



**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR RELATING TO
THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS
OF
LANCASTER RESOURCES INC.**

TO BE HELD ON MARCH 15, 2023

to be held at 10:00 A.M. (Vancouver time) on March 15, 2024
at 2569 Marine Drive, West Vancouver, BC V7V 1L5

**The Board of Directors of Lancaster Resources Inc.
unanimously recommends that Shareholders vote**

FOR

the Arrangement Resolution

February 8, 2024



Letter to Shareholders

February 8, 2024

Dear Shareholders:

The Board of Directors (the "**Board**") of Lancaster Resources Inc. (the "**Company**" or "**LCR**") invites you to attend the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares of the Company (the "**LCR Shares**") to be held on March 15, 2024 at 10:00 A.M. (Vancouver time) at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5.

The Plan of Arrangement

At the Meeting, Shareholders will:

1. Ratify and appoint the Company's auditor and elect the members of the Board for the ensuing year.
2. Be asked to consider and, if deemed acceptable, pass a special resolution approving an arrangement with Nelson Lake Copper Corp., pursuant to a statutory plan of arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) whereby, among other things, LCR will divest of the majority of its ownership interest in Nelson Lake to the Shareholders.

Stock Dividend

Shareholders

Under the terms of the Arrangement Agreement, each Shareholder will receive (i) 0.02 (the "**Stock Dividend Ratio**") of a common share (the "**Nelson Lake Shares**") of Nelson Lake (the "**Stock Dividend**").

Holders of Convertible Securities

Pursuant to the Plan of Arrangement, only the holders of LCR Shares as of the Record Date for the Meeting will be entitled to vote at the Meeting and to receive Stock Dividend. Pursuant to the Plan of Arrangement, the holders of outstanding convertible securities of LCR (including warrants, stock options and debentures) will not be entitled to vote or receive any portion of the Stock Dividend.

Reasons for the Plan of Arrangement and Board Recommendation

The Board, based on its considerations including a thorough review of the arrangement agreement dated January 29, 2024, between the Company and Nelson Lake (the "**Arrangement Agreement**"), and other relevant matters, and taking into account the best interests of the Company, has unanimously determined that the Arrangement, and the entering into of the Arrangement Agreement, are in the best interests of the Company, and has unanimously approved the Arrangement and recommends that the Shareholders vote **FOR** the Arrangement. In making its recommendations, the Board considered a number of factors as described in the accompanying management information circular (the "**Circular**") under the heading "*The Arrangement – Reasons for the Arrangement*". The following are some of the principal reasons for the recommendation:

- **Enhanced Shareholder Value:** The strategic separation is aimed at enhancing shareholder value, offering stakes in two potentially growing sectors. Shareholders will retain all of their LCR Shares and receive a stock dividend consisting of Nelson Lake Shares, allowing Shareholders to benefit from successes and value appreciation in both companies.
- **Enhanced Focus on Core Business:** By concentrating on primary projects like its Alkali Flat Lithium Brine Project, LCR can allocate resources and management attention more efficiently.
- **Risk Diversification:** The separation of copper exploration activities through the Spin-Off reduces LCR's direct risk exposure in the copper sector.
- **Targeted Investments and Partnerships:** Operating independently, both LCR and Nelson Lake are poised to attract sector-specific investments and partnerships, enhancing the potential for growth and higher valuations.
- **Operational Efficiency:** The Spin-Off allows for streamlined operations and management in each entity, tailored to their respective operational goals.
- **Financial Flexibility:** Post-Arrangement, LCR's ownership of approximately 750,000 Nelson Lake Shares will represent a significant, non-dilutive asset. LCR's future potential sale of its remaining stake in Nelson Lake can fund its expansion activities at Alkali Flat.
- **Access to Capital for Nelson Lake:** With a streamlined corporate structure and only 1,750,000 issued and outstanding Nelson Lake Shares post-Arrangement, Nelson Lake is well-positioned to attract investors seeking targeted opportunities.
- **Increased M&A Opportunities for Nelson Lake:** Nelson Lake's tight corporate structure as an unlisted reporting issuer may make it an attractive candidate for mergers and acquisitions, broadening its strategic growth options.
- **Considered Risks:** While the Arrangement offers significant potential, the Board is mindful of specific risks, particularly regarding Nelson Lake's ability to successfully raise capital, and provide liquidity for the Nelson Lake Shares. For more information on potential risks, see "*Risk Factors*".

Closing

If the Shareholders approve the Arrangement, it is currently anticipated that the Arrangement will be completed on or about March 22, 2024, subject to obtaining court approval and certain regulatory approvals, as well as the satisfaction or waiver of other conditions contained in the Arrangement Agreement.

Shareholder Approval

In order to become effective, the Arrangement Resolution must be approved by at least 66⅔ % of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, with Shareholders being entitled to one vote for each LCR Share.

The election of directors and approval of other matters related to the AGM will require approval of more than 50% of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, with Shareholders being entitled to one vote for each LCR Share.

Full details of the Arrangement are set out in the Circular. The Circular describes the Arrangement and includes certain additional information to assist you in considering how to vote on the Arrangement Resolution, including certain risk factors relating to the completion of the Arrangement. You should carefully review and consider all of the information in the Circular. If you require assistance, consult your financial, legal, tax or other professional advisor.

The Arrangement is subject to customary closing conditions for a transaction of this nature, including, among other things, approval by the Shareholders, and court approval. The Arrangement will not proceed if such approvals are not obtained.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF LCR SHARES YOU OWN.

Shareholders are requested to read the Circular and are encouraged to promptly submit the enclosed proxy form, or voting instruction form (“**VIF**”), as applicable. Shareholders may vote online, by telephone or by mail. Pursuant to the interim order of the Supreme Court of British Columbia dated February 2, 2024 (the “**Interim Order**”), proxies, to be used at the Meeting, must be received by Endeavor Trust Corporation by no later than 10:00 A.M. (Vancouver time) on March 13, 2024 (or, if the Meeting is adjourned or postponed, by the time that is 48 hours prior to the Meeting, excluding Saturdays, Sundays and holidays). See “*Information Concerning the Meeting – Proxy Instructions*” in the Circular.

Shareholders who have questions or need assistance with voting their LCR Shares should contact me by telephone at 1-604-923-6100 or by email at penny@lancasterlithium.com.

On behalf of the Company, I thank all Shareholders for their continued support and we look forward to receiving your endorsement for this transaction at the Meeting.

Sincerely,

/s/ “Penny White”

Penny White
President, Chief Executive Officer and Director



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**LCR Shares**”) of Lancaster Resources Inc. (the “**Company**” or “**LCR**”) will be held at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5 on March 15, 2024 at 10:00 A.M. (Vancouver time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the years ended November 30, 2022 and November 30, 2021, as well as the audited financial statements of Lancaster Lithium Inc., the financial acquirer in the Company’s reverse takeover transaction that was completed on June 8, 2023, for the year ended March 31, 2023;
2. to ratify the appointment of Saturna Group Chartered Professional Accountants LLP as the auditor of the Company for the years ended November 30, 2022 and November 30, 2021 and approve the appointment of Saturna Group for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect four (4) directors for a term expiring at the next annual general meeting of the Company, the management nominees for such positions being Penny White, Heather Williamson, Stephen Andrew Watson and Daniel Kang;
4. to consider, in accordance with the interim order of the Supreme Court of British Columbia dated February 2, 2024 (the “**Interim Order**”), and, if deemed advisable, to approve, with or without variation, a special resolution (the “**Arrangement Resolution**”) approving a statutory plan of arrangement (the “**Plan of Arrangement**”) between the Company and Nelson Lake Copper Corp. (“**Nelson Lake**”), under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) whereby, among other things, LCR will divest of the majority of its ownership interest in Nelson Lake to the Shareholders (the “**Spin-Off**”), the full text of which is set forth in Appendix A to the accompanying management information circular (“**Circular**”); and
5. to transact such further or other business as may properly come before the Meeting and any adjournments or postponements thereof.

The board of directors of the Company unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.

Pursuant to the Interim Order, the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting was February 5, 2024 (the “**Record Date**”). Only registered Shareholders (“**Registered Shareholders**”) are entitled to receive notice of the Meeting (“**Notice of Meeting**”) and to vote at the Meeting. This Notice of Meeting is accompanied by the Circular and a form of proxy.

Each LCR Share entitled to be voted at the Meeting will entitle the holder thereof to one vote for each LCR Share. In order to become effective, the Arrangement Resolution must be approved by at least 66⅔ % of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Registered Shareholders are requested to read the Circular and are requested to date and sign the enclosed proxy form promptly, as applicable, and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated in the proxy form. Registered Shareholders may also vote online instead of by mail, email or by fax. Pursuant to the Interim Order, proxies to be used at the Meeting must be received by Endeavor Trust Corporation by no later than 10:00 A.M. (Vancouver time) on March 13, 2024 (or, if the Meeting is adjourned or postponed, by the time that is 48 hours prior

to the Meeting, excluding Saturdays, Sundays and holidays). To vote online at www.eproxy.ca, you will need to enter your 12-digit control number and password (located at the top right corner of the first page of the form of proxy) to identify yourself as a Registered Shareholder. Alternatively, a proxy can be submitted to Endeavor Trust Corporation either by mail or courier, to 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 or by email to proxy@endeavortrust.com or by fax to 604-559-8908. If a Registered Shareholder receives more than one proxy form because such Registered Shareholder owns securities of the Company registered in different names or addresses, each proxy form needs to be completed and returned or voted online.

If your LCR Shares are not registered in your name but are held through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, please complete and return the request for voting instructions in accordance with the instructions provided to you by your broker or such other intermediary. Failure to do so may result in such securities not being voted at the Meeting.

If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form ("VIF") attend and vote at the Meeting as your proxy and vote your securities, including if you are not a Registered Shareholder and wish to appoint yourself as proxyholder to attend, attend and vote at the Meeting, you MUST submit your form of proxy (or proxies) or VIF, as applicable, in accordance with the instructions set out in the Circular. If submitting a proxy or VIF, appointing a person other than the management nominees identified, you must return your proxy or VIF in accordance with the instructions set out in the Circular by 10:00 A.M. (Vancouver time) on March 13, 2024.

Shareholders will not be given the right to dissent in respect of the Arrangement Resolution and accordingly, the dissent procedures contained in Division 2 of Part 8 of the BCBCA do not apply to the Arrangement Resolution or the Arrangement.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by the Company before the Meeting or by the Chair at the Meeting.

Dated at West Vancouver, British Columbia as of February 8, 2024.

BY ORDER OF THE BOARD

/s/ "Penny White"

Penny White
President, Chief Executive Officer and Director

FREQUENTLY ASKED QUESTIONS ABOUT THE ARRANGEMENT AND THE MEETING

The following are some questions that you, as a Shareholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in, or incorporated by reference into, this Circular. You are urged to read this Circular in its entirety before making a decision on how to vote. All capitalized terms used herein have the meanings ascribed to them in the “Glossary of Terms” of the Circular.

QUESTIONS RELATING TO THE ARRANGEMENT

Q: What am I voting on?

A: You are being asked to consider and, if deemed acceptable, to vote **FOR** the Arrangement Resolution, which provides that, among other things, each Shareholder receive 0.02 of a Nelson Lake Share for each LCR Share owned by such Shareholder (the “**Stock Dividend**”). You will also be asked to ratify and approve the appointment of the auditor, allow the Board to set the auditor compensation, and elect directors for LCR.

Q: What will I receive in the Arrangement?

A: Shareholders owning LCR Shares will be entitled to receive the Stock Dividend, which is comprised of 0.02 of a Nelson Lake Share. The holders of convertible securities of LCR (including warrants, stock options and debentures) will not be entitled to receive any portion of the Stock Dividend.

Q: How do I receive my consideration under the Arrangement as a Shareholder?

A: You do not need to take any action upon completion of the Arrangement for the Stock Dividend to be issued.

For additional information, including information regarding how the Transfer Agent will send you the Stock Dividend, please see “*The Arrangement — Distribution of Dividend Shares*”.

Q: When can I expect to receive the Stock Dividend?

A: Assuming completion of the Arrangement, if you hold your LCR Shares through an Intermediary, then the Stock Dividend you are entitled to receive will be delivered to your Intermediary through procedures in place for such purposes between CDS & Co. or similar entities and such Intermediaries. You should contact your Intermediary if you have any questions regarding this process.

In the case of Registered Shareholders, as soon as practical after the Effective Date, Lancaster will cause the Transfer Agent to forward the certificate(s)/DRS Advice(s) representing the Stock Dividend, as applicable, to which the Registered Shareholders are entitled by first class mail.

Q: What is the recommendation of the LCR Board of Directors?

A: The directors of LCR have unanimously concluded that the Arrangement is in the best interests of the Company and the Board unanimously recommends that Shareholders vote **FOR** the Arrangement Resolution to approve the Arrangement.

Q: Why is the Board making this recommendation?

A: Based on its considerations and investigations, including consultation with its advisors, the Board unanimously determined that the Arrangement is in the best interests of LCR. **Accordingly, the Board unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.** Each director and officer of the Company intends to vote all of such director’s and officer’s securities **FOR** the Arrangement Resolution. The following are some of the principal reasons for the recommendation:

- **Enhanced Shareholder Value:** The strategic separation is aimed at enhancing shareholder value, offering stakes in two potentially growing sectors. Shareholders will retain all of their LCR Shares and receive a stock dividend consisting of Nelson Lake Shares, allowing Shareholders to benefit from successes and value appreciation in both companies.
- **Enhanced Focus on Core Business:** By concentrating on primary projects like its Alkali Flat Lithium Brine Project, LCR can allocate resources and management attention more efficiently.
- **Risk Diversification:** The separation of copper exploration activities through the Spin-Off reduces LCR's direct risk exposure in the copper sector.
- **Targeted Investments and Partnerships:** Operating independently, both LCR and Nelson Lake are poised to attract sector-specific investments and partnerships, enhancing the potential for growth and higher valuations.
- **Operational Efficiency:** The Spin-Off allows for streamlined operations and management in each entity, tailored to their respective operational goals.
- **Financial Flexibility:** Post-Arrangement, LCR's ownership of approximately 750,000 Nelson Lake Shares will represent a significant, non-dilutive asset. LCR's future potential sale of its remaining stake in Nelson Lake can fund its expansion activities at Alkali Flat.
- **Access to Capital for Nelson Lake:** With a streamlined corporate structure and only 1,750,000 issued and outstanding Nelson Lake Shares post-Arrangement, Nelson Lake is well-positioned to attract investors seeking targeted opportunities.
- **Increased M&A Opportunities for Nelson Lake:** Nelson Lake's tight corporate structure as an unlisted reporting issuer may make it an attractive candidate for mergers and acquisitions, broadening its strategic growth options.
- **Considered Risks:** While the Arrangement offers significant potential, the Board is mindful of specific risks, particularly regarding Nelson Lake's ability to successfully raise capital, and provide liquidity for the Nelson Lake Shares. For more information on potential risks, see "*Risk Factors*".

Q: In addition to the approval of Shareholders, are there any other approvals required for the Arrangement?

A: Yes, the Arrangement requires the approval of the Court. See "*The Arrangement – Court Approval of the Arrangement*" and "*The Arrangement – Regulatory Approvals*" in the Circular.

Q: What if Shareholders do not approve the Arrangement Resolution?

A: If the Arrangement Resolution is not approved by the Shareholders, the Arrangement will not be completed.

Pursuant to the terms of the Arrangement Agreement, if the Required Shareholder Approval is not obtained, either the Company or Nelson Lake may terminate the Arrangement Agreement.

Q: What if the Court does not approve the Arrangement?

A: If the approval of the Court is not obtained, the Arrangement will not be completed, even if Shareholders approve the Arrangement Resolution.

Q: What conditions must be satisfied to complete the Arrangement?

A: The Arrangement is conditional upon the receipt of, among other things: (i) the Required Shareholder Approval of the Arrangement Resolution; (ii) the Court's approval; and (iii) the satisfaction of certain other closing conditions customary for transactions of this nature. For more information, see "*The Arrangement Agreement – Conditions to Closing*" in the Circular.

Q: Will the LCR Shares continue to be listed on the CSE and the OTCQB after the Arrangement?

A: Yes, the listing of LCR Shares will be unchanged after the Arrangement has been completed.

Q: How will I know when the Arrangement will be implemented?

A: The Effective Date will occur upon the satisfaction or waiver of all of the conditions to the completion of the Arrangement. If the Required Shareholder Approval is obtained at the Meeting, the Effective Date is expected to occur on or about March 22, 2024. On the Effective Date, LCR will publicly announce that the conditions are satisfied or waived and that the Arrangement has been completed.

Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?

A: Yes. Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks include, but are not limited to: (i) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (ii) the Arrangement Agreement may be terminated in certain circumstances; (iii) the completion of the Arrangement is uncertain and LCR will incur costs even if the Arrangement is not completed; (iv) the Arrangement may divert the attention of LCR's management; (v) even if the Arrangement successfully completes, there is no certainty that Nelson Lake will be able to raise capital, or engage in M&A activity or create a liquid market for Nelson Lake Shares; and (vi) Nelson Lake and LCR may be the targets of legal claims, securities class action, derivative lawsuits and other claims. See "*Risk Factors*" in the Circular.

Q: What will happen to the LCR Shares that I currently own after completion of the Arrangement?

A: There will be no change to the LCR Shares you currently own after completion of the Arrangement.

QUESTIONS RELATING TO THE MEETING

Q: When and where is the Meeting?

A: The Meeting will take place at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5 on March 15, 2024 at 10:00 A.M. (Vancouver time).

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by management of LCR. The Circular is being furnished in connection with that solicitation. The solicitation of proxies for the Meeting will be made primarily by mail, and may be supplemented by telephone and other means of contact.

If you have questions or require voting assistance, please contact Penny White by telephone at 1-604-923-6100 or by email at penny@lancasterlithium.com.

Q: Who can attend and vote at the Meeting and what is the quorum for the Meeting?

A: Only holders of LCR Shares as of February 5, 2024, being the Record Date, are entitled to receive notice of and to attend, and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

For all purposes contemplated by the Circular, the quorum for the transaction of business at the Meeting will be one (1) Shareholder present in person or represented by proxy representing not less than one (1) issued share of the Company carrying the right to vote at the Meeting.

Q: How do I vote?

A: There are different ways to submit your voting instructions depending on whether you are a Registered Shareholder or a Beneficial Shareholder.

- **Registered Shareholders:** You must be a Registered Shareholder at the close of business on the Record Date to vote. You may vote in person or by proxy.
- **Beneficial Shareholders:** You may vote or appoint a proxy using the VIF provided to you. Your vote or proxy appointment will be submitted by your bank, trust company, securities broker, trustee, custodian or other nominee who holds LCR Shares on your behalf to the Company.

For more information, please see “*How do I appoint a third party as my proxyholder?*”, and “*Information Concerning the Meeting – Appointment of Proxyholders*” and “*Information Concerning the Meeting – Advice to Beneficial (Non-Registered) Shareholders*”.

Q: How do I know if I am a Registered Shareholder or a Beneficial Shareholder?

A: You may own LCR Shares in one or both of the following ways:

- If you are in possession of a physical share certificate or DRS Advice, you are a Registered Shareholder and your name and address are known to us through the Transfer Agent.
- If you own LCR Shares through an Intermediary, you are a Beneficial Shareholder and you will not have a physical share certificate or a DRS Advice. In this case, you will have an account statement from your bank or broker as evidence of your share ownership.

Most Shareholders are Beneficial Shareholders. Their LCR Shares are registered in the name of an Intermediary, such as a bank, trust company, securities broker, trustee, custodian or other nominee who holds LCR Shares on their behalf, or in the name of a clearing agency in which the Intermediary is a participant (such as CDS & Co.). Intermediaries have obligations to forward the Meeting materials to such Beneficial Shareholders unless otherwise instructed by the holder (and as required by regulation in some cases, despite such instructions).

Q: If my LCR Shares are held in the name of an Intermediary, will they automatically vote my LCR Shares for me?

A: No. Specific voting instructions must be provided. See “How do I vote if my LCR Shares are held in the name of an Intermediary?” below.

Q: How do I vote if my LCR Shares are held in the name of an Intermediary?

A: Fill in the VIF you received with this package and carefully follow the instructions provided. You can send your voting instructions by phone or by mail or through the internet.

Only Registered Shareholders or the persons they appoint as proxies are permitted to attend and vote at the Meeting.

To attend and vote at the Meeting, a Beneficial Shareholder should insert his or her name or his or her chosen representative (who need not be a Shareholder) in the blank space provided in the VIF and follow the instructions on returning the form.

See “How do I appoint a third party as my proxyholder?” below for more information on how Beneficial Shareholders can appoint third parties as proxyholders.

Q: How do I appoint a third party as my proxyholder?

A: The following applies to Registered Shareholders who wish to appoint a person other than the management nominees set forth in the form of proxy as proxyholder, **AND** Beneficial Shareholders who wish to appoint themselves as proxyholder to participate and vote at the Meeting.

You have the right to appoint any person or company you want to be your proxyholder. It does not have to be a Shareholder or the person designated in the enclosed form(s). Simply indicate the person's name as directed on the enclosed proxy form(s) or complete any other legal proxy form and deliver it to Endeavor Trust Corporation within the time hereinafter specified for receipt of proxies.

Shareholders who wish to appoint a third-party proxyholder to attend or vote at the Meeting as their proxy and vote their securities MUST submit their proxy (or proxies) or VIF, as applicable, appointing such third party proxyholder in accordance with the instructions provided in the proxy or VIF, as applicable.

If you are a Beneficial Shareholder and wish to attend or vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your Intermediary and follow all of the applicable instructions provided by your Intermediary. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

Q: How many LCR Shares are entitled to vote?

A: As of the Record Date, there were 52,313,872 LCR Shares outstanding and entitled to vote at the Meeting. Each LCR Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting for each LCR Share held.

Q: What vote is required at the Meeting to approve the Arrangement Resolution?

A: In order to become effective, the Arrangement Resolution must be approved by at least 66⅔% of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Q: What if I return my proxy but do not mark it to show how I wish to vote?

A: If your proxy is signed and dated and returned without specifying your choice or is returned specifying both choices, your LCR Shares will be voted **FOR** the Arrangement Resolution in accordance with the recommendation of the Board.

Q: When is the cut-off time for delivery of proxies?

A: Proxies sent by mail or courier must be delivered to Endeavor Trust Corporation not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. In this case, assuming no adjournment, the proxy cut-off time is 10:00 A.M. (Vancouver time) on March 13, 2024. Online votes submitted via the internet at www.eproxy.ca must also be submitted by 10:00 A.M. (Vancouver time) on March 13, 2024. The Chair of the Meeting, in his or her sole discretion, may accept late proxies or waive the deadline for accepting proxies.

A Beneficial Shareholder exercising voting rights through an Intermediary should consult the VIF from such Beneficial Shareholder's Intermediary as the Intermediary may have earlier deadlines.

Q: Can I change my vote after I submitted a signed proxy?

A: Yes. If you want to change your vote after you have delivered a proxy, you can do so by submitting a new, later dated, proxy before the proxy-cut off time.

Q: Am I entitled to dissent rights?

A: No. The Company is not offering Shareholders the ability to exercise dissent rights in connection with the Arrangement.

Q: How can I revoke my proxy?

A: If you change your vote by submitting a new proxy before the proxy deadline, such change will revoke any previously filed proxy.

Also, you can revoke your proxy without a new vote by signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the registered office of LCR at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5, or in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 P.M. (Vancouver time) on the last Business Day before the day of the Meeting, or delivered to the person presiding at the Meeting before it commences. If you revoke your proxy and do not replace it with another that is deposited before the deadline, you can still vote your LCR Shares but to do so you must attend the Meeting and follow the procedures for voting in person.

Beneficial Shareholders should follow instructions provided to them by their Intermediary with respect to their VIF.

Q: Who to Call with Questions

A: Shareholders who have questions or need assistance with voting their LCR Shares, as applicable, should contact Penny White by telephone at 1-604-923-6100 or by email at penny@lancasterlithium.com. See “Additional Information” in the Circular.

If you have questions about deciding how to vote on the Arrangement Resolution, you should contact your own legal, tax, financial or other professional advisor.

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LANCASTER RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Company for use at the Meeting and any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or the Meeting or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the Arrangement.

These Meeting materials are being sent to registered holders of LCR Shares and beneficial owners of LCR Shares through Intermediaries.

If you hold LCR Shares through an Intermediary, you should contact your Intermediary for instructions and assistance in voting.

Information Contained in this Circular

The information contained in this Circular is given as at February 8, 2024, except where otherwise noted. This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

In this Circular, references to currency are to amounts in Canadian dollars unless otherwise indicated.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Descriptions in this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are summaries of the terms of those documents and are qualified in their entirety by such terms. Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The Arrangement Agreement has been filed by LCR under its profile on SEDAR+ at www.sedarplus.ca. In addition, the Plan of Arrangement is attached as Appendix B to this Circular.

Information Concerning Nelson Lake

The information concerning Nelson Lake contained in this Circular has been provided by Nelson Lake for inclusion in this Circular. In accordance with the Arrangement Agreement, Nelson Lake provided the Company with all necessary information concerning Nelson Lake that is required by applicable Laws to be included in this Circular and ensured that such information does not contain any misrepresentations.

Information for U.S. Shareholders

The Company is a corporation existing under the laws of British Columbia and is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and Rule 3b-4 under the U.S. Exchange Act. The solicitation of proxies and the

transactions contemplated in this Circular are not subject to the proxy rules under Section 14(a) of the U.S. Exchange Act by virtue of an exemption for foreign private issuers, and therefore this solicitation is not being effected in accordance with U.S. Securities Laws. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate laws and Securities Laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Shareholders in the United States should also be aware that other requirements under Canadian laws may differ from those required under United States corporate laws and U.S. Securities Laws.

This Arrangement has not been approved or disapproved by the United States Securities and Exchange Commission or any other securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or the merits of this transaction or upon the accuracy or adequacy of the information contained in this Circular.

Shareholders in the United States should be aware that the financial statements and financial information of the Company are prepared in accordance with IFRS as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards, each of which differ in certain material respects from United States generally accepted accounting principles and auditing and auditor independence standards and thus may not be comparable in all respects to financial statements and information of United States companies.

Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States are not described herein. U.S. Shareholders should consult their own tax advisors with respect to their own particular circumstances.

The enforcement by investors of civil liabilities under the U.S. Securities Laws may be affected adversely by the fact that each of LCR and Nelson Lake is incorporated or organized outside the United States, that some or all of their respective officers and directors and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of LCR and Nelson Lake and said persons are located outside the United States. As a result, it may be difficult or impossible for U.S. Shareholders to effect service of process within the United States upon LCR or Nelson Lake, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, U.S. Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

Cautionary Note Regarding Forward-Looking Statements

This Circular contains forward-looking statements and forward-looking information within the meaning of applicable Securities Laws and which are based on the currently available competitive, financial and economic data and operating plans of management of the Company as of the date hereof unless otherwise stated. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. The use of any of the words “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend”, “indicate”, “scheduled”, “target”, “goal”, “potential”, “subject”, “efforts”, “option” or the negative of such terms and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: the Arrangement and the completion thereof; covenants of LCR and Nelson Lake in relation to the Arrangement; the timing for the implementation of the Arrangement, including the expected Effective Date; the anticipated benefits of the Arrangement; the principal steps of the Arrangement; the process and timing of delivery of the Nelson Lake Shares to Shareholders following the Effective Time; the receipt of the necessary Shareholder approvals; the anticipated tax treatment of the Arrangement for Shareholders; statements relating to the business of Nelson Lake and LCR after the date of this

Circular and prior to, and after, the Effective Time; the strengths, characteristics, market position and future financial or operating performance and potential of Nelson Lake; the availability of the exemptions under the U.S. Securities Act for the securities issuable pursuant to the Arrangement; the transfer restrictions (or lack thereof) with respect to the Nelson Lake Shares issued to Shareholders upon the completion of the Arrangement; the liquidity of Nelson Lake Shares following the Effective Time; the number of Nelson Lake Shares expected to be issued pursuant to the Arrangement; the expected ownership of Nelson Lake Shares by Shareholders and existing Nelson Lake shareholders upon completion of the Arrangement; Nelson Lake's ability to raise additional financing and the timing, amount and terms thereof; anticipated developments in the operations of Nelson Lake; expectations regarding the growth of Nelson Lake; the business prospects and opportunities of Nelson Lake; the future demand for and prices of commodities; the future size and growth of metals markets; expectations regarding costs of capital and operating expenditures; expectations regarding the costs and timing of exploration and development, and the success of such activities; sales expectations; the timing and possible outcome of pending litigation in future periods; the timing and possible outcome of regulatory and permitted matters; goals; strategies; future growth; planned future acquisitions (other than the Arrangement); the adequacy of financial resources; and other events or conditions that may occur in the future or future plans, projects, objectives, estimates and forecasts, and the timing related thereto.

In respect of the forward-looking statements and information in this Circular, the Company has provided such forward looking statements and information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary Court, shareholder and other third party approvals; the ability of the Parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; the Company's and Nelson Lake's ability to obtain all necessary permits, licenses and regulatory approvals for operations in a timely manner; the adequacy of the financial resources of the Company and Nelson Lake; sustained labour stability and availability of equipment; the maintaining of positive relations with local groups; favorable equity and debt capital markets; stability in financial capital markets and other expectations and assumptions which management believes are appropriate and reasonable. The anticipated dates provided in this Circular regarding the Arrangement may change for a number of reasons, including the inability to secure the necessary regulatory, Court, shareholder or other third-party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Circular.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of risks, uncertainties and factors. Such risks, uncertainties and factors include, among others: the risk that the Arrangement may not close when planned or at all or on the terms and conditions set forth in the Arrangement Agreement; the failure of the Company and Nelson Lake to obtain the necessary regulatory, Court, shareholder and other third-party approvals, or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, or at all; the benefits expected from the Arrangement may not be realized; risks associated with business integration; risks related to the Parties' respective properties; risks related to competitive conditions; the risk that actual results of current exploration activities may be different than forecasts; risks associated with delays in obtaining governmental approvals or financing or in the completion of exploration or development activities; health, safety and environmental risks; and the risks discussed under the heading "*Risk Factors*" and elsewhere in the Circular, including in the documents incorporated by reference in the Circular.

The forward-looking statements and information contained in this Circular are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable Securities Laws and readers should also carefully consider the matters discussed under the heading "*Risk Factors*" and other documents incorporated by reference herein. All forward-looking statements contained in Appendix E and this Circular are expressly qualified in their entirety by the cautionary statements set forth above and in any document incorporated by reference herein.

Reference to Financial Information and Additional Information

Financial information provided in the Company's annual financial statements and the Company's management discussion and analysis are available on SEDAR+ at www.sedarplus.ca. You can obtain additional documents related to the Company without charge on SEDAR+ at www.sedarplus.ca.

GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

“**affiliate**” and “**associate**” have the meanings respectively ascribed thereto under the *Securities Act* (British Columbia).

“**Alkali Flat Lithium Brine Project**” and “**Alkali Flat**” refers to LCR’s flagship property, which is located near Lordsburg, New Mexico, USA. Covering about 5,200 acres, LCR has legal rights to fully acquire this project aimed at exploring and extracting sub-surface lithium brine deposits. LCR’s goal is to produce environmentally sustainable 'Net Zero Lithium' using direct lithium extraction technology powered by renewable energy, adhering to relevant environmental laws and regulations.

“**Arrangement**” means the arrangement of the Company under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Nelson Lake and the Company, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement dated as of January 29, 2024, between Nelson Lake and the Company, including the schedules attached thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Arrangement Resolution**” means the special resolution to be considered, and, if thought fit, passed by the Shareholders at the Meeting to approve the Arrangement, substantially in the form and content of Appendix A hereto.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time.

“**Beneficial Shareholder**” means a Person who holds LCR Shares through an Intermediary or who otherwise does not hold LCR Shares in the Person’s name.

“**Board**” means the board of directors of the Company, as constituted from time to time.

“**Board Recommendation**” means the unanimous determination of the Board, after consultation with legal and financial advisors, that the Arrangement and the entering of the Arrangement Agreement are in the best interests of the Company and the unanimous recommendation of the Board to Shareholders that they vote in favour of the Arrangement Resolution.

“**Broadridge**” means Broadridge Financial Solutions, Inc.

“**Business Day**” means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Vancouver, British Columbia are authorized or required by applicable Law to be closed.

“**CSE**” means the Canadian Securities Exchange.

“**Circular**” means this management information circular, including the Notice of Meeting and all appendices hereto and all documents incorporated by reference herein, and all amendments or supplements hereof.

“**Company**” or “**LCR**” means Lancaster Resources Inc., a company existing under the BCBCA.

“**Company Annual Financial Statements**” means the audited consolidated financial statements of the Company as at, and for the years ended, November 30, 2022 and November 30, 2021, including the notes thereto and the auditor’s report thereon, as well as the audited financial statements for the year ended March 31, 2023 of Lancaster Lithium Inc., which was the Company’s financial acquiror in its reverse merger transaction completed on June 8, 2023, and is now the wholly owned subsidiary of LCR.

“**Court**” means the Supreme Court of British Columbia.

“DRS Advices” means the direct registration system advices held by some Shareholders representing their LCR Shares.

“Effective Date” means the date designated by Nelson Lake and the Company by notice in writing as the effective date of the Arrangement, after all of the conditions to completion of the Arrangement as set forth in the Arrangement Agreement have been satisfied or waived (excluding conditions that by their terms cannot be satisfied until the Effective Date) and all documents agreed to be delivered hereunder have been delivered to the satisfaction of the parties thereto, acting reasonably, and in the absence of such agreement, three (3) Business Days following the satisfaction or waiver of all conditions to completion of the Arrangement as set forth in the Arrangement Agreement (excluding conditions that by their terms cannot be satisfied until the Effective Date).

“Effective Time” means 12:01 A.M. (Vancouver time) on the Effective Date.

“Final Order” means the order of the Court approving the Arrangement pursuant to Section 291 of the BCBCA, after being informed of the intention to rely upon the exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act with respect to the Nelson Lake Shares issued pursuant to the Arrangement in form and substance acceptable to both the Company and Nelson Lake, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Company and Nelson Lake, each acting reasonably) at any time prior to the Effective Date or, if appealed, unless such appeal is withdrawn, abandoned or denied, as affirmed or amended on appeal (provided that any such amendment, modification or variation is acceptable to both the Company and Nelson Lake, each acting reasonably).

“Governmental Authority” means (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing, (b) any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing, and (c) any stock exchange.

“Holder” has the meaning ascribed thereto in *“Certain Canadian Federal Income Tax Considerations”*.

“IFRS” means International Financial Reporting Standards as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis.

“Interim Order” means the interim order of the Court, attached hereto as Appendix C, pursuant to Section 291 of the BCBCA following the application as contemplated by the Arrangement Agreement and after being informed of the intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the Stock Dividend Shares issued pursuant to the Arrangement, in form and substance acceptable to both the Company and Nelson Lake, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court (provided that any such amendment, modification, supplement or variation is acceptable to both the Company and Nelson Lake, each acting reasonably).

“Intermediary” means, collectively, a broker, investment dealer, bank, trust company, nominee or other intermediary.

“Law” or **“Laws”** means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity and the term “applicable” with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities.

“LCR Debentures” means outstanding convertible debentures of LCR.

“LCR Option Plan” the amended and restated stock option plan of the Company, which was approved by the Company’s board of directors on May 12, 2020.

“LCR Options” means the outstanding stock options to purchase LCR Shares granted under the LCR Option Plan.

“LCR Shares” means the common shares without par value in the capital of LCR.

“LCR Warrants” means outstanding warrants to purchase LCR Shares.

“M&A” means mergers and acquisitions.

“Meeting” means the annual and special meeting of the Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of, among other things, considering and, if thought fit, approving the Arrangement Resolution.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“NI 43-101” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

“NEOs” means the directors and each executive officer who meets the definition of a “named executive officer” as set out in Form 51-102F6V – *Statement of Executive Compensation*

“Nelson Lake” means Nelson Lake Copper Corp., a corporation incorporated under the laws of British Columbia, Canada, and a wholly owned subsidiary of LCR.

“Nelson Lake Annual Financial Statements” means the audited financial statements of Nelson Lake for the period ended December 31, 2023.

“Nelson Lake Copper Project” has the meaning ascribed thereto in Appendix E.

“Nelson Lake Shares” means common shares without par value in the capital of Nelson Lake.

“NOBO” has the meaning ascribed thereto in “*Meeting Details*”.

“Non-Resident Holder” has the meaning ascribed thereto in “*Certain Canadian Federal Income Considerations – Holders Not Resident in Canada*”.

“OBO” has the meaning ascribed thereto in “*Meeting Details*”.

“OTCQB” is the mid-tier U.S. trading platform that is part of the OTC Market Group.

“Permit” means any lease, license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of or from any Governmental Authority.

“person” includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, Joint Venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement in the form of Appendix B and any amendments or variations thereto made in accordance with the provisions of the Arrangement Agreement and the Plan of Arrangement or at the direction of the Court in the Final Order, with consent of the Company and Nelson Lake, each acting reasonably.

“Proceedings” means any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry before or by any Governmental Authority, or any material claim, action suit, demand, arbitration, charge, indictment, hearing, demand letter or other similar civil, quasi-criminal or criminal, administrative or investigative matter or proceeding, including by any third party whatsoever against or involving the Company or any of its subsidiaries, or affecting any of their property or assets (whether in progress or, to the knowledge of the Company, threatened).

“Record Date” means the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting, being February 5, 2024 (Vancouver time), pursuant to the Interim Order.

“Registered Shareholder” means a registered holder of LCR Shares.

“Registrar” means the registrar appointed pursuant to Section 400 of the BCBCA.

“Regulation S” means Regulation S under the U.S. Securities Act.

“Regulatory Approvals” means sanctions, rulings, consents, orders, exemptions, permits, waivers, early termination authorizations, clearances, written confirmations of no intention to initiate legal proceedings and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities.

“Reporting Issuer” has the meaning ascribed to such term in the Securities Act (British Columbia) as amended.

“Required Shareholder Approval” means the approval of the Arrangement Resolution by at least 66⅔% of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting being entitled to one vote for each LCR Share.

“Resident Holder” has the meaning ascribed thereto in *“Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada”*.

“Saturna Group” means Saturn Group Chartered Professional Accountants LLP, located at Suite 1605, 1166 Alberni Street, Vancouver, British Columbia, Canada, V6E 3Z3.

“Securities Authorities” means all applicable securities regulatory authorities, including the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada.

“Securities Act” means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder.

“Securities Laws” means the Securities Act and all other applicable Canadian provincial and territorial securities Laws and U.S. Securities Laws.

“SEDAR+” means the System for Electronic Document Analysis and Retrieval also referred to as SEDAR+ at www.sedarplus.ca.

“Senior Officer” has the meaning ascribed thereto in MI 61-101.

“Spin-Off” means the part of the Arrangement whereby LCR will divest a majority of its ownership in Nelson Lake, by issuing the Stock Dividend to the Shareholders.

“Shareholders” means the holders of LCR Shares.

“Stock Dividend” means the stock dividend to be received by each Shareholder pursuant to the Plan of Arrangement in Stock Dividend for LCR Shares held by each Company Shareholder consisting of 0.02 of a Nelson Lake Share for each LCR Share held.

“Stock Dividend Ratio” means 0.02 of a Nelson Lake Share for each LCR Share.

“Stock Dividend Shares” means the Nelson Lake Shares to be issued as the Stock Dividend pursuant to the Arrangement.

“Subscription Price” means \$33,000.

“Transfer Agent” means Endeavor Trust Corporation, in its capacity as transfer agent and registrar to the Company.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, as the same has been, and hereafter from time to time, may be amended.

“U.S. Securities Act” means the United States Securities Act of 1933, and the rules and regulations promulgated thereunder, as the same has been, and hereinafter from time to time may be, amended.

“U.S. Securities Laws” means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act and the U.S. Exchange Act, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the United States.

“U.S. Shareholders” means Shareholders that are in or are a resident of the United States.

“United States” means the United States of America, any territories and possessions thereof, any state of the United States, and the District of Columbia.

“VIF” means voting instruction form.

In this Circular, references to “C\$ or \$” are to amounts in Canadian dollars unless otherwise indicated.

SUMMARY

The following information is a summary of the contents of this Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained, or incorporated by reference, elsewhere in this Circular. Capitalized terms in this summary have the meaning set out in the “*Glossary of Terms*” or as set out herein. The full text of the Arrangement Agreement is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

**Date, Time and
Place of Meeting**

The Meeting will be held on March 15, 2024 at 10:00 A.M. (Vancouver time) at 2569 Marine Drive, West Vancouver, British Columbia, V7X 1L3.

The Record Date

The Record Date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is February 5, 2024.

Purpose of the Meeting

At the Meeting, Shareholders will be asked to consider and, if deemed acceptable, to pass, with or without variation, the Arrangement Resolution. The approval of the Arrangement Resolution will require the Required Shareholder Approval.

In addition, at the Meeting: (i) the audited consolidated financial statements of LCR for the years ended November 30, 2022 and 2021, together with the auditor’s report thereon, will be presented to the Shareholders; (ii) the Shareholders will be electing directors to hold office until LCR’s next annual general meeting; (iii) the Shareholders will be asked to ratify the appointment of Saturna Group as auditor for the fiscal years ended November 30, 2022 and 2021, to appoint Saturna Group as auditor of LCR for the ensuing year and to authorize the directors to fix the auditor’s remuneration.

The Arrangement

The purpose of the Arrangement is to effect the acquisition by Nelson Lake of the Company. If the Arrangement Resolution is approved with the Required Shareholder Approval and all other conditions to the closing of the Arrangement are satisfied or waived, the Arrangement will be implemented by way of a court-approved plan of arrangement under the BCBCA.

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order, without any further authorization, act or formality:

- A. LCR will subscribe for 1,650,000 Nelson Lake Shares at a price of \$0.02 per Nelson Lake Share for the Subscription Price;
- B. LCR will pay the Subscription Price to Nelson Lake, and Nelson Lake will issue the 1,650,000 Nelson Lake Shares to LCR as fully paid and non-assessable;
- C. LCR will, distribute to the Shareholders 0.2 Nelson Lake Shares in respect of each one (1) LCR Share held by a LCR Shareholder;
- D. LCR will issue the LCR Note to Nelson Lake in exchange for \$100 and one (1) fully paid and non-assessable Nelson Lake Share;
- E. Nelson Lake will subscribe for 550,000 LCR Shares at a price of \$0.06 per LCR Share for the Subscription Price;
- F. Nelson Lake will pay the Subscription Price to LCR, and LCR will issue the 550,000 LCR Shares to Nelson Lake as fully paid and non-assessable; and
- G. LCR will repurchase the LCR Note from Nelson Lake in exchange for \$100.

On completion of the Arrangement, the shareholder's ownership of LCR Shares, LCR Warrants, LCR Options and LCR Debentures shall be unchanged.

Recommendation of the Board

Based on its considerations and investigations, the Board unanimously determined that the Arrangement is in the best interests of the Company. **Accordingly, the Board unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.** Each director and officer of the Company intends to vote all of such directors' and officers' LCR Shares, **FOR** the Arrangement Resolution.

Reasons for the Arrangement

In the course of their evaluation, the Board carefully considered a variety of factors with respect to the Arrangement including, among others, the following:

- **Enhanced Shareholder Value:** The strategic separation is aimed at enhancing shareholder value, offering stakes in two potentially growing sectors. Shareholders will keep all of their securities in LCR as well as receiving Nelson Lake Shares, allowing shareholders to benefit from successes and value appreciation in both companies.
- **Enhanced Focus on Core Business:** By concentrating on primary projects like the Alkali Flat Lithium Brine Project, LCR can allocate resources and management attention more efficiently.
- **Risk Diversification:** The separation of copper exploration activities through the Nelson Lake Spin-Off reduces LCR's direct risk exposure in the copper sector.
- **Targeted Investments and Partnerships:** Operating independently, both entities are poised to attract sector-specific investments and partnerships, enhancing the potential for growth and higher valuations.
- **Operational Efficiency:** The Spin-Off allows for streamlined operations and management in each entity, tailored to their respective operational goals.
- **Financial Flexibility:** Post-Arrangement, LCR's ownership of approximately 750,000 shares in Nelson Lake represents a significant, non-dilutive asset. LCR's future potential sale of its remaining stake in Nelson Lake can fund its expansion activities at Alkali Flat.
- **Access to Capital for Nelson Lake:** With a streamlined corporate structure and only 1,750,000 issued shares post-listing, Nelson Lake is well-positioned to attract investors seeking targeted opportunities.
- **Increased M&A Opportunities for Nelson Lake:** Nelson Lake's tight corporate structure as an unlisted reporting issuer may make it an attractive candidate for mergers and acquisitions, broadening its strategic growth options.
- **Considered Risks:** While the Arrangement offers significant potential, the Board is mindful of specific risks, particularly regarding Nelson Lake's ability to successfully raise capital, and provide liquidity for the Nelson Lake shares. For

more information on potential risks, see “*Risk Factors*”

sider, among other things, the substantive and procedural fairness of the terms and conditions of the Plan of Arrangement to Shareholders.

No Dissent Rights

Shareholders will not be given the right to dissent in respect of the Arrangement Resolution and accordingly, the dissent procedures contained in Division 2 of Part 8 of the BCBCA do not apply to the Arrangement Resolution or the Arrangement.

Reasons For Lack of Dissent Rights

In the course of considering whether to include Dissent Rights in the Arrangement, the Board considered that it was fair and reasonable not to offer Dissent Rights due to a variety of factors with respect to the Arrangement including, among others, the following:

- **Standard Practice Awareness:** The Board acknowledges that Dissent Rights are commonly offered in most plan of arrangement transactions, but each situation is unique and requires specific consideration.
- **Financial Position of LCR:** The decision takes into account LCR’s current lack of sufficient liquid assets or cash resources to support the financial obligations associated with granting Dissent Rights.
- **Potential Financial Impact:** The Board is concerned that providing Dissent Rights could impose a significant financial burden on LCR, potentially impacting the Company’s stability and growth prospects.
- **Nature of the Arrangement:** In this Arrangement, Shareholders are not relinquishing any rights or securities; instead, they are receiving stock in a subsidiary of LCR, similar to a stock dividend. Dividends typically do not offer Dissent Rights, and this approach aligns with general corporate practice.
- **Focus on Long-term Shareholder Value:** The decision is made with the long-term interests of all shareholders in mind, believing that the Arrangement without Dissent Rights serves the collective benefit of the Company and its shareholders.
- **Continuous Trading Opportunities:** The LCR common shares are listed on the CSE in Canada and on the OTCQB in the US and will continue to be listed on both exchanges after the closing of the Arrangement. The trading of LCR stock is not expected to be halted on either the CSE or the OTCQB pending the closing of the Arrangement. This continuous trading availability provides shareholders who wish to receive fair value for their LCR shares the opportunity to sell at any time.
- **Ensuring Success of the Arrangement:** The Board prioritizes the successful completion of the Arrangement, expected to bring significant benefits to all stakeholders. The financial implications of offering Dissent Rights under the current circumstances could hinder this success.

In conclusion, the Board’s decision not to grant Dissent Rights is based on a comprehensive evaluation of LCR’s financial status, the unique nature of the Arrangement, and the overall best interest of the Company and its shareholders, along with the continuous trading availability that offers Shareholders a route to realize fair value for their shares.

Conditions to Completion of the Arrangement

The implementation of the Arrangement is subject to a number of conditions being satisfied or waived by the Company or Nelson Lake, as applicable, at or prior to the Effective Date, including the following:

- the Interim Order will have been granted in form and substance satisfactory to LCR;
- the Arrangement Resolution will have been passed by the LCR Shareholders in accordance with the Interim Order;
- the Final Order will have been granted in form and substance satisfactory to LCR;
- if required under the policies of the CSE, the CSE will have conditionally approved the transactions contemplated herein;
- all other material consents, orders and approvals, including any regulatory or judicial approvals or orders, that Lancaster or Newco considers necessary or desirable to effect the Arrangement will have been obtained or received;
- no order or decree restraining or enjoining the consummation of the Arrangement or any of the other transactions contemplated by this Agreement will be in force immediately before the Effective Time;
- the Lancaster Board will have determined to proceed with the Arrangement; and
- this Agreement will not have been terminated under Section 4.2 of the Arrangement Agreement or otherwise.

Termination of Arrangement Agreement

This Arrangement Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, be terminated and the Plan of Arrangement withdrawn by direction of the Board without further action on the part of the Lancaster Shareholders, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the Lancaster Board to elect to terminate this Agreement and discontinue efforts to effect the Plan of Arrangement for whatever reason it may consider appropriate.

No Fractional Shares to be Issued

No fractional Stock Dividend shall be issued to Shareholders. The number of Nelson Lake Shares to be issued to Shareholders shall be rounded down to the nearest whole Nelson Lake Share.

Court Approval of the Arrangement

Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution is approved at the Meeting, LCR intends to apply to the Court for the Final Order. The hearing of the application for the Final Order is expected to be held at the courthouse of the Court at 800 Smithe Street, West Vancouver, British Columbia at 9:45 A.M. (Vancouver time) on March 21, 2024, or as soon thereafter as counsel may be heard, or at any other date and time and by any method as the Court may direct. Please see the Petition, attached as Appendix D to this Circular, and the Interim Order, attached as Appendix C to this Circular, for further information on participating or presenting evidence at the hearing for the Final Order. At the hearing, the Court will consider, among other things, substantive and procedural fairness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance.

See *"The Arrangement – Court Approval of the Arrangement"* in this Circular. e with such terms and conditions, if any, as the Court deems fit.

Risk Factors

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, LCR will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the LCR Shares. See *"Risk Factors"*

Tax Consequences

LCR Shareholders are encouraged to consult their own tax advisors with regards to the tax implications of receiving the Stock Dividend.

THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting. IN THE ABSENCE OF INSTRUCTIONS MADE ON A FORM OF PROXY, IT IS THE INTENTION OF THE MANAGEMENT DESIGNATE, IF NAMED AS PROXY, TO VOTE FOR THE APPROVAL OF ALL OF THE MATTERS REFERRED TO IN THE NOTICE.

Date, Time and Place of the Meeting

The Meeting will be held on March 15, 2024 at 10:00 A.M. (Vancouver time) at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5.

Record Date

Pursuant to the Interim Order, the Record Date for determining persons entitled to receive notice of and vote at the Meeting is February 5, 2024. Shareholders of record as at February 5, 2024 will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Circular.

Solicitation of Proxies

The Company is providing this Circular and a form of proxy in connection with management's solicitation of proxies for use at the Meeting of the Company to be held on March 15, 2024 and at any postponement(s) or adjournment(s) thereof. Unless the context otherwise requires, when we refer in this Circular to the Company, any subsidiaries are also included.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company.

How a Vote is Passed

At the Meeting, Shareholders will be asked, among other things, to consider and to vote to approve the Arrangement Resolution. To be effective, the Arrangement Resolution must be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by LCR Shareholders present in person or represented by proxy at the Meeting, on the basis of one vote per LCR Share. All of the other matters that will come to a vote at the Meeting, as described in this Circular, are ordinary resolutions and can be passed by a simple majority of Shareholders – that is, if more than half of the votes of Shareholders that are cast are in favour, the resolution is approved. The quorum for the Meeting is at least two persons who are, or who represent by proxy, Shareholders who hold at least one of the issued LCR Shares as of the Record Date.

Appointment of Proxyholders

If you do not attend and vote at the Meeting, you can still make your votes count by appointing a person or company who will attend the Meeting to act as your proxyholder at the Meeting.

Your proxyholder is the person you appoint and name on the proxy form to cast your votes for you. You can appoint the persons named in the applicable enclosed form or forms of proxy, **who are each a director or an officer of LCR. You have the right to appoint any person or company you want to be your proxyholder. It does not have to be a Shareholder or the person designated in the enclosed form(s). Simply indicate the person's name as directed on the enclosed proxy form(s) or complete any other legal proxy form and deliver it to Endeavor Trust Corporation within the time hereinafter specified for receipt of proxies.**

Shareholders who wish to appoint a third-party proxyholder to attend and vote at the Meeting as their proxy and vote their securities MUST submit their proxy (or proxies) or VIF, as applicable, appointing such third-party proxyholder following the instructions provided in such form of proxy or VIF, as applicable.

