LANCASTER RESOURCES INC.

(formerly NeonMind BioSciences Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended June 30, 2023 and 2022

August 30, 2023

This Management's Discussion and Analysis ("MD&A") relates to the financial position and financial performance of Lancaster Resources Inc. ("Lancaster") (formerly NeonMind BioSciences Inc.) for three months ended June 30, 2023 and 2022. All references to "us", "we", the "Company", and "our" refer to Lancaster.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with our audited financial statements for the years ended March 31, 2023 and 2022 and condensed interim consolidated financial statements for the three months ended June 30, 2023 and 2022 (collectively the "Financial Statements").

Financial information contained in this MD&A has been prepared on the basis that we will continue as a going concern, which assumes that we will be able to realize our assets and satisfy our 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 our ability to continue as a going concern.

The Company had no revenues, incurred a net loss of $2,306,891, and used cash of $462,008 for continuing operations during the three months ended June 30, 2023. As at June 30, 2023, the Company has an accumulated deficit of $6,026,995. 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.

Except where otherwise indicated, all financial information is expressed in Canadian dollars.

CORPORATE OVERVIEW AND DEVELOPMENT

We were incorporated under British Columbia's provincial laws on July 12, 2019. We are engaged in exploring energy transition minerals to take advantage of the global shift towards decarbonization and electrification. Our 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.

In September 2022, we initially identified the potential of the Alkali Flat Lithium Project. After several months of negotiations and due diligence, we entered into a definitive Option Agreement for the project on November 17, 2022. The Alkali Flat Lithium Project comprises 233 claims with prospective lithium brine deposits in the Lordsburg area of southwestern New Mexico, USA. Subsequently, the Option Agreement was amended to extend the deadline for the initial payment, and the first option payment of USD $25,000 was made.

In December 14, 2022, we entered into a Letter Agreement for a merger with NeonMind Biosciences Inc. ("NeonMind").

In February 2023, we closed a first tranche of private placement of $305,000 through the issuance of 1,525,000 units. Each unit consisted of one share and one warrant to purchase another share at $0.40 for 3 years. In connection with the private placement, we paid finders fees of $24,400 and issued 122,000 Broker Warrants to buy shares at $0.20 per share.

On February 15, 2023, we entered a merger agreement with Tevera Energy Corp. ("Tevera"). The agreement was a related party agreement in that both companies had some officers, directors and shareholders in common. Subsequently, on February 28, 2023, we held our annual general meeting and a special shareholders' meeting to obtain approval for the merger with Tevera Energy. The attending shareholders unanimously voted in favor of the resolutions to approve the merger. The amalgamation with Tevera Energy was finalized on March 9, 2023.

On March 21, 2023 we entered into a merger agreement with NeonMind and on April 4, 2023 we held a special meeting of the shareholders to approve the merger and 100% of the shareholders in attendance at the meeting in person or by proxy voted in favour of the merger.

In April 2023 we discontinued two subsidiaries that were not being used that had been wholly owned subsidiaries of Tevera Energy.

On June 9, 2023, after obtaining all necessary approvals, the merger with NeonMind was completed via a three-cornered amalgamation between the Company, NeonMind and NeonMind's wholy owned subsidiary. In this process, the NeonMind acquired 100% of our issued and outstanding common shares in exchange for common shares of NeonMind on a 1:1 basis. Our outstanding warrants and options were exchanged into warrants and options of NeonMind on an identical basis. Upon closing the transaction, the company resulting from the amalgamation of 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 Lancaster Lithium exploration and development strategy.

On June 26, 2023, Andrew Watson, P.Eng., joined us as our Vice President of Engineering and Operations. Mr. Watson brings with him 21 years of rich technical leadership, operations, corporate strategy, and commercialization experience in lithium, hydrogen, and conventional oil and gas production. As the newly appointed Vice President of Engineering and Operations, Mr. Watson will spearhead Lancaster's Alkali Flat Lithium Project exploration operations in Lordsburg, New Mexico, USA.

On July 23, 2023, we entered into a binding Letter of Intent (the "Agreement") to acquire 100% of the Trans-Taiga Lithium Project (the "Property") in the Eeyou Istchee James Bay region of Quebec. The Property, hosting several historical pegmatite samples, lies 120 km west of Patriot Battery Metals' Corvette Project, 74 km west of Winsome Resources' Cancet Project, and a few kilometers east of Loyal Lithium's Brisk Lithium Project. With the acquisition of the Property, we have diversified our exploration projects. Our focus expands from its existing lithium brine exploration at the Alkali Flat Project in New Mexico to include hard rock lithium exploration in Quebec's James Bay region. This strategic move enhances our exploration capabilities and geographical diversity, positioning it to unlock different types of lithium resources in varied geological settings.

