GREENWING RESOURCES LTD

ABN 31 109 933 995

Half-Year Report

For the period ended

31 December 2023

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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 2023.

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

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 two 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 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.

Principal activities

The Company is a critical minerals business. It is developing the Graphmada Mining Complex in Eastern Madagascar, and it is exploring for lithium at Millie's Reward, also in Madagascar, and 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

In September 2021, 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 covering some 36,000 hectares inclusive of the San Francisco Salar.

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

The maiden drilling program commenced in June 2023. Three initial diamond holes to the bedrock depth were planned, with the objective of confirming the lithium concentration and obtaining information about different types of host lithologies.

This initial three-hole program targeting the peripheries of the salar was completed during the period with all three holes returning consistent values of 200mg/L lithium noting that the drill hole locations are at the edges of the salar.

Positive results from the initial holes has led to the Company immediately extending the drilling program to six holes which are due to be completed during the first quarter of calendar 2024. Hole 4 was being drilled at the end of the period, and was completed subsequent to period end. .

The Maiden Mineral Resource Estimate for the San Jorge Project in targeted for completion in April/May 2024.

Concurrently to undertaking the drilling program the Company will has also extracted larger brine samples for processing evaluation. Evaluation of multiple Direct Lithium Extraction (DLE) technologies is underway.

For further detailed information regarding the exploration undertaken and results to date, refer to ASX announcements dated: 16 August 2023; 22 November 2023; 15 January 2024 and 8 February 2024.

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

Graphite

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's Mineral Resource Estimate (as per JORC Code 2012) for the Graphmada Mining Complex consists of 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 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 is also actively looking for partners to advance the project.

Corporate

In July 2023, the Company announced an update on its funding arrangements which saw the Company emerge with no secured debt and security released over its assets. The overhaul consisted of an equity placement of $2,375,000, a loan facility of $1,000,000 provided by Chairman Rick Anthon and the conversion of approximately 68% of its $4,172,883 convertible notes into equity, and repayment of the balance of the convertible notes in cash.

During the period the Company:

- issued 572,346 ordinary shares at an average issue price of $0.228 to noteholders in lieu of payment of interest payable on convertible notes;
- issued 11,301,635 ordinary shares at an issue price of $0.25 on the conversion of convertible notes with a face value totalling $2,825,409;
- issued 282,541 ordinary shares at an issue price of $0.25 to noteholders as an incentive to convert their note holdings to equity with a face value totalling $70,635;
- repaid the face value of the balance of convertible notes not converted totalling $1,278,546;
- issued 185,185 ordinary shares at a price of $0.27 as payment to consultants for services provided to the Company with a face value totalling $50,000;
- issued 5,650,818 unlisted options with a fair value of $395,557 to remaining convertible note holders as in incentive to convert their note holdings to equity; and
- issued 12,000,000 ordinary shares via a placement at an issue price of $0.225 raising $2,700,000:
  - 10,555,556 ordinary shares were issued raising $2,375,000; and
  - 1,444,444 ordinary shares were issued to directors following shareholder approval raising $325,000.

Result for the period

Consolidated net loss after tax for the Group for the six months to 31 December 2023 was $1,328,274 (2022: $3,030,969 loss).

Dividends

No dividends have been paid during the period and no dividends have been recommended by the Directors (2022: nil).

Events arising since the end of the reporting period

Since the end of the reporting period, the Company has:

- announced an $8,000,000 million At-the-Market Facility (ATM) Agreement with Alpha Investment Partners which provides up to $8,000,000 million of standby equity capital over the next four years, and issued 7,000,000 ordinary shares as collateral for the ATM facility;
- drawn down $200,000 of the $1,000,000 loan facility provided by Rick Anthon; and
- paid the next scheduled investment tranche in relation to the San Jorge project of USD $500,000 taking the Company's interest in the project to 45%.