If you are a Beneficial Shareholder and wish to attend or vote at the Meeting, you have to insert your own name in

the space provided on the VIF sent to you by your Intermediary and follow all of the applicable instructions provided by your Intermediary. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

To vote your securities, your proxyholder must attend and vote at the Meeting. Regardless of who you appoint as your proxyholder, you can either instruct that appointee how you want to vote or you can let your appointee decide for you. You can do this by completing the applicable form or forms of proxy. In order to be valid, you must return the completed form of proxy forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof to our transfer agent, Endeavor Trust Corporation, either by mail or courier, to 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 or by email to proxy@endeavortrust.com or by fax to 604-559-8908. The Chair of the Meeting, in his or her sole discretion, may accept late proxies or waive the deadline for accepting proxies.

Proxy Instructions

Only Shareholders whose names appear on the records of the Company as at the Record Date as the registered holders of the LCR Shares or duly appointed proxyholders are permitted to vote at the Meeting. Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting. Registered Shareholders may vote by mail, email, fax or on the internet. To vote online at www.eproxy.ca, you will need to enter your 12-digit control number and password (located at the top right corner of the first page of the form of proxy) to identify yourself as a Registered Shareholder. Alternatively, a proxy can be submitted to Endeavor Trust Corporation either by mail or courier, to 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 or by email to proxy@endeavortrust.com or by fax to 604-559-8908. If a Registered Shareholder, receives more than one proxy form because such Registered Shareholder owns securities of the Company registered in different names or addresses, each proxy form needs to be completed and returned or voted online.

Revocability of Proxies

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof at the Meeting or any adjournment or postponement thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by:

- (a) executing a valid notice of revocation or other instrument in writing, by the Registered Shareholder, or such holders' authorized attorney in writing, or, if such a holder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the notice of revocation or other instrument in writing to Endeavor Trust Corporation either by mail or courier, to 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4, at any time up to and including the last Business Day that precedes the day of the Meeting or, if the Meeting is adjourned, the last Business Day that precedes any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the LCR Shares, as applicable.

Upon such deposit, the proxy is revoked. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

If you are a Beneficial Shareholder, please contact your Intermediary for instructions on how to revoke your VIF and what procedures you need to follow. The change or revocation of a VIF by a Beneficial Shareholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the VIF by the Intermediary or its service company to ensure it is effective.

Exercise of Discretion

On a poll, the nominees named in the accompanying form of proxy will vote or withhold from voting the LCR Shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. If a Shareholder specifies a choice with respect to any matter to be acted upon, such Shareholder's LCR Shares. **The proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified and any amendment to or variation of any matter identified**

therein and any other matter that properly comes before the Meeting.

If a Shareholder does not specify a choice in the proxy and the Shareholder has appointed one of the management nominees named in the accompanying form of proxy, the management nominee will vote the LCR Shares represented by the proxy in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

As of the date of this Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting but, if any amendment, variation or other matter properly comes before the Meeting, each nominee in the accompanying form of proxy intends to vote thereon in accordance with the nominee's best judgment.

Advice to Beneficial (Non-Registered) Shareholders

If you are a Beneficial Shareholder, meaning your LCR Shares are not registered in your own name, they will be held in the name of a "nominee", usually a bank, trust company, securities dealer, other financial institution or intermediary, or depository, such as CDS & Co., of which an intermediary was a participant and, as such, your nominee will be the entity legally entitled to vote your LCR Shares and must seek your instructions as to how to vote your LCR Shares.

If you are a Beneficial Shareholder, your Intermediary will send you a VIF or, less frequently, a proxy form with this Circular. This form will instruct the Intermediary as to how to vote your LCR Shares at the Meeting on your behalf. **You must follow the instructions from your Intermediary to vote.**

There are two kinds of Beneficial Shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners ("**OBOs**"); and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners ("**NOBOs**").

Intermediaries are required to forward the Meeting materials to Beneficial Shareholders unless in the case of certain proxy-related materials the Beneficial Shareholder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge. Broadridge typically mails a VIF to Beneficial Shareholders and asks Beneficial Shareholders to return the VIF to Broadridge.

For greater certainty, Beneficial Shareholders should note that they are not entitled to use a VIF or proxy form received from Broadridge or their Intermediary to vote LCR Shares directly at the Meeting. Instead, the Beneficial Shareholder must complete the VIF or proxy form and return it as instructed on the form. The Beneficial Shareholder must complete these steps well in advance of the Meeting in order to ensure such LCR Shares are voted.

If you are a Beneficial Shareholder, your intermediary will have provided to you a VIF. LCR intends to reimburse intermediaries for the delivery of the meeting materials to OBOs.

In the alternative, if you wish to attend and vote at the Meeting or have another person attend and vote on your behalf, indicate your name or the name of your proxyholder, as applicable, in the VIF or proxy form, and return it as instructed by your Intermediary. You will also have to register yourself as your proxyholder, as described above in "*Appointment of Proxyholders*". Your Intermediary may have also provided you with the option of appointing yourself or someone else to attend and vote on your behalf at the Meeting.

Beneficial Shareholders who have questions or concerns regarding any of these procedures may contact their Intermediary or Penny White. It is recommended that inquiries of this kind be made well in advance of the Meeting.

Notice-And-Access

The Company is not sending this Circular to Registered Shareholders or Beneficial Shareholders using "notice-and-access" as defined under NI 54-101.

ANNUAL MATTERS

This section includes information required to be presented by LCR in an information circular for LCR's annual general meeting.

Financial Statements

The Board will place before the Shareholders at the Meeting the audited consolidated financial statements of the Company as at, and for the years ended, November 30, 2022 and November 30, 2021, including the notes thereto and the auditor's report thereon, together with the Management Discussion and Analysis thereon, as well as the audited financial statements for the year ended March 31, 2023 of Lancaster Lithium Inc., which was the Company's financial acquiror in its reverse merger transaction completed on June 8, 2023, and is now the wholly owned subsidiary of LCR. Shareholder approval is not required in relation to the financial statements. These financial statements may be viewed on www.sedarplus.ca under LCR's SEDAR+ profile.

Election of Directors

The term of office of each of the current directors of LCR will expire at the Meeting. The board of directors of LCR recommends that shareholders vote FOR the election of the four (4) nominees of management listed in the following table.

Each director will hold office until his or her reelection or replacement at the next annual meeting of the shareholders unless he or she resigns his duties or his office becomes vacant following his or her death, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of LCR will be voted for the election of the proposed nominees. If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.

Nominees for Election

The following are the nominees proposed for election as directors of LCR, together with the number of voting securities of LCR that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. All of the nominees are currently directors of LCR. Each of the nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

Name, Province, and Country of Residence	Principal Occupation	Director Since	Current Positions with the Corporation	Common Shares of LCR Owned, Controlled or Directed
Penny White, BA, LLB British Columbia, Canada	President and Chief Executive Officer and Director of LCR	September 18, 2019	President, Chief Executive Officer and Director ^{1, 2}	8,313,392 Shares 250,000 Options
Stephen Andrew Watson, P. Eng. Alberta, Canada	VP, Engineering and Operations for LCR		VP, Engineering and Operations	125,000 Shares 1,050,000 Options
Heather Williamson British Columbia Canada	VP, Operations for Endeavor Trust Corporation	June 9, 2023	Director ^{1, 2}	18,250 Shares 690,000 Options 9,000 Warrants

Daniel Kang, BA California, USA	Consultant	June 9, 2023	Director ^{1, 2}	450,000 Options
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Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

Penny White, BA, LLB – *President, Chief Executive Officer and Director, Founder*

Penny White is a seasoned business leader with over 20 years in capital markets. She has had various titles with the Company since 2019, including Chief Executive Officer and Chairman. She has been featured in PROFIT Magazine's W100 list and twice in the PROFIT 500. Penny has a wealth of experience in public markets as a securities lawyer and has been involved in many going public transactions. She has raised over fifty million dollars for companies she co-founded over the past ten years. For over ten years, she was Chairman of the Board of Highbury Energy Inc., a company with a patent for a dual bed gasification system to converting biomass to high grade synthetic gas. She was an initial director and officer of Merus Labs Inc. which was acquired in July 2017 for approximately \$342 million. In addition to her Law Degree, Penny has completed the Oxford Leading Sustainable Corporations Programme and the Oxford Climate Emergency Programme from Saïd Business School, University of Oxford. She is deeply committed to fighting climate change and working towards a more sustainable future. She believes that by taking care of our planet, we can create a better world for ourselves and future generations. Ms. White acted as President and CEO of Better Plant Sciences Inc. (formerly the Yield Growth Corp.), from November 2016 to 2021. She holds a law degree from the University of British Columbia and a Bachelor of Arts from Trent University.

Stephen Andrew Watson, P Eng. – *VP, Engineering and Operations, Director Nominee*

Andrew Watson is an accomplished professional with over 22 years of experience in energy production and development, specializing in lithium and clean energy. His expertise encompasses technical leadership, corporate operations, strategy, and the commercialization of diverse energy resources, including lithium, critical minerals, hydrogen, and conventional oil and gas production. Currently leading the technical development at Lancaster, Andrew has been instrumental in driving the company's initiatives in unlocking the lithium and clean energy opportunities. His responsibilities include overseeing early-stage exploration, development programs, and regulatory applications, which are key to Lancaster's progress in lithium brine exploration at Alkali Flats and Trans-Taiga.

Prior to joining LCR, Andrew served as the Chief Operating Officer at Prism Diversified from 2022 to 2023, where he spearheaded the technical development of significant battery metal critical mineral deposits (lithium brine, vanadium, iron). Andrew managed lithium brine development across an expansive 850-square-mile area and led the technical team with a focus on novel, low carbon, recovery technologies. Before this, he was the VP of Engineering & Operations at CleanInnoGen Energy from 2021 to 2022. Andrew led a pioneering project in industrial waste heat capture for on-site hydrogen and oxygen production in heavy industries such as cement and steel. Earlier, in his role as VP of Engineering & Operations at Hyak Energy, Andrew effectively managed a 60 million barrel medium crude oil field in SW Saskatchewan. His strategies led to a 250% increase in production and culminated in a successful corporate sale in 2020. Andrew's extensive experience and achievements highlight his dedication to innovation and leadership in clean energy and critical minerals.

Andrew Watson holds a Bachelor of Science in Mechanical Engineering. His diverse experience across various sectors, including lithium, critical minerals, hydrogen, and conventional oil and gas production, makes him a valuable asset in the field of energy development and sustainability.

Heather Williamson – *Director*

Heather Williamson brings over 20 years of hands-on experience in the legal and capital markets industry. She has accrued a wealth of knowledge and skills through her roles as paralegal, corporate secretary and VP of Corporate Finance for various publicly traded companies, where she was responsible for managing a vast array of responsibility encompassing corporate and securities transactions. Heather is currently the Vice President of Operations for Endeavor Trust Corporation. In addition to her extensive experience, Heather is finishing her Master of Business Administration (MBA) in Executive Management from Royal Roads University to be completed in June 2024 which included fundamentals involving corporate finance,

financial analysis, and a specialization in leadership.

Daniel Kang, BA – Director

Mr. Kang has 10 years of experience as a professional in banking and compliance. He worked at Tricor Group from July 2012 to December 2016 where he helped American and European companies navigate through the corporate compliance and tax requirements of the Japanese system. At Tricor, he worked with clients from a wide range of industries, with notable clients including Uber, Mercedes Benz, BBC News and Tommy Bahama. Mr. Kang is a co-founder of OceanGreen Management, a California LLC focused on applying for Type 10 retail licenses across the State of California, where he worked from December 2016 to January 2020. Mr. Kang has been a director and member of the audit committee of Komo Plant Based Foods Inc. since October 2020. Mr. Kang completed a Bachelor of Arts from Haverford College in May 2004 and has completed the General Course at the London School of Economics. Mr. Kang is a contractor of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or has been, within ten years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, to the knowledge of the Company, no proposed director of the Company:

(a) is, as at the date of this Circular, or has been, within ten years prior to the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditor Ratification of the Appointment of the Auditor for Fiscal Years Ended 2022 and 2021

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of ratifying the appointment of Saturna Group Chartered Professional Accountants LLP as auditor of LCR for the fiscal years ended November 30, 2022 and 2021 and ratifying the remuneration that was paid to Saturna Group for the fiscal years ended November 30, 2022 and 2021.

The directors of LCR recommend that shareholders vote in favour of the ratification of the appointment of Saturna Group as auditor of LCR, and the remuneration paid to LCR, for the the fiscal years ended November 30, 2022 and 21. To be adopted,

this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Appointment of the Auditor

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of Saturna Group as auditor of LCR to hold office until the next annual meeting of shareholders and the authorization of the directors of LCR to fix its remuneration.

The directors of LCR recommend that shareholders vote in favour of the appointment of Saturna Group as the auditor of LCR and the authorization of the directors of LCR to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following individuals are defined as “Named Executive Officers” or “NEOs” pursuant to Form 51-102F6V, Statement of Executive Compensation – Venture Issuers: (a) the Corporation’s chief executive officer (“CEO”); (b) the Corporation’s chief financial officer (“CFO”); (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (d) any additional individuals who would have been an NEO under (c) except that the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year. For the purposes of this disclosure, during the financial year ended November 30, 2022, the Company had three NEO’s namely, Penny White, the CEO and President, Yucai (Rick) Haung, the CFO and Corporate Secretary, and Rob Tessarolo, the former CEO and President. The Summary Compensation table below provides information for the most recently completed financial years ended November 30, 2022 and 2021 regarding compensation paid to or earned by each of the Named Executive Officers excluding Compensation Securities:

Table of Compensation Excluding Compensation Securities				
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Value of all other compensation ¹ (\$)	Total Compensation (\$)
Penny White ² President, CEO and Director	2022	99,000	Nil	99,000
	2021	110,000	Nil	110,000
Yucai (Rick) Huang CFO and Corporate Secretary	2022	100,788	Nil	100,788
	2021	95,788	Nil	95,788
Rob Tessarolo ³ Former President, CEO and Director	2022	337,717	Nil	337,717
	2021	253,333	Nil	253,333

Notes:

1. Includes all Bonuses, Committee or meeting fees, Value of perquisites and Value of all other compensation.
2. Penny White was President and Chief Executive Officer of the Company from Sep 18, 2019 to Jan 27, 2021, and from May 30, 2022 to Dec 7, 2022 and was reappointed as Jun 9, 2023.
3. Rob Tessarolo was President and Chief Executive Officer of the Company from Jan 27, 2021 to May 30, 2022.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to all Named Executive Officers and directors by the Corporation or one of its subsidiaries during the fiscal year ended November 30, 2022 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant	Closing Price of Security or underlying security on date at year end (\$)	Expiry Date
Penny White, President, CEO and Director	Stock Options	54,167 4.8%	July 12, 2022	\$3.00	\$3.40	\$0.18	July 12, 2027
Yucai (Rick) Huang CFO and Corporate Secretary	Stock options	833 0.1%	September 28, 2022	\$3.00	\$3.00	\$0.18	September 28, 2027
Rob Tessarolo ³ Former President, CEO and Director	Stock options	36,667 3.2%	June 7, 2022	\$3.00	\$3.60	\$0.18	September 9, 2023
		28,333 2.5%	August 8, 2022	\$3.30	\$3.30		September 9, 2023

Exercise of Compensation Securities by Directors and NEOs

During the financial year ended November 30, 2022, no NEO or directors of the Company exercised compensation securities.

Equity Incentive Plans and Other Incentive Plans

The Company has an Option Plan, which was established to provide incentive to directors, officers and employees and consultants and provides for the issuance of common shares upon exercise of options equal to, in combination with all other share compensation arrangements of the Company, shall not exceed 20% of the issued and outstanding Common Shares.

The Option Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an “**Optionee**”). The expiry date of the options granted is determined by the Board but cannot not be later than 5 years after the date of grant. The exercise price of the options granted may not be less than \$0.10 per Common Share and if the Company is listed on a Canadian stock exchange, the exercise price of the options may not be less than the closing market price of the shares on the trading day immediately preceding the date of grant of the option, less any applicable discount allowed by the Exchange (as defined in the Option Plan). The options granted are non-transferable except in the case of death of the Optionee.

An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to common shares that have been fully paid for and issued to the Optionee upon the exercise of an option.

The directors may amend the Option Plan at any time, provided that no such amendment may, without the consent of the Optionee, affect the terms and conditions of options previously granted to an Optionee under the Option Plan and provided further that any amendment to the Option Plan will require the prior consent of the Exchange (as defined in the Option Plan), if applicable. Pursuant to the Board's authority to govern the implementation and administration of the Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Option Plan.

The Company does not have an RSU Plan.

Employment, Consulting and Management Agreements

The Company has agreements with each of its directors and officers.

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. There are no "change of control" provisions in any of the agreements signed with Directors or Senior Officers.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors.

While the Board considers Option grants to directors under the Equity Incentive Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Equity Incentive Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

Salary

The Company's CEO and CFO are compensated pursuant to the terms of their agreements Management Agreements. The Board reviews salaries annually to ensure that they reflect each respective NEO's performance and experience in fulfilling his/her role. Due to the relatively small size of the Company, limited cash resources, and the early stage and scope of the Company's operations, NEOs receive limited salaries relative to industry standards. The Board does not currently have any plan in place to materially increase NEOs' salaries.

Retirement, Pension or Similar Benefit Plans

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at the date of this Circular.

Indebtedness Of Directors And Officers

No director or officer of LCR, or any associate or affiliate of such person is or has ever been indebted to LCR; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by LCR.

Interest Of Informed Persons In Material Transactions

Except as otherwise disclosed this Circular, to the knowledge of management of LCR, no informed person (a director, officer or holder of 10% or more of the LCR Shares) or nominee for election as a director of LCR or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect LCR or any of its subsidiaries during the most recently completed financial year end, or has any interest in any material transaction in the current year. The directors and officers of LCR have an interest in the resolutions concerning the election of directors. Otherwise, no director or Senior Officer of LCR or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of LCR Shares where such director or officer of LCR will receive no extra or special benefit or advantage not shared on a pro rata basis by all LCR Shareholders

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of LCR's current corporate governance practices, as prescribed by Form 58- 101F2, **which is attached to National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58- 101")**:

Board of Directors

The Board facilitates its exercise of independent supervision over our management through frequent communication with management.

The directors have determined that Heather Wiliamson and Daniel Kang, current and prospective members of the board of directors of LCR, are independent as such term is defined in NI 58-101, and that Penny White (Chief Executive Officer, President), a current and prospective member of the board of directors of LCR and Stephen Andrew Watson (VP, Engineering and Operations), a prospective member of the Board are not independent as such term is defined in NI 58-101, as they are executive officers (as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**")) of LCR.

Directorships

The following directors and prospective directors of LCR are presently directors of other issuers that are reporting issuers (or the equivalent): Daniel Kang is a director of Komo Plant Based Foods.

Orientation and Continuing Education

While LCR does not currently have a formal orientation and education program for new members of the board of directors, LCR provides such orientation and education on an ad hoc and informal basis.

Ethical Business Conduct

The directors' maintain that LCR must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The company's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to LCR must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the BCBCA.

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to LCR, the ability to devote the time required, support for the LCR's business objectives and a willingness to serve.

Other Board Committees

The LCR Board has two committees: the Compensation Committee who determine matters relating to compensation of NEOs, and the Audit Committee.

Assessments

The directors' believe that nomination to LCR's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of LCR. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

Audit Committee

We are required to have an audit committee comprised of not less than three directors. The members of our audit committee are currently Daniel Kang (independent, financially literate), Rob Tessarolo (independent, financially literate), and Penny White (financially literate). The audit committee is responsible for overseeing our financial reporting process on behalf of the Board, including overseeing the work of the independent auditors who report directly to the audit committee. The details and composition of our audit committee did not change in connection with the completion of the Transaction.

The specific responsibilities of the audit committee, among others, include:

- evaluating the performance and assessing the qualifications of the independent directors and recommending to the Board and the shareholders the appointment of our external auditor;
- determining and approving the engagement of and compensation for audit and non-audit services of our external auditor;
- reviewing our financial statements and management's discussion and analysis of financial condition and results of operations and recommending to the Board whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board;

- conferring with our external auditor and with management regarding the scope, adequacy and effectiveness of internal financial reporting controls;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding our accounting controls, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters; and
- reviewing and discussing with management and the independent auditor, as appropriate, our guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure and investment and hedging policies and the steps taken by management to monitor and control our exposure to such risks.

The following is the education and experience of each audit committee member:

Name	Determination of Independence and Financial Literacy
Daniel Kang	Daniel Kang has 10 years of experience as a professional in banking and compliance. He worked at Tricor Group from July 2012 to December 2016 where he helped American and European companies navigate through the corporate compliance and tax requirements of the Japanese system. At Tricor, he worked with clients from a wide range of industries, with notable clients including Uber, Mercedes Benz, BBC News and Tommy Bahama. Mr. Kang completed the General Course at the London School of Economics. Mr. Kang has served on the audit committee for Komo Plant-Based Foods Inc., a Reporting Issuer, since October 2020.
Heather Williamson	Heather Williamson brings over 20 years of hands-on experience in the legal and capital markets industry. She has accrued a wealth of knowledge and skills through her roles as corporate secretary and VP of Corporate Finance for various publicly traded companies, where she was responsible for managing a vast array of responsibility encompassing corporate and securities transactions. Heather is currently the Vice President of Operations for Endeavor Trust Corporation. In addition to her extensive experience, Heather is finishing her Master of Business Administration (MBA) in Executive Management from Royal Roads University to be completed in June 2024 which included fundamentals involving corporate finance, financial analysis, and a specialization in leadership.
Penny White	Penny White has acted as director or officer of many reporting issuers and has been an audit committee member or chief officer responsible to ensure the accuracy and fair disclosure of dozens of financial statements filed by reporting issuers. Ms. White, as a securities lawyer, provided securities legal advice to numerous companies during a 20-year period with regard to corporate governance strategies and effective securities compliance. She regularly reviewed financial statements to provide advice to clients. Ms. White has a law degree from the University of British Columbia.

Composition of Audit Committee and Independence

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with a company, which could, in the view of that company’s board of directors, reasonably interfere with the exercise of the member’s independent judgment: Daniel Kang is independent by reason that he has no direct or indirect material relationship with LCR, he is not and never has been an employee or executive officer of us, nor have any of his immediate family, and he has not received any direct compensation from LCR as of the date of this Circular.

A “venture issuer” as defined in NI 52-110 means an issuer that, at the end of its most recently completed financial year, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a US marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. Section 6.1 of NI 52-110 provides an exemption from

the audit committee composition requirements of Part 3 (*Composition of Audit Committee*) for venture issuers. A majority of the members of LCR's audit committee are not executive officers, employees or control persons of the Company or its affiliates.

LCR meets the definition of "venture issuer" and will be relying on this exemption. The board of directors has determined that the reliance on the exemption will not materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of NI 52-110.

Relevant Education and Experience

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements. All of the members of our audit committee are financially literate.

Audit Committee Oversight

At no time since the commencement of our most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by our Board.

The Audit Committee Charter of the Company sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of audit and non-audit services.

Reliance on Certain Exemptions

Since the commencement of our most recently completed financial year, we have not relied on:

- a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110
- b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
- d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- e) an exemption from NI 52-110, in whole or in part, granted under Part 8.

Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the audit fees billed to LCR over the specified time periods:

	Year ended November 30, 2022 \$	Year Ended November 30, 2021 \$	Year Ended November 30, 2020 \$
Audit Fees	30,750	32,000	33,000
Audit-Related Fees	Nil	Nil	Nil
Tax Fees	3,500	2,500	2,000

All Other Fees	Nil	Nil	Nil
Total	34,250	34,500	35,000

THE ARRANGEMENT

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by LCR under its profile on SEDAR+ at www.sedarplus.ca, and the Plan of Arrangement, which is attached to this Circular as Appendix B.

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by LCR Shareholders present in person or represented by proxy at the Meeting, on the basis of one vote per LCR Share. A copy of the Arrangement Resolution is set out in Appendix A of this Circular.

Unless otherwise directed, it is management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your LCR Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting FOR the Arrangement Resolution.

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect at the Effective Time (as determined by LCR) on the Effective Date (which is expected to be on or about March 22, 2024).

The Arrangement Agreement

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by the Company under its SEDAR+ profile at www.sedarplus.ca and to the Plan of Arrangement, which is attached hereto as Appendix B.

Commencing at the Effective Time, except as otherwise noted herein, the following will occur and will be deemed to occur in the following order without any further act or formality on the part of any Person:

- (a) LCR will subscribe for 1,650,000 Nelson Lake Shares at a price of \$0.02 per Nelson Lake Share for the Subscription Price;
- (b) LCR will pay the Subscription Price to Nelson Lake, and Nelson Lake will issue the 1,650,000 Nelson Lake Shares to LCR as fully paid and non-assessable;
- (c) LCR will, distribute to the Shareholders 0.2 Nelson Lake Shares in respect of each one (1) LCR Share held by an LCR Shareholder;
- (d) LCR will issue the LCR Note to Nelson Lake in exchange for \$100 and one (1) fully paid and non-assessable Nelson Lake Share;
- (e) Nelson Lake will subscribe for 550,000 LCR Shares at a price of \$0.06 per LCR Share for the Subscription Price;

- (f) Nelson Lake will pay the Subscription Price to LCR, and LCR will issue the 550,000 LCR Shares to Nelson Lake as fully paid and non-assessable; and
- (g) LCR will repurchase the LCR Note from Nelson Lake in exchange for \$100.

