LANCASTER RESOURCES INC.

(formerly Lancaster Lithium Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended June 30, 2024 and 2023

August 19, 2024

This Management's Discussion and Analysis ("MD&A") relates to the financial position and financial performance of Lancaster Resources Inc. ("Lancaster") (formerly Lancaster Lithium Inc.) for three months ended June 30, 2024. All references to "us", "we", the "Company", and "our" refer to Lancaster on a consolidated basis.

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 consolidated financial statements for the years ended March 31, 2024 and 2023 and the condensed interim consolidated financial statements for period ended June 30, 2024 and 2023 (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.

During period ended June 30, 2024, we had no revenues, incurred a net loss of $288,533, and used cash of $63,798 in the operating activities. As at June 30, 2024, we had a working capital deficit of $1,239,248, and an accumulated deficit of $7,625,499. Our continued operations are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when we 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 were initially engaged in psychedelic research projects which was discontinued in late 2022.

On December 14, 2022, we entered into a Letter Agreement for a merger with Lancaster Lithium Inc. ("Lancaster Lithium"). The merger was completed through a reverse takeover transaction on June 9, 2023. Currently 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.

Lancaster Lithium:

- In September 2022, Lancaster Lithium 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 260 claims (~5200ac) 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 February 2023, Lancaster Lithium 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, Lancaster Lithium 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 favour of the resolutions to approve the merger. The amalgamation with Tevera Energy was finalized on March 9, 2023.

- On April 4, 2023 a special meeting of the shareholders of Lancaster Lithium approved 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, Lancaster Lithium discontinued two subsidiaries that were not being used that had been wholly owned subsidiaries of Tevera Energy.

On June 9, 2023, we completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Lancaster Lithium, a company incorporated in the province of British Columbia. On June 9, 2023, after obtaining all necessary approvals the merger with Lancaster Lithium was completed via a three-cornered amalgamation between the Company, Lancaster Lithium and the Company's wholly owned subsidiary. In this process, the Company acquired 100% of Lancaster Lithium's issued and outstanding common shares in exchange for common shares of the Company on a 1:1 basis. The Company's outstanding warrants and options were exchanged into warrants and options of Lancaster Lithium an identical basis. Upon closing the transaction, the company resulting from the amalgamation of Lancaster Lithium and the Company's subsidiary became a wholly owned subsidiary of the Company, and the Company 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 along with Trans-Taiga.

On August 29, 2023, we entered into a definitive agreement (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 kilometres 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 all within Tier 1 mining jurisdictions.

On December 15, 2023, we incorporated a wholly owned subsidiary, Nelson Lake Copper Corp. ("Nelson Lake"), as a British Columbia company. On December 18, 2023, Nelson Lake Copper Corp. directly staked claims covering an area of approximately 5,746 hectares in Saskatchewan, Canada

On January 2, 2024, we entered into a spinoff agreement with our wholly owned subsidiary Nelson Lake to spin off the majority of its interest in Nelson Lake Copper to Lancaster shareholders.

In February 2024, we acquired two mineral claims, Catley Lake (3,036 hectares) and Centennial East (5,081 hectares), in the Athabasca Basin with aims to target high-grade uranium.

On April 2, 2024, we completed a transaction to spin off its wholly owned subsidiary Nelson Lake. We subscribed for 1,650,000 common shares of Nelson Lake at a price of $0.02 per common share with a payment of $33,000. On the same date, we also declared a dividend of 1,046,269 Nelson Lake shares on the basis of 0.02 common shares in Nelson Lake issued for each of the Company's common shares held by a shareholder of the Company as of the record date of February 5, 2024. On the same date, we issued 550,000 fully paid and non-assessable shares to Nelson Lake for a payment of $33,000.

On April 4, 2024, our wholly owned subsidiary 1466777 B, C. Ltd. directly staked a claim in Saskatchewan, the Piney Lake Gold Property, for staking costs of less than $10,000.

