



28 May 2024

Winsome Resources (WR1)

Top 4 largest lithium pegmatite resource in North America

- **33% MRE upgrade to 78Mt with 79% Indicated.** WR1 today announced an MRE upgrade at Adina that saw higher tonnage, improved confidence and better grade: 77.9Mt @ 1.15% Li₂O at a same 0.6% cut-off grade (2.21Mt LCE) with 61.4Mt @ 1.14% Li₂O Indicated. This is a significant improvement from the previous all-inferred 59Mt @ 1.12% Li₂O from 93 holes. The MRE now is based on 57,756m (186 holes) of drilling, which is only 58% of the drilling target of around 100,000m for 2024, offering further upside.
- **High-grade, near-surface Main Zone benefits the project economics.** The MRE, outcropping at surface, includes 48.7Mt @ 1.20% Li₂O in the top 150m from surface allowing to be mined by open pit. Adina Main (MZ) and Footwall Zones (FZ) remain open in all directions. MZ (48% of MRE) is near surface and its resource now increased to 37Mt @ 1.23% Li₂O, which has better grade than FZ's 41Mt @ 1.08% Li₂O. This is a key advantage to WR1 as the high-grade MZ will support the first few years of mining with low strip ratio.
- **Advancing project studies.** Together with met test work, the MRE will underpin greenfield and brownfield (incorporating Renard plant) projects studies, on track for completion in 3Q24. Technical, permitting and environmental studies are underway in parallel. This will provide a strong foundation for a long-life operation at Adina. The recent Adina SW discovery of 61.5m at 1.62% Li₂O, highlights the potential for additional mineralised pegmatites to be discovered.
- **Next Resource upgrade in 1Q2025.** Drilling is now testing extensions to mineralisation in all directions. This will enable WR1 to continue testing the continuity across the 3.1km strike at Adina and areas beyond that - the Ridge Zone, Adina Far East and Jackpot, which present further significant upside. Given their proximity, there is potential for them to combine into one larger mineralised body and to be developed as one large mining operation. This reinforces the potential to further increase the MRE to over 100Mt with higher grades and confidence in the next Resource upgrade.

- **We currently rate WR1 a Buy with a 12-month price target of \$2.16.** WR1 is currently trading at only \$91/t LCE - under that of peers of \$170/t LCE, implying further upside. The company has \$45M cash as at end March. The MRE upgrade and the potential of Renard to substantially derisk Adina offer a significant strategic edge over other comparable projects in Quebec. The upgrade also puts Adina as one of the largest undeveloped tier-1 lithium deposits globally and helps to accelerate the development timeline. It is on track for production by 2027.

Foster Stockbroking and staff own 116,000 WR1 shares. Cranport owns 1,740 WR1 shares.

Foster Stockbroking received fees from its participation in the \$34M flow-through placement of WR1 shares at \$2.38 and institutional placement of WR1 shares at \$1.22 in October 2023.

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