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Winsome delivers positive NI 43-101 compliant PEA including MRE for Adina Lithium Project

VAL-D'OR, QC, Sept. 17th, 2024 /CNW/ - Lithium explorer and project developer Winsome Resources (ASX: WR1) (Winsome or the Company) is pleased to announce the positive results of a Preliminary Economic Assessment ("PEA") on its 100% owned Adina Lithium Project ("Adina"), based on the proposed acquisition of the Renard diamond mine ("Renard")(together, "the Project") and on a *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant Mineral Resource Estimate ("MRE"). The full technical report, which is being prepared in accordance with NI 43-101, will be available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile within the next 45 days.

HIGHLIGHTS

- The PEA[1] provides a compelling case to develop Adina through repurposing the processing facility at Renard
- Processing throughput of 4,650 tonnes per day ("tpd") for a dense media separation ("DMS") operation for the duration of the Life of Mine ("LOM")
- Average lithium recovery of 67.2% with an average process plant feed grade of 1.24% Li_2O (average process plant feed grade of 1.47% Li_2O over the first 5 years of production)
- Peak production of 332.1 kt spodumene concentrate at 5.5% Li_2O content ("SC5.5") in year 4; average yearly SC5.5 production of 255.9 kt over the LOM
- 60.3% Pre-Tax Internal Rate of Return ("IRR"), 42.9% After-Tax IRR; C$1.7 Billion Pre-Tax Net Present Value[8] ("NPV"), C$1.0 Billion After-Tax NPV_8; After-Tax Payback Period 1.8 years from start of LOM
- Start-up capital cost of C$394.5 Million (includes access road construction direct and indirect costs of C$ 84.3 Million and overall project contingency of C$67.1 Million), start-up capital cost of C$350 Million including Clean Technology Manufacturing Investment Tax Credit ("CTM-ITC") with NPV/capital cost ratio over 2.5
- LOM average C1 Operating Cost and All-In Sustainable Cost (pre royalties) per tonne of concentrate (SC5.5) at C$831/t (US$615/t) and C$967/t (US$716/t), respectively
- The Project is expected to generate over C$10.0 Billion of gross revenue and C$1.6 Billion in carbon, provincial and federal taxes and Québec mining duties as well as create over 500 jobs during construction and 600 direct jobs during operations
- The MRE comprises a tonnage of 60.5 million tonnes at a grade of 1.14% Li_2O in the Indicated category and 15.9 million tonnes at a grade of 1.17% Li_2O in the Inferred category at Winsome's flagship Adina Lithium Project.

1. Cautionary Statement - The reader is advised that the PEA summarized in this news release is intended to provide only an initial, high-level review of the Project potential and design options. The PEA mine plan and economic model include numerous assumptions and the use of inferred mineral resources. Inferred mineral resources are considered to be too speculative to be used in an economic analysis except as allowed for by NI 43-101 in PEA studies. There is no guarantee that inferred mineral resources can be converted to indicated or measured mineral resources, and as such, there is no guarantee the Project economics described herein will be achieved. Winsome has an exclusive option to purchase the Renard Operation as detailed in the Press Release of August 1st, 2024. The PEA contemplates usage of the infrastructure at Renard which will only be possible once the option is exercised, and all payments are made as contemplated in the terms of the Option Agreement. Winsome may be eligible for Clean Technology Manufacturing Investment Tax Credit. This legislation has been enacted on June 20, 2024. There is no guarantee the Company will be able to access the CTM-ITC. Investors outside Canada are cautioned that information contained in this announcement may not be comparable to information published by companies subject to the reporting and disclosure requirements of Australian securities laws. In particular, the MRE for Adina used in the PEA was prepared in accordance with the requirements of 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) - CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended (CIM Definition Standards) which differ from the JORC Code on the basis of assumptions.

WINSOME'S MANAGEMENT SAID:

"The detailed inputs to this study mean it provides a robust basis from which to advance the development of Adina. In particular the outcome that the existing and well maintained Renard facility can be repurposed for a relatively modest capital cost to develop our hard-rock spodumene resource is a major benefit. Importantly it offers a significant commercial advantage that will see the facility operate through market fluctuations and commodity cycles.

"The ease of mining mineralized material at Adina via an initial low strip open pit along with the simple DMS flowsheet results in a competitive operating cost estimate which optimisation may improve further.

"Winsome has a clear pathway to production outlined by the study, underpinned by well-planned strategic initiatives like the exclusive option to acquire Renard. Given the global challenges facing the market, we believe our approach, combined with our world-class Adina asset, is positioning the Company for long-term returns to shareholders, stakeholders and importantly First Nations in the Eeyou Istchee James Bay region and the Province of Québec.

