GREENWING RESOURCES LTD

ABN 31 109 933 995

Half-Year Report

For the period ended

31 December 2022

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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 half-year ended 31 December 2022.

Directors

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

Richard Anthon – Non-Executive Chairman
Jeffrey Marvin – Non-Executive Director
Peter Wright - Executive Director
James Brown - Non-Executive Director
Alan Zeng – Non-Executive Director (appointed 13 January 2023)

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 and graphite.

The Group has interests in lithium projects, currently holding the Millie's Reward spodumene project in Madagascar and 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 mining permits and 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, and is currently under care and maintenance. Major markets for the Company included Europe under an offtake agreement, India, China and the United States.

Principal activities

The Company is a critical minerals 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.

The principal activities of the Group during the year focused on the continued exploration and development of both lithium and graphite projects, and care and maintenance activities relating to its graphite mine.

Significant change in state of affairs

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

REVIEW OF OPERATIONS

Exploration and development - Lithium

During the prior 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 36,600 hectares inclusive of the San Francisco Salar.

Exploration commenced during the period, and the initial work undertaken to date has been compelling, with extensive lithium mineralisation being encountered via surface sampling and an impressive basin depth identified using geophysics.

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

Concurrently to undertaking the drilling program the Company will also extract larger brine samples for processing evaluation. Evaluation of multiple Direct Lithium Extraction (DLE) technologies has taken place and this evaluation will continue as larger brine samples are obtained.

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

Exploration and development - Graphite

During the 2022 financial year, the Company's ongoing exploration program yielding 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 as outlined 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 Company has continued with an auger drilling program during the period. The aim of this drilling program is to assist in planning for a further diamond drilling program in the future and provide additional information for input into the Concept Study currently underway.

The Company notes a material increase in graphite concentrate prices in last quarter, with the price of the -100 mesh 94-95% FC contract enjoying a strong quarter with this contract achieving prices of US$813/t on a FOB (free on-board basis)[1]. This compares to a price of circa US$ 330/t FOB received by the Company for this concentrate specification in the last quarter of 2019 prior to placing the mine on care and maintenance.

This strengthening of graphite concentrates prices along with the growing Mineral Resource support the continued investment in this project. The Company is also actively looking for partners to advance the project.

Production - Graphite

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 the previous year. In March 2020 operations were suspended following Madagascar closing its borders due to the COVID-19 pandemic. The mine remains under care and maintenance.

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

Advanced materials

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

Corporate

During the period, the Company was pleased to announce a strategic funding transaction with NIO Inc. (NIO) 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 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 provided for a deposit of A$1,000,000, 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$40,000,000 and US$80,000,000.
- 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 was 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.

The A$1,000,000 deposit was received on 29 September 2022. Shareholder approval for the transaction was received on 19 December 2022, and the transaction completed on 12 January 2023 following receipt of the balance of the placement proceeds of A$11,000,000 and satisfaction of the other conditions.

In addition, during the period the Company:

- issued a further 2,000,000 ordinary shares to the vendors of Andes Litio SA for the third milestone payment to acquire the entity;
- issued 744,353 shares at an issue price of $0.348 each to noteholders in lieu of payment of interest payable on convertible notes;
- issued 248,981 shares at a price of $0.336 each as payment to consultants for services provided to the Company.

Result for the period

Consolidated net loss after tax for the Group for the six months to 31 December 2022 was $3,030,969 (2021: $2,606,165 loss).

Dividends

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

Events arising since the end of the reporting period

Since the end of the reporting period, as noted above, the Company completed the strategic funding transaction with NIO which included:

- Receipt of the subscription agreement receivable of A$11,000,000 cash;
- The issue of 21,818,182 ordinary shares;
- The grant of the call option by the Company to for between 20% and 40% of Andes Litio;
- The grant of the call option security; and
- The appointment of Mr Alan Zeng as a Non-Executive Director

In addition, the next scheduled investment tranche in relation to the San Jorge project of USD $270,000 was paid on 6 February 2023 taking the Company's interest in the project to 25%.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, BDO Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to the review of the half year report for the period ended 31 December 2022. This written Auditor's Independence Declaration and is located on the following page and forms part of this Directors' report.

Signed in accordance with a resolution of directors.

