consolidated entity, being the Company and its Controlled Entities (the **Group**) for the year ended 30 June 2022.

Directors

The following persons were Directors of the Company during or since the end of the financial year:

Rick Anthon - Non-Executive Chairman
Appointed - 4 October 2013
Member of the Audit Committee
Mr Anthon has practised extensively in corporate, mining and resources law for over 30 years. He has advised on numerous acquisitions, joint ventures, and debt and capital raisings both in Australia and overseas. Additionally, he has acted as non-executive director and chairman for several public resource companies over the last 25 years and has chaired audit and remuneration committees for those companies. Mr Anthon is currently General Counsel and Joint Company Secretary for Allkem Ltd, Australia's premier lithium producer.
Other Current Directorships: Laneway Resources Ltd, Armada Metals Ltd
Previous directorships (last 3 years): Nil

Jeffrey Marvin - Non-Executive Director
Appointed – 12 June 2015
Member of the Audit Committee
Mr Marvin has over 25 years' experience working with corporate management and investors to bring international minerals companies to public markets. He specialises in early-stage mineral company investment, corporate management, and business restructuring. He is currently involved in minerals projects in Africa and Western Europe where he focuses on coal, manganese, copper, chrome and precious metals.
Other Current Directorships: Nil
Previous directorships (last 3 years): Nil

Peter Wright - Executive Director
Appointed – 2 September 2016
Mr Wright is currently an Executive Director of Bizzell Capital Partners Pty Ltd (BCP), a Brisbane based corporate advisory and funds management firm. Mr Wright has over 20 years' experience in financial markets with a focus on investment in the resources sector. As part of his role at BCP, Mr Wright has recently acted as the corporate advisor to Altura Mining Ltd, advising on capital markets, investor relations, acquisitions and divestments and industrial metals end markets. Mr Wright has been advising the Company as part of BCP's role as Joint Lead Manager to the Company's recent capital raising.
Other Current Directorships: Laneway Resources Ltd, DGR Global Ltd
Previous directorships (last 3 years): Nil

James Brown – Non-Executive Director
Appointed – 15 June 2021
Member of the Audit Committee
Mr Brown is a mining engineer with extensive operational and development experience in the mining industry, including 22 years at New Hope Corporation, followed by 12 years at Altura Mining Limited where he has acted as Managing Director from 2010.
Other current directorships: Morella Corporation Mining Ltd, Sayona Mining Ltd
Previous directorships (last 3 years): Nil

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Angus Craig - Company Secretary
Appointed – 24 April 2020
Mr Craig is an experienced public company CFO and Company Secretary, with over 25 years of corporate experience across a range of industries and businesses. Mr Craig has experience in corporate governance, financial management, ASX related matters, equity funding and corporate transactions.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the Company were:

	Ordinary Shares	Unlisted Options
Rick Anthon	1,322,422	650,000
James Brown	41,667	500,000
Jeff Marvin	647,660	500,000
Peter Wright	1,213,246	650,000

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 lithium, graphite and advanced materials.

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

The Group is also a producer 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. With all associated mining infrastructure and logistics in place, the mine 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 is also developing an advanced materials business with the Company entering 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. It is developing the Graphmada Mining Complex in Eastern Madagascar and it is exploring for high-grade 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, and care and maintenance activities relating to its graphite mine and other exploration and evaluation assets.

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

During the year, the Company acquired Andes Litio SA, which holds an option to acquire the San Jorge Lithium Brine Project located in Catamarca, Argentina.

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REVIEW OF OPERATIONS

Result for the financial year

Consolidated net loss after tax for the Group was $4,195,498 (2021: $6,277,075 loss).

Dividends

No dividends have been paid during the period and no dividends have been recommended by the Directors (2021: nil).

Material operational and financial results

Production

Greenwing made the decision in December 2019, to suspend mining and front-end processing at Graphmada at the end of December 2019, given a forecast of above average anticipated rainfall over the monsoon season, of a similar quantum to Q1 2019. In March 2020 operations were suspended following Madagascar closing its borders due to the COVID-19 pandemic. The mine remains under care and maintenance.

Exploration and development

Lithium

During the year the Company acquired Andes Litio SA, an entity which has the option to acquire up to 100% of 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. Exploration commenced during the year, and a drilling program is proposed for 2023.

The Company also reviewed its Millie's Reward lithium-in-spodumene project, with the intention to re-commence field activities in FY2023.

Graphite

Greenwing continued its exploration and development activities during the year. The ongoing exploration program yielded a material upgrade in JORC Code (2012) Mineral Resource for the Graphmada Mining Complex of 212% to 61.9 million tonnes (Mt) of large flake graphite at 4.5% Total Graphitic Carbon in the Mineral Resource update released on 12 July 2022.

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 concentrates produced at Graphmada have the two main constituent properties for application to most advanced materials, being a large flake and clean concentrates. Greenwing is continuing with discussions with potential Joint Venture (JV) partners with a view to producing a range of advanced materials using Greenwing concentrates.

In addition, the Company has a research agreement with Swinburne University of Technology to advance carbon materials research and product development. During the year this work has achieved the characterisation of graphene as defined by International Organization for Standardization ("ISO standards"). Greenwing is the only ASX listed company to report that its graphene has been produced to this high standard in an ISO 9001 facility. This milestone is a key step in the Company's plans to create a patentable and environmentally friendly process to produce advanced materials such as expandable graphite and graphene.

Other exploration assets

The Company continued with care and maintenance activities relating to its Tasmanian exploration and evaluation assets. During the year, the Company signed an agreement to sell these assets which remains subject to the satisfaction of a number of customary conditions.

Capital raisings

In September 2021, 25.6 million shares were issued at a price of $0.24 per share, raising $6.15 million.

In addition, during the financial year, the Company issued 3 million shares valued at $0.75 million to the vendors of Andes Litio SA as partial consideration for the Company's acquisition of Andes Litio.

COVID-19

On 25 March 2020, Greenwing announced the suspension of mining and production activities at the Graphmada Mining Complex for the foreseeable future with the onset of the COVID-19 pandemic, which resulted in a myriad of restrictions being put in place by the Madagascan and other governments, including the movement of people and cargo.

Some activities have continued both in Madagascar and Australia in compliance with regulatory guidance including exploration drilling and related activities, progress on mine development and feasibility studies and mine maintenance.

Meetings of directors

The following table sets out the number of meetings of the Company's Directors and meetings of committees of the Directors held during the year ended 30 June 2022 and the number of meetings attended by each Director.

Director	Directors' Meetings		Audit Committee		Remuneration Committee[1]	
	A	B	A	B	A	B
Mr R Anthon	8	8	2	2	-	-
Mr J Brown	7	7	2	2	-	-
Mr J Marvin	8	5	2	2	-	-
Mr P Wright	8	8	-	-	-	-

A: Number of meetings eligible to attend
B: Number of meetings attended
Note 1: The Remuneration Committee did not meet during the year ended 30 June 2022.
Note 2: The current members of the Audit committee are Mr Anthon (Chairman), Mr Brown and Mr Marvin.

Likely developments and expected results

The likely developments in the operation of the Group and the expected results of those operations in future financial years are as follows:

- Continue exploration at the San Jorge Lithium Brine Project with a maiden diamond drilling program scheduled for the current year
- Continue exploration with the aim to materially add to Graphmada's existing Mineral Resources
- Complete feasibility studies for large scale mining and processing operations

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- Develop downstream purification, expandable graphite, graphene and other specialty carbon products
- Re-commence exploration at the Millie's Reward lithium project

Shares issued during or since the end of the year as a result of exercise of options

No shares were issued during or since the end of the year as a result of exercise of options.

Performance rights issued

No performance rights were granted to directors or key management personnel during the financial year ended 30 June 2022.

Shares issued during or since the end of the year as a result of exercise of Management Performance Rights

No shares were issued during or since the end of the year as a result of exercise of Management Performance Rights.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
9 April 2021	31 December 2022	$0.40	302,950
31 July 2021	30 June 2025	$0.60	2,300,000
14 October 2021	30 June 2025	$0.60	2,100,000

Events arising since the end of the reporting period

Since the end of the year, the Company was pleased to announce a strategic funding transaction with NIO Inc. enabling the Company to accelerate its exploration program at San Jorge Lithium Project and aligning NIO as the Company's potential joint venture and offtake partner. The key terms of the transaction are as follows:

- NIO 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 and a call option to acquire, at NIO's election, between 20% to 40% of the issued capital of Andes Litio SA, which holds options rights over the San Jorge Lithium Project.
- 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 for the San Jorge Lithium Project has been issued or obtained (which is required by 31 December 2023), based on certain assumptions and outcomes being achieved, which, could result in an exercise price of between US$40 million and US$80 million.
- NIO will have a right to a nominee on the board of the Company for so long as it continues to hold at least 10% of the shares.
- Upon exercise of the call option, NIO will have direct rights to offtake production in the San Jorge Lithium Project based on its then-effective equity interest in Andes Litio SA 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.
- The transaction remains subject to the satisfaction or waiver of various conditions precedent by 28 February 2023, including approval by the Company's shareholders in relation to the call option,

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offtake rights, the appointment of the NIO nominee to the Company's board, the release of existing security over certain assets in respect of the secured convertible notes on issue, various steps to be undertaken by the Company and Andes Litio 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 Litio.

- A minimum of 80% of the proceeds of the placement will be used for the San Jorge Lithium Project, with remaining amounts to be used for general working capital purposes and costs of the transaction.

Since the end of the year, the Company issued a further 2,000,000 ordinary shares to the vendors of Andes Litio SA.

Indemnities given to, and insurance premiums paid for, auditors and officers

Insurance of officers

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

Indemnity of auditors

The Group has agreed to indemnify its auditors, Grant Thornton, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Auditors independence declaration

Non-audit services

During the year, Grant Thornton, the Company's auditors, did not perform any other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit services provided during the year are set out in Note 33 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 24 of this financial report and forms part of this Directors' Report.

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Proceedings on behalf of the group

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of the proceedings.

REMUNERATION REPORT (Audited)

The Directors of Greenwing Resources Ltd (the Group) present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

Remuneration Policy

The principles used to determine the nature and amount of remuneration are applied through a remuneration policy which ensures the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration policy, setting the terms and conditions for the Directors and other executives has been developed by the Board and considers market conditions and comparable salary levels for entities of a similar size and operating in similar sectors.

The remuneration policy is to provide a fixed remuneration component and a specific equity related component if applicable. The Board believes that this remuneration policy is appropriate given the stage of development of the Group and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration framework has regard to shareholders' interests in the following ways:
- Focuses on sustained growth as well as on key non-financial drivers of value; and
- Attracts and retains high calibre executives.

The remuneration framework has regard to executives' interests in the following ways:
- Rewards performance, capability and experience;
- Reflects competitive reward for contributions to shareholder growth;
- Provides a clear structure for earning rewards; and
- Provides recognition for contribution.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought as deemed appropriate. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a general meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Non-Executive Directors' interests with shareholder interests, Non-Executive Directors are encouraged to hold shares in the Company and may receive options as long-term incentive remuneration.

The Board has resolved that Director's fees, for the Chairman will be $100,000 per annum, effective 1 July 2021 and for Non-Executive Directors will be $45,000 per annum, effective 1 April 2011. Shareholders approved on 30 November 2010 the aggregate remuneration for all non-executive directors at an amount of $350,000 per annum. This amount does not include the value of options provided to Non-Executive Directors or committee member fees.

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Any issue of shares, options or performance rights to Directors under the Greenwing Resources Ltd Employee Share and Option Plan will be subject to shareholder approval pursuant to the provisions of the ASX Listing Rules and the Corporations Act 2001.

From time to time Non-Executive Directors have undertaken specific tasks in addition to their role as Non-Executive Directors. The basis of remuneration for such tasks was agreed between the Non-Executive Director and the Company.

Executives

Executive Directors and executives receive either a salary plus superannuation guarantee contributions as required by law, or provide their services via a consultancy arrangement. Individuals may elect to sacrifice part of their salary to increase payments towards superannuation. Bonus payments are at the discretion of the Board and are based on an executive's performance. In addition, long term incentives are received through participation in the Greenwing Resources Ltd Employee Share and Option Plan.

The Board has resolved that Director's fees for the Executive Director will be $125,000 per annum, effective 1 July 2021.

