GREENWING
RESOURCES LTD

ASX Announcement

MADAGASCAR UPDATE: SITE VISIT COMPLETED TO GRAPHMADA MINING COMPLEX

26 October 2023

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Greenwing Resources Ltd ('Greenwing' or the 'Company') (ASX: GW1) management team recently concluded a site visit to its 100% owned Graphmada Mining Complex (Graphmada). Management also held a series of meetings in Madagascar regarding the progression of the Millie's Reward hard rock lithium project (Millie's Reward).

Greenwing is pleased to provide investors with the following update.

HIGHLIGHTS

- The Graphmada Mining Complex and infrastructure remains in good condition.
- The existing Mineral Resource[1] of 61.9 Mt @ 4.5% Fixed Carbon (FC) is capable of sustaining substantially higher production volumes.
- Greenwing has commenced auger drilling at the Andapa prospect, which is the Company's secondary graphite asset in Madagascar.
- Greenwing has commenced a process to attract strategic investment for its graphite assets.
- The Chinese Government has placed restrictions on the export of graphite effective from 1 December 2023[2]. Consequently, the Company expects this to impede supply and have a positive impact on future graphite pricing.
- A revised Mining Code in Madagascar has passed parliamentary approvals, with World Bank support, and is expected to be enacted as law in the near term, to aid Madagascar's economic development.
- Management completed several positive planning meetings regarding upcoming exploration work at the Millie's Reward project.

[1] ASX Announcement '212% Increase in Graphite Resource at Graphmada Mining Complex' released 12 July 2022.
[2] 'China, world's top graphite producer, to curb exports of key battery material', *CNBC*, 20 October 2023, www.cnbc.com/2023/10/20/china-top-graphite-producer-to-curb-exports-of-key-battery-material.html.

"Graphmada is in good condition, with the imminent passage of the mining-friendly Mining Code, the potential to capitalise on the substantial progress made to date is considerable, consensus opinion remains strong for natural graphite concentrate pricing.

With the Ambatofafana/Mahela Mineral Resource underpinning potential higher production volumes the Company intends to commence the search for a strategic partner at Graphmada the recently proposed curbs on the export of Graphite Concentrates from China only heightens Graphmada's strategic value. Further we see the forthcoming passage of the Mining Code as transformational for the Millie's Reward project. Host to a remarkable surface signature, inclusive of a 31m trench sample at 3.7% Li_2O and rock chip samples up to 7.1% Li_2O [3], we see considerable opportunity at Millie's Reward."

Executive Director, Peter Wright

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MADAGASCAR OVERVIEW

Greenwing has a substantial portfolio of assets in Madagascar with significant investment made to date in Graphite & Lithium.

Greenwing sees the proposed revised Mining Code in Madagascar as positive news deliberately aimed at increasing mining activity. The Company has received extensive, consular, legal advice and is encouraged as to the positive implications for its Madagascan assets.

Graphite

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

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

Whilst in care and maintenance, the Company has increased the Mineral Resource from 14.3 Mt @ 4.0% FC containing 0.6 Mt of graphite[4], to an existing Mineral Resource of 61.9 Mt @ 4.5% FC containing 2.8 Mt of graphite.

Lithium

In 2017, the Company reached an agreement to purchase the Millie's Reward Project, a highly prospective hard rock lithium project that consists of three contiguous leases[5] covering approximately 25km^2. Millie's Reward is a virgin discovery of potentially high-grade pegmatite hosted lithium located in central Madagascar. The project has over 200 multiple pegmatite surface occurrences along a strike length of 10 km, which has returned high grade rock chip samples of up to 7.1% Li_2O.

[3] ASX Announcement 'BSM's Outstanding Lithium Intersection of 31m at 3.72%' released 11 September 2018.
[4] ASX Announcement 'Exploration Update' released 11 February 2021.
[5] ASX Announcement 'Bass Completes Acquisition of Highly Prospective Millie's Reward Lithium Project' release 12 December 2017.

