

AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of March 1, 2023

BETWEEN:

TEVERA ENERGY CORP.
a British Columbia company

("Tevera")

AND:

LANCASTER LITHIUM INC.
a British Columbia company

("Lancaster")

WHEREAS:

- A. Each of the Parties is also a Party to the Merger Agreement which contemplates the Amalgamation, subject to certain conditions;
- B. Each of the Parties wishes, subject to the satisfaction or waiver of the conditions set forth in Section 7 of the Merger Agreement, to effect the Amalgamation and amalgamate and continue as one corporation under the provisions the BCBCA and in accordance with the terms hereof; and
- C. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Amalgamation.

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **Definitions.** In this Agreement:

- (a) **"Agreement"** means this amalgamation agreement and includes any and every instrument supplemental or ancillary hereto.
- (b) **"Amalco"** means the corporation resulting from the Amalgamation.
- (c) **"Amalco Share"** means a common share of Amalco.
- (d) **"Amalgamating Companies"** means Tevera and Lancaster.
- (e) **"Amalgamation"** means the amalgamation of the Amalgamating Companies under Sections 269 and following of the BCBCA upon the terms and subject to the conditions set forth in this Agreement, as contemplated by the Merger Agreement.
- (f) **"Amalgamation Application"** means the amalgamation application substantially in the form attached as Appendix A to be filed by the Amalgamating Companies with the Registrar in accordance with Section 275(1)(a) of the BCBCA.

- (g) **“Amalgamation Certificate”** means the amalgamation certificate in respect of the Amalgamation to be issued by the Registrar in accordance with Section 281 of the BCBCA.
- (h) **“Articles of Amalgamation”** means the articles of amalgamation substantially in the form attached as Appendix B.
- (i) **“BCBCA”** means the *Business Corporations Act* (British Columbia).
- (j) **“Depository”** means Endeavor Trust Corporation, the current transfer agent of both Lancaster and Tevera.
- (k) **“Dissent Rights”** means the rights of dissent in respect of the Amalgamation provided for pursuant to Section 272 of the BCBCA.
- (l) **“Dissenting Lancaster Shareholder”** means a Lancaster Shareholder who validly exercises the right of dissent available to such holder under Section 272 of the BCBCA in respect of the Lancaster Amalgamation Resolution, and becomes entitled to receive, if the Amalgamation is completed, the fair value of his, her or its Lancaster Shares, provided such Lancaster Shareholder has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights or otherwise failed to comply with the requirements of the BCBCA.
- (m) **“Dissenting Tevera Shareholder”** means a Tevera Shareholder who validly exercises the right of dissent available to such holder under Section 272 of the BCBCA in respect of the Tevera Amalgamation Resolution, and becomes entitled to receive, if the Amalgamation is completed, the fair value of his, her or its Tevera Shares, provided such Tevera Shareholder has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights or otherwise failed to comply with the requirements of the BCBCA.
- (n) **“Effective Date”** means the effective date of the Amalgamation as set forth in and indicated on the Amalgamation Certificate.
- (o) **“Effective Time”** means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as Tevera and Lancaster, each acting reasonably, may agree to in writing, such agreement to be evidenced by the filing of the Amalgamation Application with such other time.
- (p) **“Escrow Agent”** means any trust company, bank, or other financial institution as may be agreed to in writing by Tevera and Lancaster.
- (q) **“Law”** means any federal, provincial, local, municipal, state, foreign or other administrative statute, law, order, constitution, ordinance, principle of common law, regulation, rule or treaty.
- (r) **“Lien”** means any mortgage, hypothec, lien, security interest, lease, option, right of third parties or other charge or encumbrance, including the lien or retained title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.
- (s) **“Merger Agreement”** means the merger agreement dated February 15, 2023, between Tevera and Lancaster, including the recitals, schedules and exhibits thereto, as the same may be amended, modified or supplemented in accordance with its terms.