Reverse Takeover Transaction

On June 9, 2023, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Lancaster Lithium Inc., a company incorporated in the province of British Columbia. Under the terms of the Transaction, the Company issued 39,476,861 common shares, 17,735,594 share purchase warrants and 3,276,000 options in exchange for of the issued and outstanding common shares, warrant and options of Lancaster Lithium. As of the date of the condensed interim consolidated financial statements, the Agreement is subject to final regulatory review and approval.

As a result of the completion of the Transaction, the former shareholders of Lancaster Lithium acquired 93% of the outstanding common shares of the Company, and, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Transaction constitutes a reverse acquisition of the Company by Lancaster Lithium and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payment and IFRS 3, Business Combinations. As the Company did not qualify as a business prior to the closing of the transaction according to the definition in IFRS 3, this reverse acquisition did not constitute a business combination; rather it was treated as an issuance of shares by Lancaster Lithium for the net assets of the Company. Accordingly, no goodwill was recorded with respect to the Transaction. The Transaction was measured at the fair value of the common shares that Lancaster Lithium would have had to issue to the shareholders of the Company, being 3,036,011 common shares with a fair value of $379,501, fair value of 2,060,110 warrants of $252,295 and the fair value of 47,209 stock options of the Company with a fair value of $5,728, to give the shareholders of the Company the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Lancaster Lithium acquiring the Company. The fair value of common shares, warrants and stock options issued were estimated based on the Company's financing event which took place concurrently to the reverse takeover transaction at the price of $0.20 per common share. These condensed interim consolidated financial statements include the accounts of the Company as at June 9, 2023 and the historical accounts of the business of Lancaster Lithium since its incorporation on July 12, 2019.

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

	$
Fair value of the Company's shares (3,036,011 common shares)	379,501
Fair value of 2,060,110 warrants of the Company outstanding	252,295
Fair value of 47,209 stock options of the Company outstanding	5,728
Total consideration	637,524
Less: fair value of identifiable assets and liabilities acquired:	
Cash	138,255
Accounts receivable	65,267
Prepaid expenses	4,288
Marketable securities	13,636
Accounts payable and accrued liabilities	(123,676)
Convertible debt	(850,150)
Due to related parties	(101,965)
Net liabilities	(854,345)
Listing costs	1,491,870

The fair value of warrants and stock options of the Company was calculated using the Black-Scholes option pricing model with the following assumptions in weighted average: volatility of 306%, expected life of 2.96 years, no dividends, no forfeitures, and a risk-free rate of 4.0%.

Alkali Flat Lithium Project

We held interest in Alkali Flat Lithium Project located in New Mexico USA. The Alkali Flat Lithium Project comprises 233 claims with prospective lithium brine deposits in the Lordsburg area of southwestern New Mexico, USA. 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.

Subsequently, the Option Agreement was amended to extend the deadline for the initial payment, and the first option payment of $25,000 and the second payment of $50,000 were made according to the amended Option Agreement.

Additionally, in February 2023, we paid an extra USD $25,000 to secure certain federal claims, as agreed in the Option Agreement. We also extended our claim group by 8 claims, informed by publicly released exploration results from Arizona Lithium Ltd., a non-related company, on their contiguous Lordsburg property.

In February 2023, we expanded our advisory team and we enlisted Gold Canyon Partners LLC, under the leadership of Rodney Blakestad, to execute a sampling program of playa sediments to assess the distribution of lithium and related elements typically found in lithium brine deposits. The program entailed collecting 102 samples arranged in a grid, along with three soil profile pits to analyze element variation at depths up to 36 inches. In total, 120 samples were collected, and the estimated cost, including laboratory fees, was around USD $18,700 (approximately $25,500). The sampling was conducted in February and March 2023, and we announce the results in July 2023.

In February 2023, we commissioned EarthEx Geophysical Solutions to perform a UAV-Borne Detailed Magnetometry survey, anticipated to cover 315 line-km with 50-meter line spacing and 500-meter tie line spacing. The estimated survey cost was CAD $62,965. The drone surveys were completed in March 2023.

