

EUREKA LITHIUM CORP.
(formerly Scout Minerals Corp.)

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a note indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

	Note	For the three months ended March 31, 2024	For the three months ended March 31, 2023
OPERATING EXPENSES			
Marketing fees		\$ 597,259	\$ -
Investor relations		96,913	8,732
Exploration and evaluation expenditures	7	76,837	-
Professional fees		60,535	75,978
Consulting fees	10	57,000	9,581
Share-based compensation	9(d), 10	34,333	(220)
Management fees	10	19,680	6,800
Listing and filing fees		11,683	2,325
Administrative expense		4,210	327
Transfer agent fees		3,054	2,850
Total operating expenses		(961,504)	(106,373)
OTHER ITEMS			
Interest income	5	13,543	667
Flow-through share premium recovery	11	11,044	-
Foreign exchange loss		(3,303)	(336)
Impairment of exploration and evaluation assets	7	(347,500)	-
Total other items		(326,216)	331
NET LOSS AND COMPREHENSIVE LOSS		\$ (1,287,720)	\$ (106,042)
Basic and diluted loss per common share		\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		51,754,586	14,982,997

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Common shares	Share capital	Reserves	Accumulated deficit	Total shareholders' equity
		\$	\$	\$	\$
Balance at December 31, 2022	14,982,997	354,206	8,241	(194,626)	167,821
Share-based compensation (Note 9(d), 10)	-	-	(220)	-	(220)
Net loss for the period	-	-	-	(106,042)	(106,042)
Balance at March 31, 2023	14,982,997	354,206	8,021	(300,668)	61,559
Balance at December 31, 2023	51,754,586	14,546,860	839,019	(6,255,122)	9,130,757
Share-based compensation (Note 9(d), 10)	-	-	34,333	-	34,333
Net loss for the period	-	-	-	(1,287,720)	(1,287,720)
Balance at March 31, 2024	51,754,586	14,546,860	873,352	(7,542,842)	7,877,370

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

Cash provided by (used in)	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
Cash flows used in operating activities				
Net loss for the period	\$	(1,287,720)	\$	(106,042)
Non-cash transactions:				
Share-based compensation		34,333		(220)
Flow-through share premium recovery		(11,044)		-
Impairment of exploration and evaluation assets		347,500		-
Changes in operating assets and liabilities:				
Other receivables		128,702		(3,645)
Prepaid expenses		639,305		(78,845)
Accounts payable and accrued liabilities		(343,830)		37,855
Net cash used in operating activities		(492,754)		(150,897)
Cash flows used in investing activities				
Option payments for McKinney property		-		(5,000)
Net cash used in investing activities		-		(5,000)
Net decrease in cash and cash equivalents		(492,754)		(155,897)
Cash and cash equivalents, beginning of period		2,599,427		173,547
Cash and cash equivalents, end of period	\$	2,106,673	\$	17,650

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Eureka Lithium Corp. (formerly Scout Minerals Corp.) (the "Company") was incorporated in the Province of British Columbia ("BC"), Canada on October 26, 2021, under the Business Corporations Act (British Columbia). The Company is domiciled in Canada and has been focused since incorporation on the acquisition of mineral property interests for the purposes of exploration and development. The Company commenced trading on the Canadian Securities Exchange ("CSE") on July 14, 2022, under the stock symbol "SCTM", which was subsequently updated to "ERKA" when the Company changed its name from Scout Minerals Corp. to Eureka Lithium Corp. on June 1, 2023. The Company is also listed on the Frankfurt Stock Exchange under the stock symbol "S580" and the OTCQB Venture Market under the symbol "UREKF" (previously "SCMCF" in the OTC Pink).

The Company's head office along with registered and records office is located at Suite 2700, 1133 Melville Street, Vancouver, British Columbia, V6E 4E5.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of the condensed interim consolidated financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for financial assets classified as at fair value through profit or loss which are measured at fair value. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim consolidated financial statements are presented in Canadian dollars.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on May 13, 2024.