On April 10, 2024, the Company closed a non-brokered private placement of 1,000,000 units of the Company at a price of $0.05 per unit for proceeds of $30,000 and a conversion of debt of $20,000, which includes $2,560 owed to a director of the Company. Each unit consisted of one common share and one share purchase warrant;

Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.08 per share until April 10, 2027.

On May 9, 2024, we appointed Vincent Chen as a director of the board.

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, 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 the issued and outstanding common shares, warrants and options of Lancaster Lithium.

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 as there was a change of control. As the Company did not qualify as a business prior to the closing of the transaction according to the definition in IFRS 3, Business Combinations, this 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 $607,202, 2,060,110 warrants with a fair value of $11,146 and 47,209 stock options with a fair value of $7,166, 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 with 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)	607,202
Fair value of 2,060,110 warrants of the Company outstanding	11,146
Fair value of 47,209 stock options of the Company outstanding	7,166
Total consideration	625,514
Net 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	(846,660)
Due to related parties	(101,966)
Net liabilities assumed	(850,856)
Excess of consideration paid on acquisition	1,476,370

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 163%, expected life of 2 years, no dividends, no forfeitures, and a risk-free rate of 4.5%.

Mineral Properties

Alkali Flat Lithium Project

We hold an interest in the Alkali Flat Lithium Project located in New Mexico, USA. The Alkali Flat Lithium Project comprises 260 claims (~5200ac) 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 Mining Limited ("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 the acquisition, November 17, 2024;
- US$1,000,000 on or before the third anniversary of the acquisition, November 17, 2025; and
- US$1,750,000 on or before the fourth anniversary of the acquisition, November 17, 2026.

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 109 samples arranged in a grid, along with two new soil profile pits (10 samples each) and an existing test pit (14 samples) to analyze element variation at depths up to 36 inches. In total, 143 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 announced 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. We received final results in September.

On June 29, 2023, we engaged Socialsuite, an ESG Impact SaaS Platform, to support our ability to measure and report the sustainability of our current and planned operations.

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 parts of the Property. These results line up with the sediment analysis reported by Arizona Lithium Inc. from its adjacent Lordsburg property.

On September 14, 2023, we reported results from our Magneto-Telluric (MT) geophysics program at the Alkali Flat Lithium Project. KLM Geoscience successfully completed the detailed MT program including data acquisition and inversions. The MT survey consisted of three east-west lines with ~500m spacing between receivers and lines. The MT results along with our recent exploratory and geochemical results have highlighted multiple high priority drill locations believed to host lithium-rich brine aquifers. Results indicate a near surface highly conductive layer ~150m in thickness from surface. A much larger high conductivity target is seen at ~660m below surface, and appears to 450m or more in thickness. Results also confirm the N-S trending basin continues from Arizona Lithium claims through Lancaster's property.

On November 7, 2023, we announced the administrative approval of our maiden drill program at its Alkali Flat Project. The New Mexico Mining and Minerals Division ("MMD") has declared Lancaster's Minimal Impact

Exploration Permit Application for its Phase 1 Exploration Drilling at the Alkali Flat Lithium Brine Project to be administratively complete, marking a significant step forward in this pioneering exploration effort.

On November 14, 2023, we completed a regulatory on-site visit with key staff from the BLM, key staff from the EMNRD, and the Lancaster team discussed access routes, site conditions, local vegetation, planned exploration activities, and Lancaster's efforts to minimize the environmental impact.

In April 2024, the New Mexico Mining and Minerals Division (MMD) provided the Issuer with a technically complete letter regarding a permit for the Alkali Flat lithium brine phase 1 drill program.

In May 2024 the United States Department of the Interior Bureau of Land Management ("**BLM**") approved our Lancaster with approval our Plan of Operations regarding the Alkali Flat Lithium Brine Phase 1 drill program.