Conditions to Closing

Completion of the Arrangement Agreement is subject to a number of additional conditions precedent, of which the following are for the exclusive benefit of Nelson Lake and may be waived by Nelson Lake. The conditions include, among other things:

- (a) the Interim Order will have been granted in form and substance satisfactory to LCR;;
- (b) the Arrangement Resolution will have been passed by the Shareholders in accordance with the Interim Order;
- (c) the Final Order will have been granted in form and substance satisfactory to LCR;
- (d) if required under the policies of the CSE, the CSE will have conditionally approved the transactions contemplated herein;
- (e) the Nelson Lake Shares distributable pursuant to the Arrangement will be exempt from registration requirements of the 1933 Act;
- (f) all other material consents, orders and approvals, including any regulatory or judicial approvals or orders, that LCR or Nelson Lake considers necessary or desirable to effect the Arrangement will have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances on terms and conditions that are acceptable to LCR or Nelson Lake, as applicable;
- (g) no order or decree restraining or enjoining the consummation of the Arrangement or any of the other transactions contemplated by this Agreement will be in force immediately before the Effective Time; and
- (h) the LCR Board will have determined to proceed with the Arrangement; and

Termination of Arrangement Agreement

The Arrangement Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, be terminated and the Plan of Arrangement withdrawn by direction of the LCR Board without further action on the part of the Shareholders, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the LCR Board to elect to terminate this Agreement and discontinue efforts to effect the Plan of Arrangement for whatever reason it may consider appropriate.

Effect of the Arrangement

On completion of the Arrangement, the Nelson Lake will continue to be a partially owned subsidiary of LCR as LCR will continue to own approximately 750,000 Nelson Lake Shares, which will be approximately 43% of the issued and outstanding shares of Nelson Lake immediately after the Arrangement.

Effective Date of the Arrangement

If the Arrangement Resolution is passed with the Required Shareholder Approval, the Final Order is obtained, every other requirement of the BCBCA relating to the Arrangement is complied with and all other conditions disclosed below under *"The Arrangement Agreement — Conditions to Closing"* are satisfied or waived, the Arrangement will become effective on the Effective Date.

No Fractional Shares to be Issued

No fractional Stock Dividend shall be issued to Shareholders. If the number of Nelson Lake Dividend Shares to which an LCR Shareholder is entitled results in that LCR Shareholder being entitled to a fractional Nelson Lake Share, the fraction will be rounded down and such fractional Nelson Lake Share shall be cancelled without compensation.

Background to the Arrangement

In a strategic move, LCR created a subsidiary, Nelson Lake Copper Corp. (“**Nelson Lake**”), and staked a copper prospective claim in Saskatchewan, Canada. Its plan is to complete a plan of arrangement with Nelson Lake, and spin-off about $\frac{2}{3}$ of its ownership stake in Nelson Lake to Shareholders and later sell its remaining stake in Nelson Lake to generate funds to expand its exploration and development activities at Alkali Flat.

The strategic separation of Nelson Lake as an independent entity is a significant benefit to LCR, its parent company. This move allows LCR to concentrate resources and management attention on its core lithium exploration projects, like the Alkali Flat Lithium Brine Project, ensuring efficient capital use and focused operational efforts. It diversifies business risks, as challenges in the copper exploration sector won't directly impact LCR's main operations. Financially, it provides LCR with non-dilutive financing options, maintaining shareholder value without diluting equity. Additionally, each entity can attract market-specific partnerships and investments, leading to potentially higher valuations and strategic growth opportunities. Overall, this separation enhances LCR's operational efficiency, financial stability, and shareholder value, while allowing for a more agile and focused corporate strategy.

Recommendation of the Board

The Board unanimously approved the Arrangement and the Arrangement Agreement and unanimously recommends that the Shareholders vote FOR the Arrangement Resolution. Each director and officer of the Company intends to vote all of such director's and officer's FOR the Arrangement Resolution.

In forming its recommendation, the Board considered a number of factors, including, without limitation, the factors listed below under “*Reasons for the Arrangement*”.

Reasons for the Arrangement

On January 29, 2024, the Board approved the Arrangement and the Board unanimously:

- determined that the Arrangement is in the best interests of the Company;
- resolved to recommend that Shareholders vote FOR the Arrangement Resolution; and approved the Arrangement Agreement and the Arrangement.

In evaluating the Arrangement and in making its recommendations, the Board gave consideration to the current and expected future position of the business of LCR and all terms of the Arrangement Agreement, including the conditions precedent, representations and warranties and deal protections. The Board considered a number of factors including, among others, the following:

- **Enhanced Shareholder Value:** The strategic separation is aimed at enhancing shareholder value, offering stakes in two potentially growing sectors. Shareholders will keep all of their securities in LCR as well as receiving a stock dividend of the Nelson Lake Shares, allowing shareholders to benefit from successes and value appreciation in both companies.
- **Enhanced Focus on Core Business:** By concentrating on primary projects like the Alkali Flat Lithium Brine Project, LCR can allocate resources and management attention more efficiently.
- **Risk Diversification:** The separation of copper exploration activities through the Nelson Lake Spin-Off reduces LCR's direct risk exposure in the copper sector.

- **Targeted Investments and Partnerships:** Operating independently, both entities are poised to attract sector-specific investments and partnerships, enhancing the potential for growth and higher valuations.
- **Operational Efficiency:** The Spin-Off allows for streamlined operations and management in each entity, tailored to their respective operational goals.
- **Financial Flexibility:** Post-Arrangement, LCR's ownership of approximately 750,000 shares in Nelson Lake represents a significant asset. LCR's future potential sale of its remaining stake in Nelson Lake can fund its expansion activities at Alkali Flat.
- **Access to Capital for Nelson Lake:** With a streamlined corporate structure and only 1,750,000 issued shares post-listing, Nelson Lake is well-positioned to attract investors seeking targeted opportunities.
- **Increased M&A Opportunities for Nelson Lake:** Nelson Lake's tight corporate structure as an unlisted reporting issuer may make it an attractive candidate for mergers and acquisitions, broadening its strategic growth options.
- **Considered Risks:** While the Arrangement offers significant potential, the Board is mindful of specific risks, particularly regarding Nelson Lake's ability to successfully raise capital, and provide liquidity for the Nelson Lake shares. For more information on potential risks, see "*Risk Factors*"

No Dissent Rights

Shareholders will not be given the right to dissent in respect of the Arrangement Resolution and accordingly, the dissent procedures contained in Division 2 of Part 8 of the BCBCA do not apply to the Arrangement Resolution or the Arrangement.

Reasons For Lack of Dissent Rights

In the course of considering whether to include Dissent Rights in the Arrangement, the Board considered that it was fair and reasonable not to offer Dissent Rights due to a variety of factors with respect to the Arrangement including, among others, the following:

- **Standard Practice Awareness:** The Board acknowledges that Dissent Rights are commonly offered in most plan of arrangement transactions, but each situation is unique and requires specific consideration.
- **Financial Position of LCR:** The decision takes into account LCR's current lack of sufficient liquid assets or cash resources to support the financial obligations associated with granting Dissent Rights.
- **Potential Financial Impact:** The Board is concerned that providing Dissent Rights could impose a significant financial burden on LCR, potentially impacting the Company's stability and growth prospects.
- **Nature of the Arrangement:** In this Arrangement, Shareholders are not relinquishing any rights or securities; instead, they are receiving stock in a subsidiary of LCR, similar to a stock dividend. Dividends typically do not offer Dissent Rights, and this approach aligns with general corporate practice.
- **Focus on Long-term Shareholder Value:** The decision is made with the long-term interests of all shareholders in mind, believing that the Arrangement without Dissent Rights serves the collective benefit of the Company and its shareholders.
- **Continuous Trading Opportunities:** The LCR common shares are listed on the CSE in Canada and on the OTCQB in the US and will continue to be listed on both exchanges after the closing of the Arrangement. The trading of LCR stock is not expected to be halted on either the CSE or the OTCQB pending the closing of the Arrangement. This continuous trading availability provides shareholders who wish to receive fair value for their LCR shares the opportunity to sell at any time.
- **Ensuring Success of the Arrangement:** The Board prioritizes the successful completion of the

Arrangement, expected to bring significant benefits to all stakeholders. The financial implications of offering Dissent Rights under the current circumstances could hinder this success.

In conclusion, the Board's decision not to grant Dissent Rights is based on a comprehensive evaluation of LCR's financial status, the unique nature of the Arrangement, and the overall best interest of the Company and its shareholders, along with the continuous trading availability that offers Shareholders a route to realize fair value for their shares.

Treatment of Other Securities

Only LCR shares issued as of the Record Date will participate in the Stock Dividend. LCR Warrants, LCR Options and LCR Debentures will not be entitled to receive the Stock Dividend.

Completion of the Arrangement

The Arrangement is expected to become effective at 12:01 a.m. (or such other time as determined by LCR) on the date following the date upon which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably. Completion of the Arrangement is expected to occur on or about March 22, 2024; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis.

Disclosure of Material Interests

In considering the Arrangement and the recommendations of the Board with respect to the Arrangement, Shareholders should be aware that certain directors and Senior Officers of the Company have certain interests that are, or may be, different from, or in addition to, the interests of other Shareholders generally, which may present them with actual or potential conflicts of interest in connection with the Arrangement. The Board is aware of these interests and considered them along with the other matters described above in "*The Arrangement – Reasons for the Arrangement*". These interests include those described below.

Securities Held by Directors and Senior Officers of the Company

The table below sets out for each director and Senior Officer of the Company the number of LCR Shares beneficially owned or controlled or directed by each of them and their Associates and affiliates that will be entitled to be voted at the Meeting, as of the Record Date.

Name, Province and Country of Residence, and Position with LCR	Position with Nelson Lake	Number of LCR Shares Held Directly and Indirectly	% of LCR Shares Owned	Number of Dividend Shares to be Issued
Penny White British Columbia, Canada President, Chief Executive Officer and Director	N/A	8,063,392	16.1%	161,267
William White British Columbia, Canada Spouse of Penny White	N/A	4,189,000	8.3%	84,000
Daniel Kang, California, USA Director	N/A	0		
Yucal (Rick) Huang Chief Financial Officer and	Chief Financial Officer and Director	80,833	Less than 1%	1,616

Corporate Secretary British Columbia, Canada				
Stephen Andrew Watson Alberta, Canada VP, Engineering and Operations	Chief Executive Officer and Director	150,000	Less than 1%	2,400
Heather Williamson British Columbia, Canada Director	Director	18,250	Less than 1%	365

Notes:

1. Based on 52,313,872 LCR Shares issued and outstanding as at the Record Date. All numbers are calculated on an undiluted basis, and do not include LCR Options, LCR Warrants or LCR Debentures.
2. As a group, all current directors and officers beneficially own, directly or indirectly, or exercise control or discretion over, as of the Record Date, a total of 8,298,475 LCR Shares, representing approximately 16.6% of the issued and outstanding LCR Shares.

LCR Shares

As of the Record Date, the directors and officers of the Company beneficially own, control or direct, directly or indirectly, an aggregate of 8,298,475 LCR Shares that will be entitled to be voted at the Meeting, representing approximately 16.6% of the issued and outstanding LCR Shares as of the Record Date.

All of the LCR Shares owned or controlled by such directors and officers of the Company will be treated in the same manner under the Arrangement as LCR Shares held by any other Shareholder.

If the Arrangement is completed, the directors and officers of the Company and their affiliates, will receive as a group, in exchange for such LCR Shares held at the Effective Time, an aggregate of approximately 249,749 Nelson Lake Shares as the Stock Dividend.

Required Shareholder Approval of the Arrangement

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to approve the Arrangement Resolution. The complete text of the Arrangement Resolution to be presented to the Meeting is set forth in Appendix A to this Circular. Each Shareholder as at the Record Date will be entitled to vote on the Arrangement Resolution. The Arrangement Resolution must be approved with the Required Shareholder Approval, which is by at least (i) 66⅔% of the votes cast on such resolution by Shareholders present in person or represented by proxy and entitled to vote at the Meeting with Shareholders being entitled to one vote for each LCR Share.

The Arrangement Resolution must receive the Required Shareholder Approval in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

Court Approval of the Arrangement

Interim Order

The Arrangement requires approval by the Court under Division 5 of Part 9 of the BCBCA. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Appendix C to this Circular.

Final Order

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the Company intends to make an application to the Court for the Final Order approving the Arrangement. The application for the Final Order is expected to take place at the courthouse of the Court at 800 Smithe Street, West Vancouver, British Columbia at 9:45 A.M. (Vancouver time) on March 21, 2024, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. A copy of the Petition and Notice of Hearing is set forth in Appendix D to this Circular.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, LCR may determine not to proceed with the Arrangement.

Any Shareholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Response to Petition by no later than 4:00 P.M. (Vancouver time) on March 15, 2024, along with any other documents required, all as set out in the Interim Order and the Petition, the text of which are set out in Appendix C and Appendix D to this Circular, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Petition attached at Appendix D to this Circular. The Petition and Interim Order constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

MI 61-101

The Company is a Reporting Issuer and, accordingly, is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among security holders, generally requiring enhanced disclosure, approval by a majority of security holders excluding interested parties and/or, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The Company is relying upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 in completing the Arrangements on the basis that the fair market value of the Stock Dividend is less than 25% of LCR's current market capitalization.

Stock Exchange Listing and Reporting Issuer Status

The LCR Shares trade on the CSE under the stock symbol "LCR", trades on OTCQB under the symbol "LANRF" and traded on the Frankfurt exchange under the symbol "6UF0". The LCR share will continue to be listed on those stock exchanges after the completion of the Arrangement. LCR is a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario. Upon completion of the Arrangement, Nelson Lake will become a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario, but it will not be listed on a stock exchange.

Before Nelson Lake can list its securities on a stock exchange, it will have to raise additional funds or complete an M&A Transaction and apply for listing on a stock exchange. There is no guarantee that Nelson Lake will be successful in raising additional capital or listing on a stock exchange. Without having its stock listed for trading on a stock exchange, there will not be liquidity for the trading of Nelson Lake Shares.

Shares following the closing of the Arrangement, subject to the delivery of certain closing documentation.

Regulatory Matters and Securities Law Matters

Regulatory Approvals in respect of the Arrangement include, but are not limited to, (i) in relation to LCR, the Required Shareholder Approval and (ii) Court Approval. Other than these approvals, LCR is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, LCR currently anticipates that any such consents

and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the Required Shareholder Approval at the Meeting, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to be on or about March 22, 2024.

Canadian Securities Law Matters

Each Shareholder is urged to consult with their professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Stock Dividend issued pursuant to the Arrangement.

Distribution and Resale of Stock Dividend under Canadian Securities Laws

The distribution of the Stock Dividend pursuant to the Arrangement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws. The Stock Dividend received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined National Instrument 45-102 – “*Resale of Securities*” of the Canadian Securities Administrators, (ii) no unusual effort is made to prepare the market or to create a demand for the Stock Dividend, as the case may be, (iii) no extraordinary commission or Stock Dividend is paid to a person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of Nelson Lake, the selling security holder has no reasonable grounds to believe that Nelson Lake is in default of Canadian Securities Laws.

United States Securities Law Matters

The following discussion is a general overview of certain requirements of U.S. Securities Laws that may be applicable to U.S. Shareholders. All U.S. Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Stock Dividend complies with applicable U.S. Securities Laws.

The following discussion does not address the Canadian Securities Laws that will apply to the issue and resale of Stock Dividend within Canada by Shareholders in the United States. Shareholders in the United States reselling their Stock Dividend in Canada must comply with Canadian Securities Laws, as outlined elsewhere in this Circular.

Each of LCR and Nelson Lake is a “foreign private issuer” as defined in Rule 3b-4 under the U.S. Dividend After the Effective Date

The Stock Dividend to be received by Shareholders pursuant to the Arrangement (which, for avoidance of doubt, does not include Stock Dividend issuable upon exercise of the Replacement Options), will be freely tradeable under the U.S. Securities Act, except by persons who are “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Nelson Lake after the Effective Date, or were “affiliates” of Nelson Lake within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that directly or indirectly through one or more intermediaries control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its “affiliates”.

Any resale of Stock Dividend by such an Nelson Lake “affiliate” or person who has been an Nelson Lake “affiliate” within 90 days prior to the Effective Date, will be subject to certain restrictions on resale imposed by the U.S. Securities Act, and may not be resold in the absence of registration under the U.S. Securities Act or an exemption from such registration, if available, such as the exemption provided under Rule 144 or the safe harbor provided by Rule 904 of Regulation S under the U.S. Securities Act.

Resales by Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are “affiliates” (as defined in Rule 144) of Nelson Lake after the Effective Date, or were “affiliates” of Nelson Lake within 90 days prior to the Effective Date, will be entitled to sell, during any three-month period, those Stock Dividend that they receive pursuant to the Arrangement, provided that the number of such

securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer required under Rule 144. Persons who are “affiliates” after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be “affiliates” of Nelson Lake.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, if at the Effective Date, Nelson Lake is a “foreign private issuer” (as defined in Rule 3b-4 under the U.S. Exchange Act), persons who are “affiliates” (as defined in Rule 144) of Nelson Lake after the Effective Date, or were “affiliates” of Nelson Lake within 90 days prior to the Effective Date, solely by virtue of their status as an executive officer or director of Nelson Lake, may sell their Nelson Lake Shares outside the United States in an “offshore transaction” if none of the seller, an “affiliate” (as defined in Rule 144) of the seller or any person acting on their behalf engages in “directed selling efforts” in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an “offshore transaction” if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a “designated offshore securities market”, and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by holders of Nelson Lake Shares who are “affiliates” of Nelson Lake after the Effective Date, or were “affiliates” of Nelson Lake within 90 days prior to the Effective Date, other than by virtue of their status as an officer or director of Nelson Lake.

RISK FACTORS

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by LCR, may also adversely affect the trading price of the LCR Shares, and/or the businesses of LCR and Nelson Lake following the Arrangement. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

Risks Associated with the Arrangement

The market price of the LCR Shares and Nelson Lake Shares may be materially adversely affected in certain circumstances

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of LCR Shares may be materially adversely affected and decline to the extent that the current market price of the LCR Shares reflects a market assumption that the Arrangement will be completed. Depending on the reasons for terminating the Arrangement Agreement, LCR's business, financial condition or results of operations could also be subject to various material adverse consequences, including as a result of paying the Termination Fee, as applicable in connection to the Arrangement.

Nelson Lake May Fail to Raise Additional Capital

There is a risk that Nelson Lake may fail to secure additional capital required for its ongoing operations and growth. Should Nelson Lake be unable to raise further funds, this could have a significant negative impact on its business prospects, financial condition, and operational capabilities. The inability to obtain necessary capital might result from various factors, including but not limited to market conditions, investor confidence, and the company's performance. As a consequence, if Nelson Lake cannot secure the additional funding, it may have to scale back operations, delay or cancel planned initiatives, or potentially face insolvency.

A Secondary Market for Nelson Lake Shares May Never Develop

There is no guarantee that Nelson Lake will list on a stock exchange or that a liquid secondary market will develop or be sustained for Nelson Lake shares. Without an active secondary market, shareholders may find it difficult or impossible to sell their shares should they wish to liquidate their investments. This lack of liquidity can lead to shares being valued at a significant discount or, in extreme cases, becoming worthless. The absence of a secondary market can also result in greater volatility in the share price and might limit the ability of investors to react to market conditions or company developments.

The Arrangement may Divert the Attention of LCR's Management

The Arrangement could cause the attention of the LCR's management to be diverted from the day-to-day operations of LCR. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of LCR.

The completion of the Arrangement is subject to conditions precedent

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of LCR' or Nelson Lake's control, including receipt of the Final Order and receipt of the Required Shareholder Approval.

There can be no certainty, nor can LCR or Nelson Lake provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or as to the timing of the satisfaction and waiver of such conditions precedent and, accordingly, the Arrangement may not be completed. If the Arrangement is not completed, the market price of LCR Shares may be adversely affected.

The Arrangement Agreement may be terminated in certain circumstances

LCR has the right, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can LCR provide any assurance, that the Arrangement will not be terminated by LCR prior to the completion of the Arrangement. Any termination will result in the failure to realize the expected benefits of the Arrangement in respect of the operations and business of LCR.

INFORMATION CONCERNING LCR

Corporate Structure

LCR was incorporated pursuant to the BCBCA on September 18, 2019 as 1455345 B.C. Ltd. and on May 24, 2023, the Company amended its articles to change its name to Lancaster Resources Inc. The registered and head office of the Company is located at 2569 Marine Drive, West Vancouver, B.C. V7V 1L5 telephone: (604) 923 6100. LCR has an authorized capital consisting of an unlimited number of LCR Shares without par value. As at the Record Date, a total of 52,313,872 LCR Shares were issued and outstanding, and there were 26,604,104 warrants and 8,056,667 options outstanding. The LCR Shares carry the right to vote at the Meeting, with each LCR Share entitling the holder thereof to one vote on the Arrangement Resolution and on AGM matters.

LCR is a Reporting Issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Common Shares trade on the CSE under the stock symbol "LCR". The Company trades on OTCQB under the symbol "NMDBF" and trades on the Frankfurt Exchange under the symbol "6UF0".

Upon the completion of the Arrangement, there will be 50,738,972 LCR Shares outstanding, and 26,604,104 warrants and 8,056,667 options outstanding. Following completion of the arrangement, LCR will have one wholly owned subsidiary, Lancaster Lithium Inc., and Nelson Lake will be a partially owned subsidiary. Immediately after the Arrangement, LCR will own approximately 750,000 shares of Nelson Lake, which will be approximately 43% of the outstanding and issued shares.

Upon the completion of the Arrangement, LCR will continue to trade on the CSE, the OTCQB and the Frankfurt Exchange. LCR does not anticipate that there will be any halt in trading of its stock pending completion of the Arrangement.

Description of the Business

LCR's principal business is to identify, acquire, explore and develop high-quality properties rich in lithium and other minerals, while integrating sustainable energy sources and innovative technologies to advance the transition to a low-carbon economy. The Company's flagship property is the Alkali Flat Lithium Brine Project, located near Lordsburg, New Mexico, USA. For more information on the Alkali Flat Lithium Brine Project, see the Company's technical report, which was prepared in accordance with NI 43-101, and is available for review under the Company's profile on SEDAR+.

LCR's Mission

LCR's mission is to provide a sustainable and environmentally responsible source of lithium and other resources. It is dedicated to identifying, acquiring, exploring and developing high-quality lithium-rich properties while integrating sustainable energy sources to create a net zero lithium production process. By utilizing innovative technologies and advanced methodologies, LCR aims to reduce the carbon footprint of its operations and contribute to the global transition towards a low-carbon economy.

Direct Lithium Extraction and Brine Sources

LCR is committed to exploring innovative technology and methods to achieve a lower carbon footprint in its production process. It is planning to implement Direct Lithium Extraction (DLE) Technology, a cutting-edge water-based, closed-loop process that extracts lithium from brine sources. DLE Technology is more environmentally friendly than traditional mining methods and reduces the need for large amounts of water, energy, and chemicals. By focusing on lithium brine sources and implementing DLE Technology, LCR anticipates that it will significantly reduce the carbon footprint of its operations, resulting in a more sustainable and responsible production process.

Documents Incorporated by Reference

Information regarding the Company has been incorporated by reference in the Circular from documents filed by the Company with securities commissions or similar authorities in Canada. Copies of the documents incorporated in the Circular by reference regarding the Company may be obtained on request without charge from Penny White, President and Chief Executive Officer of the Company, at 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5, telephone (604) 923 6100, and are also available electronically under the Company's profile at www.sedarplus.ca.

The following documents, filed with the securities regulatory authorities in Canada, are specifically incorporated by reference into, and form a part, of the Circular:

- the unaudited condensed interim financial statements of the Company for the three and six months ended September 30, 2023 and 2022, together with the notes thereto;
- the management's discussion and analysis of the Company for the three and six months ended September 30, 2023 and 2022;
- the audited consolidated financial statements of the Company as at and for the years ended November 30, 2022 and November 30, 2021, together with the notes thereto and the independent auditor's report thereon;
- the management's discussion and analysis of the Company for the years ended November 30, 2022 and November 30 2021; and
- the audited financial statements of Lancaster Lithium Inc., the wholly-owned subsidiary of the Company, for the year ended March 31, 2023, together with the notes thereto and the independent auditor's report thereon.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Circular will be deemed to be modified or superseded for the purposes of the Circular to the extent that a statement contained in this Circular or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Circular.

Information contained in or otherwise accessed through the Company's website (<https://goldstandardv.com/>), or any other website, does not form part of the Circular. All such references to the Company's website are inactive textual references only.

INFORMATION CONCERNING NELSON LAKE

Information regarding Nelson Lake is contained in Appendix E – Information Concerning Nelson Lake attached to this Circular. The information concerning Nelson Lake contained in this Circular has been provided by Nelson Lake for inclusion in this Circular.

INCOME TAX CONSIDERATIONS

Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Shareholders should consult their own tax advisors with respect to their own particular circumstances.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board.

DATED this 6th day of February, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ *"Penny White"*

Penny White
President, Chief Executive Officer and Director

APPENDIX A

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), as more particularly described in and set forth in the management information circular of Lancaster Resources Inc. (“**Lancaster**”) dated February 8, 2024 (the “**Circular**”) (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”) involving Lancaster and Nelson Lake Copper Corp. (“**Newco**”) and implementing the Arrangement, the full text of which is set out in Appendix B to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between Lancaster and Newco dated January 29, 2024, and all the transactions contemplated therein, the actions of the directors of Lancaster in approving the Arrangement and the actions of the directors and officers of Lancaster in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.
4. Notwithstanding that these resolutions have been passed (and the Arrangement approved) by the shareholders of Lancaster or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Lancaster are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Lancaster:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of Lancaster is hereby authorized, for and on behalf and in the name of Lancaster, to execute and deliver all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Arrangement in accordance with the terms of the Arrangement Agreement, including, but not limited to:
 - (a) all actions required to be taken by or on behalf of Lancaster, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and all other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Lancaster, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX B
PLAN OF ARRANGEMENT

See attached.