Valuation methodology

All remuneration paid to Directors and executives is valued at cost to the Group and expensed. Options are valued using the Black-Scholes methodology and performance rights are valued using the Monte Carlo Simulation methodology. Both the options and performance rights are expensed over the vesting period.

Base salary

Executive remuneration is structured as a "total employment cost" package comprising cash, leave benefits and superannuation, and is reviewed annually with regard to competitiveness and performance. There are no guaranteed salary increases fixed in any senior executive contracts.

Greenwing Resources Ltd employee share loan scheme

There are no Employee Share Loans granted at reporting date.

Relationship between the remuneration policy and Group performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based incentive based on performance milestones, and the second being the issue of options and shares to directors, executives and employees to encourage the alignment of personal and shareholder interests. The performance milestones are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The performance milestones target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each performance milestone is based on the Group's production plans and respective industry standards.

Performance in relation to the performance milestones is assessed annually, with bonuses being awarded depending on the degree to which the milestone has been achieved. Following the assessment, the performance milestones are reviewed by the Remuneration Committee considering the desired and actual outcomes, and their effectiveness in achieving the Group's goals and shareholder returns. The performance milestones are then set for the following year.

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During each year directors and executives of the Group may be issued with performance rights, options and shares. The Board considers that this is an appropriate way to attract persons of experience and ability to the Group; foster and promote loyalty by providing an incentive to remain in the Group's employment for the long term; and to recognise the ongoing ability of key management personnel to contribute to the performance and success of the Group.

During the reporting period, the Company issued options to directors and executives.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four (4) financial years:

Item	2022	2021	2020	2019	2018
EPS (cents)	(3.74)	(7.93)	(22.5)	(14.5)	(11.0)
Dividends (cents per share)	-	-	-	-	-
Net (loss)/profit ($000's)	(4,195)	(6,277)	(12,628)	(7,551)	(4,448)
Share price ($)	$0.20	$0.25	$0.15	$0.40	$1.45

EPS and Share price for the financial years preceding 2022 have been adjusted for the 50:1 share consolidation completed in July 2021.

Performance conditions linked to remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of performance milestones and continued employment with the Group.

The objective of the reward scheme is to both reinforce the short and long-term goals of the Group and provide a common interest between management and shareholders.

The satisfaction of the performance conditions are evidenced by execution of contracts or agreements and whole of Board assessment and approval. The Board does not consider that performance conditions should include a comparison with factors external to the Group at this time.

The performance related proportions of remuneration paid during the year based on these targets are included in the remuneration table, refer to page 20.

Details of key management personnel

The Group considers the following persons as key management personnel:

Richard Anthon – Non-executive chairman - appointed 4 October 2013
Jeff Marvin – Non-executive director - appointed 12 June 2015
Peter Wright – Executive director - appointed 2 September 2016
James Brown – Non-executive director - appointed 15 June 2021
Tim McManus - Chief Executive Officer - appointed 7 July 2016, ceased 19 November 2021
Craig Lennon – Chief Executive Officer – appointed 16 November 2021
Angus Craig – Company Secretary – appointed 24 April 2020

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Refer to the remuneration table contained in the Directors' Report on page 20 for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2022.

Related party transactions

During the year, the Group paid management, underwriting and placement fees to Bizzell Capital Partners ("BCP") as part of BCP's role as corporate advisors to the Group. BCP actively managed the capital raising programs for the Group and Peter Wright (Executive Director) is an Executive Director of BCP. Total fees charged by BCP for the period was $281,326 including GST. During the year, the Group paid rent to Mallee Bull Investments Pty Ltd, a related party of Peter Wright totalling $33,000 including GST.

Employment contracts

The contract duration, period of notice and termination conditions for current key management personnel are as follows:

(i) Craig Lennon, Chief Executive Officer ("CEO")

Commenced with the Group on 16 November 2021. The fixed remuneration is A$300,000 per annum paid on a pro-rata basis of initially the equivalent of 2 days per week. In addition, the Group may, at the Board's absolute discretion, pay an annual cash bonus. In the event of a Corporate Action that results in a Change of Control Event, there will be entitlement to a cash bonus, payable at completion of the change of control event, of 50% of the total financial remuneration. Termination of the contract by the Group or by the CEO is 1 months' notice. The Group may terminate the contract at any time without notice if serious misconduct has occurred.

Long Term Incentives- Unlisted Options

Granted 400,000 unlisted options over ordinary shares exercisable at $0.60 each on or before 30 June 2025.

(ii) Tim McManus, Chief Executive Officer ("CEO") – ceased 19 November 2021

Commenced employment with the Group on 7 July 2016. His base salary was A$250,000 per annum, plus statutory superannuation. In addition, the Group may, at the Board's absolute discretion, pay the employee an annual cash bonus. In the event of a Corporate Action that results in a Change of Control Event, the employee will be entitled to a cash bonus, payable at completion of the change of control event, of 50% of the employee's total financial remuneration. Termination of the contract by the Group or by the employee is 4 months' notice or at Bass Metals' election by payment in lieu of notice. The Group may terminate the contract at any time without notice if serious misconduct has occurred.

(iii) Angus Craig, Company Secretary

Appointed Company Secretary of the Group on 24 April 2020. Services are provided on a month-by-month basis at a rate of $6,000 per month plus GST from 1 July 2021.

Long Term Incentives- Unlisted Options

Granted 500,000 unlisted options over ordinary shares exercisable at $0.60 each on or before 30 June 2025.

No other Director or key management personnel are employed under a written contract of service.

Other than the Group executives, no other person is concerned in, or takes part in, the management of, or has authority and responsibility for planning, directing and controlling the activities of the Group. As such, during the financial year, the Group did not have any person, other than directors and Group executives that complied with the definition of "Key Management Personnel" for the purposes of AASB

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124: Related Party Disclosures or "Company Executive" for the purposes of Section 300A of the Corporations Act 2001 ("Act").

Other Information

Voting and Comments made at the Group's last Annual General Meeting:

- The Board advise that all resolutions put to shareholders at the Group's 2021 AGM were passed.
- The Group received 98% "yes" votes on its Remuneration Report for the financial year ending 30 June 2021.
- The Group received no specific feedback on its Remuneration Report at the Annual General Meeting.

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Remuneration Report (Audited)

Compensation of Directors and Key Management Personnel for the year ended 30 June 2022
The following table discloses the remuneration of the key management personnel of the Group.

		Short-term employee benefits			Post-Employment benefits	Long term benefits – share based payments	Total	Equity based % of remuneration
		Cash salary and fees	Cash bonus	Termination benefit	Superannuation	Options		
		$	$	$	$	$	$	%
Mr P Wright [1]	**2022**	**120,000**	**6,500**	-	-	**85,150**	**211,650**	**40.2**
	2021	105,000	-	-	-	-	105,000	-
Mr R Anthon	**2022**	**100,000**	**6,500**	**-**	**-**	**85,150**	**191,650**	**44.4**
	2021	60,000	-	-	-	-	60,000	**-**
Mr J Marvin	**2022**	**45,000**	**-**	**-**	-	**65,500**	**110,500**	**59.3**
	2021	45,000	-	-	-	-	45,000	-
Mr J Brown [2]	**2022**	**45,000**	**-**	**-**	**-**	**65,500**	**110,500**	**59.3**
	2021	1,875	-	-	-	-	1,875	-
Mr T McManus (CEO) [3]	**2022**	**89,583**	**-**	**88,440**	**15,208**	**-**	**193,231**	**-**
	2021	246,875	-	-	23,453	-	270,328	-
Mr C Lennon (CEO) 4	**2022**	**67,500**	**5,500**	**-**	**-**	**60,800**	**133,800**	**45.4**
	2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mr D Round (Co. Sec.) [5]	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	90,436	-	-	1,044	-	91,480	-
Mr A Craig (Co. Sec.)	**2022**	**72,000**	**5,500**	**-**	**-**	**76,000**	**153,500**	**49.5**
	2021	48,000	-	-	-	-	48,000	-
Total	**2022**	**539,083**	**24,000**	**88,440**	**15,208**	**438,100**	**1,104,831**	**39.6**
	2021	597,186	-	-	24,497	**-**	621,683	-

Note 1: Peter Wright's Directors Fees were paid to Bizzell Capital Partners.
Note 2: James Brown was appointed as a director on 15 June 2021.
Note 3: Tim McManus ceased employment on 19 November 2021.
Note 4: Craig Lennon commenced employment on 16 November 2021.
Note 5: David Round ceased employment on 20 July 2020.

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Share-based compensation

Issue of options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Rick Anthon	650,000	31 July 2021	31 July 2021	30 June 2025	$0.60	$0.131
James Brown	500,000	31 July 2021	31 July 2021	30 June 2025	$0.60	$0.131
Jeff Marvin	500,000	31 July 2021	31 July 2021	30 June 2025	$0.60	$0.131
Peter Wright	650,000	31 July 2021	31 July 2021	30 June 2025	$0.60	$0.131
Angus Craig	500,000	14 October 2021	14 October 2021	30 June 2025	$0.60	$0.152
Craig Lennon	400,000	14 October 2021	14 October 2021	30 June 2025	$0.60	$0.152

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined by board discretion. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Directors				
Rick Anthon	85,150	-	-	44.4
James Brown	65,500	-	-	59.3
Jeff Marvin	65,500	-	-	59.3
Peter Wright	85,150	-	-	40.2
Group Executives				
Angus Craig	76,000	-	-	49.5
Craig Lennon	60,800	-	-	45.4
Tim McManus[1]	-	-	-	-

Note 1: Tim McManus ceased being a group executive on 19 November 2021.

Bonuses included in remuneration

$24,000 in bonuses were included in remuneration during the year. The one off cash bonuses were determined by board discretion.

Options included in remuneration

3,200,000 options have been granted as remuneration during the reporting period.

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Shares held directly and indirectly in the Group

The number of Shares held directly and indirectly in the Group are set out below.

2022	Balance at the start of the year	Effect of share consolidation	Purchased	Other changes [2]	Balance at the end of the year
Directors					
Rick Anthon	56,746,331	(55,611,404)	177,678	9,817	1,322,422
James Brown	-	-	41,667	-	41,667
Jeff Marvin	30,091,424	(29,489,596)	43,869	1,963	647,660
Peter Wright	46,600,000	(45,668,000)	276,338	4,908	1,213,246
Group Executives					
Angus Craig	15,333,897	(15,027,219)	118,584	15,335	440,597
Craig Lennon	-	-	-	-	-
Tim McManus [1]	21,511,360	(21,081,133)	-	(430,227) [1]	-
	170,283,012	**(166,877,352)**	**658,136**	**(398,204)**	**3,665,592**

Note 1: Tim McManus ceased being a group executive on 19 November 2021.
Note 2: Includes shares issued in lieu of cash interest payable on convertible notes.

Listed and unlisted options held directly and indirectly in the Group

The number of options to acquire shares in the Company by each of the key management personnel of the Group, including their related parties are set out below. When exercised each option is convertible to one ordinary share in the Company. There are no listed options held directly and indirectly in the Group.

2022	Balance at the start of the year	Granted	Exercised	Other changes	Vested and exercisable at the end of the year
Directors					
Rick Anthon	-	650,000	-	-	650,000
James Brown	-	500,000	-	-	500,000
Jeff Marvin	-	500,000	-	-	500,000
Peter Wright	-	650,000	-	-	650,000
Group Executives					
Angus Craig	-	500,000	-	-	500,000
Craig Lennon	-	400,000	-	-	400,000
Tim McManus [1]	-	-	-	-	-
	-	**3,200,000**	-	-	**3,200,000**

Note 1: Tim McManus ceased being a group executive on 19 November 2021.

2,300,000 unlisted options were issued to the Directors in July 2021 with an exercise price of $0.60 per share with an expiry date of 30 June 2025. 900,000 unlisted options were issued to the Group Executives in October 2021 with an exercise price of $0.60 per share with an expiry date of 30 June 2025.

Convertible notes held directly and indirectly in the Group

The number of convertible notes held directly and indirectly in the Group are set out below.

2022	Balance at the start of the year	Number of notes subscribed to	Other changes	Converted to ordinary shares	Balance at the end of the year
Directors					
Rick Anthon	7,179,981	-	-	-	7,179,981
James Brown	-	-	-	-	-
Jeff Marvin	1,435,997	-	-	-	1,435,997
Peter Wright	3,589,990	-	-	-	3,589,990
Group Executives					
Angus Craig	10,000,000	-	-	-	10,000,000
Craig Lennon	-	-	-	-	-
Tim McManus [1]	1,508,060	-	(1,508,060)	-	-
	23,714,028	**-**	**(1,508,060)**	**-**	**22,205,968**

Note 1: Tim McManus ceased being a group executive on 19 November 2021.

