

Quarterly Activities Report March 2023

HIGHLIGHTS FROM THE QUARTER

- During the quarter, GreenX completed a Placing to issue 12.4 million new ordinary shares to raise gross proceeds of approximately £4.4 million (~A\$7.7 million) from new and existing UK and European investors and some Australian investors (**Placing**) with net proceeds from the Placing to be used for:
 - exploration activities in Greenland;
 - business development through identifying other suitable business opportunities in the resources sector; and
 - administrative expenses while the Arbitral Tribunal (**Tribunal**) decision remains pending following the recent conclusion of the hearing for the international arbitration claims (**Claim**) against the Republic of Poland.
 - In November 2022, the hearing for the Claim against the Republic of Poland under both the Energy Charter Treaty and the Australia-Poland Bilateral Investment Treaty was concluded.
 - Combined arbitration hearing took place in front of the Tribunal in London under the UNCITRAL Arbitration Rules;
 - Damages of up to £737 million (A\$1.3 billion / PLN4.0 billion) have been claimed including the assessed value of GreenX's lost profits and damages related to both the Jan Karski and Debiensko projects, and accrued interest related to any damages; and
 - The Company has funded the Claim proceedings under its US\$12.3 million Litigation Funding Agreement (**LFA**) with Litigation Capital Management (**LCM**). The Company has drawn ~US\$10.4 million against the LFA, and the Company does not anticipate further material drawdowns now that funded costs relating to the Claim have been dispersed.
 - Cash balance as at 31 March 2023 of A\$10 million
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GreenX Metals Limited (ASX:GRX, LSE:GRX) (**GreenX** or **the Company**) is pleased to present its Quarterly Activities Report for the period during and subsequent to 31 March 2023.

SHARE PLACING

In March 2023, the Company announced that it had successfully completed a bookbuild and secured commitments for 14.1 million new ordinary shares at a price of 31 pence (A\$55c) per share for gross proceeds of approximately £4.4 million (~A\$7.7 million) from new and existing UK and European investors.

The proceeds of the Placing ensure that GreenX retains a strong balance sheet position.

The net proceeds from the Placing will be used for:

- exploration activities in Greenland;
- business development through identifying other suitable business opportunities in the resources sector; and
- administrative expenses while the Arbitral Tribunal (Tribunal) decision remains pending following the recent conclusion of the hearing for the international arbitration claims (Claim) against the Republic of Poland.

DISPUTE WITH POLISH GOVERNMENT

In November 2022, the Company reported the conclusion of the Claim against the Republic of Poland under both the Energy Charter Treaty (**ECT**) and the Australia-Poland Bilateral Investment Treaty (**BIT**) (together the **Treaties**). The hearing took place in London in and lasted two weeks.

Following completion of the hearing, the Tribunal will render an Award (i.e., the legal term used for a 'decision' by the Tribunal) in due course with no specified date available for the Tribunal decision.

As previously advised, the arbitration and hearing proceedings in relation to the Claim are required to be kept confidential.

Details of the Claim

The Company's Claim against the Republic of Poland is being prosecuted through an established and enforceable legal framework, with GreenX and Poland agreeing to apply the United Nations Commission on International Trade Law Rules (**UNCITRAL**) rules to the proceedings. The arbitration claims are being administered through the Permanent Court of Arbitration in the Hague.

The evidentiary hearing phase of the arbitration proceedings has now been completed in front of the Arbitral Tribunal. With completion of the hearing, the Arbitral Tribunal will render an Award in due course. There is no specified date for an Award to be rendered. The Company's claims for damages against Poland are in the amount of up to £737 million (A\$1.3 billion/PLN4.0 billion), which includes a revised assessment of the value of GreenX's lost profits and damages related to both the Jan Karski and Debiensko projects, and accrued interest related to any damages. The Claim for damages has been assessed by independent external quantum experts appointed by GreenX specifically for the purposes of the Claim.