(attached)

PLAN OF ARRANGEMENT

1. INTERPRETATION

1.1 Definitions. In this Plan of Arrangement, unless the context requires, the following terms will have the respective meanings set out below:

- (a) **"Arrangement"** means the arrangement under Section 288 of the BCBCA contemplated by this Plan of Arrangement.
- (b) **"Arrangement Agreement"** means the arrangement agreement dated January 29, 2024 between Lancaster and Newco.
- (c) **"Arrangement Resolution"** means the special resolution to be considered and voted on by Lancaster Shareholders at the Meeting approving the Arrangement, to be in substantially the form attached as Schedule "B" to the Arrangement Agreement.
- (d) **"BCBCA"** means the *Business Corporations Act* (British Columbia), as amended, and the regulations thereunder.
- (e) **"Court"** means the Supreme Court of British Columbia.
- (f) **"Direct Registration Advice"** means written evidence of the book entry issuance or holding of securities issued to the holder by the transfer agent of such securities.
- (g) **"Effective Date"** means the date selected by Lancaster as being the date upon which the Arrangement becomes effective.
- (h) **"Effective Time"** means 12:01 a.m. (Pacific time) on the Effective Date or such other time on the Effective Date as determined by Lancaster.
- (i) **"Encumbrance"** includes, with respect to any property or asset, any mortgage, pledge, assignment, hypothec, charge, lien, security interest, adverse right or claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.
- (j) **"Final Order"** means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time before the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.
- (k) **"Interim Order"** means the interim order of the Court in respect of the Arrangement providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented or varied by the Court.
- (l) **"Lancaster"** means Lancaster Resources Inc., a British Columbia company.
- (m) **"Lancaster Board"** means the board of directors of Lancaster, as may be constituted from time to time.
- (n) **"Lancaster Note"** means the unsecured, non-interest bearing promissory note of Lancaster in the principal amount of \$100;
- (o) **"Lancaster Shares"** means the common shares in the capital of Lancaster as constituted prior to the Effective Time.

- (p) **"Meeting"** means the annual general and special meeting of the Lancaster Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution.
- (q) **"Newco"** means Nelson Lake Copper Corp., a British Columbia company.
- (r) **"Newco Shares"** means the common shares in the capital of Newco.
- (s) **"Parties"** means Lancaster and Newco, and **"Party"** means any one of them.
- (t) **"Person"** means any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association.
- (u) **"Plan of Arrangement", "herein", "hereof", "hereto", "hereunder"** and similar expressions mean and refer to this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof or the Arrangement Agreement or at the direction of the Court in the Final Order.
- (v) **"Registrar"** means the Registrar of Companies appointed under the BCBCA.
- (w) **"Subscription Price"** means the amount of \$33,000.
- (x) **"Tax Act"** means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.
- (y) **"Transfer Agent"** means Endeavor Trust Corporation or such other agent as Lancaster may select.
- (z) **"United States"** means the United States of America, any territory or possession thereof, any state of the United States, and the District of Columbia.

1.2 Interpretation Not Affected by Headings, Etc. The division of this Plan of Arrangement into sections and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation hereof. Unless otherwise indicated, all references to a "Section" followed by a number and/or a letter refer to the specified section of this Plan of Arrangement.

1.3 Number and Gender. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 Time. Time will be of the essence in every matter or action contemplated in this Plan of Arrangement. All times expressed herein are Pacific time unless otherwise stipulated.

1.5 Currency. Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

2. ARRANGEMENT

2.1 Arrangement Agreement. This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps

comprising the Arrangement, which will occur in the order set forth herein. If there is any conflict or inconsistency between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement will govern.

2.2 Binding Effect. At the Effective Time, the Arrangement will be binding on:

- (a) Lancaster;
- (b) Newco; and
- (c) all the Lancaster Shareholders.

2.3 The Arrangement. Commencing at the Effective Time, except as otherwise noted herein, the following will occur and will be deemed to occur in the following order without any further act or formality on the part of any Person:

- (a) Lancaster will subscribe for 1,650,000 Newco Shares at a price of \$0.02 per Newco Share for the Subscription Price;
- (b) Lancaster will pay the Subscription Price to Newco, and Newco will issue the 1,650,000 Newco Shares to Lancaster as fully paid and non-assessable;
- (c) Lancaster will, in connection with the reorganization of its business, distribute to the Lancaster Shareholders 0.2 Newco Shares in respect of each one (1) Lancaster Share held by a Lancaster Shareholder;
- (d) Lancaster will issue the Lancaster Note to Newco in exchange for \$100 and one (1) fully paid and non-assessable Newco Share;
- (e) Newco will subscribe for 550,000 Lancaster Shares at a price of \$0.06 per Lancaster Share for the Subscription Price;
- (f) Newco will pay the Subscription Price to Lancaster, and Lancaster will issue the 550,000 Lancaster Shares to Newco as fully paid and non-assessable; and
- (g) Lancaster will repurchase the Lancaster Note from Newco in exchange for \$100.

3. DISSENT RIGHTS

3.1 No Dissent Rights. Lancaster Shareholders will not be given the right to dissent in connection with the Arrangement Resolution and accordingly, the dissent proceedings contained in Division 2 of Part 8 of the BCBCA do not apply to the Arrangement Resolution or the Arrangement.

4. REGISTRATION AND CERTIFICATES

4.1 Right to Newco Shares. Subject to Section 4.3, as soon as practicable after the Effective Date, each Lancaster Shareholder at the Effective Time will be entitled to receive one or more certificates or Direct Registration Advices representing the Newco Shares to which such Lancaster Shareholder is entitled pursuant to the provisions of this Plan of Arrangement. The Transfer Agent shall register and deliver certificates or Direct Registration Advices representing the Newco Shares to which each Lancaster Shareholder is entitled at the address for such Lancaster Shareholder shown in the central securities register of Lancaster.

- 4.2** Withholding Rights. Lancaster, Newco and the Transfer Agent will be entitled to deduct and withhold from all dividends, distributions or other amounts otherwise payable to any Lancaster Shareholder such amounts as Lancaster, Newco or the Transfer Agent is required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Lancaster Shareholder in respect of which such deduction and withholding was made, provided, however, that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that any shares or other non-cash consideration is required to be deducted or withheld from any payment to a Lancaster Shareholder, any of Lancaster, Newco or the Transfer Agent is hereby authorized to sell or otherwise dispose of shares or other consideration as is necessary to provide sufficient funds to enable Lancaster, Newco or the Transfer Agent to comply with all deduction or withholding requirements applicable to it, and Lancaster, Newco or the Transfer Agent will notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.
- 4.3** Fractional Shares. If the number of Newco Shares to which a Lancaster Shareholder is entitled results in that Lancaster Shareholder being entitled to a fractional Newco Share, the fraction will be rounded down and such fractional Newco Share shall be cancelled without compensation.
- 4.4** No Encumbrances. Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any Encumbrances of any kind.
- 4.5** Paramountcy. From and after the Effective Time:
- (a)** this Plan of Arrangement will take precedence and priority over any and all Lancaster Shares issued before the Effective Time;
 - (b)** the rights and obligations of the registered holders of Lancaster Shares will be solely as provided for in this Plan of Arrangement; and
 - (c)** all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Lancaster Share outstanding as at the Effective Time will be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

5. AMENDMENT AND WITHDRAWAL

5.1 Amendment.

- (a)** Lancaster reserves the right to amend, modify and supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Meeting, approved by Newco and the Court and communicated to Lancaster Shareholders in the manner required by the Court (if so required).
- (b)** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Lancaster at any time before or at the Meeting with or without any other prior notice or communication and if so proposed and accepted by the Lancaster Shareholders voting at the Meeting will become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by Lancaster and Newco (each acting reasonably).
- (d) Notwithstanding the above, any amendment that concerns a matter that is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Person in his, her or its capacity as a Lancaster Shareholder, will not require Court approval or communication to the Lancaster Shareholders.

5.2 Withdrawal. This Plan of Arrangement may be withdrawn before the Effective Time in accordance with the terms of the Arrangement Agreement.

6. FURTHER ASSURANCES

6.1 Further Assurances. Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.

APPENDIX C
INTERIM ORDER

See attached.

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

FEB 02 2024

ENTERED



No. S240620
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS*
CORPORATIONS ACT, S.B.C. 2002, C.57, AS AMENDED**

AND

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
LANCASTER RESOURCES INC., ITS SHAREHOLDERS AND NELSON LAKE COPPER
CORP.**

LANCASTER RESOURCES INC.

PETITIONER

**ORDER MADE AFTER APPLICATION
(INTERIM ORDER)**

) ~~THE HONOURABLE JUSTICE~~

)

BEFORE

) ~~or~~ ASSOCIATE JUDGE *Blumh*)

February 2, 2024

)

ON THE APPLICATION of the Petitioner, Lancaster Resources Inc. ("**Lancaster**") for an Interim Order under section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement involving Lancaster, the holders (the "**Lancaster Shareholders**") of common shares of Lancaster (the "**Lancaster Shares**"), and Nelson Lake Copper Corp. ("**NewCo**") under section 288 of the BCBCA.

- ☒ without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on February 2, 2024 and on hearing Micah Goldberg, counsel for the Petitioners and upon reading the Affidavit No. 1 of Penny White sworn on January 29, 2024 (the "**Affidavit**");

THIS COURT ORDERS that:

1. The Petitioner, Lancaster, be permitted and directed to convene, hold and conduct the special meeting (the "**Meeting**") of the Lancaster Shareholders, to *inter alia* consider and, if deemed advisable, pass with or without variation, a special resolution (the "**Arrangement Resolution**") authorizing, approving and adopting, with or without amendment, an arrangement (the "**Arrangement**") and the plan of arrangement implementing the Arrangement (the "**Plan of Arrangement**") substantially in the form included as Appendix "B" to the information circular of Lancaster (the "**Circular**") which is attached as Exhibit "A" to the Affidavit of Penny White, involving Lancaster, the Lancaster Shareholders and NewCo.

2. The Meeting shall be called, held and conducted on March 15, 2024, or such other date as may result from postponement or adjournment in accordance with the provisions of this Interim Order at 10:00 a.m. (Vancouver time) at 2569 Marine Drive, West Vancouver, B.C. V7V 1L5.
3. The Meeting shall be called, held and conducted in accordance with the provisions of the BCBCA, the notice of articles and articles of Lancaster and applicable securities laws, and subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating or governing or collateral to the Lancaster Shares or to which such shares are collateral, or the articles of Lancaster, this Interim Order shall govern.
4. Notwithstanding the provisions of the BCBCA and the articles of Lancaster, the board of directors of Lancaster (the "**Lancaster Board**") by resolution shall be entitled to hold the Meeting as a virtual meeting (that is, by telephone conference or other method of electronic communication that enables securityholders to speak and hear each other) without the necessity of first convening the Meeting or first obtaining any vote of the Lancaster Shareholders respecting the virtual Meeting, and without the need for approval of this Court. If the Lancaster Board resolves to hold the Meeting as a virtual meeting, Lancaster shall provide notice of and details about how Lancaster Shareholders may participate in the virtual Meeting by press release, newspaper advertisement or notice sent to the Lancaster Shareholders by one of the methods specified in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the Lancaster Board.

AMENDMENTS

5. The Petitioner is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Lancaster and NewCo dated January 26, 2024 (the "**Arrangement Agreement**") and Plan of Arrangement, as applicable, such amendments, revisions or supplements to the Arrangement Agreement, Arrangement, Plan of Arrangement, notice of special meeting for the Meeting or the Circular as it may determine without any additional notice to Lancaster Shareholders or any further Order of this Court. The Arrangement Agreement, Arrangement and Plan of Arrangement as so amended, revised or supplemented shall be the Arrangement Agreement, Arrangement and Plan of Arrangement that are the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

6. The Lancaster Board by resolution shall be entitled to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Lancaster Shareholders regarding the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement, or by notice sent to the Lancaster Shareholders by one of the methods specified in paragraph

9 of this Interim Order, as determined by the Lancaster Board to be the most appropriate method of communication.

RECORD DATE

7. The record date for determining Lancaster Shareholders entitled to receive notice of and attend at the Meeting is the close of business on February 5, 2024 (the "Record Date").
8. The Record Date will not change in respect of any adjournments or postponements of the Meeting.

NOTICE OF THE MEETING

9. The following:
 - (a) notice of annual general and special meeting for the Meeting;
 - (b) the Circular (including, amongst other things, a copy of the Petition and this Interim Order);
 - (c) the Plan of Arrangement;
 - (d) Notice of Petition; and
 - (e) the form of proxy or voting instruction form for use by the Lancaster Shareholders(collectively, the "Meeting Materials"), in substantially the same form contained in the exhibits to the Affidavit of Penny White, with such amendments and inclusions thereto as the Lancaster Board may deem necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Interim Order or the Arrangement Agreement, and this Interim Order (collectively with the Meeting Materials, the "Mailed Materials") shall be sent to:
 - (I) the Lancaster Shareholders as they appear on the securities register(s) of Lancaster on the Record Date, such Mailed Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, by one of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to the Lancaster Shareholders at his, her, or its address as it appears on the applicable securities registers of Lancaster as at the Record Date;
 - (ii) by delivery in person or by delivery to the addresses specified in paragraph (i) above; or
 - (iii) by email or facsimile transmission to any Lancaster Shareholder who identifies himself, herself or itself to the satisfaction of Lancaster, acting through its representatives, who requests such email or facsimile transmission;

- (II) the directors and auditors of Lancaster by mailing the Mailed Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting; and
- (III) in the case of non-registered holders of Lancaster Shares, by sending copies of the Mailed Materials to intermediaries and registered nominees to facilitate the distribution of the Mailed Materials to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the twenty-first (21st) day prior to the date of the Meeting;

and that the Notice of Petition is hereby approved as the form of notice of proceedings and sending of the Notice of Petition as herein described, shall constitute good and sufficient service of such Notice of Petition upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings. In particular, service of the Petition and any supporting affidavits is dispensed with.

- 10. The Meeting Materials will not be sent to Lancaster Shareholders where mail previously sent to such holders by Lancaster or its registrar and transfer agent has been returned to Lancaster or its registrar and transfer agent on two or more previous consecutive occasions.
- 11. Delivery of the Mailed Materials as ordered herein shall constitute compliance with the requirements of section 290(1)(a) of the BCBCA and the requirement of section 290(1)(b) of the BCBCA to include certain disclosures in any advertisement of the Meeting is waived.
- 12. The accidental failure or omission to give notice of the Meeting or Notice of Application to, or the non-receipt of such notices by, or any failure or omission to give such notice as a result of events beyond the reasonable control of Lancaster (including, without limitation, any inability to use postal services) to any one or more of the persons specified in paragraph 9 of this Interim Order will not constitute a breach of this Interim Order. A defect in the calling of the Meeting will not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Lancaster then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
- 13. Lancaster be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

DEEMED RECEIPT OF NOTICE

- 14. The Mailed Materials will be deemed, for the purposes of this Interim Order, to have been received:
 - (a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;

- (b) in the case of delivery in person, upon receipt thereof at the intended recipient's address or, in the case of delivery by courier, one (1) business day after receipt by the courier;
- (c) in the case of transmission by email or facsimile, upon the transmission thereof;
- (d) in the case of advertisement, at the time of publication of the advertisement;
- (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
- (f) in the case of beneficial Lancaster Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

- 15. Notice of any amendments, updates or supplement to any of the information provided in the Mailed Materials may be communicated to the Lancaster Shareholders or other persons entitled thereto by press release, news release, newspaper advertisement or by notice sent to the Lancaster Shareholders by any of the means set forth in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the Lancaster Board.

QUORUM AND VOTING

- 16. One person who is, or who represents by proxy, shareholder(s) who, in the aggregate, hold at least one of the issued shares entitled to vote at the Meeting will constitute a quorum for the Meeting.
- 17. Each Lancaster Shareholder whose name is entered on the central securities register of Lancaster as at the close of business on the Record Date is entitled to one (1) vote for each Lancaster Share registered in his/her/its name.
- 18. In order for the Arrangement to become effective, the Arrangement Resolution must be approved by an affirmative vote of not less than 66⅔% of the votes cast by Lancaster Shareholders present in person or represented by proxy at the Meeting.
- 19. The only persons entitled to vote at the Meeting or any adjournment(s) thereof either in person or by proxy shall be the registered Lancaster Shareholders as at the Record Date (and under applicable securities legislation and policies, the beneficial holders of the Lancaster Shares registered in the name of intermediaries).

SCRUTINEER

- 20. A representative of Lancaster's registrar and transfer agent (or any agent thereof) is authorized to act as a scrutineer for the Meeting.

SOLICITATION OF PROXIES

21. Lancaster is authorized to use the form of proxy in connection with the Meeting, in substantially the same form contained in Exhibit "B" to the Affidavit of Penny White and Lancaster may in its discretion waive generally the time limits for deposit of proxies by Lancaster Shareholders if Lancaster deems it reasonable to do so. Lancaster and NewCo are authorized to solicit proxies, directly and through their officers, directors and employees, and through such agents or representatives as either of them may retain for that purpose, and by mail or such other forms of personal or electronic communication as either of them may determine.
22. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.
23. Lancaster may in its discretion generally postpone or waive the time limits for the deposit of proxies by Lancaster Shareholders if Lancaster deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

APPLICATION FOR THE FINAL ORDER

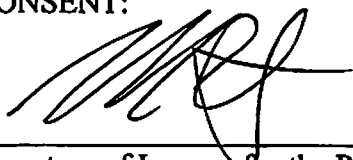
24. Unless the directors of Lancaster by resolution determine to terminate the Arrangement Agreement in accordance with its terms, upon the approval, with or without variation by the Lancaster Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, the Petitioners may apply to this Court for an order (the "**Final Order**"):
 - (a) pursuant to section 291(4)(c) of the BCBCA, declaring that the Arrangement, including the terms and conditions thereof and the issuances, exchanges and/or adjustments of securities contemplated therein, is fair and reasonable to the Lancaster Shareholders; and
 - (b) pursuant to section 291(4)(a) of the BCBCA, approving the Arrangement, including the terms and conditions thereof and the issuances, exchanges and/or adjustments of securities contemplated therein,and that the application for the Final Order (the "**Final Application**") be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on March 21, 2024, at 9:45 a.m., or as soon thereafter as the Court may direct or counsel for Lancaster may be heard, and that Lancaster be at liberty to proceed with the Final Application on that date.
25. Any Lancaster Shareholder, any director or auditor of Lancaster, or any other interested party with leave of the Court desiring to support or oppose the application may appear and make submissions at the Final Application provided that such person must:
 - (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Final Application; and

- (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Final Application, to the Petitioners' counsel at:

Watson Goepel LLP
1200-1075 Georgia St W,
Vancouver BC V6E 3C9
Attention: Micah Goldberg
by or before 4:30 p.m. (Vancouver time) on March 18, 2024.

26. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Lancaster and persons who have filed and delivered a Response to Petition in accordance with this Interim Order.
27. Subject to other provisions in this Interim Order, no material other than that contained in the Circular need be served on any persons in respect of these proceedings. In particular, services of the Petition herein and accompanying affidavit and additional affidavits as may be filed is dispensed with.
28. If the Final Application is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Order need to be served and provided with notice of the adjourned date.
29. The Petitioner shall be entitled, at any time, to apply to vary this Order.
30. Rules 8-1 and 16-1(8)-(12) will not apply to any further applications in respect of this proceeding, including the Final Application and any application to vary this Interim Order.
31. The Petitioner shall, and hereby does, have liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for the Petitioner,
Lancaster Resources Inc.
Lawyer: Micah Goldberg



BY THE COURT



Registrar



No. S240620
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH
COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C.
2002, C. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING LANCASTER RESOURCES INC., ITS
SHAREHOLDERS AND NELSON LAKE COPPER CORP.

LANCASTER RESOURCES INC.

Petitioner

**ORDER MADE AFTER APPLICATION
(INTERIM ORDER)**

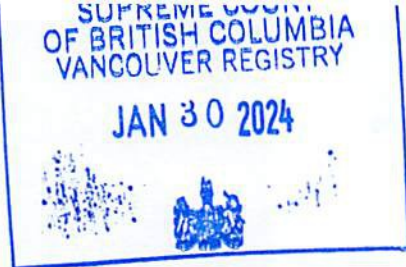
File No.: 236425-0000
Initials: MGG

WATSON GOEPEL LLP
Lawyers
#1200 - 1075 West Georgia Street
VANCOUVER, B.C.
V6E 3C9

Tel: (604) 688 1301
Fax: (604) 688 8193

APPENDIX D
PETITION AND NOTICE OF HEARING

See attached.



No **240620**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS*
CORPORATIONS ACT, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
LANCASTER RESOURCES INC., ITS SHAREHOLDERS AND NELSON LAKE
COPPER CORP.

LANCASTER RESOURCES INC.

PETITIONER

PETITION TO THE COURT

This proceeding has been started by the petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is:	800 Smithe Street Vancouver, BC V6Z 2E1
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(2)	The ADDRESS FOR SERVICE of the petitioner is:	Watson Goepel LLP 1200-1075 Georgia St W, Vancouver BC V6E 3C9 Attention: Micah Goldberg
	Fax number address for service (if any) of the petitioner:	604-682-5217
	E-mail address for service (if any) of the petitioner:	litigationservice@watsongoepel.com
(3)	The name and office address of the petitioner's lawyer is:	Watson Goepel LLP 1200-1075 Georgia St W, Vancouver BC V6E 3C9 Attention: Micah Goldberg

CLAIM OF THE PETITIONER

Part 1: ORDERS SOUGHT

The Petitioner, Lancaster Resources Inc. ("Lancaster"), applies to this Court pursuant to sections 288 and 291 of the *Business Corporations Act*, S.B.C. 2002, c.57, as amended (the "BCBCA"), Rules 1-2(4), 2-1(2)(b), 4-4, 4-5 and 16-1 of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009 (the "Rules"), and the Inherent Jurisdiction of the Court for:

- (a) An *ex parte* order (the "Interim Order") in the form attached as Schedule "A" to this Petition;
- (b) An order (the "Final Order") in the form attached as Schedule "B" to this Petition and,
- (c) Such further and other relief as counsel for Lancaster may advise and the Court may deem just.

Part 2: FACTUAL BASIS

Lancaster

- 2. Lancaster was incorporated in British Columbia under the BCBCA on September 18, 2019. It changed its name to "Lancaster Resources Inc." on May 24, 2023. Lancaster's head office and registered and records office is located at 2569 Marine Drive, West Vancouver, B.C. V7V 1L5.
- 3. Lancaster is primarily engaged in the business of identifying, acquiring, exploring and developing high-quality lithium properties and other materials (the "Lithium Business"). Its flagship project is the Alkali Flat Lithium Brine Project located in New Mexico, USA (the "New Mexico Project").
- 4. Lancaster has two subsidiaries, Lancaster Lithium Inc. which operates the New Mexico Project and Nelson Lake Copper Corp. ("NewCo") which recently acquired the Nelson Lake Copper Project in Saskatchewan, Canada (the "Saskatchewan Project").

5. Lancaster's authorized capital consists of an unlimited number of Lancaster Shares to shareholders (the "**Lancaster Shareholders**"), of which 50,188,872 Lancaster Shares were issued and outstanding as at January 26, 2024 ("**Lancaster Shares**"). Lancaster has 24,479,104 warrants and 6,732,834 options outstanding.
6. Lancaster is a reporting issuer in British Columbia, Alberta, Manitoba, Ontario and Saskatchewan. The Lancaster Shares are listed for trading on the Canadian Securities Exchange under the trading symbol "LCR".

NewCo

7. NewCo was incorporated in British Columbia under the BCBCA on December 15, 2023.
8. The head office and registered and records office for NewCo is located at 2569 Marine Drive, West Vancouver, B.C. V7V 1L5.
9. NewCo's authorized capital consists of an unlimited number of common shares (the "**NewCo Shares**"), of which 100,000 common shares are outstanding, all of which are held by Lancaster as of January 26, 2024. NewCo has 250,000 options issued to its directors and officers with no outstanding warrants.

Overview of the Arrangement

10. The arrangement which has been proposed among Lancaster, the Lancaster Shareholders and NewCo is substantially in the form of the Plan of Arrangement attached as Appendix "B" to the Notice of Meeting and Circular attached as Exhibit "A" to the Affidavit (the "**Arrangement**"). All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Plan of Arrangement.
11. Commencing at 12:01 a.m. (Vancouver time) (the "**Effective Time**") on the date upon which the Arrangement becomes effective as set out in a certificate executed by Lancaster and NewCo (the "**Effective Date**"), each of the events set out below shall occur and be deemed to occur in the following sequence, in each case without any further authorization, act or formality of or by Lancaster, NewCo or any other person:
 - (a) Lancaster will subscribe for 1,650,000 NewCo Shares at a price of \$0.02 per NewCo Share for \$33,000 (the "**Subscription Price**");
 - (b) Lancaster will pay the Subscription Price to NewCo, and NewCo will issue the 1,650,000 NewCo Shares to Lancaster as fully paid and non-assessable;
 - (c) Lancaster will distribute approximately 1,000,000 of the newly subscribed NewCo Shares to the Lancaster Shareholders at a ratio of 0.02 NewCo Shares in respect of each Lancaster Share held by each Lancaster Shareholder;
 - (d) Lancaster will issue an unsecured, non-interest bearing promissory note of Lancaster in the principal amount of \$100 (the "**Lancaster Note**") to NewCo in exchange for \$100 and one fully paid and non-assessable NewCo Share;
 - (e) NewCo will subscribe for 550,000 Lancaster Shares at a price of \$0.06 per Lancaster Share for the Subscription Price;

- (f) NewCo will pay the Subscription Price to Lancaster, and Lancaster will issue the 550,000 Lancaster Shares to NewCo as fully paid and non-assessable;
 - (g) Lancaster will repurchase the Lancaster Note from NewCo in exchange for \$100 issued to NewCo Shares issued to Lancaster;
 - (h) The NewCo Shares will be distributed to Lancaster Shareholders at a ratio of 0.02 NewCo Shares for every 1 Lancaster Share. After the Arrangement, NewCo will have 1,750,000 common shares outstanding, of which Lancaster Shareholders will own approximately 1,000,000 shares and Lancaster will own approximately 750,000 shares.
- 12. On completion of the Arrangement, the Lancaster Shareholders ownership of Lancaster Shares, and ownership of Lancaster's warrants and options will be unchanged. There will be no change to Lancaster's Articles as a result of the Arrangement.
 - 13. After the Arrangement, NewCo will no longer be a wholly owned subsidiary of Lancaster. Rather, NewCo's focus will be on developing the Saskatchewan Project.
 - 14. If the Arrangement does not proceed for any reason, including because the requisite Lancaster Shareholder or Court approvals are not received, Lancaster will continue as a public company with Lancaster Shares listed on the Canadian Securities Exchange.
 - 15. The Arrangement is subject to obtaining the necessary approval, including approval by at least two-thirds of the votes cast affirmatively at a special meeting of Lancaster scheduled to be held on March 15, 2024 in accordance with section 289 of the BCBCA.

