

ASX RELEASE | 17 June 2024

Domestic and Global Institutions back Winsome on the Pathway to Production with A\$25m Equity Raising

HIGHLIGHTS

- Firm commitments received for A\$25m equity raise at a weighted average price of approximately A\$1.00 per share to advance Winsome's Adina Lithium Project into development.
- Winsome taking advantage of Canadian flow through provisions following the announcement of measures in the 2024 Canadian Federal budget, expected to negatively impact flow through provisions for exploration companies after 24 June 2024.
- Strong support provided by existing shareholders and new domestic and global investors underpin Winsome's pathway to production strategy.
- Capital raise includes approximately A\$13.2 million utilising Canadian flow through financing provisions, placed at A\$1.275 per share, representing a 32% premium to Winsome's last traded price.
- A share placement has been undertaken alongside the Canadian flow through financing to raise a further A\$11.8 million at A\$0.85 per share for gross equity raise proceeds of A\$25m.
- Capital raise funds will be used to advance key project initiatives including:
 - Adina Lithium and Renard project studies, on track for completion Q3 2024, and
 - Exploration and resource growth drilling to expand the current Mineral Resource Estimate of 77.9Mt @ 1.15%¹.
- Winsome in a strong financial position to continue its transition from lithium explorer to project developer.

¹ "Adina Mineral Resource increases 33%." ASX Announcement 28 May 2024.

WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:

"Winsome Resources is firmly committed to developing the Adina Lithium Project and is pleased to see the high level of interest from high conviction investors who believe in Winsome's vision of integrating into the North American EV supply chain."

"The flow through financing provisions under Canadian tax law mean we are again able to raise funds at a significant premium to the current share price and therefore at a lower cost of capital."

"The additional funds put Winsome in an enviable position, with one of the largest and growing lithium deposits in North America, an exclusive option to acquire the billion-dollar Renard operation and associated infrastructure and a clearly defined pathway to production."

Lithium exploration and development company Winsome Resources (ASX:WR1; "**Winsome**" or "**the Company**") is pleased to announce firm commitments of A\$25 million in funding via a Flow-Through Share (FTS) Placement and an Institutional Share Placement to advance the Adina Lithium Project ("**Adina**") into project development and continue to explore and grow Winsome's Mineral Resources.

Winsome recently announced an update to the Mineral Resource Estimate (MRE) for Adina which increased the Mineral Resources to 78Mt at 1.15% Li₂O². Drilling continues at Adina focussing on extensions to mineralisation identified in the MRE as well as exploring for new zones of mineralisation such as the recent Adina SW discovery where drilling intersected 61.5m at 1.62% Li₂O outside the MRE³. In addition, the Company plans to continue exploration at its Cancet, and Tilly projects, where initial exploration has already successfully identified high grade lithium mineralisation, as well as the Sirmac-Clappier and recent Jackpot acquisition.

In parallel with exploration and resource delineation drilling, the Company is advancing the development of Adina via two concurrent project studies, namely a Greenfield scenario where a purpose-built lithium processing plant would be constructed at a greenfields site at Adina and a Brownfield project study where the billion-dollar Renard processing plant and associated infrastructure would be repurposed for lithium concentrate production. The project studies incorporate environmental and social impact studies, infrastructure studies including the upgrade or construction of roads and accommodation, metallurgical test work and process plant design, and mining studies incorporating pit design and scheduling.

Flow-Through Shares Placement Details

The Company determined to complete a portion of this financing utilising the **FTS** since much of its planned exploration expenditure can be classified as Canadian Eligible Expenditure (CEE) as defined in Income Tax Act (Canada) (**Act**). Imminent changes to the Act where it relates to the FTS have provided the opportunity to take advantage of the FTS in its current form.

As the Company utilised only the provisions in the Federal Act and will not be offering the FTS to Quebec residents as in previous FTS capital raises, it still remains entitled to claim back 38.5% of eligible expenditure as a tax refund from the Quebec government.

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 Genuity**") who acted as Global Coordinator, Joint Lead Manager and Joint Bookrunner, alongside Euroz Hartleys Limited ("**Euroz Hartleys**"), as Joint Lead Manager and Joint Bookrunner. 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\$10.0 million);

² "Adina Mineral Resource increases 33%." ASX Announcement 28 May 2024.

³ "Exploration drilling discovers 61.5m at 1.62% Li₂O" ASX Announcement 11 April 2024

- expedited follow-up drilling at priority targets at Cancet; prospecting, gravity, stripping and channel sampling and CEE eligible staffing expenses at Cancet (totalling approximately A\$1.5 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\$1.5 million); and
- surveys, field work and preliminary drilling campaigns at Winsome's other projects: Sirmac-Clapier (totalling approximately A\$0.2m).

