

# ANNUAL REPORT

30 JUNE 2023

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# LETTER FROM THE CHAIR

Dear Shareholder,

**It is a pleasure to present Winsome Resources' first Annual Report since joining your Company as Chair in November 2022 and share our strong growth experienced over the past year.**

As an early mover in the highly sought after James Bay Region of Quebec, our Company and its operations have benefitted enormously from strong relationships established by our Australian and Canadian teams while simultaneously growing our land holding to one of the largest in the region, now exceeding 337km<sup>2</sup> of ground in one of the most prospective hard rock lithium provinces of the world.

We've been incredibly active with expansion on many fronts.

On-the-ground in Canada our portfolio of projects experienced accelerated exploration activity, led by aggressive drilling at the globally significant hard-rock lithium discovery at Adina.

Progress at Cancet has delivered environmental studies, gravity surveys and mapping completed in tandem with drilling across multiple pegmatite outcropping targets on the property. This activity has been complemented by the acquisition of a well-resourced and strategically located worker's camp catering for up to 20 people who work across both project sites. This will soon be expanded to accommodate 50 personnel, which is needed for our growing workforce.

Our investment in Power Metals Corp is looking likely to grow our asset base through the development of their Case Lake Project in neighbouring Ontario. This and associated offtake rights complements the strategic acquisition of the Tilly Project only 20km from Adina in April 2023 and the Jackpot property immediately adjacent to Adina in June 2023.

While operationally the year has been exceptional, these achievements are not possible without our highly effective and outcome-driven people, which was one of the key attractors which led me to serve as Company Chair.

Our Managing Director Chris Evans has worked tirelessly travelling and communicating between Australia and Canada to manage our effective exploration and development programs in Quebec, as well as engaging with the global list of strategic parties interested in our world-class lithium discovery. In the second half of fiscal year 2023 we appointed Dr Genevieve Morinville as Vice President of Sustainability and Regulatory Affairs, as well as Antoine Fournier as our Vice President of Exploration in-country. Along with Carl Caumartin who transitioned into being General Manager – Canada full time they bring a great deal of experience to the Company as exploration activity post wildfire season and community engagement ramped up.

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Back in Australia the appointment of Chief Development Officer Simon Iacopetta adds tremendous corporate firepower and hard rock lithium mining expertise to our stable, which continues to set high standards under the excellent leadership of Managing Director Chris Evans.

On the corporate and finance front, Winsome's institutionally focussed \$50m placement in February 2023 launched the Company into a strong cash position to independently advance the Adina Project toward development. The Company has also made great strides with a successful listing on the OTCQB to streamline securities access and trading to the North American market, where the investment appetite for lithium is strengthening.

Our future strategic growth is underpinned by meticulous diligence, collaborative decision making and a collective commitment to reaching operational and value generation goals.

Winsome's evolution has already been a thoroughly rewarding journey and is yielding great returns for shareholders as we push into what is anticipated to be the next highly successful growth chapter of the Company.

On behalf of the Company, I thank you for your ongoing support and look forward to a 2024 worth celebrating for all those involved with the Winsome story.



**Stephen Biggins**

**CHAIR**

**Winsome Resources Limited**

# REVIEW OF OPERATIONS

## Adina Drilling

During the reporting period the Company focussed on drilling the Jamar discovery, subsequently renamed the Adina Main Zone, which was discovered in August 2022. First assays from Adina Main were received in January with an impressive intersection of lithium mineralisation recorded, namely 1.34% Li<sub>2</sub>O over 107.6m from 2.3m.

To date over 23,000 metres have been drilled at Adina Main, with results published regularly during the reporting period (refer announcements dated 14 February 2023, 23 March 2023, 3 April 2023, 10 May 2023 and 13 June 2023).

### Intersections reported have included:

- 1.28% Li<sub>2</sub>O over 93.5m from 3.0m (AD-22-001)
- 1.34% Li<sub>2</sub>O over 107.6m from 2.3m (AD-22-005)
- 1.52% Li<sub>2</sub>O over 23.9m from 4.6m (AD-22-005A)
- 1.14% Li<sub>2</sub>O over 54.8m from 2.2m (AD-22-006),
- 1.56% Li<sub>2</sub>O over 17.0m from 88.6m & 1.04% Li<sub>2</sub>O over 54.2m from 232.8m (AD-22-007)
- 1.16% Li<sub>2</sub>O over 29.5m from 110.5m (AD-23-025),
- 2.04% Li<sub>2</sub>O over 26.4m from 57.0m and 1.93% Li<sub>2</sub>O over 25.5m from 116.7m (AD-23-027),
- 2.09% Li<sub>2</sub>O over 10.0m from 35.2m (AD-23-028),
- 1.26% Li<sub>2</sub>O over 59.4m from 41.6m (AD-22-035),
- 1.35% Li<sub>2</sub>O over 55.5m from 28.0m (AD-22-036),
- 1.71% Li<sub>2</sub>O over 42.8m from 49.9m (AD-23-040),
- 1.56% Li<sub>2</sub>O over 44.7m from 26.3m (AD-22-041),
- 1.64% Li<sub>2</sub>O over 47.4m from 32.7m (AD-22-042),
- 1.73% Li<sub>2</sub>O over 46.5m from 17.8m (AD-23-047),
- 1.34% Li<sub>2</sub>O over 32.6m from 65.5m (AD-23-057).
- 1.08% Li<sub>2</sub>O over 44.0m from 123.0m (AD-22-059),
- 1.68% Li<sub>2</sub>O over 34.0m from 126.0m (AD-23-060),
- 2.25% Li<sub>2</sub>O over 18.7m from 43.3m (AD-23-072),
- 1.38% Li<sub>2</sub>O over 44.1m from 49.9m (AD-23-073)



Drilling has successfully defined mineralisation over a strike length of 3.1km (including drilling carried out in 2018 by MetalsTech) and to depths 300m vertically below surface. Numerous higher grade zones are contained within the intersections presented above, such as 2.16% Li<sub>2</sub>O over 16.0m (AD-22-001), 2.72% Li<sub>2</sub>O over 7.0m and 2.14% Li<sub>2</sub>O over 6.0m (AD-22-007), 2.40% Li<sub>2</sub>O over 9.0m (AD-22-036) and 2.42% Li<sub>2</sub>O over 18.8m (AD-23-060). A full list of intersections is contained within each ASX Announcement.

Importantly drilling also discovered a new swarm of spodumene-bearing pegmatite dykes below the Adina Main Zone, named the Footwall Zone. Assays confirmed that the Footwall Zone also contained high grade lithium mineralisation and drilling is ongoing to test this zone closer to surface.

### A key characteristic of the footwall zone is the presence of multiple mineralised dykes, with results including:

- 1.72% Li<sub>2</sub>O over 17.3m from 215.3m (AD-23-022)
- 1.11% Li<sub>2</sub>O over 27.4m from 290.0m (AD-23-025)
- 1.03% Li<sub>2</sub>O over 41.7m from 271.3m incl. 1.32% Li<sub>2</sub>O over 19.5m (AD-23-027),





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- 1.38% Li<sub>2</sub>O over 11.3m from 244.2m and 1.15% Li<sub>2</sub>O over 23.5m from 270.6m (AD-23-040),
- 1.32% Li<sub>2</sub>O over 26.0m from 215.5m and 1.71% Li<sub>2</sub>O over 11.4m from 281.7m (AD-23-047).
- 2.44% Li<sub>2</sub>O over 10.1m from 219.9m and 1.10% Li<sub>2</sub>O over 21.0m from 260.6m (AD-23-051)
- 1.29% Li<sub>2</sub>O over 14.0m from 200.8m (AD-23-054)
- 1.57% Li<sub>2</sub>O over 15.4m from 221.5m (AD-23-073)

## Cancet Drilling

Diamond drilling at Cancet recommenced in January with 44 holes for 7,690 metres were completed. Drilling tested targets across the Cancet project generated from Winsome's gravity surveys as well as testing depth extensions to lithium mineralisation intersected in previous drilling. Results were also received during the reporting period from a short RC drilling programme was carried out at Cancet in December 2022 (22 holes for 3,137 metres, refer ASX Announcement 10 May 2023).

Geophysical work focused on structural corridors interpreted from public domain airborne magnetics data and deemed favourable for pegmatite emplacement. A number of new targets located between 2km and 7km west of the Cancet main pegmatite body have been derived from detailed ground gravity surveys at Cancet, with the program extended following highly encouraging results obtained at Cancet in October last year (refer ASX Announcement 19 October 2022). Another new target, "Butte", 4km north-east of the Cancet main pegmatite body was tested by RC drilling in December 2022 and returned 0.46% Li<sub>2</sub>O over 4.6m (WCRC-22-020) and 0.31% Li<sub>2</sub>O over 4.6m (WCRC-22-021), providing encouragement that mineralisation may be present elsewhere in the Butte pegmatite swarm.

Work at Cancet is currently focussed on field checking these gravity targets and mapping new exposures in the broader project area.

The field mapping and sampling from both the 2022 and 2023 field seasons will be integrated with the aeromagnetic and gravity data to generate a series of ranked targets within the Cancet property. Systematic exploration of this nature was not completed by previous explorers, and it is anticipated this disciplined approach will allow Winsome to unlock the potential of the Cancet project.

## Infrastructure and Development Studies

With continued positive drilling results from the Adina Main discovery the Company has accelerated the pace of development studies for Adina. Baseline environmental and impact studies have commenced. Metallurgical samples have been collected using whole drill core and dispatched for test work. High level conceptual mining studies have been undertaken to assist in the creating of a conceptual site layout to guide work programmes such as environmental clearances and detailed impact assessments.

The Company also continues to progress design and submissions to construct an all-weather road from the Trans-Taiga Road to the Adina Project. The preferred design will aim to minimise, to the extent possible, negative impacts on the environment and existing traditional land use. During the period Winsome's team engaged with Cree land users and relevant communities that overlap the various options. Field investigations were temporarily interrupted with the recent fire emergency but have now recommenced. Results of these will inform, in part, applications to regulatory authorities for the construction of the all-weather road as well as engagements with other planned projects in the region to maximise any synergies and benefits from collaborations.

Winsome is also progressing design and approvals for the upgrade and expansion of its 100% owned logistics base located on the Trans Taiga Road north of Adina (and east of Cancet). The facility can currently accommodate up to 20 individuals and the Company has submitted plans to the MRNF to expand its lease boundary, upgrade the facility, and enhance accommodation capacity to over 50 persons. The acquisition and refurbishment of the historical Cargair hydrobase camp, accessible by road, helicopter and hydroplane provides substantial advantages to the Company given the current level of activity in the James Bay area, with almost all rental and short stay accommodation at capacity during the summer field season.

### Community Engagement

The James Bay region as well as the wider Province of Quebec was severely affected by wildfires from May to August this year. The Company wishes to acknowledge the assistance provided by the various emergency services to the communities in the James Bay area and looks forward to assisting the communities that have suffered damage in the fire event as they recover. The Company provided practical assistance where it could during the fire emergency including, amongst various efforts, providing funds to an organisation responsible for supporting evacuated families from the Cree community of Mistissini.

Now that the province is gradually returning to business Winsome is resuming its regular routine of virtual and in-person engagements, led by Vice President Sustainability and Regulatory Affairs, DrGeneviève Morinville and Country Manager Carl Caumartin. The Company plans to commence releasing its communications via media and social media in both French and English to improve the reach of these communications across Quebec as well as creating a bilingual Canadian-focused company website.

