Eureka Announces Drill Targets Identified at Gemini

VANCOUVER, June 27, 2016 /CNW/ - Eureka Resources Inc. ("Eureka" or the "Company") (TSXV: EUK) is pleased to announce that the interpretation of recent geophysical surveys has identified conductive zones interpreted as lithium bearing brine targets at its Gemini Lithium Project ("Gemini"). Gemini is located in Esmeralda County in the western Lida Valley of south central Nevada, approximately 40 kilometres (26 miles) from North America's only producing lithium mine at Silver Peak.

Results of the Geophysical Interpretation

Time-domain electromagnetic ("TDEM") in-loop sounding data was acquired along four survey lines on the Gemini property in early 2016. Two lines were surveyed by Zonge International Inc. of Tucson, Arizona and two lines were surveyed by SJ Geophysics Ltd. of Vancouver, B.C. A total of 23.3 kilometres (15.1 miles) were surveyed in the four lines.

Ten proposed drill sites were selected based on the results of the TDEM surveys. As noted in Eureka's news release dated June 8, 2016 these proposed locations have been submitted to the United States Bureau of Land Management for their approval.

The model for lithium bearing brines at Gemini is very similar to the model in the Clayton Valley; lithium occurring in brine within horizontal to shallow dipping porous ash and/or gravel horizons. Three zones based on this model can be identified at Gemini from interpretation of the TDEM surveys: Zone 1 is along the northwest edge of the basement high; Zone 2 is perched on the top of the basement high; and Zone 3 is along the southeast edge of the basement high. All the zones are possibly bounded by cross-cutting faults.

To view a map of the 2016 TDEM survey results at Gemini, please visit: https://www.eurekaresourcesinc.com/projects/lida-valley/maps-and-figures

Michael Sweatman, President of Eureka stated, "We are pleased that the geophysical surveys have identified potential lithium bearing brine targets in the Gemini basins. We expect to drill test the extent of the interpreted brines in these zones later this summer."

Ownership of the Gemini Lithium Project

Eureka owns a 50% participating interest in Gemini with Nevada Sunrise Gold Corporation ("Nevada Sunrise") (TSXV: NEV) owning the other 50% participating interest.

The Company notes the proposed transaction announced June 20, 2016 between North South Petroleum Corp. ("North South") (TSXV:NAS.H) and Nevada Sunrise in which North South can earn a 50% participating interest in Gemini from Nevada Sunrise. North South has agreed to make exploration expenditures on behalf of Nevada Sunrise in order for Nevada Sunrise to maintain its 50% interest in the Gemini project with Eureka.

Provided that North South expends a total of CDN$1.5 million on Gemini and up to four other Nevada Sunrise lithium properties within 2 years from the closing date of the North South – Nevada Sunrise transaction and fulfils certain other cash and share payment obligations to Nevada Sunrise, Nevada Sunrise will assign its 50% interest in Gemini to North South in consideration for a 2% gross overriding royalty on the North South 50% participating interest.

Upon completion of the earn-in agreement between North South and Nevada Sunrise, Eureka will become the operator of the Gemini Lithium Project.

Options Granted

The Company has granted 900,000 stock options to directors, officers and consultants. The options entitle the holders to purchase one common share for each option held at a price of $0.10 per share for a period of 5 years. The options were granted pursuant to the Company's 10% rolling stock option plan which was approved at the Company's last Annual General Meeting.

About Eureka

FG Gold Project

Eureka has a 100% interest in the FG Project located 100 kilometres east of Williams Lake, British Columbia, Canada. The property has good summer/fall access by provincial highways and secondary roads.

The FG Gold Project ("Frasergold Project") was the subject of a National Instrument 43-101 ("NI 43-101") compliant technical report entitled "NI 43-101 Technical Report Frasergold Exploration Project", dated July 20, 2015 and amended July 27, 2015, authored by K. V. Campbell, Ph.D, P.Geo, and G. H. Giroux, MA.Sc, P.Eng., and filed on SEDAR.

Gemini Lithium Project

Eureka has a 50% participating interest in the Gemini Project located in the western Lida Valley, Nevada, USA. The Lida Valley is a flat, desert basin with a similar geological setting to the Clayton Valley basin which hosts North America's only producing lithium mine. Gemini currently consists of 247 placer claims totaling 4,940 acres (2,000 hectares).

John R. Kerr, P.Eng., is the Company's designated Qualified Person for this news release within the meaning of NI 43-101 and has reviewed and approved the technical information described in this news release.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to the Company's objectives, goals or future exploration plans at the FG Gold Project the Gemini Lithium Project, and the business and operations of the Company. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in the Company's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on *these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

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For further information: Further information on Eureka can be found on the Company's website at www.eurekaresourcesinc.com and at www.sedar.com, or by contacting Michael Sweatman, President and CEO or Bob Ferguson by email at info@eurekaresourcesinc.com or by telephone at (604) 449-2273.

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