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
12 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

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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 2023, 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, 12 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
Other income	6	89,207	12,289
Administration expenses	7(a)	(773,807)	(2,106,990)
Finance costs	7(b)	(516,619)	(481,137)
Foreign currency (loss) / gain		(488)	6,660
Loss on write down of plant and equipment		(142,867)	-
Research and development expenditure		-	(143,573)
Share of net loss of investment in joint venture accounted for using the equity method	12	(50,688)	-
Write back / (unwinding) of provision for rehabilitation	17	158,206	(171,998)
Loss before income tax from continuing operations		**(1,237,056)**	**(2,884,749)**
Income tax expense		-	-
Loss for the year from continuing operations		**(1,237,056)**	**(2,884,749)**
Loss after tax from discontinued operations	8	(91,218)	(146,220)
Loss for the year		**(1,328,274)**	**(3,030,969)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(277,113)	122,409
Total comprehensive loss for the period, net of tax		**(1,605,387)**	**(2,908,560)**
Loss attributed to:			
Continuing operations		(1,514,169)	(2,762,340)
Discontinued operations		(91,218)	(146,220)
Total comprehensive loss attributed to:			
Equity holders of the parent entity		**(1,605,387)**	**(2,908,560)**
Earnings per share			
Basic and diluted loss per share from operations (cents)	9	(0.78)	(2.43)
Basic and diluted loss per share from continuing operations (cents)	9	(0.75)	(2.21)

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 2023

	Note	31 Dec 2023 $	30 Jun 2023 $
CURRENT ASSETS			
Cash and cash equivalents		5,162,678	8,050,623
Inventories		819,550	823,782
Other assets		81,896	86,926
Trade and other receivables		6,375	86,362
Assets held for sale	8	500,000	500,000
Total Current Assets		**6,570,499**	**9,547,693**
NON-CURRENT ASSETS			
Development assets	10	2,234,157	2,234,157
Exploration and evaluation assets	11	5,724,508	5,189,336
Investment in joint venture	12	7,413,637	5,286,786
Plant and equipment	13	2,674,413	2,910,362
Total Non-Current Assets		**18,046,715**	**15,620,641**
TOTAL ASSETS		**24,617,214**	**25,168,334**
CURRENT LIABILITIES			
Borrowings	14	-	4,297,727
Financial derivative liability	15	6,000,000	6,000,000
Liabilities directly associated with assets classified as held for sale	8	500,000	500,000
Trade and other payables	16	667,830	1,122,600
Total Current Liabilities		**7,167,830**	**11,920,327**
NON-CURRENT LIABILITIES			
Provisions	17	251,058	409,264
Total Non-Current Liabilities		**251,058**	**409,264**
TOTAL LIABILITIES		**7,418,888**	**12,329,591**
NET ASSETS		**17,198,326**	**12,838,743**
EQUITY			
Issued capital	18	118,186,716	112,030,250
Reserves	19	1,157,855	7,180,704
Accumulated losses		(102,146,245)	(106,372,211)
TOTAL EQUITY		**17,198,326**	**12,838,743**

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 2023

	Share capital	Share based payments reserve	Convertible notes reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 July 2023	**112,030,250**	**1,495,950**	**6,141,293**	**(456,539)**	**(106,372,211)**	**12,838,743**
Loss for the period	-	-	-	-	(1,328,274)	(1,328,274)
Other comprehensive income	-	-	-	(277,113)	-	(277,113)
Total comprehensive loss for the year	-	-	-	(277,113)	(1,328,274)	(1,605,387)
Transactions with owners, recorded directly in equity						
Contributions of equity – Note 18	2,951,322	-	-	-	-	2,951,322
Shares issued relating to convertible notes converted to shares	3,412,462	-	(587,053)	-	-	2,825,409
Options issued (1)	-	-	395,557	-		395,557
Shares issued for services rendered – Note 18	375,000	-	-	-	-	375,000
Transfer reserve to accumulated losses	-	-	(5,554,240)	-	5,554,240	-
Cost of shares issued – Note 18	(207,318)	-	-	-		(207,318)
Balance at 31 December 2023	**118,186,716**	**1,495,950**	**395,557**	**(733,652)**	**(102,146,245)**	**17,198,326**
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
Placement - residual value of call option(2)	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**

(1) Options issued to convertible noteholders as an incentive to convert their noteholdings to equity. Refer to Note 19.
(2) 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 2023