Winsome is committed to fostering strong relationships with key parties in the communities and regions where it operates and as part of its commitment to Québec and the various First Nations communities and stakeholders in the region it has recently opened an office in Val-d'Or. Val-d'Or is the heart of the Quebec mining industry and is a technical and logistical hub for Winsome's projects with many key staff and consultants/suppliers based in the Abitibi region. The Company hopes the new office will increase its presence and its engagement with people in the region.

### Environmental, Social And Governance

Winsome is implementing an Environmental, Social and Governance (ESG) strategy to guide its operations and decision-making processes, with work continuing during the quarter on several important initiatives to support this journey.

#### The first initiative is to define the ESG objectives of the company, which are:

- Meet the evolving expectations of investors and other stakeholder groups,
- Ensure it has the right ESG credentials to support growth and development as and when required,
- Genuine integration at all levels of the organisation, leading to real impact,
- To be able to respond to requests on ESG in a cohesive and strategic way,
- To provide a clear, structured approach that ensures Winsome does it right.

The Company expects these objectives to evolve in time as the Company grows and matures, however they form the basis for forming specific ESG targets to work towards throughout 2023 and beyond.

Secondly, Winsome conducted a stakeholder analysis in order to define the most



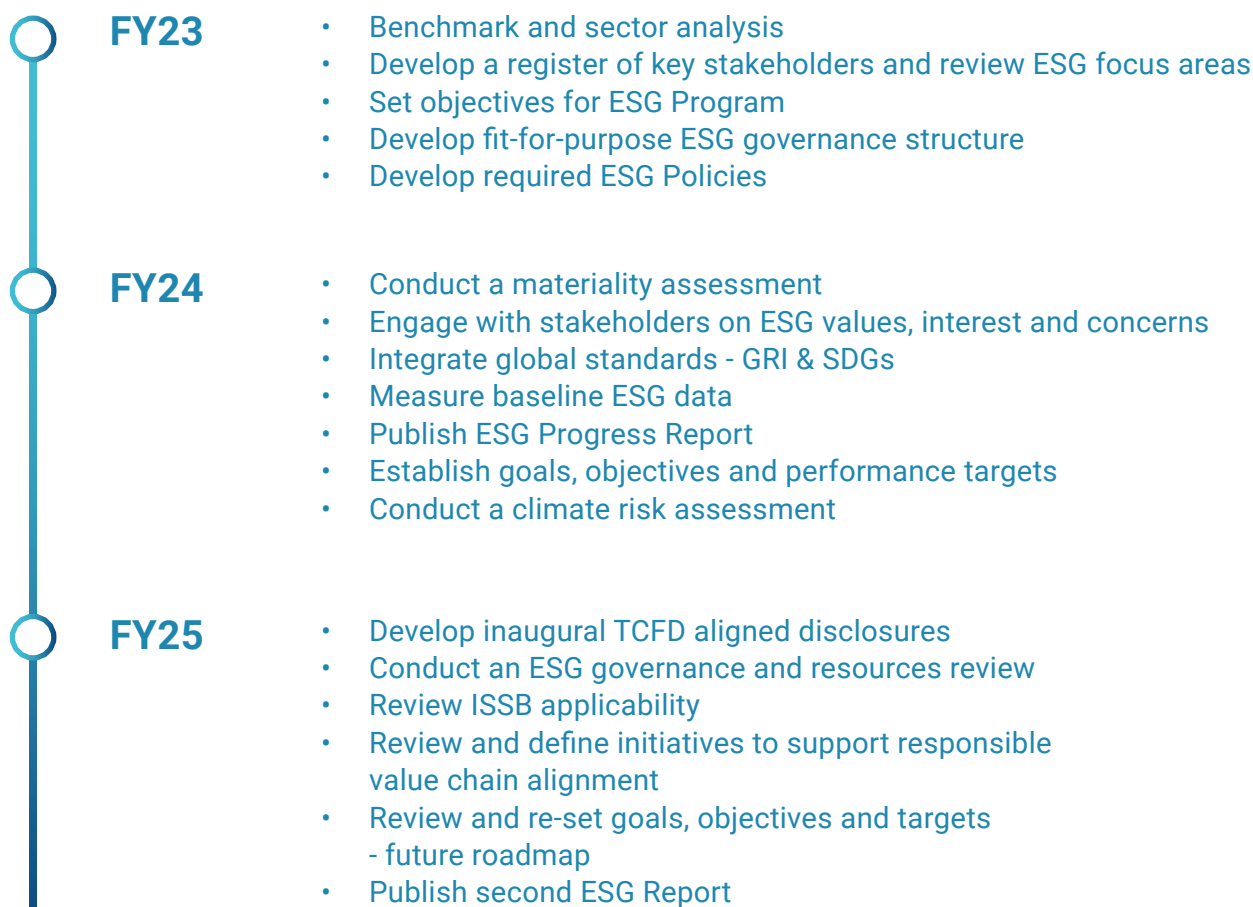
important aspects of ESG for each category of stakeholder. From this, opportunities for alignment with each group were identified, along with opportunities for achieving excellence in the various fields of ESG. The third initiative was to develop an ESG roadmap, defining the activities that the

Company will undertake over the coming years on the road towards ESG excellence.

**This roadmap is shown below in figure 1.**

## ESG ROADMAP

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**Figure 1 – Winsome Resources ESG Roadmap**

Winsome is also dedicated to working in partnership with the local First Nations communities to build long-term, trusting relationships, understand and protect local heritage, and identify local employment and other opportunities for First Nations communities to work alongside the Company Through its developing ESG strategy, Winsome aims to create long-term value for its shareholders, employees, and the broader community while upholding its social and environmental responsibilities.

## Health, Safety and Covid

By the year end, more than 36,000 work hours were conducted in field related exploration activities across Adina, Cancet and the other properties. Winsome is very pleased to report all hours were completed without incident, with all contractors and employees remaining injury free and safe during their rosters.

The main challenges faced by the Company on the Health and Safety Front were COVID, keeping employees safe on the often-long journeys to and from project sites and later in the year, the Wild Fires which swept through the province.

Journey Management plans, Safety Management Systems and sound communication protocols between Winsome staff, contractors and consultants remain the key tools in navigating these challenges to ensure all personnel return home safely at the end of each job.

All work is conducted both in Australia and Canada according to respective government guidelines to minimise the likelihood of COVID transmission and infection. The Company has a COVID vaccination policy complying with relevant government guidelines.

## Material Business Risks

For the purposes of section 299A(1) of the Corporations Act 2001 (Cth), this addendum summarises the material business risks that the Company considers could impede the achievement of its future operational and financial success, and which are relevant to the expectations of the directors that the Company has adequate financial resources to continue as a going concern. These risks represent the Company's current risk register assessment of the key risks that could potentially affect the Company's business, which register the Company routinely updates as part of its risk management process.

Further information in relation to the Company's risk management processes are contained in the Company's Risk Management Policy, which can be found at

<https://winsomeresources.com.au/corporate-governance/>.

### **Reliance on key personnel**

Winsome is an exploration and development company and will be dependent on its directors, managers and consultants to implement its business strategy. A number of factors, including the departure of senior management of Winsome or a failure to attract or retain suitably qualified key employees, could adversely affect Winsome's business strategy.

### **Title**

Currently, Winsome or its subsidiaries wholly owns all exploration licences required to operate and develop the James Bay area projects. Renewal of titles is made by way of application to the relevant department. There is no guarantee a renewal will be automatically granted other than in accordance with the applicable provincial mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

### **Exploration risks**

Exploration is a high-risk activity requiring large amounts of expenditure over extended periods of time. Winsome's exploration activities will also be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations.



Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

### **Commodity prices**

Winsome's future prospects and the Share price will be influenced by the prices obtained for the commodities produced and targeted in Winsome's development and exploration programs. Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production, geopolitical factors (including trade tensions), hostilities and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on Winsome's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities. Further, lithium mineral products are not exchange traded commodities.

Winsome will require contracts for sale of these mineral commodities. There is no guarantee the Company will secure contracts on terms favourable to the Company. Lithium mineral product prices will depend on available markets at acceptable prices and distribution and other costs. The market prices for lithium mineral products have been volatile and are influenced by numerous factors and events beyond the control of the Company. For example, if industries reduce their

demand for end-products utilising lithium mineral products, the resulting change in demand for lithium mineral products could have an adverse effect on the Company's business.

### **Taxation**

In all places where Winsome has operations, in addition to the normal level of income tax imposed on all industries, Winsome may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

### **Future funding requirements**

Winsome's activities will require substantial expenditure going forward, particularly with respect to the construction of the Adina Project.

No decision has been made in relation to the funding of the Adina Project, but any additional equity financing required may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Further, any debt financing may involve restrictions on financing and operating activities.

Although the Company believes additional funding can be obtained, no assurances can be made appropriate funding will be available on terms favourable to the Company or at all.

If Winsome is unable to obtain additional financing as required, it may be required to scale back its development program. In addition, Winsome's ability to continue as a going concern may be diminished.

### **Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of the Company.

### **Foreign exchange**

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on Winsome's operating costs and cash flows expressed in Australian dollars.

### **Occupational health and safety**

Exploration and production activities may expose Winsome's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation

payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

### **Environmental Regulation**

The Group's operations are subject to environmental regulation under the law in Australia and Canada. The Directors monitor the Group's compliance with environmental regulation under law, in relation to its exploration and future mining activities. The Directors are not aware of any compliance breach arising during the year and up to the date of this report.

### **Climate change**

The impacts of climate change may affect the Company's operations and the markets in which the Company may sell its products through regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions, technological advances and other market or economic responses (including increased capital and operating costs, including increased costs of inputs and raw materials).

Climate change may also result in more extreme weather events and physical impacts on the Company due to the energy intensive nature of the Company's proposed operations, and the Company's reliance on either fossil fuels or favourable weather events for generating energy for its proposed mining and processing activities.

### **Insurance**

The Company's business is subject to a number of risks and the materialisation of any of these risks could result in damage to property, personal injury or death, environmental damage, delays in development,



monetary losses and possible legal liability (including for indirect or consequential losses suffered by third parties). The Company intends to limit its exposure to such risks by contractually limiting its liability and insuring its business activities and operations in accordance with industry practice.

However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance to cover all liability. The occurrence of an event that is not covered or fully covered by insurance may cause substantial delays to the Company's projects and/or require significant capital outlays, which could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

Further, any increase in the cost of insurance policies; any change in the availability of insurance policies or in the terms, conditions or exclusions on which those policies are offered or renewed; or any inability to claim, or recover against the Company's insurance policies, including as a result of the current uncertain macroeconomic environment, could have a material adverse effect on the Company's business, financial condition and results of the Company.

#### **International conflicts risk**

The current evolving conflict between Russia and Ukraine (Russia-Ukraine Conflict) is having a material effect on the global economy. These hostilities have created uncertainty for capital markets around the world, and this uncertainty may lead to adverse consequences for the Company's business operations. Further, various governments and industries have taken measures and imposed sanctions in response to the Russia-Ukraine Conflict (such as changes to import/export restrictions and

other economic sanctions). Whist Winsome does not have a relationship with any party domiciled in Russia, such measures and sanctions may cause disruptions to the Company's supply chains and adversely impact commodity prices. Such events may affect the financial performance of Winsome. Given the Russia-Ukraine Conflict is continually evolving, the consequences are inherently uncertain. Further, there is no certainty that similar conflicts which impact global markets will not arise in the future.

