

## MINERAL PROPERTY OPTION AGREEMENT

THIS AGREEMENT is dated as of November 17, 2022 (the “**Execution Date**”)

BETWEEN:

**MAJUBA MINING LTD.**  
a Wyoming corporation

(the “**Optionor**”)

AND:

**LANCASTER LITHIUM INC.**  
a British Columbia, Canada corporation

(the “**Optionee**”)

WHEREAS:

- A. The Optionor is the registered, legal and beneficial owner of 67 mineral claims known as the Alkali Flat Lithium Project located near Lordsburg in Hidalgo County, New Mexico, USA and more particularly described and illustrated in Schedule “A” attached hereto (the “**Property**”); and
- B. The Optionor desires to grant the Optionee the exclusive right and option to acquire, subject to the reservation of the Royalty (as defined herein), a 100% interest in the Property and the parties desire to enter into this Agreement to provide for such right and option and other matters relating to the exploration of the Property.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein (the receipt and sufficiency of which is hereby acknowledged by each party), the parties agree as follows:

### 1. DEFINITIONS & INTERPRETATION

- 1.1 In this Agreement and in the Schedules and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:
  - (a) “**Affiliate**” means an entity or person that controls, is controlled by, or is under common control with a Party;
  - (b) “**Agreement**” means this option agreement and all schedules hereto, as the same may be amended, supplemented or modified from time to time;
  - (c) “**Area of Interest**” means the entirety of Township 23 South, Range 20 West (T23S R20W) NM Principal Meridian, located in Hidalgo County, New Mexico, USA;
  - (d) “**BLM**” means the Bureau of Land Management of the United States Department of the Interior;
  - (e) “**Business Day**” means any day other than a Saturday, a Sunday, or a day observed as a holiday in Vancouver, British Columbia;
  - (f) “**Confidential Information**” has the meaning given to that term in Section 9.1(b);

- (g) **“Defaulting Party”** has the meaning given to that term in Section 11.1;
- (h) **“Encumbrances”** means all interests, mortgages, charges, royalties, security interests, liens, encumbrances, actions, claims, demands, pledges, assignments and equities of any nature whatsoever or however arising and any rights or privileges capable of becoming any of the foregoing;
- (i) **“Environmental Laws”** means all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws, regulations, orders, directives and decisions, rendered by any ministry, department or administrative or regulatory agency relating to the protection of the environment or pollutants, contaminants, chemicals, or industrial, toxic or hazardous wastes or substances;
- (j) **“Environmental Liabilities”** means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including lawyer’s fees and costs, experts’ fees and costs, and consultants’ fees and costs) of any kind or of any nature whatsoever that: (i) are asserted against either the Optionee or any person alleging liability or responsibility (including liability or responsibility for: studies, testing or investigatory costs, clean-up costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource or environmental damage, property damage, business losses, personal injuries or illness or impairment or death, penalties or fines); or (ii) are incurred by either Party, arising out of, based upon or resulting from: (A) the presence, release, threatened release, discharge or emission into the environment of any pollutants, contaminants, chemicals or industrial, toxic or hazardous materials or substances on, in, beneath, above or from the Property and/or emanating or migrating and/or threatening to emanate or migrate from the Property (including the surface rights thereof) or any other property into the natural environment or to off-site properties (including without limitation, ambient air, ground, surface water and groundwater); (B) physical disturbance of the natural environment (including without limitation, ambient air, ground, surface water and groundwater); or (C) the violation of or non-compliance with, or the alleged violation of or non-compliance with, any Environmental Laws;
- (k) **“Exploration Expenditures”** means the aggregate amount of all direct costs, outlays and expenses reasonably spent or incurred by the Optionee as Operator in accordance with good mineral industry practice in connection with the evaluation, exploration and development of the Property;
- (l) **“Interest”** means the undivided beneficial percentage interest of a Party in the Property;
- (m) **“Interim Period”** means the period of time between the Execution Date and the earlier of the Option Exercise Date or the date on which this Agreement is terminated pursuant to Section 12;
- (n) **“Intervening Event”** has the meaning given to that term in Section 13.1;
- (o) **“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;
- (p) **“Operator”** means the Party acting as operator with respect to the Property pursuant to this Agreement;
- (q) **“Option”** has the meaning given to that term in Section 2.1;

- (r) **“Option Exercise Date”** has the meaning given to that term in Section 2.4;
- (s) **“Optionee Additional Interests”** has the meaning given to that term in Section 8.1;
- (t) **“Optionor Additional Interests”** has the meaning given to that term in Section 8.2;
- (u) **“Party”** means either of the Optionor or the Optionee and their successors and permitted assigns, and **“Parties”** means, together, the Optionor and the Optionee and their successors and permitted assigns;
- (v) **“person”** means any natural person, firm, corporation, governmental authority, joint venture, partnership, trust, association or other entity (whether or not having separate legal personality);
- (w) **“Property”** has the meaning given to that term in the recitals, including any renewals, extensions or replacements of the mineral claims comprising the Property that may be issued from time to time in whole or in part, and any other property or mineral tenure that may arise from time to time in connection therewith, including for the sake of certainty, any mineral lease or mineral grant;
- (x) **“Royalty”** means the 1.5% net production royalty to be calculated on industry-standard terms and paid by the Optionee to the Optionor from time to time;
- (y) **“Title Transfer”** has the meaning given to that term in Section 2.5; and
- (z) **“Transaction”** means the grant of the Option by the Optionor to the Optionee in accordance with the terms of this Agreement.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (aa) all references in this Agreement to Sections or other subdivisions or Schedules are to the designated Sections or other subdivisions, or Schedules of or attached to and which form a part of, this Agreement;
- (bb) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision;
- (cc) the headings are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement;
- (dd) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, an entity, the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (ee) technical terms have the meaning ascribed to such terms in NI 43-101;
- (ff) the words “written” or “in writing” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including facsimile or e-mail;
- (gg) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;

