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ASX Announcement

7 June 2023

MIA ADJACENT LITHIUM PROJECT OPTION AGREEMENT EXECUTED LOCATED IN PROSPECTIVE JAMES BAY LITHIUM DISTRICT

HIGHLIGHTS

- ✦ Executed formal Option Agreement to acquire Mia Adjacent Lithium Project in prospective lithium district of James Bay, Quebec
- *Comprises 120km² project area, adjacent to Mia-1 & 2 lithium prospects, with historically mapped pegmatites*
- ✦ Due diligence successfully completed

Discovery Alaska Limited (ASX: DAF - "Discovery Alaska" or "Company") is pleased to advise that it has entered into a formal Option Agreement ("OA") with 1Minerals Corp. ("1Minerals") to acquire a 100% interest in the Mia Adjacent Lithium Project in Quebec Province, Canada.

The Company successfully completed its due diligence and intends to commence exploration planning works to target prospective sites within the project area identified from the due diligence conducted by the Company's geological consultant, to develop a comprehensive lithium exploration program for the Project.

Discovery Alaska Director, Jerko Zuvela said ***"The Company is excited to commence exploration works at the strategic Mia Adjacent Lithium Project in the well-renowned James Bay lithium district. This is a significant opportunity to utilise our exploration and development experience to rapidly progress exploration works at the project, located within a Tier 1 jurisdiction and close to key lithium prospects."***

Mia Adjacent Lithium Project Overview

The Mia Adjacent Lithium Project comprises 235 tenement claims covering 120km² (12,112 Ha), located in the James Bay Region of Quebec, and adjacent to Q2 Metals Corp Mia and Stellar Lithium Projects.

The Project area contains consistent geology with the Mia Lithium Project area, and regionally, is part of the Yasinski Group lithology, characterized by narrow 'greenstone' volcanic and related sedimentary rocks. The 'greenstone' units and the Vieux Comptoir Granite are known to host spodumene pegmatites within the James Bay region. According to the Quebec Ministry of Energy and Natural Resources (QMERN), the project area contains historically mapped Vieux Comptoir pegmatite dykes.

The majority of the spodumene-bearing LCT-style pegmatites in the James Bay region are hosted within greenstone-belt rock types.

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The Vieux Comptoir Granitic Suite rocks are characterized by a usually pegmatitic texture, a granitic composition and the presence of biotite, muscovite, tourmaline and garnet, with local, hornblende, beryl or spodumene present.

According to data from the QMERN the project area contains historically mapped pegmatite outcrops similar to the nearby Mia Lithium Project, and further exploration has the potential to uncover a pegmatite trend. The project area remains to be assessed for the presence of lithium pegmatite.