Following the consolidation of capital conducted in July 2021, each convertible note converts into 0.32 shares.

Performance Rights held by Key Management Personnel

No performance rights are held by Key Management Personnel.

(End of remuneration report)

Signed in accordance with a resolution of directors.

Rick Anthon
Chairman
Brisbane, Queensland
30 September 2022

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Auditor's Independence Declaration

To the Directors of Greenwing Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Greenwing Resources Limited for the year ended 30 June 2022, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

Cameron Smith
Partner – Audit & Assurance

Brisbane, 30 September 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Revenue from contracts with customers	5	-	19,143
Cost of sales	7(a)	-	(27,581)
Gross loss		-	(8,438)
Other income	6	139,609	1,218,566
Administration expenses	7(b)	(1,690,531)	(1,375,883)
Share based payments expense		(620,500)	-
Finance costs	7(c)	(1,445,659)	(1,156,263)
Foreign currency (loss) / gain	7(d)	(18,285)	(13,314)
Impairment losses	7(e)	(388,009)	(16,328)
Loss on changes to convertible notes terms	7(f)	-	(4,759,891)
Royalties expense		-	(72,081)
Loss before income tax from continuing operations		**(4,023,375)**	**(6,183,632)**
Income tax expense	8	-	-
Loss for the year from continuing operations		**(4,023,375)**	**(6,183,632)**
Loss after tax from discontinued operations	9	(172,123)	(93,443)
Loss for the year		**(4,195,498)**	**(6,277,075)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		113,023	(195,516)
Total comprehensive loss for the period, net of tax		**(4,082,475)**	**(6,472,591)**
Loss attributed to:			
Continuing operations		(3,910,352)	(6,379,148)
Discontinued operations		(172,123)	(93,443)
Total comprehensive loss attributed to:			
Owners of Greenwing Resources Ltd		**(4,082,475)**	**(6,472,591)**
Earnings per share for profit from continuing operations attributable to the owners of Greenwing Resources Ltd			
Basic and diluted loss per share from operations (cents)[1]	10	(3.59)	(7.81)
Earnings per share for profit from discontinued operations attributable to the owners of Greenwing Resources Ltd			
Basic and diluted loss per share from operations (cents)[1]	10	(0.15)	(0.12)
Earnings per share for profit attributable to the owners of Greenwing Resources Ltd			
Basic and diluted loss per share from operations (cents)[1]	10	(3.74)	(7.93)

Note 1: Earnings per share has been calculated on shares post-consolidation for the year ended 30 June 2021.

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 30 JUNE 2022

	Note	2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	11(a)	1,895,910	609,306
Trade and other receivables	12	154,259	250,529
Inventories	14	848,588	805,238
Other assets		97,897	120,129
Total Current Assets		**2,996,654**	**1,785,202**
NON-CURRENT ASSETS			
Trade and other receivables	12	500,000	500,000
Plant and equipment	16	3,569,873	3,906,997
Right of use assets	17	-	3,962
Exploration and evaluation assets	18	5,885,000	1,465,873
Assets classified as held for sale	18	-	-
Mine properties	19	2,234,157	2,234,157
Total Non-Current Assets		**12,189,030**	**8,110,989**
TOTAL ASSETS		**15,185,684**	**9,896,191**
CURRENT LIABILITIES			
Trade and other payables	21	935,270	805,467
Borrowings	22	3,973,389	10,801
Lease liabilities	23	-	4,367
Liabilities directly associated with assets classified as held for sale	25	500,000	379,134
Total Current Liabilities		**5,408,659**	**1,199,769**
NON-CURRENT LIABILITIES			
Borrowings	22	-	4,328,796
Provisions	24	248,704	224,058
Total Non-Current Liabilities		**248,704**	**4,552,854**
TOTAL LIABILITIES		**5,657,363**	**5,752,623**
NET ASSETS		**9,528,321**	**4,143,568**
EQUITY			
Issued capital	26	105,160,821	96,783,430
Reserves	27	6,222,985	5,020,125
Accumulated losses		(101,855,485)	(97,659,987)
TOTAL EQUITY		**9,528,321**	**4,143,568**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 June 2022

	Share capital	Share based payments reserve	Convertible notes reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 July 2021	**96,783,430**	**75,738**	**6,417,052**	**(1,472,665)**	**(97,659,987)**	**4,143,568**
Loss for the period	-	-	-	-	(4,195,498)	(4,195,498)
Other comprehensive income	-	-	-	113,023	-	113,023
Total comprehensive loss for the year	-	-	-	113,023	(4,195,498)	(4,082,475)
Transactions with owners, recorded directly in equity						
Shares issued during the period	7,571,771	-	-	-	-	7,571,771
Acquisition of subsidiary	-	720,000	-	-	-	720,000
Convertible notes converted to shares	1,273,199	-	(250,663)	-	-	1,022,536
Options issued	-	620,500	-	-	-	620,500
Cost of shares issued	(467,579)	-	-	-	-	(467,579)
Balance at 30 June 2022	**105,160,821**	**1,416,238**	**6,166,389**	**(1,359,642)**	**(101,855,485)**	**9,528,321**

	Share capital	Share based payments reserve	Convertible notes reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 July 2020	**93,931,109**	**918,983**	**1,236,079**	**(1,277,149)**	**(92,301,895)**	**2,507,127**
Loss for the period	-	-	-	-	(6,277,075)	(6,277,075)
Other comprehensive loss	-	-	-	(195,516)	-	(195,516)
Total comprehensive loss for the year	-	-	-	(195,516)	(6,277,075)	(6,472,591)
Transactions with owners, recorded directly in equity						
Shares issued during the period	1,870,588	-	-	-	-	1,870,588
Convertible notes terms amended	-	-	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	(245,039)	-	-	-	-	(245,039)
Balance at 30 June 2021	**96,783,430**	**75,738**	**6,417,052**	**(1,472,665)**	**(97,659,987)**	**4,143,568**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		121,000	343,707
Research and development grant		25,017	242,938
Government grants and subsidies		-	152,850
Return of funds held in trust		-	128,203
Sundry amounts received		62,172	4,354
Payments to suppliers and employees		(2,090,609)	(1,912,173)
Net cash used in operating activities	11b	**(1,882,420)**	**(1,040,121)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,230)	(19,052)
Payment for exploration and evaluation – investment		(252,925)	-
Payment for exploration and evaluation - expenditure		(2,006,691)	(888,616)
Interest received		1,318	7,592
Refund of security deposits		1,571	68,167
Net cash used in investing activities		**(2,264,957)**	**(831,909)**
Cash flows from financing activities			
Proceeds from issue of shares		6,013,500	1,063,398
Transaction costs on issue of shares and convertible notes		(535,970)	(164,599)
Repayment of leases		(4,367)	(121,160)
Interest paid		(3,248)	(6,295)
Net cash from financing activities		**5,469,915**	**771,344**
Net increase / (decrease) in cash and cash equivalents		**1,322,538**	**(1,100,686)**
Cash and cash equivalents at the beginning of the period		609,306	1,717,208
Exchange differences on cash and cash equivalents		(35,934)	(7,216)
Cash and cash equivalents at the end of the period	11a	**1,895,910**	**609,306**

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

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Notes to the consolidated financial statements

1. General information and statement of compliance

These consolidated financial statements and notes represent those of Greenwing Resources Ltd (the "Company") and its controlled entities (the "Consolidated Group" or "Group"). Greenwing Resources Ltd is the Group's ultimate parent company (the "Parent entity") and is a public company incorporated and domiciled in Australia.

Financial information of the parent entity, Greenwing Resources Ltd, is presented in Note 37.

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The Financial Report was approved by the Board of Directors on 30 September 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. Summary of accounting policies

Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Basis of consolidation

At reporting date, the Company has seven subsidiaries, Graphmada Mauritius (registered in Mauritius), Graphmada SARL (registered in Madagascar), Limada SARL (registered in Madagascar), Critical Minerals USA LLC (registered in USA), Andes Litio SA (registered in Argentina), Bass Metal Holdings Pty Ltd and Critical Minerals Technologies Pty Ltd (both registered in Australia).

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Three subsidiaries have a different reporting date other than 30 June, however they have provided financial information to allow the consolidated Group financial statements to be prepared based on a 30 June reporting date.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries

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2. Summary of accounting policies (continued)

between the owners of the parent and the non-controlling interests based on their respective ownership interests. There are no non-controlling interests in the Group during the year.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets and liabilities assumed are generally measured at their acquisition-date fair values.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Parent Company. The functional currency of the Company subsidiaries Graphmada SARL, Graphmada Mauritius, Limada SARL, and Andes Litio SA is US Dollars being the currency which sales and material expenses are transacted. These subsidiary financial statements are translated into Australian Dollars in accordance with Australian Accounting Standards as detailed below.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the $AUD are translated into $AUD upon consolidation. On consolidation, all monetary assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Non-monetary items are not retranslated at year-end and are measured at historical cost, these are translated into $AUD using the exchange rates at the date of the transaction. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate at the date of acquisition. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

Segment reporting

Management currently identifies three 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 on the basis of adjusted segment operating results.

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. All inter-segment transfers are carried out at arm's length prices.

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2. Summary of accounting policies (continued)

The measurement policies the Group uses for segment reporting under the Accounting Standards are the same as those used in its financial statements, except those expenses relating to discontinuing operations (refer Note 9) are not included in arriving at the operating profit of the operating segments. In addition, non-current exploration and evaluation asset held for sale are assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. There have been no other changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Revenue and other income

Revenue arises from the sale of graphite concentrate.

To determine whether to recognise revenue, the Group follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into transactions with customers involving a range of the Group's graphite concentrate specifications. The total transaction price for a contract is based on the relative stand-alone market selling prices determined by reference to the carbon content, the graphite mesh or flake size and the current international USD graphite price.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities on the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of graphite concentrate
Sale of graphite concentrate is recognised when the Group has transferred control of the goods to the buyer, generally when the customer has taken undisputed delivery of the goods. This occurs when goods are physically collected from the Group's premises by or on behalf of the customer, or when the sea container containing the goods to be exported have been sealed for customs export purposes.

Interest income
Interest is reported on an accrual basis using the effective interest method.

Other Income
Other income is recognised as and when it is receivable and has been recorded as part of other receivables if it has not yet been received.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the mining process as well as directly related production costs based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

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2. Summary of accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs

incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its useful life. Right-of-use assets are subject to impairment or adjusted for any measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expenses to profit or loss as incurred.

Property, plant and equipment

Equipment is initially recognised at acquisition or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset which is the period which the Company expects the use of the asset.

The Group uses the units of production basis when depreciating specific assets which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

The useful lives used for depreciation and amortisation of assets included in property, plant and equipment are presented below:
- Buildings and infrastructure: 5 to 25 years
- Plant & equipment: 2 to 25 years
- Motor vehicles: 3 to 5 years

Material residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss and other comprehensive income within other income or other expenses.

Exploration and evaluation

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:
- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Once the legal right to explore has been obtained, exploration and

2. Summary of accounting policies (continued)

evaluation expenditure is charged to profit or loss and other comprehensive income as incurred if the Group concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Exploration and evaluation expenditure is capitalised in the year in which it is incurred when the following conditions are satisfied:

- The rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

  (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mine properties

Mine properties includes capitalised development expenditure, rehabilitation costs and accumulated amortisation.

Development expenditure
Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and expenditure transferred from the capitalised exploration and evaluation expenditure phase.

Development expenditure also includes goodwill paid on a business combination relating to a mining operation. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

Rehabilitation costs
Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates for current costs and currently legal requirements and technology.

Any changes in the estimates are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Amortisation of Development expenditure and rehabilitation costs
Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the depletion of

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2. Summary of accounting policies (continued)

proved and probable reserves. Mine properties are tested for impairment in accordance with the following policy on *Impairment Testing of Non-Financial Assets.*

Impairment testing of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Any impairment loss is charged pro rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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2. Summary of accounting policies (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The Group has no financial assets at fair value through profit or loss at the reporting date.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. The Group has no equity instruments at fair value through other comprehensive income as at the reporting date.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI. The Group has no debt instruments at fair value through other comprehensive income as at the reporting date.