- (hh) a “day” shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included, but if a period ends on a day which is not a Business Day, the period will be deemed to expire on the next Business Day; and
- (ii) except where otherwise expressly stated, all references to “\$” or “dollars” are references to the lawful currency of the United States.

## 2. THE OPTION

- 2.1 The Optionor hereby grants to the Optionee the exclusive right and option to acquire a 100% Interest in the Property, free and clear of all Encumbrances other than the Royalty, which shall be reserved from the transfer of such Interest in accordance with the terms of this Agreement (the “**Option**”).
- 2.2 In order for the Optionee to exercise the Option and acquire a 100% Interest in the Property, free and clear of all Encumbrances other than the Royalty, the Optionee must pay an aggregate of \$2,975,000 to the Optionor as follows:
  - (jj) \$25,000 within three (3) Business Days of the Execution Date;
  - (kk) \$50,000 within 90 calendar days of the Execution Date;
  - (ll) \$150,000 on or before the second anniversary of the Execution Date;
  - (mm) \$1,000,000 on or before the third anniversary of the Execution Date; and
  - (nn) \$1,750,000 on or before the fourth anniversary of the Execution Date.
- 2.3 All payments permitted or required to be completed by the Optionee under this Agreement shall be made by way of wire transfer of immediately available funds to a bank account designated in writing by the Optionor, the particulars of which the Optionor shall provide to the Optionee on or before the Execution Date.
- 2.4 Upon the Optionee satisfying all of the obligations set out in Section 2.2 (the “**Option Exercise Date**”), the Optionee will be deemed to have exercised the Option and to have acquired, subject to the Royalty, a 100% Interest in the Property in accordance with the provisions of this Agreement.
- 2.5 On the Option Exercise Date, the Optionor shall transfer title and ownership to the Property to the Optionee or an Affiliate of the Optionee as directed by the Optionee (the “**Title Transfer**”), and the Optionor shall deliver to the Optionee duly executed transfer forms in respect of the Title Transfer as required by the BLM and under the laws of the State of New Mexico.

## 3. REPRESENTATIONS AND WARRANTIES

- 3.1 The Optionor represents and warrants to the Optionee that:
  - (oo) the Optionor is a valid and subsisting corporation duly existing under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action and proceedings and obtained all necessary approvals in respect thereof and, upon the execution and delivery of this Agreement by the Optionor, this Agreement will constitute a legal, valid and binding obligation of the Optionor enforceable against the Optionor in accordance with its terms except that:

- (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
  - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
  - (iii) a court may stay proceedings before it by virtue of equitable or statutory powers; and
  - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (pp) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflicts with, will result in a breach of or accelerate the performance required by any agreement to which the Optionor is a party;
- (qq) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of any laws applicable to the Optionor or its constating documents;
- (rr) subject to Section 3.1(e), the Optionor is, and at the time of the Title Transfer will be, the legal, registered and beneficial owner of a 100% undivided Interest in the Property free and clear of all Encumbrances, other than the Royalty, and the Optionor has the right to grant the Option and has the right to transfer its Interest in the Property to the Optionee in accordance with the terms and conditions of this Agreement;
- (ss) the Optionor has been lawfully appointed as the agent of Alexander Lueth in respect of those mineral claims comprising the Property legally and/or beneficially owned, in whole or in part, by Mr. Lueth;
- (tt) the Optionor has incurred cumulative Exploration Expenditures of no less than \$75,000 on the Property within the 36 months preceding the Execution Date excluding, for greater certainty, general and administrative expenses, land maintenance costs, staking costs, investor or public relations expenses, non-domestic flight expenses and taxes;
- (uu) to the Optionor's knowledge, there are no aboriginal rights or interests that are currently asserted in respect of the Property, but the Optionee acknowledges the uncertain and evolving status of aboriginal rights and land claims in the State of New Mexico which may affect the Property;
- (vv) the mineral claims comprising the Property are in good standing and, subject to Section 3.1(e), the Optionor has paid all fees, taxes, assessments, rentals, levies or other payments and filed all reports and returns required to be made and filed relating to the Property, all claims comprising the Property have been duly and validly located and recorded, and no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of title to the Property, nor is there any basis therefor, and no other person is entitled to acquire or purchase or enter into an agreement to acquire or purchase the Property or any portion thereof, and no person has any royalty or other interest whatsoever in production from or the profits earned from any part of the Property;
- (ww) subject to applicable laws, rules, orders and regulations, there exists full and free legal access on and over the surface of the areas comprising the Property, and there is no fact or condition which would result in the interference with or termination of such access;