	Note	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
Cash flows from operating activities			
Sundry income		106,109	132,103
Payments to suppliers and employees		(1,059,349)	(915,426)
Net cash used in operating activities		**(953,240)**	**(783,323)**
Cash flows from investing activities			
Payment for exploration and evaluation - Graphmada		(414,929)	(574,858)
Payment for exploration and evaluation – San Jorge		(2,418,198)	(652,514)
Payment for exploration and evaluation – San Jorge investment		-	(635,968)
Purchase of property, plant and equipment		(3,522)	(1,487)
Interest received		63,086	40
Net cash used in investing activities		**(2,773,563)**	**(1,864,787)**
Cash flows from financing activities			
Proceeds from issue of shares	18	2,261,382	-
Proceeds from loan		-	1,000,000
Repayment of convertible notes	14	(1,278,546)	-
Transaction costs on issue of shares		(96,314)	(269,212)
Interest paid		(46,619)	(2,235)
Net cash from financing activities		**839,903**	**728,553**
Net decrease in cash and cash equivalents		**(2,886,900)**	**(1,919,557)**
Cash and cash equivalents at the beginning of the period		8,050,623	1,895,910
Exchange differences on cash and cash equivalents		(1,045)	128,360
Cash and cash equivalents at the end of the period		**5,162,678**	**104,713**

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

The interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2023 and are presented in Australian Dollars ($AUD), which is the functional currency of the Parent Company. These 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 2023 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 12 March 2024.

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. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

3. Significant events and transactions

In July 2023, the Company announced an update on its funding arrangements which saw the Company emerge with no secured debt and security released over its assets. The new funding arrangements consisted of an equity placement of $2,700,000 (note 18), a loan facility of $1,000,000 provided by Chairman Rick Anthon and the conversion of approximately 68% of its convertible notes into equity, and repayment of the balance of the convertible notes in cash. The Group's convertible notes were settled as follows:

- 353,176,098 notes valued at $2,825,409 were converted into equity at the noteholders' request;
- 158,818,289 notes valued at $1,278,546 were redeemed as cash at the noteholders' request; and
- 8,615,978 notes valued at $68,928 were applied by the directors in the placement subscription.

In addition, the Group also issued 282,541 shares valued at $70,635 and issued 5,650,818 share options valued at $395,557 to convertible noteholders as an incentive to convert their remaining note holdings to equity. This was a modification that came into effect in July 2023,

The loan facility provided by Chairman Rick Anthon has been extended from 31 December 2023 to 30 June 2024. The terms of the facility include an interest rate payable of 14% p.a. on funds drawn. The loan facility has not been utilised during the period.

During the period the Company also continued with its maiden drilling program at the San Jorge Project with three holes completed during the period, with encouraging results leading to the immediate expansion of the program to six holes which are expected to be completed by the end of April 2024.

The economic environments of Madagascar and Argentina have changed during the period, primarily through inflation and currency movements against the Australian dollar. Balances that have been materially affected are the equity accounted investment, trade and other payables and provision for rehabilitation. Refer to notes 12, 16 and 17 respectively.

4. Going concern

The financial report for the half year ended 31 December 2023 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 $1,328,274 (2022 loss for the period: $3,030,969). Net cash operating cash outflows of $953,240 (2022: $783,323) and a net current asset deficiency of $597,331 (2023: $2,372,634). In addition, cash and cash equivalents includes $4,966,245, which is restricted for expenditure on the San Jorge Lithium Project only. 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. Refer to note 18 for capital raises completed during the year;
- included in current liabilities is financial derivative liability of $6,000,000 which represents NIO's call option over the San Jorge project (refer to note 15). The financial derivative liability will not be required to be settled in cash and excluding this balance, the net current asset position is $5,402,669;
- access to a director related loan facility of $1,000,000 (which has an expiry date of 30 June 2024), of which $200,000 has been drawn down subsequent to year-end (refer to note 21).
- 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.

As a result of the items noted above the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

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.