Any gains or losses recognised in OCI will be reclassified to profit or loss upon derecognition of the asset.

Impairment of financial assets

The Group uses forward-looking information to recognise expected credit losses and considers a broad range of information when assessing credit risk and measuring expected credit losses. This includes past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Instruments that are captured under this requirement includes trade and other receivables.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

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2. Summary of accounting policies (continued)

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Income taxes

Tax expense recognised in profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss and other comprehensive income in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss and other comprehensive income, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Non-current assets and liabilities classified as held-for-sale and discontinued operations

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within 12 months is highly probable, the asset or disposal group is classified as "held for sale" and presented separately in

2. Summary of accounting policies (continued)

the statement of financial position. Liabilities are classified as "held for sale" and presented as such in the statement of financial position if they are directly associated with a disposal group.

The Group has determined that its Tasmanian Non-Current Exploration and Evaluation asset held for sale shall be designated in this category.

Assets classified as "held for sale" are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some "held for sale" assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. Once classified as "held for sale", the assets are not subject to depreciation or amortisation.

Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises of the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

The Group has determined that its Tasmanian Non-Current Exploration and Evaluation asset held for sale shall be designated in this category.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit and loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non–monetary benefits and annual leave expected to be settled wholly with 12 months of reporting date are recognised as provisions in respect of employee services up to reporting date. They are measured at the amounts that are expected to be paid when the liabilities are settled.

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2. Summary of accounting policies (continued)

Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include:
(a) Foreign currency translation reserve which records the exchange differences arising from translation of financial statements of foreign operations into Australian dollars;
(b) the Share option reserve which comprises costs associated with share-based payments (see Share-based employee remuneration); and
(c) equity portion of convertible notes.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (i.e.: profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss and other comprehensive income with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

Transactions with parties other than employees

The Group enters into share based payment transactions where the Group receives goods or services as consideration for its own equity instruments (including shares or options). The goods or services received or acquired in a share-based payment transaction are recognised when the entity obtains the goods or as the services are received. Accordingly, the entity recognises an increase in equity in an equity settled share-based payment transaction. When recognising share-based payments arising from grant of an equity instrument, an entity considers the effect of any vesting conditions. The Group measures the goods and services received, and the corresponding increase in equity at the fair value of the goods or services received, unless that fair value cannot be reliably estimated, at which time the Group measures the fair value indirectly by reference to the fair value of the equity instruments granted.

In the current year the Group issued shares to acquire Andes Litio SA (refer to note 13). The consideration paid in the form of equity instruments has been accounted for as a share based payment by reference to the fair value of the asset acquired. Shares to be issued as part of the deferred consideration are recorded in the share based payment reserve as at 30 June 2022.

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2. Summary of accounting policies (continued)

Provisions, contingent assets and liabilities

General

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of: (a) a past event; (b) it is probable that an outflow of economic resources will be required from the Group; and (c) amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Rehabilitation provision

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs.

Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST and VAT incurred is not recoverable from the Tax Office. In these circumstances the GST and VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST and VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST and VAT components of investing and financing activities, which are disclosed as operating cash flows.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

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2. Summary of accounting policies (continued)

Included within other income is the research and development tax incentive. Research and development tax incentive is recognised in the period in which the related expenses were incurred.

Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Convertible notes

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.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Provision for restoration and rehabilitation

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent, timing and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The Group's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. Management will increase the depreciation and amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise

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2. Summary of accounting policies (continued)

an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Exploration and evaluation

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The determination of an Australasian Joint Ore Reserves Committee Code (JORC) resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers E&E expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Ore reserve and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties, plant and equipment and goodwill (mine properties – development asset) may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the statement of financial profit or loss and other comprehensive income may change where such charges are determined using the units of production method, or where the useful life of the related assets change
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of ore reserves and mineral resources may change.

The Group estimates and reports mineral resources in line with the principles contained in the 2004 and 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Provision for impairment of Inventory

The Group estimates the value of equipment, spares and consumables that are on hand and that can be used in the production of graphite. Judgement is exercised by the Group in determining whether these parts will be realised through future production.

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2. Summary of accounting policies (continued)

Accounting for the acquisition of Andes Litio SA

During the year, Greenwing Resources acquired Andes Litio SA, an entity domiciled in Argentina which has an option agreement to acquire 100% of the San Jorge Lithium Brine Project. Judgement was required to be exercised in determining this transaction was to be accounted for as an asset acquisition, rather than a business combination, due to the transaction not meeting the definition of a "business" in accordance with AASB 3 Business Combinations.

Trreatment of uncertain tax positions

The Company's wholly owned subsidiary, Graphmada SARL, has been advised by the Madagascan tax authorities that it is reviewing tax lodgements for 2017-2018 and separately 2019-2021.

Subsequent to year end, an assessment was received from the tax authorities claiming a potential tax liability of AUD$222,734 (ARIARY 618,704,753) relating to the 2017 and 2018 years. The Company does not agree with some of the interpretations applied to reach this position and is in the process of challenging this assessment.

In relation to the 2019 - 2021 years, these reviews are in the preliminary stage, and the Company has not yet received any formal notice and accordingly is not able to quantify the potential financial outcome at this time. It is noted that the level of operating and financial activity has reduced significantly during this period following the Graphmada mine ceasing processing in December 2019, which was then followed the onset of COVID-19.

No provision has been recorded in the year ended 30 June 2002. The directors have concluded that it is probable the Company's view will be accepted by the taxation authority and as such no liability has been recognised, which is consistent with the tax treatment in the lodged filings which will be defended.

Graphmada has VAT receivable of AUD$769,618 as at 30 June 2022 (refer note 12). As VAT refunds have not been received since the on-set of COVID-19, this amount has been fully impaired as at 30 June 2022.

3. Changes in accounting policies

There are no other new standards and interpretations in issue which are mandatory for 30 June 2022 reporting periods that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. Going concern

The financial report for the year ended 30 June 2022 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 year, the Group reported a loss after tax of $4,195,498 (2021 loss: $6,277,075). Net cash operating cash outflows were $1,882,420 (2021 outflow: $1,040,121). In addition, current assets were $2,996,654 and current liabilities were $5,408,659 resulting in a net current asset deficit of $2,412,005 (2021: net current asset surplus $585,433). Prima facie, these factors indicate the existence of a material uncertainty relating to 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.

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5. Segment reporting

Management currently identifies three 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.

Factors which assist management in identifying reportable segments are broadly based on where project expenditure is to be spent in accordance with the Group's strategic outlook.

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:

Year to 30 June 2022

	Graphite Mining	Exploration - Lithium	Total
India	-	-	-
Europe	-	-	-
USA	-	-	-
Total	**-**	**-**	**-**

Year to 30 June 2021

	Graphite Mining	Exploration - Lithium	Total
India	19,143	-	19,143
Europe	-	-	-
USA	-	-	-
Total	**19,143**	**-**	**19,143**

Year to 30 June 2022

	Graphite Mining	Exploration - Lithium	Total
Revenue at a point in time	-	-	-
Total	**-**	**-**	**-**

Year to 30 June 2021

	Graphite Mining	Exploration - Lithium	Total
Revenue at a point in time	19,143	-	19,143
Total	**19,143**	**-**	**19,143**

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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:

Year to 30 June 2022	Advanced Materials	Graphite Mining	Exploration - Lithium	Total
Revenue				
From external customers	-	-	-	-
Segment revenues	**-**	**-**	**-**	**-**
Segment operating profit	**(265,043)**	**(844,713)**	**(5,508)**	**(1,115,264)**
Segment assets	**124,353**	**9,003,511**	**1,894,311**	**11,022,175**

Year to 30 June 2021	Advanced Materials	Graphite Mining	Exploration - Lithium	Total
Revenue				
From external customers	-	19,143	-	19,143
Segment revenues	**-**	**19,143**	**-**	**19,143**
Segment operating profit	**-**	**(441,497)**	**(15,695)**	**(457,192)**
Segment assets	**-**	**7,610,989**	**-**	**7,610,989**

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

	2022 $	2021 $
Profit or Loss		
Total reportable segment operating profit	(1,115,264)	(457,192)
Loss on convertible notes liability	-	(1,074,464)
Loss on conversion of convertible notes	-	(3,685,427)
Employee equity based benefits	(620,500)	-
Corporate costs, head office costs, or similar	(2,287,611)	(966,549)
Discontinued operations, refer Note 9	(172,123)	(93,443)
Group operating profit	**(4,195,498)**	**(6,277,075)**
Group profit before tax	**(4,195,498)**	**(6,277,075)**

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6. Other income

	2022	2021
	$	$
Government grants and subsidies	-	152,850
Interest received	1,318	7,592
Rent and access fees received	95,000	237,853
Research and development grant	25,017	434,107
Sundry income	18,274	3,775
Write back of rehabilitation provision	-	382,389
Total other income	**139,609**	**1,218,566**

7. Loss for the period

The loss for the period is stated after the following:

	2022	2021
	$	$
7 (a) Cost of sales		
Direct mine operating expense	-	27,581
Depreciation expense	-	-
Total cost of sales	**-**	**27,581**
7 (b) Administration expenses		
Mine administration expense:		
Depreciation	3,961	18,550
Other administrative expenses	53,265	109,033
Total mine administration expenses	57,226	127,583
Corporate administration:		
ASIC, ASX and registry fees	116,553	76,760
Contracting & consulting expenses	140,341	139,779
Depreciation	445	35,818
Director fees	336,271	219,607
Employee benefits expense	249,977	392,988
Investor relations	45,086	-
Legal expenses	7,610	49,577
Other administration expenses	433,282	204,147
Rental expenses	39,304	72,124
Research and development expenses	242,827	57,500
Travel expenses	21,609	-
Total corporate administration expenses	1,633,305	1,248,300
Total administration expenses	**1,690,531**	**1,375,883**
7(c) Finance costs		
Unwinding of discount on provision and liabilities directly associated with assets classified as held for sale	145,512	-
Interest expense	3,175	4,567
Interest on lease liabilities	73	6,277
Interest on convertible notes	1,296,899	1,145,419
Total finance costs	**1,445,659**	**1,156,263**
7(d) Foreign currency (gain) / loss		
Foreign currency (gain) / loss - realised	(17,751)	6,098
Foreign currency (gain) - unrealised	36,036	7,216
Total foreign currency (gain) / loss	**18,285**	**13,314**

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7. Loss for the period (continued)

	2022 $	2021 $
7(e) Impairment losses		
VAT receivable	388,009	16,328
Total impairment losses	**388,009**	**16,328**
7(f) Loss on changes to convertible terms		
Loss on convertible note liability	-	1,074,464
Loss on convertible note equity	-	3,685,427
Total convertible note losses	**-**	**4,759,891**

8. Income tax expense

The prima facie tax on loss before income tax is reconciled as follows:

	2022 $	2021 $
(a) The components of tax expense comprise:		
Current tax	-	-
Under provision in respect of prior years	-	-
	-	-
(b) Amounts recognised in equity		
Convertible note	1,541,597	1,668,434
	1,541,597	1,668,434
(c) Loss before income tax	(4,195,498)	(6,277,075)
The prima facie tax on loss before income tax at 25% (2021: 26%)	(1,048,874)	(1,632,039)
Non assessable income	-	(129,704)
Non-deductible expenditure	55,235	2,176,756
Impact of different exchange rates	36,905	91,995
Deferred tax asset not brought to account	(1,638,796)	(1,780,475)
Deferred tax liability not brought to account	1,590,158	1,668,434
Tax losses not brought to account / (recouped)	1,005,372	(394,967)
Income tax (benefit) attributable to loss from ordinary activities	-	-

Unrecognised temporary differences

At 30 June 2022, there are no unrecognised temporary differences associated with the Group's investments as the Group has no liability for additional taxation should unremitted earnings be remitted (2021: $Nil).

