Lancaster Lithium Inc.

(formerly Lancaster Minerals Inc.)

Consolidated Financial Statements

For the Years Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lancaster Lithium Inc. (formerly Lancaster Minerals Inc.)

Opinion

We have audited the consolidated financial statements of Lancaster Lithium Inc. (formerly Lancaster Minerals Inc.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of operations and comprehensive loss, changes in shareholder's equity, and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had no revenues incurred a net loss from continuing operations of $3,102,187, and used cash of $608,971 for continuing operations during the year ended March 31, 2023 and, as of that date, the Company had an accumulated deficit of $3,751,706. These events or conditions, along with other matters as set forth in Note 1 of the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

In addition to the matter described in the "Material Uncertainty Related to Going Concern" section of the independent auditor's report, we have determined the following matter described below to be a key audit matter to be communicated in our independent auditor's report:

Acquisition of Tevera Energy

Description of the matter

As noted in Note 15 of the notes to the consolidated financial statements, the Company acquired and completed an amalgamation of Tevera Energy ("Tevera") on March 9, 2023 in exchange for common shares, units comprising of common shares and share purchase warrants, and stock options.

Why the matter is a key audit matter

As part of the acquisition, the determination of the fair value of consideration issued to acquire Tevera requires management judgment with respect to certain inputs and assumptions relating to share-based compensation including fair value of warrants, broker warrants, and stock options. Furthermore, management judgment was used to determine the accounting treatment of the acquisition and whether or not it met the conditions of a business combination under IFRS 3.

How the matter was addressed in the audit

The audit procedures that were performed on the key audit matter included, but was not limited to, the following:

- verified the assessment made by management with respect to the accounting treatment of the acquisition based on the terms and conditions of the signed purchase agreement and other documents, including the notice of amalgamation;
- assessed the approach in identifying the assets acquired and liabilities assumed at the acquisition date, based on the signed purchase agreement and the accounting records of Tevera;
- obtained audit support, through vouching and verification, of the fair value of the net assets and liabilities acquired on the acquisition date, as part of the purchase price allocation; and
- independent recalculation of the fair value of share-based compensation issued as part of the consideration for the acquisition, including support for the inputs used in the fair value calculations.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Henry Chow.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 4, 2023

Lancaster Lithium Inc.
(formerly Lancaster Minerals Inc.)
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	March 31, 2023	March 31, 2022
	$	$
Assets:		
Current assets		
Cash and cash equivalents	591,599	289,452
Marketable securities (Note 3)	25,000	114,286
Amounts receivable	64,790	12,371
Prepaid expenses and deposits (Note 4 and 6)	169,632	69,723
Due from related party (Note 6)	65,000	–
Total current assets	916,021	485,832
Non-current assets		
Exploration and evaluation assets (Note 5)	246,130	–
Total assets	1,162,151	485,832
Liabilities:		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	108,767	34,798
Total current liabilities	108,767	34,798
Shareholders' equity:		
Share capital (Note 7)	3,275,881	900,723
Subscriptions received (Note 7)	70,000	–
Share-based equity reserves (Notes 8 and 9)	1,459,209	199,330
Deficit	(3,751,706)	(649,019)
Total shareholders' equity	1,053,384	451,034
Total liabilities and shareholders' equity	1,162,151	485,832

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 16)

Approved and authorized for issuance on behalf of the Board of Directors on August 4, 2023:

/s/ "Daniel Kang"
Director

/s/ "Penny White"
Director

(The accompanying notes are an integral part of these consolidated financial statements)

Lancaster Lithium Inc.
(formerly Lancaster Minerals Inc.)
Consolidated Statements of Operations and Comprehensive Loss
Expressed in Canadian Dollars