On June 29, 2023, we engaged Socialsuite, an ESG Impact SaaS Platform, to support our ability to measure and report the sustainability of its current and planned operations, including its planned Climate Positive Lithium Extraction facility alongside the Alkali Flat Lithium Project in New Mexico, USA.

On July 11, 2023, we reported results from our geochemical sampling program on our Alkali Flat Lithium Project in New Mexico. The samples were taken in March 2023 to assess the distribution of lithium and lithium pathfinder elements over a broad portion of the Property. The geochemical results of lithium values in the 143 sediment samples taken ranged from 69.6 ppm Li to 149.5 ppm Li, and the Mean was 113.8 ppm Li. The results show several zones of notably high lithium concentrations in the sediments found in the northern and eastern part of the Property. These results line up with the sediment analysis reported by Arizona Lithium Inc. from its adjacent Lordsburg property.

During the three months ended June 30, 2023, we made additional investment of $19,489 to the property.

	Alkali Flat Lithium Project $
Acquisition costs:	
Balance, March 31 and June 30, 2022	–
Balance, March 31 and June 30, 2023	137,030
Exploration costs:	
Balance, March 31 and June 30, 2022	–
Balance, March 31, 2023	109,100
Additions	19,489
Balance, June 30, 2023	128,589
Carrying values:	
March 31, 2023	246,130
June 30, 2023	265,619

SELECTED ANNUAL INFORMATION

Management considers that the main indicators of our performance are the following: revenues, net income and loss, total assets, earnings or loss per share. The following information was derived from our financial statements for the years ended March 31, 2023 and 2022.

	2023	2022
	$	$
Revenues	-	-
Net Loss	(3,102,687)	(628,475)
Basic and diluted loss per shares from continuing operations	(0.15)	(0.05)
Total Assets	1,162,151	485,832
Dividends declared and paid out in cash	-	-

OVERALL PERFORMANCE

As at June 30, 2023, we did not have any revenues. For three months ended June 30, 2023 and 2002, we incurred a net loss of $2,645,170 and $196,559 respectively. The net loss from continuing operations was generated from operating expenses, primarily share based compensation expenses, wages and consulting fees for the operating team.

We made additional investment in our Alkali Flat project in the amount of $19,489 during the three months ended March 31, 2023.

DISCUSSION ON OPERATIONS

EXPENSES:

Consulting fees

We are a developing business and we engage consultants and contractors regularly to obtain expertise in various business areas without having to commit to employment costs. For three months ended June 30, 2023, we incurred consulting fees of $128,775 as compared to $20,000 in the same period of the prior year. The increase in consulting fees was driven by the RTO listing transaction and the development of our Alkali Flat project.

Investor relations

For the three months ended June 30, 2023, we incurred investor relations expenses of $21,850 as compared to $nil for the same period in the prior year. The increase in investor relations were driven by the RTO listing process.

Listing expenses

Listing fees were related to the application and ongoing fees for the listing of our common shares on the Canadian Securities Exchanges (CSE). For the three months ended June 30, 2023, we recorded listing fees $30,845 as compared to $nil for the same period in the prior year.

Marketing, publicity and digital media

Marketing, publicity and digital media expenses included advertising media spent to promote our corporate brand. For three months ended June 30, 2023, we incurred marketing, publicity and digital media expenses of $81,493 as compared to $2,250 for the same period in the prior year.

Office and administrative expenses

Office and administrative expenses primarily included insurance fees, broker and filing fees, interest expense and other general office expenses. For three months ended June 30, 2023, we incurred office and administration expenses of $18,160 as compared to $1,064 for the same period in the prior year. The increase in office and administrative expenses were drive increased business activities in the development our mining project as well as our RTO listing transaction.

Professional fees

Professional fees include legal, accounting, audit and taxation fees. For three months ended June 30, 2023, we incurred professional fees of $28,146 as compared to $15,563 in the same period of the prior year. The increase was primarily driven by legal, accounting and audit fees to support of the acquisition of mining projects and the RTO merger transaction.

Research and development

Research and development expenses are related to our solar project which is still in a very early stage. For the three months ended June 30, 2023, we incurred research and development costs of $16,708 as compared to $nil for the same period of the prior year.

Share-based compensation

Share-based compensation expenses were related to the stock options granted our directors, advisors, officers, employees and consultants. For three months ended June 30, 2023, we incurred share-based compensation expense of $385,413 as compared to $44,058 for the same period in the prior year. We expect to continue to utilize stock options, and other forms of equity instruments, to incentivize our teams.