5. Segment reporting (continued)

The operating profit/(loss) generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Six months to 31 December 2023	Advanced materials	Graphite mining	Lithium exploration	Total
Revenue				
From external customers	-	-	-	-
From other segments	-	-	-	-
Segment revenues	**-**	**-**	**-**	**-**
Segment operating profit/(loss)	**(1,236)**	**114,202**	**(58,289)**	**54,677**
Segment assets	**1,590**	**14,125,844**	**7,532,913**	**21,660,097**
Other assets not allocated				2,956,867
Total assets				**24,617,214**

Six months to 31 December 2022	Advanced materials	Graphite mining	Lithium exploration	Total
Revenue				
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**	**(2,220,942)**
Segment assets	**136,499**	**13,684,049**	**947,442**	**14,767,990**
Other assets not allocated				11,234,953
Total assets				**26,002,943**

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 2023 $	6 months to 31 Dec 2022 $
Profit or Loss		
Total reportable segment operating profit / (loss)	54,677	(2,220,942)
Finance charges on unlisted options	(508,573)	-
Share of net loss of investment in joint venture	(50,688)	-
Corporate costs, head office costs, or similar	(732,472)	(663,807)
Discontinued operations, refer Note 8	(91,218)	(146,220)
Group operating loss	**(1,328,274)**	**(3,030,969)**
Group loss before tax	**(1,328,274)**	**(3,030,969)**

6. Other income

	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
Interest received	63,086	40
Sundry income	26,121	12,249
Total other income	**89,207**	**12,289**

Interest received for the period has increased when compared to the same period last year due to the funds deposited by NIO Inc.

7. Loss for the period

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

	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
7 (a) Administration expenses		
Corporate administration:		
ASIC, ASX and registry fees	44,143	46,609
Contracting & consulting expenses	216,399	201,701
Director fees	149,596	162,030
Employee benefits expense	117,282	99,191
Share based payments	-	664,250
Impairment losses	10,314	14,283
Investor relations	19,856	33,658
Legal expenses	1,163	3,479
Other administration expenses	184,542	227,069
Transactional levies – penalties and fines	-	609,765
Travel expenses	30,512	44,955
Total corporate administration expenses	**773,807**	**2,106,990**

	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
7(b) Finance costs		
Convertible notes - finance charges[(1)]		
- Incentive shares issued	70,635	-
- Incentive options issued	395,557	-
- Fee	42,381	-
Interest expense	2,204	2,235
Interest on convertible notes	5,842	478,912
Total finance costs	**516,619**	**481,147**

(1) Finance charges represents the cost of issuing noteholders shares and options as an incentive to convert their noteholdings to equity. Refer to notes 14, 18 and 19.

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 (see *loss after tax from discontinued operations*). The Company is currently in negotiations with an external party to dispose of the assets.

	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
Financial performance information		
Que River remediation contribution	-	120,000
Que River operating infrastructure – care & maintenance	(91,218)	(266,220)
	(91,218)	(146,220)
Loss before income tax	(91,218)	(146,220)
Income tax expense	-	-
Loss after income tax from discontinued operations	**(91,218)**	**(146,220)**

8 Discontinued operations (continued)

The following assets and liabilities are included in the disposal group and recognised on the statement of financial position.

	31 Dec 2023 $	30 Jun 2023 $
Non-current assets held for sale - Security deposits and guarantees	**500,000**	**500,000**
Liabilities directly associated with assets classified as held for sale	**500,000**	**500,000**

9. Earnings per share

	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $
Loss for the period	(1,328,274)	(3,030,969)
Loss for the period – continuing operations	(1,514,169)	(2,762,340)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	170,548,790	124,748,364
Loss per shares (cents)	**(0.78)**	**(2.43)**
Loss per shares (cents) – continuing operations	**(0.75)**	**(2.21)**

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. Development assets

	31 Dec 2023 $	30 Jun 2023 $
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**

There have not been any significant indicators of impairment during the period which required management to perform an impairment assessment and which would have affected the value of development assets at reporting date.

