

ASX RELEASE | 15 November 2022

Winsome to raise A\$6.8m to advance Lithium Projects at Cancet and Adina

HIGHLIGHTS

- A\$6.8m to be raised utilising the “Flow-Through Shares” provisions under Canadian tax law. The Flow-Through Shares will be placed at A\$1.67 per share, representing a 98% premium to Winsome’s last close 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 significantly minimise the dilution of issued capital and increase the scope of ongoing exploration programs at Cancet and Adina.
- Strengthened balance sheet provides Winsome with a significant runway to aggressively fast track exploration activities at the emerging Cancet and Adina projects.

WINSOME’S MANAGING DIRECTOR CHRIS EVANS SAID:

“This capital raise comes at an ideal time for the Company and allows us to secure funds under a very attractive arrangement facilitated through the Canadian Government’s generous tax incentives for mining exploration companies.

It allows us to raise capital at a premium price without the level of dilution that would occur via a standard, share placement offer. It also allows Winsome to facilitate the introduction of select high-quality institutional investors to the Company’s share register.

The funds raised will enable us to continue the exploration work at Cancet and Adina without delay, strengthen cash reserves and work towards our intention to announce maiden resources next year”.

Western Australian-based lithium exploration and development company Winsome Resources (ASX:WR1; “**Winsome**” or “**Company**”) is pleased to provide an update with respect to its ongoing exploration initiatives and a flow-through share placement (“**Placement**”)

Winsome is currently undertaking drill programs at the Cancet and Adina projects, and the capital raised under the Placement will be used to fund extensions to these programs throughout the Canadian winter and into calendar year 2023.

As previously announced to the ASX, the Company encountered significant pegmatite intersections immediately below a mineralised outcrop at Adina (refer to announcements entitled “Significant Pegmatite Intercept at Adina From Early Drill Holes” and “Clarification on Drilling – Update”, dated 28 October 2022 and “Update on Adina Drilling”, dated 1 November 2022).

Pending assay results, which are expected to be returned from SGS Global in the coming weeks, the Company intends to secure permitting to further advance the Adina discovery. In addition, the expanded program aims to complete further infill and extension drilling at both Adina and Cancet, as well as continue other exploration activities into 2023.

Winsome is now working towards being in a position to announce maiden Mineral Resources for both projects in the first half of the 2023 calendar year.

Placement Details

The offer 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 Placement.

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

- Expedited follow-up drilling at priority targets at both Cancet and Adina;
- Surveys, field work and preliminary drilling campaigns at Winsome’s other projects including Sirmac and Decelles.

The Company has now received firm commitments to undertake the Placement to raise approximately C\$6,000,000 (A\$6,818,461 before costs) through the issue of approximately 4,078,027 shares at an issue price of C\$1.4713 (A\$1.672¹) 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 98% 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 Flow-Through Share Placement to select institutional investors by way of a block trade at \$0.80 per share. The Flow-Through Shares will cease to be flow-through shares on the completion of the Flow-Through Share 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 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.

Additional Details

An issue price of A\$1.672 per share represents an implied:

- 98.8% premium to the last closing price of A\$0.84 on 10 November 2022; and
- 111.4% premium to the 10-day volume weighted average price of A\$0.79 as of 10 November 2022.

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 Tuesday, 22 November 2022 and the New Shares will rank equally with the Company’s existing shares on issue.

¹ Using an exchange rate of A\$1 = C\$0.88

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 five project areas in Quebec, Canada.

Three of Winsome's projects – Cancet, Adina and Sirmac-Clappier are 100% owned by the Company. The Company has also expanded its lithium footprint in Quebec, with exclusive option agreements to acquire and explore 669 claims totalling 385m2 in Decelles and a further 259 claims totalling 149km2 at Mazerac, also located near the Quebec mining town of Val-d'Or.

The Company's two flagship projects – Cancet and Adina, each provide- shallow, high grade lithium deposits and are strategically located close to established infrastructure and supply chains.

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.

Previous Exploration Results

The information in this announcement relates to Exploration Results on the Cancet and Adina projects has previously been released in ASX announcements dated 28 October 2022 and 1 November 2022. Winsome confirms it is not aware of any new information or data which materially affects the information included in the original market announcements. 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.

Not an offer in the United States

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