

Form 51-102F3 *Material Change Report*

Item 1: Name and Address of Company

NeonMind Biosciences Inc. (the “**Company**”)
5 - 519 Dundas St. W., Suite #511
Oakville, ON L6M 5K3

Item 2: Date of Material Change

December 14, 2022

Item 3: News Release

A news release was issued and disseminated on December 14, 2022 via www.baystreet.com and www.stockwatch.com and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

The Company signed a binding letter agreement dated December 14, 2022 with Lancaster Lithium Inc. (“**Lancaster Lithium**”).

Item 5: Full Description of Material Change

On December 14, 2022, the Company signed a binding letter agreement with Lancaster Lithium to complete a reverse merger transaction to complete a reverse merger transaction that will result in Lancaster Lithium becoming a wholly-owned subsidiary of the Company (the “**Transaction**”).

Prior to the closing of the Transaction, the Company 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**”) the Company 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, the Company 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 the Company 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) the Company having entered into amending agreements with the holders of certain convertible debentures; (iii) the completion of the Consolidation; (iv) all of the Copmany’s related party debt being forgiven for nominal consideration, with the exception of \$40,000, which may be converted into units; (v) the Company 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.

The Company and Lancaster Lithium are in the process of completing 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.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Rob Tessarolo
CEO and President
Telephone: +1 (750) 710-6366

Item 9: Date of Report

December 21, 2022