"Winsome Resources is proud to have achieved this key milestone, marked by positive results. Winsome sincerely thanks all the teams who contributed to this success. Thanks to their expertise, enabled Winsome to achieve this important objective. The Company will now proceed to the next stage of development of its Adina Lithium Project. The team will focus on advancing the Project while continuing to conduct due diligence in preparation for acquiring Renard.", comments Chris Evans, Managing Director.

"We are especially pleased to quantify the economic benefits that the Project could bring to Québec and its host communities. We intend to pursue our discussions with all stakeholders and First Nations, in order to improve our Project and collaboratively plan sustainable operations that respect communities and the environment.", comments Geneviève Morinville, VP Sustainability and Regulatory Affairs.

"This success reflects everyone's commitment, and we are grateful for all our efforts. This step is crucial for Winsome Resources. The PEA allows us to thoroughly analyze the Project and make informed decisions at each subsequent phase. We're delighted to see that the results are positive and encouraging for the future, and we'd like to thank all those who worked so hard to achieve our objectives", comments Carl Caumartin, General Manager Canada.

"Having progressed from a grassroots outcrop discovery to 75+Mt of mineralized pegmatite and completing a PEA within two years demonstrates the quality of work accomplished by our dedicated team. We are thankful to everyone who contributed to achieving this significant milestone, including Winsome's geological crew and our partners Forage Nouchimi-RJLL, Heli Explore, MSA Labs, SGS Canada, Services MNG and Technominex." adds Antoine Fournier, VP Exploration.

This independent study was prepared by Synectiq Inc. (''Synectiq'') under the supervision of Kim-Quyên Nguyên, VP Projects of Winsome Resources Ltd., and included the contributions of other recognized lithium project expertise such as Global Commodity Solutions, DRA Global Limited (''DRA'') and G Mining Services Inc. (''GMS''). The responsibilities of each Qualified Person (''QP'') is detailed in Table 10 at the end of this document.

Tables 1 to 6 provide a detailed overview of the Project's financial and economic aspects.

Table 1: Project Metrics

	Value	Units
Pre-Production Period	1.5	Years
Ramp-up Period	0.5	Year
LOM	21	Years
Total Project Life	23	Years
Total Mineralized Material Mined	35.8	Mt
Total Waste	184.1	Mt
Total Overburden	7.4	Mt
Total Material Moved	227.4	Mt
Average Strip Ratio	5.3:1	Waste: Mineralized Material
Daily Production	4,650	tpd processed
Annual Production	1.7	Mtpa processed
Product Concentrate Grade Li_2O	5.50%	Li_2O
LOM Average Feed Head Grade	1.24%	Li_2O
LOM Average Recovery	67.2%	%
LOM 5.5% Li_2O Produced	5,374	kt
LOM Average Annual Production	256	ktpa 5.5% Li_2O
Concentrate Moisture	5%	%
Gross Overriding Royalty (GOR)	4%	%

Table 2: PEA Economics

	C$	Unit
Pre-tax NPV_8	1,735	M
Pre-tax IRR	60%	%
Post-tax NPV_8	1,003	M
Post-tax IRR	43%	%
Post-tax Payback Period	1.8	Years
Cash Flows		
Pre-Tax Cash Flow (Total, Undiscounted)[1]	4,053	M
Estimated Total Taxes[2]	1,619	M
Post-Tax Cash Flow (Total, Undiscounted)	2,434	M
Revenue		
Spodumene Concentrate Price (5.5% Li_2O)	1,856	/t concentrate
Total Gross Revenue	10,072	M
Costs		
C1 Operating Cost[3]	4,463	M
Start-up Capital Cost[1]	350	M
Sustaining Capital Cost[1,4]	732	M
Royalty Cost	399	M
Total Project Cost[1,4,5]	5,945	M
Industry Cost Metrics (Non-IFRS)		
C1 Operating Cost[3]	831	/t concentrate
All-In Sustaining Cost pre-Royalties[1,4]	967	/t concentrate
All-In Sustaining Cost[1,4]	1,041	/t concentrate