#### **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

#### **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics (i.e. COVID-19), explosions or other catastrophes, epidemics or quarantine restrictions.

#### **Risk Management**

Winsome seeks to manage enterprise-wide risk through a number of risk controls and mitigants. **Specific risk controls and mitigants include but are not limited to:**

- Board risk oversight
- Implementation and adoption of Company policies and standards

- Implementation of compliant Occupational Health and Safety processes and procedures
- Insuring business activities and operations in accordance with industry practice
- Implementing measures to minimise the impact of COVID to staff and the Company's business
- Engaging appropriate tax, finance, accounting and legal advisors.

## DISCLAIMER

### 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 restrictions, 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 statement

The information in this report which relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Antoine Fournier, VP Exploration of Winsome Resources Ltd. Mr Fournier is a member of the Quebec Order of Geologists (OGQ #0516), a Registered Overseas Professional Organisation as defined in the ASX Listing Rules, 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 Fournier consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

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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# DIRECTORS' REPORT

The directors present their report together with the financial report of Winsome Resources Limited ('Winsome' or 'Company') and the entities it controlled ('Consolidated Entity' or 'Group') for the year ended 30 June 2023.

## Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for this entire period unless otherwise stated.



**Stephen Biggins**  
NON-EXECUTIVE  
CHAIRMAN  
appointed 30 November 2022  
MBA, BSc (Hons)  
Geol, MAusIMM

Mr Biggins was previously Managing Director of Core Lithium (ASX:CXO), a position he held for over 10 years, during which time he led the company through the acquisition, discovery, permitting, financing, offtake and most recently production from the first lithium mine in the Northern Territory, one of the highest-grade lithium resources in Australia.

Mr Biggins has applied his Honours Degree in Geology and MBA as the founding Managing Director of several ASX-listed companies. Mr Biggins has built prospective portfolios of lithium, gold, uranium and base metal exploration projects in Australia, Asia and Africa.

Mr Biggins is the Non-Executive Chairman of Stelar Metals Limited (Appointed July 2021) and Crown Metals Limited (Appointed July 2023).

### Former directorships in the last 3 years

- Core Lithium Limited (10 September 2010 – 25 March 2022)

### Interests in shares and options

Performance Rights	Class A 500,000
	Class B 500,000
	Class C 1,000,000

### Unlisted Options

Exercise Price \$1.30	1,000,000
Exercise Price \$2.00	1,000,000



**Chris Evans**  
MANAGING DIRECTOR  
appointed 6 April 2021  
BEng (Civil)(Hons)  
MEngSc (Construction Management)

Mr Evans is an experienced project delivery and operational management expert who as Chief Operating Officer, was responsible for building and bringing into operation the Pilgangoora lithium mine and processing facility which was later acquired by Pilbara Minerals (ASX:PLS) in a deal valued at more than \$200 million. In this role and in his subsequent role as Managing Director of an ASX Listed lithium developer, Mr Evans was also involved in establishing and maintaining key relationships with project finance and off-take partners.

Mr Evans has a Civil Engineering background with 20 years demonstrated success in managing large scale construction and mining development projects and operations across various commodities.



Mr Evans holds a Master of Engineering Science, Construction Management, (University of New South Wales), a Bachelor of Engineering (Hons), Civil (University of New South Wales), and is a Graduate of the Australian Institute of Company Directors.

Mr Evans joined the board of Askari Metals Limited on 14 February 2022 as a Non-Executive Director. In December 2022 Mr Evans was appointed as a Non-Executive Director of Power Metals Corp as a representative of Winsome Resources.

#### Former directorships in the last 3 years

- Nil

#### Interests in shares and options

Ordinary Shares		1,490,000
Performance Rights	Class B 750,000 Class C 500,000 Class E 750,000 Class F 750,000 Class G 750,000	
Unlisted Options		
	Exercise Price \$0.53	2,000,000



#### Justin Boylson

**NON-EXECUTIVE  
DIRECTOR**

appointed 28 June 2021

Mr Boylson is an experienced commodity trader and resource project manager with over 26 years' experience. He has an extensive resource and commodity-based knowledge of Australia, South East and North Asia and their markets. Mr Boylson commenced his career in the international trade and commodity markets after time in the Australian Army. He worked for Brickworks Limited in various managerial positions including Regional Export Manager, Project Manager (WA) and Regional Director (Middle East). Mr Boylson joined Sinosteel Australia Pty Ltd in 2006 where he was

responsible for the day to day running of the trade desk. In 2008 he joined Tennant Metals as its Western Australia and Bulk Commodity General Manager. Mr Boylson was responsible for several high profile off-take transactions and was also involved in the start-up of several mining and recovery projects in Australia, the USA and Asia.

In 2014 Mr Boylson cofounded and is currently a director of ResCap Investments Pty Ltd. Mr Boylson is the Non-Executive Chairman of Mamba Exploration Limited (ASX: M24) from October 2020 and Stockton Mining Limited from July 2023.

#### Former directorships in the last 3 years

- Riversgold Limited (28 August 2019 – 28 August 2020)

#### Interests in shares and options

Ordinary Shares		540,000
Performance Rights	Class B 200,000 Class C 100,000 Class E 350,000 Class F 350,000 Class G 350,000	
Unlisted Options		
	Exercise Price \$0.53	2,000,000



**Dr Qingtao Zeng**  
**NON-EXECUTIVE DIRECTOR**

appointed 6 April 2021

PhD (Geology) AusIMM

Dr Zeng completed a PhD in geology at the University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with CSA Global based in Perth and has a range of geological and commercial specialities.

Since 2015, Dr Zeng has been extensively involved in the lithium exploration and development sector and through his strong network of contacts throughout China has helped clients complete a range of contracts relating to the supply or purchase of lithium products and ores. Dr Zeng is Managing Director of Australasian Metals Ltd from April 2018 and a Non-Executive Director of Oceana Lithium Limited from April 2022.

**Former directorships in the last 3 years**

- Kodal Minerals Plc (November 2017 – 18 September 2023)
- MetalsTech Limited (June 2019 – 26 September 2023)

**Interests in shares and options**

Ordinary Shares	1,893,506
-----------------	-----------

Performance Rights	Class B	300,000
	Class C	200,000
	Class E	350,000
	Class F	350,000
	Class G	350,000

Unlisted Options

Exercise Price	\$0.53	2,000,000
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**Peter Youd**  
**COMPANY SECRETARY**

appointed 6 April 2021

B Bus (W.A.I.T.) CA

Mr Youd is a senior finance executive with more than 30 years' experience predominantly across the mining, oil and gas sectors in Australia and overseas.



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ASX:WR1

OTCQB:WRSLF

FSE:4XJ

## Results and Dividends

The Group result for the year after tax was a loss of \$15,178,945 (2022: loss of 3,238,347).

No final dividend has been declared or recommended as at 30 June 2023 or as at the date of this report (2022: \$ Nil).

No interim dividends have been paid (2022: Nil).

## Principal Activities

Winsome holds interests in a range of lithium exploration projects in the Quebec province of Canada.

## Events Since the End of the Financial Year

On 24 August 2023 the Company announced it would increase its holding in Power Metals Corp ("PWM") to 19.59%. This was to be completed by transferring the ownership of the Decelles and Mazérac project to PWM and receiving 17,650,000 PWM ordinary shares. 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. Winsome has assigned PWM its royalty payment obligations that it previously owed Mr Griesbach under the Decelles and Mazérac Option Agreements.

## Significant Changes in State of Affairs

On 3 February 2023, the Company announced it would raise up to \$60 million to accelerate its Canadian lithium projects. The capital raising consisted of a combination of Flow-Through shares (FTS), institutional placement and a share purchase plan.

The Flow-Through Shares were placed at A\$4.18 per share, representing a 79% premium to Winsome's last closing price and raised A\$19m (C\$18,000,000).

Concurrently with the FTS issue the Company undertook an institutional placement and raised A\$31m at A\$2.00 per share.

A share purchase plan document was issued on 10 February 2023 to raise a further A\$10m at A\$2.00 per share. The share purchase planned closed on 28 February 2023 with A\$2.1m having been raised.

## Likely Developments and expected results of operations

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, other than as mentioned in the Chairman's Statement and Review of Operations, as the Directors have reasonable grounds to believe the nascent nature of the mineral commodities market makes it impractical to forecast future profitability and other material financial events.

## Directors' and other officers' emoluments

Details of the remuneration policy for Directors and other officers are included in the Remuneration Report (pages 24-27) and the Corporate Governance Report lodged separately on ASX on the same day as this annual report is lodged.

Details of the nature and amounts of emoluments for each Director of the Company and Executive Officers are included in the Remuneration Report.

## Environmental Regulations

The Group's operations are subject to the environmental risks associated with the mining industry.

## Proceedings on behalf of company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

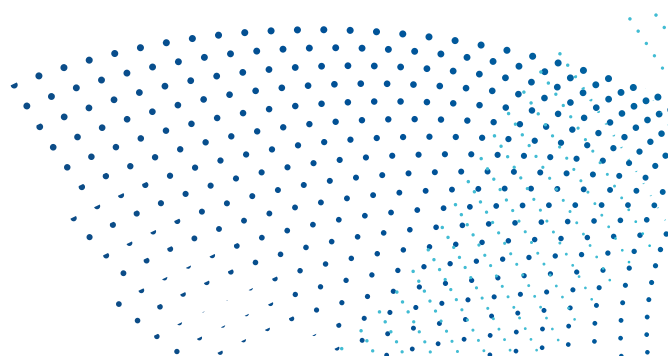
## Indemnification and insurance of officers and auditors

Under the Company's constitution and subject to section 199A of the Corporations Act 2001, the Company indemnifies each of the directors, the company secretary and every other person who is an officer of the Company and its wholly owned subsidiaries. The above indemnity is a continuing indemnity and applies in respect of all acts done by a person while an officer of the Company or its wholly owned subsidiaries even though the person is not an officer at the time the claim is made.

The Company has entered into a Deed of Indemnity, Access and Insurance ("Deed") with each current and former officer of the Company and its subsidiaries, including each director and company secretary and persons who previously held those roles.

During the financial year, the Company has paid a premium in respect of insuring the directors and officers of the Company and the Group. The insurance contract prohibits disclosure of the premium or the nature of liabilities insured against under the policy.

No indemnity or insurance is in place in respect of the auditor.



## Share options

At the date of this report, Winsome Resources Limited has the following options on issue exercisable into ordinary shares in Winsome Resources Limited.

Unlisted	Grant Date	Date of Expiry	Exercise Price	Number under Option
Share options	18 Nov 2021	18 Nov 2025	\$0.30	4,000,000
	18 Nov 2022	17 Nov 2025	\$0.53	7,000,000
	19 Apr 2023	18 Apr 2026	\$1.30	1,000,000
	19 Apr 2023	18 Apr 2026	\$2.00	1,000,000

## Directors' meetings

The number of meetings of Directors held during the year and the number attended by each Director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Stephen Biggins <sup>1</sup>	2	2
Chris Evans	5	5
Justin Boylson	5	5
Qingtao Zeng	5	5

<sup>1</sup>Mr Biggins was appointed as a director on 30 November 2022

# REMUNERATION REPORT (AUDITED)

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**This report outlines the remuneration arrangements in place for directors and other Key Management Personnel (KMP) of Winsome Resources Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations.**

For the purpose of this report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

## Details of Key Management Personnel

### Mr. Stephen Biggins

Non-Executive Chairman (Appointed 30 November 2022)

### Mr. Chris Evans

Managing Director (Appointed 6 April 2021)

### Mr. Justin Boylson

Non-Executive Director (Appointed 28 June 2021)

### Dr. Qingtao Zend

Non-Executive Director (Appointed 6 April 2021)

## Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective

of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. The Company may link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors' generally have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The Company's constitution specifies the non-executive director fee pool is \$1,000,000 and may be varied by shareholder resolution.