11. Exploration and evaluation assets

	31 Dec 2023 $	30 Jun 2023 $
Exploration and evaluation expenditure consist of:		
Graphmada and Limada exploration	5,724,508	5,189,336
San Jorge exploration	-	2,477,114
Transfer San Jorge exploration to investment in a joint venture	-	(2,477,114)
	5,724,508	**5,189,336**

12. Equity accounted investments

	31 Dec 2023 $	30 Jun 2023 $
Non-current assets		
Investment in a joint venture	7,413,637	5,286,786
	7,413,637	**5,286,786**

12. Equity accounted investments (continued)

Movements during the period
Investment in a joint venture – Andes Litio SA

	6 months to 31 Dec 2023 $	12 months to 30 June 2023
Opening balance – 1 July	5,286,786	-
Investment - loss of control of subsidiary on 26 September 2022	-	2,477,114
Investment – deferred consideration	-	692,597
Investment – exploration and evaluation costs	2,477,724	1,324,761
Investment – operating costs	-	347,516
Share of foreign currency translation reserve	(300,185)	452,044
Share of losses	(50,688)	(7,246)
Closing balance	**7,413,637**	**5,286,786**

Set out below are the joint ventures of the group as at 31 December 2023 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%

(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 and recognise its interest in Andes Litio SA as an interest in a jointly controlled entity.

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

	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Cash and cash equivalents	913,640	828,742
Other assets	420,315	55,818
Non-current assets		
Exploration evaluation assets	5,519,323	3,981,554
Total assets	**6,853,278**	**4,866,113**
Current liabilities	948,783	78,557
Non-current liabilities	-	-
Total liabilities	**948,783**	**78,557**
Greenwing's share of net assets (100%)	5,904,495	4,787,556
Premium and exploration costs	1,509,142	499,230
Carrying value	**7,413,637**	**5,286,786**

12. Equity accounted investments (continued)

	1 Jul 2023 to 31 Dec 2023 $	26 Sep 2022 to 31 Dec 2022 $
Revenue	-	-
Expenses	(50,688)	-
Loss before tax	(50,688)	-
Income tax	-	-
Loss after tax	(50,688)	-
Total comprehensive income	-	-
Greenwing's share of losses (100%)	(50,688)	-

Andes Litio SA requires a board resolution to distribute its profits. No dividends were paid or declared for the financial period ending 31 December 2023.

Andes Litio SA had no contingent liabilities or capital commitments at 31 December 2023 apart from investment commitments totalling USD $500,000 and exploration expenditure commitments totalling USD $500,000 within the next twelve months, and investment commitments totalling USD $3,500,000 and exploration expenditure commitments totalling USD $1,750,000 between twelve months and five years.

13. 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 2023	3,980,170	150,701	1,137,107	5,267,978
Additions	3,522	-	-	3,522
Disposals	(416,415)	(115,507)	-	(531,922)
Balance 31 December 2023	**3,567,277**	**35,194**	**1,137,107**	**4,739,578**
Depreciation and impairment				
Balance 1 July 2023	(1,788,837)	(134,661)	(434,116)	(2,357,614)
Depreciation	(84,803)	(1,268)	(34,172)	(120,243)
Disposals	297,185	115,507	-	412,692
Balance 31 December 2023	**(1,576,455)**	**(20,422)**	**(468,288)**	**(2,065,165)**
Carrying amount 31 December 2023	**1,990,822**	**14,772**	**668,819**	**2,674,413**

14. Borrowings

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Accrued interest on convertible notes	-	124,844
Convertible notes	-	4,172,883
	-	**4,297,727**

The Group's convertible notes were repaid as follows:

- 353,176,098 notes valued at $2,825,409 were converted into equity at the noteholders' request;
- 158,818,289 notes valued at $1,278,546 were redeemed as cash at the noteholders' request; and
- 8,615,978 notes valued at $68,928 were applied by the directors to the next placement subscription.

In addition, the Group also issued 282,541 shares valued at $70,635 and issued 5,650,818 options valued at $395,557 to convertible noteholders as an incentive to convert their remaining note holdings to equity. The cost of issue, along with corporate advisory fees related to the issues, has been reflected as a finance charge to the group. Refer to notes 7, 18 and 19.

15. Financial derivative liability

	6 months to 31 Dec 2023 $	12 months to 30 June 2023 $
Call option – Andes Litio SA – at fair value		
As at 1 July	6,000,000	-
Derivative liability – call option recognised at inception	-	6,000,000
Re-measurement to fair value through profit or loss	-	-
As at reporting date	**6,000,000**	**6,000,000**

As part of the strategic funding transaction with NIO Inc., the Company received $12 million in subscription proceeds. The Subscription comprises of 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 call option issued by the Company to NIO to acquire up to a 40% stake in Andes Litio SA represents a derivative liability to the Company. At inception, the fair value of the derivative liability – call option was assessed to be $6,000,000 and represented 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 18).