Rick Anthon
Chairman
Brisbane, Queensland
16 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

BDO

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DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF GREENWING RESOURCES LTD

As lead auditor for the review of Greenwing Resources Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Greenwing Resources Ltd and the entities it controlled during the period.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 16 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Other income	6	12,289	125,215
Administration expenses	7(a)	(2,106,990)	(1,391,913)
Finance costs	7(b)	(653,135)	(1,127,481)
Foreign currency gain / (loss)		6,660	(17,293)
Research and development expenditure		(143,573)	(115,000)
Loss before income tax from continuing operations		**(2,884,749)**	**(2,526,472)**
Income tax expense		-	-
Loss for the year from continuing operations		**(2,884,749)**	**(2,526,472)**
Loss after tax from discontinued operations	8	(146,220)	(79,693)
Loss for the year		**(3,030,969)**	**(2,606,165)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		122,409	50,703
Total comprehensive loss for the period, net of tax		**(2,908,560)**	**(2,555,462)**
Total comprehensive loss attributed to:			
Continuing operations		(2,762,340)	(2,475,769)
Discontinued operations		(146,220)	(79,693)
Total comprehensive loss attributed to:			
Equity holders of the parent entity		**(2,908,560)**	**(2,555,462)**
Earnings per share			
Basic and diluted loss per share from operations (cents)	9	(2.43)	(2.70)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 $	30 Jun 2022 $
CURRENT ASSETS			
Cash and cash equivalents		104,713	1,895,910
Trade and other receivables		124,145	154,259
Inventories		828,974	848,588
Assets held for sale	8	500,000	-
Other assets		50,421	97,897
Subscription agreement receivable	10	11,000,000	-
Total Current Assets		**12,608,253**	**2,996,654**
NON-CURRENT ASSETS			
Assets held for sale	8	-	500,000
Plant and equipment	11	3,378,824	3,569,873
Exploration and evaluation assets	12	4,581,358	5,885,000
Equity accounted investments	13	3,200,351	-
Development assets	14	2,234,157	2,234,157
Total Non-Current Assets		**13,394,690**	**12,189,030**
TOTAL ASSETS		**26,002,943**	**15,185,684**
CURRENT LIABILITIES			
Trade and other payables	15	1,743,997	935,270
Borrowings	16	4,187,761	3,973,389
Financial derivative liability	17	6,000,000	-
Liabilities directly associated with assets classified as held for sale	8	500,000	500,000
Total Current Liabilities		**12,431,758**	**5,408,659**
NON-CURRENT LIABILITIES			
Provisions	18	420,692	248,704
Total Non-Current Liabilities		**420,692**	**248,704**
TOTAL LIABILITIES		**12,852,450**	**5,657,363**
NET ASSETS		**13,150,493**	**9,528,321**
EQUITY			
Issued capital	19	111,603,041	105,160,821
Reserves	20	6,433,906	6,222,895
Accumulated losses		(104,886,454)	(101,855,485)
TOTAL EQUITY		**13,150,493**	**9,528,321**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Share capital $	Share based payments reserve $	Convertible notes reserve $	Foreign currency translation reserve $	Retained earnings $	Total equity $
Balance at 1 July 2022	**105,160,821**	**1,416,238**	**6,166,389**	**(1,359,642)**	**(101,855,485)**	**9,528,321**
Loss for the period	-	-	-	-	(3,030,969)	(3,030,969)
Other comprehensive income	-	-	-	122,409	-	122,409
Total comprehensive loss for the year	-	-	-	122,409	(3,030,969)	(2,908,560)
Transactions with owners, recorded directly in equity						
Shares issued during the period	848,201	(500,000)	-	-	-	348,201
Residual value of call option[1]	6,000,000	-	-	-	-	6,000,000
Options issued	-	664,250	-	-	-	664,250
Options expired	-	(75,738)	-	-	-	(75,738)
Cost of shares issued for placement	(405,981)	-	-	-	-	(405,981)
Balance at 31 December 2022	**111,603,041**	**1,504,750**	**6,166,389**	**(1,237,233)**	**(104,886,454)**	**13,150,493**

