

ASX RELEASE | 24 August 2023

Winsome to Increase Stake in Power Metals Corp.

HIGHLIGHTS

- Winsome advances process to increase its stake in Power Metals Corp (“PWM”) to 19.59%
- Under agreement terms Winsome will transfer its ownership in the Decelles¹ and Mazérac² projects to PWM
- Winsome focussed on development of its globally significant hard-rock lithium discovery at Adina
- PWM will assume the future royalty obligations for Decelles and Mazérac Projects
- Winsome to retain the obligation for issue of Performance Shares under the Mazérac Option³

Lithium exploration and development company Winsome Resources (ASX:WR1; “**Winsome**” or “**the Company**”) is pleased to announce as it increases its focus on its world-class hard-rock discovery at Adina, it has reached terms with Power Metals Corp (“**PWM**”) and Mr Glenn Griesbach for PWM to acquire the Company’s Decelles and Mazérac projects in Quebec, Canada.

The agreement paves the way for Winsome’s stake in TSX-V and FSE-listed PWM to almost double from its current 9.94% shareholding.

About the Decelles & Mazerac projects

The Decelles project area covers 385km² holding 669 claims close to the mining centres of Val-d’Or and Rouyn-Noranda, approximately 600km from Montreal.

The prospective Mazérac region project holds 259 claims across 149km² and is less than 30km east of Decelles.

¹ Winsome To Significantly Expand Lithium Exploration Footprint in Quebec – ASX release 31 January 2022

² Winsome Further Expands Lithium Exploration Footprint in Quebec – ASX release 9 May 2022

³ Updated Announcement: Amended Option Agreement and Revised Use of Funds for Proposed Activities – ASX release 15 August 2022

Both projects are in close proximity to established infrastructure and major mining centres with a history of recent lithium discoveries.

About the Case Lake project

PWM 100%-owns its flagship Case Lake Property, where it has identified high grade Lithium, Tantalum and Cesium mineralisation through four previous exploration programs, with the latest conducted mid-2022 comprising 36 holes for 2,783.8m (Appendix 1). Mineralisation is hosted in a swarm of pegmatite dykes adjacent to the Case Lake Batholith, with six dykes the focus of exploration to date (North, Main, South, East and Northeast – on the Henry Dome, and the West Joe Dyke on a tonalite dome).

Cesium mineralisation at Case Lake occurs as pollucite and is hosted by a pegmatite dyke (the West Joe Dyke) which also contains lithium and tantalum mineralisation. There have been only 3 pegmatite mines globally that produced cesium: Tanco (Canada), Bitika (Zimbabwe), and Sinclair (Australia).

The presence of shallow exceptionally high-grade Cesium was confirmed at the West Joe Dyke following drilling in 2018, through the presence of pollucite in drill core, a rare occurrence in Ontario.⁴

Drilling at West Joe in 2022 returned results of 22.22 % Cs₂O and 1.46 % Li₂O over 2.00m (PWM-22-143, 14.0 - 16.0m) & 5.72 % Cs₂O, 1.94 % Li₂O and 862 ppm Ta over 4.24m (PWM-22-150, 27.76 – 32.0m).⁵

High grade lithium and tantalum mineralisation is also present in the other pegmatite dykes at Case Lake with 2022 drilling including highlights of 1.71% Li₂O and 241ppm Ta over 12.0 m from 11.0m (PWM-22-132) and 1.58% Li₂O and 143ppm Ta over 15.0m from 19.0m (PWM-22-134) from drilling at Main Dyke.⁶

Details of the 2022 drilling campaign are appended as Appendix 1.