- (xx) all work carried out, or caused to be carried out, on the Property by the Optionor has been carried out in compliance with all applicable laws, including Environmental Laws, and neither the Optionor, nor, to its knowledge, any person, has received any notice of any breach of any such laws, and the Optionor has no knowledge of any facts which would lead a well-informed operator in the mining industry to believe there are any Environmental Liabilities associated with the Property, and, other than as previously disclosed in writing to the Optionee, there are no environmental audits, evaluations, assessments or studies relating to the Property;
- (yy) there are no claims, actions, suits, judgments, litigation or proceedings of any nature concerning the Property, or pending or threatened against the Optionor or any other person which may defeat, impair, detrimentally affect or reduce the Optionor's right, title and interest in the Property or the interest therein to be acquired by the Optionee under this Agreement, including any matter seeking forfeiture of the Property, and the Optionor is not aware of any existing ground on which any such claim, action, suit, judgment, litigation or proceeding might be commenced with any reasonable likelihood of success;
- (zz) the Optionor has not taken any steps to terminate its existence and has not received any notice or other communication from any person indicating that there exists any situation which could result in the termination of the Optionor's existence;
- (aaa) to the Optionor's knowledge, there is no order or decree in force restraining or enjoining the grant of the Option;
- (bbb) no event of insolvency has occurred nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to the Optionor;
- (ccc) there has been no material default in any term, condition, provision or obligation to be performed under any material contract entered into by the Optionor in respect of the Property, each of which is in good standing and in full force and effect, unamended;
- (ddd) the Optionor has disclosed in writing to the Optionee all information known or which should be known to the Optionor concerning the Property which might reasonably be regarded as material to a purchaser for value of the Property;
- (eee) all of the information provided by the Optionor to the Optionee is true and correct in all material respects; and
- (fff) no person has any right under preferential, earn-in, royalty, pre-emptive or first purchase rights, options or otherwise to acquire any interest in the Property that might be triggered by virtue of this Agreement or the transactions contemplated hereby or which could affect the Optionor's Interest in the Property, and the Optionor has not granted to any person, other than the Optionee, access to, or the right to enter upon and explore or investigate the mineral potential of, the Property.

3.2 The Optionee represents and warrants to the Optionor that:

- (ggg) the Optionee is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action and proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by the Optionee, this Agreement will constitute a legal, valid and binding

obligation of the Optionee enforceable against the Optionee in accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

- (hhh) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflicts with, will result in a breach of or accelerate the performance required by any agreement to which the Optionee is a party;
- (iii) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of any laws applicable to the Optionee or its constating documents; and
- (jjj) there are no claims, actions, suits, judgments, litigation or proceedings of any nature, pending or, to the knowledge of the Optionee, threatened, against the Optionee or any of its assets, which would or may have a material adverse effect upon the Optionee after giving effect to the Option or prevent the granting of the Option, and the Optionee is not aware of any existing ground on which any such claim, action, suit, judgment, litigation or proceeding might be commenced with any reasonable likelihood of success.

- 3.3 The representations and warranties herein set out are conditions on which the Parties have relied in entering into this Agreement and each of the Parties will indemnify and save the other harmless from all losses, damages, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant or agreement made by it and contained in this Agreement. The representations and warranties set out herein shall survive for a period of two (2) years following the Execution Date.

#### **4. RELATIONSHIP OF THE PARTIES**

- 4.1 Nothing contained in this Agreement will be deemed to constitute one Party as a partner, agent or legal representative of the other Party. This Agreement will not create the relationship of a partnership among the Parties and no act done by either Party pursuant to the provisions hereof will operate to create such a relationship.

- 4.2 Except as specifically provided elsewhere in this Agreement, and in particular, Section 8:

- (kkk) each Party will be at liberty to engage, for its own account and without a duty to account to the other Party, in any other business or activity outside the Property, including the ownership and operation of any other mining claims, leases, permits and licenses, wherever located;
- (lll) neither Party will be under any fiduciary or other duty or obligation to the other Party which will prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder outside of the Property; and

(mmm) the legal doctrines of “corporate opportunity” or “business opportunity” sometimes applied to persons occupying a relationship similar to that of the Parties will not apply with respect to participation by either Party in any business activity or endeavor outside of the Property.