- (t) **“Lancaster Amalgamation Resolution”** means the special resolution to be considered and voted upon by the Lancaster Shareholders at the Lancaster Meeting substantially in the form and content of Schedule “C” attached to the Merger Agreement.
- (u) **“Lancaster Meeting”** means the special meeting of Lancaster Shareholders to be called to consider and, if thought fit, authorize, approve and adopt the Lancaster Amalgamation Resolution and related matters, and includes any adjournments thereof.
- (v) **“Lancaster Share”** means a common share without par value in the capital of Lancaster.
- (w) **“Lancaster Shareholders”** means the registered holders of Lancaster Shares immediately prior to the Effective Time and **“Lancaster Shareholder”** means any of the Lancaster Shareholders.
- (x) **“Other Party”** means either Lancaster in relation to Tevera, or Tevera in relation to Lancaster.
- (y) **“Party”** means a party to this Agreement and **“Parties”** means all of them, collectively.
- (z) **“Registrar”** means the Registrar of Companies under the BCBCA.
- (aa) **“Tevera Amalgamation Resolution”** means the special resolution to be considered and voted upon by the Tevera Shareholders at the Tevera Meeting substantially in the form and content of Schedule “B” attached to the Merger Agreement.
- (bb) **“Tevera Meeting”** means the special meeting of Tevera Shareholders to be called to consider and, if thought fit, authorize, approve and adopt the Tevera Amalgamation Resolution and related matters, and includes any adjournments thereof.
- (cc) **“Tevera Share”** means a common share without par value in the capital of Tevera.
- (dd) **“Tevera Shareholders”** means the registered holders of Tevera Shares immediately prior to the Effective Time and **“Tevera Shareholder”** means any of the Tevera Shareholders.

Any other capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement.

2. **Amalgamation.** Subject to the provisions of this Agreement, the Amalgamating Companies hereby agree to amalgamate effective as of the Effective Time under the provisions of the BCBCA and to continue as one company on the terms and conditions hereinafter set out.
3. **Effect of Amalgamation.** As of the Effective Time, subject to the BCBCA:
 - (a) the Amalgamation of the Amalgamating Companies and their continuance as one corporation will become effective;
 - (b) the property of each of the Amalgamating Companies will continue to be the property of Amalco;
 - (c) Amalco will continue to be liable for the obligations of each of the Amalgamating Companies;
 - (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Companies will be unaffected;

- (e) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Companies may be continued to be prosecuted by or against Amalco;
 - (f) any conviction against, or ruling, order or judgment in favour of or against, either of the Amalgamating Companies may be enforced by or against Amalco; and
 - (g) the Articles of Amalgamation will be deemed to be the articles of incorporation of Amalco and the Amalgamation Certificate will be deemed to be the certificate of incorporation of Amalco.
4. **Name.** The name of Amalco will be "LANCASTER LITHIUM INC."
 5. **Amalgamation Application and Articles.** The forms of the Amalgamation Application and of the Articles of Amalgamation will, subject to repeal, amendment, alteration or addition under the BCBCA, be in the forms set forth in Appendices A and B attached hereto, respectively.
 6. **Termination.** The board of directors of either of the Amalgamating Companies may terminate the Amalgamation and this Agreement at any time prior to the issue of the Amalgamation Certificate notwithstanding the approval by either, or both of, the Lancaster Shareholders and the Tevera Shareholders.
 7. **Modifications.** The Parties may, by resolution of their respective directors, assent to any alteration or modification of this Agreement which the Registrar or the Supreme Court of British Columbia may require or which the shareholders of the Amalgamating Companies may direct or approve pursuant to the BCBCA and all alterations or modifications so assented to will be binding upon the Parties.
 8. **Fiscal Year.** The fiscal year end of Amalco shall be March 31 of each calendar year.
 9. **Business.** There will be no restrictions on the business Amalco may carry on or on the powers it may exercise.
 10. **Registered Office.** The mailing and the delivery address of the registered office of Amalco will be at 2569 Marine Drive, West Vancouver, BC V7V1L5 until otherwise determined.
 11. **Records Office.** The mailing and the delivery address of the records office of Amalco will be at 2569 Marine Drive e, West Vancouver, BC V7V1L5 until otherwise determined.
 12. **Authorized Capital.** Amalco will be authorized to issue an unlimited number of common shares without par value which shall have the rights, privileges, restrictions and conditions, subject to repeal, amendment, alteration or addition under the BCBCA, set out in the Articles of Amalgamation. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles of Amalgamation.
 13. **Initial Directors.** The first directors of Amalco, until amended in accordance with the Articles of Amalgamation, shall be the persons whose name and address appear below:

Name

Address

Penny White

[REDACTED]

William White

[REDACTED]

Heather Williamson



Daniel Kang



Such directors shall hold office until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

14. **Officers.** The following persons will hold the offices set opposite their names and will carry out their duties until they are relieved from such offices by the board of directors of Amalco or until they sooner ceases to hold such offices:

<u>Name</u>	<u>Position</u>
Penny White	CEO
Yucai (Rick) Huang	CFO
Heather Williamson	VP, Corporate Finance, Corporate Secretary

15. **Treatment of Share Capital.** Upon the issuance of the Amalgamation Certificate at the Effective Time, the issued and unissued shares of each of the Amalgamating Companies will be exchanged for Amalco Shares as follows:

- (a) all of the unissued shares of each of the Amalgamating Companies will be cancelled;
- (b) Lancaster Shareholders (other than Dissenting Lancaster Shareholders) will receive one (1) issued, fully paid and non-assessable Amalco Share for each Lancaster Share held; and
- (c) Tevera Shareholders (other than Dissenting Tevera Shareholders) will receive one (1) issued, fully paid and non-assessable Amalco Share for each Tevera Share held.

16. **Share Certificates.** At the Effective Time:

- (a) share certificates evidencing the Lancaster Shares will cease to represent any claim upon or interest in Lancaster other than the right to receive Amalco Shares in accordance with Section 15(b);
- (b) share certificates evidencing the Tevera Shares will cease to represent any claim upon or interest in Tevera other than the right to receive Amalco Shares in accordance with Section 15(c);
- (c) Lancaster Shareholders (other than Dissenting Lancaster Shareholders) will have the right to receive Amalco Shares in accordance with Section 15(b);
- (d) Tevera Shareholders (other than Dissenting Tevera Shareholders) will have the right to receive Amalco Shares in accordance with Section 15(c);
- (e) Dissenting Lancaster Shareholders shall have the right to receive the fair value, determined in accordance with the BCBCA, of the Lancaster Shares held by them; and
- (f) Dissenting Tevera Shareholders shall have the right to receive the fair value, determined in accordance with the BCBCA, of the Tevera Shares held by them.

17. **Capital.** The amount of the capital account at the Effective Time maintained in respect of:
 - (a) the Amalco Shares issued to the Lancaster Shareholders pursuant to Section 15(b) will, to the extent permitted by law, be equal to the sum of the paid up capital (as such term is defined in the ITA) of each of the issued and outstanding Lancaster Shares immediately prior to the Amalgamation; and
 - (b) the Amalco Shares issued to the Tevera Shareholders pursuant to Section 15(b) will, to the extent permitted by law, be equal to the sum of the paid up capital (as such term is defined in the ITA) of each of the issued and outstanding Tevera Shares immediately prior to the Amalgamation.
18. **Fractional Shares.** No fractional Amalco Shares will be issued by Amalco pursuant to this Agreement. Any exchange or replacement contemplated in Section 15 that results in less than a whole number will be rounded down to the nearest whole number without any payment in lieu of any fractional share.
19. **Lost Certificates.** In the event any certificate, which immediately prior to the Effective Time represented one or more outstanding Lancaster Shares or Tevera Shares that were exchanged pursuant to this Agreement, has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate, the Amalco Shares deliverable in accordance with the terms hereof.
20. **Withholding Rights.** Amalco and the Depository will be entitled to deduct and withhold from any consideration otherwise payable to any Lancaster Shareholder or Tevera Shareholder such amounts as Amalco or the Depository determines are required or permitted to be deducted and withheld with respect to such payment under the ITA, or any provision of any other applicable tax law. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Lancaster Shareholder or Tevera Shareholder, as the case may be, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.
21. **No Liens.** Any exchange or transfer of securities pursuant to this Agreement will be free and clear of all Liens of third parties of any kind.
22. **Covenants.** Tevera and Lancaster will, on or prior to the Effective Date, jointly file with the Registrar the Amalgamation Application and the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation at the Effective Time upon and subject to the terms and conditions of this Agreement and the Merger Agreement.
23. **Dissenting Lancaster Shareholders.** Lancaster Shares held by Dissenting Lancaster Shareholders (each, a “**Dissenting Lancaster Share**”) will not be exchanged for Amalco Shares at the Effective Time in accordance with Section 15(b). Instead, on the Effective Date, each Dissenting Lancaster Shareholder will cease to have any rights as a Lancaster Shareholder other than the right to be paid the fair value in respect of the Dissenting Lancaster Shares in accordance with the provisions of Section 272 of the BCBCA. However, if a Dissenting Lancaster Shareholder withdraws or is deemed to have withdrawn the exercise of its Dissent Rights or otherwise failed to comply with the requirements of the BCBCA or if such Dissenting Lancaster Shareholder’s rights as a Lancaster Shareholder are otherwise reinstated, each Dissenting Lancaster Share held by that Dissenting Lancaster Shareholder will thereupon be deemed to have been exchanged for one (1) Amalco Share at the Effective Time in accordance with Section 15(b).