Certain prior year amounts have been reclassified for consistency with current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the parent company, Eureka Lithium Corp., and, pursuant to having completed an amalgamation, its one subsidiary, 1342683 B.C. Ltd.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company. All intercompany transactions have been eliminated upon consolidation.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

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2. BASIS OF PRESENTATION (CONTINUED)

Going Concern (continued)

As at March 31, 2024, the Company had an accumulated deficit of \$7,542,842 (December 31, 2023 - \$6,255,122) and working capital of \$2,028,905 (December 31, 2023 - \$2,934,792). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these condensed interim consolidated financial statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed by the Company are set out in Note 3 of the audited consolidated financial statements for the year ended December 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

4. ESTIMATES AND JUDGMENTS

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2023.

5. CASH AND CASH EQUIVALENTS

	As at March 31, 2024		As at December 31, 2023	
Cash held in bank	\$	1,106,673	\$	1,599,427
Guaranteed investment certificates ("GIC")		1,000,000		1,000,000
	\$	2,106,673	\$	2,599,427

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

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5. CASH AND CASH EQUIVALENTS (CONTINUED)

On August 16, 2023, the Company entered into a guaranteed investment certificate ("GIC") of \$1,000,000 with a one-year term cashable after 90 days. The GIC earns interest at 5.35% per annum and during the three months ended March 31, 2024, the Company accrued interest income of \$13,302 in relation to the GIC (March 31, 2023 - \$Nil). During the year ended December 31, 2023, the Company redeemed a GIC of \$100,000. The Company recorded interest income of \$667 during the three months ended March 31, 2023, in relation to this GIC.

6. OTHER RECEIVABLES

	As at March 31, 2024		As at December 31, 2023	
Quebec sales tax ("QST") receivable	\$	204,754	\$	194,732
Goods and services tax ("GST") receivable		11,242		163,268
GIC interest receivable		33,328		20,026
	\$	249,324	\$	378,026

7. EXPLORATION AND EVALUATION ASSETS

Details of the Company's acquisition costs related to its mineral property projects are as follows:

Acquisition costs	McKinney		Nunavik		Total
Balance, December 31, 2022	\$	62,500	\$	-	\$ 62,500
Cash payments		55,000		1,208,465	1,263,465
Issuance of common shares		230,000		4,640,000	4,870,000
Balance, December 31, 2023	\$	347,500	\$	5,848,465	\$ 6,195,965
Impairment of exploration and evaluation assets		(347,500)		-	(347,500)
Balance, March 31, 2024	\$	-	\$	5,848,465	\$ 5,848,465

McKinney Property

On January 27, 2022, the Company entered into a mineral property option agreement (the "Option Agreement") with 1218802 B.C. Ltd. (the "Optionor"), providing the Company the ability to acquire a 75% interest in certain mining claims making up the McKinney exploration property located in the Greenwood Mining Division, British Columbia, Canada ("McKinney").

The Option Agreement was amended in an extension letter dated January 26, 2023, to extend the date of the 12-month anniversary of the listing date to June 30, 2023, thus extending the deadline of the payment of \$50,000 and the issuance of 250,000 common shares to June 30, 2023. As consideration for the foregoing amendments, the Company agreed to pay the Optionor \$5,000 within 30 days of acceptance of the extension letter. During the year ended December 31, 2023, the cash payments and issuance of common shares were made prior to the deadlines to maintain the Company's ability to acquire a 75% interest in the McKinney property.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

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7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)*McKinney Property (continued)*

To acquire the 75% interest, the Company must make cash payments, issue common shares, and incur exploration expenditures as follows:

	Cash	Common	Exploration
	\$	shares	expenditures
	\$	#	\$
Within five days of the effective date of January 27, 2022 – <i>paid</i>	17,500	-	-
On June 28, 2022, the listing date – <i>paid</i>	45,000	-	-
Within thirty days of acceptance of extension letter dated January 26, 2023 – <i>paid</i>	5,000	-	-
On or before the 12-month anniversary of the listing date – <i>paid, issued and incurred</i>	50,000	250,000	100,000
On or before the 24-month anniversary of the listing date	75,000	350,000	-
On or before the 36-month anniversary of the listing date	100,000	500,000	400,000
Total	292,500	1,100,000	500,000

Cash payments in lieu of a shortfall in exploration expenditures for a given period may be made by the Company to the Optionor.