	Share capital $	Share based payments reserve $	Convertible notes reserve $	Foreign currency translation reserve $	Retained earnings $	Total equity $
Balance at 1 July 2021	**96,783,430**	**75,738**	**6,417,052**	**(1,472,665)**	**(97,659,987)**	**4,413,568**
Loss for the period	-	-	-	-	(2,714,966)	(2,714,966)
Other comprehensive income	-	-	-	50,703	-	50,703
Total comprehensive loss for the year	-	-	-	50,703	(2,714,966)	(2,664,163)
Transactions with owners, recorded directly in equity						
Shares issued during the period	7,276,875	-	-	-	-	7,276,875
Contingent consideration on asset acquisition	-	720,000	-	-	-	720,000
Convertible notes converted to shares	189,264	-	(44,772)	-	-	144,492
Options issued		620,500	-	-	-	620,500
Cost of shares issued for placement	(464,348)	-	-	-	-	(464,348)
Balance at 31 December 2021	**103,785,221**	**1,416,238**	**6,372,280**	**(1,421,962)**	**(100,374,953)**	**9,776,824**

Note 1: This amount represents NIO's subscription amount receivable for shares to be issued in accordance with the strategic funding transaction. Shares were issued to NIO when proceeds were received subsequent to year end. Refer to note 19.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Cash flows from operating activities			
Receipts from other income		12,103	111,298
Receipts from discounted operations		120,000	-
Payments to suppliers and employees		(915,426)	(898,283)
Net cash used in operating activities		**(783,323)**	**(786,985)**
Cash flows from investing activities			
Payment for exploration and evaluation - Graphmada		(574,858)	(881,820)
Payment for exploration and evaluation – San Jorge		(652,514)	(320,180)
Payment for exploration and evaluation – San Jorge investment		(635,968)	-
Purchase of property, plant and equipment		(1,487)	-
Interest received		40	63
Net cash used in investing activities		**(1,864,787)**	**(1,201,337)**
Cash flows from financing activities			
Proceeds from issue of shares		-	5,787,500
Deposit received - NIO subscription agreement		1,000,000	-
Transaction costs on issue of shares and convertible notes		(269,212)	(523,252)
Repayment of leases		-	(4,367)
Interest paid		(2,235)	(1,589)
Net cash from financing activities		**728,553**	**5,258,292**
Net decrease in cash and cash equivalents		**(1,919,557)**	**3,269,970**
Cash and cash equivalents at the beginning of the period		1,895,910	609,306
Exchange differences on cash and cash equivalents		128,360	(18,822)
Cash and cash equivalents at the end of the period		**104,713**	**3,860,454**
Restricted cash		-	(10,801)
Cash and cash equivalents at the end of the period		**104,713**	**3,849,653**

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

Notes to the consolidated financial statements

1. General information and statement of compliance

Greenwing Resources Ltd (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity" or "Group").

The consolidated interim financial statements are presented in Australian Dollars ($AUD), which is the functional currency of the Parent Company. The Company is a for-profit entity for the purpose of preparing the interim financial report.

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The interim financial statements have been approved by the Board of Directors on 16 March 2023.

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. Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2022, except for the adoption of new accounting standards as set out below.

New and revised standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption these standards did not have any significant impact on the group's accounting policies and did not require retrospective adjustments.

Equity Accounted Investments

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Consolidated Entity's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Consolidated Entity's share of net assets of the associate or joint venture since the acquisition date. The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Consolidated Entity. When necessary, adjustments are made to bring the accounting policies in line with those of the Consolidated Entity.

2. Accounting Policies (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. Significant events and transactions

During the six-month period ending 31 December 2022, the Company announced a strategic funding transaction with NIO Inc. (through its wholly owned subsidiary, Blue Northstar Limited) (NIO), enabling the Company to accelerate its exploration program at San Jorge Lithium Project in Catamarca province, Argentina and aligning NIO as the Company's potential joint venture and offtake partner.

