

ASX RELEASE | 7 March 2023

# Company plans to increase Stake in Power Metals Corp

## HIGHLIGHTS

- Winsome Resources intends to increase stake in Power Metals to approximately 10%
- Additional shares to be secured via Flow-Through Shares Private Placement
- Key Winsome shareholder, Waratah Capital Advisors, also intends to invest
- Companies finalising technical cooperation agreement to fast-track drilling and target a maiden resource at Case Lake Project, Ontario

Winsome Resources (ASX:WR1; “Winsome” or “the Company”) is pleased to announce its intention to increase its stake in Canadian-listed Power Metals Corp. (“Power Metals”) by participating in a planned capital raising led by Canaccord Genuity Corp.

The additional investment will increase Winsome’s stake in Power Metals to approximately 10 per cent. This follows Winsome’s previous investment, announced in December 2022, in which the Company acquired a 5.6% stake in Power Metals from a Chinese entity. The deal also included 100% offtake from Power Metals’ Case Lake lithium-caesium-tantalum project in eastern Ontario, Canada<sup>1</sup>. Winsome Managing Director Chris Evans was subsequently appointed to the Board of Power Metals<sup>2</sup>.

The new investment by Winsome will be secured via a Flow-Through Shares Private Placement being undertaken by Power Metals under the provisions of Canada’s tax laws. The investment by Winsome is subject to certain terms of the placement being met and a further announcement will be made when the shares have been successfully allocated.

Waratah Capital Advisors Ltd. (“Waratah”), a Canadian-based, battery minerals focused investment company, has also signalled its intention to invest up to C\$1.5 million in Power Metals through Waratah’s Electrification and Decarbonization AIE LP Fund. Waratah holds interests in multiple lithium and other battery mineral projects around the world, including a key stake in Winsome.

Winsome and Power Metals are also finalising a technical cooperation agreement under which Winsome will provide technical assistance for upcoming exploration and drilling programs at Case Lake, with the aim of establishing a maiden resource as soon as possible.

<sup>1</sup> See ASX release: <https://wcsecure.weblink.com.au/pdf/WR1/02607585.pdf>

<sup>2</sup> See ASX release: <https://wcsecure.weblink.com.au/pdf/WR1/02610498.pdf>

To date, some 13,000m of drilling has been undertaken across the Case Lake property, with impressive lithium mineralisation encountered<sup>3</sup>.

Under the offtake agreement acquired by Winsome Resources as part of its original investment in Power Metals, the Company is entitled to all offtake rights for lithium, caesium and tantalum from Case Lake at a 5% discount to the quoted Asian Metal price. This presents Winsome with a potential high value revenue opportunity in the future as the Company works towards maiden resources and with demand for these critical minerals predicted to continue rising.

### **WINSOME'S MANAGING DIRECTOR CHRIS EVANS SAID:**

*"Winsome Resources is happy to be involved in this raise with Power Metals Corp, and is pleased to see Waratah also willing to take an interest. The move by Waratah is testament to the high prospectivity of the Case Lake Project and ratifies our intention to help rapidly advance the project."*

*"We also intend meeting with the Power Metals team at the PDAC conference in Toronto this week to finalise the terms of the technical cooperation agreement, allowing Power Metals to leverage the Winsome team's significant experience in exploration and drilling of hard rock lithium resources in Canada."*

*"This work will have no negative impacts on Winsome's current drilling activities at the Adina and Cancet projects in Quebec, which continue to progress as planned."*

**This announcement is authorised for release by the Board of Winsome Resources Limited.**

**For further information please contact:**

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### **ABOUT WINSOME RESOURCES**

Winsome Resources (ASX: WR1) is a 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 385m<sup>2</sup> in Decelles and a further 259 claims totalling 149km<sup>2</sup> at Mazerac, also located near the Quebec mining town of Val-d'Or.

The Company's two flagship projects – Cancet and Adina - host high grade lithium mineralisation 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](http://www.winsomerresources.com.au)

<sup>3</sup> See Power Metals presentation:

[https://powermetalscorp.com/site/assets/files/2007/power\\_metals\\_case\\_lake\\_presentation\\_feb\\_2023.pdf](https://powermetalscorp.com/site/assets/files/2007/power_metals_case_lake_presentation_feb_2023.pdf)

**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.

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