## **5. COVENANTS**

- 5.1 Promptly following the Execution Date, the Optionor will provide the Optionee with all documents, data, maps, books, records, surveys, section drawings, plots, assays, drilling and other exploration results, geological, geochemical and metallurgical information, authorization, contracts and agreements relating to the Property and operations conducted thereunder in the Optionor’s possession or control.
- 5.2 Promptly following the Execution Date, the Optionor will use commercially reasonable efforts to complete the staking and recording with the BLM of 69 additional mineral claims located with the Area of Interest in the name of the Optionor and at the Optionor’s sole cost and expense. Following the completion of such staking and recording, such claims shall automatically be added to the Property without any further action by either the Optionor or the Optionee.
- 5.3 In addition to the payments required under Section 2.2, the Optionee shall be required to, by the first anniversary of the Execution Date, reimburse the Optionor’s reasonable expenses, to a maximum of \$25,000, incurred in connection with the staking and recording with the BLM of approximately 75 mineral claims located within the Area of Interest in the name of the Optionor. Following the completion of such staking and recording, those claims shall automatically be added to the Property without any further action by either the Optionor or the Optionee. In connection with and as a condition precedent to such reimbursement, the Optionor shall promptly provide the Optionee with all such documents, including invoices and recording confirmations, as the Optionee may reasonably request, each in form and substance reasonably satisfactory to the Optionee.
- 5.4 The Optionor will use commercially reasonable efforts to provide the Optionee with such information in respect of the Property and/or the Optionor:
- (nnn) to enable the Optionee to develop a suitable exploration plan for the Property; and
  - (ooo) that the Optionee may reasonably require in connection with any “going public” transaction involving the Optionee.

## **6. OPERATOR**

- 6.1 During the Interim Period, the Optionee will be the Operator and will carry out and manage all technical and exploration work on the Property.
- 6.2 After the Execution Date, the Optionee shall be solely responsible for funding Exploration Expenditures until the earlier of the termination of this Agreement and the Option Exercise Date.
- 6.3 The Operator will have full authority to do everything necessary or desirable in accordance with good mining practice in connection with the day-to-day exploration, development or operation of the Property or the applicable part thereof.
- 6.4 Without limiting the generality of Section 6.3, the Operator shall have the following duties and obligations, all of which shall be at the sole cost of the Optionee:
- (ppp) to manage, direct and control all exploration, development and production operations in, on and under the Property, in a prudent and workmanlike manner, and in compliance with



all applicable laws, rules, orders and regulations of the State of New Mexico and applicable federal laws, including Environmental Laws, and to provide a healthy and safe workplace and working environment for its employees and contractors;

- (qqq) to secure, maintain and comply with all permits required to be maintained under applicable laws, rules, orders and regulations, including mineral exploration, provincial, municipal and environmental permits;
  - (rrr) to perform its duties and obligations in a manner consistent with good exploration and mining practices;
  - (sss) to maintain, with the assistance of the Optionor pursuant to Section 6.5, the Property in good standing, including the payment of all taxes and maintenance charges;
  - (ttt) to provide administrative and technical assistance and facilities necessary to support the exploration activities;
  - (uuu) to permit the Optionor or its representatives duly appointed in writing, at the Optionor's sole expense and risk, access to the Property and all data derived from carrying out work on the Property;
  - (vvv) to arrange for and maintain workers' compensation or equivalent coverage for all eligible employees engaged by the Operator in accordance with local statutory requirements; and
  - (www) to take all action and precautions reasonably necessary to protect and secure the Property.
- 6.5 In carrying out its exploration activities and incurring exploration, development and production expenses on the Property, the Operator shall maintain in good standing all mineral claims and licences and mining leases comprising the Property by the payment of all taxes and rentals and the performance of all other actions which may be necessary in that regard and to keep such mineral claims and licences and mining leases free and clear of all Encumbrances arising from the Operator's activities thereon. During the Interim Period, the Optionor shall cooperate with and provide reasonable assistance as requested by the Optionee to permit the Optionee to maintain in good standing all mineral claims and licenses and mining leases comprising the Property.
- 6.6 Notwithstanding Section 11.1, in the event the Optionee fails to perform any of its obligations under Sections 6.4 or 6.5, the Optionor shall be entitled, in its sole discretion, to perform any such obligation.
- 6.7 The Optionee shall be solely responsible for all liabilities, including Environmental Liabilities, incurred on or in respect of the Property during the term of this Agreement which are determined to be existing or incurred on the Property after the Execution Date and to be the result of activities or operations of the Optionee on or in respect of the Property after the Execution Date and the Optionee shall indemnify the Optionor and its successors and assigns from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Optionor in respect of any failure by the Optionee to at all times comply with all applicable present or future federal, provincial, state, territorial and local laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to the Optionee or the Property.
- 6.8 Unless otherwise agreed to by the Parties, the rights and obligations of the Optionor and the Optionee under this Section 6 will terminate on the Option Exercise Date.

## 7. ROYALTY

- 7.1 Upon the completion of the Title Transfer, the Optionor will reserve, retain and hold the Royalty.
- 7.2 The Optionee will have the right to purchase 100% of the Royalty from the Optionor, including, for greater certainty, any net production royalty attaching to the Optionee Additional Interests, at any time at a cost of \$1,250,000, paid in the manner set forth in Section 2.3.
- 7.3 The Optionor acknowledges and confirms that the Optionee's obligation to complete any Royalty payments to the Optionor shall be reduced by any amounts paid by the Optionee in order to exercise the Option under Section 2.2.