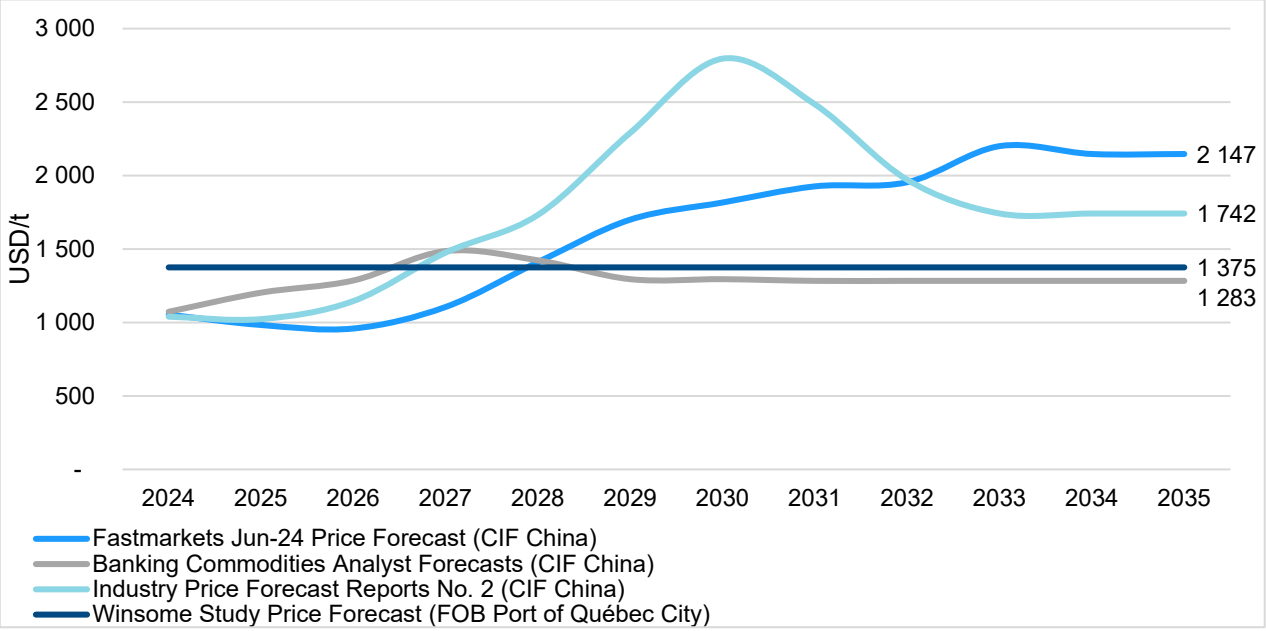
Note: Rounding may result in apparent summation differences
1. Net of CTM-ITC.
2. Gross of CTM-ITC as the credit is applied against Capital Costs and reduces Pre-Tax Cash Flow.
3. From the start of commercial concentrate production.
4. Includes Closure Costs.
5. Excludes operating costs during the ramp-up period

Table 3: PEA Key Assumptions

	Value	C$
Exchange Rate	0.74	
Average LOM Spodumene Concentrate Price (5.5% Li_2O)[1]	1,856	$/t concentrate
Discount Rate	8%	%
Income Tax Assumption	26.5%	%
Québec Mining Tax	16%-28%	%
GOR	4%	%

1. See Figure 1, Spodumene Price Forecast graph

Figure 1: Spodumene Price Forecast Graph, SC5.5%[1]



1. All industry SC5.5% price forecasts are cost, insurance, and freight ("CIF") China and based on pro-rata grade of adjustment from 6% to 5.5% of Li_2O content. Winsome Study Price Forecast is SC5.5% freight on board ("FOB") port of Québec City. Spodumene concentrate price is supported by and consistent with Broker/Bank Forecasts and Industry Forecasts (including Fastmarkets).

Table 4: PEA Start-up Capital Cost

Area	Adina Site	Adina-Renard Road	Renard Site / Plant	Total Start-up Capital Cost
	(C$ M)	(C$ M)	(C$ M)	(C$ M)
General / Multi-Section	52.3	-	3.3	55.6
Mine Area Surface Facilities	3.0	-	-	3.0
Mineral Processing Plant	-	-	49.9	49.9
Waste Rock & Processed Pegmatite Management	6.7	-	4.3	10.9
Onsite Utilities & Infrastructures	35.2	-	0.8	36.0
Networks & Distribution	5.2	-	-	5.2
Off Site Utilities & Infrastructures	-	72.8	-	72.8
Construction Indirects	23.7	11.5	17.8	53.0
Pre-Production and Owner's Costs	25.9	-	15.0	40.9
Subtotal	**151.9**	**84.3**	**91.1**	**327.4**
Contingency	31.3	16.2	19.6	67.1
Total Capital Cost	**183.3**	**100.5**	**110.7**	**394.5**
CTM-ITC[1]				(44.2)
Net Capital Cost				**350.2**

Note: Rounding may result in apparent summation differences

1. Winsome may be eligible for CTM-ITC. This legislation has been enacted on June 20, 2024. There is no guarantee the Company will be able to access the ITC. If the ITC does not become available, the total capital cost including contingency will increase by the amounts shown in this row.