Upon satisfaction of the Option Agreement, the Optionor will retain a 2% net smelter return (“NSR”) royalty interest on the property, of which the Company will have the right at any time to repurchase half the NSR (or 1%) for \$1,000,000.

The Company terminated the Option Agreement subsequent to March 31, 2024 (Note 15). As such, the Company recognized an impairment of exploration and evaluation assets of \$347,500 during the three months ended March 31, 2024.

Nunavik Lithium Projects

On April 6, 2023, the Company entered into an agreement (the “Nunavik Purchase Agreement”) to acquire 100% of a large-scale land package prospective for spodumene-bearing lithium pegmatites in Northern Quebec’s Nunavik region. The Nunavik Purchase Agreement comprises 3,819 active claims and 21 pending claims covering approximately 172,681 hectares.

The Company purchased these claims from Shawn Ryan and Syndicate in exchange for \$1,200,000 in cash, 8,000,000 common shares of the Company with a fair value of \$4,640,000 (the “Consideration Shares”) and the grant of a 1% NSR royalty. The Consideration Shares are subject to an escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every six months after the closing of the agreement (“Closing”). The first release date was November 30, 2023.

The Company also paid \$8,465 to the Government of Quebec as a registration fee to transfer mining rights. This has been capitalized in the acquisition cost of the property as a necessary cost to acquire the rights to explore.

Lac la Motte Project

In December 2023, the Company entered into a letter of intent (“LOI”) with respect to an option to acquire a 100% undivided interest in and to the mineral claims comprising the Lac la Motte project in the mining area of Abitibi, Quebec, subject to a 1% NSR royalty in favor of the underlying owner. Under the LOI, the Company had an exclusive period of 30 days to conduct due diligence (the “Exclusivity Period”) with a view to negotiating and entering into a definitive agreement. On January 12, 2024, the Company entered into an amending agreement to update the Exclusivity Period for the Lac La Motte project to end on February 15, 2024. During the three months ended March 31, 2024, the Company decided not to pursue a definitive agreement on the Lac La Motte project.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

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(Expressed in Canadian dollars)

(Unaudited)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

A breakdown of the exploration and evaluation expenditures incurred during the three months ended March 31, 2024 and 2023 is as follows:

	For the three months ended March 31, 2024		For the three months ended March 31, 2023	
<u>Nunavik Lithium Projects</u>				
Drilling	\$	47,250	\$	-
Consulting fees		17,800		-
Land lease – short term		10,350		-
Field equipment and supplies		1,437		-
Total	\$	76,837	\$	-

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2024		As at December 31, 2023	
Accounts payable	\$	89,496	\$	465,458
Accrued liabilities		75,957		43,825
	\$	165,453	\$	509,283

9. SHARE CAPITAL*a) Authorized*

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued

For the three months ended March 31, 2024 and 2023:

There was no share capital activity during the three months ended March 31, 2024 and 2023.

As at March 31, 2024, the Company holds 5,469,569 (December 31, 2023 – 5,514,982) common shares in escrow pursuant to the rules of the CSE.

c) Warrants

The movement in warrants during the three months ended March 31, 2024 and the year ended December 31, 2023 are summarized as follows:

	Number of warrants	Weighted-average exercise price
Balance, December 31, 2022	11,282,999	\$ 0.10
Issued	9,860,350	0.76
Exercised	(10,243,999)	0.10
Expired	(889,466)	0.10
Balance, December 31, 2023 and March 31, 2024	10,009,884	\$ 0.75

The weighted average share price on the date the warrants were exercised during the year ended December 31, 2023, was \$0.81 per share.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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9. SHARE CAPITAL (CONTINUED)*c) Warrants (continued)*

As of March 31, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
94,666	\$ 0.10	June 28, 2024
54,868	\$ 0.15	June 28, 2024
3,162,618	\$ 0.75	May 31, 2025
2,076,289	\$ 0.85	May 31, 2025
1,209,503	\$ 0.75	June 23, 2025
418,050	\$ 0.85	June 23, 2025
1,182,540	\$ 0.65	October 25, 2025
1,811,350	\$ 0.75	November 29, 2025
10,009,884		

As of March 31, 2024, the weighted-average remaining life of the outstanding warrants was 1.30 years (December 31, 2023: 1.55 years).

d) Stock options

On March 27, 2023, the Company issued a new Equity Incentive Plan (the "Plan"), to replace the previous Stock Option Plan dated February 15, 2022. Under the Plan, directors, employees and consultants are eligible to receive stock option grants, Deferred Share Units ("DSUs") and Restricted Share Rights ("RSRs").