Pursuant to BLM regulations 43 CFR 3715, the Plan of Operations submitted to the BLM in September 2023 has been formally approved. This approval includes the potential to drill up to three wells on the playa allowing for an expedited regulatory process pending results of the maiden well in Q2 2024. In addition to the approval are conditions for access, safety, and protecting the environment that the BLM and Lancaster have worked very closely on.

We have been engaged in discussions with lithium exploration companies and direct lithium extraction technology developers to find a joint venture partner to fund our Phase 1 drill program.

Trans Taiga Lithium Project

On August 29, 2023, we entered into an option purchase agreement (the "Option Agreement") for the full acquisition of the Trans Taiga Lithium Project (the "Project") situated in the James Bay region of Quebec. The Project is home to several identified pegmatite outcrops.

The Option Agreement grants the Company an exclusive option to acquire 100% ownership of the Project from a group that includes Bounty Gold Corp. and Last Resort Resources. A total purchase price of $115,000 is payable to as follows:

- $37,000 due within 10 days of entering into the long form agreement, paid through $10,000 cash plus $27,000 via the issuance of 135,000 common shares in Lancaster's stock at a deemed price of $0.20 per share;
- $26,000 due on the first anniversary date of the Option Agreement;
- $26,000 due on the second anniversary date; and
- $26,000 due on the third anniversary date.

We may, at its discretion, make 50% of each payment in common stock;

The agreement includes a 2% net smelter returns royalty, of which 1% can be bought back by the Optionors for $1,000,000.

We also agreed to make the following additional payments:

- A $50,000 fee is payable if exploration results yield a minimum of 10 contiguous meters of lithium with values of 1% or more;
- A payment of $1,000,000 is due if Lancaster publishes a 43-101 technical report for a resource of not less than 5 million tons with 1% lithium concentration.

Nelson Lake Copper Project

On December 18, 2023, the Company directly staked 1 mining claim covering a contiguous block of 5,746 hectares in Saskatchewan (the "Nelson Lake Copper Property") for $3,447, which was paid to the Government of Saskatchewan, as administered through the Mineral Administration Registry Saskatchewan (MARS). The property targets sedimentary hosted copper in the Wollaston Domain copper belt.

Other claims

In February 2024, we staked two mineral claims in the world-class Athabasca Basin. The two claims are targeting high grade uranium in basement and unconformity type deposits. The two properties, called Catley Lake and Centennial East, at 3,036 hectares and 5,081 hectares respectively, provide significant exploration opportunities.

The Catley Lake & Centennial East mineral claims are located immediately adjacent to Cameco's Centennial deposit claim block in the south-central area of the Athabasca basin. The Centennial deposit, which is approximately 11km west of Lancaster's Centennial East claim, was the first significant high-concentration uranium deposit located along the Snowbird tectonic boundary. The Centennial deposit has shown assays up to 8.78% U308 over 33.9m below the Athabasca sandstone and Virgin River unconformity from a Cameco drill. Concentrations of U308 up to 25.6% were seen over 0.5m in a drillhole assay (SMDI-2758).

Approximately 24km southwest of our claims is the Cameco Dufferin deposit. Dufferin has shown assays, from drilling, up to 1.73% U308 over 6.5m. The Dufferin deposit also shows numerous intervals of uranium mineralization within the sandstone and unconformity

We acquired the Piney Lake Gold Property in April 2024. The Piney Lake Gold Property, covering an area of 2,267.8 hectares, is nestled approximately 65 kilometres east of La Ronge Provincial Park and a mere 2.5 kilometres east of North Arrow Minerals' Pikoo property. Encircled by the prolific gold claims of SGO / SSR Mining, the Piney Lake claim is in a region with a storied history of mineral discoveries. Access to the Piney Lake property is facilitated by provincial highways, placing it about 18 kilometres to the southwest of Pelican Narrows via Highway 135 and similarly accessible to Deschambault Lake via Highway 911. We acquired the property by staking claims directly in Saskatchewan, Canada.

