WINSOMERESOURCES

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Funding Secured to Advance the Adina Lithium Project and Extend the Renard Option

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HIGHLIGHTS

- Firm commitments received for ~A$7.8 million placement at an issue price of A$0.36 per share to advance Winsome's Adina Lithium Project into development.
- Strong support provided by existing shareholders alongside new domestic and global investors underpins Winsome's pathway to production strategy.
- The Company intends to undertake a share purchase plan for existing shareholders targeting to raise up to A$2.5 million on the same terms as the Placement.
- Strengthened balance sheet provides Winsome with a significant runway to extend the Renard Option to 31 August 2025, advance Adina Lithium project studies, assess carbon sequestration opportunities, and explore opportunities to bring in a strategic partner and assess various commercial and corporate opportunities to reduce the costs associated with the potential acquisition.

WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:

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

"The additional funds put Winsome in a strong financial position to advance the Adina Lithium Project, which comprises 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.

"Securing an extension to the Renard Option with Stornoway provides the time required to assess carbon sequestration opportunities and explore opportunities to partner with groups embedded in the electric vehicle supply chain. We look forward to continuing to work with all of Stornoway's stakeholders in progressing the transaction to a successful outcome."

Lithium explorer and developer Winsome Resources (ASX: WR1) ("**Winsome**" or the "**Company**") is pleased to announce it is raising capital through a placement and a share purchase plan for existing shareholders. Firm commitments have been received for A$7.84 million in funding via the Institutional Share Placement ("**Placement**") to advance the Adina Lithium Project ("**Adina**") into project development and to explore and grow Winsome's Mineral Resources. Winsome will also offer existing shareholders the opportunity to participate in the capital raise via a Share Purchase Plan ("**SPP**").

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Alongside the Placement, Winsome has agreed to amend the Call Option Agreement with Stornoway Diamonds (Canada) Inc. ("**Stornoway**") and 11272420 Canada Inc. (together the "**Vendors**") pursuant to which Winsome has an option ("**Option**") to acquire all of the issued capital in Stornoway, the entity holding the assets comprising the Renard diamond mine, processing facility and associated infrastructure ("**Renard Project**" or "**Renard**").[1]

Funds raised from the Placement, alongside existing cash, will be applied to:

- Extending the Renard Option to 31 August 2025 at a cost of C$8.5 million,
- Advancing Adina Lithium Project studies,
- Investigating Carbon Dioxide Removal ("**CDR**") opportunities, and
- General working capital and costs of the Offer.

The Winsome board of directors would like to thank the Vendors for the constructive approach taken and for working with Winsome to facilitate a positive outcome for all parties. The progress of the transaction to date reinforces Winsome's belief Renard can be successfully integrated with the Company's Adina Lithium Project to the benefit of Winsome shareholders.

Details of the key amendments to the Call Option Agreement

Winsome is continuing to explore the opportunity to bring in a partner interested in providing capital for the project in return for a long-term strategic investment. However, additional time is required to allow prospective strategic partners to finalise their due diligence and to be in a position to make an investment decision. As such, Winsome and the Vendors have agreed:

- To extend the Option period to 31 August 2025 at a cost of C$8.5 million in cash and the inclusion of a C$2m break fee payable to the Vendors if Winsome does not exercise the Option.
- If Winsome does not exercise the Option by 31 July 2025, Winsome will issue to 11272420 Canada Inc. (or its nominees) 5,000,000 fully paid ordinary Winsome shares and payment of C$3 million of the deferred consideration which is currently payable on the 30-month anniversary of transaction closing will be brought forward such that it is payable on transaction closing.[2]
- If Winsome has not exercised the Option by or on 31 July 2025, Winsome's exclusivity rights are replaced with a right of first refusal over any alternative transaction.[3]

Subject to the approval of this Agreement by the Superior Court of Québec, such amount of C$8,500,000 will be fully earned and non-refundable and will be released to Stornoway promptly after receipt of such court approval. If this Agreement is not approved by the Court, such amount of C$8,500,000 will be promptly remitted by the Monitor to Winsome in full and without set off or deduction and the Optionors will have no claim or entitlement to such amount.

[1] For further information refer to the Company's ASX Announcement on 3 April 2024 "Exclusive option to Acquire Renard Project"; ASX Announcement on 1 August 2024 "Renard Project Update"; and ASX Announcement on 4 December 2024 "Restructure of the Renard Option".
[2] For further information on the consideration payment schedule please refer to the Company's ASX Announcement on 4 December 2024 "Restructure of the Renard Option".
[3] For further information on Winsome's existing exclusivity rights please refer to the Company's ASX Announcement on 3 April 2024 "Exclusive option to Acquire Renard Project".