Under the Plan, the exercise price of each stock option is determined by the Board at the time of grant and cannot be less than the price permitted by whichever stock exchange on which the common shares are listed for trading. The CSE requires that the exercise price of stock options must be equal to or greater than the discounted market price (as defined in the policies of the CSE). The Board has the discretion to determine the term (to a maximum of 5 years) and vesting provisions of any stock options granted under the Plan at the time of grant, subject to the policies of the CSE. The maximum number of stock options, DSUs and RSRs under the Plan is limited to 10% of the number of issued and outstanding common shares.

For the three months ended March 31, 2024, the Company:

The Company recognized share-based compensation expense of \$34,333, relating to the vesting of stock options granted on June 21, 2023.

For the three months ended March 31, 2023, the Company:

Pursuant to the resignation of an officer of the Company on February 23, 2023, 20,000 stock options were forfeited. During the three months ended March 31, 2023, the Company recognized share-based compensation expense of \$378, relating to the vesting of stock options granted on August 24, 2022. During this period, there was also a reversal of share-based compensation of \$598, in relation to the forfeiture of 20,000 stock options on February 23, 2023.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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9. SHARE CAPITAL (CONTINUED)d) *Stock options (continued)*

The movement in stock options during the three months ended March 31, 2024 and the year ended December 31, 2023, are summarized as follows:

	Number of stock options	Weighted-average exercise price
Balance, December 31, 2022	130,000	\$ 0.10
Granted	800,000	0.79
Exercised	(85,000)	0.10
Forfeited	(20,000)	0.10
Balance, December 31, 2023	825,000	\$ 0.77
Expired	(25,000)	0.10
Balance, March 31, 2024	800,000	\$ 0.79

The following table summarizes information about the stock options outstanding as at March 31, 2024:

Number of stock options outstanding	Number of stock options exercisable	Weighted average exercise price	Weighted average remaining life (years)
750,000	500,000	\$0.78	4.23
50,000	50,000	\$1.01	4.35
800,000	550,000	\$0.79	4.23

Fair values of the stock options granted were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	Three months ended March 31, 2024	Year ended December 31, 2023
Weighted average fair value	-	\$0.67
Risk-free interest rate	-	3.74% - 4.04%
Share price on grant date	-	\$0.82 - \$1.01
Exercise price	-	\$0.78 - \$1.01
Expected volatility	-	111%
Expected life (years)	-	5.00
Expected dividend yield	-	N/A

e) *Restricted share rights*

In accordance with the Plan (Note 9(d)), the Company has the right to grant to its directors, employees and consultants, the right to receive any number of fully paid and non-assessable RSRs as discretionary payment in consideration for past services to the Company or as an incentive for future services, as determined appropriate by the Board.

No RSRs were granted or vested during the three months ended March 31, 2024 and 2023.

RSR transactions are summarized as follows:

	Outstanding
Balance, December 31, 2022	-
Granted	320,000
Converted to common shares	(200,000)
Balance, December 31, 2023 and March 31, 2024 ⁽¹⁾	120,000

(1) As at March 31, 2024, all outstanding RSRs are fully vested.

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10. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured, and have no fixed terms of repayments.

Related party transactions with management personnel and former management personnel and companies controlled by management personnel include the following:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Management fees ⁽¹⁾	\$ 19,680	\$ 6,800
Share-based compensation ⁽²⁾	27,466	(220)
Total	\$ 47,146	\$ 6,580

(1) Management fees were paid to a Company controlled by the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the former CFO.

(2) Share-based compensation was issued to a Company controlled by the CEO and the former CFO.

Related party transactions with directors and former directors include the following:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Consulting fees ⁽¹⁾	\$ 9,000	\$ 3,581
Total	\$ 9,000	\$ 3,581

(1) Consulting fees were paid to a director of the Company.

As at March 31, 2024, \$3,150 in consulting fees (December 31, 2023 - \$3,150) was due to a director and included in accounts payable and accrued liabilities.