Table 5: PEA Sustaining Capital Cost

Area	Adina Site	Adina-Renard Road	Renard Site / Plant	Total Sustaining Capital Cost
	(C$ M)	(C$ M)	(C$ M)	(C$ M)
General / Multi-Section	206.3	-	2.7	209.0
Mine Area Surface Facilities	1.3	-	-	1.3
Mineral Processing Plant	-	-	20.5	20.5
Waste Rock & Processed Pegmatite Management	25.4	-	10.6	36.1
Onsite Utilities & Infrastructures	39.7	-	4.2	43.9
Networks & Distribution	1.0	-	-	1.0
Off Site Utilities & Infrastructures	-	7.2	-	7.2
Construction Indirects	17.1	0.2	2.8	20.1
Pre-Production and Owner's Costs	298.8	-	1.1	299.9
Subtotal	**589.6**	**7.4**	**41.9**	**638.8**
Contingency	16.6	0.5	4.0	21.1
Total Capital Cost	**606.2**	**7.9**	**45.8**	**659.9**
Closure costs				114.6
CTM-ITC[1]				(42.2)
Net Capital Cost				**732.3**

Note: Rounding may result in apparent summation differences
1. Winsome may be eligible for CTM-ITC. This legislation has been enacted on June 20, 2024. There is no guarantee the Company will be able to access the ITC. If the ITC does not become available, the total capital cost including contingency will increase by the amounts shown in this row.

Table 6: PEA Unit Operating Costs

	Value[1]	C$
Mining Cost	5	$/t mined
Mineralized Material Transport Cost	11	$/t processed
Processing Cost	21	$/t processed
General & Administrative Cost	217	$/t concentrate
Waste & Water Management	57	$/t concentrate
Concentrate Transport Cost	157	$/t concentrate
C1 Operating Cost	126	$/t processed
C1 Operating Cost	831	$/t concentrate
Sustaining Capital Cost over LOM[2,3]	136	$/t concentrate
All-In Sustaining Cost[2,3] pre-Royalty	967	$/t concentrate
Royalty Cost	74	$/t concentrate
All-In Sustaining Cost[2,3]	1,041	$/t concentrate

1. LOM average following the start of commercial concentrate production.
2. Includes Closure Costs.
3. Net of CTM-ITC.

Resource Estimate and Methodology

The Resource model was prepared by Kerry Griffin, M. AIG, and holder of an Ordre des géologues du Québec ("OGQ") special authorization, of Global Commodity Solutions. Drilling completed in support of this MRE includes 186 drillholes representing 57,756 m of drilling. All drilling has been completed by Winsome and no drilling by other companies was used in the MRE.

Two distinct spodumene-bearing pegmatite dyke swarms are present at Adina, named the Main Zone ("MZ") and Footwall Zone ("FWZ"), with each zone likely comprised of multiple pegmatite dykes. Detailed logging, mineralogy and litho-geochemical data will be used to try and distinguish individual dykes within the dyke swarms in future MREs.

The MZ and FWZ occur adjacent to each other and therefore the PEA contemplates mining of both zones using a single open pit. The MZ outcrops at surface and is planned to be mined for the first 3 years by a starter pit (Phase 1 pit) which minimizes the strip ratio (waste:mineralized material) and consequently the mining costs.

The MRE has been estimated in conformity with generally accepted CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines and are reported in accordance with NI 43-101.

The cut-off grade for reporting of Mineral Resources at Adina is 0.5% Li_2O. This was based on consideration of the grade-tonnage data, likely mining methods, conceptual mining studies and data from analogous peer operations (comparable deposit style, commodity, project maturity and cost jurisdiction). Key assumptions are included in Appendix 1.

The NI 43-101 compliant Mineral Resource Estimate is tabulated in Tables 7 and 8. To demonstrate reasonable prospects for eventual economic extraction ("RPEEE") the MRE is constrained by a conceptual open-pit shell ("RPEEE shell") and underground mineable shapes which use, amongst other parameters, a spodumene concentrate price of US$2000/t at 6.0% Li_2O (factored for a 5.5% Li_2O product) for pit shell modelling, geographical constraints on pit limits, and a lower cut-off grade of 0.5% Li_2O for base case in-pit resource estimation. US$2000/t was selected based on the higher end of consensus forecasts, industry price forecast reports, banking commodities analyst reports and company disclosures. See Appendix 1 at the end of this news release for detailed parameters.