	Year ended March 31, 2023 $	2022 $
Expenses:		
Consulting fees (Note 6)	115,925	123,100
Marketing, publicity, and digital media (Note 6)	22,635	38,792
Office and administrative (Note 6)	88,010	6,983
Professional fees (Note 6)	103,982	25,782
Research and development	29,775	–
Share-based compensation (Notes 6 and 9)	320,143	135,052
Transfer agent and filing fees	8,020	–
Wages (Note 6)	235,496	67,784
Total expenses	923,986	397,493
Net loss before other items	(923,986)	(397,493)
Other items		
Interest income	1,274	3,230
Loss on acquisition of Tevera (Note 15)	(2,088,339)	–
Unrealized loss on marketable securities (Note 3)	(89,286)	(85,714)
Write-off of rent deposit	(1,850)	–
Total other items	(2,178,201)	(82,484)
Net loss from continuing operations	(3,102,187)	(479,977)
Net loss from discontinued operations (Note 13)	(500)	(148,498)
Net loss and comprehensive loss	(3,102,687)	(628,475)
Loss per share, basic and diluted:		
Continuing operations	(0.15)	(0.04)
Discontinued operations	(0.00)	(0.01)
Weighted average shares outstanding	20,328,095	13,852,155

(The accompanying notes are an integral part of these consolidated financial statements)

Lancaster Lithium Inc.
(formerly Lancaster Minerals Inc.)
Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Share capital		Subscription Received	Share-based equity reserves	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$	$
Balance, March 31, 2021	100	1	–	–	(20,544)	(20,543)
Units issued for cash	6,000,000	900,000	–	–	–	900,000
Share issuance costs	–	(154,278)	–	64,278	–	(90,000)
Shares issued for cash	6,000,000	120,000	–	–	–	120,000
Shares issued for debt settlement	7,000,000	35,000	–	–	–	35,000
Fair value of stock options granted	–	–	–	135,052	–	135,052
Net loss for the year	–	–	–	–	(628,475)	(628,475)
Balance, March 31, 2022	19,000,100	900,723	–	199,330	(649,019)	451,034
Units issued for cash	1,975,000	395,000	–	–	–	395,000
Share issuance costs	–	(44,345)	–	19,945	–	(24,400)
Acquisition of Tevera	18,321,761	2,124,503	(39,375)	919,791	–	3,004,919
Debt applied to subscription receivable	–	–	39,375	–	–	39,375
Subscription received in advance	–	–	70,000	–	–	70,000
Cancellation of shares	(500,000)	(100,000)	–	–	–	(100,000)
Fair value of stock options vested	–	–	–	320,143	–	320,143
Net loss for the year	–	–	–	–	(3,102,687)	(3,102,687)
Balance, March 31, 2023	38,796,861	3,275,881	70,000	1,459,209	(3,751,706)	1,053,384

(The accompanying notes are an integral part of these consolidated financial statements)

Lancaster Lithium Inc.
(formerly Lancaster Minerals Inc.)
Consolidated Statements of Cashflows
Expressed in Canadian Dollars

	Year ended March 31, 2023 $	2022 $
Operating activities:		
Net loss from continuing operations	(3,102,187)	(479,977)
Items not involving cash:		
Share-based compensation	320,143	135,052
Loss on acquisition of Tevera	2,088,339	–
Unrealized loss on marketable securities	89,286	85,714
Changes in non-cash working capital		
Amounts receivable	(17,988)	(12,371)
Prepaid expenses and deposits	(90,658)	(69,723)
Accounts payable and accrued liabilities	104,094	49,021
Net cash used in operating activities – continuing operations	(608,971)	(292,284)
Net cash used in operating activities – discontinued operations	(500)	(148,498)
Investing activities		
Cash received on acquisition of Tevera	99,273	–
Loans to related party	(65,000)	–
Acquisition of exploration and evaluation asset	(137,030)	–
Exploration and evaluation expenditures	(109,100)	–
Purchase of marketable securities	–	(200,000)
Advance for promissory note receivable	–	(200,000)
Proceeds from repayment of promissory note receivable	–	200,000
Net cash used in investing activities	(211,857)	(200,000)
Financing activities		
Proceeds from Tevera	682,875	–
Proceeds from issuance of units	395,000	900,000
Proceeds from issuance of shares	–	120,000
Share issuance costs	(24,400)	(90,000)
Subscription received	70,000	–
Net cash provided by financing activities	1,123,475	930,000
Change in cash and cash equivalents	302,147	289,218
Cash and cash equivalents, beginning of the year	289,452	234
Cash and cash equivalents, end of the year	591,599	289,452