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, December 31, 2022	\$ -
Flow-through share premium liability at issuance	669,462
Flow-through share premium recovery	(230,571)
Balance, December 31, 2023	\$ 438,891
Flow-through share premium recovery	(11,044)
Balance, March 31, 2024	\$ 427,847

During June 2023, the Company closed two tranches of a brokered private placement, issuing 1,037,693 super flow-through ("SFT") units at a price of \$0.65 per unit for gross proceeds of \$674,500 and 3,637,333 flow-through ("FT") units at a price of \$0.60 per unit for gross proceeds of \$2,182,400. Each SFT unit and FT unit is comprised of one common share in the capital of the Company 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" and "FT Warrant", for SFT units and FT units, respectively). Each Super FT Warrant and FT Warrant entitles the holder to purchase one common share in the capital of the Company (a "Super FT Warrant Share" and "FT Warrant Share", respectively) at a price of \$0.85 per Super FT Warrant Share and FT Warrant Share, for a period of two years after the date of issuance.

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11. FLOW-THROUGH SHARE PREMIUM LIABILITY (CONTINUED)

The SFT units were issued at a premium of \$0.15 per SFT unit and the FT units were issued at a premium of \$0.10 per FT unit. The premium was determined based on the difference between the price of the SFT and FT units and the price of the Non-FT units which were issued at the same time at \$0.50 per Non-FT unit. Upon closing of the private placement, the Company recognized an aggregate flow-through share premium liability of \$519,387, representing the Company's obligation to spend the \$2,856,900 on eligible expenditures.

During November 2023, the Company closed a brokered private placement, issuing 3,335,000 FT units at a price of \$0.54 per unit for gross proceeds of \$1,800,900. The FT units were issued at a premium of \$0.045 per FT unit. The premium was determined based on the difference between the price of the FT units and the adjusted closing market value of the Company's common shares on the date of issuance, which was \$0.0495 per common share. Upon closing of the private placement, the Company recognized a flow-through share premium liability of \$150,075, representing the Company's obligation to spend the \$1,800,900 on eligible expenditures.

During the three months ended March 31, 2024, the Company incurred \$76,837 (March 31, 2023 - \$Nil) of eligible expenditures resulting in recognition of flow-through share premium recovery in the condensed interim consolidated statement of loss and comprehensive loss of \$11,044 (March 31, 2023 - \$Nil). As at March 31, 2024, the Company has a flow-through share premium liability of \$427,847 (December 31, 2023 - \$438,891). As at March 31, 2024, the Company has a remaining obligation to spend \$2,976,761 in eligible expenditures to fulfill the flow-through requirements.

12. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada and is engaged in the acquisition and potential exploration and evaluation of mineral property interests. The Company's operations are in one geographic and only one commercial segment.

The net loss for the three months ended March 31, 2024, and the total assets attributable to the geographical locations, as at March 31, 2024, relate only to operations in Canada.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents, other receivables excluding sales taxes, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents. As at December 31, 2023, the balance of cash and cash equivalents was \$2,106,673, comprised of \$1,106,673 held on deposit and \$1,000,000 held in a GIC. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash and cash equivalents.

Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by private placement financings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not hold any variable rate debt or investments in publicly traded securities as at March 31, 2024. The interest earned on cash and cash equivalents is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at March 31, 2024, the Company is not exposed to significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company closely monitors those prices to determine the appropriate course of action.

14. MANAGEMENT OF CAPITAL RISK

The Company relies upon management to manage capital in order to accomplish the objective of safeguarding the Company's ability to continue as a going concern and actively commence operations on the Nunavik Lithium Projects and maintain a capital structure which optimizes the costs of capital at an acceptable risk. The Company's current capital consists of equity funding through private issuances of common shares. As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility. There have been no changes to the Company's policies around the management of its capital requirements from the year ended December 31, 2023.

15. SUBSEQUENT EVENTS

On April 23, 2024, the Company terminated the Option Agreement for the McKinney Property (Note 7). The Company no longer has the rights or interests in the McKinney claims and notes that it owes no obligations or liabilities to the Optionor.

On April 30, 2024, Jeffrey Wilson resigned as CEO and director of the Company and DJ Bowen, a director of the Company was appointed CEO on the same date.