## Details of remuneration for the year ended 30 June 2023

The remuneration of each director and Key Management Personnel of the Group during the year was as follows:

Director	SHORT TERM			OPTIONS	POST-EMPLOYMENT		Total	Value of remuneration which is performance Related
	Consulting Fees	Directors Fees	Bonus <sup>2</sup>	Share Based Payments	Super-annuation	Prescribed Benefits		
	\$	\$	\$	\$	\$	\$	\$	%
Stephen Biggins <sup>1</sup>	-	52,792	-	1,696,943	5,543	-	1,755,278	96.7
Chris Evans	331,500	-	-	2,400,750	-	-	2,732,250	87.9
Justin Boylson	-	48,000	-	1,974,750	-	-	2,022,750	97.7
Qingtao Zeng	36,200	48,000	-	1,974,750	-	-	2,058,950	95.9
<b>Total</b>	<b>367,700</b>	<b>148,792</b>	<b>-</b>	<b>8,047,193</b>	<b>5,543</b>	<b>-</b>	<b>8,569,228</b>	<b>-</b>

<sup>1</sup>Mr Biggins was appointed as a director on 30 November 2022.

## Details of remuneration for the year ended 30 June 2022

The remuneration of each director and Key Management Personnel of the Group during the year was as follows:

Director	SHORT TERM			OPTIONS	POST-EMPLOYMENT		Total	Value of remuneration which is performance Related
	Consulting Fees	Directors Fees	Bonus	Share Based Payments	Super-annuation	Prescribed Benefits		
	\$	\$	\$	\$	\$	\$	\$	%
Justin Boylson <sup>1</sup>	-	40,000	50,200	58,050	-	-	148,250	73.0
Chris Evans <sup>1</sup>	192,500	-	251,000	240,250	-	-	683,750	71.8
Qingtao Zeng <sup>1</sup>	-	36,000	100,400	217,075	-	-	353,475	89.8
Paul Fromson <sup>2</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>192,500</b>	<b>76,000</b>	<b>401,600</b>	<b>515,375</b>	<b>-</b>	<b>-</b>	<b>1,185,475</b>	<b>-</b>

<sup>1</sup>Directors' engagement letters provided for the payment of a cash bonus upon the achievement of the 20-day VWAP of the share price exceeding \$0.50. This condition was met when the VWAP between 1 April and 3 May 2022 exceeded \$0.50.

<sup>2</sup>Mr Fromson resigned as a director on 11 August 2021.

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The Group is in the early development phase of its operations and due consideration is made of developing long term shareholder value. The Board has regard to the following indices in respect of the current and previous financial years to facilitate the long-term growth of the Group:

Item	2023	2022
Loss per share (cents)	9.80	3.92
Share price (\$)	1.63	0.195

## Performance Rights holdings of Key Management Personnel

The numbers of Performance Rights over ordinary shares in the Company held during the financial year by each key management personnel of Winsome Resources Limited, including their personally related parties, are set out below:

2023	Balance at 01.07.22	Issued during the year as compensation	Exercised	Other Changes	Balance 30.06.23	Vested & Exercisable 30.06.2023
Stephen Biggins	-	2,000,000	-	-	2,000,000	-
Chris Evans	1,250,000	2,250,000	-	-	3,500,000	750,000
Justin Boylson	300,000	1,050,000	-	-	1,350,000	350,000
Qingtao Zeng	500,000	1,050,000	-	-	1,550,000	350,000

## Unlisted Options holdings of Key Management Personnel

The numbers of Performance Rights over ordinary shares in the Company held during the financial year by each key management personnel of Winsome Resources Limited, including their personally related parties, are set out below:

2023	Balance at 01.07.22	Issued during the year as compensation	Exercised	Other Changes	Balance 30.06.23	Vested & Exercisable 30.06.2023
Stephen Biggins	-	2,000,000	-	-	2,000,000	2,000,000
Chris Evans	-	2,000,000	-	-	2,000,000	2,000,000
Justin Boylson	-	2,000,000	-	-	2,000,000	2,000,000
Qingtao Zeng	-	2,000,000	-	-	2,000,000	2,000,000



## Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year held by each key management personnel of Winsome Resources Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

2023	Balance at 01.07.22	Acquired	Issued during the year as compensation	On exercise of performance rights	Other Changes	Balance 30.06.23
Stephen Biggins	-	-	-	-	-	-
Chris Evans	1,375,000	115,000	-	-	-	1,490,000
Justin Boylson	425,000	115,000	-	-	-	540,000
Qingtao Zeng	1,778,506	115,000	-	-	-	1,893,506

## Loans to/from Key Management Personnel

There were no loans to key management personnel during the financial year ended 30 June 2023 (2022: Nil).

## Voting and comments made at the Company's 2022 Annual General Meeting

The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

— **END OF AUDITED  
REMUNERATION REPORT**

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## Auditor's Independence Declaration

The Directors received the independence declaration from the auditor of Winsome Resources Limited as stated on page 29.

## Non-audit services

During the period HLB Mann Judd (WA Partnership) was paid \$1,000 for the provision of taxation services. Refer to Note 23 for further details.

The board of directors has considered the position and is satisfied the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied the provision of non-audit services by the auditor, as set out in Note 20, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants

Signed in accordance with a Resolution of the Directors.



**Chris Evans**  
MANAGING DIRECTOR

Dated at Perth this 29 day of September 2023

## Corporate Governance Statement

The Group's full Corporate Governance Statement is available on the Company's website.

A completed Appendix 4G and the full Corporate Governance Statement have been lodged with the Australian Securities Exchange as required under Listing Rules 4.7.3 and 4.7.4.

## Annual General Meeting

The Notice of Meeting will be issued in due course.

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Winsome Resources Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
29 September 2023

N G Neill  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

# ANNUAL FINANCIAL REPORT

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Continuing operations</b>			
Other income	3	5,168,332	2,424
Total income		5,168,332	2,424
<b>Expenses</b>			
Exploration expenses	4(a)	(397,059)	(157,769)
General & administrative	4(b)	(4,472,322)	(1,530,477)
Share based payment expense	4(c)	(12,198,293)	(1,552,525)
Total expenses from continuing operations		(17,067,673)	(3,240,771)
Loss from continuing operations before income tax		(11,899,341)	(3,238,347)
Income tax expense	5	(3,279,604)	-
<b>Loss for the year</b>		<b>(15,178,945)</b>	<b>(3,238,347)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation of foreign operations		1,162,320	143,393
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of financial assets		1,789,786	-
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>2,952,106</b>	<b>143,393</b>
<b>Total comprehensive loss for the year</b>		<b>(12,226,839)</b>	<b>(3,094,954)</b>
<b>Loss per share attributable to owners of Winsome Resources Limited (amounts in cents)</b>			
Basic and diluted loss per share	6	(9.80)	(3.92)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

## Consolidated Statement of Financial Position as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	42,316,613	13,471,995
Other receivables	8	1,782,544	397,951
Other current assets		293,303	42,017
<b>Total Current Assets</b>		<b>44,392,460</b>	13,911,963
<b>Non-Current Assets</b>			
Exploration and evaluation assets	9	30,953,948	11,038,206
Investment in other entities	10	6,810,013	-
Property, plant and equipment	11	929,899	131,379
<b>Total Non-Current Assets</b>		<b>38,693,860</b>	11,169,585
<b>Total Assets</b>		<b>83,086,320</b>	25,081,548
<b>Current Liabilities</b>			
Trade and other payables	12	2,636,514	376,725
FTS share premium liability	14	8,148,439	-
<b>Total Current Liabilities</b>		<b>10,784,953</b>	376,725
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	15	3,279,604	-
<b>Total Non-Current Liabilities</b>		<b>3,279,604</b>	-
<b>Total liabilities</b>		<b>14,064,557</b>	376,725
<b>Net Assets</b>		<b>69,021,763</b>	24,704,823
<b>Equity</b>			
Issued capital	17	74,784,318	27,408,233
Reserves	18	12,654,736	534,937
Accumulated losses		(18,417,291)	(3,238,347)
<b>Total Equity</b>		<b>69,021,763</b>	24,704,823

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes



## Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(4,129,701)	(1,971,847)
Interest received		194,121	2,424
<b>Net cash outflows from operating activities</b>	19	<b>(3,935,580)</b>	<b>(1,969,423)</b>
<b>Cash flows from investing activities</b>			
Cash acquired on acquisition	16	-	29,206
Payments for investment in other entities		(5,020,228)	-
Payments for exploration activities		(18,850,510)	(1,433,194)
Payments for property, plant & equipment		(922,602)	(151,863)
<b>Net cash outflows from investing activities</b>		<b>(24,793,340)</b>	<b>(1,555,851)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		59,104,554	18,000,000
Payment of share issue & capital raising costs		(2,626,060)	(1,002,732)
<b>Net cash inflows from financing activities</b>		<b>56,478,494</b>	<b>16,997,268</b>
Net increase in cash held		27,749,574	13,471,994
FX adjustment		1,095,044	-
Cash and cash equivalents at beginning of period		13,471,995	1
<b>Cash and cash equivalents at end of the period</b>	7	<b>42,316,613</b>	<b>13,471,995</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes*

### Consolidated Statement of Changes in Equity for the year ended 30 June 2023

2023	Issued capital	Accumulated Losses	Reserves	Foreign Currency Translation Reserve	Total
<b>Balance 1 July 2022</b>	\$ 27,408,233	\$ (3,238,347)	\$ 391,544	\$ 143,393	\$ 27,704,823
Loss for the year	-	(15,178,945)	-	-	(15,178,945)
Other comprehensive income	-	-	1,789,786	-	1,789,786
Asset revaluation reserve	-	-	-	-	-
Foreign currency translation	-	-	-	1,162,320	1,162,320
Total comprehensive loss for the year	-	(15,178,945)	1,789,786	-	(12,226,839)
Transactions with owners in their capacity as owners	-	-	-	-	-
Shares issued	50,002,144	-	-	-	50,002,144
Share issue costs	(2,626,059)	-	-	-	(2,626,059)
Share based payments	-	-	9,167,693	-	9,167,693
<b>Balance at 30 June 2023</b>	<b>74,784,318</b>	<b>(18,417,292)</b>	<b>11,349,023</b>	<b>1,162,320</b>	<b>69,021,763</b>

2022	Issued capital	Accumulated Losses	Reserves	Foreign Currency Translation Reserve	Total
<b>Balance 1 July 2021</b>	\$ 1	\$ -	\$ -	\$ -	\$ 1
Loss for the year	-	(3,238,347)	-	-	(3,238,347)
Other comprehensive income	-	-	-	-	-
Foreign currency translation	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-
Transactions with owners in their capacity as owners	-	(3,238,347)	-	-	(3,094,954)
Shares issued – Initial Public Offering	18,000,000	-	-	-	18,000,000
Shares issued for acquisitions	9,259,084	-	-	-	9,259,084
Shares issued – other	1,543,426	-	-	-	1,575,675
Share issue costs	(1,394,277)	-	-	-	(1,394,277)
Share based payments	-	-	391,544	-	391,544
<b>Balance at 30 June 2022</b>	<b>27,408,233</b>	<b>(3,238,347)</b>	<b>391,544</b>	<b>143,393</b>	<b>27,704,823</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes



## Notes to the Consolidated Financial Statements

### 1. Corporate Information

Winsome Resources Limited ("Winsome" or "the Company") is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is:

Level 1  
16 Ord Street  
West Perth WA 6005

A description of the nature of operations and principal activities of Winsome and its subsidiaries (collectively, "the Group" or "the Consolidated Entity") is included in the Directors' Report, which is not part of these financial statements.