The key terms of the proposed transaction were as follows:

- NIO agreed to pay AUD $12,000,000 to Greenwing to subscribe for 21,818,182 Greenwing shares at a deemed price of $0.55 per share (Placement) and a call option to acquire, at NIO's election, between 20% and 40% of the issued capital of Andes Litio SA, which holds option rights over the San Jorge Lithium Project;
- Upon completion of the Placement NIO will hold a shareholding of the Company of approximately 12.16% on a fully-diluted basis as of the date of issuance, and will have a right to a nominee on the board of the Company for so long as it continues to hold at least 10% of the shares;
- 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$40,000,000 and US$80,000,000;
- Upon exercise of the Call Option, NIO will have direct rights to offtake production in the San Jorge Lithium Project based on its then-effective equity interest in Andes Litio and, subject to any necessary shareholder approvals under the ASX listing rules, will also have the right to match any offer to purchase the remaining offtake share;
- The Proposed Transaction was subject to the satisfaction or waiver of various conditions precedent by 28 February 2023, including approval by Greenwing shareholders in relation to the Call Option, security pledge (as described below), offtake rights for the purposes of ASX listing rule 10.1, the appointment of the NIO nominee to the Greenwing board, the release of existing security over the Call Option shares granted in respect of the secured convertible notes on issue, various steps to be undertaken by Greenwing and Andes 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; and
- The Company's obligations under the Subscription Agreement and Call Option Deed will be secured by a first ranking security pledge over 40% of the shares in Andes Litio.

Shareholder approved the relevant resolutions to proceed with the transaction on 19 December 2022 and the transaction settled on 12 January 2023.

The transaction has resulted in the following in the financial statements:

- A deposit of $1,000,000 was received – refer to the Consolidated Statement of Cash Flows
- Recognition of the subscription amount receivable of $11,000,000 – refer note 10
- Recognition of a financial derivative liability of $6,000,000, representing NIO's call option to acquire between 20% and 40% stake in Andes Litio SA (together with the offtake rights) – refer note 17
- Recognition of subscription shares recognised in equity of $6,000,000 representing the residual value of the call option – refer note 19
- Loss of control of 100% owned subsidiary, Andes Litio SA, from the date the subscription agreement was entered into. This has resulted in Andes Litio SA becoming a jointly controlled entity and equity accounted for from this date. Refer note 13.

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

4. Going concern

The financial report for the half year ended 31 December 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 period, the Group reported a loss after tax of $3,030,969 (2021 loss for the period: $2,606,165). Net cash operating cash outflows for the period were $783,323 (2021 outflows for the period: $786,985). Prima facie these factors create a material uncertainty about the Group's ability to continue as a going concern.

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

- the ability of the Group to raise sufficient additional capital in the future;
- receipt of share capital proceeds from NIO, in accordance with the strategic funding transaction, as described in note 3;
- its ability to achieve a financial return from its mining and exploration projects;
- reducing its level of expenditure through farm outs or joint ventures; and
- disposing of assets.

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

5. Segment reporting

Management currently identifies 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.

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

	Six months to 31 December 2022			
	Advanced materials	**Graphite mining**	**Lithium exploration**	**Total**
Other income				
From external customers	-	-	-	-
From other segments	12,146	-	-	12,146
Segment revenues	**12,146**	**-**	**-**	**12,146**
Segment operating profit	**(104,676)**	**(2,166,045)**	**49,779**	**(2,220,491)**
Segment assets	**136,499**	**10,348,388**	**3,888,620**	**14,373,507**
Other assets not allocated				11,629,436
Total assets				**26,002,943**

5. Segment reporting (continued)

	Six months to 31 December 2021			
	Advanced materials	Graphite mining	Lithium exploration	Total
Revenue	-			
From external customers	-	-	-	-
From other segments	-	-	-	-
Segment revenues	**-**	**-**	**-**	**-**
Segment operating profit	**-**	**67,241**	**(1,482)**	**65,759**
Segment assets	**-**	**9,546,017**	**1,811,030**	**11,357,047**
Other assets not allocated				4,873,376
Total assets				**16,230,423**

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

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Profit or Loss		
Total reportable segment operating profit / (loss)	(2,220,491)	65,759
Other income not allocated	143	125,215
Corporate and head office expenses	(664,401)	(2,717,446)
Discontinued operations, refer Note 8	(146,220)	(79,693)
Group operating loss	**(3,030,969)**	**(2,606,165)**
Group loss before tax	**(3,030,969)**	**(2,606,165)**

6. Other income

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Interest received	40	63
Rent and access fees received	-	125,152
Research and development grant	12,146	-
Sundry income	103	-
Total other income	**12,289**	**125,215**