## 8. AREA OF INTEREST

- 8.1 Subject to Sections 5.2 and 5.3, if at any time and from time to time prior to the termination of this Agreement, the Optionor or any Affiliate of the Optionor stakes or otherwise acquires, directly or indirectly, any right to or interest in any mineral claims, licences or properties or other form of mineral interest within the Area of Interest (the "**Optionor Additional Interests**"), then the Optionor Additional Interests must be offered in writing to the Optionee for an amount equal to the Optionor's cost to stake or acquire the Optionor Additional Interests. Such offer shall outline all details, including costs, in the possession of the Optionor with respect to the nature of the Optionor Additional Interests and the known mineralization thereon. The Optionee will have a period of 14 days from the receipt of such offer to elect upon notice in writing to the Optionor to acquire the Optionor Additional Interests. If the Optionee does not so elect, then the Optionor will have no further obligation to the Optionee in respect of the Optionor Additional Interests. If so elected, the Royalty shall apply to the Optionor Additional Interests and they shall form part of the Property subject to this Agreement.
- 8.2 If at any time and from time to time prior to the termination of this Agreement, the Optionee or any Affiliate of the Optionee stakes or otherwise acquires, directly or indirectly, any right to or interest in any mineral claims, licences or properties or other form of mineral interest within the Area of Interest (the "**Optionee Additional Interests**"), then the Optionee Additional Interests must be offered in writing to the Optionor to form part of the Property subject to this Agreement. Such offer shall outline such all details, including costs, in the possession of the Optionor with respect to the nature of the Additional Interests and the known mineralization thereon. The Optionor will have a period of 14 days from the receipt of such offer to elect upon notice in writing to the Optionee to include the Optionee Additional Interests as part of the Property subject to this Agreement and, in such event, the Optionee shall hold the Optionee Additional Interests as bare trustee for the Optionor as part of the Property. If the Optionor does not so elect, then the Optionee will have no further obligation to the Optionor in respect of the Optionee Additional Interests except that the Optionee shall be required to pay the Optionor a 0.75% net production royalty in respect of the Optionee Additional Interests on terms identical to the Royalty.

## 9. SHARING OF AND CONFIDENTIAL NATURE OF INFORMATION

- 9.1 Unless required by law or a recognized stock exchange having jurisdiction, neither Party will:
- (xxx) make any public statement or issue any press release concerning the transactions contemplated herein without the consent of the other Party, which consent shall not be unreasonably withheld;
  - (yyy) use any non-public information (received in any form) regarding the other Party or its assets, businesses or affairs, which such first Party may obtain or have access to during its association with the second Party, including but not limited to any information disclosed pursuant to this Agreement (the "**Confidential Information**"), other than for the

purpose of the Transaction or as otherwise contemplated pursuant to this Agreement;  
and

(zzz) make any copies, summaries or other reproductions of any Confidential Information other than for the purpose of the Transaction or as otherwise contemplated pursuant to this Agreement.

- 9.2 Except with the prior written consent of the other Party, each Party and its respective representatives will hold all Confidential Information of the other Party in strict confidence, except such information and documents that are available to the public without breach of the confidentiality obligations set out herein or as are required to be disclosed by applicable law. Each Party will comply with any reasonable directives that the other Party may make to ensure the safeguarding or confidentiality of the other Party's Confidential Information.
- 9.3 If this Agreement is terminated prior to the Option Exercise Date, each Party will return, or at the other Party's option, destroy, all Confidential Information, whether in written, electronic or other form, to the Party originally delivering the Confidential Information.
- 9.4 Notwithstanding Section 9.1(a), the Party making any disclosure (including, where practicable, any disclosure required by law or a recognized stock exchange having jurisdiction) will consult with the other Party prior to making any statement or press release and the Parties will use all reasonable efforts, acting expeditiously and in good faith, to agree upon a text for such statement or release which is satisfactory to each of them within two (2) Business Days. If the Parties fail to agree upon such text, the Party making the disclosure will make only such public statement or release as its legal counsel advises in writing is legally required to be made or is otherwise reasonable in the circumstances.
- 9.5 Neither Party will provide this Agreement to any third party or use this Agreement for any purpose other than the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction (in which case the Party being compelled to disclose such information shall to the extent practical give the other Party an opportunity to review and provide reasonable comments on the disclosure) or with the written consent of the other Party, such consent not to be unreasonably withheld.
- 9.6 Consent to the disclosure of information pursuant to this Section 9 will not be unreasonably withheld where a Party wishes to disclose any such information to a third party for the purpose of arranging financing, entering into a corporate transaction or for the purpose of selling its Interest or its rights as contemplated in this Agreement, provided that such third party first enters into a written agreement with the other Party that any such information not theretofore publicly disclosed will be kept confidential and not disclosed to others, on terms satisfactory to the other Party, acting reasonably.

## 10. NOTICES

- 10.1 Any notice, direction or other communication required or permitted to be given under this Agreement must be in writing and may be given by personal delivery, by prepaid registered or certified mail, or by e-mail or other similar form of electronic communication, in each case addressed as follows:

(aaaa) If to the Optionor at:

████████████████████  
████████████████████

Attention: John R. (Jack) Shelburne, President  
Email: [REDACTED]

With a copy to:

Attention: Rodney Blakestad  
Email: [REDACTED]

(bbbb) If to the Optionee at:

2569 Marine Drive  
West Vancouver, BC V7V 1L5

Attention: Penny White, CEO  
Email: info@lancasterlithium.com

10.2 Any notice, direction or other communication will:

(cccc) if personally delivered, be deemed to have been received on the day it was delivered;

(dddd) if mailed, be deemed to have been received on the third Business Day following the day it was so sent; and

(eeee) if sent by e-mail or other similar form of electronic communication, be deemed to have been received on the Business Day following the day it was so sent.