The financial statements were authorised for issue in accordance with a resolution of the directors on 29 September 2023.

#### Basis of Preparation

The financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting interpretations. The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have also been prepared on a historical cost basis. Winsome Resources Limited is a for profit entity for the purpose of preparing the financial statements. The presentation currency is Australian dollars.

#### Going Concern

The group has net assets of \$69,021,763 as at 30 June 2023 (2022: net assets of \$24,704,823).

The financial report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

#### New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023.

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

## Notes to the Consolidated Financial Statements

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations which have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## **2. Significant Accounting policies**

### **(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Winsome Resources Limited and its subsidiaries as at 30 June 2023 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.



## Notes to the Consolidated Financial Statements

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained'
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### (b) Foreign currency translation

The financial report is presented in Australian dollars, which is Winsome Resources Limited's functional and presentation currency.

#### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Notes to the Consolidated Financial Statements

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### (c) Other Accounting Policies

Significant and other accounting policies which summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies which are no longer disclosed in the financial statements.

### (d) The Notes To The Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group. Information is considered relevant and material if, for example:

- the amount is significant due to its size or nature;
- the amount is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Operating assets and liabilities;
- Capital structure and risk;
- Other disclosures.

A brief explanation is included under each section.

### (e) Performance For the Year

The section at Note 6 focuses on the results and performance of the Group. This covers both profitability and the resultant return to shareholders via earnings per share combined with cash generation.

### (f) Key Estimates And Judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report relate to Notes 9 and 11.



## Notes to the Consolidated Financial Statements

### (g) COVID Impact

Judgement has been exercised in considering the impacts the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### (h) Share Based Payments Estimates

Judgement has been exercised in calculating the value of share-based payments. The closing price of share sales on the day of the award of the share-based payment is used for calculating the fair value of the payment.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions which do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods. Performance Rights are assessed by applying a Monte Carlo share price simulation model.

### (i) Exploration and evaluation assets

Exploration and evaluation expenditure are assessed and carried forward where right to tenure of the area of interest (i.e., tenements) is current and are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each period to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at period end and the Directors are satisfied the value is recoverable. The carrying value of exploration and evaluation expenditure assets are assessed for impairment at an overall level whenever facts and circumstances suggest the carrying amount of the assets may exceed recoverable amount. An impairment exists when the

## Notes to the Consolidated Financial Statements

assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

### (j) Impairment of assets

At each reporting date the Group assesses whether there is any indication individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined, and impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income where the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

### (k) Property, plant and equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

### (l) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.





## Notes to the Consolidated Financial Statements

### Financial Assets

On initial recognition, financial assets are classified as measured at either;

Amortised cost;

Fair Value through Other Comprehensive Income ("FVOCI") – debt investment;

FVOCI – equity investment; or

Fair Value through Profit or Loss ("FVTPL")

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortized cost, these assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

As of 30 June 2023, the Group's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables, advances from third parties and convertible loans.

Cash and cash equivalents and other receivables are classified as amortised cost under AASB 9. The trade and other payables including borrowings/advances from third parties are initially measured at fair value and subsequently measured at amortised cost.

The cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair value due to their short-term nature.

The Group classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

The three levels of the fair value hierarchy are:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

## Notes to the Consolidated Financial Statements

### *Impairment of financial assets*

The Group assesses the recoverability of financial assets using an 'expected credit loss' ("ECL") model. This impairment model is applied to financial assets measured at amortised cost, contract assets and debt investments at Fair Value Through Other Comprehensive Income ("FVOCI"), but not to investments in equity instruments.

In accordance with AASB 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### **(m) Segment reporting**

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decision.

### **(n) Flow-Through Shares**

Flow-through shares may be issued to finance a portion of an exploration program. A flow-through share agreement transfers the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company divides the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognised as a liability, and ii) issued capital. Share capital for shares issued is recognised at fair value with the residual value, or flow-through share premium, recognised as current liabilities.

The Company has elected to apply the renunciation process prospectively and has relied upon the "look-back" rule which allows the Company to renounce eligible expenditures incurred up to an entire calendar year (i.e. 2024) following the last day of the calendar year in which the FTS are issued (i.e. 2023)

At initial recognition the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position as the entity has not yet fulfilled its obligations to pass on the tax deductions to the investor. Upon expenses being incurred, the Company derecognises the liability and the premium is recognised as other income. The exploration spend also gives rise to a deferred tax liability which is recognised as the difference between the carrying value and tax base of the qualifying expenditure for the amount of the tax reduction renounced to the investors.



## Notes to the Consolidated Financial Statements

### 3. Other Income

	2023	2022
	\$	\$
Other income resulting from sale of tax claims in Flow Through Share placements	4,974,211	-
Interest income received	194,121	2,424
	<u>5,168,332</u>	<u>2,424</u>

### 4 Operating expenses

	2023	2022
	\$	\$
<b>a) Exploration expenses</b>		
Data software & compilation	116,156	99,455
Accommodation	85,129	-
Consultants	33,182	50,865
Travel expenses	5,239	5,467
Drafting	1,620	1,982
Sundry	155,733	-
<b>Total exploration expense</b>	<u>397,059</u>	<u>157,769</u>
<b>b) General &amp; administrative expenses</b>		
Audit & taxation fees	38,807	42,313
Advertising and conferences	312,393	145,052
Corporate accounting & secretarial	320,028	103,391
Consulting fees	857,395	532,675
Directors' fees	132,200	222,600
Depreciation	121,199	19,941
Employee costs	1,135,416	160,986
Insurance	78,354	29,516
Legal costs	311,974	81,354
Listing & share registry fee	301,771	76,617
Travel	306,868	93,811
Other	555,919	22,221
	<u>4,472,322</u>	<u>1,530,477</u>
<b>c) Share based-payment expense</b>		
Non-cash share-based payments		
- Issue of shares	3,030,600	1,552,525
- Options	7,248,000	-
- Performance Rights	1,919,693	-
	<u>12,198,293</u>	<u>1,552,525</u>

## Notes to the Consolidated Financial Statements

### 5 Income Tax Expense

#### Accounting Policy

The income tax expense for the period is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates for each jurisdiction that have been enacted or are substantially enacted by the reporting date.

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

No deferred income tax liabilities or assets will be recognised in respect of temporary differences between the carrying value and tax bases of investments in controlled entities if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Current and deferred income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

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## Notes to the Consolidated Financial Statements

### 5 Income Tax Expense (continued)

	2023	2022
	\$	\$
<b>(a) Income tax expense/(benefit)</b>	-	-
Current tax	-	-
Deferred tax	<b>3,279,604</b>	-
<b>Total income tax expense</b>	<b>3,279,604</b>	-
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		-
Accounting loss before income tax expense	<b>11,899,341</b>	3,238,347
Prima facie income tax benefit on loss before income tax at 30.0% (2022: 30.0%)	<b>(34,569,802)</b>	(971,504)
Non-deductible expense	<b>3,769,519</b>	504,258
Non-assessable income	<b>(1,492,263)</b>	-
Tax losses for which no deferred tax asset was recognised	<b>1,219,326</b>	445,030
Recognition of deferred tax liability on capitalised exploration expenditure	<b>3,279,604</b>	-
Other deferred tax assets and tax liabilities not recognised	<b>(2,899)</b>	8,969
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>76,120</b>	13,248
Income tax expense/(benefit)	<b>3,279,604</b>	-
<b>Deferred tax assets comprise:</b>		
Losses available for offset against future taxable income	<b>1,664,356</b>	445,030
Blackhole expenditure	<b>(2,763)</b>	-
Accrued expenses	<b>(1,050)</b>	8,850
Deferred gains and losses on foreign exchange contracts	<b>914</b>	119
Deferred tax liability on investment in other entity	<b>536,936</b>	-
Deferred tax assets not recognised	<b>(1,124,522)</b>	(453,999)
	-	-

The Group has Australian revenue losses from previous years for which no deferred tax assets have been recognised. The availability to utilise these losses in future periods is subject to review in the relevant jurisdictions.

The benefit for tax losses will only be obtained if:

- i. the Company derives future assessable income in Australia and overseas of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- ii. the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia, and
- iii. no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

## Notes to the Consolidated Financial Statements

### 6 Loss per share

#### Accounting Policy

Loss per share ("LPS") is the amount of post-tax loss attributable to each share. The group presents basic and diluted LPS data for ordinary shares. Basic LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted LPS takes into account the dilutive effect of all potential ordinary shares, being share options on issue.

	<b>2023</b>	2022
	\$	\$
Loss attributable to the owners of Winsome used in calculating basic and dilutive loss per share	<b>(15,178,945)</b>	(3,238,347)
Weighted average number of ordinary shares used in calculating basic loss per share	<b>154,917,876</b>	82,674,505
Basic and diluted loss per share-in cents	<b>(9.80)</b>	(3.92)

### 7 Cash and cash equivalents

#### Accounting Policy

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at the end of the reporting period:

	<b>2023</b>	2022
	\$	\$
Cash at bank and in hand	<b>42,316,613</b>	13,471,995
	<b>42,316,613</b>	13,471,995

### 8 Other receivables

#### Accounting Policy

Other receivables, which generally have 30-day terms, are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any provision for impairment.

	<b>2023</b>	2022
	\$	\$
GST and other receivables	<b>1,782,544</b>	397,951
	<b>1,782,544</b>	397,951



## Notes to the Consolidated Financial Statements

### 9 Exploration and evaluation phase – at cost

#### Accounting Policy

Exploration and evaluation expenditure is assessed and carried forward where right to tenure of the area of interest (i.e. tenement) is current and is expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

#### Key estimates and assumptions

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each period to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at period end and the Directors are satisfied that the value is recoverable. The carrying value of exploration and evaluation expenditure assets are assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement of profit or loss and other comprehensive income.

	2023	2022
	\$	\$
Carrying amount at beginning of the period	11,038,206	-
Acquisitions during the period (Note 16)	-	9,173,560
Additions	19,840,150	1,776,814
Foreign exchange movements	75,591	87,832
Carrying amount at the end of the period	<u>30,953,948</u>	<u>11,038,206</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful and commercial exploitation or sale of the respective area.

### 10. Investment in other entities

#### Accounting Policy

Investments In other entities are measured at fair value through profit or loss (FVTPL). The value is reviewed at the end of each period and marked to market.

#### Key estimates and assumptions

A regular review is undertaken of investments in other entities to determine the appropriateness of continuing to carry forward costs in relation to the investment. The carrying value of any capitalised expenditure is assessed by the Directors each period to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at period end and the Directors are satisfied that the value is recoverable. The carrying value of investment expenditure assets are assessed for impairment at an overall level whenever facts and circumstances suggest the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount.

