

Lancaster Resources Announces Spin-Off Agreement with Subsidiary and Record Date

VANCOUVER, British Columbia, Jan. 03, 2024 -- **Lancaster Resources Inc. (CSE:LCR | OTCQB:LANRF | FRA:6UF0) (the "Company")** announces entry into a Spin-Off Agreement with Lancaster's wholly owned subsidiary Nelson Lake Copper Corp. ("**Nelson Lake**") to spin off a majority of its interest in Nelson Lake Copper to Lancaster Resources shareholders. Incorporated on December 15, 2023, and extra-provincially registered in Saskatchewan, Nelson Lake has a 100% interest in the Nelson Lake Copper property in Saskatchewan, Canada.

The Nelson Lake Copper property is adjacent to notable copper exploration projects, such as Cosa Resources Heron Property and Rio Tinto's Janice Lake (optioned from Forum Energy). The 5,722-hectare property targets sedimentary hosted copper in the Wollaston Domain copperbelt offers a unique copper exploration opportunity.

Share Distribution Details

Pursuant to the Spin-Off Agreement, the parties shall enter into an Arrangement Agreement and a Plan of Arrangement whereby Lancaster will issue 550,000 Lancaster common shares with a deemed value of \$0.06 each to Nelson Lake in exchange for 1,600,000 Nelson Lake shares at a deemed value of \$0.02 each. Approximately 1,000,000 common shares of Nelson Lake (the "**Dividend Shares**") will be distributed to Lancaster shareholders at the closing of the transaction.

The record date to determine voting rights and the rights to receive Dividend Shares is January 9, 2024 (the "**Record Date**"). Shareholders of Lancaster as of January 9, 2024, will be eligible to receive Dividend Shares at a distribution ratio of one Dividend Share for every 50 Lancaster shares held. Shares of Lancaster Resources purchased in the market require 3 business days before ownership is established, so shares purchased after the close of trading on Thursday, January 4, 2023, will not be eligible to receive Dividend Shares. Completion of the spin-off transaction is conditional upon the parties entering into an Arrangement Agreement and a Plan of Arrangement, completing an audit of the financial statements of Nelson Lake, completing a 43-101 Technical Report of the Nelson Lake Copper Project and obtaining approvals of the British Columbia Supreme Court and of the shareholders of Lancaster. The spin-off transaction will not affect the shareholdings of Lancaster common shares and there will be no change in the corporate structure of Lancaster. Lancaster Shareholders holding shares as of the Record Date will receive shares in Nelson Lake Copper Corp. in addition to shares held in Lancaster Resources.

Executive Comments

Penny White, President & CEO of Lancaster Resources, stated: "We are thrilled to unlock shareholder value through this strategic spin-off, enabling Nelson Lake to independently exploit its copper project to its full potential."

Lancaster's Ongoing Commitment

Lancaster Resources remains committed to exploring and developing critical metals, including the Alkali Flat Lithium Brine Project in New Mexico and the Trans-Taiga Lithium Property in Quebec.

The spin-off transaction will be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the transaction will not exceed 25% of Lancaster's market capitalization.

About Lancaster Resources Inc.

Lancaster Resources (CSE:LCR | OTCQB:LANRF | FRA:6UF0) is engaged in exploring battery and critical metals to take advantage of the global shift towards decarbonization and electrification. Lancaster has rights to acquire 100% of the Alkali Flat Lithium Brine Project, near Lordsburg, New Mexico, USA, a set of claims approximately 5,200 acres (8.1 square miles) in size that Lancaster is exploring for concentrated sub-surface lithium brine deposits. Lancaster's vision is to produce Net Zero Lithium using direct lithium extraction technology powered by solar or geothermal energy.

Lancaster holds the rights to a 100% interest in the Trans-Taiga Lithium Property located within the James Bay lithium district of Quebec and lying on the same geological trend as significant lithium discoveries, including Patriot Metals' Corvette Property. Similarities of the Trans-Taiga Lithium Project to the Corvette Property do not guarantee exploration success at the Trans-Taiga Lithium Project. Lancaster's wholly owned subsidiary Nelson Lake Copper Corp., owns the Nelson Lake Copper property in Saskatchewan, Canada. Guiding Lancaster Resources' journey is a skilled management and technical team with collective involvement in over 15 commercial mineral discoveries and endowed with extensive experience in the creation of lithium brine targets and the exploration and development of Lithium projects across Canada, the American West, Mexico, and South America.

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Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or Lancaster's future performance. The use of any of the words "could," "expect," "believe," "will," "projected," "estimated," and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Lancaster's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, the ability of Lancaster to execute its exploration plans, obtain exploration and drilling permits, raise capital, retain key personnel, identify, acquire, explore, and develop high-quality mineral-rich properties, and integrate sustainable energy sources and innovative technologies for climate-positive resource production constitute forward-looking information. Actual results and developments may differ materially from those contemplated by forward-looking information.

Readers are cautioned not to place undue reliance on forward-looking information. The statements made in this press release are made as of the date hereof. Lancaster disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as may be expressly required by applicable securities laws.

The Canadian Securities Exchange has not reviewed, approved or disapproved the contents of this news release.