10.3 Either Party may at any time give notice to the other Party in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

## 11. DEFAULT

11.1 Notwithstanding anything in this Agreement to the contrary, except for the obligations of the Optionee set forth in Section 2, which shall not require a notice of default, if either Party (a "**Defaulting Party**") is in default of any requirement herein set forth, the other Party will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement, unless within 30 days after the giving of the first notice of default by the other Party the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance and if the Defaulting Party fails, within such 30-day period, to take reasonable steps to cure any such default, the other Party will be entitled to seek any remedy it may have on account of such default including terminating this Agreement in accordance with Section 12.1 and/or seeking the remedies of specific performance, injunction or damages.

## 12. TERMINATION

12.1 Other than the provisions of this Agreement which explicitly survive termination, this Agreement will terminate upon the occurrence of the earliest of:

(ffff) the written agreement by the Parties to terminate;

(gggg) the Option being exercised in accordance with the terms of this Agreement;

(hhhh) the Optionee failing to exercise the Option in accordance with the terms of this Agreement;

- (iii) notice being provided to the Defaulting Party by the other Party if the Defaulting Party fails to take reasonable steps to cure the applicable default within the 30-day period referenced in Section 11.1;
- (jjjj) if the Optionee becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, seeks protection or relief under the *Companies' Creditors Arrangement Act* (Canada) or under any applicable bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal, consents to or acquiesces in the appointment of a trustee, receiver and manager, interim receiver, custodian or other person with similar powers of itself or of all or any substantial portion of its assets;
- (kkkk) if the Optionor becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, seeks protection or relief under any applicable bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal, consents to or acquiesces in the appointment of a trustee, receiver and manager, interim receiver, custodian or other person with similar powers of itself or of all or any substantial portion of its assets; and
- (llll) a material failure of either Party to comply with applicable federal, provincial, state, municipal or local laws, statutes, ordinances, by-laws or regulations, or any orders, directives or decisions rendered by any ministry, department or administrative or regulatory agency with respect to the Property, which failure is not cured or rectified within any applicable grace or cure period granted under such laws or by such authority.

Upon any termination of this Agreement prior to the exercise of the Option by the Optionee, the Option shall expire and except as otherwise explicitly provided for herein, this Agreement shall be of no further force and effect and the Optionee shall have no further Interest in the Property.

12.2 Sections 3.3, 6.7, 9, 10, 12.3, 12.4 and 14.8 will survive the termination of this Agreement.

12.3 Upon the termination of this Agreement for any reason other than through the exercise of the Option, the Optionee shall:

- (mmmm) leave the Property:
  - (i) in good standing under all applicable legislation for at least 12 months from the date of termination with respect to sufficient exploration work having been performed (or requisite maintenance fees having been paid to the relevant governmental authorities in lieu thereof);
  - (ii) free and clear of all Encumbrances arising from its activities; and
  - (iii) in a condition that is in compliance with all Environmental Laws and all rules and orders of governmental authorities with respect to the reclamation and rehabilitation of all disruption resulting from the Optionee's use and occupation of the Property; and
- (nnnn) deliver at no cost to the Optionor within 45 days of such termination a copy of all reports, maps, assay results and other relevant technical data compiled by or in the possession of the Optionee with respect to the Property and not yet furnished to the Optionor.

12.4 If either the Option and/or this Agreement is terminated, the Optionor shall be entitled to retain the benefit of any Exploration Expenditures incurred on, in or under or about or in respect of the Property by the Optionee or its agents prior to the date of termination.

### 13. FORCE MAJEURE

- 13.1 Except for the obligations of the Optionee set forth in Section 2, the obligations of a Party shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God; laws, instructions or requests of any government, governmental entity, regulatory authority or stock exchange; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private licence, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of Environmental Laws; action or inaction by any federal, provincial, state or local agency that delays or prevents the issuance or granting of any approval or authorization required to conduct operations beyond the reasonable expectations of the Party seeking the approval or authorization; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot; civil strife, terrorism, insurrection or rebellion; fire, explosion, earthquake; epidemics and pandemics, including COVID-19; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; actions by native rights groups, environmental groups, or other similar special interest groups; or any other cause whether similar or dissimilar to the foregoing (an "**Intervening Event**").
- 13.2 A Party relying on the provisions of Section 13.1 will promptly give written notice to the other Party of the particulars of the Intervening Event and all applicable time limits imposed by this Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from an Intervening Event.
- 13.3 A Party relying on the provisions of Section 13.1 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as commercially practical, but nothing herein will require such Party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion commercially impracticable. A Party relying on the provisions of Section 13.1 will give written notice to the other Party as soon as such Intervening Event ceases to exist.