Terms of the transaction

Under the terms of the transaction:

- Winsome will issue Mr Glenn Griesbach 377,000 fully paid ordinary shares in the Company to complete the acquisition of the Decelles and Mazérac exploration licences. This issue of shares will be completed under the Acceleration clause in each of the agreements.⁷
- The Company will transfer the licences to PWM for consideration of 17,650,000 ordinary shares in PWM, taking Winsome's holding in PWM to 19.59%.
- Winsome has assigned PWM its royalty payment obligations that it previously owed Mr Griesbach under the Decelles and Mazérac Option Agreements.
- The Company will retain the obligation to issue Performance Shares under the Mazérac Option Agreement for 24 months from the date of the exercise of the Option agreement. This is in accordance with the amended option agreement terms announced to the ASX on 15 August 2023. Notwithstanding this, Power Metals will be undertaking the work and incurring the expenditure that is required to satisfy the relevant milestones. If the milestones are not satisfied within the next two years, then no Performance Shares will be issued by Winsome.

⁴ Power Metals to Commence Maiden Resource Estimate and Provides Summary of 2018 Exploration Activities at Case Lake – TSX-V PWM News Release 4 December 2018

⁵ Power Metals Intersects World Class High-Grade Cesium up to 24.07% at Case Lake - TSX-V: PWM News Release 13 Oct 2022 & Power Metals Intersects 20.25 % cesium over 1.0m and 3.10% lithium over 2.0m at Case Lake - TSX-V: PWM News Release 30 Nov 2022.

⁶ Power Metals Intersects High-Grade Lithium, Cesium and Tantalum Mineralization at West Joe and Main Dykes - TSX-V: PWM News Release 19 Aug 2022 & Power Metals Intersects 1.86 % Li₂O over 19.0 m at Case Lake - TSX-V: PWM News Release 8 Sep 2022.

⁷ Mazérac Project - Amended Appendix 3B dated 10 May 2023. Decelles Project – Amended Appendix 3B dated 6 April 2022.

WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:

"We are pleased to announce progress towards this transaction with Power Metals, which when executed will increase Winsome stake in PWM to 19.59%."

"This is an exciting opportunity for the Company as PWM progresses its own exploration program. The exposure to a potentially significant cesium project is very attractive given the rare nature of pollucite-hosted deposits globally."

"The terms will ensure ongoing exploration on the Decelles and Mazérac licences in the shorter term, while the Company concentrates its resources toward a maiden Mineral Resource Estimate at Adina and further expansion of the Cancet project."

"With Decelles and Mazérac being approximately 350 kilometres from PWM's Case Lake project in neighbouring Ontario, it makes commercial sense for PWM to execute exploration activities at these sites."

"The Winsome team looks forward to continuing our strong relationship PWM."

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 six project areas in Quebec, Canada. Four of Winsome's projects – Cancet, Adina Sirmac-Clappier and Tilly are 100% owned by the Company. Recently the Company acquired a further 47km² of claims at the Tilly Project, located near Adina, and an option over the 29 claims of the Jackpot Property, immediately north of Adina.

The most advanced of Winsome's projects - Cancet and Adina, provide shallow, high grade lithium deposits and are strategically located close to established infrastructure and supply chains.

In addition to its impressive portfolio of lithium projects in Quebec, Winsome Resources owns 100% of the offtake rights for lithium, cesium and tantalum from Power Metals Corp (TSXV:PWM) Case Lake Project in Eastern Ontario, as well as a 19.59% 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.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.

COMPETENT PERSON'S STATEMENT

The information in this report which relates to Exploration Results is based on, and fairly represents, information and supporting documentation reviewed by Mr Bill Oliver, a consultant to Winsome Resources Ltd. Mr Oliver is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Oliver consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

The technical content of this news release has been reviewed and approved by Amanuel Bein, P.Geo., Vice President of Exploration for Power Metals, a Qualified Person under National Instrument 43-101 Standards of Disclosure of Mineral Projects.

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Appendix 1: Significant Drillhole Intercepts – 2022 Case Lake Drilling.