The MRE also includes a quantity of material which falls outside the pit shell which is potentially amenable to mining by underground methods. To constrain this material a conceptual stope design was completed using the automated Mineable Stope Optimiser (MSO) tool in Deswik using underground mining costs primarily through benchmarking against previous studies and current operations in the region. A higher cut-off grade of 0.7% Li_2O was used for the underground portion of the MRE to reflect the lower accuracy of the underground cost estimate and the likely requirement to maximize head grade during underground mining.

The approximate dimensions of the MRE are 2,300m east-west and 750 m north-south, with drilling intersecting mineralization to a depth of 350 m below surface. The MRE is reported within the Adina claims and the pit shell and conceptual underground stopes which constrain the MRE are restricted within the claim boundaries.

Table 7. Statement of Indicated Resources at Adina

Method	Cut-off ($\%Li_2O$)	Tonnes (Mt)	Grade ($\%Li_2O$)
Open-pit	0.5	58.1	1.14
Underground	0.7	2.4	1.11
Total		**60.5**	**1.14**

Table 8. Statement of Inferred Resources at Adina

Zone	Cut-off ($\%Li_2O$)	Tonnes (Mt)	Grade ($\%Li_2O$)
Open-pit	0.5	14.4	1.16
Underground	0.7	1.5	1.23
Total		**15.9**	**1.17**

This MRE is the result of 186 drill holes (57,756 metres of core) in the resource area completed by Winsome from October 2022 to March 2024 based on assays received up to April 11, 2024.

Notes Regarding Mineral Resource Estimate:

1. The QP as defined under NI 43-101 for the MRE is Kerry Griffin, M.AIG and holder of an OGQ special authorization, of Global Commodity Solutions. Mr. Griffin, an independent consultant to Winsome, has prepared, validated and approved the technical and scientific content of this Winsome press release.
2. Mineral Resources have been classified using the CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. The quantity and grade of reported Inferred Resources in this MRE are uncertain in nature and there has been insufficient drilling to define these Inferred Resources as Indicated. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated category with continued drilling.
3. The MRE has an effective date of April 11, 2024.
4. Mineral Resources are reported on a 100% basis.
5. The MRE assumes an open pit mining and UG mining methods. Open-pit mineral resources are reported within a conceptual optimized pit shell above a 0.5% Li_2O cut-off and underground mineral resources are reported within conceptual underground mining stope shapes above a 0.7% Li_2O cut-off.
6. Pit slopes of 25, 50, and 57 degrees were used during pit shell optimization for overburden, northern wall and southern wall respectively based on similar overall slope angles for lithium projects in Québec and the higher end of possible ranges derived from initial empirical analysis.
7. All tonnage, grade and contained metal content estimates have been rounded; rounding may result in apparent summation differences between tonnes, grade, and contained metal content.
8. A price of US$2,000/tonne of concentrate (6% Li_2O) was used factored for SC5.5% (ie 5.5/6.0 x SC6.0 price) and is based on the higher end of consensus forecasts, industry price forecast reports, banking commodities analyst reports and company disclosures.
9. The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issues that could materially affect the MRE.

Mine Design

The PEA considers open-pit mining using conventional diesel 7.5 m^3 excavators and 100 ton trucks to extract and transport waste and run-of-mine ("ROM") mineralized material. The processing schedule targets 1.7Mt of concentrator feed annually or 4,650 t/d.

Mining for each bench will start on the hanging wall side of the minable resource body and progress towards the resource. Once the minable resources are extracted, remaining waste material on the footwall will be mined out in conjunction with developing a sinking ramp and/or access road for accessing the next bench below.

The pit was designed with three (3) separate phases. Pushback distances are accounted for to ensure adequate room for mine equipment to operate safely and efficiently; a minimum of 20 m is considered for each pushback. Two 10 m box cuts were designed at the bottom of the Phase 2 and Phase 3 pits. Single lane ramps are employed for the bottom benches of a phase to reduce stripping.

The slope angles used in the pit design are based on similar lithium projects in Northern Québec. Above the 400 level, a berm of 10.5 m is used and below the 400 level, a berm of 14.0 m is used. Throughout the pit, double 10 m benching and a 75 degrees bench face angle are used. Widths of 23.5 m and 17.1 m are used for double lane and single lane ramp segments respectively.

Offsite Infrastructure

The proposed road access connecting Adina to Renard (Adina – Renard Access Road) is set to be constructed to meet the specifications for a non-standard gravel road. It will be designed to support the transportation of pegmatite mineralized material using 140-tonne tractor-trailers, consisting of a tractor and two 70-tonne trailers. The design and management of the road may be adjusted to accommodate multiple users.