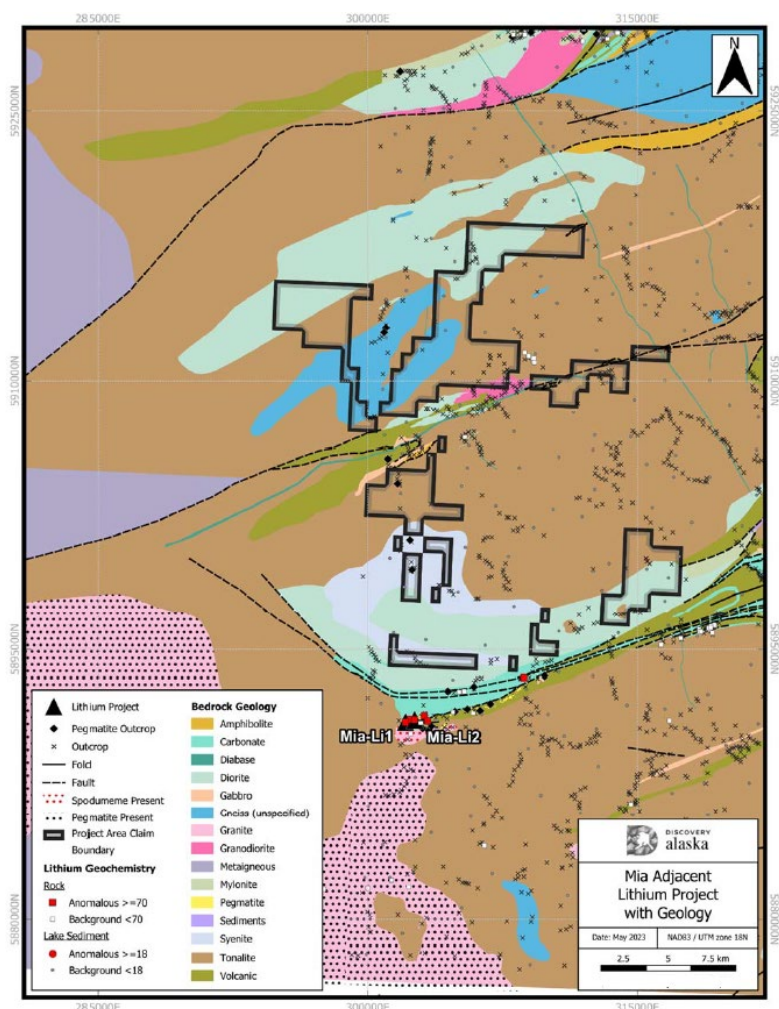


Figure 1. Location and Geology Map of Mia Adjacent Lithium Project

ACQUISITION TERMS

DAF has executed the formal Option Agreement with 1Minerals, whereby the Company, subject to meeting the conditions of the OA, will acquire a 100% interest in the Mia Adjacent Lithium Project in Quebec Province, Canada.

The material terms of the OA include:

- Upon signing the OA, a payment of C\$125,000 cash.



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- By 31 December 2023, a payment of C\$150,000 cash.
 - By 31 December 2024, a payment of C\$1,000,000 in cash and/or shares.
 - By 31 December 2025, a payment of C\$1,500,000 in cash and/or shares.
 - Award a 2% net smelter return royalty ("NSR") to 1Minerals, with a buy-back option over 1.75% (being $\frac{7}{8}$ of total NSR) by payment of C\$2,500,000 (in cash or shares at the Company's election).

The Company may withdraw from the formal OA and its interest in the Project at any time without penalty prior to completion of any future milestone payments.

During the period between signing the OA and the transfer of the Project tenement claims, the Company will have full rights to access, explore and carry out operations on the Project.

Upon completion of the total payments, DAF will acquire a 100% ownership interest in the Project, of which the project tenements will be transferred to DAF.

The OA contains terms typical to similar documents including representations and warranties, rights and obligations, and similar standard terms.

The Company intends to fund the initial payments and exploration works on the project from existing cash reserves.

As the Company's assessment of the project develops and the Company makes decisions whether to proceed or not to proceed with the project, the Company will need to raise additional funds. Those funds may be raised from existing shareholders or new investors through capital raisings or other funding arrangements. Decisions on which method to use for future fund raising will depend on the prevailing circumstances and market conditions at the time those decisions are made.

The Company advises that other than the information contained in this announcement, there is no other information that the Company deems to be material that requires disclosure under Listing Rule 3.1 at this time.

ENDS

This announcement has been authorised by the Board of Directors of Discovery Alaska Limited.

For further information:

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Reference to Previous ASX Releases:

This document refers to the following previous ASX releases:

17 April 2023 – DAF; HOA Signed for Canadian Lithium Projects



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The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Discovery Alaska confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Person's Statement

The information contained in this ASX release relating to Exploration Results has been prepared by Mr Jerko Zuvela. Mr Zuvela is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Zuvela is a Director of Discovery Alaska Ltd and consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the projects.

Forward Looking Statements: Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original or relevant market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company.

ABOUT DISCOVERY ALASKA LIMITED

Discovery Alaska Limited (ASX: DAF) is an Australian company with a 100% interest in the Chulitna Project in Alaska, USA and the exclusive right to acquire a 100% interest in the Mia Adjacent Lithium Project in Quebec Province, Canada.

The Company has an experienced board and management team with a history of exploration, operational and corporate success.

DAF leverages the team's energy, technical and commercial acumen to execute the Company's mission - to maximize shareholder value through development of our assets.