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 2023	**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

Derivative liability – call option fair value at reporting date

The cost to NIO to exercise their call option for a 40% stake in Andes Litio SA would be USD $80 million, valuing 100% of Andes Litio SA and the San Jorge project to be USD $200 million. The fair value of the call option is calculated using the probability weighted excess value discounted to the valuation date, being 26 September 2022 when then the Company entered into the subscription agreement with NIO.

The fair value of the call option is reasonably approximated by calculating the probability-weighted potential excess value of Andes Litio SA (and its sole asset the San Jorge Project) above the USD $200 million and discounting the value to the valuation dates.

15. Financial derivative liability (continued)

Level 3 – Liabilities

Movements in level 3 Liabilities during the current and previous financial year are set out below:

	6 months to 31 Dec 2023 $	12 months to 30 June 2023 $
Liabilities		
Balance at beginning of the year	6,000,000	-
Initial recognition of financial derivative	-	6,000,000
Transfers out from level 3	-	-
(Gain)/loss recognised in profit or loss	-	-
As at 31 December 2023	**6,000,000**	**6,000,000**

Unobservable inputs
The level 3 liabilities unobservable inputs are as follows:

Unobservable inputs	Unobservable Inputs		Sensitivity
	31 Dec 2023	30 Jun 2023	
Potential project value outcome at end of the call option term	USD $200m	USD $200m	The estimated fair value would increase/(decrease) if project value was higher/(lower)
Estimated probability of project value at end of the call option term	20.0%	20.0%	The estimated fair value would increase/(decrease) if probabilities were higher/(lower) – refer below for sensitivity analysis
Discount rate	9.92%	10.28%	The estimated fair value would increase/(decrease) if discount rate was lower/(higher)
AUD/USD exchange rate	$0.6840	$0.6656	The estimated fair value would decrease/(increase) if exchange rate was higher/(lower) – refer below for sensitivity analysis

Sensitivity analysis
Reasonably possible changes in the unobservable inputs included below, holding other assumptions constant, would have affected the fair value of the financial derivative liability at balance date by the amounts shown in the following table:

Derivative Liability – Call Option	31 Dec 2023 Increase $	31 Dec 2023 Decrease $	30 Jun 2023 Increase $	30 Jun 2023 Decrease $
Potential project value outcome at end of the call option term: changes to step value by + 5%	4,000,000	-	4,000,000	-
Potential project value outcome at end of the call option term: changes to step value by - 5%	-	(3,000,000)		(3,000,000)
Changes to probability of tiers 'in-the-money' of project value at end of the call option term: + 5%	2,000,000	-	2,000,000	-
Changes to probability of tiers 'in-the-money' of project value at end of the call option term: - 5%	-	(1,000,000)	-	(1,000,000)
Discount rate: increase by 5%	-	-	-	-
Discount rate: decrease by 5%	1,000,000	-	1,000,000	-
AUD/USD exchange rate: + 5%	-	-	-	-
AUD/USD exchange rate: - 5%	1,000,000	-	1,000,000	-

16. Trade and other payables

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Unsecured liabilities:		
Trade payables	172,924	471,583
Other payables	494,906	651,017
	667,830	**1,122,600**

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.

The movement in trade and other payables for the period is a combination of the settlement of one-off liabilities along with foreign currency movement in the valuation of foreign payables.

17. Provisions

	31 Dec 2023 $	30 Jun 2023 $
Provision for rehabilitation	251,058	409,264
	251,058	**409,264**

The movement in provision for rehabilitation for the period is a combination of changes in forecast inflation for Madagascar along with a higher discount rate being applied reflecting an increase in the country's risk premium.

18. Issued capital

Ordinary shares

	31 Dec 2023 $	30 Jun 2023 $
174,251,482 (30 June 2023: 149,909,775) fully paid ordinary shares	**118,186,716**	**112,030,250**

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.