Supplement cash flow disclosure (Note 10)

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Continuance of Business

Lancaster Lithium Inc. ("Lancaster" or the "Company") was incorporated under the laws of the province of British Columbia, Canada, on July 12, 2019 under the name Mad Hatter Medical Labs Inc. On October 19, 2021, the Company changed its name to The Mylk Cart Corporation. On August 10, 2022, the Company changed its name to Lancaster Minerals Inc. On November 15, 2022, the Company changed its name to Lancaster Lithium Inc. The Company's principal business is the exploration of energy transition minerals to take advantage of the global shift towards decarbonization and electrification. Its goal is to identify, acquire, explore, and develop high-quality mineral-rich properties, integrating sustainable energy sources and innovative technologies for climate-positive resource production.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company had no revenues, incurred a net loss of $3,102,687, and used cash of $608,971 for continuing operations during the year ended March 31, 2023. As at March 31, 2023, the Company has an accumulated deficit of $3,751,706. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. The impact of those adjustments to the consolidated financial statements could be material.

2. Significant Accounting Policies

<u>Statement of Compliance</u>

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

<u>Basis of Presentation</u>

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 1371432 B.C. Ltd and 1385122 BC Ltd. All intercompany balances and transactions have been eliminated on consolidation. On February 15, 2023, the Company entered into a merger agreement with Tevera Energy Corp. ("Tevera"), which was completed on March 9, 2023 culminating with the amalgamation of Tevera and the Company. Refer to Note 15.

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

2. Significant Accounting Policies (continued)

Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the carrying value of marketable securities, recoverability of exploration and evaluation assets, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements include:

- the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the end of the reporting period;
- the determination of whether a set of assets acquired, and liabilities assumed in an acquisition constitutes a business may require the Company to make certain judgments, considering all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of Tevera, as described in Note 15, did not constitute a business, and was accounted for as an asset acquisition transaction; and
- judgment in determining whether it is likely that the future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

Marketable Securities

Marketable securities consist of common shares of a publicly-traded company. The fair value of common shares has been determined by reference to public price quotations in an active market. The investment in common shares is a financial instrument under IFRS 9 and is classified as fair value through profit or loss, with unrealized gains and losses recorded in the consolidated statement of operations.

2. Significant Accounting Policies (continued)

Loss Per Share

Basic loss per common share is computed by dividing their respective net income (loss) by the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share, where all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the basic and diluted loss per share is considered anti-dilutive. As at March 31, 2023, the Company had 20,356,593 (2022 – 9,352,000) potentially dilutive shares outstanding.

Comprehensive Loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. For the years ended March 31, 2023 and 2022, the Company did not have any items impacting comprehensive loss.

Business Combinations

The Company evaluates acquisitions to determine whether it is a business combination or an asset acquisition. The Company accounts for business combinations under the acquisition method of accounting. The Company includes the results of operations of acquired businesses in its consolidated financial statements as of the respective dates of acquisition. The purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date, with the excess recorded to goodwill.

The determination of fair value requires considerable judgment and is sensitive to changes in the underlying assumptions. The Company's estimates are preliminary and subject to adjustment, which may result in material changes to the final valuation. During the measurement period, which will not exceed one year from closing, the Company may continue to obtain information to assist in finalizing the acquisition date fair values. Any qualifying changes to the preliminary estimates will be recorded as adjustments to the respective assets and liabilities, with any residual amounts allocated to goodwill. Acquisition costs are expensed as incurred, unless they qualify to be treated as debt issue costs, or as cost of issuing equity securities.

Asset acquisitions are accounted for using a cost accumulation model, with the cost of the acquisition allocated to the acquired assets based on their relative fair values. Goodwill is not recognized in an asset acquisition.

2. Significant Accounting Policies (continued)

Financial Instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit and loss ("FVTPL").

The following is the Company's accounting policy for financial instruments under IFRS 9:

Financial instrument	Classification under IFRS 9
Cash	Amortized cost
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due from and to related parties	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Subsequent to initial recognition, financial liabilities are measured at amortized cost unless designated as fair value through profit or loss.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge.