Figure 1 – Lithium bearing spodumene samples from Millie's Reward

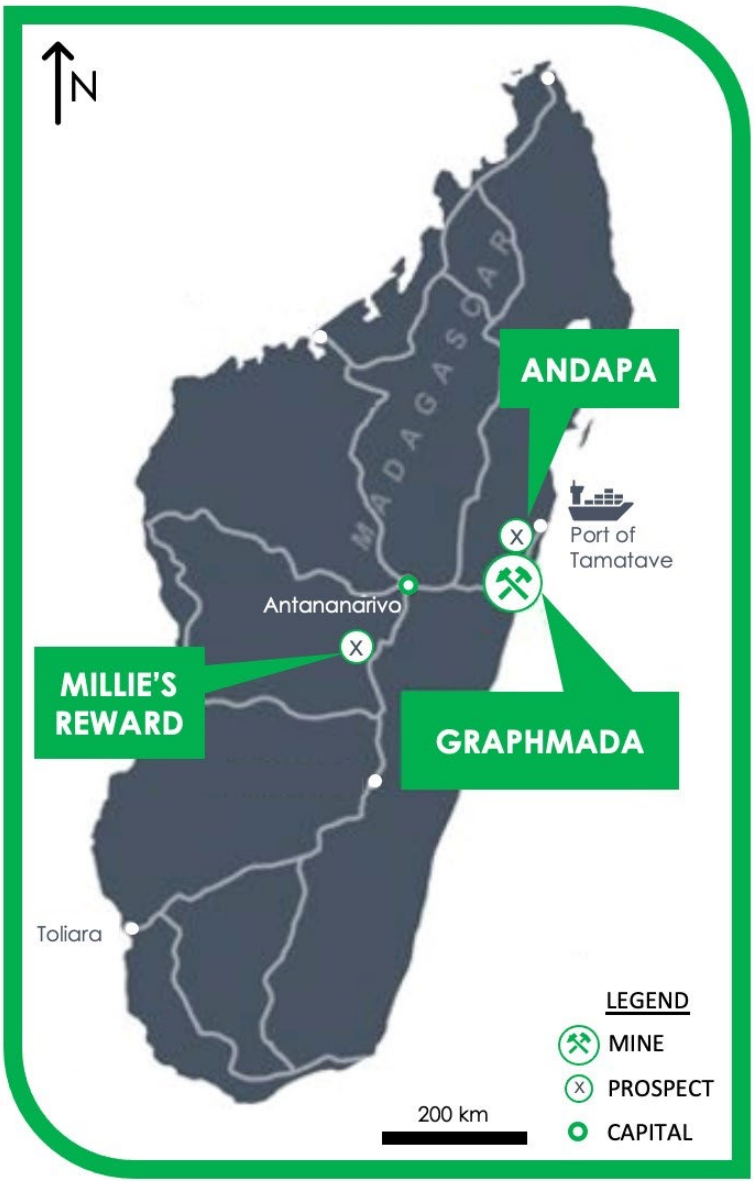

Figure 2 – locations of Greenwing's projects

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Graphmada Mining Complex Update

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

Figure 3 – Ball Mill #1 of Process Plant

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

Figure 4 – Operational Flash Dryer and Screening Plant

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Highlights of Graphmada Operations

- Building and commissioning of process, drying and screening plant
- Two years continuous production and export.
- Production of 43% large flake graphite and 57% fine flake graphite (battery anode material).
- Mineral concentrates qualified and sold into USA, Europe, China, Japan, Korea & India.
- Infrastructure pathway established with Graphmada located adjacent to the sealed national highway and 120 km from Madagascar's only deep-water port at Tamatave.

Mahela & Ambatofafana Zones

Over the care and maintenance period, the Company continued to increase the Mineral Resource at Graphmada with the main focus being the southern extension of the permit package, in particular the Mahela and Ambatofafana zones, where 48 Mt of the current 62 Mt Mineral Resource (See Table 1) is located.