Hole ID	Easting (NAD83)	Northing (NAD83)	RL (m)	Depth (m)	Dip (degrees)	Azimuth (degrees)	From (m)	To (m)	Thickness (m)	Li ₂ O %	Cs ₂ O %	Ta ppm
PWM-22-128	576303	5431120	344	42.0	-45	170	17.56	24.4	6.84	1.11	2.15	365.4
PWM-22-129	576301	5431131	344	52.0	-45	170	23.88	25.84	1.96	0.4	0.05	287.1
							41.0	42.0	1.0	1.75	0.06	221.0
PWM-22-130	576297	5431156	341	75.0	-45	170	40.73	41.73	1.0	0.05	0.02	1487
							54.21	56	1.79	1.36	0.03	174.0
PWM-22-131	576296	5431166	339	87.0	-45	170	62.6	63.63	1.03	0.77	0.03	53.1
PWM-22-132	578235	5431690	347	111.0	-45	150	14.0	25.0	11.0	1.79	128	246.6
PWM-22-133	578185	5431705	344	177.0	-45	150	39.0	58.0	19.0	1.20	135	218.6
PWM-22-134	578164	5431658	348	84.0	-45	150	19.0	34.0	15.0	1.58	117.6	143.1
							38.62	39.78	1.16	0.49	98.4	74.0
							40.76	44.0	3.24	2.06	91	60.6
PWM-22-135	578171	5431645	350	63.0	-45	150	7.0	31.0	19.0	1.86	142	130.7
							47.14	47.81	0.67	0.76	123	92.1
PWM-22-136	576859	5431143	342	125.0	-45	180	83.54	83.71	0.17	0.005	91	215.0
							115.7	115.93	0.23	0.011	131	193.0
PWM-22-137	576861	5431103	345	114.0	-45	180			NSI			
PWM-22-138	576410	5431172	337	36.0	-45	180			NSI			
PWM-22-139	576411	5431165	337	109.0	-45	180	77.76	78.07	0.31	0.45	600	153
PWM-22-140	576193	5431221	333	112.0	-45	180			NSI			
PWM-22-141	576293	5431120	345	43.25	-45	170	16.9	20.78	3.88	1.95	0.078	480.5
PWM-22-142	576291	5431131	344	54.0	-45	170	38	41.39	3.39	1.08	0.092	315.2
PWM-22-143	576316	5431108	345	36.0	-45	170	11.96	19.05	7.09	1.45	7.65	247.1
PWM-22-144	576314	5431119	345	45.0	-45	170	20.97	29.95	8.98	2.20	1.94	466.0
PWM-22-145	576311	5431132	343	57.0	-45	170	28.82	33.0	4.18	1.08	0.08	288.0
							43.6	44.0	0.4	1.54	1.28	234.0
PWM-22-146	576309	5431142	344	59.5	-45	170	32.97	34.9	1.93	1.18	0.03	454.3

Hole ID	Easting (NAD83)	Northing (NAD83)	RL (m)	Depth (m)	Dip (degrees)	Azimuth (degrees)	From (m)	To (m)	Thickness (m)	Li ₂ O %	Cs ₂ O %	Ta ppm
PWM-22-147	576309	5431142	344	75.0	-45	170	46.6	52.0	5.4	2.27	0.82	687.9
PWM-22-148	576325	5431113	345	36.0	-45	170	15.85	18.7	2.85	1.35	1.69	195.8
							19.41	22.82	3.41	1.36	0.28	190.2
PWM-22-149	576324	5431119	344	42.0	-45	170	19.65	22.67	3.02	2.11	2.63	494.8
							23.26	23.89	0.63	0.68	4.23	641.0
							24.59	27.32	2.73	2.64	0.08	730.6
PWM-22-150	576321	5431132	343	51.00	-45	170	27.76	32.0	4.24	1.94	5.72	862.3
PWM-22-151	576320	5431139	343	52.50	-45	170	30.55	35.81	5.26	0.97	0.44	433.3
							42.05	42.33	0.28	1.41	0.67	225.0
PWM-22-152	576319	5431142	342	66.00	-45	170	32.34	33.4	1.06	1.20	0.03	434.0
							34.53	35.0	0.47	0.72	0.03	1422.0
PWM-22-153	576319	5431142	343	66.50	-55	170	46.2	49.2	3.0	1.24	0.06	358.9
PWM-22-154	576319	5431143	343	81.00	-65	170	49.73	50.84	1.11	1.58	0.05	195.0
PWM-22-155	576305	5431164	339	86.00	-45	170	62.63	63.63	1.0	0.58	0.37	2.7
PWM-22-156	576331	5431127	344	48.00	-45	170	26.72	34.07	7.35	1.44	1.87	571.6
PWM-22-157	576328	5431148	342	81.00	-45	170	35.94	37.0	1.06	0.88	0.03	899.0
PWM-22-158	576327	5431170	337	90.00	-45	175	60.73	61.2	0.47	0.65	3835	52.2
							67.0	69.57	2.57	0.32	2047	0.8
PWM-22-159	576333	5431180	336	136.00	-45	170	69.65	70.08	0.43	0.006	4.4	164
PWM-22-160	576322	5431185	335	161.00	-70	170			NSI			
PWM-22-161	576328	5431140	342	60.00	-45	170	32.81	37.0	4.19	0.84	0.02	334.6
PWM-22-162	576120	5431199	341	111.00	-45	170			NSI			
PWM-22-163	576420	5431280	340	59.00	-45	180			NSI			