## Notes to the Consolidated Financial Statements

	2023	2022
	\$	\$
Carrying amount at beginning of the period	-	-
Acquisitions during the period	5,020,228	-
Revaluation to market value	1,789,785	-
Carrying amount at the end of the period	<u>6,810,013</u>	<u>-</u>

### 11. Property, plant and equipment

#### Accounting Policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure which is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to the profit or loss.

#### Key estimates and assumptions

##### USEFUL LIFE OF ASSETS

The estimation of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).





## Notes to the Consolidated Financial Statements

### 11. Property, plant and equipment (continued)

Reconciliations of the carrying value for each class of property, plant and equipment is set out below:

	30 June 2023				
	Cargair camp	Computer equipment	\$ Motor vehicles	Office equipment	Total
Carrying amount at beginning of year	-	22,473	106,680	2,224	131,377
Additions	530,980	2,892	361,576	2,728	898,176
Depreciation	(22,614)	(12,340)	(85,696)	(548)	(121,198)
Foreign exchange movements	15,091	8	6,445	-	21,544
Carrying amount at end of year	<b>523,457</b>	<b>13,033</b>	<b>389,005</b>	<b>4,404</b>	<b>929,899</b>

	30 June 2022			
	Computer equipment	Motor vehicles	Office equipment	Total
Carrying amount at beginning of year	-	-	-	-
Additions	24,294	125,251	2,317	151,862
Depreciation	(1,821)	(18,571)	(93)	(20,485)
Carrying amount at end of year	<b>22,473</b>	<b>106,680</b>	<b>2,224</b>	<b>131,377</b>

### 12. Trade and other payables

#### Accounting Policy

Trade creditors and other payables are recognised at amortised cost and not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

## Notes to the Consolidated Financial Statements

	2023	2022
	\$	\$
Trade and other payables	2,463,124	321,947
Accrued expenses	173,390	54,778
	<b>2,636,514</b>	<b>376,725</b>

### 13. Financial assets and liabilities

Set out below is an overview of financial assets (other than cash and short-term deposits) and financial liabilities held by the Group as at 30 June 2023 and 30 June 2022:

		2023	2022
		\$	\$
Financial assets			
Other receivables <sup>I.</sup>		1,782,544	397,951
		<b>1,782,544</b>	<b>397,951</b>
Current			
Total financial assets	Note 8	<b>1,782,544</b>	397,951
Financial liabilities			
Trade and other payables <sup>II.</sup>		2,636,514	376,725
		<b>2,636,514</b>	<b>376,725</b>
Current			
Total financial liabilities	Note 12	<b>2,636,514</b>	<b>376,725</b>

- I. Debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.
- II. Trade creditors and other payables and funds received related to unissued shares are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payable, their carrying value is assumed to approximate their fair value.



## Notes to the Consolidated Financial Statements

### 14. Flow Through Share premium liability

	2023	2022
	\$	\$
Flow-through share premium liability	8,148,439	-
	<u>8,148,439</u>	<u>-</u>

### 15. Non-current liabilities – Deferred tax liabilities

Deferred tax liability comprises temporary differences attributable to

	2023	2022
	\$	\$
Opening balance	-	-
Temporary difference on relinquishment of qualifying expenditure to investors	3,279,604	-
	<u>3,279,604</u>	<u>-</u>

### 16. Acquisition of subsidiaries

On 17 August 2021, the Company entered into a Share Sale Agreement to acquire 100% of the issued capital of each of MetalsTech Cancet Lithium Inc, MetalsTech Adina Lithium Inc and MetalsTech Sirmac Lithium Inc, each of which are the beneficial holder of the Cancet Project, the Adina Lithium Project, and the Sirmac Lithium Project, (together, the Projects).

The Agreement became unconditional on 30 November 2021.

	2022
	\$
<b><u>Consideration:</u></b>	
45,000,000 shares with a fair value of \$0.20 per share	9,000,000
<b>Total consideration</b>	<u>9,000,000</u>
Cash acquired	(29,206)
Total liabilities acquired	202,767
<b>Excess consideration allocated to exploration and evaluation expenditure</b>	<u>9,173,560</u>

## Notes to the Consolidated Financial Statements

### 17. Issued Capital

#### Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

<b>a) Ordinary shares</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>Number</b>	<b>Number</b>
Issued and paid-up capital	<b>27,408,233</b>	1	<b>143,354,001</b>	1
Opening balance	<b>27,408,233</b>	1	<b>143,354,001</b>	1
Shares issued during period				-
- Acquisition of Subsidiaries	-	9,000,000	-	45,000,000
- Initial Public Offering	-	18,000,000	-	90,000,000
- Consultants' shares	-	1,100,000	-	5,500,000
- Directors' shares	-	290,000	-	1,450,000
- Acquisition of Decelles & employee issue	-	100,100	-	220,000
- Conversion of Class D Performance Rights	-	153,425	-	850,000
- Acquisition of Mazarac	-	158,984	-	334,000
Share issue costs	-	(1,394,277)	-	-
- Flow-Through Share (FTS) Placement	<b>3,425,543</b>	-	<b>4,078,027</b>	-
- Consultant shares	<b>3,000,000</b>	-	<b>1,500,000</b>	-
- Share placement	<b>31,000,000</b>	-	<b>15,500,000</b>	-
- FTS Placement	<b>9,454,362</b>	-	<b>4,589,496</b>	-
- Decelles option payment	<b>376,000</b>	-	<b>200,000</b>	-
- Share Purchase Plan	<b>2,102,000</b>	-	<b>1,051,000</b>	-
- Mazarac option payment	<b>233,640</b>	-	<b>177,000</b>	-
- Acquisition of Jackpot project	<b>380,000</b>	-	<b>250,000</b>	-
- Employee issue	<b>30,600</b>	-	<b>20,000</b>	-
Share issue costs	<b>(2,626,060)</b>	-	-	-
Closing balance	<b>74,784,318</b>	27,408,233	<b>170,719,524</b>	143,354,001

<b>b) Share Options</b>	<b>2023</b>	<b>2022</b>
<b>Unlisted share options</b>		
At the beginning of the period	<b>4,000,000</b>	-
Options issued	<b>9,000,000</b>	4,000,000
Options exercised	-	-
At the end of the period	<b>13,000,000</b>	4,000,000

Refer to Note 14(c) for further details of the share options issued.



## Notes to the Consolidated Financial Statements

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### 17. Issued Capital (continued)

#### Capital risk management

The Group's capital comprises share capital, reserves and accumulated losses amounting to a net asset position of \$69,021,763 at 30 June 2023 (2022: net asset position \$24,704,823). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 17 for further information on the Group's financial risk management policies.

#### c Share based payments

##### Accounting Policy

The value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (the vesting period), ending on the date on which the relevant employees become fully entitled to the option (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the option;
- The current best estimate of the number of options that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

Until an option has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

#### Shares issued to USA based Consultant

On 13 January 2023 the Company issued 1,500,000 shares at a fair value of \$2.00 per share to a USA based consultant. The total of \$3,000,000 has been expensed.

## Notes to the Consolidated Financial Statements

### Employee Performance Rights

On 18 November 2022, the following Performance Rights were granted with an expiry date 5 years from the date of issue, being 30 November 2027. The terms and conditions of the Performance Rights is set out below.

Class E	1,750,000	<p>Each Class E Performance Right will vest and convert (at the election of the holder) into one Share upon announcement by the Company of:</p> <ol style="list-style-type: none"> <li>I. the Company acquiring an interest in 19.9% or greater of an entity listed on a recognised securities exchange (<b>Acquisition</b>); and</li> <li>II. a maiden JORC Mineral Resource, with a minimum of 5 million tonnes containing a Lithium Oxide (Li<sub>2</sub>O) grade of greater than 1.0% as defined in the JORC Code 2012 Edition (JORC Code) at any one of the projects contained within the entity the subject of the Acquisition, as verified by an Independent Technical Consultant (defined below) (<b>the Class E Milestone</b>);</li> </ol>
Class F	1,750,000	<p>Each Class F Performance Right will vest and convert (at the election of the holder) into one Share upon announcement by the Company of a maiden JORC Mineral Resource, with a minimum of 10 million tonnes containing a Lithium Oxide (Li<sub>2</sub>O) grade of greater than 1.0% as defined in the JORC Code 2012 Edition (JORC Code) in total at Cancet Lithium Project, Adina Lithium Project, Sirmac-Clapier Lithium Project or any other project/s the company should acquire. (each located in Quebec, Canada) as verified by an Independent Technical Consultant (defined below) (<b>the Class F Milestone</b>)</p>
Class G	1,750,000	<p>Each Class G Performance Right will vest and convert (at the election of the holder) into one Share upon the Company achieving a 20-day VWAP, based on days the Company's Shares have traded, Share price of not less than \$0.75 (<b>the Class G Milestone</b>)</p>

The Class E and Class F Performance Rights have been valued at \$1.065 each, based on Monte Carlo Simulation model, for a total value of \$3,727,500. As the milestones attached to the rights are non-market basis, this value will be brought to account when it is considered probable the milestones will be met. It is not considered probable at 30 June 2023 and therefore no expense has been recognised during the year.

At the time the Notice of Meeting was issued on 12 October 2022 these Performance Rights were valued at \$0.355. The subsequent increase in the Company's share price leading to the Annual General Meeting resulted in the theoretical value attributed to the Performance Rights increasing to \$1.065.



## Notes to the Consolidated Financial Statements

The total value of the Class G Performance Rights is \$1,863,750 and the value has been derived using the Monte Carlo Simulation model. This value has been expensed during the financial year.

Similarly, the theoretical value of the Class G performance rights increased from \$0.3304 to \$1.065 between the period from 12 October to 18 November 2022.

### Chairman Performance Rights

On 19 April 2023, the following Performance Rights were granted with an expiry date of 30 November 2027. The terms and conditions of the Performance Rights is set out below.

Class A	500,000	Each Class A Performance Right will vest and convert (at the election of the holder) into one Share upon announcement by the Company of a maiden JORC Mineral Resource, with a minimum of 5 million tonnes containing a Lithium Oxide (Li <sub>2</sub> O) grade of greater than 1.0% as defined in the JORC Code in total at Cancet Lithium Project, Adina Lithium Project, Sirmac-Clapier Lithium Project or any other project/s the company should acquire.(each located in Quebec, Canada) as verified by an Independent Technical Consultant ( <b>Class A Milestone</b> )
Class B	500,000	Each Class B Performance Right will vest and convert (at the election of the holder) into one Share upon announcement by the Company of a maiden JORC Mineral Resource, with a minimum of 10 million tonnes containing a Li <sub>2</sub> O grade of greater than 1.0% as defined in the JORC Code in total at Cancet Lithium Project, Adina Lithium Project, Sirmac-Clapier Lithium Project or any other project/s the company should acquire.(each located in Quebec, Canada) as verified by an Independent Technical Consultant ( <b>Class B Milestone</b> )
Class C	1,000,000	Class C Performance Right will vest and convert (at the election of the holder) into one Share upon the achievement of a volume weighted average price of at least \$2.00 per Share over 20 consecutive trading days on which trades were recorded ( <b>Class C Milestone</b> ).

The Class B and Class C Performance Rights have been valued at \$1.37 each, based on Monte Carlo Simulation model, for a total value of \$1,370,000. As the milestones attached to the rights are non-market basis, this value will be brought to account when it is considered probable the milestones will be met. It is not considered probable at 30 June 2023 and therefore no expense has been recognised during the year.

The total value of the Class C Performance Rights is \$1,310,000 and the value has been derived using the Monte Carlo Simulation model. In this financial year \$55,943 has been expensed with the remainder to be expensed over the expected vesting period of X years.