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Placement Details

Winsome has received firm commitments to raise $7.84 million through the issue of approximately 21.8 million new fully paid ordinary shares ("**New Shares**") (at an issue price of $0.36 per New Share ("**Offer Price**"), representing:

- A 15.3% discount to the last closing price on Wednesday, 12 February 2025 of A$0.425; and
- A 20.1% discount to the 5-day VWAP as of Wednesday, 12 February 2025 of A$0.450.

Under the Placement, investors will also receive 1 free-attaching unlisted option for every 2 New Shares subscribed for, with an exercise price of A$0.54 per option and expiry date 2 years from the date of issue (**Options**).

New Shares and Options will be issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. Settlement of the Placement is expected to occur on Thursday, 20 February 2025 and New Shares issued under the Placement will rank equally with the Company's existing shares on issue.

Canaccord Genuity acted as Sole Lead Manager and Bookrunner to the Placement. Euroz Hartleys acted as Co-Lead Manager.

Share Purchase Plan

Winsome is also announcing a non-underwritten SPP targeting to raise a further A$2.5 million. Under the SPP, eligible shareholders of the Company who are registered as holders of shares at 5.00pm (AWST) on 14 February 2025 ("**Record Date**") and whose registered address is in either Australia or New Zealand ("**Eligible Shareholders**") will be offered the opportunity to apply for up to $30,000 worth of New Shares at the Offer Price of A$0.36 per New Share, being the same price as the Placement. Participants in the SPP will also receive 1 free-attaching unlisted option for every 2 New Shares subscribed for, with an exercise price of A$0.54 per option and expiry date 2 years from the date of issue (being the same as the Placement)

The SPP remains subject to the Company obtaining a waiver from Listing Rules 7.2 (Exception 5) and 10.11 (Exception 4). If this waiver is not obtained, then the SPP will not proceed. It also requires the lodgement of a prospectus for the Options.

The Company may, in its absolute discretion, undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including (but without limiting the Company's discretion) by taking into account, among other factors, the number of eligible shareholders participating, the size of an eligible shareholder's shareholding at the SPP record date or the number of New Shares applied for under the SPP). The Company may also, in its absolute discretion, raise a higher amount, subject to shareholder demand and compliance with the ASX Listing Rules.

Once the SPP timetable is confirmed, the Company will provide shareholders with an update.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to Eligible Shareholders in the SPP offer booklet, which is expected to be provided in the coming days (subject to the receipt of the ASX waiver referred to above).

New Shares issued under the SPP will rank equally with the Placement New Shares and the Company's existing fully paid ordinary shares.

The proceeds raised under the SPP are intended to be utilised to fund exploration expenditures and for general working capital purposes.

Capital structure

On completion of the Placement, and assuming the SPP is fully subscribed, the Company's capital structure will be as follows:

Class	Shares	Options	Performance Rights
Securities on issue at the date of this announcement	222.035.673	18,300,000	8.560,000
Securities to be issued pursuant to the Placement	21,777,778	10,888,889	-
Maximum Securities to be issued pursuant to the SPP	6,944,444	3,472,222	-
Total on completion of Placement and SPP	**250,757,895**	**32,661,111**	**8,560,000**

- Ends -

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 Canadian lithium focused exploration and development company with several projects in the Eeyou Istchee James Bay region of Québec.

Our flagship project is Adina - a 100%-owned lithium resource considered a tier-one asset in a low-risk mining jurisdiction and one of the most capital efficient projects in North America with competitive operating costs.

The hard rock spodumene lithium deposit is near surface with a +20-year project life and a JORC Mineral Resource of 78Mt at 1.15% Li_2O comprising 79% classified as 'Indicated' and 21% classified as 'Inferred'.

The Company recently acquired an exclusive option to purchase the Renard Operation, a mining and processing site located approximately 60 kilometres south (in a straight line) of Adina.

The Renard Operation has an established airport, power station, water treatment plant, workshops, processed mineralised material storage and a substantial camp. It also has several mineral processing and operating permits which may advance Winsome's pathway to lithium production.

Importantly, Renard already includes extensive production facilities which consists of a primary jaw crusher, secondary cone crusher, high-pressure grinding rolls, ore sorting, and DMS circuits necessary for lithium processing and spodumene concentrate production.

In addition to our portfolio of lithium projects in Québec - Adina, Cancet, Sirmac-Clapier and Tilly - Winsome Resources owns 100% of the offtake rights for lithium, caesium and tantalum from the Case Lake Project in Eastern Ontario, owned by Power Metals Corp (TSXV:PWM), as well as a 19.6% 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.winsomeresources.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.

PREVIOUSLY ANNOUNCED EXPLORATION RESULTS

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.