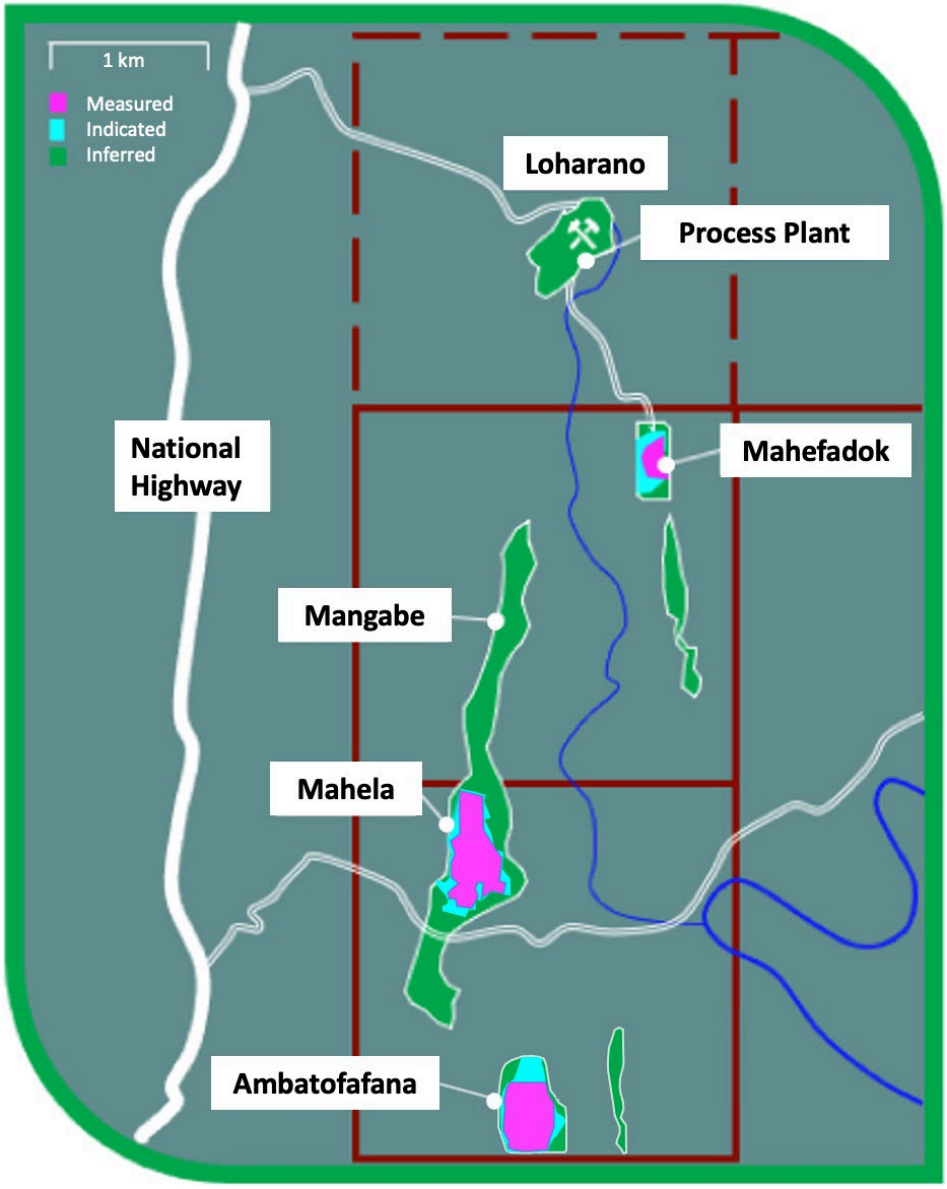

Figure 5 – Graphmada Mining Complex

TABLE 1: MINERAL RESOURCES FOR THE GRAPHMADA MINING COMPLEX [6 7 8]

Resource	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**

Whilst at the time much was made of the headline 62 Mt resource (See Table 1 above), what was less understood was the considerable addition of 17 Mt of easily mineable regolith (soft rock) @ 4.3% FC for Contained Graphite of 0.7 million tonnes.

Of further significance is that the resources at Mahela & Ambatofafana delivers a dramatically lower strip ratio of 0.5:1 (Waste to ore) which is materially lower than the strip ratio at Mahefadok of 5:1 (Waste to ore). The Company mined predominantly at Mahefadok where the Company was mining from an inferred resource.

The future of Graphmada is the Mahela and Ambatofafana zones in the south of the permit, which is a solid foundation for a stage 2 project and a sound basis for attracting strategic investment with over 2 million tonnes of contained graphite.

In addition to this Greenwing anticipates further drilling at Graphmada with a particular emphasis on Ambatofafana where the Company received its best results to date including a 20 – 40m zone of regolith hosted mineralisation.

Figure 6 – Graphite outcrop at the Ambatofafana deposit

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

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

[8] Figures subject to rounding.

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Andapa prospect

Greenwing returned to the Andapa prospect in early October 2023 and has commenced a six-month auger drilling campaign with a planned 436 auger holes. Andapa is located circa 60 km closer to the deep-water port at Tamatave than the Graphmada Mining Complex and along strike from an adjacent operating graphite mine.

Figure 7 – Camp established at Andapa for the Auger Team

Next steps at Graphmada

Greenwing considers that partnering with a strategic investor represents the optimal path to unlock value at Graphmada and to ultimately build an operation capable of producing in excess of 50,000 tpa from Graphmada.