In July 2020, the Company announced it had executed the LFA for US\$12.3 million with LCM. US\$10.4 million of the facility has been drawn down to cover legal, tribunal and external expert costs as well as defined operating expenses associated with the Claim. The Company does not anticipate further material drawdowns now that funded costs relating to the claims have been dispersed. The LFA is a limited recourse loan with LCM that is on a “no win – no fee” basis.

In September 2020, GreenX announced that it had formally commenced with the Claim by serving the Notices of Arbitration against the Republic of Poland. In June 2021, GreenX announced that it had formally lodged its Statement of Claim in the BIT arbitration, including the first assessed claim for compensation. The Company’s Statement of Reply, the last material filing to be made by the Company for the BIT arbitration proceedings, was submitted in July 2021. The Statement of Reply addresses various points raised by the Republic of Poland in their Statement of Defence. The Statement of Reply also contains a re-evaluation of the claim for damages based on responses to Poland’s Statement of Defence.

GreenX’s dispute alleges that the Republic of Poland has breached its obligations under the applicable Treaties through its actions to block the development of the Company’s Jan Karski and Debiensko projects in Poland which effectively deprived GreenX of the entire value of its investments in Poland.

In February 2019, GreenX formally notified the Polish Government that there exists an investment dispute between GreenX and the Polish Government. GreenX’s notification called for prompt negotiations with the Government to amicably resolve the dispute and indicated GreenX’s right to submit the dispute to international arbitration in the event of the dispute not being resolved amicably.

GreenX’s investment dispute with the Republic of Poland is not unique, with international media widely reporting that the political environment and investment climate in Poland has deteriorated since the change in Government in 2015. As a result, there are a significant number of International Arbitration claims being brought against Poland.

ARCTIC RIFT COPPER PROJECT

The Arctic Rift Copper Project (**ARC**) is an exploration joint venture between GreenX and Greenfields Exploration Ltd (**Greenfields**). GreenX can earn 80% of ARC by spending A\$10 million by October 2026. ARC is targeting large scale copper in multiple settings across a 5,774 km² Special Exploration Licence in eastern North Greenland. The area has been historically underexplored yet is prospective for copper, forming part of the newly identified Kiffaangnigssuseq metallogenic province.

The results of work program announced last year have demonstrated the high-grade nature of the known copper sulphide mineralisation and wider copper mineralization in fault hosted Black Earth zones and adjacent sandstone units. The exact position of a native copper fissure at the Neergaard Dal prospect was also identified.

Analysis of this information is underway and will be key to future planned work programs.

CORPORATE

Financial Position

Following successful completion of the Placing, GreenX had cash of A\$10 million as at 31 March 2023.

—ENDS—

Forward Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on GreenX's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of GreenX, which could cause actual results to differ materially from such statements. GreenX makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

This announcement has been authorised for release by the Company's Chief Executive Officer, Mr Ben Stoikovich.

APPENDIX 1: TENEMENT INFORMATION

As at 31 March 2023, the Company has an interest in the following tenements:

Location	Tenement	Percentage Interest	Status	Tenement Type
Greenland	Arctic Rift Copper Project (Licence No. 2021-07 MEL-S)	- ¹	Granted	Exploration Licence
Jan Karski, Poland	Jan Karski Mine Plan Area (K-4-5, K6-7, K-8 and K-9) ²	- ²	In dispute ²	Exclusive Right to apply for a mining concession
Debiensko, Poland	Debiensko 1	- ²	In dispute ²	Mining
Debiensko, Poland	Kaczyce 1	- ³	- ³	Mining & Exploration (includes gas rights)

Notes:

- ¹ In October 2021, the Company announced that it had entered into an Earn-In Agreement (**EIA**) with Greenfields to acquire an interest of up to 80% in ARC. As at the date of this announcement, the Company held no beneficial interest in ARC, other than through the EIA.
- ² GreenX formally commenced international arbitration claims against the Republic of Poland under both the ECT and the BIT in 2021. GreenX alleges that the Republic of Poland has breached its obligations under the Treaties through its actions to block the development of the Company's Jan Karski and Debiensko projects in Poland. Refer to discussion of the Claim above. During the quarter, the Company received notice from the relevant Polish authority that the Debiensko licence has been extinguished.
- ³ During the quarter, the Company completed the sale of the Kaczyce 1 licence infrastructure to a third party following the expiry of the licence.