7. Loss for the period

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

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
7 (a) Administration expenses		
Mine administration expense:		
Depreciation	-	3,961
Other administrative expenses	-	20,117
Total mine administration expenses	-	24,078
Corporate administration:		
ASIC, ASX and registry fees	46,609	63,328
Contracting & consulting expenses	201,701	66,950
Depreciation	-	445
Director fees	162,030	168,000
Employee benefits expense	99,991	204,924
Share based payments	664,250	620,500
Impairment losses	14,283	-
Investor relations	33,658	52,909
Legal expenses	3,479	3,647
Other administration expenses	227,069	113,798
Transactional levies	609,765	73,334
Travel expenses	44,955	-
Total corporate administration expenses	2,106,990	1,367,835
Total administration expenses	**2,106,990**	**1,391,913**
7(b) Finance costs		
Interest expense	2,235	1,516
Interest on lease liabilities	-	73
Interest on convertible notes	478,912	1,125,892
Unwinding of discount on provision for rehabilitation	171,998	-
Total finance costs	**653,135**	**1,127,481**

8. 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 periods, 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.

Loss attributable to discontinued operation:	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Que River operating infrastructure – care & maintenance	146,220	79,693
Total expenses	**146,220**	**79,693**

A security deposit and guarantee of $500,000 is included as a non-current asset held for sale, classified as current on the statement of financial position. A provision for rehabilitation of $500,000 is included as a current liability directly associated with the security deposit and guarantee.

9. Earnings per share

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Loss for the period	(3,030,969)	(2,606,165)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	124,748,364	96,648,060
Loss per shares (cents)	**(2.43)**	**(2.70)**

There is no dilutive potential for ordinary shares as the exercise of options to ordinary shares or conversion of convertible notes into ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

10. Subscription agreement receivable

	31 Dec 2022 $	30 Jun 2022 $
Current		
Subscription agreement receivable	11,000,000	-
	11,000,000	**-**

The strategic funding transaction with NIO Inc. was subject to several conditions including:

- approval by Greenwing shareholders in relation to the Call Option and offtake rights for the purposes of ASX listing rule 10.1;
- the appointment of the NIO nominee to the Greenwing board;
- the release of existing security over the Call Option shares granted in respect of the secured convertible notes on issue;
- various steps to be undertaken by Greenwing and Andes 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.

These conditions precedent were satisfied on 19 December 2022 and the amount of $11,00,000 was received on 13 January 2023. Please refer to Notes 3, 17 and 19.

11. Plant and equipment

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

	Plant & equipment $	Motor vehicles $	Buildings & infrastructure $	Total $
Gross carrying amount				
Balance 1 July 2022	4,302,116	1,392,189	961,519	6,655,824
Additions	-	1,488	-	1,488
Balance 31 December 2022	**4,302,116**	**1,393,677**	**961,519**	**6,657,312**
Depreciation and impairment				
Balance 1 July 2022	(2,146,091)	(615,867)	(323,993)	(3,085,951)
Depreciation	(106,701	(31,769)	(33,286)	(171,756)
Foreign exchange movement	(20,781)	-	-	(20,780)
Balance 31 December 2022	**(2,273,573)**	**(647,636)**	**(357,279)**	**(3,278,488)**
Carrying amount 31 December 2022	**2,028,543**	**746,041**	**604,240**	**3,378,824**

12. Exploration and evaluation assets

	31 Dec 2022 $	30 Jun 2022 $
Exploration and evaluation expenditure consist of:		
Graphmada and Limada exploration	4,581,358	3,655,029
San Jorge exploration	2,477,114	2,229,971
Transfer on loss of control of subsidiary [1]	(2,477,114)	-
	4,581,358	**5,885,000**

Note 1: The accounting treatment of the San Jorge Project has changed during the period, and it is now recognised as an equity accounted investment rather than as exploration and evaluation assets. Refer to note 13.

13. Equity accounted investments

	31 Dec 2022 $	30 Jun 2022 $
Non-current assets		
Investment in a joint venture	3,200,351	-
	3,200,351	**-**

Movements during the period		
Investment in a joint venture		
Opening balance	-	-
Investment in Andes Litio SA - at date of loss of control	2,477,114	-
Investment in Andes Litio SA – exploration and evaluation costs capitalised	723,237	
Share of profits/(losses)	-	
Closing balance	**3,200,351**	**-**

Set out below are the joint ventures of the group as at 31 December 2022 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, which are held by the Group.