Mineral Processing and Metallurgical Testing

Three metallurgical testwork programs have been completed on samples originating from Adina to inform the Study:

- Phase 1 metallurgical testing at SGS Canada Inc.;
- Phase 2 metallurgical testing at SGS Canada Inc.;
- Magnetic separation testing at Changsha Research Institute of Mining & Metallurgy (CRIMM).

In total, fourteen variability samples were tested in Phase 1 and 2 testwork programs. All samples were collected from drill core drilled specifically for testwork purposes. Phase 1 and 2 metallurgical testwork included:

- Pegmatite and host rock characterization;
- Grindability tests;
- Heavy Liquid Separation ("HLS") tests;
- Pilot-scale DMS tests.

Variability samples tested ranged in grade from 0.76% to 2.57% Li_2O and 0.59% to 1.35% Fe_2O_3.

Pegmatite or host rock drill core samples were crushed to the appropriate size and sub-sampled for comminution testing including low-energy impact crushing work index ("CWi"), Bond ball mill work index ("BBWi"), and abrasion index ("Ai"). Results showed CWi ranged from 7.3 kWh/t to 11.2 kWh/t, BBWi ranged from 6.6 kWh/t to 17.4 kWh/t, and Ai ranged from 0.13 g to 0.42 g.

HLS tests undertaken on material with a top crush size of 6.35 mm showed interpolated global lithium distribution (i.e., lithium distribution as a percentage of the total sample tested including the -0.85 mm fines fraction) to sinks ranging from 69% to 83% for production of 5.5% Li_2O spodumene concentrate.

Two pilot-scale DMS tests were undertaken on composite samples from the MZ and FWZ. The results for the MZ sample, showed production of 6.05% Li_2O spodumene concentrate with 77.7% lithium recovery. The FWZ samples produced 6.54% Li_2O concentrate with 63.7% lithium recovery.

Preliminary magnetic separation testwork was undertaken at CRIMM on concentrate produced during pilot-scale DMS operation at SGS. Test were undertaken using a laboratory-scale wet high-intensity drum magnetic separator. Results show the ability to process spodumene concentrate with low (<1%) iron content.

Mineralized material sorting testwork is currently in progress at Corem in Québec City.

Processing

The existing process plant will be modified to treat pegmatite with a design throughput of 1.7 Mt per year of mineralized material grading 1.24% Li_2O (average life-of-mine feed grade). The process plant will target an average production of 256,000 tpd of 5.5% Li_2O spodumene concentrate using a crushing and dense media separation (DMS) flowsheet. Modifications are required to the existing Renard diamond-bearing kimberlite processing plant to treat spodumene-bearing pegmatite mineralized material. Table 9 list the modifications to the Renard process plant, which will allow to reach an average Li_2O recovery of 67.2%.

Table 9. Modifications to the Renard Processing Infrastructure

Item	Status	Key Modification
ROM feed bin & apron feeder	Existing	Static grizzly replacement
Primary crushing	Existing	No change
Plant feed bin & apron feeder	Existing	No change
Drum scrubber & primary screening	Existing	Replacement of drum scrubber with conveyor and wash chute, screen panel modification
Particle sorting circuit (near infrared)	Existing	Screen panels modification, equipment refurbishment, additional secondary sorter with associated wash screen and materials handling equipment
Secondary crushing	Existing	Crusher replacement
Tertiary high pressure grinding rolls (“HPGR”)/crushing	Existing	Replacement of HPGR by cone crusher
Crushing circuit screens	Existing	Screen panels modification
Primary DMS circuit 1 & 2 (in parallel)	Existing	Repurpose as primary DMS circuit with modifications to floats screens, replacement of sinks screens, and replacement of cyclones.
Secondary DMS circuit	New	Addition of secondary DMS module with required materials handling
DMS product magnetic minerals removal	New	Addition of high intensity wet magnetic separator drums and associated equipment
DMS product mica removal	New	Addition of upflow classifier and associated equipment
Fines degrit circuit	Existing	No change; minor refurbishment
Fines thickener and fines loadout pumps	Existing	No change

Fines filter	New	Addition of pressure filter and associated equipment installed to be ready for operation in year 5
Processed kimberlite bin and loadout	Existing	Repurpose to processed pegmatite bin and loadout
Concentrate storage	New	Addition of a concentrate storage dome

In the first four (4) years, the processed pegmatite will be stored in an existing facility that will be repurposed as the Processed Pegmatite Containment Facility (“PPC1”). Once PPC1 reaches full capacity, a second processed pegmatite facility (‘’PPC2’’) will be built to store the remaining processed pegmatite from the fifth year of operations until the end of process operations. Consequently at Year 4, a filtration plant will be built to dewater the fines and combining the dry cake with other processed rejects in PPC2.