NSI = No Significant Intersection

Drilling and sampling information as prescribed by JORC Code can be found overleaf

JORC Code, 2012 edition Table 1
Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation
Sampling techniques	<ul style="list-style-type: none"> All core is NQ (76mm) in this program. Core sample intervals were geologically logged, measured for average length, photographed, and placed into numbered core trays. Samples from Case Lake were sent to SGS Minerals Geochemistry under standard preparation procedures.
Drilling techniques	<ul style="list-style-type: none"> NQ diamond drilling was completed at Case Lake. Oriented core drilling was not completed. Downhole surveying was conducted using a single shot system.
Drill sample recovery	<ul style="list-style-type: none"> The recovery of the diamond drilling samples was reported by the operators and supervised by a consulting geologist. No sample bias has been established.
Logging	<ul style="list-style-type: none"> NQ core was logged and cut according to geological boundaries, with ~1 m intervals targeted for individual samples. Features such as rock type, modal mineralogy, rock textures, alteration were recorded. The core is stored onsite at Case Lake. Various qualitative and quantitative logs were completed. All core has been photographed. The logging database contains lithological data for all intervals in all holes in the database.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Case Lake drill core was split (sawn) into half core, with samples intervals submitted to SGS preparation facilities in Garson, Ontario. Half core NQ samples are believed to be representative of the mineralisation targeted. Sampling intervals are based on geological boundaries to aid representivity. Samples are crushed, milled and split at the laboratory (SGS) to achieve a 250g sub-sample for assay. Laboratory QC procedures for sample preparation include quality control on checks crushing and milling to ensure representivity.
Quality control & Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Samples are submitted for multi-element ICP analysis by SGS Laboratories which is an appropriate technique for high-grade lithium analysis. Laboratory analysis was undertaken at SGS Burnaby, British Columbia which has ISO 17025 certification. Sodium Peroxide Fusion followed by combined ICP-AES and ICP-MS analyses is used for minor and trace elements (56 elements). Li is reported by the lab and converted to Li₂O for reporting using a factor of 2.153.