Name of entity	Principal place of business / country of incorporation	Nature of relationship	Ownership interest
Andes Litio SA	Argentina	Joint venture [1]	100%

Note 1: As part of the strategic funding transaction with NIO Inc. through its wholly owned subsidiary Blue Northstar Limited, the Company lost sole control of the relevant activities of Andes Litio SA on signing the subscription agreement in September 2022. Even though the Group retains 100% of the shares and voting rights, joint control exists as decisions about the relevant activities of the San Jorge Project require unanimous consent of the parties. The Company has deconsolidated its interest in Andes Litio SA from the date of signing the subscription agreement (as control was deemed to have been lost) and recognise its interest in Andes Litio SA as an interest in a jointly controlled entity and is accounted for under the equity accounting method.

Andes Litio SA
Summarised financial information of the Group's investment in Andes Litio SA:

	31 Dec 2022 $
Current assets – cash and cash equivalents	-
Non-current assets – Exploration evaluation assets	3,200,351
Total assets	**3,200,351**
Current liabilities	-
Non-current liabilities	-
Total liabilities	**-**
Greenwing's share of net assets (100%)	3,200,351
Carrying value	**3,200,351**

13. Equity accounted investments (continued)

	26 Sep 2022 to 31 Dec 2022 $
Revenue	-
Expenses	-
Loss before tax	-
Income tax	-
Loss after tax	-
Total comprehensive income	-
Greenwing's share of profits (100%)	-

Andes Litio SA requires a board resolution to distribute its profits. No dividends were paid or declared for the financial period ending 31 December 2022.

As at 31 December 2022, Andes Litio SA had investment commitments totalling USD $270,000 and exploration expenditure commitments totalling USD $375,000 within the next twelve months, and investment commitments totalling USD $5,000,000 and exploration expenditure commitments totalling USD $2,625,000 between twelve months and five years.

14. Development assets

	31 Dec 2022 $	30 Jun 2022 $
Development assets	6,895,990	6,895,990
Accumulated impairment	(4,296,000)	(4,296,000)
Accumulated amortisation	(365,833)	(365,833)
	2,234,157	**2,234,157**

15. Trade and other payables

	31 Dec 2022 $	30 Jun 2022 $
Current liabilities		
Unsecured liabilities:		
Trade payables	875,586	388,789
Other payables	868,411	546,481
	1,743,997	**935,270**

16. Borrowings

	31 Dec 2022 $	30 Jun 2022 $
Current liabilities		
Accrued interest on convertible notes	129,869	128,457
Convertible notes	4,057,892	3,844,932
	4,187,761	**3,973,389**

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.

17. Financial derivative liability

	31 Dec 2022 $	30 Jun 2022 $
Call option - Andes Litio SA – at fair value:		
As at 1 July 2022	-	-
Derivative liability – call option recognised at inception	6,000,000	-
Re-measurement to fair value through profit or loss	-	-
As at 31 December 2022	**6,000,000**	**-**

17. Financial derivative liability (continued)

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

31 December 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Total Assets	-	-	-	-
Liabilities				
Derivative Liability – Call Option	-	6,000,000	-	6,000,000
Total liabilities	-	6,000,000	-	6,000,000

There were no movements between levels during the period.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The $12,000,000 subscription from NIO comprises two components, namely:

- An equity interest in Greenwing; and
- A call option to acquire up to a 40% stake in Andes Litio SA (together with the offtake rights on the equity interest acquired in Andes Litio SA).

The NIO transaction was an arm's length transaction between two willing parties. AASB 132 required the Company to account for of each of these components.

The fair value of the derivative liability - call option was assessed to be $6,000,000, and represents the premium agreed to be paid by NIO for the right to acquire up to a 40% stake in Andes Litio SA (and associated offtake rights). The residual amount to be paid by NIO of $6,000,000 has been recorded as equity (refer Note 19).

