

ASX RELEASE | 9 October 2023

~A\$34m equity raise at a significant premium to accelerate exploration activities across Canadian lithium projects

HIGHLIGHTS

- Capital raise consists of Flow-Through Shares (**FTS**), a capital efficient funding mechanism. All proceeds to fund growth activities including resource drilling and regional exploration initiatives.
- ~A\$34m to be raised utilising the FTS provisions under Canadian tax law. The Flow-Through Shares will be placed at A\$2.38 per share, representing a 74% premium to Winsome's last closing price.
- The Flow-Through Shares will be immediately on sold through a block trade agreement to select high-quality domestic and offshore institutional investors.
- Use of the flow-through provisions enables Winsome to minimise shareholder dilution and maintain a tight capital structure with growing institutional support.
- Pro-forma cash position of over A\$70m places Winsome in a strong financial position to deliver a maiden Mineral Resource Estimate in Q1 CY2024 with up to 20,000 metres of drilling planned to the end of 2023.

WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:

"Winsome Resources is excited to announce this capital raise, and to see the high level of interest from quality investors globally."

"The additional funds will allow the Company to further ramp-up exploration and resource drilling activities at Adina, Cancet and our other projects in Quebec as we work towards announcing a maiden resource at Adina."

"Further to our previous raise in February 2023, the Flow-Through Share provisions under Canadian tax law mean we are again able to raise capital at a significant premium to the current share price which in turn minimises dilution substantially."

"The Company continues to see exciting progress and results at Adina, and that underpins our decision to pursue this raise and ambitiously expand our drill programs prior to declaring a maiden resource and ultimately developing the projects into lithium production."

Lithium exploration and development company Winsome Resources (ASX:WR1; “Winsome” or “the Company”) is pleased to announce having secured further funding to ramp-up exploration activities via a Flow-Through Share placement.

Winsome is currently undertaking exploration and drill programs at the Adina project, with 5 rigs on site operating by the end of the month. Almost 30,000 metres have been drilled at Adina since October 2022 with high grade lithium mineralisation delineated in two thick spodumene-bearing pegmatite swarms – the Main Zone and the Footwall Zone. The capital raised will be used to fund acceleration of infill drilling programs over the coming months with up to 20,000 metres planned to be drilled at Adina before the New Year. Assay results from ongoing drilling, are expected to be returned from SGS Global in the coming weeks culminating in a maiden Mineral Resource Estimate anticipated to be released in Q1 CY2024. Additionally, the expanded program aims to complete further infill and extension drilling at both Adina and Cancet, as well as continue other exploration activities over the next 12 months at the Company's other 100% owned projects Tilly, Jackpot and Sirmac-Clappier.

In parallel with exploration and drilling activities, the Company is advancing the development of Adina through key projects such as environmental and social impact studies, construction and upgrade of infrastructure including roads and accommodation, and metallurgical test work and pit design studies.

Flow-Through Shares Placement Details

The offer (“**FTS Placement**”) is facilitated by Canadian flow-through share dealer, PearTree Securities Inc (“**PearTree**”), pursuant to a subscription and renunciation agreement with the Company, and the end buyer block trade is being facilitated by Canaccord Genuity (Australia) Limited (“**Canaccord**”) who is acting as Lead Manager to the transaction. PearTree will not receive any fees or commissions from the Company for its role in respect of the FTS Placement.

Funds raised from the FTS Placement will be specifically applied as follows:

- expedited follow-up drilling at priority targets at Adina-Jackpot; prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses at Adina (totalling approximately A\$26.0 million);
- expedited follow-up drilling at priority targets at Cancet; prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses at Adina (totalling approximately A\$6.8 million);
- expedited follow-up drilling at priority targets at Tilly; exploration, prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses at Tilly (totalling approximately A\$1.4 million); and
- surveys, field work and preliminary drilling campaigns at Winsome's other projects: Sirmac-Clappier (totalling approximately A\$0.2m).