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statements of operations, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial Liabilities

Financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Exploration and Evaluation Expenditures

Exploration expenditures excluding acquisition costs and claim maintenance costs are expensed until the establishment of the legal right to explore has been acquired. Costs incurred relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing are capitalized and deferred until the project to which they relate is sold, abandoned, impaired, or placed into production.

The Company assesses its exploration and evaluation assets for indications of impairment on each balance sheet date and when events and circumstances indicate a risk of impairment. A property is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted. Exploration and evaluation assets are tested for impairment immediately prior to reclassification to mineral property development costs.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of operations.

2. Significant Accounting Policies (continued)

Exploration and Evaluation Expenditures (continued)

Impairment of exploration and evaluation assets (continued)

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired, or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of operations.

Reclamation and remediation provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in exploration and evaluation assets. These costs are depleted using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, changes in interest rates, and as new information concerning the Company’s closure and reclamation obligations becomes available.

2. Significant Accounting Policies (continued)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based Payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The grant date fair value of share options granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the share options. The amount recognized as an expense is adjusted to reflect the number of share options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of share options that do meet the related service and non-market performance conditions at the vesting date. For share options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only if it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority. Management has determined that the Company shall not recognize any deferred income tax assets due to the early stage of the business and the uncertainty regarding the future of the ability to generate income.

Expressed in Canadian Dollars

2. Significant Accounting Policies (continued)

Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted. Management has assessed that there are no future accounting pronouncements that are expected to have a material impact on the Company in the current or future reporting periods.

3. Marketable Securities

During the year ended March 31, 2022, the Company acquired 142,857 common shares of Komo Plant Based Foods Inc. ("KPBF"), a company traded on the Canadian Stock Exchange, for $200,000. As at March 31, 2023 and 2022, the Company holds 142,857 common shares of KPBF. During the year ended March 31, 2023, the Company recorded an unrealized loss of $89,286 (2022 - $85,714) based on the market price adjustment of the KPBF common shares.

	March 31, 2021 fair value	Additions	Unrealized loss	March 31, 2022 fair value	Unrealized loss	March 31, 2023 fair value
	$	$	$	$	$	$
KPBF Shares	–	200,000	(85,714)	114,286	(89,286)	25,000

4. Prepaid Expenses and Deposits

	March 31, 2023	March 31, 2022
	$	$
Prepaid services	129,766	3,800
Deposits (Note 6)	39,866	65,923
	169,632	69,723

Expressed in Canadian Dollars

5. Exploration and Evaluation Assets

	Alkali Flat Lithium Project
	$
Acquisition costs:	
Balance, March 31, 2021 and 2022	–
Acquisition of property	137,030
Balance, March 31, 2023	137,030
Exploration costs:	
Balance, March 31, 2021 and 2022	–
Geological	24,035
Geophysical	61,678
Mapping and analysis	6,437
Technical reports	16,950
Balance, March 31, 2023	109,100
Carrying values:	
March 31, 2022	–
March 31, 2023	246,130

On November 17, 2022, the Company entered into an option purchase agreement (the "Option Agreement") with Majuba Mining Ltd. ("Majuba"), pursuant to which the Company was granted the exclusive right and option to acquire, subject to the reservation of 1.5% net production royalty, a 100% interest in the Alkali Flat Lithium Project located near Lordsburg in Hidalgo County, New Mexico. To earn its interest in the Option Agreement, the Company must pay an aggregate of US$2,975,000 to Majuba as follows:

- US$25,000 within 18 business days of acquisition(paid);
- US$50,000 within 90 calendar days of acquisition (paid);
- US$150,000 on or before the second anniversary of acquisition;
- US$1,000,000 on or before the third anniversary of acquisition; and
- US$1,750,000 on or before the fourth anniversary of acquisition.