## Notes to the Consolidated Financial Statements

### Options Issued to Directors and Senior Management

Using the Black Scholes option pricing model and based on the assumptions set out below, the Director and Senior Management Options were ascribed the following value:

Valuation date	18 November 2022
Underlying share price	\$1.065
Exercise price	\$0.53
Expiry date (length of time from issue)	3 Years
Risk free interest rate	3.21%
Volatility	100%
Indicative Value of Director & Senior Management Options (cents)	0.801
Number of options issued	7,000,000
Total Value of Director & Senior Management Options	\$5,607,000

At the time of the issue of the Notice of Meeting the valuation ascribed to the Directors and Senior Management Options was \$0.2113, with a total of \$1,479,100.

The substantial increase in the Company's share price between 12 October and 18 November 2022 has resulted in an increase in the theoretical value booked for Share Based Payment.

### Options Issued to Chairman

Using the Black Scholes option pricing model and based on the assumptions set out below, the Director and Senior Management Options were ascribed the following value:

#### Assumptions (Options exercisable at \$1.30 per Option)

Valuation date	19 April 2023
Underlying share price	\$1.37
Exercise price	\$1.30
Expiry date (length of time from issue)	3 Years
Risk free interest rate	3.18%
Volatility	100%
Indicative Value of Director & Senior Management Options (cents)	0.8781
Number of options issued	1,000,000
Total Value of Chairman's Options	\$878,000

#### Assumptions (Options exercisable at \$2.00 per Option)

Valuation date	19 April 2023
Underlying share price	\$1.37
Exercise price	\$2.00
Expiry date (length of time from issue)	3 Years
Risk free interest rate	3.18%
Volatility	100%
Indicative Value of Director & Senior Management Options (cents)	0.7631
Number of options issued	1,000,000
Total Value of Chairman's Options	\$763,000





## Notes to the Consolidated Financial Statements

### Options Issued to Lead Manager

The Company recognised total share-based payment expenses relating to options as follows:

	2023	2022
	\$	\$
Options issued to IPO lead manager	-	391,544
Total	-	391,544

The Company provides directors, certain employees and advisors with share options. The options are exercisable at set prices and the vesting and exercisable terms varied to suit each grant of options.

	2023		2022	
	Number of options	Weighted average exercise price (cents)	Number of options	Weighted average exercise price (cents)
Outstanding 1 July 2022	4,000,000	0.30	-	-
Issued	7,000,000	0.53	4,000,000	30
Issued	1,000,000	1.30	-	-
Issued	1,000,000	2.0	-	-
Exercised	-	-	-	-
Outstanding 30 June 2023	<b>13,000,000</b>	<b>0.63</b>	4,000,000	30

Share-based payments – Options issued

The table below summarises options granted to the Lead Manager:

Grant date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable during the year
			Number	Number	Number	Number	Number
<b>Unlisted Options</b>							
18 Nov 2021	18 Nov 2025	\$0.30	-	4,000,000	-	4,000,000	4,000,000

Using the Black Scholes option pricing model and based on the assumptions set out below, the Options were ascribed the following value in the previous financial year:

### Assumptions

Valuation date	11 October 2021
Underlying share price	\$0.20
Exercise price	\$0.30
Expiry date (length of time from issue)	4 Years
Risk free interest rate	0.1%
Volatility	80%
Indicative Value of Options (cents)	0.0979
Total Value of Options	\$391,544

All options vested at the issue date.

## Notes to the Consolidated Financial Statements

### 18 Reserves and accumulated losses

#### Accounting Policy

The share based payments reserve holds the directly attributable cost of services provided pursuant to the options issued to corporate advisors, and performance rights issued to directors of the Group.

The asset revaluation reserve records adjustments to fair market of financial assets.

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

	2023	2022
	\$	\$
Share based payment reserve	9,559,237	391,544
Asset revaluation reserve	1,789,786	-
Foreign currency translation reserve	1,305,713	143,393
	<u>12,654,736</u>	<u>534,937</u>

### 19 Statement of cash flow reconciliation

	2023	2022
	\$	\$
<b>a) Reconciliation of net loss after tax to net cash flows from operations</b>		
Net Loss	(15,178,945)	(3,238,347)
Share based payment expense	12,198,293	1,552,525
Depreciation	121,199	19,941
<b>Changes in assets/liabilities</b>		
Trade and other receivables	(1,635,879)	(439,967)
Trade and other payables	2,254,358	136,426
FTS Share premium liability	(4,974,211)	-
Deferred tax liability	3,279,604	-
<b>Net cash outflow from operating activities</b>	<u>(3,935,580)</u>	<u>(1,969,423)</u>

#### b) Non-cash transactions

There were no non-cash investing and financing activities during the reporting period, other than the acquisition of subsidiaries as outlined in Note 15.

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### 20. Financial Risk Management

Exposure to liquidity, interest rate, credit and foreign currency risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.



## Notes to the Consolidated Financial Statements

### 20. Financial Risk Management (continued)

#### (a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2023 and 30 June 2022 all financial liabilities are contractually matured within 30 days.

#### (b) Interest Rate Risk

Interest rate risk arises from the possibility changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	<b>2023</b>	2022
	\$	\$
Cash at bank and in hand-also refer Note 7	<b>42,316,613</b>	13,471,995

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Judgement of reasonable possible movements

	Effect on Post Tax Losses	
	<b>2023</b>	2022
	\$	\$
Increase 1 basis point	<b>44,292</b>	1,339
Decrease 1 basis point	<b>(44,292)</b>	(1,339)

A sensitivity of 1 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

## Notes to the Consolidated Financial Statements

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### 20. Financial Risk Management (continued)

#### (c) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2023, the Group held cash at bank. These were held with financial institution with a rating from S&P Global Ratings of -AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2023.

#### (d) Foreign Currency Risk

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not have any material exposure to foreign currency risk.

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## Notes to the Consolidated Financial Statements

### 21. Parent Entity Information

The following details information related to the parent entity, Winsome Resources Limited, at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and cash equivalents		28,288,764	13,412,796
Other receivables		2,069	214,374
Other current assets		40,179	17,488
<b>Total Current Assets</b>		<b>28,331,012</b>	13,644,658
<b>Non-Current Assets</b>			
Exploration and evaluation assets		564,628	4,924
Property plant and equipment		4,403	2,225
Investments in other entities		6,810,013	-
Financial assets		46,240,642	11,391,733
		<b>53,619,686</b>	11,398,882
<b>Total Assets</b>		<b>81,950,698</b>	25,043,540
<b>Current Liabilities</b>			
Trade and other payables		253,259	103,609
		<b>8,148,439</b>	-
<b>Total Current Liabilities</b>		<b>8,401,698</b>	103,609
<b>Net Assets</b>		<b>73,549,000</b>	24,939,931
<b>Equity</b>			
Issued capital		74,784,318	27,408,233
Reserves		11,349,023	391,544
Accumulated losses		(12,584,341)	(2,859,846)
<b>Total Equity</b>		<b>73,549,000</b>	24,939,931

### 22. Related Party Disclosures

#### (a) Ultimate parent

The ultimate parent entity is Winsome Resources Limited.

#### (b) Subsidiaries

The consolidated financial statements include the financial statements of Winsome Resources Limited and the subsidiaries listed in the following table:

	Principal activity in the year	Place of Incorporation	Equity Holdings 30 June 2023	Equity Acquired
Winsome Cancet Lithium Inc	Lithium exploration	Quebec Canada	100%	30 Nov 2021
Winsome Adina Lithium Inc	Lithium exploration	Quebec Canada	100%	30 Nov 2021
Winsome Sirmac Lithium Inc	Lithium exploration	Quebec Canada	100%	30 Nov 2021

## Notes to the Consolidated Financial Statements

### (c) Compensation for key management personnel

The key management personnel compensation included in employee benefits expense (note 4) and share-based payments (note 14), is as follows:

	2023	2022
	\$	\$
Short term employee benefits	522,035	268,500
Bonus payments (refer to Remuneration Report)	-	401,600
Share based payments	8,047,193	515,375
	<b>8,569,228</b>	<b>1,185,475</b>

### 23. Auditors' remuneration

During the year, the Group obtained the following services from HLB Mann Judd (WA Partnership) Pty Ltd as detailed below:

	2023	2022
	\$	\$
Audit services – HLB Mann Judd (WA Partnership)	38,806	36,313
Other services – HLB Mann Judd – taxation services	1,000	6,000
	<b>39,806</b>	<b>42,313</b>

### 24. Events subsequent to reporting date

On 24 August 2023 the Company announced it would increase its holding in Power Metals Corp ("PWM") to 19.59%. This was to be completed by transferring the ownership of the Decelles and Mazérac project to PWM and receiving 17,650,000 PWM ordinary shares. 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. Winsome has assigned PWM its royalty payment obligations that it previously owed Mr Griesbach under the Decelles and Mazérac Option Agreements.

### 25. Commitments

On 28 January 2022 the Company entered into an Option Agreement with Glenn Griesbach to acquire and explore 669 claims, totalling 385km<sup>2</sup> in the highly sought after Decelles region of Quebec, Canada ("Decelles Agreement").

On 3 May 2022 the Company entered into a further Option Agreement with Mr Griesbach to acquire and explore a further 259 claims, totalling 149 km<sup>2</sup> in the Mazarac region of Quebec, Canada ("Mazarac Agreement"). On 29 July 2022 there were amendments to the Mazarac agreement to provide clarity on the issue of Performance Rights under this agreement.

At the reporting date the Company had contingent shares to be issued to Mr Griesbach under the Decelles Agreement and Mazarac Agreement to complete the acquisition of a 100% interest in the areas mentioned. The details of the share options are as follows:

Area of Interest	Number of shares to be issued	Terms of Issue
Decelles	200,000	On or before the second anniversary of the agreement date being 28 January 2022
Mazarac	177,000	On or before the second anniversary of the agreement date being 3 May 2022
<b>Total</b>	<b>377,000</b>	



## Notes to the Consolidated Financial Statements

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The issue of these shares is dependent on terms of issue stated above. However, these have been recorded as contingent as at 30 June 2023 due to the Company's right to terminate the agreements by giving 30 days notice and incurring no further obligations.

However, as noted above on 24 August 2023 the Company announced it would increase its holding in Power Metals Corp ("PWM") to 19.59%. Winsome issued Mr Glenn Griesbach 377,000 fully paid ordinary shares in the Company to complete the acquisition of the Decelles and Mazérac exploration licences. Winsome has assigned PWM its royalty payment obligations it previously owed Mr Griesbach under the Decelles and Mazérac Option Agreements.