18. Provisions

	31 Dec 2022 $	30 Jun 2022 $
Provision for rehabilitation	420,692	248,704
	420,692	**248,704**

19. Issued capital

Ordinary shares

	31 Dec 2022 $	30 Jun 2022 $
126,240,683 (30 June 2022: 123,247,349) fully paid ordinary shares	**111,603,041**	**105,160,821**

19. Issued capital (continued)

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

	31 Dec 2022 Number of shares	31 Dec 2022 $
Balance at the beginning of the period	**123,247,349**	**105,160,821**
Issued during the period		
Share placement	-	-
Shares issued for acquisition of subsidiary	2,000,000	500,000
Convertible notes converted	-	-
Shares issued in lieu of convertible note interest	744,353	264,543
Shares issued for payment of consulting fees	248,981	83,658
Residual value of call option(1)	-	6,000,000
Capital raising costs	-	(405,981)
Balance at the end of the period	**126,240,683**	**111,603,041**

Note 1: Represents NIO's subscription amount receivable of shares in accordance with the strategic funding transaction. Shares were issued to NIO when proceeds were received subsequent to year end.

20. Reserves

	Foreign currency translation reserve $	Convertible notes reserve $	Share based payments reserve $	Total $
Balance 1 July 2022	**(1,359,642)**	**6,166,389**	**1,416,238**	**6,222,985**
Exchange differences on translating foreign operations	122,409	-	-	138,655
Shares issued for acquisition of subsidiary – deferred settlement	-	-	(500,000)	(500,000)
Options issued	-	-	664,250	664,250
Options expired	-	-	(75,738)	(75,738)
Before tax	122,409	-	88,512	210,921
Tax benefit/(expense)	-	-	-	-
Net of tax	122,409	-	88,512	210,921
Balance 31 December 2022	**(1,237,233)**	**6,166,389**	**1,504,750**	**6,433,906**

Details of options issued during the period ended 31 December 2022 are set out below:

Grant Date	Expiry Date	Exercise Price	30-Jun-22	Granted in year	Exercised in year	31 Dec 2022	Options Issued Post Year End
30/07/21	30/06/25	$0.60	2,300,000	-	-	2,300,000	-
14/10/21	30/06/25	$0.60	2,100,000	-	-	2,100,000	-
14/07/22	31/12/25	$0.725	-	3,650,000	-	3,650,000	-
06/10/22	30/06/25	$0.60	-	600,000	-	600,000	-
06/10/22	31/12/25	$0.725	-	750,000	-	750,000	-

The options have been valued using the Black-Scholes method. For the options granted during the period, the valuation model inputs used to determine the fair value at grant date, are as follows:

Grant Date	Expiry Date	Share Price	Exercise Price	Expected volatility	Expected Dividends	Risk free rate	Fair value at grant date
14/07/22	31/12/25	$0.235	$0.725	100%	nil	3.530%	$0.108
06/10/22	30/06/25	$0.40	$0.60	100%	nil	3.865%	$0.212
06/10/22	31/12/25	$0.40	$0.725	100%	nil	3.865%	$0.217

21. Contingencies

Contingent liabilities
The group included details of a number of contingent liabilities in the 30 June 2022 financial report. There have been no changes to the contingent liabilities reported other than the following:

Madagascar tax lodgements:
The Madagascan Tax Authorities are currently reviewing the Graphmada SARL tax lodgements for 2017-18 and 2019-2021. The Company has paid approximately AUD $80,000 to date to the Madagascan Tax Authorities as settlement for the irregularities.

Contingent Assets
No contingent assets exist at reporting date.

22. Post-reporting date events

Since the end of the reporting period, as noted above, the Company completed the strategic funding transaction with NIO which included:

- Receipt of the subscription amount receivable of A$11,000,000 cash;
- The issue of 21,818,182 ordinary shares;
- The grant of the call option by the Company to for between 20% and 40% of Andes Litio;
- The grant of the call option security; and
- The appointment of Mr Alan Zeng as a Non-Executive Director

In addition, the next scheduled investment tranche in relation to the San Jorge project of USD $270,000 was paid on 6 February 2023 taking the Company's interest in the project to 25%.

DIRECTORS' DECLARATION

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

The consolidated interim financial statements and notes set out on pages 7 to 21 are in accordance with the Corporations Act 2001, including:

1. Giving a true and fair view of Group's financial position as at 31 December 2022 and of its performance, for the half year period ended on that date;
2. Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
3. There are reasonable grounds to believe that Greenwing Resources Limited will be able to pay its debts as and when they become due and payable.

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

Rick Anthon
Chairman

Brisbane, Queensland
16 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Greenwing Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Greenwing Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 4 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

K L Colyer
Director

Brisbane, 16 March 2023

CORPORATE DIRECTORY

DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Craig Lennon

COMPANY SECRETARY

Angus Craig

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