### 14. GENERAL

- 14.1 The Parties will execute such further and other documents and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Agreement.
- 14.2 Time is of the essence in the performance of this Agreement.
- 14.3 The Optionor may not assign the Property or this Agreement, or any rights or interests thereunder, to any person without the prior written consent of the Optionee. Provided that the Optionee gives the Optionor not less than 10 Business Days' notice thereof, the Optionee may assign this Agreement or any rights thereunder to any person without the prior written consent of the Optionor.
- 14.4 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

- 14.5 All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with the Transaction shall be paid and borne by the Party incurring such costs and expenses whether or not the Option is exercised.
- 14.6 This Agreement (including the Schedules hereto) constitutes the entire agreement between the Parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise between the Parties with respect to the subject matter herein including, for greater certainty, the Letter of Intent. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.
- 14.7 If any part of this Agreement is declared or held invalid for any reason, such invalidity will not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been signed without the invalid portion and the intention of the parties is that this Agreement would have been signed without reference to any portion which may, for any reason, be declared or held invalid.
- 14.8 This Agreement will be governed by and construed according to the laws of the State of Nevada.
- 14.9 This Agreement may only be amended by the written agreement of the Parties.
- 14.10 Each of the Parties acknowledges that it has carefully read and considered and fully understands the provisions of this Agreement and, having done so, agrees that the provisions set forth in this Agreement are fair and reasonable. Each Party further acknowledges that it has had an opportunity to obtain independent advice in respect of the contents of this Agreement and it has either obtained such independent advice or waives all further rights in this respect.
- 14.11 This Agreement may be executed and delivered electronically and in one or more counterparts, each of which shall be deemed to be an original but each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Execution Date.

**MAJUBA MINING LTD.**

**LANCASTER LITHIUM INC.**

By:

By:

*/s/ "John R. (Jack) Shelburne"*

*/s/ "Penny White"*

\_\_\_\_\_  
John R. (Jack) Shelburne, President

\_\_\_\_\_  
Penny White, CEO

**SCHEDULE "A"****THE PROPERTY**Claim Summary

<b>BLM Serial Number</b>	<b>Claim Name</b>	<b>Date of Location</b>	<b>Next Payment Due Date</b>	<b>Name of Claimant</b>
NM105788152	15101	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788153	15102	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788154	15103	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788155	15104	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788156	15201	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788157	15202	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788158	15203	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788159	15204	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788160	15301	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788161	15302	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788162	15303	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788163	15304	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788164	15401	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788165	15402	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788166	15403	9/6/2022	9/1/2023	Majuba Mining Ltd.



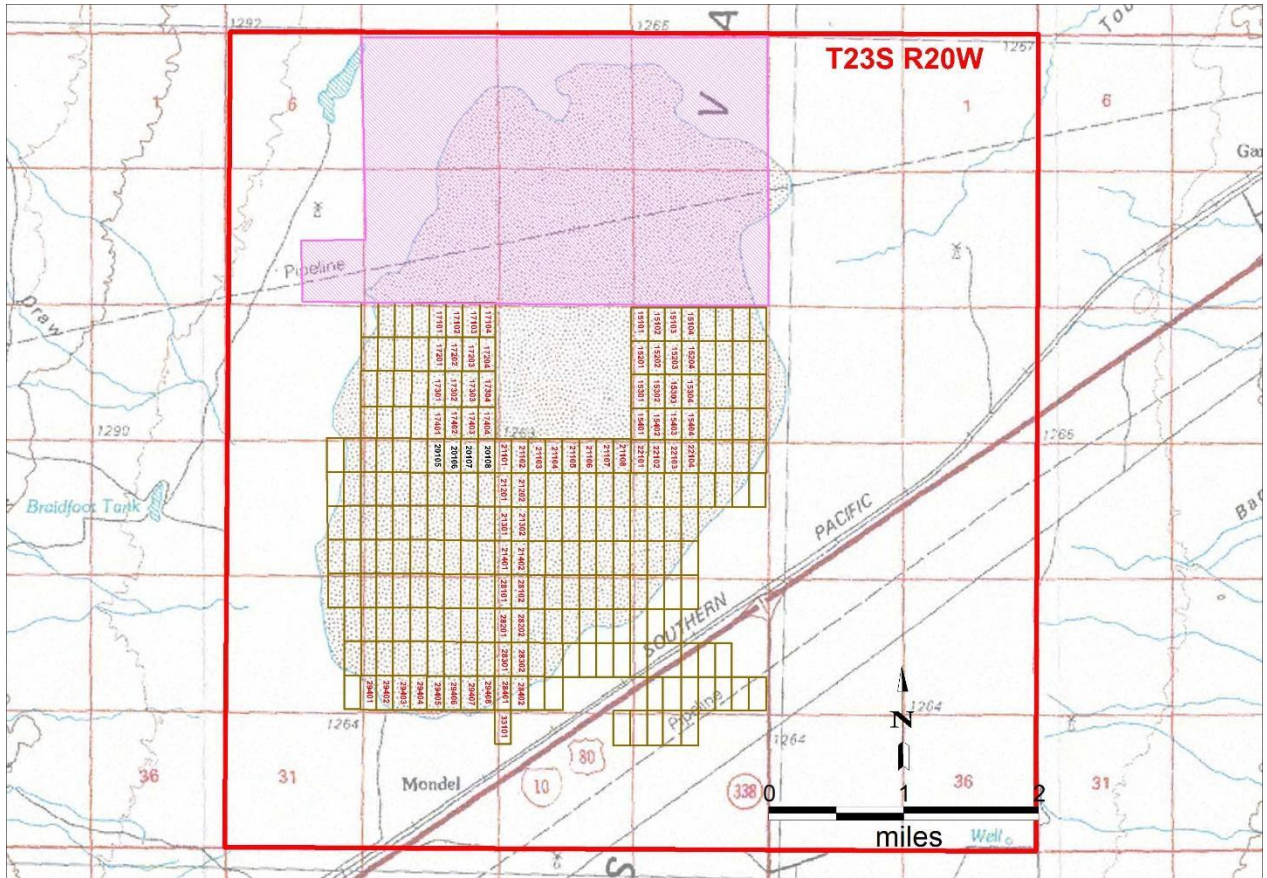
<b>BLM Serial Number</b>	<b>Claim Name</b>	<b>Date of Location</b>	<b>Next Payment Due Date</b>	<b>Name of Claimant</b>
NM105788167	15404	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788168	17101	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788169	17102	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788170	17103	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788171	17104	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788172	17201	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788173	17202	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788174	17203	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788175	17204	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788176	17301	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788177	17302	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788178	17303	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788179	17304	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788180	17401	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788181	17402	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788182	17403	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788183	17404	9/6/2022	9/1/2023	Majuba Mining Ltd.