Expressed in Canadian Dollars

6. Related Party Transactions

During the years ended March 31, 2023 and 2022, compensation of key management personnel were as follows:

	Year ended March 31,	
	2023	2022
	$	$
Consulting fees	63,000	123,100
Share-based compensation	162,626	120,635
Wages	225,333	63,000
	450,959	306,735

As at March 31, 2023, Better Plant Sciences Inc. ("Better Plant") held a $39,866 (2022 - $65,923) deposit from the Company, which is included in prepaid expense and deposits (Note 4). The Company has a shared services agreement with Better Plant for back office and general support services, and the two companies share a common CFO and Corporate Secretary. During the year ended March 31, 2023, the Company incurred professional fees of $71,000 (2022 - $11,433), advertising and marketing of $2,250 (2022 - $34,702), product development of $nil (2022 - $31,400), and office and administrative expenses of $17,063 (2022 - $3,030) to Better Plant.

During the year ended March 31, 2023, Better Plant returned 500,000 common shares of the Company to settle a loan owed to Tevera in the amount of $100,000, which were returned to the treasury.

At March 31, 2023, the Company was owed $65,000 (2022 - $nil) from NeonMind Biosciences Inc. ("NeonMind"), a company with a common CFO and directors, which is included in due from related parties. The amount was subsequently repaid on July 27, 2023.

As at March 31, 2023, the Company owed $4,877 (2022 - $28,971) to officers and directors which is included in accounts payable and accrued liabilities. These amounts are unsecured and non-interest bearing.

During the year ended March 31, 2022, the Company entered into a licensing agreement with Jusu Bars Corp. ("Jusu Bars"), a wholly owned subsidiary of Better Plant, for $59,500 for nut milk product formulations. As at March 31, 2022, the Company did not intend to continue with the nut milk product formulations and the amounts were reflected as discontinued operations. Refer to Note 13.

7. Share Capital

Authorized: unlimited number of common shares without par value.

Year ended March 31, 2023

On February 6, 2023, the Company issued 1,525,000 units at $0.20 per unit for proceeds of $305,000 pursuant a private placement. Each unit consisted of one common share and one share purchase warrant with an exercise price of $0.40 per common share until February 6, 2026. The Company paid finders' fees of $24,400 and issued 122,000 finders' warrants with a fair value of $19,945. Each finders' warrant entitles the holder thereof to purchase one common share at $0.20 per common share until February 6, 2026. The fair value associated with the finders' warrants was determined using the Black-Scholes pricing model with the following assumptions: an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%, and a risk-free rate of 3.94%.

Expressed in Canadian Dollars

7. Share Capital (continued)

On March 14, 2023, the Company received 500,000 common shares which were returned by Better Plant to settle a loan owed to Tevera of $100,000, and the common shares were cancelled and returned to the treasury.

On March 22, 2023, the Company issued 450,000 units at $0.20 per unit for proceeds of $90,000. Each unit is comprised of one common share and one share purchase warrant with an exercise price of $0.40 per common share until March 24, 2026.

As at March 31, 2023, the Company applied $39,375 of subscription receivable assumed from the acquisition of Tevera to settle debt owed by the Company.

As at March 31, 2023, the Company received share subscriptions of $70,000. Refer to Note 16(a).

Year ended March 31, 2022

On June 1, 2021, the Company issued 7,000,000 common shares with a fair value of $35,000 to settle accounts payable due to a related party.

On October 21, 2021, the Company issued 6,000,000 common shares at $0.02 per share for proceeds of $120,000.

On November 16, 2021, the Company issued 6,000,000 units at $0.15 per unit for proceeds of $900,000. Each unit consisted of one common share of the Company and one common share purchase warrant with an exercise price of $0.30 per common share until November 16, 2023. In connection with the private placement, the Company paid finders' fees of $90,000 and issued 600,000 finders' warrants with a fair value of $64,278. Each finders' warrant entitles the holder thereof to purchase one common share at $0.15 per share for a period of 24 months from the date of issuance. The estimated fair value associated with the finders' warrants was determined using the Black-Scholes pricing model with the following assumptions: an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%, and a risk-free rate of 1.06%.

8. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price ($)
Balance, March 31, 2021	-	-
Issued	6,600,000	0.29
Balance, March 31, 2022	6,600,000	0.29
Issued	10,455,593	0.42
Balance, March 31, 2023	17,055,593	0.39

Expressed in Canadian Dollars

8. Share Purchase Warrants (continued)

As at March 31, 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price ($)	Expiry date
600,000	0.15	November 16, 2023
6,000,000	0.30	November 16, 2023
122,000	0.20	February 6, 2026
1,525,000	0.40	February 6, 2026
450,000	0.40	March 24, 2026
897,668	0.18	March 31, 2026
7,460,925	0.50	March 31, 2026
17,055,593		

9. Stock Options

On October 16, 2021, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors. The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price ($)
Outstanding, March 31, 2021	-	-
Granted	2,752,000	0.15
Outstanding, March 31, 2022	2,752,000	0.15
Granted	2,550,000	0.20
Expired	(1,426,000)	0.15
Cancelled	(570,000)	0.10
Outstanding, March 31, 2023	3,306,000	0.18
Exercisable, March 31, 2023	1,820,400	0.19

Additional information regarding stock options outstanding and exercisable at March 31, 2023 is as follows:

Range of exercise prices	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
$			
0.15 – 0.20	3,306,000	1,820,400	4.27

Expressed in Canadian Dollars

9. Stock Options (continued)

Share-based compensation expense related to stock options was determined using the Black-Scholes option pricing model. During the year ended March 31, 2023, the Company recognized share-based compensation expense relating to stock options of $320,143 (2022 - $135,052) in share-based equity reserves, of which $162,626 (2022 - $120,635) relates to directors and officers of the Company. The weighted average fair value of options granted during the year ended March 31, 2023, was $0.13 (2022 - $0.14) per share. Weighted average assumptions used in calculating the fair value of share-based compensation expense, including no expected dividends or forfeitures, are as follows:

	2023	2022
Risk-free interest rate	2.99%	1.62%
Dividend yield	0%	0%
Expected volatility	150%	150%
Expected life (years)	4.98	5.00

As at March 31, 2023, there was $27,311 (2022- $240,220) of unrecognized share-based compensation related to unvested stock options.

10. Supplemental Cash Flow Disclosures

	Year ended March 31,	
	2023	2022
	$	$
Cash and cash equivalents is comprised of:		
Cash in bank	260,699	289,452
Cash held in cashable guaranteed investment certificates	301,274	–
Cash held in legal trust	29,626	–
Total cash and cash equivalents	591,599	289,452
Non-cash investing and financing activities:		
Fair value of brokers' warrants issued as finders' fees	44,345	64,278
Fair value of common shares, warrants and options to acquire Tevera	3,044,294	–
Return of common shares to settle related party receivable	100,000	–
Settlement of debt with subscriptions receivable	39,375	–
Shares issued to settle accounts payable	–	35,000

11. Capital Management

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and share capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

12. Financial Instruments and Risk Management

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the consolidated statement of financial position as at March 31, 2023, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, March 31, 2023
	$	$	$	$
Marketable securities	25,000	–	–	25,000

The fair values of other financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities, and amounts due from and to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada and has no other significant concentration of credit risk arising from operations. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. All of the Company's obligations are due within one year. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Expressed in Canadian Dollars

12. Financial Instruments and Risk Management (continued)

Price Risk

The Company is exposed to price risk with respect to commodity prices and publicly-traded market prices for marketable securities. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

13. Discontinued Operations

During the year ended March 31, 2023, management made the decision to cease the development of nut milk products as the Company's principal business changed to acquire, explore, and develop mineral properties. As a result, the nut milk development operating unit met the criteria to be classified as discontinued operations as of August 10, 2022, the date on which the Company changed its name to Lancaster Minerals Inc., and therefore, the results of operations of this unit have been classified as discontinued operations on the consolidated statements of operations.

Net loss from discontinued operations

	Year ended March 31	
	2023	2022
Expenses:	$	$
Consulting fees	–	40,000
Formulas	–	59,500
Marketing, publicity, and digital media	500	–
Office and administrative	–	17,428
Research and development (Note 6)	–	31,570
Total expenses	500	148,498
Net loss from discontinued operations	(500)	(148,498)

Cash flows from discontinued operations

	Year ended March 31,	
	2023	2022
	$	$
Operating activities:		
Net loss for the from discontinued operations	(500)	(148,498)
Net cash used in operating activities – discontinued operations	(500)	(148,498)