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

	6 months movement		12 months movement	
	31 Dec 2023 Number of shares	31 Dec 2023 $	30 Jun 2023 Number of shares	30 Jun 2023 $
Balance at the beginning of the period	**149,909,775**	**112,030,250**	**123,247,349**	**105,160,821**
Issued during the period				
Share placement (1)	12,000,000	2,700,000	21,818,182	6,000,000
Shares issued for acquisition of subsidiary	-	-	2,000,000	500,000
Shares issued on conversion of convertible notes	11,301,635	3,412,462	483,138	142,135
Shares issued in lieu of convertible note interest	572,346	130,687	1,912,125	515,611
Shares issued for payment of consulting fees	185,185	50,000	248,981	83,659
Shares issued to noteholders (2)	282,541	70,635	-	-
Shares issued for CEO incentives arrangement	-	-	200,000	60,000
Capital raising costs (options expired)	-	-	-	75,738
Capital raising costs	-	(207,318)	-	(507,714)
Balance at the end of the period	**174,251,482**	**118,186,716**	**149,909,775**	**112,030,250**

(1) Share placement comprised of 10,555,556 ordinary shares issued raising $2,375,000 less transactions costs of $113,618 equalling $2,261,382; and 1,444,444 ordinary shares issued with a value of $325,000 issued to directors as part of the placement

(2) Shares issued to convertible noteholders as an incentive to convert their noteholdings to equity. Refer to notes 7 and 14.

19. Reserves

	Foreign currency translation reserve $	Convertible notes reserve $	Share based payments reserve $	Total $
Balance 1 July 2023	**(456,539)**	**6,141,293**	**1,495,950**	**7,180,704**
Exchange differences on translating foreign operations	(277,113)	-	-	(277,113)
Convertible notes converted to shares	-	(587,053)	-	(587,053)
Options issued (1)	-	395,557	-	395,557
Redemption of convertible notes	-	(5,554,240)		(5,554,240)
Before tax	(277,113)	(6,141,293)	-	(6,022,849)
Tax benefit/(expense)	-	-	-	-
Net of tax	(277,113)	(6,141,293)	-	(6,022,849)
Balance 31 December 2023	**(733,652)**	**395,557**	**1,495,950**	**1,157,855**

(1) Options issued to convertible noteholders as an incentive to convert their noteholdings to equity. Refer to notes 7 and 14.

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 as well as the finance costs relating to incentives offered to noteholders. Refer below for valuation of incentives.

Share based payments reserve
The share-based payments reserve records the fair value of equity instruments granted for goods and services received.

31 December 2023

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
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
14 July 2022	31 December 2025	$0.725	3,650,000	-	-	-	3,650,000
6 October 2022	30 June 2025	$0.60	600,000	-	-	-	600,000
6 October 2022	31 December 2025	$0.725	750,000	-	-	-	750,000
24 July 2023	30 June 2025	$0.60	-	5,650,818	-	-	5,650,818
			9,400,000	**5,650,818**	**-**	**-**	**15,050,818**
Weighted average exercise price			$0.65	$0.60	$0.00	$0.00	$0.642
Weighted average remaining contractual life			26 months	18 months	-	-	20 months

Share Options issued during the year – Finance Costs
For the options granted during the current financial period the valuation model inputs used to determine the fair value at the grant date, are as follows:

Valuation model inputs – Black-Scholes method

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24 July 2023	30 June 2025	$0.23	$0.60	100%	0%	4.063%	$0.07

The expected volatility is based on historical share price movements.

20.Contingencies

Contingent Liabilities
There has been no changes to the contingent liabilities that were reported for the year ended 30 June 2023.

Contingent Assets
No contingent assets exist at reporting date.

21. Post-reporting date events

Since the end of the reporting period, the Company has:

- entered into an $8,000,000 At-the-Market Facility (ATM) Agreement with Alpha Investment Partners which provides up to $8,000,000 million of standby equity capital over the next four years, and issued 7,000,000 ordinary shares as collateral for the ATM facility;
- drawn down $200,000 of the $1,000,000 loan facility provided by Rick Anthon; and
- paid the next scheduled investment tranche in relation to the San Jorge project of USD $500,000 taking the Company's interest in the project to 45%.

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 10 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 2023 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
12 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Greenwing Resources Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Greenwing Resources Ltd and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 2023 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 gives a true and fair view and 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 2023 and its financial 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, 12 March 2024

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

COMPANY SECRETARY

Angus Craig

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