Travel and entertainment

For three months ended June 30, 2023, we incurred travel and entertainment cost of $16,189 as compared to $nil for the same period in the prior year.

Wages

Wages for three months ended June 30, 2023 were $28,088 as compared to $54,532 for the same period in the prior year. The decrease in wages was driven by reduction of full-time employee of the team.

Accretion

Accretion expense was related to our convertible debentures. For the three months ended June 30, 2023, we recorded accretion expense of $9,951 as compared to $nil for the same period of the prior year.

Foreign exchange

Foreign exchange costs were related to expenditures we incurred to develop our Alkali Flat project in USA. For the three months ended June 30, 2023, we incurred foreign exchange costs of $499 as compared to $nil for the same period of the prior year.

Interest expense

Interest expense was related to our convertible debentures. For the three months ended June 30, 2023, we recorded interest expense of $5,918 as compared to $nil for the same period of the prior year.

Listing costs

Reverse takeover cost represents the purchase price paid in excess of the net assets acquired for our RTO transaction (see section “Reverse Takeover Transaction” above). For the three months ended June 30, 2023, we recorded reverse takeover cost of $1,491,870 and we did not incur such costs in the same period of the prior year.

Unrealized loss on marketable securities

During the three months ended June 30, 2023, we held 240,257 shares of Komo Plant Based Foods Inc. These shares were revalued based on their closing price on June 30, 2023 resulting in an unrealized loss of $14,610 for three months ended June 30, 2023 as compared to $57,143 for the same period in the prior year.

Write off of amounts receivable.

Write off of amounts receivable was related to debt owed by Tevera Energy. We completed a merger transaction with Tevera Energy in March 2023 and such debt was written off following the merger.

Net loss from continuing operations

We incurred a net loss of $2,306,891 for three months ended June 30, 2023 as compared to $194,609 for the same period in the prior year.

Loss per share from continuing operations on basic and fully diluted basis was $0.06 for three months ended June 30, 2023, compared to $0.10 in the prior year.

Loss from discontinued operations

In 2022, we made the decision to cease the development of nut milk products as our principal business and started 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.

For three months ended June 30, 2023, we incurred loss from discontinued operations of $nil as compared to $1,950 for the same period in the prior year.

<u>Net and comprehensive Loss</u>

For three months ended June 30, 2023, we incurred a net and comprehensive loss of $2,306.891 as compared to $196,559 for the same period in the prior year.

Net loss per share was $0.06 for three months ended June 30, 2023 as compared to $0.10 in the prior year.

<u>Dividends</u>

No dividends were declared or paid for the three months ended June 30, 2023 and 2022.

SUMMARY OF QUARTERLY RESULTS

The summary of our quarterly results are as follows:

For the quarters ended:

	Jun. 30, 2023 $	Mar. 31, 2023 $	Dec. 31, 2022 $	Sep. 30, 2022 $
Operating Expenses	755,668	384,287	282,478	103,519
Net loss from continuing operations	(2,306,891)	(2,491,059)	(311,050)	(103,519)
Basic and diluted loss per share from continuing operations	(0.06)	(0.11)	(0.02)	(0.01)
Loss (income) from discontinued operations	-	4,200	(2,450)	(2,250)
Net Loss	(2,306,891)	(2,486,859)	(313,500)	(105,769)
Basic and diluted loss per share	(0.06)	(0.11)	(0.02)	(0.01)
Weighted average shares outstanding	40,194,622	36,257,439	19,000,100	19,000,100

	Jun. 30, 2022 $	Mar. 31, 2022 $	Dec. 31, 2021 $	Sep. 30, 2021 $
Operating Expenses	153,702	305,036	182,964	2,077
Net loss from continuing operations	(196,559)	(305,036)	(182,964)	(2,077)
Basic and diluted loss per share from continuing operations	(0.01)	(0.02)	(0.01)	(0.00)
Loss from discontinued operations	-	-	(119,346)	-
Net Loss	(196,559)	(305,036)	(302,310)	(2,077)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.00)
Weighted average shares outstanding	19,000,100	19,000,100	14,565,317	7,000,100

LIQUIDITY

	June 30, 2023		March 31, 2023	
Current ratio[1]		4.7		8.4
Cash	$	374,357	$	591,599
Working capital surplus (deficit) [2]	$	527,316	$	807,254
Debt [3]	$	865,902	$	-
Total shareholders' equity (Deficit)	$	6,026,995	$	1,053,385