Expressed in Canadian Dollars

14. Income Taxes

The Company is subject to Canadian federal and provincial tax at the rate of 11%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2023 $	2022 $
Net loss	(3,102,687)	(628,475)
Statutory income tax rate	11%	11%
Income tax provision at statutory rate	(341,296)	(69,132)
Tax effect of:		
Permanent differences and other	269,267	4,955
Change in unrecognized deferred income tax assets	72,029	64,177
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2023 $	2022 $
Deferred income tax assets		
Non-capital losses carried forward	111,129	49,088
Marketable securities	19,250	9,429
Share issuance costs	8,087	7,920
Unrecognized deferred income tax assets	(138,466)	(66,437)
Net deferred income tax assets	–	–

As of March 31, 2023, the Company has Canadian non-capital losses carried forward of $1,010,268 (2022 - $384,708), which are available to offset future years' taxable income. These losses expire as follows:

	$
2040	1,120
2041	19,424
2042	364,164
2043	625,560
	1,010,268

The Company also has available mineral resource related expenditure pools totalling $246,130 (2022 - $nil), which may be deducted against future taxable income on a discretionary basis.

Expressed in Canadian Dollars

15. Merger Transaction

On February 15, 2023, the Company entered into a merger agreement with Tevera, which was completed on March 9, 2023, resulting in the amalgamation of the Company and Tevera into one legal entity. As part of the acquisition of Tevera, the Company issued:

- 18,321,761 common shares in exchange for the issued and outstanding shares of Tevera Energy,
- 8,358,593 warrants including broker warrants with exercise prices ranging from $0.15 to $0.20 per share in exchange for the same number of warrants in Tevera Energy, and the expiry date for the warrants was set to March 31, 2026,
- 800,000 options at an exercise price of $0.20 in exchange for the same number of options in Tevera Energy.

The acquisition has been accounted for as an asset acquisition for accounting purposes, as the transaction is outside of the scope of IFRS 3, *Business Combinations*, as Tevera was not a business as of the time of the acquisition. As such, the transaction is accounted for in accordance with IFRS 2, *Share-based payments*, whereby the Company is deemed to have issued common shares in exchange for the net assets of Tevera. The transaction did not result in a change of control, as the Company retained 55% of the voting common shares upon completion of the acquisition, maintained control of management and directors of the amalgamated company, and is continuing its existing business with the exploration of the Alkali Flat Lithium Project acquired on November 17, 2022.

The total consideration has been allocated to the fair value of the net assets acquired and liabilities assumed, as follows:

Consideration:	$
Fair value of common shares	2,124,503
Fair value of share purchase warrants	776,135
Fair value of stock options	143,656
Fair value of consideration	3,044,294
Purchase price allocation:	
Cash and cash equivalents	99,273
Loans receivable – Lancaster	682,875
Loan receivable from a related party	100,000
GST receivable	34,431
Prepaid expenses	9,251
Accounts payable and accrued liabilities	(9,250)
Subscriptions receivable	39,375
Net assets acquired	955,955
Excess of consideration paid on acquisition	2,088,339

16. Subsequent Events

a) On April 3, 2023, the Company completed a non-brokered private placement offering of 680,000 units for $0.20 per unit for proceeds of $136,000, of which $70,000 was received as at March 31, 2023. Each unit is comprised of one common share and one non-transferable common share purchase warrant entitling the holder to acquire an additional common share of the Company at an exercise price of $0.40 share until April 3, 2026.

b) On March 21, 2023, the Company signed a definitive merger agreement with NeonMind for a reverse merger transaction (the "Transaction"). After obtaining all necessary approvals, the Transaction was completed via a three-cornered amalgamation between the Company, NeonMind, and a subsidiary of NeonMind on June 9, 2023. In this process, NeonMind acquired 100% of the issued and outstanding common shares of the Company in exchange for common shares of NeonMind on a 1:1 basis. The outstanding warrants and options of the Company were exchanged into warrants and options of NeonMind on an identical basis. Upon closing of the Transaction, both the Company and NeonMind's subsidiary became a wholly-owned subsidiary of NeonMind, and NeonMind changed its name to Lancaster Resources Inc. and continues to advance the Company's exploration and development strategy.