Determinations by the Board of Directors of Lancaster

- 16. The Board has determined that the Arrangement and the entering into of the arrangement agreement dated January 26, 2024 (the "Arrangement Agreement") is in the best interests of Lancaster.
- 17. The Board has determined that the Arrangement is fair to the Lancaster Shareholders and recommend that the Lancaster Shareholders vote in favour of the Arrangement Resolution:
 - (a) **Enhanced Shareholder Value:** The strategic separation is aimed at enhancing shareholder value, offering stakes in two potentially growing sectors. Lancaster shareholders will keep all of their securities in Lancaster as well as receiving a stock dividend of the NewCo Shares, allowing shareholders to benefit from successes and value appreciation in both companies.
 - (b) **Enhanced Focus on Core Business:** By concentrating on primary projects like the New Mexico Project, Lancaster can allocate resources and management attention more efficiently.
 - (c) **Risk Diversification:** The separation of copper exploration activities through the NewCo Spin-Off reduces Lancaster's direct risk exposure in the copper sector.

- (d) **Targeted Investments and Partnerships:** Operating independently, both entities are poised to attract sector-specific investments and partnerships, enhancing the potential for growth and higher valuations.
- (e) **Operational Efficiency:** The Spin-Off allows for streamlined operations and management in each entity, tailored to their respective operational goals.
- (f) **Financial Flexibility:** Post-Arrangement, Lancaster's ownership of approximately 700,000 shares in NewCo represents a significant, non-dilutive asset. Lancaster's future potential sale of its remaining stake in NewCo can fund its expansion activities at the New Mexico Project.
- (g) **Access to Capital for Nelson Lake:** With a streamlined corporate structure and only 1,700,000 issued shares post-listing, NewCo is well-positioned to attract investors seeking targeted opportunities.
- (h) **Increased M&A Opportunities for Nelson Lake:** NewCo's tight corporate structure as an unlisted reporting issuer may make it an attractive candidate for mergers and acquisitions, broadening its strategic growth options.
- (i) **Considered Risks:** While the Arrangement offers significant potential, the Board is mindful of specific risks, particularly regarding NewCo's ability to successfully raise capital, and provide liquidity for the NewCo shares.

Dissent Rights

- 18. The Plan of Arrangement does not contemplate that Lancaster Shareholders will be granted a right to dissent to the Plan of Arrangement.
- 19. The statutory dissent rights contemplated by the BCBCA are not required. In particular, the Plan of Arrangement does not trigger any of the circumstances enumerated in the BCBCA under which dissent rights must be offered to shareholders of a BCBCA corporation.
- 20. Furthermore, the Lancaster Shares are publicly traded. Shareholders who oppose the Plan of Arrangement can sell their Lancaster Shares at prevailing market prices.

The Meeting and Approvals

- 21. It is proposed in accordance with the Interim Order that Lancaster convene the Meeting on March 15, 2024 at 10:00 am (Vancouver time) to consider, *inter alia*, and, if thought fit, to pass, subject to such amendments, variations or additions as may be approved at the Meeting.
- 22. The Board has resolved that the record date for determining the Lancaster Shareholders entitled to receive notice of, attend and vote at the Meeting be fixed at March 15, 2024.
- 23. In connection with the Meeting, Lancaster intends to send to each Lancaster Shareholder a copy of the following materials and documentation substantially in the forms attached as Exhibits "A" to "C" to the White Affidavit:

- (a) notice of the Meeting and accompanying Circular (a copy of which is attached as Exhibit "A" to the White Affidavit) that includes, among other things:
 - (i) an explanation of the effect of the Arrangement;
 - (ii) the text of the Arrangement Resolution;
 - (iii) the text of the proposed Plan of Arrangement;
 - (iv) a copy of the Interim Order;
 - (v) a copy of the Notice of Hearing of Petition (a draft copy of which is also attached as Exhibit "C" to the White Affidavit); and
 - (vi) a summary of the Arrangement Agreement;
 - (b) the form of proxy for Lancaster Shareholders (a draft copy of which is attached as Exhibit "B" to the White Affidavit).
24. All such documents may contain such amendments thereto as the Petitioner (based on the advice of its solicitors) may determine are necessary or desirable, provided such amendments are not inconsistent with the terms of the Interim Order.

Quorum and Voting at the Meeting

- 25. Pursuant to the Articles of Lancaster, the Lancaster Shares entitle the holders thereof to attend and vote at all meetings of the Lancaster Shareholders on the basis of one vote for each Lancaster Share held.
- 26. One person who is, or who represents by proxy, shareholders who, in the aggregate, hold at least one of the issued shares entitled to be vote at the Meeting will constitute a quorum for the Meeting.
- 27. To be effective, the Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Lancaster Shareholders present in person or represented by proxy at the Meeting.
- 28. The Arrangement does not contemplate a compromise of any debt or debt instruments of Lancaster and no creditor of Lancaster will be negatively affected by the Arrangement.

Part 3:LEGAL BASIS

- 29. Sections 238, 288-299 of the BCBCA;
- 30. Supreme Court Civil Rules 1-2(4), 2-1(2)(b), 4-4, 4-5, 8-1, and 16-1; and
- 31. the Inherent Jurisdiction of this Court.

Part 4:MATERIAL TO BE RELIED ON

- 32. The Affidavit No.1 of Penny White, sworn January 29, 2024; and
- 33. Such further materials as counsel for Lancaster may advise.

The petitioner estimates that the hearing of the petition will take 10 minutes.

Dated: January 29, 2024



Signature of Micah Goldberg
Counsel for petitioner

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this notice of this petition

☐ with the following variations and additional terms:

Date: June

Signature of

Judge

Master

SCHEDULE "A"

INTERIM ORDER

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS
CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
LANCASTER RESOURCES INC., ITS SHAREHOLDERS AND NELSON LAKE
COPPER CORP.

LANCASTER RESOURCES INC.

PETITIONER

**ORDER MADE AFTER APPLICATION
(INTERIM ORDER)**

BEFORE) THE HONOURABLE JUSTICE)
))
) or MASTER) February __, 2024
))

ON THE APPLICATION of the Petitioner, Lancaster Resources Inc. ("**Lancaster**") for an Interim Order under section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement involving Lancaster, the holders (the "**Lancaster Shareholders**") of common shares of Lancaster (the "**Lancaster Shares**"), and Nelson Lake Copper Corp. ("**NewCo**") under section 288 of the BCBCA.

- ☒ without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on February 2, 2024 and on hearing Micah Goldberg, counsel for the Petitioners and upon reading the Affidavit No. 1 of Penny White sworn on January 29, 2024 (the "**Affidavit**");

THIS COURT ORDERS that:

1. The Petitioner, Lancaster, be permitted and directed to convene, hold and conduct the special meeting (the "**Meeting**") of the Lancaster Shareholders, to *inter alia* consider and, if deemed advisable, pass with or without variation, a special resolution (the "**Arrangement Resolution**") authorizing, approving and adopting, with or without amendment, an arrangement (the "**Arrangement**") and the plan of arrangement implementing the Arrangement (the "**Plan of Arrangement**") substantially in the form

included as Appendix "B" to the information circular of Lancaster (the "**Circular**") which is attached as Exhibit "A" to the Affidavit of Penny White, involving Lancaster, the Lancaster Shareholders and NewCo.

2. The Meeting shall be called, held and conducted on March 15, 2024, or such other date as may result from postponement or adjournment in accordance with the provisions of this Interim Order at 10:00 a.m. (Vancouver time) at 2569 Marine Drive, West Vancouver, B.C. V7V 1L5.
3. The Meeting shall be called, held and conducted in accordance with the provisions of the BCBCA, the notice of articles and articles of Lancaster and applicable securities laws, and subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating or governing or collateral to the Lancaster Shares or to which such shares are collateral, or the articles of Lancaster, this Interim Order shall govern.
4. Notwithstanding the provisions of the BCBCA and the articles of Lancaster, the board of directors of Lancaster (the "**Lancaster Board**") by resolution shall be entitled to hold the Meeting as a virtual meeting (that is, by telephone conference or other method of electronic communication that enables securityholders to speak and hear each other) without the necessity of first convening the Meeting or first obtaining any vote of the Lancaster Shareholders respecting the virtual Meeting, and without the need for approval of this Court. If the Lancaster Board resolves to hold the Meeting as a virtual meeting, Lancaster shall provide notice of and details about how Lancaster Shareholders may participate in the virtual Meeting by press release, newspaper advertisement or notice sent to the Lancaster Shareholders by one of the methods specified in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the Lancaster Board.

AMENDMENTS

5. The Petitioner is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Lancaster and NewCo dated January 26, 2024 (the "**Arrangement Agreement**") and Plan of Arrangement, as applicable, such amendments, revisions or supplements to the Arrangement Agreement, Arrangement, Plan of Arrangement, notice of special meeting for the Meeting or the Circular as it may determine without any additional notice to Lancaster Shareholders or any further Order of this Court. The Arrangement Agreement, Arrangement and Plan of Arrangement as so amended, revised or supplemented shall be the Arrangement Agreement, Arrangement and Plan of Arrangement that are the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

6. The Lancaster Board by resolution shall be entitled to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Lancaster Shareholders regarding the adjournment or

postponement and without the need for approval of the Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement, or by notice sent to the Lancaster Shareholders by one of the methods specified in paragraph 9 of this Interim Order, as determined by the Lancaster Board to be the most appropriate method of communication.

RECORD DATE

7. The record date for determining Lancaster Shareholders entitled to receive notice of and attend at the Meeting is the close of business on February 5, 2024 (the "**Record Date**").
8. The Record Date will not change in respect of any adjournments or postponements of the Meeting.

NOTICE OF THE MEETING

9. The following:
 - (a) notice of annual general and special meeting for the Meeting;
 - (b) the Circular (including, amongst other things, a copy of the Petition and this Interim Order);
 - (c) the Plan of Arrangement;
 - (d) Notice of Petition; and
 - (e) the form of proxy or voting instruction form for use by the Lancaster Shareholders

(collectively, the "**Meeting Materials**"), in substantially the same form contained in the exhibits to the Affidavit of Penny White, with such amendments and inclusions thereto as the Lancaster Board may deem necessary or desirable, provided that such amendments and inclusions are not inconsistent with the terms of this Interim Order or the Arrangement Agreement, and this Interim Order (collectively with the Meeting Materials, the "**Mailed Materials**") shall be sent to:

- (I) the Lancaster Shareholders as they appear on the securities register(s) of Lancaster on the Record Date, such Mailed Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, by one of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to the Lancaster Shareholders at his, her, or its address as it appears on the applicable securities registers of Lancaster as at the Record Date;
 - (ii) by delivery in person or by delivery to the addresses specified in paragraph (i) above; or
 - (iii) by email or facsimile transmission to any Lancaster Shareholder who

identifies himself, herself or itself to the satisfaction of Lancaster, acting through its representatives, who requests such email or facsimile transmission;

- (II) the directors and auditors of Lancaster by mailing the Mailed Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting; and
- (III) in the case of non-registered holders of Lancaster Shares, by sending copies of the Mailed Materials to intermediaries and registered nominees to facilitate the distribution of the Mailed Materials to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the twenty-first (21st) day prior to the date of the Meeting;

and that the Notice of Petition is hereby approved as the form of notice of proceedings and sending of the Notice of Petition as herein described, shall constitute good and sufficient service of such Notice of Petition upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings. In particular, service of the Petition and any supporting affidavits is dispensed with.

- 10. The Meeting Materials will not be sent to Lancaster Shareholders where mail previously sent to such holders by Lancaster or its registrar and transfer agent has been returned to Lancaster or its registrar and transfer agent on two or more previous consecutive occasions.
- 11. Delivery of the Mailed Materials as ordered herein shall constitute compliance with the requirements of section 290(1)(a) of the BCBCA and the requirement of section 290(1)(b) of the BCBCA to include certain disclosures in any advertisement of the Meeting is waived.
- 12. The accidental failure or omission to give notice of the Meeting or Notice of Application to, or the non-receipt of such notices by, or any failure or omission to give such notice as a result of events beyond the reasonable control of Lancaster (including, without limitation, any inability to use postal services) to any one or more of the persons specified in paragraph 9 of this Interim Order will not constitute a breach of this Interim Order. A defect in the calling of the Meeting will not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Lancaster then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
- 13. Lancaster be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

DEEMED RECEIPT OF NOTICE

- 14. The Mailed Materials will be deemed, for the purposes of this Interim Order, to have been received:

- (a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;
- (b) in the case of delivery in person, upon receipt thereof at the intended recipient's address or, in the case of delivery by courier, one (1) business day after receipt by the courier;
- (c) in the case of transmission by email or facsimile, upon the transmission thereof;
- (d) in the case of advertisement, at the time of publication of the advertisement;
- (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
- (f) in the case of beneficial Lancaster Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

- 15. Notice of any amendments, updates or supplement to any of the information provided in the Mailed Materials may be communicated to the Lancaster Shareholders or other persons entitled thereto by press release, news release, newspaper advertisement or by notice sent to the Lancaster Shareholders by any of the means set forth in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the Lancaster Board.

QUORUM AND VOTING

- 16. One person who is, or who represents by proxy, shareholder(s) who, in the aggregate, hold at least one of the issued shares entitled to vote at the Meeting will constitute a quorum for the Meeting.
- 17. Each Lancaster Shareholder whose name is entered on the central securities register of Lancaster as at the close of business on the Record Date is entitled to one (1) vote for each Lancaster Share registered in his/her/its name.
- 18. In order for the Arrangement to become effective, the Arrangement Resolution must be approved by an affirmative vote of not less than 66⅔% of the votes cast by Lancaster Shareholders present in person or represented by proxy at the Meeting.
- 19. The only persons entitled to vote at the Meeting or any adjournment(s) thereof either in person or by proxy shall be the registered Lancaster Shareholders as at the Record Date (and under applicable securities legislation and policies, the beneficial holders of the Lancaster Shares registered in the name of intermediaries).

SCRUTINEER

- 20. A representative of Lancaster's registrar and transfer agent (or any agent thereof) is authorized to act as a scrutineer for the Meeting.

SOLICITATION OF PROXIES

21. Lancaster is authorized to use the form of proxy in connection with the Meeting, in substantially the same form contained in Exhibit "B" to the Affidavit of Penny White and Lancaster may in its discretion waive generally the time limits for deposit of proxies by Lancaster Shareholders if Lancaster deems it reasonable to do so. Lancaster and NewCo are authorized to solicit proxies, directly and through their officers, directors and employees, and through such agents or representatives as either of them may retain for that purpose, and by mail or such other forms of personal or electronic communication as either of them may determine.
22. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.
23. Lancaster may in its discretion generally postpone or waive the time limits for the deposit of proxies by Lancaster Shareholders if Lancaster deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

APPLICATION FOR THE FINAL ORDER

24. Unless the directors of Lancaster by resolution determine to terminate the Arrangement Agreement in accordance with its terms, upon the approval, with or without variation by the Lancaster Shareholders of the Arrangement Resolution, in the manner set forth in this Interim Order, the Petitioners may apply to this Court for an order (the "**Final Order**"):
 - (a) pursuant to section 291(4)(c) of the BCBCA, declaring that the Arrangement, including the terms and conditions thereof and the issuances, exchanges and/or adjustments of securities contemplated therein, is fair and reasonable to the Lancaster Shareholders; and
 - (b) pursuant to section 291(4)(a) of the BCBCA, approving the Arrangement, including the terms and conditions thereof and the issuances, exchanges and/or adjustments of securities contemplated therein,

and that the application for the Final Order (the "**Final Application**") be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on March 21, 2024, at 9:45 a.m., or as soon thereafter as the Court may direct or counsel for Lancaster may be heard, and that Lancaster be at liberty to proceed with the Final Application on that date.
25. Any Lancaster Shareholder, any director or auditor of Lancaster, or any other interested party with leave of the Court desiring to support or oppose the application may appear and make submissions at the Final Application provided that such person must:
 - (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Final Application; and

- (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Final Application, to the Petitioners' counsel at:

Watson Goepel LLP
1200-1075 Georgia St W,
Vancouver BC V6E 3C9
Attention: Micah Goldberg
by or before 4:30 p.m. (Vancouver time) on March 13, 2024.

26. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for Lancaster and persons who have filed and delivered a Response to Petition in accordance with this Interim Order.
27. Subject to other provisions in this Interim Order, no material other than that contained in the Circular need be served on any persons in respect of these proceedings. In particular, services of the Petition herein and accompanying affidavit and additional affidavits as may be filed is dispensed with.
28. If the Final Application is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Order need to be served and provided with notice of the adjourned date.
29. The Petitioner shall be entitled, at any time, to apply to vary this Order.
30. Rules 8-1 and 16-1(8) – (12) will not apply to any further applications in respect of this proceeding, including the Final Application and any application to vary this Interim Order.
31. The Petitioner shall, and hereby does, have liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner,
Lancaster Resources Inc.
Lawyer: Micah Goldberg

BY THE COURT

Registrar

SCHEDULE "B"**FINAL ORDER**

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS
CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
LANCASTER RESOURCES INC., ITS SHAREHOLDERS AND NELSON LAKE
COPPER CORP.

LANCASTER RESOURCES INC.

PETITIONER

**ORDER MADE AFTER APPLICATION
(FINAL ORDER)**

BEFORE) THE HONOURABLE JUSTICE)
))
) JUSTICE) March ____, 2024
))

ON THE APPLICATION of the Petitioner, Lancaster Resources Inc. ("Lancaster") for an Interim Order under section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "BCBCA") in connection with an arrangement involving Lancaster, the holders (the "Lancaster Shareholders") of common shares of Lancaster (the "Lancaster Shares"), and Nelson Lake Copper Corp. ("NewCo") under section 288 of the BCBCA coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on the ____, 2024, and on hearing Micah Goldberg, counsel for the Petitioner; and no one appearing on behalf of the Lancaster Shareholders although notice was duly given in accordance with the Order of Master ____ pronounced on ____; AND UPON READING:

1. the Petition dated _____;
2. the Interim Order made _____;
3. the Affidavit No. 1 of Penny White sworn _____ and filed; and
4. the Affidavit No. 2 of Penny White sworn _____ and filed;

AND UPON CONSIDERING the fairness of the terms and conditions of the plan of arrangement (the "Plan of Arrangement" and the transactions contemplated therein, the

"Arrangement"), a copy of which is attached as Appendix "A" to this Order, and the rights and interests of the Lancaster Shareholders thereunder;

AND UPON The requisite approval of the Lancaster Shareholders having been obtained at the special meeting of Lancaster held on March 15, 2024;

AND UPON CONSIDERING the fairness to the parties affected thereby of the terms and conditions of the Arrangement and of the transactions contemplated by the Arrangement;

AND UPON IT APPEARING that the terms and conditions of the Arrangement may properly be approved by this Honourable Court;

THIS COURT ORDERS and DECLARES that:

1. Pursuant to the provisions of S. 291(4)(c) of the BCBCA the Arrangement provided for in the Plan of Arrangement, including the terms and conditions thereof and the issuances and exchanges of securities contemplated therein, is procedurally and substantively fair and reasonable to the Lancaster Shareholders;
2. the Arrangement as provided for in the Plan of Arrangement attached as Appendix "A" to this Order is approved pursuant to section 291(4)(a) of the BCBCA; and
3. Lancaster shall be entitled at any time to seek leave to vary this Order, to seek the direction of the Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner
Micah Goldberg

BY THE COURT

Registry

Appendix "A"

PLAN OF ARRANGEMENT

1. INTERPRETATION

1.1 Definitions. In this Plan of Arrangement, unless the context requires, the following terms will have the respective meanings set out below:

- (a) **"Arrangement"** means the arrangement under Section 288 of the BCBCA contemplated by this Plan of Arrangement.
- (b) **"Arrangement Agreement"** means the arrangement agreement dated January 29, 2024 between Lancaster and Newco.
- (c) **"Arrangement Resolution"** means the special resolution to be considered and voted on by Lancaster Shareholders at the Meeting approving the Arrangement, to be in substantially the form attached as Schedule "B" to the Arrangement Agreement.
- (d) **"BCBCA"** means the *Business Corporations Act* (British Columbia), as amended, and the regulations thereunder.
- (e) **"Court"** means the Supreme Court of British Columbia.
- (f) **"Direct Registration Advice"** means written evidence of the book entry issuance or holding of securities issued to the holder by the transfer agent of such securities.
- (g) **"Effective Date"** means the date selected by Lancaster as being the date upon which the Arrangement becomes effective.
- (h) **"Effective Time"** means 12:01 a.m. (Pacific time) on the Effective Date or such other time on the Effective Date as determined by Lancaster.
- (i) **"Encumbrance"** includes, with respect to any property or asset, any mortgage, pledge, assignment, hypothec, charge, lien, security interest, adverse right or claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.
- (j) **"Final Order"** means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time before the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.
- (k) **"Interim Order"** means the interim order of the Court in respect of the Arrangement providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented or varied by the Court.
- (l) **"Lancaster"** means Lancaster Resources Inc., a British Columbia company.
- (m) **"Lancaster Board"** means the board of directors of Lancaster, as may be constituted from time to time.
- (n) **"Lancaster Note"** means the unsecured, non-interest bearing promissory note of Lancaster in the principal amount of \$100;

- (o) **"Lancaster Shares"** means the common shares in the capital of Lancaster as constituted prior to the Effective Time.
- (p) **"Meeting"** means the annual general and special meeting of the Lancaster Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution.
- (q) **"Newco"** means Nelson Lake Copper Corp., a British Columbia company.
- (r) **"Newco Shares"** means the common shares in the capital of Newco.
- (s) **"Parties"** means Lancaster and Newco, and **"Party"** means any one of them.
- (t) **"Person"** means any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association.
- (u) **"Plan of Arrangement"**, **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this plan of arrangement and any amendments, variations or supplements hereto made in accordance with the terms hereof or the Arrangement Agreement or at the direction of the Court in the Final Order.
- (v) **"Registrar"** means the Registrar of Companies appointed under the BCBCA.
- (w) **"Subscription Price"** means the amount of \$33,000.
- (x) **"Tax Act"** means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.
- (y) **"Transfer Agent"** means Endeavor Trust Corporation or such other agent as Lancaster may select.
- (z) **"United States"** means the United States of America, any territory or possession thereof, any state of the United States, and the District of Columbia.

1.2 Interpretation Not Affected by Headings, Etc. The division of this Plan of Arrangement into sections and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation hereof. Unless otherwise indicated, all references to a "Section" followed by a number and/or a letter refer to the specified section of this Plan of Arrangement.

1.3 Number and Gender. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 Time. Time will be of the essence in every matter or action contemplated in this Plan of Arrangement. All times expressed herein are Pacific time unless otherwise stipulated.

1.5 Currency. Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

2. ARRANGEMENT

2.1 Arrangement Agreement. This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps

comprising the Arrangement, which will occur in the order set forth herein. If there is any conflict or inconsistency between the provisions of this Plan of Arrangement and the Arrangement Agreement, the provisions of this Plan of Arrangement will govern.

2.2 Binding Effect. At the Effective Time, the Arrangement will be binding on:

- (a) Lancaster;
- (b) Newco; and
- (c) all the Lancaster Shareholders.

2.3 The Arrangement. Commencing at the Effective Time, except as otherwise noted herein, the following will occur and will be deemed to occur in the following order without any further act or formality on the part of any Person:

- (a) Lancaster will subscribe for 1,650,000 Newco Shares at a price of \$0.02 per Newco Share for the Subscription Price;
- (b) Lancaster will pay the Subscription Price to Newco, and Newco will issue the 1,650,000 Newco Shares to Lancaster as fully paid and non-assessable;
- (c) Lancaster will, in connection with the reorganization of its business, distribute to the Lancaster Shareholders 0.2 Newco Shares in respect of each one (1) Lancaster Share held by a Lancaster Shareholder;
- (d) Lancaster will issue the Lancaster Note to Newco in exchange for \$100 and one (1) fully paid and non-assessable Newco Share;
- (e) Newco will subscribe for 550,000 Lancaster Shares at a price of \$0.06 per Lancaster Share for the Subscription Price;
- (f) Newco will pay the Subscription Price to Lancaster, and Lancaster will issue the 550,000 Lancaster Shares to Newco as fully paid and non-assessable; and
- (g) Lancaster will repurchase the Lancaster Note from Newco in exchange for \$100.

3. DISSENT RIGHTS

3.1 No Dissent Rights. Lancaster Shareholders will not be given the right to dissent in connection with the Arrangement Resolution and accordingly, the dissent proceedings contained in Division 2 of Part 8 of the BCBCA do not apply to the Arrangement Resolution or the Arrangement.

4. REGISTRATION AND CERTIFICATES

4.1 Right to Newco Shares. Subject to Section 4.3, as soon as practicable after the Effective Date, each Lancaster Shareholder at the Effective Time will be entitled to receive one or more certificates or Direct Registration Advices representing the Newco Shares to which such Lancaster Shareholder is entitled pursuant to the provisions of this Plan of Arrangement. The Transfer Agent shall register and deliver certificates or Direct Registration Advices representing the Newco Shares to which each Lancaster Shareholder is entitled at the address for such Lancaster Shareholder shown in the central securities register of Lancaster.

4.2 Withholding Rights. Lancaster, Newco and the Transfer Agent will be entitled to deduct and withhold from all dividends, distributions or other amounts otherwise payable to any Lancaster

Shareholder such amounts as Lancaster, Newco or the Transfer Agent is required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Lancaster Shareholder in respect of which such deduction and withholding was made, provided, however, that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that any shares or other non-cash consideration is required to be deducted or withheld from any payment to a Lancaster Shareholder, any of Lancaster, Newco or the Transfer Agent is hereby authorized to sell or otherwise dispose of shares or other consideration as is necessary to provide sufficient funds to enable Lancaster, Newco or the Transfer Agent to comply with all deduction or withholding requirements applicable to it, and Lancaster, Newco or the Transfer Agent will notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

- 4.3** Fractional Shares. If the number of Newco Shares to which a Lancaster Shareholder is entitled results in that Lancaster Shareholder being entitled to a fractional Newco Share, the fraction will be rounded down and such fractional Newco Share shall be cancelled without compensation.
- 4.4** No Encumbrances. Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any Encumbrances of any kind.
- 4.5** Paramountcy. From and after the Effective Time:
- (a) this Plan of Arrangement will take precedence and priority over any and all Lancaster Shares issued before the Effective Time;
 - (b) the rights and obligations of the registered holders of Lancaster Shares will be solely as provided for in this Plan of Arrangement; and
 - (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Lancaster Share outstanding as at the Effective Time will be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

5. AMENDMENT AND WITHDRAWAL

5.1 Amendment.

- (a) Lancaster reserves the right to amend, modify and supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Meeting, approved by Newco and the Court and communicated to Lancaster Shareholders in the manner required by the Court (if so required).
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Lancaster at any time before or at the Meeting with or without any other prior notice or communication and if so proposed and accepted by the Lancaster Shareholders voting at the Meeting will become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by Lancaster and Newco (each acting reasonably).

