

Eureka Lithium Corp. Announces Completion of Acquisition and Closing of Concurrent Equity Financing

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Vancouver, June 1st, 2023 – [Eureka Lithium Corp.](#) (formerly Scout Minerals Corp.) (CSE:ERKA) (formerly SCTM)) (“Eureka” or the “Company”) is pleased to announce, further to its news releases of April 13, 2023, April 18, 2023, April 19, 2023 and May 8, 2023, that it has completed the acquisition of a large-scale land package prospective for spodumene-bearing lithium pegmatites in Northern Quebec’s under-explored Nunavik region which hosts two operating nickel mines (the “Acquisition”) and has closed the first tranche of its private placement, completing the sale of 9,553,425 subscription receipts for gross proceeds to the Company of \$5,185,200 (the “Concurrent Financing”).

Concurrent Financing

In connection with the Acquisition, the Company completed the first tranche of its Concurrent Financing, issuing: (i) 337,692 Quebec super flow-through subscription receipts of the Company (the “Super FT Subscription Receipts”) at a price of \$0.65 per Super FT Subscription Receipt, for gross proceeds of approximately \$219,500; (ii) 3,578,333 flow-through subscription receipts of the Company (the “FT Subscription Receipts”) at a price of \$0.60 per FT Subscription Receipt, for gross proceeds of \$2,147,000; and (iii) 5,637,400 non-flow-through subscription receipts of the Company (the “Non-FT Subscription Receipts”, and together with the Super FT Subscription Receipts and the FT Subscription Receipts, the “Subscription Receipts”) at a price of \$0.50 per Non-FT Subscription Receipt, for gross proceeds of \$2,818,700. In aggregate, the Company raised gross proceeds of \$5,185,200..

The Company paid finder’s fees totaling \$130,977.99 and issued 352,466 broker warrants (each, a “Broker Warrant”) to certain finders in connection with the sale of the Subscription Receipts. Each Broker Warrant entitles the holder to acquire one common share (a “Common Share”) at a price of \$0.75 for a period of 24 months. The Broker Warrants are subject to a statutory hold period of four months and a day.

The net proceeds of the Concurrent Financing will be used for qualified expenditures in respect of the mineral claims acquired pursuant to the Acquisition, and, in the case of the Non-FT Subscription Receipts, also for general working capital.

As a result of the completion of the Acquisition: (i) each Super FT Subscription Receipt has automatically converted into one unit of the Company comprising one Common Share that qualifies as a “flow-through share” as defined in the Income Tax Act (Canada) and one-half of one flow-through common share purchase warrant that qualifies as a “flow-through share” as defined in the Income Tax Act (Canada) (each whole flow-through common share purchase warrant, a “Super FT Warrant”), with each Super FT Warrant entitling the holder to purchase one Common Share (a “Super FT Warrant Share”) at a price of \$0.85 per Super FT Warrant Share for a period of two years; (ii) each FT Subscription Receipt has automatically converted into one unit of the Company comprising one Common Share that qualifies as a “flow-through share” as defined in the Income Tax Act (Canada) and one-half of one flow-through common share purchase warrant that qualifies as a “flow-through share” as defined in the Income Tax Act (Canada) (each whole flow-through common share purchase warrant, a “FT Warrant”), with each FT Warrant entitling the holder to purchase one Common Share (a “FT Warrant Share”) at a price of \$0.85 per FT Warrant Share for a period of two years after the date of issuance; and (iii) each Non-FT Subscription Receipt has automatically converted into one unit of the Company comprising one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Non-FT Warrant”), with each Non-FT Warrant entitling the holder to purchase one Common Share (a “Non-FT Warrant Share”) at a price of \$0.75 per Non-FT Warrant Share for a period of two years.

The Acquisition

Eureka has acquired from vendors, including Shawn Ryan, 100% of a 1,408 sq. km land package covering Raglan West, Raglan South and New Leaf District in Northern Quebec, in exchange for \$1,200,000 in cash,

8,000,000 common shares of the Company (the "Consideration Shares") and the grant of a 1% net smelter return (NSR) royalty. The Consideration Shares are subject to an escrow arrangement whereby one-third (1/3) of the Consideration Shares will be released from escrow every six (6) months after the closing of the Agreement ("Closing"), with the first such release date to occur on the date that is six months from Closing.

Eureka's Nunavik Lithium Projects:

- Raglan West District - 443 sq. km claim block beginning 33 km southwest of the community of Salluit which has year-round airport access and a seasonal port for barge landing;
- Raglan South District - 229 sq. km claim block which contains 12.3% of the 99.96 percentile lithium samples in lake sediments in the Quebec government data base (7 widely spaced samples out of the top 57 samples in the province's entire data base) that contain 60 ppm Li), approximately 80 km southwest of the Raglan Nickel Mine; and
- New Leaf District - 736 sq. km covering multiple claim blocks in areas of overlapping geochemical and geophysical anomalies in favorable geology, 120 km southwest of the community of Tasiujaq and approximately 350 km south of Raglan South.

Each of the above project areas has district scale discovery potential and features some of the highest lithium and cesium values in lake sediments (99th percentile and above) in the Quebec government data base. In addition, a review of historic data for the region reveals the presence of mapped pegmatites in multiple rock units, compelling overall geology, and geophysical anomalies that point to deep-seated structures that may have created an ideal environment for the discovery of lithium mineralization across broad areas.

Eureka's plan is to carry out an extensive near-term exploration program that includes drill testing of high priority targets over the coming months given abundant outcrop including many mapped pegmatites over 1,408 sq. km of Eureka's leading Nunavik land position. The Agreement includes the acquisition of large strategic claim blocks in three areas of Nunavik never previously recognized for the potential of hosting high-grade lithium mineralization. Nunavik comprises more than one-third of Quebec, underscoring the scale potential of this geologically rich part of the province.

Completion of the Acquisition and of the first tranche of the Concurrent Financing were approved by a majority of the Company's shareholders. The Company thanks its shareholders for their support and loyalty.

Mr. Jeffrey Wilson, Eureka CEO, commented: "We are pleased to complete this important property asset acquisition and concurrent financing. This signifies an important step in Eureka's transition into the lithium exploration space and provides the Company and its shareholders with immediate exposure to an exciting property portfolio and the financial capacity to commence an aggressive first phase of ground exploration. Crews are currently preparing to initiate an extensive field program of prospecting, sampling, and mapping over the entire project portfolio, with a specific focus on prospective zones hosting known lithium values as reported in Quebec government lake sediment sampling surveys. The Company looks forward to commencing this important work and expects to provide ongoing updates as work progresses."

About Eureka Lithium Corp.

Eureka Lithium Corp. is a junior mining company engaged in the acquisition, exploration and development of mineral properties.

Qualified Person

The scientific and technical content of this news release has been reviewed and approved by Afzaal Pirzada, P. Geo., who is a "qualified person" as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

For More Information please contact:

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The CSE has not reviewed, approved, or disapproved the contents of this press release.

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