APPENDIX 2: RELATED PARTY PAYMENTS

During the quarter ended 31 March 2023, the Company made payments of A\$227,000 to related parties and their associates. These payments relate to existing remuneration arrangements (director fees, consulting fees and superannuation (A\$131,000)) and the provision of a serviced office and company secretarial and administration services (A\$96,000).

APPENDIX 3: EXPLORATION AND MINING EXPENDITURE

During the quarter ended 31 March 2023, the Company made the following payments in relation to exploration activities:

Activity	\$000
Greenland (ARC)	
Project Management	163
Site visit related costs	9
Other (field supplies, equipment, fuel, satellite imagery, etc)	6
Greenland sub-total as reported in the Appendix 5B (item 2.1(d))	178
Poland	
Legal and permitting related expenditure	165
Consultants – technical and Debiensko statutory operations personnel	187
Other (including VAT returned)	(21)
Poland sub-total as reported in the Appendix 5B (item 1.2(a))	331
Total	509

There were no mining or production activities and expenses incurred during the quarter ended 31 March 2023.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GreenX Metals Limited

ABN

23 008 677 852

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(331)*	(803)*
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(219)	(477)
	(e) administration and corporate costs	(115)	(318)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	44
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) Business Development	(68)	(209)
	(b) Property rental and gas sales	68	164
	(c) Arbitration related expenses	(276)	(1,722)
	(d) Receipt of arbitration funding	820	2,007
	(e) Occupancy	(201)	(617)
1.9	Net cash from / (used in) operating activities	(307)	(1,931)

*includes legal and permitting expenditure and payments made to consultants (Debiensko technical statutory operations personnel).

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) Entities	-	-
	(b) Tenements	-	-
	(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) exploration & evaluation	(178)	(2,086)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(178)	(2,086)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,730	7,730
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(154)	(154)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	7,576	7,576

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,576	6,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(307)	(1,931)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(178)	(2,086)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,576	7,576
4.5	Effect of movement in exchange rates on cash held	58	58
4.6	Cash and cash equivalents at end of period	9,725	9,725

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,225	2,576
5.2	Call deposits	4,500	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,725	2,576

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(227)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	18,360*	15,546
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	18,360*	15,546
7.5	Unused financing facilities available at quarter end		2,814
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. On 30 June 2020, the Company executed a Litigation Funding Agreement (LFA) for US\$12.3 million (*now worth A\$18.4 million with the movement of the A\$ compared to the \$US) with LCM Funding UK Limited a subsidiary of Litigation Capital Management Limited (LCM), to pursue damages claims in relation to the investment dispute between GreenX and the Polish Government that has arisen out of certain measures taken by Poland in breach of the Energy Charter Treaty and the Australia – Poland Bilateral Investment Treaty (BIT). LCM will provide up to US\$12.3million (~A\$18.4 million), denominated in US\$, in limited recourse financing which is repayable to LCM in the event of a successful Claim or settlement of the Dispute that results in the recovery of any monies. If there is no settlement or award, then LCM is not entitled to any repayment of the financing facility. In return for providing the financing facility, LCM shall be entitled to receive repayment of any funds drawn plus an amount equal to between two and five times the total of any funds drawn from the funding facility during the first five years, depending on the time frame over which funds have remained drawn, and then a 30% interest rate after the fifth year until receipt of damages payments.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(307)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(178)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(485)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,725
8.5	Unused finance facilities available at quarter end (item 7.5)	2,814
8.6	Total available funding (item 8.4 + item 8.5)	12,539
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	>10
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.