Criteria	Explanation
	<ul style="list-style-type: none"> Borate Fusion with analysis by XRF was used for major elements (SiO_2, Fe_2O_3, Al_2O_3, MgO, CaO, K_2O, Na_2O) Ore grade Cesium ($> 10,000\text{ppm Cs}$) was analysed by SGS Lakefield, Ontario which also has ISO 17025 certification. The ore grade $\text{Cs}_2\text{O}\%$ was prepared by alkaline metal digestion with analysis by FAAS with a detection limit of 0.002 % Cs. No handheld instruments were used for analysis. Comparison of results with standards indicate sufficient quality in data. No external laboratory checks have been used but are planned to be completed shortly. Different grades of certified reference material (CRM) for lithium mineralisation were inserted, as well as field duplicates, and blanks. Quality Assurance and Quality Control utilised standard industry practice, using prepared standards, field blanks (approximately 0.4 kg), duplicates sampled in the field and pulp duplicates at the lab.
Verification of sampling and assaying	<ul style="list-style-type: none"> Significant intersections have been estimated by consultants to the company and cross checked. Hard copy field logs are entered into and validated on an electronic database. Data verification was carried out by the Project Geologist on site, and a final verification was performed by the VP. An independent verification is carried out by consultants to the company. No assays have been adjusted. A factor of 2.153 has been applied to the reported Li assays by the laboratory so to report as Li_2O.
Location of data points	<ul style="list-style-type: none"> The drill holes have been reported as being located by hand-held GPS (Trimble). Historical drill holes have been verified by GPS. The grid datum is NAD83. Zone 18N. Government topographic maps have been used for topographic validation. The GPS is otherwise considered sufficiently accurate for elevation data. Down hole dip surveys were taken at approximately 30m intervals and at the bottom of the diamond drill holes.
Data spacing and distribution	<ul style="list-style-type: none"> Drilling has been carried out on 20m x 20m centres at Main Dyke and NE Dyke, and 10m x 10m centres at West Joe Dyke. No assessment has been made regarding the current drill hole location and intersections with respect to resources or reserve estimation. No sample compositing has been completed. However, internal dilution of non-mineralised material into calculated grade over widths reported herein may occur but is not considerable.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drilling is designed to be sub-perpendicular to the potential mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation.

Criteria	Explanation
	<ul style="list-style-type: none">No significant sample bias has been identified from drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.
Sample security	<ul style="list-style-type: none">The company takes full responsibility on the custody of the samples including the sampling process itself and transportation.
Audits or reviews	<ul style="list-style-type: none">No external audit of the database has been completed, apart from by consulting geologists acting on behalf of the company.

Section 2 Reporting of Exploration Results

(Criteria in the preceding section also apply to this section.)

Criteria	Explanation
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Case Lake Project contains 585 claims owned by Power Metals Corp. All tenements are in good standing.
Exploration done by other parties	<ul style="list-style-type: none"> Previous exploration largely comprised mapping and sampling of the outcropping pegmatite dykes. In 2001 Platinova A/S carried out 7 drillholes on the property. Power Metals Corp have actively explored the property since 2016 including mapping, sampling, geophysical surveys and diamond drilling.
Geology	<ul style="list-style-type: none"> The mineralisation encountered at the Case Lake project is typical of a Lithium-Caesium-Tantalum (LCT) type of pegmatite. Mineralisation is hosted in a pegmatite swarm which occurs along a subprovincial boundary between the metasedimentary Opatica Subprovince to the north and the greenstone Abitibi Subprovince to the south. The Opatica Subprovince consists of the Case Batholith, an extensive 50km x 85km ovoid granitic complex.
Drill hole Information	<ul style="list-style-type: none"> For the 2022 drill program, the following information has been included for all holes reported: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (reduced level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception level hole length
Data aggregation methods	<ul style="list-style-type: none"> No sample weighting or metal equivalent values have been used in reporting. Aggregation issues are not considered material at this stage of project definition. No metal equivalent values were used
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> The pierce angle of the drilling varies from hole to hole, in order to attempt, wherever possible, to represent true widths. However due to the pinch and swell nature of pegmatite bodies this may not always be successful.
Diagrams	<ul style="list-style-type: none"> See figures and maps provided in the text of the announcement.
Balanced reporting	<ul style="list-style-type: none"> All drillholes and intersections from the 2022 drill campaign have been presented in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> Exploration by Power Metals Corp has been detailed in TSX-V news releases available on its website, including 43-101 reports relating to the Case Lake Project.
Further work	<ul style="list-style-type: none"> Power Metals Corp continues to complete further site investigations.