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NeonMind Signs Agreement to complete Reverse Merger with Lancaster Lithium Inc.

Oakville, Ontario – December 14, 2022: NeonMind Biosciences Inc. (CSE: NEON) (FRA:6UF0) (“NeonMind” or the “Company”) is pleased to announce that it has signed a binding letter agreement dated December 14, 2022 with Lancaster Lithium Inc. (“**Lancaster Lithium**”) whereby the parties have agreed to complete a reverse merger transaction that will result in Lancaster becoming a wholly-owned subsidiary of the Company (the “**Transaction**”).

Lancaster Lithium is a private company which is committed to powering the transition to a low carbon economy through the acquisition, exploration and development of properties that are prospective for Lithium. It has the right to acquire 100% of the Alkali Flat Lithium Project - a lithium brine exploration project located in southwestern New Mexico, USA (the “**Property**”).

Prior to the closing of the Transaction, NeonMind is obligated to complete the consolidation of shares at the ratio of one new share for every thirty existing shares (the “**Consolidation**”).

At the closing of the Transaction (the “**Closing**”) NeonMind will acquire 100% of the outstanding securities in Lancaster Lithium in exchange for the issuance of post-Consolidation NeonMind shares on a 1:1 basis. Currently Lancaster Lithium has 19,000,100 common shares issued and outstanding.

Prior to the Closing, Lancaster Lithium may complete a financing at a price of \$0.20 per unit to raise gross proceeds of up to \$1,000,000, with each unit to consist of one common share and one warrant to purchase a common share at \$0.40 per share for a period of 36 months (the “**Lancaster Financing**”). Prior to the Closing, NeonMind may complete a private placement at a price of \$0.20 per unit to raise gross proceeds of up to \$400,000 on terms similar to the Lancaster Financing. All securities issued as part of the financings will be subject to applicable resale restrictions under NI 45-102. However, upon the closing of the Transaction, the Company shares and warrants issued in exchange for the Lancaster Financing are expected to be free from resale restrictions.

The Company and Lancaster Lithium have a Chief Financial Officer and Corporate Secretary in common. Also, a director and former officer of the Company, Penny White, is a founding shareholder and the President and Chief Executive Officer of Lancaster Lithium. The Transaction may constitute a related party transaction under applicable securities laws and may require compliance with the provisions of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

The Transaction is expected to be treated as a fundamental change in accordance with the policies of the Canadian Securities Exchange (the “**CSE**”). As a result, trading in the common shares of the Company is currently halted in accordance with the policies of the CSE and will remain halted until such time as all required documentation in connection with the Transaction has been filed with and accepted by the CSE and permission to resume trading has been obtained from the CSE.

The completion of the Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to (i) the delivery by Lancaster Lithium to NeonMind of a technical report on the Property substantially in compliance with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*; (ii) NeonMind having entered into amending agreements with the holders of certain convertible debentures; (iii) the completion of the Consolidation; (iv) all NeonMind related party debt being forgiven for nominal consideration, with the exception of \$40,000, which may be converted into units; (v) NeonMind and Lancaster Lithium obtaining all required director and shareholder approvals; and (vi) the receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the authorization and consent of the CSE.

At this time, the Company and Lancaster Lithium are in the process of completing their respective due diligence investigations of the other party and anticipate entering into the long form agreement on or before January 13, 2022, with the Closing of the Transaction to occur no later than March 4, 2022. There can be no assurance that the Transaction will be completed on the terms described in the Letter Agreement or at all.

Investors are cautioned that, except as disclosed in the management information circular or listing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

The securities referenced herein have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, a person in the United States or a U.S. person (as defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and any applicable state securities laws, or compliance with an exemption therefrom. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About Lancaster Lithium Inc.

Lancaster Lithium is committed to powering the transition to a low carbon economy through the acquisition, exploration and development of properties that are prospective for Lithium. It has the exclusive option to purchase a 100% interest in and to 67 mineral claims known as the Alkali Flat Lithium Project - a lithium brine exploration project in southwestern New Mexico, USA. The property is located in Hidalgo County, 160 miles east of Tucson, Arizona and 175 miles west of El Paso, Texas via Interstate 10, which traverses through the project area. Lancaster's leadership team and advisory board include experts with extensive experience in capital markets, and in acquiring, funding and growing companies in the Energy and Resources sector.

About NeonMind Biosciences Inc.

NeonMind has been engaged in drug development of psychedelic compounds with two lead psilocybin-based drug candidates targeting obesity.

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The Canadian Securities Exchange has not reviewed, approved nor disapproved the contents of this news release.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or NeonMind's future performance. The use of any of the words "could", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on NeonMind's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, NeonMind's drug development plans, its ability to retain key personnel, and its expectation as to the development of its intellectual property and other steps in its preclinical and clinical drug development constitute forward-looking information. Actual results and developments may differ materially from those contemplated by forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. The statements made in this press release are made as of the date hereof. NeonMind disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.