	2022 $	2021 $
(d) Deferred tax balances		
The following deferred tax assets and liabilities have been recognised and brought to account:		
Deferred tax asset – losses available	1,561,760	1,683,494
Deferred tax liability – prepayments	(20,162)	(15,060)
Deferred tax liability – convertible notes	(1,541,597)	(1,668,434)
Net recognised tax balances	-	-

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8. Income tax expense (continued)

	2022 $	2021 $
The following deferred tax assets and liabilities have not been brought to account:		
Unrecognised deferred tax assets comprise:		
Australian tax losses – revenue	12.134,564	11,515,095
Australian tax losses - capital	4,748,733	4,938,682
Madagascan tax losses – revenue	3,284,385	3,356,527
Mauritian tax losses – revenue	334,545	195,722
Capital raising costs	91,074	100,143
Accruals and Provisions	35,564	37,003
	20,628,865	**20,143,172**

Deferred tax asset not recognised is $20.6 million (2021: $20.1 million) which is represented by $17.0 million (2021: $16.6 million) from Australian based operations carried forward tax losses and undisclosed tax losses of $3.6 million (2021: $3.5 million) from overseas subsidiaries based on prior years lodged tax returns and the accounting losses for the periods to 30 June 2022.

The deferred tax balances have been recognised at the current tax rate of 25% (2021: 26%).

The deductible temporary differences and tax losses do not expire under current tax legislation. Madagascan Tax Losses expire after a period of 5 years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

9. Loss attributable to discontinued operations

The Company has signed an agreement to sell its Tasmanian exploration assets which is subject to a number of customary conditions for an agreement of this type. 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*).

Financial performance information

	2022 $	2021 $
Que River remediation contribution	40,000	-
Que River operating infrastructure – care & maintenance	(212,123)	93,443
Total expenses	**(172,123)**	**(93,443)**
Loss before income tax	(172,123)	(93,443)
Income tax expense	-	-
Loss after income tax from discontinued operations	**(172,123)**	**(93,443)**

Cash flow information

	2022 $	2021 $
Net cash used in operating activities	(160,356)	(93,443)
Net decrease in cash and cash equivalents from discontinued operations	**(160,356)**	**(93,443)**

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10. Earnings per share

	2022 $	2021 $
Earnings per share from continuing operations		
Loss for the period after income tax attributable to the owners of Greenwing Resources Ltd used in calculating diluted earnings per share	(4,023,375)	(6,183,632)

	Cents	Cents
Basic and diluted earnings per share	(3.59)	(7.81)

	2022 $	2021 $
Earnings per share from discontinued operations		
Loss for the period after income tax attributable to the owners of Greenwing Resources Ltd used in calculating diluted earnings per share	(172,123)	(93,443)

	Cents	Cents
Basic and diluted earnings per share	(0.15)	(0.12)
Earnings per share		
Loss for the period after income tax attributable to the owners of Greenwing Resources Ltd used in calculating diluted earnings per share	(4,195,498)	(6,277,075)

	Cents	Cents
Basic and diluted earnings per share	(3.74)	(7.93)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	112,161,045	79,115,628

The weighted average numbers of ordinary shares used in the earnings per share calculated has been updated to reflect the 50:1 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.

11. Cash and cash equivalents

(a): Cash and cash equivalents include the following components:

	2022 $	2021 $
Cash at bank and in hand:		
Australian dollars	1,876,495	588,961
United States dollars	3,636	466
Madagascar Ariary	15,779	9,078
	1,895,910	**598,505**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The Group deposits cash surpluses only with major banks of high-quality credit standing.

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11. Cash and cash equivalents (continued)

(b) Reconciliation of cash flows from operations with loss after income tax

	2022 $	2021 $
Operating loss after income tax	**(4,195,498)**	**(6,277,075)**
Adjustments for:		
Depreciation & amortisation	4,407	54,368
Impairment losses	388,009	16,328
(Profit) / loss on the disposal of plant and equipment	-	51,994
Early termination of leases	-	55,600
Loss on convertible notes liability	-	1,074,464
Loss on change in conversion ratio of convertible notes	-	3,685,427
Write back of rehabilitation provision	145,512	(382,389)
Write back of right-of-use assets	-	(1,462)
Unrealised foreign exchange gain	144,159	(180,842)
Non cash settlement of convertible note accrued interest	1,296,899	1,145,419
Non-cash settlement of directors fees and capital raising costs	136,500	170,102
Non-cash settlement of unlisted options	620,500	-
Non-cash settlement of shares issued	42,000	-
Add: Finance expense (disclosed in financing activities)	3,248	10,844
Less: Finance income (disclosed in investing activities)	(1,318)	(7,592)
Net changes in working capital:		
Change in other current assets	23,115	(42,822)
Change in trade and other receivables	(245,449)	87,452
Change in inventories	(43,350)	121,614
Change in trade and other payables related to operating activities	(201,154)	(621,551)
Net cash used in operating activities	**(1,882,420)**	**(1,040,121)**

12. Trade and other receivables

	2022 $	2021 $
Current		
Trade receivables	-	16,500
VAT receivable	769,618	389,295
Allowance for credit losses	(769,618)	(389,295)
Other receivables	154,259	234,029
	154,259	**250,529**
Non-current		
Other security deposits (1)	500,000	500,000
	500,000	**500,000**

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. Information regarding credit, foreign exchange and liquidity risk exposure is set out in Note 30.

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13. Acquisitions

On 14 September 2021, the Group acquired 100% of the equity instruments of Andes Litio SA. Andes Litio has an option agreement to acquire up to a 100% interest in the San Jorge Lithium Brine Project. The consideration payable is as follows:

	$
First milestone payment – settled in July 2021	375,000
Second milestone payment – settled in September 2021	375,000
Third milestone payment – settled in September 2022	720,000
Acquisition of Andes Litio (refer note 18)	1,470,000

The acquisition has been accounted for as an asset acquisition rather than a business combination, due to the entity not meeting the definition of a "business" in accordance with AASB3 Business Combinations. Consideration paid in the form of equity instruments to date (first and second milestone payments) has been recorded in issued capital. Deferred consideration payable (third milestone payment) has been accounted for as a share-based payment and recorded in the share-based payments reserve. The third milestone payment was subject to shareholder approval prior to issue which was received on 28 June 2022, and the share were subsequently issued on 27 September 2022.

The acquisition of Andes Litio has resulted in a significant increase to the carrying value of assets as recognised as exploration and evaluation assets. Refer to Note 18.

The purchase agreement provides that contingent consideration of up to $2,000,000 in shares may be payable in further 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 contingent consideration will be paid if the above milestones are achieved. This has been disclosed as a contingent liability as at 30 June 2022. Refer to Note 34.

14. Inventories

	2022 $	2021 $
Equipment spares and consumables	718,511	719,508
Ore stockpiles	76,782	70,836
Graphite in circuit	4,061	3,746
Graphite concentrate	49,234	11,148
	848,588	**805,238**

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

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15. Financial assets and liabilities

Categories of financial assets and liabilities
Note 2 provides a description of each category of financial assets and liabilities and the related accounting policies.

The carrying amounts of financial assets and financial liabilities in each category are as follows:

2022	Notes	Amortised cost	Assets at fair value through profit or loss (FVPL)	Debt fair value through other comprehensive income (FVOCI)	Equity fair value through other comprehensive income (FVOCI)	Total
		$	$	$	$	$
Financial assets						
Cash and cash equivalents	11a	1,895,910	-	-	-	1,895,910
Trade and other receivables - current	12	-	-	-	-	-
Trade and other receivables – non-current	12	500,000	-	-	-	500,000
		2,395,910	**-**	**-**	**-**	**2,395,910**

2022	Notes	Derivatives used for hedging (FV)	Other liabilities (amortised cost)	Total
		$	$	$
Financial liabilities				
Trade and other payables	21	-	935,270	935,270
Borrowings	22	-	3,973,389	3,973,389
		-	**4,908,659**	**4,908,659**

2021	Notes	Amortised cost	Assets at fair value through profit or loss (FVPL)	Debt fair value through other comprehensive income (FVOCI)	Equity fair value through other comprehensive income (FVOCI)	Total
		$	$	$	$	$
Financial assets						
Cash and cash equivalents	11a	598,505	-	-	-	598,505
Trade and other receivables - current	12	16,500	-	-	-	16,500
Trade and other receivables – non-current	12	500,000	-	-	-	500,000
		1,115,005	**-**	**-**	**-**	**1,115,005**

2021	Notes	Derivatives used for hedging (FV)	Other liabilities (amortised cost)	Total
		$	$	$
Financial liabilities				
Trade and other payables	21	-	805,467	805,467
Borrowings	22	-	4,339,597	4,339,597
Lease liabilities	23		4,367	4,367
		-	**5,149,971**	**5,145,971**

16. Plant and equipment

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

2022	Plant & equipment $	Motor vehicles $	Capital work in progress $	Buildings & infrastructure $	Total $
Gross carrying amount					
Balance 1 July 2021	4,298,854	1,392,189	101,589	854,962	6,647,594
Additions	3,262	-	4,968	-	8,230
Transfer	-	-	(106,557)	106,557	-
Disposal	-	-	-	-	-
Balance 30 June 2022	**4,302,116**	**1,392,189**	**-**	**961,519**	**6,655,824**
Depreciation and impairment					
Balance 1 July 2021	(1,920,174)	(535,320)	-	(285,103)	(2,740,597)
Depreciation	(230,698)	(80,547)	-	(38,890)	(350,135)
Disposal	-	-	-	-	-
Foreign exchange movement	4,781	-	-	-	4,781
Balance 30 June 2022	**(2,146,091)**	**(615,867)**	**-**	**(323,993)**	**(3,085,951)**
Carrying amount 30 June 2022	**2,156,025**	**776,322**	**-**	**637,526**	**3,569,873**

2021	Plant & equipment $	Motor vehicles $	Capital work in progress $	Buildings & infrastructure $	Total $
Gross carrying amount					
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)
Balance 30 June 2021	**4,298,854**	**1,392,189**	**101,589**	**854,962**	**6,647,594**
Depreciation and impairment					
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)
Balance 30 June 2021	**(1,920,174)**	**(535,320)**	**-**	**(285,103)**	**(2,740,597)**
Carrying amount 30 June 2021	**2,378,680**	**856,869**	**101,589**	**569,859**	**3,906,997**

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.

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17. Right-of-use assets

	2022 $	2021 $
Gross carrying amount – office and warehouse rent leases		
Balance 1 July	3,962	102,572
Additions	-	25,059
Disposals	-	(70,626)
Depreciation	(3,962)	(53,043)
Carrying amount 30 June	**-**	**3,962**

18. Exploration and evaluation assets

	2022 $	2021 $
Exploration and evaluation expenditure consist of:		
Graphmada and Limada exploration	3,655,029	1,465,873
San Jorge exploration	2,229,971	-
	5,885,000	**1,465,873**

Refer to Tenements Listing on page 77 for detail of the exploration licences held by the Group.

Movement in carrying amount:
Movement in the carrying amounts for exploration and evaluation expenditure between the beginning and the end of the current period:

	2022 $	2021 $
Carrying amount 1 July	1,465,873	-
Investment expenditure incurred during the year – San Jorge	583,700	-
Acquisition of San Jorge (note 13)	1,470,000	-
Expenditure incurred during the year – San Jorge and Graphmada	2,365,427	1,465,873
Carrying amount 30 June	**5,885,000**	**1,465,873**

Carry forward exploration and evaluation expenditure
The recovery of the costs of exploration and evaluation expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits and their subsequent development and exploitation or alternatively their sale.

Exploration and evaluation assets held for sale
The Tasmanian assets held for sale are fully impaired and carried at nil value having been previously recognised as *Capitalised Exploration and Evaluation Assets Held for Sale* in the Statement of Financial Position.

Impairment and write-off
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Management regularly evaluates the recoverability of exploration and evaluation assets.

19. Mine properties

Capitalised development and rehabilitation expenditure consist of:

	2022	2021
	$	$
Acquisition of mining assets – Graphmada	5,070,019	5,070,019
Capitalised rehabilitation costs – Graphmada[1]	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)
	2,234,157	**2,234,157**

Mine properties are amortised based on the "units of production" method. No amortisation has been recognised in the current year as there has been no production.

Movement in carrying amount:
Movement in the carrying amounts for mine development and rehabilitation expenditure between the beginning and the end of the current period:

	2022	2021
	$	$
Carrying amount 1 July	2,234,157	2,234,157
Carrying amount 30 June	**2,234,157**	**2,234,157**

Note 1: Rehabilitation costs expected to be incurred upon closure of the Graphmada mine in Madagascar, refer Note 24.

20. Impairment testing of non-current assets

In accordance with the Group's accounting policies and processes, the Group performs its impairment assessment annually at 30 June. Non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment.