The growing Graphmada resource, inclusive of a material drop in strip ratio and improvement in geological confidence, provides an excellent foundation from which to pursue this. In addition, Graphmada has all permitting in place along with 2 years of production experience, an accepted product and extensive infrastructure in place to support a much larger operation.

Dorfner ANZAPLAN concluded that the Graphmada graphite concentrate benchmarked favourably for wide use in various carbon applications and market segments, including the lithium battery anode market[9]. Greenwing has approximately 170 tonnes of graphite (See Figure 8) readily available onsite for product qualification as a feedstock for battery anodes.

[9] ASX Announcement 29/05/2017 "Concentrates confirmed as benchmark and highly suitable for use in lithium-ion batteries".

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Figure 8 – Current graphite stock at Graphmada

Graphite Market

On 21 October 2023, the Chinese government announced the introduction of export permits for both natural and synthetic graphite commencing as of 1 December 2023. China dominates the natural graphite export market, accounting for 65-70% of Global exports for graphite. With consensus estimates already predicting an upcoming graphite deficit, the actions of the Chinese Government represent a potentially radical shift in the supply/demand equation for graphite.

Natural Graphite is now defined by the United States, the EU and Korea as a critical material. Battery and car manufacturers have already started to seek graphite sources outside of China to meet the rapidly increasing demand for Electric Vehicles.

The probability of a restricted graphite supply from China, together with the rapid onshoring of the battery supply chain currently taking place in the United States, the EU and Asia (ex-China), will push battery producers to seek alternate natural graphite supply outside of China. Greenwing is well placed to take advantage of these changes and meet the growing demand for environmentally friendly natural graphite.

Millie's Reward Hard Rock Lithium Project

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

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

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

Millie's Reward is characterised by an outstanding surface signature that has delivered rock chip samples of up to 7.1% Li_2O and a 31m trench sample of 3.7% Li_2O. There are eight priority prospects located within the Millie's Reward permit area of 25 km^2.

Mining Code

Madagascar is in the final stages of implementing a revised mining code with the bill having already passed the lower and upper houses of parliament and the constitutional court. The final decree by the president of the republic of Madagascar is now all that is required to bring the bill into law.

The mining code is aimed at attracting foreign investment into the Madagascar mining sector, which is considered a key driver of economic development and growth. To date Madagascar has attracted several large projects including QMM (80% owned by Rio Tinto) and the Ambatovy Nickel Cobalt project, which is located in proximity to the Graphmada Mining Complex.

The mining code comes with mandated periods for renewals, transfer and new applications, and aims to make the process of resource development more streamlined than the existing framework. Revisions to the mining code include:

- A royalty increases from 2% to 5% of export revenue,
- Establishing a social & community mining investment fund based on a 3% contribution of a project's capex,
- Reduction in permitting areas by 50% upon application,
- Reduction in permit duration to 25 years + 15 year renewal,

It is expected, the revised mining code will assist the BCMM to implement permit renewals and transfers for Greenwing's graphite & lithium permits. Additionally, the overhaul of the mining code will assist with improving the social distribution of wealth to local communities and providing a fairer share of revenue to the central government.

As a broad generalization, the Government's intention for the revised mining code is the promotion of Madagascar as a mining friendly jurisdiction that is open and welcoming of business.

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SUMMARY

The Company would like to thank its tireless and outstanding workforce in Madagascar for their efforts.

Graphmada Mining Complex is in sound condition with the increased Mineral Resource base capable of supporting materially higher production volumes across the graphite concentrate supply chain.

The recently announced Chinese Government curbs on graphite exports highlight Graphmada's strategic importance, and Greenwing will seek to capitalise on the progress achieved to date to identify a strategic partner to assist in the development of a large scale operation.

At Millie's Reward, the pending passage of the mining code will open the way for an aggressive exploration programme that will test the potential of this exciting project.

For further information:

visit **greenwingresources.com** or contact: **info@greenwingresources.com**

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

ABOUT GREENWING RESOURCES

*Greenwing Resources Limited (**ASX:GW1**) is an Australian-based critical minerals exploration and development Company committed to sourcing metals and minerals required for a cleaner future. With lithium and graphite projects across Madagascar and Argentina, Greenwing plans to supply electrification markets, while researching and developing advanced materials and products.*

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Competent Person Statement

The information in this document that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Tim McManus, a Competent Person who is a member of the Australasian Institute of Mining and 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.