

## **First Lithium Minerals Inc., QL Minerals Inc. and Petrocorp Group Enter into Definitive Agreement**

**TORONTO, ONTARIO – JUNE 13, 2022 - PetroCorp Group Inc. ("PetroCorp" or the "Company")**, is pleased to announce that it has entered into a definitive agreement dated June 10, 2022 (the "**Definitive Agreement**") with First Lithium Minerals Inc. ("**First Lithium**") and QL Minerals Inc. ("**QL**") in respect of a proposed reverse take-over transaction (the "**Proposed Transaction**"). The Proposed Transaction is an arm's length transaction and upon successful completion of the Proposed Transaction, it is anticipated that the resulting entity (the "**Resulting Issuer**") will focus primarily on the business of First Lithium under the name "First Lithium Minerals Corp." or such other name determined by the parties.

### **About First Lithium Minerals Inc.**

First Lithium is a mineral exploration company focused on the OCA Project which is a lithium project comprised of approximately 8,900 ha of mineral exploration concessions located in the salars of Ollague, Carcote and Ascotan in the Antofagasta Region of Northern Chile within the cordilleran sector bordering Bolivia.

### **About QL Minerals Inc.**

QL is a mineral exploration company which holds a 100% interest in 39 claims located in the township of Senneville, Quebec, Canada. The property was acquired from Xander Resources Inc. (TSXV:XND) in November 2021. Recent examination by Xander Resource's geologists suggests the possibility of lithium on the claim group as the claims are in proximity to the La Corne Batholith, two existing lithium mines and a developing lithium prospect by Great Thunder Gold (TSXV:GTG).

### **Proposed Transaction**

Pursuant to the Definitive Agreement, the parties plan to complete a three-cornered amalgamation whereby a newly incorporated wholly-owned subsidiary of PetroCorp ("**PetroCorp Subco**") will amalgamate with First Lithium and QL, and PetroCorp will acquire all of the issued and

outstanding shares of First Lithium and QL. The shareholders of First Lithium and QL will receive common shares in the capital of PetroCorp (the "**PetroCorp Shares**") in exchange for their shares of First Lithium and QL, respectively, resulting in a reverse takeover of PetroCorp by the First Lithium shareholders. The corporation resulting from the amalgamation of PetroCorp Subco, First Lithium and QL will be wholly-owned by the Resulting Issuer.

### **Summary of Transaction**

Below is a summary of the terms of the Proposed Transaction:

- PetroCorp. shall complete a consolidation (the "**PetroCorp Consolidation**") of its common shares on an approximate one (1) new share for 81.96721311 old shares basis, which shall result in approximately 8,204,344 post-PetroCorp Consolidation shares outstanding.
- First Lithium shall complete a consolidation (the "**FLM Consolidation**") of its common shares on a one (1) new share for 2.5 old shares basis, which shall result in approximately 29,643,712 post-FLM Consolidation shares outstanding.
- First Lithium shall convert \$3,571,591 of debt at a price of \$0.225 per common share for a total of 15,873,737 post-FLM Consolidation shares.
- The FLM Subscription Receipts and QL Subscription Receipts (see below under Private Placements) shall automatically convert into post-FLM Consolidation shares and QL shares, respectively.
- PetroCorp shall issue one post-PetroCorp Consolidation share for: (i) each post-FLM Consolidation share, including the shares issued upon automatic conversion of the FLM Subscription Receipts; and, (ii) each QL share, including the shares issued upon automatic conversion of the QL Subscription Receipts - there are 3,000,000 QL shares outstanding prior to the automatic conversion of the QL Subscription Receipts.
- A finder's fee of 3,316,372 PetroCorp Shares (on a post PetroCorp Consolidation basis) shall be issued to an arm's length party on closing of the Proposed Transaction.

The Definitive Agreement also contemplates other material conditions precedent to the closing of the Proposed Transaction (the "**Closing**") including compliance with all applicable regulatory

requirements and receipt of all necessary approvals being obtained. An application has been submitted to the Canadian Securities Exchange (the "**Exchange**") for the listing of the common shares of the Resulting Issuer.

There can be no assurance that the Proposed Transaction will be completed as proposed, or at all. There is no assurance that the Resulting Issuer will be able to satisfy the listing requirements of the Exchange.

The Closing will involve, among others, the following steps:

- receipt of all shareholder and regulatory approvals relating to the Proposed Transaction, including, without limitation, the approval of the Exchange (or such other exchange on which application to list the Resulting Issuer shares may be made); and
- each of the parties shall have executed, delivered and performed their respective covenants as outlined in the Definitive Agreement, and all representations and warranties of each party contained in the Definitive Agreement shall be true and correct at the time of Closing.