The Company has now received firm commitments to undertake the FTS Placement to raise approximately C\$30,000,000 (A\$34,376,956 before costs) through the issue of 14,450,171 shares at an issue price of C\$2.0761 (A\$2.379¹) (“**Issue Price**”) per share (“**Flow-Through Shares**” or “**New Shares**”). The Canadian “Flow Through Shares” provide tax incentives to those investors for expenditures which qualify as flow through critical mineral mining expenditures under the Income Tax Act (Canada). The Flow-Through Shares will be issued at a 74% premium to the last closing price of Winsome pursuant to the Canadian flow-through shares regime. The “Flow-Through Share” is a defined term in the Income Tax Act (Canada) and is not a special class of share under corporate law.

Pursuant to a block trade agreement between PearTree and Canaccord, Canaccord will facilitate the secondary sale of the Flow-Through Shares acquired by PearTree clients under the FTS Placement to select institutional investors by way of a block trade at A\$1.22 per share. The Flow-Through Shares will cease to be flow-through shares on the completion of the FTS Placement and end buyers taking the Flow-Through Shares in the block trade will not take the Flow-Through Shares as flow-through shares.

A prospectus prepared in accordance with section 713 of the Corporations Act 2001 (Cth) will be issued in connection with the FTS Placement to facilitate secondary trading of the New Shares.

The tax benefits associated with the Flow-Through Shares are available only to the investors (who are Canadian residents) and not to any other person who acquires the Flow-Through Shares through the on-sale or transfer of those Flow-Through Shares.

FTS Placement - Additional Details

¹ Using an exchange rate of A\$1 = C\$0.8727

The Issue Price of A\$2.38 per share represents an implied:

- 73.6% premium to the last closing price of A\$1.37 per share on 4 October 2023; and
- 63.5% premium to the 10-day volume weighted average price ("VWAP") of A\$1.4549 per share as of 4 October 2023.

The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1. Settlement of the Placement is expected to occur on Monday, 16 October 2023 and the New Shares will rank equally with the Company's existing shares on issue.

Effect on capital structure

Assuming the FTS Placement is complete as contemplated by this announcement, the Company's capital structure will be as follows:

Class	Shares	Options	Performance Rights
Securities on issue at the date of this announcement	171,346,524 ¹	13,000,000	10,730,000
Shares to be issued pursuant to the FTS Placement	14,150,171	-	-
Total on completion of the FTS Placement	185,496,695	13,000,000	10,730,000

Note:

1. Includes 8,240,007 shares subject to escrow.

Advisors:

Canaccord Genuity (Australia) Limited acted as sole lead manager and bookrunner to the capital raising, with Euroz Hartleys Limited acting as co-manager.

This announcement is authorised for release by the Board of Winsome Resources Limited.

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ABOUT WINSOME RESOURCES

Winsome Resources (ASX: WR1) is a Perth-based, lithium focused exploration and development company with six project areas in Quebec, Canada. Four of Winsome's projects – Adina, Cancet, Tilly, Jackpot and Sirmac-Clapier are 100% owned by the Company. Recently the Company acquired a further 47km² of claims at the Tilly Project, located near Adina, and 29 claims of the Jackpot Property, immediately north of Adina.

The most advanced of Winsome's projects - Adina and Cancet provide shallow, high grade lithium deposits and are strategically located close to established infrastructure and supply chains.

In addition to its impressive portfolio of lithium projects in Quebec, Winsome Resources owns 100% of the offtake rights for lithium, caesium and tantalum from Power Metals Corp (TSXV:PWM) Case Lake Project in Eastern Ontario, as well as a 19.59% equity stake in PWM.

Winsome is led by a highly qualified team with strong experience in lithium exploration and development as well as leading ASX listed companies.

More details: www.winsomerresources.com.au

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements concerning Winsome. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory, including environmental regulation and liability and potential title disputes.

Forward-looking statements in this document are based on the Company's beliefs, opinions and estimates of Winsome as of the dates the forward-looking statements are made, and no obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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