

ASX Announcement

STRATEGIC TRANSACTION WITH NIO Inc.

26 September 2022

Greenwing Resources Ltd (**Greenwing** or the **Company**) (ASX: GW1) is pleased to announce a strategic funding transaction with NIO Inc. (through its wholly owned subsidiary, Blue Northstar Limited) (**NIO**), enabling Greenwing 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.

NIO is a pioneer and a leading company in the premium smart electric vehicle market and is listed on the New York Stock Exchange, with secondary listings in Hong Kong and Singapore. NIO designs, develops, jointly manufactures and sells premium smart electric vehicles, driving innovations in next-generation technologies in autonomous driving, digital technologies, electric powertrains and batteries.

The key terms of the transaction are as follows:

- NIO has agreed to pay A\$12,000,000 to Greenwing to subscribe for 21,818,182 Greenwing shares at a deemed issue price of A\$0.55 per share (**Placement**) and a call option to acquire, at NIO's election, between 20% to 40% of the issued capital of Andes Litio SA (**Andes Litio**), which holds options rights over the San Jorge Lithium Project (**Call Option**). The terms of the Placement provide for a deposit of A\$1 million, which is repayable to NIO within 5 business days if the agreement is terminated. The Call Option is exercisable (in Nio's absolute discretion) within 365 days after a JORC report for the San Jorge Lithium Project has been issued or obtained, based on certain assumptions and outcomes being achieved, which, if realised, could result in an exercise price of between US\$40 million and US\$80 million. Together, the Placement and the grant of the Call Option comprise the **Proposed Transaction**.
- Upon completion of the Placement NIO will hold a shareholding in 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.
- 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. Greenwing has agreed to ensure that a JORC report on the San Jorge Lithium Project is issued by 31 December 2023.

- The Proposed Transaction remains 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 Lito 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 Lito.
- 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 Lito.

The Company will call a general meeting and lodge a notice of meeting with ASX in due course, which will provide further information on the Proposed Transaction and also contain an independent expert's report in accordance with ASX listing rule 10.5.10.

USE OF FUNDS

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 Proposed Transaction.

If the Call Option is exercised by NIO, the proceeds will be used in accordance with the terms of the Call Option, including to accelerate outstanding option payments over the San Jorge Lithium Project, with 80% of the remaining proceeds to contribute to funding for Greenwing's pro rata share of the development expenses and the balance for Greenwing's working capital requirements.

INDICATIVE TIMETABLE AND KEY DATES

An indicative timetable for the Proposed Transaction is as follows:

Event	Indicative date
Notice of meeting (including independent expert's report) dispatched	31 October 2022
Extraordinary general meeting of Greenwing shareholders to consider the Proposed Transaction	30 November 2022
Completion of Placement	21 December 2022

All dates above are indicative only and may be subject to change without notice. Greenwing reserves the right to amend any or all of these dates subject to the *Corporations Act 2001 (Cth)*, the ASX listing rules and other applicable laws.

For further information
visit www.greenwingresources.com or contact: info@greenwingresources.com

Rick Anthon, Chairman

Craig Lennon, CEO

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.

Forward looking statements

This announcement contains certain forward-looking statements within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect', 'anticipate', 'estimate', 'scheduled' or 'continue' or the negative version of them or comparable technology.

Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

Greenwing does not give any representation, assurance, or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will occur and you are cautioned not to place undue reliance on forward-looking statements. The information in this document does not take into account the objectives, financial situation, or particular needs of any person. Nothing contained in this document constitutes investment, legal, tax or other advice.

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