The PetroCorp Shares to be issued pursuant to the Proposed Transaction will be issued pursuant to exemptions from the prospectus requirements of applicable securities legislation. Certain of the PetroCorp Shares issuable pursuant to the Proposed Transaction may be subject to the escrow requirements of the Exchange and to hold periods as required by applicable securities laws.

### **Private Placements**

First Lithium has completed a private placement of 21,550,000 subscription receipts (the "**FLM Subscription Receipts**") at an issue price of \$0.25 per subscription receipt for gross proceeds of \$5,387,500. Upon satisfaction of the escrow release conditions, which includes among other things, the completion of the Transaction and subsequent listing on the Canadian Securities Exchange and the completion of the PetroCorp Consolidation and FLM Consolidation, each FLM Subscription Receipt will automatically convert, without additional payment or any further action on the part of the holder, into one post-FLM Consolidation share.

QL has recently completed a private placement of 3,180,000 subscription receipts (the "**QL Subscription Receipts**") at an issue price of \$0.25 per subscription receipt for gross proceeds of \$795,000. Upon satisfaction of the escrow release conditions, which includes among other things,

the completion of the Transaction and subsequent listing on the Canadian Securities Exchange and the completion of the PetroCorp Consolidation and FLM Consolidation, each QL Subscription Receipt will automatically convert, without additional payment or any further action on the part of the holder, into one QL share.

### **The Resulting Issuer - Summary of Proposed Directors**

The current officers and directors of the Company will resign from their respective positions with the Company concurrently with the completion of the Proposed Transaction.

The board of directors and officers of the Resulting Issuer will be as follows:

#### **Rob Saltsman –President, Chief Executive Officer, and Director**

Mr. Saltsman has 25 years of experience in venture capital and public investments and is the Founder of First Lithium Minerals Inc., a company he founded in 2017. He served as the CEO of Compel Capital Inc. and RMM Ventures Inc., and as Vice President of Georgian Capital Corp. where he focused on investing and consulting services in private equity. He is currently a President and Managing Partner of Paige Capital Inc., a venture capital investment company, and is a founding partner of South America Finance Corp SAS, a private merchant banking group in Colombia.

#### **Claude Ayache –Chief Financial Officer**

Mr. Ayache is a bilingual CPA, CMA with over 35 years of experience of which over 25 was served at the CFO/CEO level of publicly reporting companies in Canada and the US. He has also served on the board of several private companies and non-profit organizations.

#### **Peter Espig –Director**

Mr. Espig has been the President and CEO of Nicola Mining Inc. since 2013. The former Goldman Sachs banker and Olympus Capital Partners executive founded TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized companies and pre-initial public offering investment in 2006. Mr. Espig is a founding director of Phosplatin Therapeutics, a private biopharmaceutical company, and has been a board member since November 2010. He is also the CEO of Sweet Earth Holdings (CSE: SE) and is an independent director of Element 29 (TSX.V:

ECU). Mr. Espig is a pioneer of SPACs, having completed two mega transactions with a combined value of greater than US\$1.0 BN and served as a board member of Star Bulk Carriers (NASDAQ: SBLK) from 2006 to 2013. Mr. Espig received his MBA from Columbia Business School, where he was a Chazen International Scholar.

### **Ernest Mast –Director**

Mr. Mast is the former President & CEO of Primera mining and Minera Panama S.A., a subsidiary of Inmet Mining Corp., which was subsequently acquired by First Quantum Minerals for \$5.1 BN. He received an MBA from Universidad Catolicade Chile and holds a Master's degree in Mining & Metallurgical Engineering. He is fluent in Spanish and worked as a Technical Director of Noranda Chile's operation and Lomas Bayas Copper Mine.

### **Disclosure and Caution**

Further details about the Proposed Transaction, financial information regarding First Lithium, QL and the Resulting Issuer will be provided in the disclosure document to be prepared and filed in respect of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

All information provided in this press release relating to First Lithium and QL has been provided by management of First Lithium and QL, respectively, and has not been independently verified by management of the Company.

### **For further information please contact:**

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## ***Forward Looking Statements***

*Certain statements contained in this news release may constitute forward-looking information, including statements relating to the completion of the Proposed Transaction, the proposed business of the Resulting Issuer, the completion of the Consolidation, the proposed directors and officers of the Resulting Issuer, shareholder, director and regulatory approvals, and future press releases and disclosure. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The actual results of the Company, First Lithium, QL or the Resulting Issuer could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company, First Lithium and QL operate, prevailing economic conditions, changes to the Company, First Lithium and QL's strategic growth plans, and other factors, many of which are beyond the control of the Company, First Lithium and QL. The Company, First Lithium and QL believe that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company, First Lithium and QL's expectations as of the date hereof, and is subject to change after such date. The Company, First Lithium and QL disclaim any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.*