Management cautions that mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of the presence of similar mineralization or geology on our properties.

Summary of Investments in Mineral Properties

During the three months ended June 30, 2024, our investments in our mineral properties are as follows:

	Alkali Flat Lithium $	Tran Taiga Lithum $	Nelson Lake Copper $	Other Claimes $	Total $
Acquisition costs:					
Balance, March 31, 2024	137,030	30,250	3,447	4,870	175,597
Additions	-	-	-	3,351	3,351
Disposition	-	-	-	(565)	(565)
Balance, June 30, 2024	137,030	30,250	3,447	7,656	178,384
Exploration costs:					
Balance, March 31, 2024	237,423	-	27,765	-	265,188
Balance, June 30, 2024	237,423	-	27,765	-	265,188
Carrying values:					
March 31, 2024	374,453	30,250	31,212	4,870	440,785
June 30, 2024	374,453	30,250	31,212	7,656	443,572

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, 2024 and 2023.

	2024	2023
	$	$
Revenues	-	-
Net loss	(3,608,456)	(3,102,687)
Basic and diluted loss per shares from continuing operations	(0.08)	(0.15)
Total assets	719,325	1,162,151
Dividends declared and paid out in cash	-	-

OVERALL PERFORMANCE

As at December 31, 2023, we did not have any revenues. For three months ended June 30, 2024, we incurred a net loss of $288,533 as compared to $2,306,891 for the same period in the prior year. The net loss for the prior year was generated from a one-time listing cost of $1,476,370 as a result of the reverse take over transaction completed on June 9, 2023.

We obtained additional mineral claims including Peny Lake gold claim and Charlot Lake uranium claims during the three months ended June 30, 2024 for a total cost of $3,351.

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, 2024, we incurred consulting fees of $95,925 as compared to $128,775 for the same period in the prior year. The decrease in consulting fees was driven by the RTO listing process in the prior year.

Investor relations

For the three months ended June 30, 2024, we incurred investor relations expenses of $12,000 as compared to $21,850 for the same period in the prior year. The decrease in investor relations expenses was driven by the RTO listing process and post-RTO capital market activities 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 the three months ended June 30, 2024, we incurred marketing, publicity and digital media expenses of $94,523 as compared to $81,493 for the same period in the prior year. We intended to gradually reduce our capital market promotional activities following the listing 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, 2024, we incurred office and administration expenses of $7,394 as compared to $18,160 for the same period in the prior year. The decrease in office and administrative expenses were driven efficiencies from our administrative activities.

Professional fees

Professional fees include legal, accounting, audit and taxation fees. For the three months ended June 30, 2024, we incurred professional fees of $6,560 as compared to $28,146 for the same period in the prior year. The decrease was primarily driven by legal, accounting and audit fees to support of the acquisition of mining projects and the RTO merger transaction in the prior year.

Research and development

Research and development expenses are related to our cost in the study of early-stage projects. For the three months ended June 30, 2024, we incurred research and development costs of $327 as compared to $16,708 for the same period in the prior year. We intend to focus on developing existing properties and claims which will led to lower spend on research activities.

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, 2024, we incurred share-based compensation expense of $60,997 as compared to $385,413 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.

Transfer agent and filing fees

Transfer agent and filing 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, 2024, we recorded listing fees of $19,884 as compared to $30,845 listing expenses for the same period in the prior year. The decrease in transfer agent and filing fees was driven by RTO activities in the prior year.

Travel and entertainment

For the three months ended June 30, 2024, we incurred travel and entertainment cost of $1,719 as compared to $16,189 for the same period in the prior year. The travel expense incurred in the prior year was related to participation in industry trade show events and we have reduced such activities during the current year.

Wages

Wages for three months ended June 30, 2024 were $nil as compared to $28,088 for the same period in the prior year. The decrease in wages was driven by reduction of full-time employee of the team as we increasingly used short term consulting arrangements to gain cost efficiency.