- (d) Notwithstanding the above, any amendment that concerns a matter that is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Person in his, her or its capacity as a Lancaster Shareholder, will not require Court approval or communication to the Lancaster Shareholders.

5.2 Withdrawal. This Plan of Arrangement may be withdrawn before the Effective Time in accordance with the terms of the Arrangement Agreement.

6. FURTHER ASSURANCES

6.1 Further Assurances. Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out therein.



SE240620

SE240620

FORCE FILED

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS*
CORPORATIONS ACT, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
LANCASTER RESOURCES INC., ITS SHAREHOLDERS AND NELSON LAKE COPPER
CORP.

LANCASTER RESOURCES INC.

PETITIONER

NOTICE OF HEARING

ON NOTICE TO: THIS APPLICATION IS WITHOUT NOTICE

TAKE NOTICE that an application for the interim order sought in the form attached as Schedule "A" to the Petition to the Court of Lancaster Resources Inc. dated January 29, 2024 will be heard on February 2, 2024.

1 Date of hearing

The application for the interim order is without notice

2 Duration of hearing

The hearing will take 10 minutes.

3 Jurisdiction

This matter is within the jurisdiction of an Associate Judge.

Date: January 29, 2024



Signature of Micah Goldberg
Counsel for Petitioner

APPENDIX E

INFORMATION CONCERNING NELSON LAKE

Nelson Lake Copper Corp. ("**Nelson Lake**") was incorporated under the laws of the province of British Columbia, Canada on December 15, 2023 as 1455345 B.C. Ltd. On December 27, 2023 the Company changed its name to Nelson Lake Copper Corp. Nelson Lake is extra-provincially registered in Saskatchewan, Canada. The principal business of the Company is the identification, evaluation, acquisition and development of mineral exploration properties. The address of the Company's corporate office and principal place of business is 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5.

Nelson Lake has 100,000 shares issued and outstanding, all of which are owned by its parent company, Lancaster Resources Inc. Nelson Lake has 300,000 options issued to its directors and officers, and no outstanding warrants or other convertible securities.

On completion of the Arrangement, Nelson Lake will have 1,750,000 common shares issued and outstanding, of which approximately 1,000,000 will be owned by the LCR Shareholder, and 750,000 common shares will be owned by LCR, making Nelson Lake a partially owned subsidiary of Nelson Lake.

On completion of the Arrangement, Nelson Lake will be a Reporting Issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. On completion of the Arrangement, Nelson Lake's common shares will not be listed on a stock exchange.

Financial Statements

The audited financial statements of Nelson Lake as at and for the period from December 15, 2023 (date of incorporation) to December 31, 2023 including the notes thereto and the auditor's report thereon, together with the Management Discussion and Analysis thereon, are attached hereto as Schedule A.

The Nelson Lake Copper Project

Nelson Lake was set up as a wholly owned subsidiary of LCRr on December 15, 2023 for the purpose of staking copper claims in Saskatchewan, Canada. Nelson Lake directly staked 1 mining claim covering a contiguous block 5,746 hectares in Saskatchewan (the "**Nelson Lake Copper Project**").

More detailed information about the geology and plan of exploration for the Nelson Lake Copper Project is contained in the Technical Report entitled, *Nelson Lake Copper Property, Saskatchewan Canada* dated February 1, 2024, prepared by Nikolay Bashaev, .Sc., P.Geo, and Fallon Clarke, B.Sc., P. Geo, of APEX Geoscience Ltd., of Edmonton, Alberta, Canada (the "Technical Report"). the Technical Report is prepared in accordance with the Canadian Institute of mining, Metallurgy and Petroleum definition standards and best practice guidelines (2014, 2018, 2019) and the Canadian Securities Administration's Standards for Disclosure of Mineral Projects, National Instrument 43-101. The Technical Report is attached hereto as Schedule B.

Board and Management

The following is a list of all directors and officers of Nelson Lake, along with their principal occupation, current positions with Nelson Lake, and a list of securities owned in LCR and Nelson Lake.

Name, Province, and Country of Residence	Principal Occupation	Director Since	Current Positions with Nelson Lake	Common Shares of LCR Owned, Controlled or Directed	Common Shares of LCR Owned, Controlled or Directed
Stephen Andrew Watson, P. Eng. Alberta, Canada	VP, Engineering and Operations for LCR	December 15, 2023	President, CEO and a Director	100,000 options	
Heather Williamson British Columbia Canada	VP, Endeavor Trust Corporation		Director ^{1, 2}	50,000 options	
Sharyn Alexander, B.Sc, M.Sc. British Columbia, Canada	President, Sunsummit Minerals Inc.		Director	50,000 options	
Yucai (Rick) Huang, CPA British Columbia, Canada	Financial Consultant		Chief Financial Officer	100,000 options	

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

Stephen Andrew Watson, P Eng. – *President, Chief Executive Officer, Director*

Andrew Watson is an accomplished professional with over 22 years of experience in energy production and development, specializing in lithium and clean energy. His expertise encompasses technical leadership, corporate operations, strategy, and the commercialization of diverse energy resources, including lithium, critical minerals, hydrogen, and conventional oil and gas production. Currently leading the technical development at Lancaster, Andrew has been instrumental in driving the company's initiatives in unlocking the lithium and clean energy opportunities. His responsibilities include overseeing early-stage exploration, development programs, and regulatory applications, which are key to Lancaster's progress in lithium brine exploration at Alkali Flats and Trans-Taiga.

Prior to joining LCR, Andrew served as the Chief Operating Officer at Prism Diversified from 2022 to 2023, where he spearheaded the technical development of significant battery metal critical mineral deposits (lithium brine, vanadium, iron). Andrew managed lithium brine development across an expansive 850-square-mile area and led the technical team with a focus on novel, low carbon, recovery technologies. Before this, he was the VP of Engineering & Operations at CleanInnoGen Energy from 2021 to 2022. Andrew led a pioneering project in industrial waste heat capture for on-site hydrogen and oxygen production in heavy industries such as cement and steel. Earlier, in his role as VP of Engineering & Operations at Hyak Energy, Andrew effectively managed a 60 million barrel medium crude oil field in SW Saskatchewan. His strategies led to a 250% increase in production and culminated in a successful corporate sale in 2020. Andrew's extensive experience and achievements highlight his dedication to innovation and leadership in clean energy and critical minerals.

Andrew Watson holds a Bachelor of Science in Mechanical Engineering. His diverse experience across various sectors, including lithium, critical minerals, hydrogen, and conventional oil and gas production, makes him a valuable asset in the field of energy development and sustainability.

Sharyn Alexander, B.Sc, M. Sc. – Director

Sharyn Alexander is an accomplished mining professional with 20 years of experience in mineral exploration and mining. Ms. Alexander has gained in-depth knowledge of the operational side of junior exploration companies, and her diversified experience includes project management, business development, strategic planning, corporate finance, relationship building, social responsibility, investor relations and marketing. She has worked with companies such as B2Gold, Barrick (Australia), and SRK Consulting. She joined Sun Summit as Vice President, Technical Services, in 2019, and was appointed President in 2021. Ms. Alexander earned her Bachelor of Science in Geology at McMaster University and her Masters of Science in Geology at the University of Toronto. She also holds an Advanced Diploma in GIS from BCIT.

Heather Williamson – Director

Heather Williamson brings over 20 years of hands-on experience in the legal and capital markets industry. She has accrued a wealth of knowledge and skills through her roles as a paralegal, corporate secretary and VP of Corporate Finance for various publicly traded companies over the past five years, where she was responsible for managing a vast array of responsibility encompassing corporate and securities transactions. Heather is currently the Vice President of Operations for Endeavor Trust Corporation, which has been her principal occupation since 2023. In addition to her extensive experience, Heather is finishing her Master of Business Administration (MBA) in Executive Management from Royal Roads University to be completed in June 2024 which included fundamentals involving corporate finance, financial analysis, and a specialization in leadership.

Yucai (Rick) Huang, CPA - Chief Financial Officer and Director

Mr. Huang has been a director and officer of various public companies over the past 20 years. He has supervised all aspects of accounting for various companies in Canada, China, and Kazakhstan and for consolidations under IFRS. He has worked on investor relations activities, roadshows, AGM preparations and licensing agreements. Mr. Huang has completed negotiations for international joint ventures, including drafting shareholders' agreements, establishing international legal entities, and asset transfers. Mr. Huang's experience also included various finance and marketing roles with large international companies like the Pepsi Bottling Group (Canada), Schering Plough Canada, and Coca-Cola China. Since 2023, Mr. Huang's principal occupation has been operating his own accounting firm called Prospen Management Services Inc. with a focus of financial reporting and bookkeeping for public and private companies. Prior to that he provided CFO services to public companies through Huang Consulting Corp. for five years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or has been, within ten years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, to the knowledge of the Company, no proposed director of the Company:

(a) is, as at the date of this Circular, or has been, within ten years prior to the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following individuals are defined as “Named Executive Officers” or “NEOs” pursuant to Form 51-102F6V, Statement of Executive Compensation – Venture Issuers: (a) the Corporation’s chief executive officer (“CEO”); (b) the Corporation’s chief financial officer (“CFO”); (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (d) any additional individuals who would have been an NEO under (c) except that the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year. For the purposes of this disclosure, during the financial period ended December 31, 2023, Nelson Lake had only one NEO’s namely, Stephen Andrew Watson, the CEO and President. The Summary Compensation table below provides information for the most recently completed financial period ended December 31, 2023 regarding compensation paid to or earned by each of the Named Executive Officers excluding Compensation Securities:

Table of Compensation Excluding Compensation Securities				
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Value of all other compensation¹ (\$)	Total Compensation (\$)
Stephen Andrew Watson ² President, CEO and Director	2023	5,001	Nil	5,001

Stock Options and Other Compensation Securities

No stock options were issued to any directors or officers for the financial period ended December 31, 2023.

Equity Incentive Plans and Other Incentive Plans

Nelson Lake has an option plan, which was established to provide incentive to directors, officers and employees and consultants. The plan is administered by the Board of Nelson Lake and options are granted at the discretion of the Nelson Lake board of directors to eligible optionees (an “**Optionee**”). The expiry date of the options granted is determined by the board of directors but cannot not be later than 5 years after the date of grant. The exercise price of the options granted may not be less than \$0.10 per common share and if Nelson Lake is listed on a Canadian stock exchange, the exercise price of the options may not be less than the closing market price of the shares on the trading day immediately preceding the date

of grant of the option, less any applicable discount allowed by the exchange (as defined in the option plan). An optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to common shares that have been fully paid for and issued to the optionee upon the exercise of an option.

The Nelson Lake directors may amend the option plan at any time, provided that no such amendment may, without the consent of the optionee, affect the terms and conditions of options previously granted to an optionee under the option Plan and provided further that any amendment to the option plan will require the prior consent of the exchange (as defined in the option plan), if applicable. Pursuant to the Board's authority to govern the implementation and administration of the option plan, all previously granted and outstanding stock options shall be governed by the provisions of the option plan.

Employment, Consulting and Management Agreements

Nelson Lake has agreements with each of its directors and officers.

Management functions of Nelson Lake are not, to any substantial degree, performed other than by directors or NEOs of Nelson Lake. There are no "change of control" provisions in any of the agreements signed with Directors or Senior Officers.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of Nelson Lake is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for Nelson Lake to design or implement a formal compensation program for directors.

While the Board considers Option grants to directors under the Equity Incentive Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Equity Incentive Plan, as discussed above, Nelson Lake does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for Nelson Lake to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

Salary

Nelson Lake's CEO and CFO are compensated pursuant to the terms of their agreements Management Agreements. The Board reviews salaries annually to ensure that they reflect each respective NEO's performance and experience in fulfilling his/her role. Due to the relatively small size of Nelson Lake, limited cash resources, and the early stage and scope of Nelson Lake's operations, NEOs receive limited salaries relative to industry standards. The Board does not currently have any plan in place to materially increase NEOs' salaries.

Retirement, Pension or Similar Benefit Plans

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by Nelson Lake and none are proposed at the date of this Circular.

Indebtedness Of Directors And Officers

No director or officer of Nelson Lake, or any associate or affiliate of such person is or has ever been indebted to Nelson Lake; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Nelson Lake.

Interest Of Informed Persons In Material Transactions

Except as otherwise disclosed this Circular, to the knowledge of management of Nelson Lake, no informed person (a director, officer or holder of 10% or more of the Nelson Lake Shares) or nominee for election as a director of Nelson Lake or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect Nelson Lake or any of its subsidiaries during the most recently completed financial year end, or has any interest in any material transaction in the current year. The directors and officers of Nelson Lake have an interest in the resolutions concerning the election of directors. Otherwise, no director or officer of Nelson Lake or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from options and from the ownership of LCR Shares where such director or officer of LCR will receive no extra or special benefit or advantage not shared on a pro rata basis by all LCR Shareholders.

Schedule A

NELSON LAKE COPPER CORP.

Financial Statements

See attached.

NELSON LAKE COPPER CORP.

Financial Statements

Period from December 15, 2023 (date of incorporation) to December 31, 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nelson Lake Copper Corp.

Opinion

We have audited the financial statements of Nelson Lake Copper Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the period from December 15, 2023 (date of inception) to December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and its financial performance and its cash flows for the period from December 15, 2023 (date of inception) to December 31, 2023 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 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 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 financial statements, which indicates that the Company had no revenue and incurred a net loss of \$5,347 during the period from December 15, 2023 (date of inception) to December 31, 2023 and, as of that date, the Company had a working capital deficit of \$8,694 and an accumulated deficit of \$5,347. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 financial statements for the period from December 15, 2023 (date of inception) to December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Information Circular.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this information, we 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.

The Information Circular is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

For the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter, or 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.

A handwritten signature in black ink that reads "SATURNA GROUP LLP". The letters are cursive and fluid, with the "S" being particularly large and stylized.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 6, 2024

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Statement of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2023 \$
ASSETS	
Current assets	
GST recoverable	238
Total current assets	238
Non-current assets	
Mineral properties (Note 4)	3,447
Total assets	3,685
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities (Note 5)	5,000
Due to related party (Note 5)	3,932
Total current liabilities	8,932
SHAREHOLDERS' EQUITY (DEFICIT)	
Share capital (Note 6)	100
Deficit	(5,347)
Total shareholders' equity (deficit)	(5,247)
Total liabilities and shareholders' equity (deficit)	3,685

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on February 6, 2024:

<u>/s/ "Andrew Watson"</u>	<u>/s/ "Heather Williamson"</u>
Director	Director

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

NELSON LAKE COPPER CORP.

Statement of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Period from December 15, 2023 (date of inception) to December 31, 2023
	\$
Operating expenses	
Consulting fees (Note 5)	4,763
General and administrative	584
Total operating expenses	5,347
Net loss for the period	(5,347)
Loss per common share, basic and diluted	(0.05)
Weighted average common shares outstanding	100,000

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

NELSON LAKE CORPPER CORP.

Statement of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Share capital		Deficit \$	Total shareholders' equity (deficit) \$
	Number of common shares	Amount \$		
Balance, December 15, 2023 (date of inception)	-	-	-	-
Issuance of founder's shares for cash	100,000	100	-	100
Net loss for the period	-	-	(5,347)	(5,347)
Balance, December 31, 2023	100,000	100	(5,347)	(5,247)

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

NELSON LAKE COPPER CORP.

Statement of Cash Flows

(Expressed in Canadian Dollars)

	Period from December 15, 2023 (date of inception) to December 31, 2023 \$
Operating activities	
Net loss for the period	(5,347)
Changes in non-cash operating working capital:	
GST receivable	(238)
Accounts payable and accrued liabilities	5,000
Net cash used in operating activities	(585)
Investing activities	
Acquisition of mineral properties	(3,447)
Net cash used in investing activities	(3,447)
Financing activities	
Proceeds from issuance of common shares	100
Proceeds from related parties	3,932
Net cash provided by financing activities	4,032
Change in cash	-
Cash, beginning of period	-
Cash, end of period	-

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

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Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business

Nelson Lake Copper Corp. (the “Company”) was incorporated under the laws of the province of British Columbia, Canada on December 15, 2023 as 1455345 B.C. Ltd. On December 27, 2023 the Company changed its name to Nelson Lake Copper Corp. The principal business of the Company is the identification, evaluation, acquisition and development of mineral exploration properties. The address of the Company’s corporate office and principal place of business is 2569 Marine Drive, West Vancouver, British Columbia, V7V 1L5.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended December 31, 2023, the Company has not generated any revenues and incurred a net loss of \$5,347. The Company had an accumulated deficit of \$5,347 and working capital deficit of \$8,694 as at December 31, 2023. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Presentation

a. Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b. Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these 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.

c. Significant Accounting Estimates and Judgments

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 recoverability of exploration and evaluation assets, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the 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;

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Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

2. Basis of Presentation (continued)

c. Significant Accounting Estimates and Judgments (continued)

- 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.

3. Significant Accounting Policies

a. 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.

b. 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.

c. 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 period from December 15, 2023 (date of inception) to December 31, 2023, the Company did not have any items impacting comprehensive loss.

d. 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
Accounts payable and accrued liabilities	Amortized cost

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Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

d. Financial Instruments (continued)

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.

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.

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Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

d. Financial Instruments (continued)

Impairment of financial assets (continued)

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 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 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.

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.

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

e. 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 statement of financial position 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.

f. 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 statement of operations.

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

- Substantive expenditure or further exploration and evaluation activities are not 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 statement of operations.

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

g. 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 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.

h. 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.

i. Share-based Payments

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.

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

j. 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.

k. 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.

4. Mineral properties

	Nelson Lake Copper Property \$
Balance, December 15, 2023 (date of inception)	—
Acquisition costs	3,447
Balance, December 31, 2023	3,447

Nelson Lake Copper Property

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).

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

5. Related Party Transactions

During the period from December 15, 2023 (date of inception) to December 31, 2023, the Company incurred \$4,763 to a company controlled by the Chief Executive Officer (“CEO”) of the Company for consulting fees. As at December 31, 2023, the Company owed \$5,000 to a company controlled by the CEO, which is recorded in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand.

As at December 31, 2023, the Company owed \$3,932 to Lancaster Resources Inc. (“Lancaster Resources”), the Company’s parent company. The amount is unsecured, non-interest bearing, and due on demand.

6. Share Capital

Authorized: unlimited number of common shares without par value.

On December 15, 2023, the Company issued 100,000 common shares to its parent company, Lancaster Resources, for proceeds of \$100.

7. 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.

8. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and amounts due to related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) 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 minimizes its credit risk associated with its cash balance by dealing with major financial institution in Canada. The carrying amount of financial assets represents the maximum credit exposure.

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)**(c) Foreign Exchange Rate Risk**

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not subject to any material foreign exchange risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. 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 is sufficient capital in order to meet short-term and other specific obligations.

(f) 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.

9. Income Taxes

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2023 \$
Net loss for the period	(5,347)
Statutory income tax rate	27%
Income tax recovery at statutory rate	(1,444)
Change in unrecognized deferred income tax assets	1,444
Income tax provision	—

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

	2023 \$
Non-capital losses	1,444
Unrecognized deferred income tax assets	(1,444)
Net deferred income tax assets	—

As at December 31, 2023, the Company has a non-capital loss carried forward of \$5,347, which is available to offset future years' taxable income and expires in 2043.

NELSON LAKE COPPER CORP.

Notes to the Financial Statements

For the Period From December 15, 2023 (date of inception) to December 31, 2023

(Expressed in Canadian Dollars)

10. Subsequent Events

- a) On January 29, 2024, the Company signed an arrangement agreement (the “Agreement”) with its parent company, Lancaster Resources, whereas Lancaster Resources and the Company shall enter into a plan of arrangement pursuant to the British Columbia Business Corporations Act. At the closing of the plan of arrangement, Lancaster Resources and the Company will complete a share exchange whereby Lancaster Resources will issue 550,000 common shares in exchange for 1,650,000 common shares of the Company.

Lancaster Resources will spin-off the majority of its ownership in the Company by issuing a stock dividend to Lancaster Resources’ shareholders on the basis of 1 common share of the Company for every 50 common shares of Lancaster Resources.

- b) 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. On January 18, 2024, the Company granted 300,000 stock options to its newly appointed directors and officers. The options vested immediately and are exercisable at \$0.20 per share within five years after the grant date. 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.

Schedule B

TECHNICAL REPORT

See attached.

TECHNICAL REPORT

Nelson Lake Copper Property, Saskatchewan, Canada



Prepared For: Nelson Lake Copper Corp.
2569 Marine Drive West
Vancouver, BC V7V 1L5
Canada

Prepared by: APEX Geoscience Ltd.
#100, 11450-160 ST NW
Edmonton AB T5M 3Y7
Canada



Nikolay Bashaev, B.Sc., P. Geo.
Fallon Clarke, B.Sc., P. Geo.

Effective Date: February 1, 2024

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1 Summary

1.1 Issuer and Purpose

This Technical Report has been prepared for the Issuer, Nelson Lake Copper Corp. ("Nelson Lake" or the "Company"). Nelson Lake is a privately held junior mineral exploration company based in Vancouver, British Columbia, Canada and is a fully owned subsidiary of Lancaster Resources Inc. Nelson Lake owns 100 per cent (%) right, title and interest in the Nelson Lake Copper Property (the "Property"). The Nelson Lake Copper Property is located approximately 220 kilometers (km) north of La Ronge, Saskatchewan, Canada. The Property comprises one singular cell claim that encompasses a total area of 5,746 hectares (14,199 acres).

The Property lies 55 km to the east of the McArthur River and Key Lake uranium mines, the largest high-grade uranium mines in the world (Cameco Corp., 2024) and is situated adjacent to the Heron and Janice Lake Properties, both notable copper exploration projects.

The purpose of this Technical Report is to provide a geological introduction to the Nelson Lake Copper Property and to provide recommendations for future exploration programs. This Technical Report summarizes the technical information available up to the Effective Date of February 1st, 2024. The Technical Report is prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum definition standards and best practice guidelines (2014, 2018, 2019) and the Canadian Securities Administration's Standards for Disclosure of Mineral Projects, National Instrument 43-101.

1.2 Authors and Site Inspection

The authors of this Technical Report are Mr. Nikolay Bashaev, B.Sc., P. Geo., and Ms. Fallon Clarke, B.Sc., P.Geo. of APEX Geoscience Ltd. ("APEX"). The authors are independent of Nelson Lake and are Qualified Persons (QPs) as defined in NI 43-101. The authors have been involved in all aspects of mineral exploration for precious and base metal mineral projects and deposits in Canada and internationally.

Mr. Bashaev is a Project Geologist with APEX and is a Professional Geologist with the Engineers and Geoscientists of Manitoba. Mr. Bashaev has worked as a geologist for more than 15 years and has extensive experience working on mineral exploration projects across Canada. Ms. Fallon Clarke is a Senior Geologist with APEX and a registered Professional Geologist with the Association of Professional Engineers and Geoscientists of Saskatchewan. Ms. Clarke has worked as a geologist for more than eleven years and has been involved in all aspects and stages of mineral exploration in North America and internationally.

Mr. Bashaev completed a site inspection on January 27th, 2024. During his visit, Mr. Bashaev was able to verify the general geology of the Property and locate the nearby

infrastructure (winter road). Mr. Bashaev collected 2 rock samples on the Property from outcrop.

1.3 Property Location, Description and Access

The Nelson Lake Copper Property is located approximately 220 kilometers (km) north of La Ronge, Saskatchewan, Canada. The Property comprises one singular cell that encompasses a total area of 5,746 hectares (14,199 acres). The Property is surrounded by many ongoing exploration and mining ventures throughout the years, such as the Key Lake and McArthur uranium mines, as well as the adjacent Heron and Janice Lake copper exploration properties.

Access in the summer can exclusively be achieved via air (helicopter) directly onto the Property. In the winter, the Property can be accessed by driving approximately 177 km north of La Ronge on Highway 102 and proceeding north along Highway 905. At approximately 110 km along Highway 905, travel west onto the Janice Lake winter access road and continue for approximately 50 km. The winter road is situated approximately 3 kilometres south of the Property boundary. From there, the Property can be accessed by snow machine or foot.

1.4 Geology and Mineralization

The Nelson Lake Copper Property lies along the eastern margin of the Wollaston Domain near the northeast-southwest oriented Needle Falls Shear zone. The Wollaston Domain comprises a series of northeast-trending, tightly folded and variably dipping siliciclastic metasedimentary rocks and minor meta-volcanics segmented by interfolded Archean granitoids.

The Property is largely underlain by quartzofeldspathic gneiss and granite of Proterozoic age with minor occurrences of calc-silicate rocks, marble and granitic pegmatite. The Archean Johnson River Inlier granitoids border the northern part of the Property to the east. At the southwest end of the Johnson River Inlier the granitoids are unconformably overlain by conglomerate and fanglomerate members of the Proterozoic Janice Lake Formation. The Janice Lake formation is found on a small portion of the Property in the central east. The Janice Lake formation comprises a basal conglomerate and an overlying fanglomerate and is host to numerous copper occurrences to the southwest of the Property. The Janice Lake occurrences form part of the Wollaston Copperbelt – a 52 km long northeast-southwest trend of copper occurrences hosted in Proterozoic Wollaston Group siliciclastic rocks. The Property lies along trend at the northern extent of the Wollaston Copperbelt.