The Company has now received firm commitments to undertake the FTS Placement to raise approximately C\$12,000,000 (A\$13,164,689 before costs) through the issue of 10,325,246 shares at an issue price of C\$1.1622 (A\$1.2750⁴) ("**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 32% premium to the last closing price of Winsome. 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, Canaccord Genuity and Euroz Hartleys, the secondary sale of the Flow-Through Shares acquired by PearTree clients under the FTS Placement will be facilitated to select institutional investors by way of a block trade at A\$0.85 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

The Issue Price of A\$1.275 per share represents an implied:

- 32% premium to the last closing price of A\$0.965 per share on 12 June 2024; and
- 16.2% premium to the 5-day volume weighted average price ("**VWAP**") of A\$1.015 per share as of 12 June 2024.

The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1A and will rank equally with the Company's existing shares on issue.

Institutional Share Placement Details

Strong demand for the FTS Placement encouraged the Board to undertake a further issue of 13,923,896 shares to institutional investors ("**Institutional Share Placement**") for approximately A\$11.8m in funding at A\$0.85 per share ("**Offer Price**").

The Offer Price represents an 11.9% discount to the last closing price on Wednesday 12 June of A\$0.965 per share.

Funds raised from the Institutional Share Placement will be applied to:

- Exploration programs across Winsome's Quebec lithium project portfolio primarily at the Adina project,
- Work studies, including Adina Lithium Project greenfield and brownfield Preliminary Economic Assessment and Scoping Studies,
- Provide funds to pursue corporate opportunities; and
- General working capital and costs of the Offer.

The shares issued under the Institutional Share Placement will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1. Settlement of the Institutional Share Placement is expected to occur on Monday,

⁴ Using an exchange rate of A\$1 = C\$0.91153

24 June 2024 and the shares issued under the Institutional Share Placement 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	190,785,051	16,600,000	11,120,000
Shares to be issued pursuant to FTS Placement	10,325,246	-	-
Shares to be issued pursuant to Institutional Share Placement	13,923,896	-	-
Total on completion of FTS and Institutional Share Placement	215,034,193	16,600,000	11,120,000

Advisors:

Canaccord Genuity acted as Global Coordinator and Joint Lead Manager and Joint Bookrunner, alongside Euroz Hartleys, acting as Joint Lead Manager and Joint Bookrunner. Foster Stockbroking Pty Ltd was appointed as Co-Manager.

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

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ABOUT WINSOME RESOURCES

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Winsome Resources (ASX: WR1) is a Perth-based, lithium focused exploration and development company with four project areas in Quebec, Canada. All of Winsome's projects – Adina, Cancet, Sirmac-Clappier and Tilly are 100% owned by the Company. During 2023 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.

The Company recently acquired an option to purchase the Renard Mine, a mining and processing site located circa 60 kilometres south (in a straight line) of Adina. The Renard Mine has a range of mineral processing and operating permits which may advance Winsome's pathway to lithium production as well as process plant consisting of dense media separation, upfront jaw, cone, high-pressure grinding rolls and ore sorting circuits necessary for spodumene concentrate production. During the option period Winsome will confirm the feasibility of repurposing Renard for lithium production, as well as determining the optimal transaction structure for the acquisition.

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 19.6% equity stake in PWM. The Company recently divested Decelles and Mazerac, two early stage projects located near the Quebec mining town of Val-d'Or, to PWM in exchange for an increased shareholding.

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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PREVIOUSLY ANNOUNCED EXPLORATION RESULTS & MINERAL RESOURCES

Winsome confirms it is not aware of any new information or data which materially affects the information included in the original market announcements referred to in this announcement. Winsome confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Table 1. Mineral Resources at the Adina Lithium Project stated under the JORC Code

Zone	Indicated			Inferred			Total		
	Tonnes (Mt)	Li ₂ O (%)	Contained LCE (Mt)	Tonnes (Mt)	Li ₂ O (%)	Contained LCE (Mt)	Tonnes (Mt)	Li ₂ O (%)	Contained LCE (Mt)
MZ	28.4	1.19	0.84	8.7	1.39	0.26	37.1	1.23	1.10
FWZ	33.0	1.10	0.90	7.8	0.98	0.19	40.8	1.08	1.08
Total	61.4	1.14	1.73	16.5	1.19	0.49	77.9	1.15	2.21

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