Accretion

Accretion expense was related to our convertible debentures. For the three months ended June 30, 2024, we recorded accretion expense of $21,063 as compared to $9,951 for the same period in the prior year. We acquired convertible debentures through the RTO process on June 9, 2023.

Excess of consideration paid on acquisition

Excess of consideration paid on acquisition represents the purchase price paid in excess of the net assets acquired for our RTO transaction (see section “Reverse Takeover Transaction” above) in the amount of $1,491,870 for the three months ended June 30, 2023.

Other income and expense

Other income and expense were primarily related to our convertible debentures interests. For the three months ended June 30, 2024, we recorded interest expense of $21,063 and certain other expenses, offset by a gain from the disposition of a mineral claim of $14,435, compared other expenses of $6,223 for the same period of the prior year.

Unrealized loss on financial assets

As at March 31, 2024, the Company owns the following marketable securities:

240,257 (2023 – 142,758) common shares of Komo Plant Based Foods Inc.
550,000 (2023 – nil) of the Company's shares held by its subsidiary Nelson Lake Copper Corp.
125,000 (2023 – nil) stock option of Greenridge Exploration Inc.

The fair values and adjustments to the marketable securities are shown below:

	March 31, 2023 fair value $	Additions $	Unrealized loss $	March 31, 2024 fair value $	Additions $	Unrealized loss $	June 30, 2024 fair value $
Common shares	25,000	13,636	(33,831)	4,805	24,750	(12,549)	17,006
Stock options	-	63,556	14,822	78,378	-	50,444	128,822
Total	25,000	77,192	(19,009)	83,183	24,750	37,895	145,828

Write off of amounts receivable

Write-off of amounts receivable during the period in the prior year was related to debt owed by Tevera Energy and Better Plant Sciences. We completed a merger transaction with Tevera Energy in March 2023 and such debt of $28,069 was written off following the merger. We previously made retainer payments to Better Plant Sciences to secure various corporate services under an operating agreement. The operating agreement was terminated in March 2023. The remaining balance of this prepayment of $40,670 was provided with a full allowance due to significant doubt in its recovery. We did not incur such costs during the three months ended June 30, 2024.

Net and comprehensive loss

We incurred a net loss of $288,533 for the three months ended June 30, 2024 as compared to $2,306,891 for the same period in the prior year.

Loss per share from continuing operations on basic and fully diluted basis was $0.01 for the three months ended June 30, 2024, compared to $0.06 for the same period in the prior year.

Dividends

On April 2, 2024, we declared a dividend of 1,046,269 Nelson Lake shares ("Dividend Shares") on a basis of 0.02 common shares in Nelson Lake issued for each of the Company's shares held by the Company's shareholders as of the record date of February 5, 2024. The Dividend Shares represented 59.8% of the total issued and outstanding shares of Nelson Lake. We did not declare of pay any dividends during the period in the prior year.

SUMMARY OF QUARTERLY RESULTS

The summary of our quarterly results are as follows:

For the quarters ended:

	Jun.30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023
	$	$	$	$
Operating Expenses	299,329	448,283	388,060	309,417
Net loss from continuing operations	(288,533)	(412,489)	(450,984)	(438,092)
Basic and diluted loss per share from continuing operations	(0.01)	(0.00)	(0.01)	(0.01)
Loss (income) from discontinued operations	-	-	-	-
Net Loss	(288,533)	(412,489)	(450,984)	(438,092)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average shares outstanding	54,633,323	45,074,151	46,609,318	42,956,894

	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022
	$	$	$	$
Operating Expenses	755,668	349,700	282,478	154,342
Net loss from continuing operations	(2,306,891)	(2,454,522)	(311,050)	(140,056)
Basic and diluted loss per share from continuing operations	(0.06)	(0.11)	(0.02)	(0.01)
Loss from discontinued operations	-	4,200	(2,450)	(2,250)
Net Loss	(2,306,891)	(2,450,322)	(313,500)	(142,306)
Basic and diluted loss per share	(0.06)	(0.11)	(0.02)	(0.01)
Weighted average shares outstanding	40,194,622	20,328,095	19,000,100	19,000,100