Surface Infrastructure

Surface infrastructure will be deployed at both the Adina and Renard sites.

The infrastructure located at the Adina site will be developed to support the remote mining operations, such as: potable water and sewage treatment systems; a Liquified Natural Gas (“LNG”) storage facility and associated natural gas distribution network; a natural gas power plant and associated electrical distribution network; a camp complex, including dormitories, offices, a kitchen, a dry and change room; a main gatehouse and weight scale station for mineralized material trucks; a surface maintenance facility with integrated warehouse; a fuel storage and distribution facility; detonator, explosives and emulsion storage facility; waste rock, overburden, topsoil and mineralized material stockpiles; mine effluent water treatment plant with associated surface water management facilities, including ditches, ponds and pumping stations and services; light and heavy duty roads. Note that some of the infrastructure at the Adina site will have been dismantled from Renard (e.g.: the explosives/emulsion storage facilities, the camp dormitories and the fuel storage facility) and re-installed at Adina.

The Renard site consists of the upgraded processing plant and the processed pegmatite infrastructure, as well as the following existing infrastructure: 97 km access road extending from route 167N to Renard; an airport; a main gatehouse; a camp complex, including dormitories and a kitchen; potable water and sewage treatment systems; a mine effluent water treatment plant; a LNG storage facility and associated natural gas distribution network; a natural gas power plant and associated electrical distribution network; an office complex, including a dry and change room; a warehouse and truckshop. The process plant will be modified, a covered concentrate storage facility will be added, and a ROM mineralized material pad will be built for trucks dumping next to the process plant.

Environmental, Social, Permitting and First Nations and Stakeholder Engagement

Biophysical, social and technical baseline studies were initiated in 2023 at the Adina site location and are expected to continue for Adina and the road link between Adina and Renard sites until 2025. These studies are being completed following general guidance documents, best practice and in support of Adina's overall development and anticipated permitting processes. Given the known project specifications, Adina is expected to trigger the provincial (COMEV/COMEX) and federal (IAAC) environmental and social impact assessment processes which will be triggered in Q4 2024 through the submission of preliminary information documents to the respective authorities. Engagement with various stakeholders and First Nations is ongoing since 2023 and will continue throughout impact assessment processes.

An approved Closure Plan is already in place for the Renard Mine. A Closure Plan for the Project will be developed in compliance with Québec's Mining Act and following the Ministère des Ressources Naturelles et des Forêts ("MRNF") guidelines. The plan will aim to restore the site to a safe and environmentally sound condition, eliminating health hazards, preventing contamination, and ensuring public safety. A closure cost estimate of C$114.6 million was prepared for the PEA, covering both the Adina and Renard sites.

Independent QP

This PEA was prepared for Winsome by Synectiq Inc. and other industry consultants, with each being a QP under National Instrument 43-101. Each "qualified person" has reviewed and approved the content of this news release, including the following who are independent for the purposes of National Instrument 43-101:

- Martin Ménard, P. Eng. (Synectiq Inc.)
- Jarrett Quinn, P. Eng. (Synectiq Inc.)
- John-Paul McGrath, P. Eng. (Synectiq Inc.)
- Kerry Griffin, M. AIG and holder of an OGQ special authorization (Global Commodity Solutions)
- Jordan Zampini, P. Eng. (DRA Global Limited)
- Alexandre Dorval, P. Eng. (G Mining Services Inc.)

The responsibilities of each QP are detailed in Table 10.

Table 10: Consulting Firm and Area of Responsibility

Consulting Firm	
DRA Global Limited	- Crushing and process plant mass balance, plant design and modification, review of the process plant capital cost estimate, and develop process operating cost estimate.
G Mining Services Inc.	– Mine design and mine production scheduling, mining capital and operating costs.
Global Commodity Solutions	– Historical data review; – Current and historical geology, exploration, drilling; – Sample preparation, QA/QC, and data verification; – Geological modelling and mineral resource estimate.
Synectiq Inc.	– Metallurgical test work management and analysis; – Process Plant capital cost estimate; – Surface processed pegmatite management facilities designs and capital and operating costs; – Water Management infrastructure and capital and operating costs;

	– Water treatment plant design and capital and operating costs; – Sites utilities and infrastructure design and capital and operating costs; – Evaluation of off-site access road from Renard to Adina and capital and operating costs; – Civil designs for roads and pads and capital and operating costs; – Adina's surface mineralized material, waste rock, overburden and topsoil management facility design and capital and operating costs; – Environmental studies, permitting and closure costs; – Regulatory context, social considerations, and anticipated environmental issues; – General and administration operating costs; – Financial Analysis and overall NI 43-101 integration.