When indicators of impairment exist, a formal estimate of the recoverable amount is made. External and internal indicators of impairment as at 30 June 2022 included;

- the mine being in care and maintenance whilst further exploration is undertaken;
- increased expected future costs of production; and
- under-utilisation of the processing plant.

Due to the indicators above, the Group assessed the recoverable amounts of its major Cash-Generating-Unit ("CGU"), relating to the mining operations.

a) Impairment testing

i) Methodology
Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount being the value in use of the CGU has been estimated using the discounted cashflows method based on the Group's recoverable minerals.

Value in use is estimated based on discounted cash flows using market-based commodity price, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements detailed in the Company's Life of Mine ("LOM") plan. The 2022 LOM plan utilises an estimated 6-year production timeframe based on the expansion of production to 40,000 tonnes of saleable concentrates per annum, utilising 100% Measured and 60% Indicated Mineral Resources estimated in accordance with the JORC Code 2012. No Inferred Mineral Resources were utilised in LOM planning.

Significant judgements and assumptions are made by the Group to determine value in use. This includes assessing variable key assumptions such as market prices, cost structures, production utilisation and capacity, available minerals and discount rates. Any change in these variable assumptions can cause adverse changes in one or more of the assumptions used to estimate value in use.

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20. Impairment testing of non-current assets (continued)

ii) Key assumptions
The table below summarises the key assumptions used in the 30 June 2022 carrying value assessments. Comparison to the prior period has been provided.

Assumptions	Unit	2022 (2026-2043)	2021 (2022-2027)
Projected average graphite price	US$/ton	1,077	868
Projected average C1 costs [1]	US$/ton	469	404
Pre-Tax discount rate (%)	%	14.8	14.8
Mineral resource (M&I only) [2]	Contained Graphite Tonnes (000's)	1,263	207
Production capacity per annum	Tonnes (000's)	20 – 40[3]	20 – 40[3]
Production start date		2026	2024
Production end date		2043	2027

Note 1: C1 costs represents the cash cost of running the mining operation in Madagascar. These are production and local administration costs and excludes royalties, taxation, capital expenditure and exploration costs.

Note 2: The Company continues to undertake drilling programs with the intention of materially increasing its Mineral Resource. The Contained Graphite only includes Measured and 60% of Indicated Mineral Resources.

Note 3: The Production Capacity increase would require a substantial investment by the Company before 40,000t annual production capacity could be achieved

Commodity prices
Commodity prices are estimated with reference to external, independent market forecasts and reviewed at least annually. The price applied is conservative and has taken into account observable market data.

Discount rate
The future cash flows of the CGU are discounted by the estimated real after tax weighted average cost of capital ("WACC"), pursuant to the Capital Asset Pricing Model. The denominal pre-tax WACC has been derived from comparable company analysis, in addition to the WACC rate of the group's mining operations being the primary CGU.

Production activity and operating and capital costs
LOM production activity and operating and capital cost assumptions are based on the Group's latest five-year budget and expansion studies. Discounted cash flows include expected cost improvements and sustaining capital requirements. Estimated production is assumed consistent with the capacity constraint of the proposed Process Plant taken into account while assuming a constant recovery rate.

Resources and reserves
Mineral resource tonnes were based on the Group's JORC 2012 compliant Mineral Resource Statement detailed on page 6.

iii) Impacts

Due to the recoverable amount of the Group's mining operations CGU being more than the estimated carrying amount, no impairment charge was required for the year ending 2022 (2021: nil):

Description	Note	2022 Carrying amt $	2022 Impairment $	2022 Balance $	2021 Carrying amt $	2021 Impairment $	2021 Balance $
Plant & equipment	16	3,569,873	-	3,569,873	3,906,997	-	3,906,997
Exploration & evaluation	18	3,665,029	-	3,665,029	1,465,873	-	1,465,873
Mine properties	19	2,234,157	-	2,234,157	2,234,157	-	2,234,157
Total		9,469,059		9,469,059	7,607,027		7,607,027

Based on current assumptions, the recoverable amount is estimated to be $88.4 million.

20. Impairment testing of non-current assets (continued)

b) Sensitivity analysis
Variations in any key assumptions may result in a change to the estimated recoverable amount, indicating an impairment to non-current assets.

The changes to estimated key assumptions would have the following approximate impact on the recoverable amount of the CGU in its functional currency that has been subject to impairment in the 30 June 2022 statutory accounts:

Assumption changes	2022 Effect on recoverable amount $
US $100 per tonne increase in graphite price	26,000,000
US $100 per tonne decrease in graphite price	(26,000,000)
1% increase in the discount rate	(4,800,000)
1% decrease in the discount rate	11,100,000
5% increase in operating costs	(6,300,000)

In addition to the above, the level of production activity is also a key assumption in the determination of recoverable amount. Should the Group recognise decreases/increases in processing capacity, changes in recoverable amount estimates may arise. Due to the number of factors that could impact production activity, assessment to sensitivity has not been determined for these factors.

The sensitivities above assume specific assumption moves are in isolation, whilst all other assumptions are held constant. A change in one of the assumptions may accompany a change in another assumption.

21. Trade and other payables

	2022 $	2021 $
Current		
Unsecured liabilities:		
Trade payables	388,789	478,734
Other payables	546,481	326,733
	935,270	**805,467**

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. For other terms and conditions relating to related party payables refer Note 31. Information regarding credit, foreign exchange and liquidity risk exposure is set out in Note 30.

22. Borrowings

	2022 $	2021 $
Current		
Oversubscription of investor funds to be refunded	-	10,801
Accrued interest on convertible notes	128,457	-
Convertible notes	3,844,932	-
	3,973,389	**10,801**

	2022 $	2021 $
Non-Current		
Convertible notes	-	4,328,796
	-	**4,328,796**

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22. Borrowings (continued)

On 15 March 2021, shareholders of the Group approved the amendment of the issue terms of convertible notes. The amendments approved the extension of the maturity date to 30 June 2023 and reduced the interest rate from 15% per annum to 12% per annum effective from 31 March 2021. Interest payments may be paid at the Group's election in ordinary shares issued at a 30-day VWAP of trading in the Group's shares. The conversion terms were amended to be convertible from one note to one share into 0.032 ordinary shares (on a post consolidation basis) per Convertible Note converted (an effective conversion price of $0.25) at any time, at Noteholder's election.

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.

23. Lease liabilities

	2022 $	2021 $
Current		
Office and warehouse leases	-	4,367
	-	**4,367**

The lease has been fully recognised and settled in 2022.

24. Provisions

	2022 $	2021 $
Provision for rehabilitation	248,704	224,058
	248,704	**224,058**

Rehabilitation
The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.

Movements in provision
Movements in provision during the current financial year is set out below:

	Rehabilitation $
Consolidated - 2022	
Carrying amount at the start of the year	224,058
Unwinding of discount	24,646
Carrying amount at the end of the year	**248,704**

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25. Liabilities directly associated with assets classified as held for sale

	2022	2021
	$	$
Que River mine	500,000	379,134
	500,000	**379,134**

Movements in provision
Movements in provision during the current financial year is set out below:

	Que River mine
Consolidated - 2022	$
Carrying amount at the start of the year	379,134
Unwinding of discount	120,866
Carrying amount at the end of the year	**500,000**

26. Issued capital

Capital management
For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder's value.

Management controls the capital of the Group by monitoring performance against budget to provide the shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. There are no externally reported capital requirements.

The Group monitors capital on the basis of the carrying amount of equity plus debt (if any) less cash and cash equivalents as presented on the face of the statement of financial position.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2022	2021
	$	$
Total equity	9,528,321	4,143,568
Cash and cash equivalents	(1,895,910)	(598,505)
Capital	7,632,411	3,545,063
Total equity	9,528,321	4,143,568
Borrowings	3,973,389	4,328,796
Overall financing	13,501,710	8,472,364
Capital-to-overall financing ratio	0.57	0.42

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26. Issued capital (continued)

Ordinary shares

	2022 $	2021 $
123,247,349 (30 June 2021: 87,695,353) fully paid ordinary shares	105,160,821	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.

On 16 July 2021 the Company conducted a consolidation of share capital on the basis of each 50 shares consolidating into 1 share, and the current and prior years disclosures are on a post consolidation basis.

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

	2022 Number of Shares	2022 $	2021 Number of Shares	2021 $
Balance at the beginning of the period	**87,695,353**	**96,783,430**	**69,633,042**	**93,931,109**
Issued during the period				
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	4,825,638	1,273,199	6,079,137	1,226,772
Shares issued in lieu of convertible note interest	1,951,358	629,771	1,183,154	520,588
Shares issued for payment of consulting fees	150,000	42,000		
Capital raising costs	-	(467,579)	-	(245,039)
Balance at the end of the period	**123,247,349**	**105,160,821**	**87,695,353**	**96,783,430**

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

Options and performance rights-
Refer Note 29 for information relating to the Group employee option plan, including details of options issued, exercised and lapsed during the financial year. Refer to the remuneration report for information relating to share options issued to key management personnel during the financial year.

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27. Reserves

	Foreign Currency Translation Reserve $	Convertible notes reserve $	Share Option Reserve $	Total $
Balance 1 July 2021	(1,472,665)	6,417,052	75,738	5,020,125
Convertible notes converted to shares	-	(250,663)	-	(250,663)
Exchange differences on translating foreign operations	113,023	-	-	113,023
Options issued (note 29)	-	-	620,500	620,500
Acquisition of subsidiary	-	-	720,000	720,000
Before tax	113,023	(250,663)	1,340,500	1,202,860
Tax benefit/(expense)	-	-	-	-
Net of tax	113,023	(250,663)	1,340,500	1,202,860
Balance 30 June 2022	**(1,359,642)**	**6,166,389**	**1,416,238**	**6,222,985**

	Foreign Currency Translation Reserve $	Convertible notes reserve $	Share Option Reserve $	Total $
Balance 1 July 2020	(1,277,149)	1,236,079	918,983	877,913
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 (note 29)	-	-	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)	4,142,212
Balance 30 June 2021	**(1,472,665)**	**6,417,052**	**75,738**	**5,020,125**

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.

Share option reserve
The share option reserve records the items recognised as expense on valuation of employee share options and performance rights.

28. Commitments

	2022 $	2021 $
Not later than 1 year		
Lithium brine project commitments (1)	2,181,393	-
Research and development commitments (2)	316,250	250,000
Discontinued operation commitments (3)	35,681	509,907
	2,533,969	**759,907**
Later than 1 year but not greater than 5 years		
Exploration commitments – Ruby Red	723,102	667,108
Lithium brine project commitments (1)	8,747,178	-
Discontinued operation commitments (3)	-	1,542,422
	9,470,280	**2,209,530**

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28. Commitments (continued)

(1) Commitments to the Lithium brine projected as budgeted for the agreed timeline
(2) Commitments as agreed to with Swinburne University
(3) The Company has signed an agreement to dispose of its continued operation

29. Share-based payments

The following share-based payment arrangements existed at 30 June 2022.

(i) Greenwing Resources Ltd Employee Share and Option Plan (ESOP)

The Greenwing Resources Ltd Employee Share and Option Plan ("ESOP" or "Plan") was approved by shareholders at an annual general meeting held on 30 November 2010. The directors of the Group administer the Plan and in their absolute discretion determine to whom the securities will be offered, the number to be offered and any performance criteria in relation to the options or performance rights issued under the Plan.

Options or performance rights may not be issued to a Director (or associate) or employee except where the relevant shareholder approval is provided pursuant to the Corporations Act 2001 and ASX Listing Rules. No consideration is payable by an eligible person for a grant of an option or a performance right, unless the board decides otherwise.

Subject to the rules of the Plan and to ASX Listing Rules, the Group (acting through the Board) may offer options or performance rights to any eligible person at such times and on such terms as the Board considers appropriate. Options issued under the Plan may be exercised or vest at any time during the period commencing on the issue date and ending no later than five years from the date of issue.

Performance rights granted will only vest upon satisfaction of the performance condition and during the period that the performance condition was met. Options or performance rights which have vested and have been issued under the Plan will automatically lapse in three months from the date of departure or such longer period as the board determines in the event that an eligible person either resigns voluntarily from employment with the Group or is dismissed in certain circumstances, unless otherwise agreed by the Board.