(1) Current ratio is current assets divided by current liabilities.
(2) Working capital is current assets minus current liabilities
(3) Debt refers to commercial loans and convertible debentures

<u>Cash Position</u>

As at June 30, 2023, we had $374,357 in cash. During three months ended June 30, 2023, we spent $462,008 of cash in operating activities from continuing operations, to finance operating expenses, wages, and consulting fees, as compared to $78,226 for the same period of the prior year. Cash provided by investing activities for three months ended June 30, 2023 was $118,765 representing cash of $138,225 acquired through the RTO transaction offset by payment on our mineral property option payment of $19,489. Cash provided by financing activities was $126,000 for three months ended June 30, 2023, as compared to $nil for the same period in the prior year, which was primarily from proceeds received from the issuance of common shares and exercise of warrants and stock options.

We aim to issue more commons shares through private placements and listing processes to obtain funding needed for the future development of our business.

<u>Working Capital</u>

We had a working capital of $527,316 as at June 30, 2023, which primarily consists of cash, marketable securities and prepaids and deposits offset by accounts payable, as compared to working capital of $807,254 as at March 31, 2023.

CAPITAL RESOURCES AND MANAGEMENT

We are authorized to issue an unlimited number of common shares. As at June 30, 2023, there were 42,912,872 common shares issued and outstanding. We had 19,495,703 share purchase warrants outstanding with a weighted average exercise price of $0.45. We had 5,203,209 stock options outstanding with a weighted average exercise price of $0.11 per share.

Our principal business is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. Currently, we are evaluating and reviewing potential resource properties and other business opportunities as possible options or joint ventures. Once we acquire an interest in a resource property or other business opportunity, we anticipate that we will require more funds to further our business.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2023 and 2022, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2023 and 2022, compensation of key management personnel were as follows:

	Three months ended June 30,	
	2023	2022
	$	$
Consulting fees	92,000	15,000
Share-based compensation	77,669	23,516
Wages and benefits	28,088	54,532
	197,757	93,048

As at June 30, 2023, Better Plant Sciences Inc. ("Better Plant") held a $39,866 (2022 - $62,969) deposit from the Company, which is included in due from related parties. The Company had a shared services agreement with Better Plant for back office and general support services, and the two companies share a common CFO. The agreement was terminated in March 2023. During the three months ended June 30, 2023, the Company incurred $nil (2022 - $17,813) operating expenses to Better Plant.

As at June 30, 2023, the Company owed $6,261 (2022 - $1,877) to officers and directors which is included in due to related parties. These amounts are unsecured and non-interest bearing.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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 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 condensed interim financial statements include the factors that are used in determining whether we have significant influence over another entity, and 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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.

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	24,026	–	–	24,026

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.

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.

SUBSEQUENT EVENT

On August 29, 2023, we entered into a definitive agreement (the "Option Agreement") with Bounty Gold Corp., Last Resort Resources Ltd., and Jason LeBlanc (the "Optionors") for the exclusive right and option to acquire one hundred percent (100%) of the right, title and interest of the Optinors in and to the Trains Taiga Lithium Project, located in Quebec, Canada pursuant to the following terms:

Exclusive Acquisition Right

The Optionors grant us the exclusive right to acquire 100% ownership of the Property, free of any charges or claims except for the NSR Royalty.

Conditions for Option Exercise

Payment of $115,000 to be made in cash and shares, distributed as follows:

- Within 10 Business Days: $37,000, consisting of $10,000 in cash and $27,000 in shares.
- First Anniversary: $26,000, either all in cash or half in shares and half in cash.
- Second Anniversary: $26,000, either all in cash or half in shares and half in cash.
- Third Anniversary: $26,000, either all in cash or half in shares and half in cash.

Milestone Payments

Initial Milestone: $50,000 if exploration finds at least 10 contiguous meters of lithium-bearing spodumene with an average grade of 1.0% Li2O or greater.

Additional Milestones: $1,000,000 for each filed mineral resource estimate that shows a deposit exceeding five million metric tonnes with an average grade of 1.0% Li2O or greater.

NSR Royalty

There is a 2% net smelter returns royalty due to the Optionors of the returns generated from products mined and extracted from the property.

We have the ability to decrease the royalty to a 1.0% net smelter returns royalty on the property by making a collective payment of $1,000,000 to the Optionors.

During the option period, the Property will be held in escrow by the Company. If the option is terminated for any reason, the Property must be transferred back to the Optionors.

Once all conditions are met, the Company gains 100% ownership of the Property.