<b>BLM Serial Number</b>	<b>Claim Name</b>	<b>Date of Location</b>	<b>Next Payment Due Date</b>	<b>Name of Claimant</b>
NM105297558	21102	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297559	21103	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297561	21104	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297561	21105	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297562	21106	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297563	21107	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297564	21108	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297565	21401	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297566	21302	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297567	21301	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297568	21202	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297569	21201	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297570	21401	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.

<b>BLM Serial Number</b>	<b>Claim Name</b>	<b>Date of Location</b>	<b>Next Payment Due Date</b>	<b>Name of Claimant</b>
NM105297571	21402	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105788184	22101	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788185	22102	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788186	22103	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105788187	22104	9/6/2022	9/1/2023	Majuba Mining Ltd.
NM105297550	28402	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297551	28302	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297552	28301	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297553	28401	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297554	28201	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297555	28202	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297556	28102	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297557	28101	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297541	29403	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.

<b>BLM Serial Number</b>	<b>Claim Name</b>	<b>Date of Location</b>	<b>Next Payment Due Date</b>	<b>Name of Claimant</b>
NM105297542	29402	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297543	29401	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297544	29404	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297545	29405	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297546	29406	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297547	29407	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297548	29408	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.
NM105297549	33101	1/26/2022	9/1/2023	Alexander Lueth & Majuba Mining Ltd.

Claim Map





Powering the transition  
to a low-carbon economy

November 17, 2022

***Via Email***

Majuba Mining Ltd.  
[REDACTED]  
[REDACTED]

Rodney Blakestad  
[REDACTED]  
[REDACTED]

Attention: John R. (Jack) Shelburne, President

Dear Sirs:

**Re: Mineral Property Option Agreement between Majuba Mining Ltd. (the "Optionor") and Lancaster Lithium Inc. (the "Optionee") dated November 17, 2022 (the "Option Agreement")**

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This document constitutes a side letter between the Optionor, the Optionee and Rodney Blakestad ("**Blakestad**") in respect of certain matters intended to be covered in the Option Agreement that have been omitted. The purpose of this side letter is to provide further assurances to the Optionee that Blakestad is prepared to:

- (a) promptly upon the written request of the Optionee, use commercially reasonable efforts to transfer four (4) mineral claims located within the Area of Interest and currently held in the name of Alexander Lueth and Blakestad, into the name of the Optionor; and
- (b) permit the Optionee to use Blakestad's name and biographical information in the Optionee's marketing materials during the term of the Option.

Following the completion of the transfers described in item (a), above, the claims shall automatically be added to the Property without any further action by either the Optionor or the Optionee.

Blakestad hereby covenants and agrees to execute and deliver such agreements and other documents and do such acts and things as the Optionee may reasonably request in order to evidence the foregoing commitments, including, for greater certainty, promptly reviewing and, as necessary, approving any marketing materials that include information regarding Blakestad.

Nothing in this side letter constitutes an admission of any liability or obligation of the Optionor, the Optionee or Blakestad to any third party or shall confer on or give to any third party any remedy, claim, liability, reimbursement, cause of action, or other right.

Upon its acceptance by the Optionor and Blakestad, this side letter will constitute a legally binding agreement between the parties and a commitment or binding obligation on the part of Blakestad.

Capitalized terms used but not otherwise defined in this side letter shall have the meanings attributed to such terms in the Option Agreement.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

Yours truly,

**LANCASTER LITHIUM INC.**

By:

*/s/ Penny White*

\_\_\_\_\_  
Penny White, CEO

Accepted November 17, 2022 by:

**MAJUBA MINING LTD.**

Per:

*/s/ John R. (Jack) Shelburne*

\_\_\_\_\_  
John R. (Jack) Shelburne, President

*/s/ Rodney Blakestad*

\_\_\_\_\_  
RODNEY BLAKESTAD