

ASX RELEASE 4 December 2024

Restructure of the Renard Option

HIGHLIGHTS

- Reduction of initial payment upon exercise of the option from C\$15 million to C\$1 million.
- The balance of the Renard consideration payment delayed until 2026 and 2027.
- Renard Option restructure preserves shareholder value by deferring material payments by 12 months and extending the payment consideration period to 30 months from exercise.
- Option to Acquire the Renard Project extended to 28 February 2025 at a cost of \$2 million.
- Extension gives Winsome scope to explore opportunities to bring in a strategic partner in 2025 and assess various commercial and corporate opportunities to reduce the costs associated with the potential acquisition.

Lithium explorer and developer Winsome Resources (ASX: WR1; **Winsome** or the **Company**) announces it has agreed an amended consideration structure with Stornoway Diamonds (Canada) Inc. (**Stornoway**) and 11272420 Canada Inc. (together the **Vendors**) whereby Winsome elects to exercise its exclusive option over the Renard Project (**Option**).¹

While the total consideration remains unchanged, the amended consideration structure defers payments and extends the period over which Winsome must pay the total consideration to 30 months from exercise (previously 24 months). The amended consideration structure preserves current Winsome shareholder value, and further details of the amendment are set out in the table below.

Details of the amended consideration payment schedule

Original consideration structure	Amended consideration structure
<p>Consideration comprising of C\$52 million payable in cash, Winsome shares, or a combination thereof at Winsome's election, as follows:</p> <ul style="list-style-type: none"> • C\$15 million, payable upon closing of the acquisition of the Renard Project (Closing), • C\$22 million, payable by the 12-month anniversary of Closing, and • C\$15 million, payable by the 24-month anniversary of Closing. 	<p>Consideration comprising of C\$52 million as follows:</p> <ul style="list-style-type: none"> • C\$1 million, payable in cash upon Closing; and • the following consideration payable in cash, Winsome shares, or a combination thereof at Winsome's election: <ul style="list-style-type: none"> ○ C\$10 million, payable by the 12-month anniversary of Closing, ○ C\$20 million, payable by the 24-month anniversary of Closing, and ○ C\$21 million, payable by the 30-month anniversary of Closing.

¹ ASX Announcement 3 April 2024 "Exclusive option to Acquire Renard Project".

Other than as set out in the above table, all other material terms and conditions of the Call Option Agreement, as detailed in the announcement of 3 April 2024, are unchanged.

Due Diligence Activities

Additionally, the Company refers to its announcement on 3 April 2024 regarding the exclusive Option Agreement between Winsome, Stornoway Diamonds (Canada) Inc. (**Stornoway**) and 11272420 Canada Inc (**Option**) in relation to the potential acquisition (at Winsome's election) of the Renard diamond mine, processing facility and associated infrastructure (**Renard** or **Renard Project**) or all the issued capital of Stornoway.

Since the Option was signed, Winsome has substantively completed its due diligence on Stornoway and Renard, and its assessment of the potential technical, economic, environmental, and social feasibility of repurposing the Renard Project into a lithium operation. The Company is currently in discussions with Stornoway in relation to the final form of the transaction agreement.

Option Extension

Winsome is exploring the opportunity to bring in a partner interested in providing capital for the project in return for a long-term strategic investment. Therefore, Winsome has elected to pre-emptively extend the Option period by 2 months from 31 December 2024 to 28 February 2025², by paying a further C\$2 million in cash in accordance with the Option.

Regular site visits have been and continue to be scheduled at Adina and Renard as Winsome assesses various commercial and corporate opportunities to potentially defray costs associated with the acquisition and development of Renard.

Shareholder approval to issue consideration shares under the Call Option Agreement

At the Company's Annual General Meeting on 28 November 2024 shareholders approved an issue of up to 30,000,000 fully paid ordinary shares in the Company for the purposes of Listing Rule 7.1.³ The approval related to the consideration payable upon Closing under the original Call Option Agreement.

Following the amendments to the consideration payment schedule, the Company will no longer issue those shares to Stornoway Diamonds (Canada) Inc. and 11272420 Canada Inc. as contemplated by Resolution 19 of the Notice of Meeting dated 29 October 2024.⁴

WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:

"We remain firmly committed to developing the Adina Project in a cost-effective and efficient manner, ensuring we deliver value to our shareholders while advancing this world-class lithium asset. We greatly appreciate the flexibility and constructive approach of Stornoway Diamonds' management in working with us to make this agreement possible.

The amendments to the consideration structure and payment schedule have allowed Winsome to accelerate the exercise of our option, with the aim of closing the transaction by 28 February 2025. This provides Winsome with a valuable opportunity to explore strategic partnerships and assess commercial opportunities that could support the development of the Renard Project while maintaining a strong focus on shareholder value. We look forward to continuing our collaboration with Stornoway as we advance towards this important milestone.

- Ends -

² ASX Announcement 1 August 2024 "Renard Project Update".

³ ASX Announcement 28 November 2024 "Results of Meeting".

⁴ ASX Announcement 29 October 2024 "Notice of Annual General Meeting/Proxy Form".

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 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