24. **Dissenting Tevera Shareholders.** Tevera Shares held by Dissenting Tevera Shareholders (each, a “**Dissenting Tevera Share**”) will not be exchanged for Amalco Shares at the Effective Time in accordance with Section 15(c). Instead, on the Effective Date, each Dissenting Tevera Shareholder will cease to have any rights as a Tevera Shareholder other than the right to be paid the fair value in respect of the Dissenting Tevera Shares in accordance with the provisions of Section 272 of the BCBCA. However, if a Dissenting Tevera Shareholder withdraws or is deemed to have withdrawn the exercise of its Dissent Rights or otherwise failed to comply with the requirements of the BCBCA or if such Dissenting Tevera Shareholder’s rights as a Tevera Shareholder are otherwise reinstated, each Dissenting Tevera Share held by that Dissenting Tevera Shareholder will thereupon be deemed to have been exchanged for one (1) Amalco Share at the Effective Time in accordance with Section 15(c).
25. **Non-Resident Shareholders.** Without limiting anything in this Agreement, Amalco will not be required to issue any share in connection with the Amalgamation to any shareholder resident in a jurisdiction other than Canada if the local securities laws of such jurisdiction would make such issuance illegal or require the preparation and filing of a prospectus, the registration of such securities or other applicable requirements and, instead of the consideration to which such shareholder is otherwise entitled under Section 15, all Amalco Shares that such shareholder would have otherwise been entitled to receive at the Effective Time in respect of its Lancaster Shares or Tevera Shares, as the case may be, will instead be delivered to the Escrow Agent. The Escrow Agent will use its best efforts to sell such Amalco Shares as soon as practicable after the Effective Date, on such dates and at such prices as the Escrow Agent may determine in its sole discretion, through one or more brokers with whom the Escrow Agent transacts business. Each such Lancaster Shareholder or Tevera Shareholder, as the case may be, will receive a pro rata share of the cash proceeds from the sale of such Amalco Shares sold by the Escrow Agent. For greater certainty, the Escrow Agent will not be liable to any party if it is unable to effect the sale of any such Amalco Shares at a particular price or at all.
26. **Notice.** Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement will be given or made in accordance with the terms of the Merger Agreement.
27. **Assignment.** Neither Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the Other Party.
28. **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns (including, for greater certainty, Amalco).
29. **Time of the Essence.** For the purposes of this Agreement time will be of the essence.
30. **Governing Law.** This Agreement will be governed by and construed in accordance with the Laws of the province of British Columbia and the federal Laws of Canada applicable therein.
31. **Entire Agreement.** This Agreement (including, for greater certainty, the Merger Agreement), constitutes the entire agreement and understanding between and among the Parties with respect to the subject matter hereof and the Amalgamation and supersedes any prior agreement, representation or understanding with respect thereto.
32. **Amendment or Waiver.** Subject to any requirements imposed by Law or by any court having jurisdiction, this Agreement may be amended, modified or superseded, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, but only by written instrument executed by the Parties. No waiver of any nature, in any one or more instances, will be deemed or construed as a further or continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

33. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is determined to be void or unenforceable in whole or in part, it will be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision will be severable from this Agreement.
34. **Counterparts and Delivery.** This Agreement may be executed in any number of counterparts, each of which will be considered the original and all of which, together, will constitute one and the same instrument. This Agreement may also be executed in original or by signature sent and received by electronic transmission and the reproduction of such signature sent and received by way of electronic transmission will be deemed as though such reproduction was an executed original thereof.
35. **Further Assurances.** Each Party agrees that it will promptly furnish to the Other Party such further documents and take or cause to be taken such further actions as may reasonably be required in order to effect this Agreement and the Amalgamation. Each Party agrees to execute and deliver such instruments and documents as the Other Party may reasonably require in order to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first written above.

TEVERA ENERGY CORP.

By: */s/ Rick Huang*

Rick Huang, CFO

LANCASTER LITHIUM INC.

By: */s/ Penny White*

Penny White, President & CEO