LIQUIDITY

	June 30, 2024	March 31, 2024
Current ratio(1)	0.1	0.2
Cash	$ 69	$ 52,219
Working capital surplus (deficit) (2)	($ 1,239,248)	($ 1,053,677)
Debt (3)	$ 1,083,072	$ 1,037,150
Total shareholders' equity (deficit)	($ 804,083)	($ 612,892)

(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

Cash Position

As at March 31, 2024, we had $69 in cash. During three months ended June 30, 2024, we spent $63,798 of cash in operating activities, to finance operating expenses, wages, and consulting fees, as compared to $462,008 for the same period of the prior year. Cash used in investing activities for three months ended June 30, 2024 was $13,102 representing cash of investment in marketable securities by a subsidiary of $24,750, investment in mineral properties of $3,352 offset by sales proceeds of a mineral claim of $15,000. Cash provided by financing activities was $24,750 for the three months ended June 30, 2024 by issuance of shares, as compared to $126,000 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.

Working Capital

We had a working capital deficit of $1,239,248 as at June 30, 2024, which primarily consists of cash, marketable securities and prepaid expense and deposits offset by accounts payable and accrued liabilities, flow-through premium, and convertible debentures, as compared to working capital deficit of $1,053,677 as at March 31, 2024. The decrease in the working capital was due to the fact that we had a higher rate of use of cash for our operations relative to the cash flows we received from financing activities to support our operations during the year.

CAPITAL RESOURCES AND MANAGEMENT

We are authorized to issue an unlimited number of common shares. As March 31, 2024, there were 55,703,872 common shares issued and outstanding. We had 27,644,103 share purchase warrants outstanding with a weighted average exercise price of $0.34. We had 8,918,750 stock options outstanding with a weighted average exercise price of $0.16 per share of which 7,966,250 are exercisable with a weighted average exercise price of $0.16 per share. We had 300,000 restricted share units vesting on November 17, 2024.

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, 2024 and March 31, 2024, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2024 and 2023, compensation of key management personnel were as follows:

	Three months ended June 30,	
	2024	2023
	$	$
Consulting fees	51,000	92,000
Development costs	23,325	-
Share-based compensation	42,822	77,669
Wages and benefits	-	28,088
	117,147	197,757

As at March 31, 2024, the Company owed $18,160 (2023 – $6,261) to officers and directors, which is included in due to related parties which is recorded in accounts payable and 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 carrying value of marketable securities, fair value of convertible debenture and 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 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;

- 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; 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.

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 June 30, and March 31, 2024, 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, 2024 $
Marketable securities:				
June 30, 2024	17,006	128,822	-	145,828
March 31, 2024	4,805	78,378	-	83,183

The fair values of other financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities, amounts due from and to related parties, and convertible debentures 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. Our credit risk is primarily attributable to cash and cash equivalents. We minimize our credit risk associated with its cash and cash equivalents 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

We are not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to a shortage of funds. All of our obligations are due within one year. We manage 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

We are 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.

QUALIFIED PERSON

Andrew Watson, P. Eng.., who is a Qualified Person as defined by NI 43-101, and member in good standing with the Association of Professional Engineers and Geoscientists of Alberta (member number 75486) has reviewed and approved the technical information in this MD&A. Mr. Watson is the Vice President, Engineering and Operations for the Company. Mr. Watson holds stock options in the Company. Mr. Watson consents to the inclusion in this MD&A of the matters based on his information in the form and context in which it appears.

ADDITIONAL INFORMATION

Additional information can be found on the Company's website at https://lancaster-resources.com and on the Company's profile on SEDAR+ at www.sedarplus.ca.