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## Directors' Declaration

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In accordance with a resolution of the Directors of Winsome Resources Limited, I state that:

1. In the opinion of the directors:
  - a) the financial statements and notes of Winsome Resources Limited for the year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:
    - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
    - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

On behalf of the Board



Chris Evans  
Managing Director  
29 September 2023

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## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

To the Members of Winsome Resources Limited

#### Report on the Audit of the Financial Report

##### *Opinion*

We have audited the financial report of Winsome Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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## Independent Auditor's Report



Key Audit Matter	How our audit addressed the key audit matter
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<p><b>Carrying Value of Exploration and Evaluation Assets</b> Refer to Note 9</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises exploration and evaluation expenditure, and as at 30 June 2023 had a balance of exploration and evaluation assets of \$30,953,948.</p> <p>Accounting for exploration and evaluation assets was determined to be a key audit matter as it is important to the users' understanding of the financial report as a whole and was an area which involved the most audit effort and communication with those charged with governance.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation assets;</li> <li>- Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment;</li> <li>- Obtaining evidence that the Group has current rights to tenure of its areas of interest;</li> <li>- Considering the nature and extent of planned ongoing activities;</li> <li>- Substantiating a sample of additions (including acquisitions) by agreeing to supporting documentation; and</li> <li>- Examining the disclosures made in the financial report.</li> </ul>
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<p><b>Equity (Flow-through share placements)</b> Refer to Note 14 and Note 17</p> <p>In accordance with Canadian tax laws, mining companies have the authority to offer flow-through shares to investors. These shares are a form of investment where the tax deductions associated with expenses for exploration and evaluation can be used by investors instead of the company. Essentially, issuing flow-through shares involves issuing regular shares along with the opportunity to sell tax deductions. When a company issues flow-through shares, the postponement of the tax deduction sale is recorded as a liability on the consolidated financial statement. This serves to acknowledge the commitment to undertake and relinquish qualified expenditures for exploring and evaluating resources.</p> <p>The process of managing flow-through share arrangements includes making approximations when calculating the liability upon initial acknowledgment, and also recognizing it as different income as the commitment is met through acknowledging qualified expenses and their related tax implications. Because of this, we view the accounting for flow-through share arrangements as a significant focal point in the audit process.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Review legal documents to identify crucial terms and conditions related to placements of flow-through shares;</li> <li>- Assessing the complete share premium value, considering the disparity between the present market value and the price at which the flow-through share placement took place;</li> <li>- Assessing the income recorded in the profit or loss statement due to eligible exploration expenses incurred in the given period, along with its associated tax effects; and</li> <li>- Examining the disclosures made in the financial report.</li> </ul>
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## Independent Auditor's Report



### *Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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## Independent Auditor's Report



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON THE REMUNERATION REPORT

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Winsome Resources Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
29 September 2023

**N G Neill**  
Partner



## Additional Securities Information

In accordance with ASX Listing Rule 4.10, the following information is provided as at 26 September 2023

(Note, this information does not form part of the audited financial statements)

### Top 20 Security Holders – Fully Paid Ordinary Shares

	Name of Holder	Number of Shares	%
1	HSBC Custody Nominees (Australia) Limited - A/C 2	24,049,048	14.06
2	HSBC Custody Nominees (Australia) Limited	13,048,366	7.63
3	Citicorp Nominees Pty Limited	6,395,654	3.74
4	BNP Paribas Nominees Pty Ltd ACF Clearstream	5,042,871	2.95
5	Mr Gino D'Anna <The Internazionale A/C>	4,712,769	2.75
6	BNP Paribas Noms Pty Ltd<DRP>	3,824,643	2.24
7	Mrs Rachel D'Anna	3,237,610	1.89
8	Mr Daniel Robert Paton	2,894,000	1.69
9	UBS Nominees Pty Ltd	2,713,085	1.59
10	Mr Kenneth Joseph Hall <Hall Park A/C>	2,700,033	1.58
11	Courchevel 1850 Pty Ltd <Courchevel Investment A/C>	2,500,000	1.46
12	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	2,130,086	1.25
13	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	1,977,477	1.16
14	Qingtao Zeng	1,893,506	1.11
15	Christopher Evans	1,490,000	0.87
16	Mr Glenn Griesbach	1,447,232	0.85
17	J P Morgan Nominees Australia Pty Limited	1,382,553	0.81
18	Mr Gary Stewart & Mrs Fiona Stewart & Mr Jamie-Iain Stewart <Stewart Family SMSF A/C>	1,222,500	0.71
19	Mr Christopher Michael Andrews	1,110,000	0.65
20	David Edwards Palm Beach Realty Pty Ltd	1,050,000	0.61
	<b>Total</b>	<b>84,821,433</b>	<b>49.58</b>
	<b>Total issued capital</b>	<b>171,096,524</b>	<b>100.00</b>

### Substantial Holders

The names of substantial shareholders as disclosed in substantial shareholding notices given to the Company are:

	Units	% of issued capital
Electrification and Decarbonization AIE LP, Li Equities Investments LP, Lithium Royalty Corp. and Waratah Capital Advisors Ltd.	20,163,244	13.68

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## Distribution of Holdings

Fully Paid Ordinary Shares:

Range	Total holders	Units	% of issued capital
1 – 1,000	729	393,865	0.23%
1,001 – 5,000	1,598	4,372,980	2.56%
5,001 – 10,000	688	5,225,827	3.05%
10,001 – 100,000	1,106	33,726,418	19.71%
100,001 and over	196	127,377,434	74.45%
<b>Totals</b>	<b>4,317</b>	<b>171,096,524</b>	<b>100.00%</b>

Options

Range	Total holders	Units	% of issued options
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and over	6	13,000,000	100.00
<b>Totals</b>	<b>6</b>	<b>13,000,000</b>	<b>100.00</b>

Performance Rights

Range	Total holders	Units	% of issued performance rights
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	1	80,000	0.75
100,001 and over	10	10,650,000	99.25
<b>Totals</b>	<b>11</b>	<b>10,730,000</b>	<b>100.00</b>

Details of holders of performance rights issued under an employee incentive scheme are exempt from disclosure under Chapter 4 of the Listing Rules.

### Shareholders with less than a marketable parcel

On 26 September 2023, there were 199 shareholders holding less than a marketable parcel of shares (\$1.475 cents on this date) in the Company totalling 34,807 ordinary shares. This represented 0.02% of the issued capital.

### Restricted and Escrowed Securities

	No Shares	Dates escrow period ends
Fully paid ordinary shares	8,240,006	30 November 2023

### Voting Rights

In accordance with the Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly appointed representative has one vote. On a poll every member present or by proxy or attorney or duly authorised representative has one vote for every fully paid share held. There are no voting rights attached to unexercised options or performance rights.



## Additional Securities Information

### Corporate Governance Statement

In accordance with Listing Rule 4.10.3, the Company's Corporate Governance Statement can be found on the Company's website. Refer to <https://winsomeresources.com.au/wp-content/uploads/2023/07/20220630-WR1-Corporate-Governance-Statement.pdf>

### On-Market Buy Back

The Company has not initiated an on-market buy back.

### Licence Position as of 26 September 2023

All granted licences are in good standing and comply with the reporting requirements of the relevant licence.

Winsome Cancet Lithium Inc.				
Tenement reference CDC No	Location	Nature	Status	Interest %
2446315 – 2446328	Cancet Quebec	Direct	Granted	100
2461250 - 2469652	Cancet Quebec	Direct	Granted	100
2486936 - 2486997	Cancet Quebec	Direct	Granted	100
2522495 - 2522638	Cancet Quebec	Direct	Granted	100
2523208 - 2523209	Cancet Quebec	Direct	Granted	100
Winsome Adina Lithium Inc.				
Tenement reference CDC No	Location	Nature	Status	Interest %
2446329 - 2446331	Adina Quebec	Direct	Granted	100
2458191 - 2458210	Adina Quebec	Direct	Granted	100
2461127 - 2461140	Adina Quebec	Direct	Granted	100
2465572 - 2465591	Adina Quebec	Direct	Granted	100

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Winsome Sirmac Lithium Inc.				
Tenement reference CDC No	Location	Nature	Status	Interest %
2445273 - 2445275	Sirmac-Clapier Quebec	Direct	Granted	100
2445345 - 2445346	Sirmac-Clapier Quebec	Direct	Granted	100
2448807 - 2448813	Sirmac-Clapier Quebec	Direct	Granted	100
2449174 - 2449176	Sirmac-Clapier Quebec	Direct	Granted	100
2449450 - 2449467	Sirmac-Clapier Quebec	Direct	Granted	100
2450532	Sirmac-Clapier Quebec	Direct	Granted	100
2566108 - 2566117	Sirmac-Clapier Quebec	Direct	Granted	100
2574804 - 2574808	Sirmac-Clapier Quebec	Direct	Granted	100
2575125 - 2575134	Sirmac-Clapier Quebec	Direct	Granted	100
2598017	Sirmac-Clapier Quebec	Direct	Granted	100
2598605 - 2598611	Sirmac-Clapier Quebec	Direct	Granted	100

Tilly Quebec				
Tenement reference CDC No	Location	Nature	Status	Interest %
2515170 - 2515184	Tilly Quebec <sup>1</sup>	Direct	Granted	100
2553738 - 2553743	Tilly Quebec	Direct	Granted	100
2575647 - 2575667	Tilly Quebec	Direct	Granted	100
2682013 - 2682060	Tilly Quebec	Direct	Granted	100
Jackpot Project				
Tenement reference CDC No	Location	Nature	Status	Interest %
2664323 - 2664347	Jackpot Quebec <sup>2</sup>	Option	Granted	100
2664360 - 2664361	Jackpot Quebec	Option	Granted	100
2671501	Jackpot Quebec	Option	Granted	100
2676059	Jackpot Quebec	Option	Granted	100

<sup>1</sup> Lithium portfolio expands with acquisition of Tilly Project – ASX release 19 April 2023

<sup>2</sup> Option for Strategic Acquisition expands Adina Project to 44km<sup>2</sup>– ASX release 8 June 2023





# CORPORATE DIRECTORY

## Directors

Stephen Biggins	(Non-Executive Chairman)
Chris Evans	(Managing Director)
Justin Boylson	(Non-Executive Director)
Dr Qingtao Zeng	(Non-Executive Director)

## Company Secretary

Peter R. Youd

## Principal Registered Office in Australia

- A.** Level 1, 16 Ord Street  
West Perth WA 6005
- T.** +61 (0)419 853 904
- E.** administration@winsomeresources.com.au
- W.** www.winsomeresources.com.au

## Stock Exchange Listings

The Company is listed on the **Australian Securities Exchange** under the trading code **WR1**.

The company is quoted on the **OTCQB** under the trading code **WRSLF**.

The company is quoted on the **Frankfurt Stock Exchange** under the trading code **FSE:4XJ**.

## Auditor

HLB mann Judd (WA Partnership)

- A.** Level 4, 130 Stirling Street  
Perth WA 6000
- P.** PO Box 8124  
Perth BC WA 6849

## Share Registry

Automatic Registry Services

- A.** Level 5, 191 St Georges Terrace  
Perth WA 6000

All security holder correspondence to:

- P.** PO Box 2226  
Strawberry Hills NSW 2021

Contact:

- T.** 1300 288 664 (within Australia)
- P.** +61 (0)8 9324 2099 (outside Australia)
- E.** hello@automatic.com.au
- W.** www.automatic.com.au

## Solicitors - Australia

Steinepreis Paganin

Lawyers and Consultants

- A.** Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

## Solicitors - Canada

Lavery, De Billy LLP, Lawyers

- A.** 1 Place Ville Marie  
Suite 4000  
Montreal, Quebec, H3B 4M4

## Bankers - Australia

Westpac Banking Corporation

- A.** 2 St Quentin Avenue  
Claremont WA 6010

## Bankers - Canada

BMO Banque de Montréal

- A.** 630 Boul. René-Lévesque O  
Montréal QC H3B 1S6

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# NOTES

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# WINSOME RESOURCES

ASX:

**WR1**

OTCQB:

**WRSLF**

FSE:

**4XJ**

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## PERTH OFFICE

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West Perth WA 6005

### Chris Evans

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[winsomeresources.com.au](http://winsomeresources.com.au)