Options or performance rights issued under this Plan carry no dividend or voting rights.
On vesting of performance rights, shares will automatically be issued to the eligible person subject to compliance with the Group's Policy for Trading in Group Securities and the insider trading provisions of the Corporations Act 2001. Unless otherwise provided in the invitation to receive performance rights, no amount shall be payable by the eligible person on the automatic exercise of performance rights.

Set out below are summaries of options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
31 July 2021	30 June 2025	$0.60	-	2,300,000	-	-	2,300,000
14 October 2021	30 June 2025	$0.60	-	2,100,000	-	-	2,100,000
			-	**4,400,000**	**-**	**-**	**4,400,000**
Weighted average exercise price			$0.00	$0.60	$0.00	$0.00	$0.60
Weighted average remaining contractual life				46 months			36 months

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29. Share-based payments (continued)

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
6 September 2016	31 December 2020	$0.025	17,500,000	-	-	17,500,000	-
6 September 2016	31 December 2020	$0.075	17,500,000	-	-	17,500,000	-
6 September 2016	31 December 2020	$0.10	17,500,000	-	-	17,500,000	-
3 May 2017	31 December 2020	$0.025	13,400,000	-	-	13,400,000	-
3 May 2017	31 December 2020	$0.075	13,500,000	-	-	13,500,000	-
3 May 2017	31 December 2020	$0.10	13,500,000	-	-	13,500,000	-
			92,900,000	**-**	**-**	**92,900,000**	**-**
Weighted average exercise price			$0.067	$0.00	$0.00	$0.067	$0.00
Weighted average remaining contractual life			6 months				0 months

The number of options and weighted average exercise price for the financial year ended 30 June 2021 are shown on a pre-50:1 share consolidation basis.

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2022 Number	2021 Number
31 July 2021	30 June 2025	2,300,000	-
14 October 2021	30 June 2025	2,100,000	-
		4,400,000	-

The weighted average share price during the financial year was $0.25 (2021: $0.17). The weighted average share price for the financial year ended 30 June 2021 is calculated on a 50:1 share consolidation basis.

For the options granted during the current financial year the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
31 July 2021	30 June 2025	$0.25	$0.60	100%	0%	0%	$0.13
14 October 2021	30 June 2025	$0.28	$0.60	100%	0%	0%	$0.15

The expected volatility is based on historical share price movements.

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30. Financial risk management

(i) Financial risk management policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial instruments consist of at call and short term deposits with banks, trade and other receivables, trade and other payables, and borrowings.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. Currently, the Group does not apply any form of hedge accounting. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(ii) Financial risk exposures and management

The main types of risks affecting the Group are market risk, liquidity risk and credit risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency, interest rate risk and commodity price risk. The Group's financial instruments affected by market risk include deposits, trade and other receivables, trade and other payables and accrued liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currencies. The Group manages this risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

The Group's transactions are usually carried out in either $AUD, $US-Dollars ($USD) and Malagasy Ariary (MGA). Exposures to currency exchange rates arise from:

- The Group's overseas trade receivables which are primarily denominated in $US-Dollars ($USD),
- VAT receivable which are denominated in MGA,
- Trade and other payables are denominated in either $USD or MGA.
- The Group may also hold cash balances in $USD and MGA.

Foreign currency sensitivity

The following table demonstrates the Groups sensitivity to a 5% increase and decrease in the Australian Dollar against the relevant foreign currencies and the impact on the reported loss for the year. 5% represents management's assessment of the possible change in foreign exchange rates. The sensitivity includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

	Loss	Equity
	$	$
Year ended 30 June 2022		
+/- 5% Increase/(decrease) in $A/$US exchange rate	+/- 1,237	+/- 1,237
+/- 5% Increase/(decrease) in $A/MGA exchange rate	+/- 27,034	+/- 27,034
Year ended 30 June 2021		
+/- 5% Increase/(decrease) in $A/$US exchange rate	+/- 1,811	+/- 1,811
+/- 5% Increase/(decrease) in $A/MGA exchange rate	+/- 16,860	+/- 16,860

30. Financial risk management (continued)

If the AUD had strengthened against the $USD, or MGA, by 5% then this would have increased the reported loss by the above amounts.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of change in market interest rates relates primarily to the Group's cash deposits. The Group's convertible notes issued have a fixed interest rate and therefore have no exposure to the risk of change in market interest rates.

Interest rate sensitivity

Interest rate sensitivities have not been included in the financial report as the changes in the loss before tax due to changes in interest rate is not material to the results of the Group.

Commodity price risk

Commodity price risk arises from the sale of Graphite. The Group manages this risk arising from future commodity sales through sensitivity analysis, cash flow management and forecasting. The Group currently does not engage in the use of derivative financial instruments such as hedging.

Commodity price sensitivity

The following table demonstrates the sensitivity to a 10% increase and decrease in the Graphite price, with all other variables held constant. 10% represents management's assessment of the possible change in the Graphite price.

	Loss $	**Equity $**
Year ended 30 June 2022		
+/- 10% Increase/(decrease) in graphite price	+/- 864	+/- 864
Year ended 30 June 2021		
+/- 10% Increase/(decrease) in graphite price	+/- 1,914	+/- 1,914

(b) Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2022, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		**Non-current**	
2022	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Trade and other payables	935,270	-	-	-
Convertible notes	-	4,808,907	-	-
Less: finance charges	-	(963,975)	-	-
	935,270	3,844,932	-	-

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30. Financial risk management (continued)

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

	Current		Non-current	
2021	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Trade and other payables	805,467	-	-	-
Convertible notes	-	-	6,820,095	-
Less: finance charges	-	-	(2,491,299)	-
	805,467	-	4,328,796	-

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022 $	2021 $
Classes of financial assets		
Carrying amount:		
Trade receivables	-	16,500
Other receivables	154,259	234,029
Tasmanian assets – security deposits and guarantees	500,000	500,000
	654,259	**750,529**

There are no amounts of collateral held as security at 30 June 2022.

The credit risk for cash and cash equivalents, money market funds, debentures and derivate financial instruments is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

In respect of trade and other receivables, the Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Group obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. All potential customers are assessed for credit worthiness considering their size, market position and financial standing. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

VAT, after expected credit losses, is receivable from the Government of Madagascar for the equivalent value of A$nil (2021: A$nil) at reporting date. The receivable amount relates to VAT included on trade and other purchase transactions in Madagascar since acquiring the Graphmada operations. Whilst the Company is confident that it will receive the VAT in full, there is always an element of risk associated with recouping foreign taxes.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

At reporting date, the Group has certain trade receivables, other receivables and VAT receivable that have not been settled by the contractual due date but are not considered to be impaired. The amounts at reporting date analysed by the length of time past due, are:

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30. Financial risk management (continued)

2022	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate (%)	0%	100%	100%	100%	83%
Gross carrying amount ($)	154,393	1,048	26,092	742,344	923,877
Expected credit loss ($)	134	1,048	26,092	742,344	769,618

2021	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate (%)	4%	100%	100%	94%	61%
Gross carrying amount ($)	236,194	554	247	402,830	639,825
Expected credit loss ($)	9,400	554	247	379,094	389,295

The closing balance of trade and other receivables loss allowances as at 30 June 2022 reconciles with trade and other receivables loss allowance opening balance as follows:

	2022 $	2021 $
Opening estimated credit losses 1 July 2021	389,295	355,185
Receivables written off during the year	-	(9,867)
Estimated credit losses provide in year	380,323	43,977
Expected credit loss at 30 June 2022	**769,618**	**389,295**

(iii) Net fair values

The fair value of a financial asset or a financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of cash and cash equivalents and trade and other payables approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest.

Financial instruments classified as other receivables – VAT receivable are measured at fair value. In addition, borrowings (including convertible notes) are measured at fair value. No other financial assets or financial liabilities are measured at fair value.

The fair value of the Groups' financial instruments recognised in the financial statements approximates or equals their carrying amounts. For details on how fair values are calculated for each class of financial instrument refer to Note 2 of the Notes to the financial statements.

(iv) Financial instruments measured at fair value

The financial instruments recognised at fair value in the statements of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Measurement of fair value of financial instruments
The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period and are outlined in Note 2.

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31. Related party transactions

During the year, the Group paid management and placement fees to Bizzell Capital Partners ("BCP") in relation to BCP's role as corporate advisors to the Group. BCP actively managed the capital raising programs for the Group and Peter Wright (Executive Director) is an Executive Director of BCP. Fees totalling $281,326 (2021: $186,450) were charged of which $155,326 (2021: $115,500) was settled in cash and $126,000 (2021: $70,950) was settled by issue of shares.

During the year the Group paid rent to Mallee Bull Investments Pty Ltd, a related party of Peter Wright, totalling $30,000 (2021: $42,339).

32. Transactions with key management personnel

The Key management of the Group at 30 June 2022 are: Rick Anthon, James Brown, Jeff Marvin, Peter Wright, Angus Craig and Craig Lennon. Key Management Personnel remuneration includes the following expenses:

	2022 $	2021 $
Short term employee benefits		
Salaries including bonuses	651,523	597,186
Post-employment benefits		
Superannuation	15,208	24,497
Long term benefits	438,100	-
Total remuneration	**1,104,831**	**621,683**

33. Remuneration of auditors

	2022 $	2021 $
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd for:		
Audit and review of the financial report	90,000	69,000
	90,000	**69,000**

34. 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 Greenwing Resources Ltd 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_2O;
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_2O) 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.

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34. Contingencies (continued)

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.

San Jorge Lithium Project:
Andes Litio has an option to acquire up to a 100% interest in the San Jorge Lithium Brine project. The earn-in consists of investment payments and exploration expenditure and is as follows:

Timing	Investment $USD	Expenditure $USD	Equity Earned by the Company
Initial fees - paid	$120,000	Nil	0%
Signing - paid	$100,000	Nil	0%
November 2021 – paid	$180,000	$50,000	10%
August 2022 – paid	$180,000	$275,000	15%
February 2023	$270,000	$375,000	25%
February 2024	$500,000	$500,000	45%
February 2025	$800,000	$750,000	70%
February 2026	$950,000	$1,000,000	95%
Balance of project	$1,750,000	Nil	100%
TOTAL	$4,750,000	$2,950,000	100%

Payments can be accelerated at the Company's discretion.

Madagascar tax lodgements
The Madagascan Tax Authorities are currently reviewing the Graphmada SARL tax lodgements for 2017-18 and 2019-2021. The Company is not able to quantify any outcome at this time. Refer to significant management judgements disclosed in note 2 to the financial statements.

Contingent assets

No contingent assets exist at reporting date.

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35. Interests in subsidiaries

Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

Name of subsidiary	Country of incorporation and principal place of business	Principal activity	Group portion of ownership interests	
			30 June 2022	30 June 2021
Graphmada Mauritius	Mauritius	Mining operation services	100%	100%
Graphmada SARL	Madagascar	Graphite mining	100%	100%
Limada SARL	Madagascar	Exploration	99%	99%
Bass Metals Holdings Pty Ltd	Australia	Investment holdings	100%	100%
Andes Litio SA	Argentina	Exploration	100%	0%
Critical Minerals Technologies Pty Ltd	Australia	Research and development	100%	100%
Critical Minerals USA, LLC	USA	Dormant	100%	100%

Andes Litio SA has been incorporated with the Group acquiring 100% of the equity instruments of Andes Litio SA, thereby obtaining control. Refer to note 13.

36. Post-reporting date events

Since the end of the year, Greenwing was pleased to announce a strategic funding transaction with NIO Inc. enabling the Company to accelerate its exploration program at San Jorge Lithium Project and aligning NIO as the Company's potential joint venture and offtake partner. The key terms of the transaction are as follows:

- NIO 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 and a call option to acquire, at NIO's election, between 20% to 40% of the issued capital of Andes Litio SA, which holds options rights over the San Jorge Lithium Project.
- 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 for the San Jorge Lithium Project has been issued or obtained (which is required by 31 December 2023), based on certain assumptions and outcomes being achieved, which, could result in an exercise price of between US$40 million and US$80 million.
- NIO will have a right to a nominee on the board of the Company for so long as it continues to hold at least 10% of the shares.
- Upon exercise of the call option, NIO will have direct rights to offtake production in the San Jorge Lithium Project based on its then-effective equity interest in Andes Litio SA 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.
- The transaction remains subject to the satisfaction or waiver of various conditions precedent by 28 February 2023, including approval by the Company's shareholders in relation to the call option, offtake rights, the appointment of the NIO nominee to the Company's board, the release of existing security over certain assets in respect of the secured convertible notes on issue, various steps to be undertaken by the Company and Andes Litio 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 Litio.
- A minimum of 80% of the proceeds of the placement will be used for the San Jorge Lithium Project, with remaining amounts to be used for general working capital purposes and costs of the transaction.