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 focused exploration and development company with several projects in the 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 substantial Mineral Resource.

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 facility has an established airport, power station, water treatment plant, workshops, processed mineralized material storage and 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 including Dense Media Separation (DMS), upfront jaw, cone, high-pressure grinding rolls and mineralized material sorting circuits necessary for spodumene concentrate production.

In addition to our portfolio of lithium projects in Québec, including the Cancet, Sirmac-Clapier and Tilly Projects, 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.

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. Such forward-looking statements include, but are not limited to, all statements relating to the contents of the PEA, such as the project's potential, capital and operating costs, production summary and financial analysis; statements concerning the Company's expectations with respect the exercise of Winsome's exclusive option to purchase the Renard Operation and the timing of such acquisition; to continued resource growth through projected drilling; expected mining method and results; and expectations with respect to other activities, events or developments that the Company expects or anticipates will or may occur in the future. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, results of further exploration work to define or expand any mineral resources, as well as other considerations that are believed to be appropriate in the circumstances. 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 the ability of exploration activities to accurately predict mineralization; the ability to complete further exploration activities and the results of exploration activities; the ability of the Company to obtain required approvals; 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.

NON-IFRS AND OTHER FINANCIAL MEASURES

This document refers to C1 Operating Costs and All-In Sustaining Costs (AISC) per tonne. These are non-IFRS financial measures and non-IFRS financial ratios. The Company believes that these measures provide additional insight, but these measures are not standardized financial measures prescribed under International Financial Reporting Standards ("IFRS") and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. The non-IFRS financial measures and non-IFRS financial ratios used in this document are relatively common to the mining industry.

Quality control and data verification protocols

Pegmatite zones were sampled at approximately 1m intervals with sample lengths adjusted to honour geological contacts to aid representativeness. Quality Assurance and Quality Control procedures utilised standard industry practice, using certified reference materials (CRMs) for lithium, field blanks, duplicates sampled in the field and pulp duplicates at the laboratory. CRMs were submitted at a rate of approximately 20%, whereas blanks, duplicates and repeat assay determinations were submitted at a rate of approximately 5%. Samples were bagged and sealed with numbered tags, in order to maintain a chain of custody. The sample bags were transported from the site to either SGS or MSA Labs preparation facilities in Val-d'Or, Québec. Sample preparation at the laboratory (SGS & MSA) entailed crushing, milling and splitting to achieve a 250g sub-sample for assay. Laboratory QC procedures for sample preparation include quality control on checks crushing and milling to ensure representativeness. Analysis was done using Sodium Peroxide fusion followed by combined ICP-AES and ICP-MS analyses (56 elements). Li is reported by the lab and converted to Li_2O for reporting using a factor of 2.153. All results included in the MRE passed the QA/QC screening at the lab. Following reporting of results by the laboratory Winsome's geologists verified that all inserted CRMs and blanks returned results that were within acceptable limits. Data verification is carried out by the Project Geologist on site, and a final verification was performed by the VP Exploration and the geologist responsible for database management. An independent verification was carried out by the QP prior to commencing the MRE

Appendix 1. Parameters used in the calculation of the cut-off grade and the pit optimisation

Parameter	Unit	Value
Selling		
Exchange rate	C$/US$	1.33
Spodumene concentrate price (6% Li_2O)	US$/tonne concentrate	2,000
Transport cost - Adina to Chibougamau	US$/tonne concentrate	52
Transport cost - beyond Chibougamau	US$/tonne concentrate	79
Costs		
Mining - overburden	C$/tonne mined	3.50
Mining - waste rock	C$/tonne mined	5.00
Mining - mineralization	C$/tonne mined	6.00
Mining - incremental bench (10m)	C$/tonne mined	0.05
Processing	C$/tonne processed	25.00
Waste and water management	C$/tonne processed	4.00
General and administrative	C$/tonne processed	15.00
Mining		
Recovery	%	100%
Dilution	%	0%
Metallurgical		
Li_2O recovery	%	75%
Processing rate	tpd	4,650
Concentrate grade	%	5.5%
Royalties		
Gross revenue royalty	%	4.00%
Geotechnical		
Pit slopes - overburden	degrees	25
Pit slopes – northern slope	degrees	50
Pit slopes – southern slope	degrees	57
Cut-off grade		
Calculated – open pit[1]	%	0.15%
Applied – conceptual open pit	%	0.5%
Applied – conceptual underground	%	0.7%

1. Blocks between 0.15% and 0.50% were not used during the pitshell optimization process.

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