Since the end of the year, the Company issued a further 2,000,000 ordinary shares to the vendors of Andes Litio SA.

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37. Parent information

The following information has been extracted from the books of the parent, Greenwing Resources Ltd, and has been prepared in accordance with the accounting standards.

	2022 $	2021 $
Assets		
Current Assets	1,988,987	906,248
Non Current Assets[1]	9,676,312	7,637,888
Total Assets	11,665,299	8,544,136
Liabilities		
Current Liabilities	4,501,906	577,975
Non Current Liabilities	500,000	4,839,597
Total Liabilities	5,001,906	5,417,572
Net Assets	6,663,393	3,126,564
Equity		
Issued Capital	105,160,821	96,783,430
Convertible notes reserve	6,166,389	6,417,052
Share based payments reserve	1,416,238	75,738
Accumulated Losses	(106,080,055)	(100,149,656)
Total Equity	6,663,393	3,126,564
Statement of Comprehensive Income		
Loss for the year[2]	(5,482,075)	(15,262,922)
Other comprehensive gain		
Total comprehensive loss for the year	(5,482,075)	(15,262,922)

Note 1: Parent entity Non-Current Assets at 30 June 2022 includes: investment in subsidiary of $7,041,748 (2021: $7,041,747) and intercompany $US loans with subsidiaries with a net carrying value of $nil (2021: $nil) - being $37,115,002 (2021: $32,054,372) receivable at cost less the provision for impairment of $37,115,002 (2021: $32,054,372). These are eliminated on consolidation.

Note 2: Parent entity loss for the current year includes: An impairment expense of $4,422,122 (2021: $7,114,372) was recorded to write down the carrying value of net assets of the Parent entity to reflect the recoverable value of the Group assets. The impairment was applied against the loans receivable from subsidiaries.

Guarantees
Greenwing Resources Ltd has $nil (2021: $nil) in bank guarantees.

DIRECTORS DECLARATION

1. In the opinion of the Directors of Greenwing Resources Limited:

   a. the consolidated financial statements and notes of Greenwing Resources Limited for the year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of its financial position as at 30 June 2022 and of its performance, for the year ended on that date; and

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   b. 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.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Financial Manager for the financial year ended 30 June 2022.

3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

Rick Anthon
Chairman

Brisbane, Queensland
30 September 2022

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Independent Auditor's Report

To the Members of Greenwing Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Greenwing Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at Greenwing Resources Limited and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to Note 4 in the financial statements, which indicates that the Group incurred a net loss of $4,195,498 and net operating cash outflows of $1,882,420 during the year ended 30 June 2022, and as of that date, the Group's current liabilities exceeded its total assets by $2,412,005. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Notes 2 & 18	

At 30 June 2022 the carrying value of exploration and evaluation assets was $5,885,000.
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
This area is a key audit matter due to the significant judgement involved in determining the existence and related impact of impairment triggers.
	Our procedures included, amongst others:
	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  ○ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  ○ enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  ○ understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
	• assessing the appropriateness of the related financial statement disclosures.

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Acquisition of Andes Litio SA – Note 13

During the year, Greenwing Resources acquired Andes Litio SA, an entity domiciled in Argentina which has an option agreement to acquire 100% of the San Jorge Lithium Brine Project.

Judgement was required to be exercised in determining the accounting to be applied to this transaction. The Company determined it should be accounted for as an asset acquisition, rather than a business combination, due to the transaction not meeting the definition of a "business" in accordance with AASB 3 *Business Combinations*. The Group was also required to determine the appropriate accounting treatment for the equity, deferred and contingent consideration payable under the purchase agreement.

This has been considered a key audit matter due to the level of judgement required by management in determining the appropriate accounting treatment as well as the significance of this transaction to the Group.

Our procedures included, amongst others:

- Obtaining an understanding of the transaction with reference to the agreement of sale of shares, the option agreement and subsequent correspondence, ASX announcements and discussions with management;
- Assessing the determination that the transaction was to be accounted for as an asset acquisition rather than a business combination;
- Assessing the accounting for key components of the transaction including:
  - Evaluating the initial measurement of assets and liabilities;
  - Evaluating the treatment of consideration paid in the form of equity instruments; and
  - Evaluating the treatment of deferred and contingent consideration.
- Assessing the inclusion of the Andes Litio SA entity into the Greenwing Resources group and evaluating whether the appropriate journal entries had been processed as part of financial statement preparation; and
- Assessing whether sufficient and appropriate disclosure of the transaction has been made in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended Greenwing Resources Limited, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 15 to 23 of the Directors' report for the year ended Greenwing Resources Limited.

In our opinion, the Remuneration Report of Greenwing Resources Limited, for the year ended Greenwing Resources Limited complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 30 September 2022

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ADDITIONAL ASX INFORMATION

ASX ADDITIONAL INFORMATION

TENEMENTS LISTING

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 ability to acquire up to a 100% interest in each of these permits – refer to ASX announcements dated 26 March 2021 and 3 September 2021. As at 30 June 2022, it had an interest in 10% of each of these permits.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Mineral Resource estimates is based on information reviewed by Tim McManus who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McManus has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking 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 (the JORC Code)". Mr McManus consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr McManus is not an employee of the Company and consults to the Company.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Greenwing Resources Ltd has adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 February 2019 and became effective for financial years beginning on or after 1 July 2020.

The Group's Corporate Governance Statement for the financial year ending 30 June 2022 is dated 30 September 2022 and was approved by the Board on that date. The Corporate Governance Statement is available on the Company's website at www.greenwingresources.com.

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SHAREHOLDER INFORMATION

As at 16 September 2022

ORDINARY SHARES

Distribution of Shareholdings

Distribution schedule and number of holders of ordinary shares:

	Total holders	Ordinary Shares	% Units
1 – 1,000	1,049	339,400	0.28
1,001 – 5,000	1,037	2,754,754	2.24
5,001 – 10,000	457	3,516,703	2.85
10,001 – 100,000	851	29,523,005	23.95
100,001 – and over	198	87,113,487	70.68
Total	3,592	123,247,349	100.00

All ordinary shares carry one vote per share without restriction.

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500 parcel at $0.36 per unit	1,389	1,191	510,041

Largest Security Holders

Names of the 20 largest holders of Ordinary Shares (ASX Code: GW1) are listed below:

Name	No. of shares	%
ROOKHARP CAPITAL PTY LIMITED	5,333,334	4.3
CHOICE INVESTMENTS DUBBO PTY LTD	4,218,277	3.4
MR PHILLIP ALEXANDER PURDIE & MRS CAROL ANN PURDIE <PURDIE SUPER FUND A/C>	3,736,453	3.0
FINN AIR HOLDINGS PTY LTD	2,499,666	2.0
COLOURWORKS AUSTRALIA PTY LTD	2,325,000	1.9
JLGI SMSF PTY LTD <JLGI SUPERANNUATION FUND A/C>	2,041,713	1.7
OCEANS74 SMSF PTY LTD <BC & A BARTELS S/F A/C>	1,943,852	1.6
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,863,427	1.5
ROW BOAT PTY LTD <THE ROWTHORNE SUPER FUND A/C>	1,799,247	1.5
CPS CONTROL SYSTEMS PTY LIMITED <THE IAN CAMPBELL S/FUND A/C>	1,702,340	1.4
FFFF PTY LTD <FF FUTURE FUND A/C>	1,607,555	1.3
CITICORP NOMINEES PTY LIMITED	1,331,380	1.1
MR SIMON WILLIAM TRITTON <INVESTMENT A/C>	1,258,876	1.0
MR BENJAMIN DUNN & MRS RENEE DUNN <TASMAN NO 8 SUPER FUND A/C>	1,040,866	0.8
KINGS PARK SUPERANNUATION FUND PTY LTD <KINGS PARK SUPER FUND A/C>	1,000,000	0.8
TIGERSHARK INVESTMENTS PTY LTD <BF HATCHER HOLDINGS A/C>	1,000,000	0.8
LIMITS PTY LIMITED <DUNCAN GAMBLE FAMILY A/C>	880,553	0.7
MR MIKE SHORE	866,000	0.7
CANCELER PTY LTD <CLARENCE SUPER FUND A/C>	850,000	0.7
NAMBIA PTY LTD <THE ANTHON FAMILY S/F A/C>	823,658	0.7
TOTAL	**38,122,197**	**30.9%**
Remaining Holders Balance	**85,125,152**	**69.1%**

Substantial Shareholders

No shareholders have lodged substantial shareholding notices which are current as at 16 September 2022.

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UNLISTED CONVERTIBLE NOTES

Distribution of Convertible Note holdings

Distribution schedule and number of holders of convertible notes:

	Total holders	Convertible Notes	% Units
1 – 1,000	4	1,562,020	0.29
1,001 – 5,000	30	76,303,276	14.22
5,001 – 10,000	11	78,685,168	14.66
10,001 – 100,000	17	380,157,950	70.83
100,001 – and over	0	0	0.00
Total	62	536,708,414	100.0

Largest Security Holders

Names of the 20 largest holders of Convertible Notes are listed below:

Name	**No. of convertible notes**	**%**
ROOKHARP CAPITAL PTY LTD	62,465,255	11.6
MR PHILLIP ALEXANDER PURDIE + MRS CAROL ANN PURDIE <PURDIE SUPER FUND A/C>	44,311,914	8.3
BRAZIL FARMING PTY LTD	42,452,182	7.9
MR SIMON WILLIAM TRITTON <INVESTMENT A/C>	24,296,184	4.6
KINGS PARK SUPERANNUATION FUND PTY LTD <KINGS PARK SUPER FUND A/C>	22,579,496	4.3
HARTNELL NOMINEES PTY LTD <PLACEMENT A/C>	22,066,413	4.1
JLGI SMSF PTY LTD <JLGI SUPERANNUATION FUND A/C>	19,111,072	3.6
ROCKET SCIENCE PTY LTD <THE TROJAN CAPITAL FUND A/C>	18,096,711	3.4
HANCROFT PTY LTD	14,710,943	2.7
LIMITS PTY LIMITED <DUNCAN GAMBLE FAMILY A/C>	14,710,943	2.7
MOORE & BADGERY PTY LTD	14,710,943	2.7
R & A SUPER CO PTY LTD <R & A SUPER FUND A/C>	14,034,170	2.6
EDUKIDS PTY LTD	13,704,732	2.5
SUREBET INVESTMENTS PTY LTD	13,704,732	2.5
WE COME IN PEACE PTY LTD	13,704,732	2.5
ROW BOAT PTY LTD	13,433,054	2.5
PIVOT POINT 60 PTY LTD <PIVOT POINT SUPER FUND A/C>	12,064,474	2.3
PINEAPPLE PROJECTS PTY LTD <THE AJC SUPER FUND A/C>	10,000,000	1.9
AYMAN MUHOR INVESTMENTS PTY LTD <AYMAN MUHOR INVESTMENT A/C>	7,540,297	1.4
DENLYN PTY LTD <BROWN-KENYON A/C>	7,540,297	1.4
TOTAL	**405,238,544**	**75.5**
Remaining Holders Balance	**131,469,870**	**24.5**

Note that following the consolidation of capital in July 2021, each convertible note is convertible into 0.032 ordinary shares.

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CORPORATE DIRECTORY

CORPORATE DIRECTORY

DIRECTORS

Richard Anthon - Non-Executive Chairman
James Brown – Non-Executive Director (appointed 15 June 2021)
Jeffrey Marvin – Non-Executive Director
Peter Wright – Executive Director

COMPANY SECRETARY

Angus Craig

CHIEF EXECUTIVE OFFICER

Craig Lennon

REGISTERED OFFICE

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Brisbane QLD 4000
Telephone: 1300 552 270

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Grant Thornton Audit Pty Ltd
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145 Ann Street
Brisbane City Qld 4000

LAWYERS

Hamilton Locke Pty Ltd
Level 28, Riverside Centre
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Brisbane QLD 4000

STOCK EXCHANGE LISTING

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