Copper mineralization in the area has many similarities to sediment-hosted stratiform copper deposits. These deposits contain disseminated copper hosted within sedimentary rocks usually formed in arid depositional settings. Copper minerals in sediment-hosted copper deposits are thought to be precipitated at redox boundaries, particularly where reduced sediments are in contact with more oxidized strata that support the transport of

metalliferous brines. These sedimentary rocks are often oxidized to red in colour and hosted in fluid-rich porous rock types like the fanglomerate unit of the Janice Lake formation.

Based on the geological setting, the Nelson Lake Copper Property has potential to host chalcocite, bornite, chalcopyrite, and pyrite mineralization.

1.5 Historical Exploration

No historical exploration is reported to have been conducted within the Property. A geological mapping and sampling program was completed by the Saskatchewan Geological Survey in 1996. The mapping program produced a detailed 1:20,000 scale map of the geological units including the Janice Lake formation in the area of the Property. The Janice Lake area is host to over twenty sediment hosted copper showings and unsourced mineralized boulder trains, including the Janice Lake occurrence located 15 km southwest of the current Property. A total of 16 samples were collected on the Property during this program; however, they were not submitted for assay.

1.6 Conclusions and Recommendations

Based on the favourable geological setting as discussed in this Technical Report and the lead author's site visit, it is the opinion of the authors that the Nelson Lake Copper Property is an early- stage "Property of Merit" warranting further exploration work.

Future work recommendations include airborne geophysical surveying, mapping, and geochemical sampling. The initial exploration program should include an airborne geophysical survey and sampling and mapping program. An airborne magnetics and VTEM survey should be completed over the southeastern portion of the Property covering the most prospective area parallel to the Janice Lake formation. Airborne magnetics and VTEM have been successfully implemented in the area to identify sedimentary-hosted copper occurrences. Anomalies identified from the airborne geophysical survey and existing surface mapping should be followed up with a geological mapping and surface sampling program. All samples should be assayed for Cu, Ag, Pb, and Zn along with a suite of other elements. The budget for the recommended program is \$250,000.

2 Introduction

2.1 Issuer and Purpose

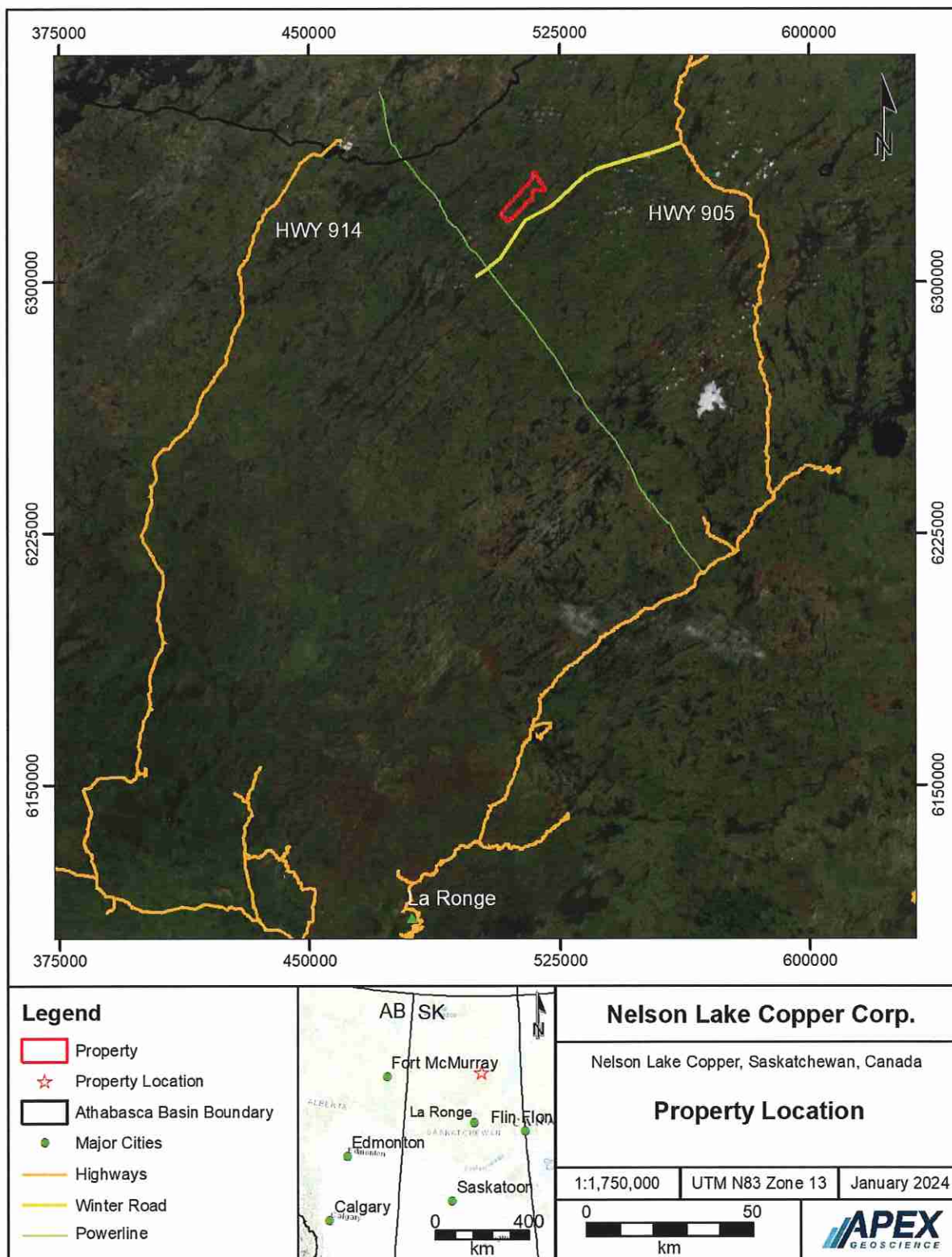
This Technical Report has been prepared for the Issuer, Nelson Lake Copper Corp. ("Nelson Lake" or the "Company"). Nelson Lake is a privately held junior mineral exploration company based in Vancouver, British Columbia, Canada and is a fully owned subsidiary of Lancaster Resources Inc. Nelson Lake owns 100 per cent (%) right, title and interest in the Nelson Lake Copper Property (the "Property").

The Nelson Lake Copper Property is located approximately 220 kilometers (km) north of La Ronge, Saskatchewan, Canada (Figure 2.1). The Property comprises one singular cell claim that encompasses a total area of 5,746 hectares (14,199 acres). The Property lies 55 km to the east of the McArthur River and Key Lake uranium mines, the largest high-grade uranium mines in the world (Cameco Corp., 2024) and is situated adjacent to the Heron and Janice Lake Properties, both notable copper exploration projects.

This Technical Report on the Nelson Lake Copper Property has been prepared by Mr. Nikolay Bashaev, B.Sc., P. Geo., and Ms. Fallon Clarke, B.Sc., P.Geo. of APEX Geoscience Ltd. ("APEX"), of Edmonton, Alberta, Canada. The purpose of this Technical Report is to provide a geological introduction to the Nelson Lake Copper Property and to provide recommendations for future exploration programs. This Technical Report summarizes the technical information available up to the Effective Date of February 1st, 2024.

The Technical Report is prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum definition standards and best practice guidelines (2014, 2018, 2019) and the Canadian Securities Administration's Standards for Disclosure of Mineral Projects, National Instrument 43-101.

Figure 2.1. General location of the Nelson Lake Copper Property.



2.2 Authors and Site Inspection

The authors of this Technical Report are Mr. Nikolay Bashaev P. Geo., and Ms. Fallon Clarke, P.Geo. of APEX. The authors are independent of Nelson Lake and are Qualified Persons as defined by the CSA's NI 43-101 which defines a Qualified Person as "an individual who is a geoscientist with a university degree or equivalent; with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member in good standing of a professional association."

Mr. Bashaev is a Project Geologist with APEX and is a Professional Geologist with the Engineers and Geoscientists of Manitoba ("EGM", Member # 31300). Mr. Bashaev has worked as a geologist for more than 15 years and has extensive experience working on mineral exploration projects across Canada. Mr. Bashaev takes responsibility for Sections 2 to 5, 9 to 24 and 27 and is jointly responsible for Sections 1, 25 and 26 of this Technical Report. Ms. Fallon Clarke is a Senior Geologist with APEX and a registered Professional Geologist with the Association of Professional Engineers and Geoscientists of Saskatchewan ("APEGS" Member # 27238). She has been involved in all aspects and stages of mineral exploration in North America and internationally. Ms. Clarke takes responsibility for Sections 6 to 8 and is jointly responsible for Sections 1, 25 and 26 of this Technical Report.

Mr. Bashaev completed a site inspection of the Property on January 27th, 2024. During his visit, Mr. Bashaev was able to verify:

- The general geology of the Property based on outcrop observed along the shoreline of an unnamed lake located in the northern part of the Property.
- The location and status of nearby infrastructure (i.e., winter road to Janice Lake), which leaves from the Highway 905 and runs in westbound direction.

Mr. Bashaev collected 2 rock samples on the Property from an outcrop along a lake shore. The samples were collected by Mr. Bashaev in plastic bags that were labelled. The samples remained in Mr. Bashaev's custody at all times. The samples will be submitted to ALS Global in North Vancouver, B.C for analysis.

2.3 Sources of Information

This Technical Report is a compilation of publicly available information and is based upon a review of information and data from historical geological mapping and exploration programs conducted on and near the Property, as well as information gathered during the author's site visit to the Property. The previous reports and documents used as sources of information in the preparation of the report are listed in the Reference section at the end of this report.

Information on the local geology is derived from geological studies on the area by Delaney (1994), Delaney et al., (1995), Delaney et al., (1996) and Annesley, I.A. and Madore, C. (1989). All sources of information are listed in Section 27, References.

The QPs have reviewed all government and miscellaneous reports. The QPs have deemed that these reports and information, to the best of their knowledge, are valid contributions. The authors take ownership of the ideas and values as they pertain to this Technical Report.

2.4 Units of Measure

With respect to units of measure, unless otherwise stated, this Technical Report uses:

- Abbreviated shorthand consistent with the International System of Units (International Bureau of Weights and Measures, 2006);
- 'Bulk' weight is presented in both United States short tons ("tons"; 2,000 lbs or 907.2 kg) and metric tonnes ("tonnes"; 1,000 kg or 2,204.6 lbs.);
- Geographic coordinates are projected in the Universal Transverse Mercator ("UTM") system relative to Zone 13 of the North American Datum ("NAD") 1983; and,
- Currency in Canadian dollars (CDN\$), unless otherwise specified (e.g., U.S. dollars, US\$; Euros, €).

3 Reliance on Other Experts

This Technical Report was prepared by the authors for Nelson Lake Copper Corp. The authors have relied upon documents provided by Nelson Lake regarding information about the corporate structure, ownership and titles of the Nelson Lake Copper Property, as described in Sections 1, 2 and 4 of this Technical Report. The Authors disclaim responsibility for such information to the extent of their reliance on such reports, opinions, or statements.

There has been no title opinion nor are the authors able to provide a title opinion for the Property. The claims information provided by the Company was reviewed and verified by the authors against the Mineral Administration Registry Saskatchewan (MARS) on January 12, 2024 and found to be accurate. Andrew Watson, President and CEO, of Nelson Lake Copper Corp. confirmed that the Property is 100% owned by the Company via Google Drive on December 29, 2023.

4 Property Description and Location

4.1 Description and Location

The Nelson Lake Copper Property is located in north-central Saskatchewan, Canada, approximately 220 km north of La Ronge, SK. It is situated along the western edge of Nelson Lake which lies in section 13-93-18-2. The Property is centered at approximately 514,044 m Easting 6,324,920 m Northing UTM Zone 13, NAD 83.

The Property comprises a 1 cell claim covering an area of 5,746 hectares (14,199 acres). The claim is listed in Table 4.1 and shown on Figure 4.1. The claim was staked by Nelson Lake Copper Corp. (formerly known as 1455345 B.C. Ltd). using the online staking system. The claim is active and in good standing with an anniversary date of March 19, 2026.

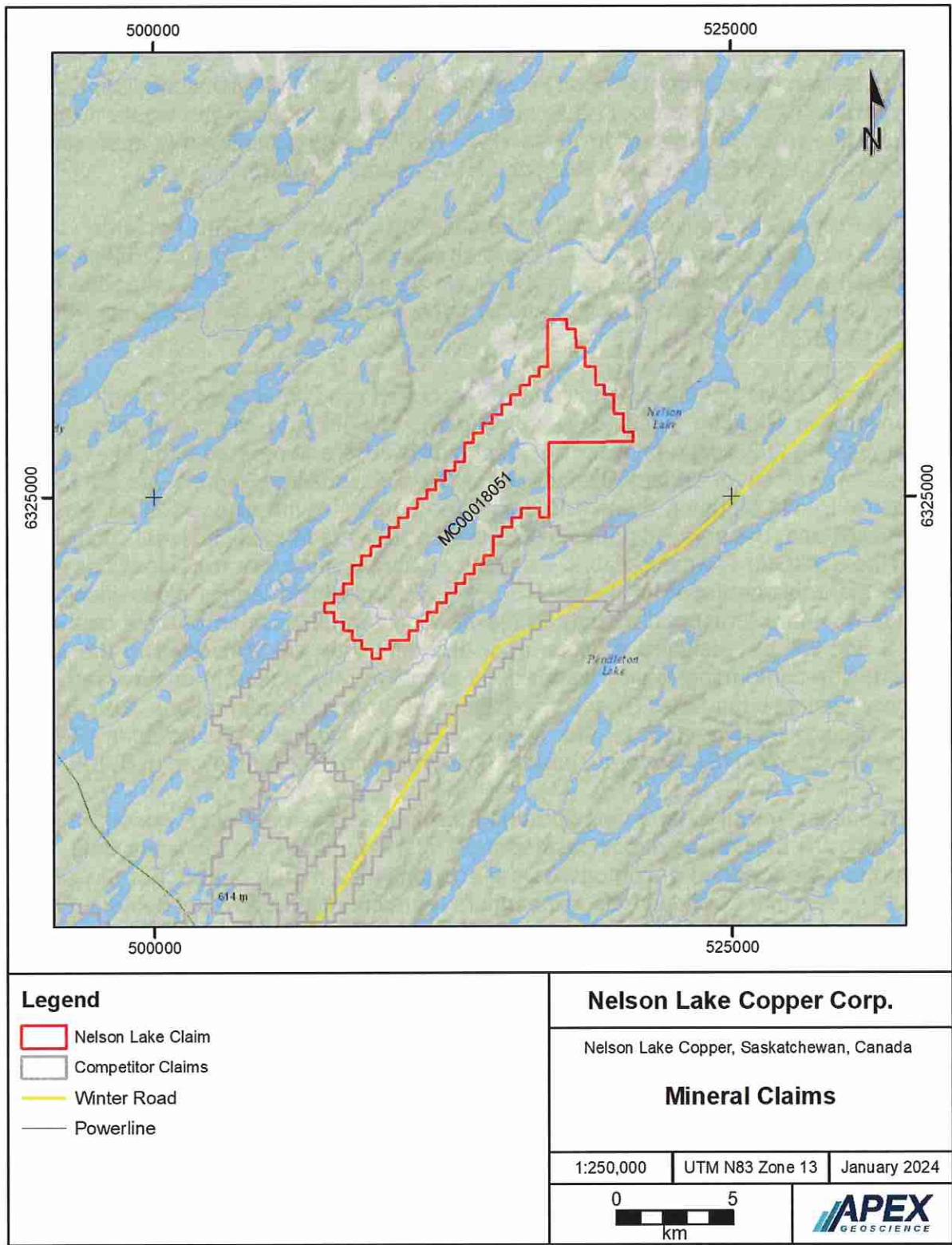
Mineral claims in Saskatchewan are acquired and managed through Mineral Administration Registry Saskatchewan (MARS). The mineral claim was acquired on December 19, 2023. Mineral claims in Saskatchewan are separated into either Mineral Disposition Parcels or Legacy Dispositions. Mineral Disposition Parcels use the Mineral Cadastral Parcel Mapping System to define the bounds of the disposition for surveyed sections of land. Unsurveyed portions of Saskatchewan are formed into legal subdivisions using the SaskGrid Township Fabric product. Legacy Dispositions are dispositions issued before the implementation of the MARS system. Conforming legacy dispositions have boundaries that correspond directly to the new mineral disposition parcels created by MARS and will be assigned as such upon the time they are converted to the MARS system. Non-conforming legacy dispositions are physically staked in unsurveyed areas with inconsistent boundaries. These dispositions will undergo confirmations of boundaries before being implemented in the MARS system (*Mineral Administration Registry Saskatchewan (MARS) | Mineral Tenure | Government of Saskatchewan, n.d.-b*).

Expenditure requirements are \$0 during the first assessment work period. The first work period is defined as encompassing the first 12 months from the issue date. Each subsequent work period encompasses the sequential 12 month period. For the second to tenth assessment work periods, expenditure requirements are \$15 per hectare. For the Property this totals \$86,190 per work period. Excess expenditures can be allocated to the claim to cover future work requirements. For the eleventh assessment work period and subsequent work periods expenditure requirements are \$25 per hectare. For the Property this totals \$143,650 per work period. The claim is currently in its first work period.

Table 4.1. Disposition descriptions and status for Nelson Lake's Nelson Lake Copper Property (Downloaded from MARS January 12, 2024).

Owner	Percent Owned	Disposition Status	Issue Date	Anniversary Date	Holder	Area (Ha)
1455345 B.C. LTD.	100	Active	12/19/2023	3/19/2026	Nelson Lake Copper Corp.	5745.78

Figure 4.1. Nelson Lake Copper Property mineral claim and surrounding claims.



4.2 Royalties and Agreements

The QP is not aware of any royalties, back-in rights, payments, or other agreements and encumbrances to which the Property is subject.

4.3 Environmental Liabilities, Permitting and Significant Factors

The QP is not aware of any environmental liabilities on the Property. No obvious disturbance was noted during the site inspection.

No permits are required to complete exploration that cause no surface disturbance. For Exploration program which include surface disturbance including drill programs will require the following permits to be obtained from the Saskatchewan Ministry of Environment:

- general use permit which lists all of the rules and regulations to be followed;
- forest product permit if trees are to be cut;
- temporary work camp permit if there will be a camp on the property; and
- water use permit.

A review of endangered/threatened species and a review of archaeological sites by the Heritage Conservation Branch must also be completed.

There are no significant factors or risks known to the QP besides those noted in this Technical Report that may affect access, title, or the right or ability to perform work on the Property.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Nelson Lake Copper Property is located in north-central Saskatchewan, Canada, approximately 220 km north of the town La Ronge. Primary access to the Property area is via Highway 905 or Highway 914; however, there is no direct road access to the Property. The Property lies approximately 80 km east from Highway 914 and 50 km west from Highway 905. A newly constructed winter road provides access to the neighbouring Janice Lake Property from Highway 905 which greatly improves access to the area.

Access in the summer can exclusively be achieved via air (helicopter) directly onto the Property. In the winter, the Property can be accessed by driving approximately 177 km north of La Ronge on Highway 102 and proceeding north along Highway 905. At approximately 110 km along Highway 905, travel west onto the Janice Lake winter access road and continue for approximately 50 km. The winter road is situated approximately 3

kilometres south of the Property boundary. From there the Property can be accessed by snow machine or foot.

5.2 Site Topography, Elevation and Vegetation

Physiography at the Nelson Lake Copper Property is characterized by a relatively flat topography, with elevation ranging from 480 to 540 m above sea level. In general, the topography is filled with swamps, streams, small kettle lakes and large bodies of water with minor shallow valleys. The only notable landmark near the Property is Nelson Lake residing less than a kilometre from the east edge of the Property. Vegetation is primarily that typical of the high boreal forest, dominated by black spruce and jack pine with rare white birches sparsely throughout. The boreal forest supports a diversity of animal and bird species, including moose, gray wolf, lynx, beaver, and common raven.

5.3 Climate

In the Property area the climate is dominantly subarctic with cold, long winters from October to the beginning of May. The winters are consistently snow-filled. The summer season is generally warm and rainy, especially from June through August. Weather records from La Ronge, SK, from 2000 to 2023 indicate average January maximum and minimum temperatures of 2.6 degrees Celsius (°C) and -37.9°C respectively. Average July maximum and minimum temperatures are 31.3°C and 5.2°C respectively. Average precipitation is 22.49 mm (January) and 85.3 mm (July) (Government of Canada, 2024).

5.4 Local Resources and Infrastructure

The town of La Ronge is the closest support hub in the area where supplies and services can be obtained. As of the 2016 census, La Ronge hosts a population of 5,671 in town and a population of 2,688 in the northern extension of La Ronge. Services offered by La Ronge include fuel, food, restaurants, hotels, and a local hospital. Mineral exploration began in and around La Ronge in the early 1950's and several mining offices continue to be located in the community. There is a small airport located in La Ronge to facilitate air access. Prince Albert is located 250 km south and provides additional services found in a larger city.

There is an extensive history of exploration and mining surrounding the Property area with experienced staff available from La Ronge as well as from the nearby First Nations communities. Cameco's Key Lake Mine and McArthur River Mine are currently both active mines located 55 km west of the Property. Additional historical mining operations located 100 km south of the Property include Rottenstone Ni-Cu-PGE Mine which operated until the 1960's with subsequent exploration conducted in the surrounding area.

With respect to the Nelson Lake Copper Property, ground prospecting exploration activities associated with the early-stage exploration project are relegated to the summer months due largely to access and ground conditions. Some types of airborne geophysical

surveys could be conducted in winter, but others such as radiometric surveys are susceptible to snow-covered ground conditions.

6 History

6.1 Historical Exploration

No historical exploration and limited historical sampling is reported to have been completed within the Property. In 1996, the Saskatchewan Geological Survey conducted a geological mapping and rock sampling program in the area. During this program the Nelson Lake area was mapped and a total of 16 samples were collected within the Property boundary. The mapping program produced a detailed 1:20,000 scale map of the geological units including the Janice Lake formation in the area of the Property (Delaney et al., 1996). The Janice Lake area is host to over twenty sediment-hosted copper showings and unsourced mineralized boulder trains, including the Janice Lake occurrence 15 km southwest of the current Property (McGowan et al., 1997). The samples collected by Delaney et al. (1996) were not submitted for assay.

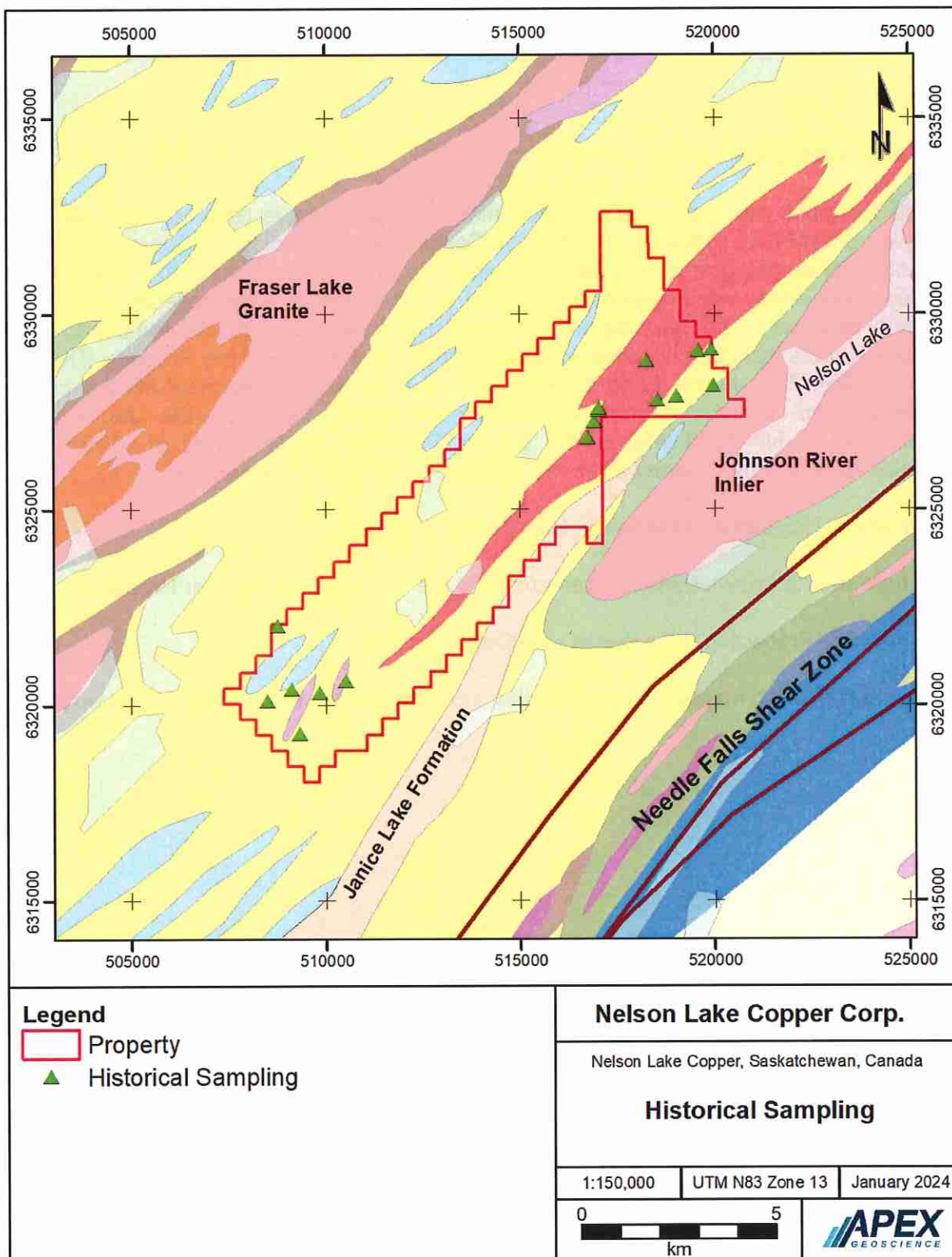
6.2 Historical Resources at the Nelson Lake Copper Property

There are no known historical resources at the Nelson Lake Copper Property.

6.3 Historical Production at the Nelson Lake Copper Property

There has been no historical production from the Nelson Lake Copper Property.

Figure 6.1. Historical Sampling on the Nelson Lake Copper Property.*



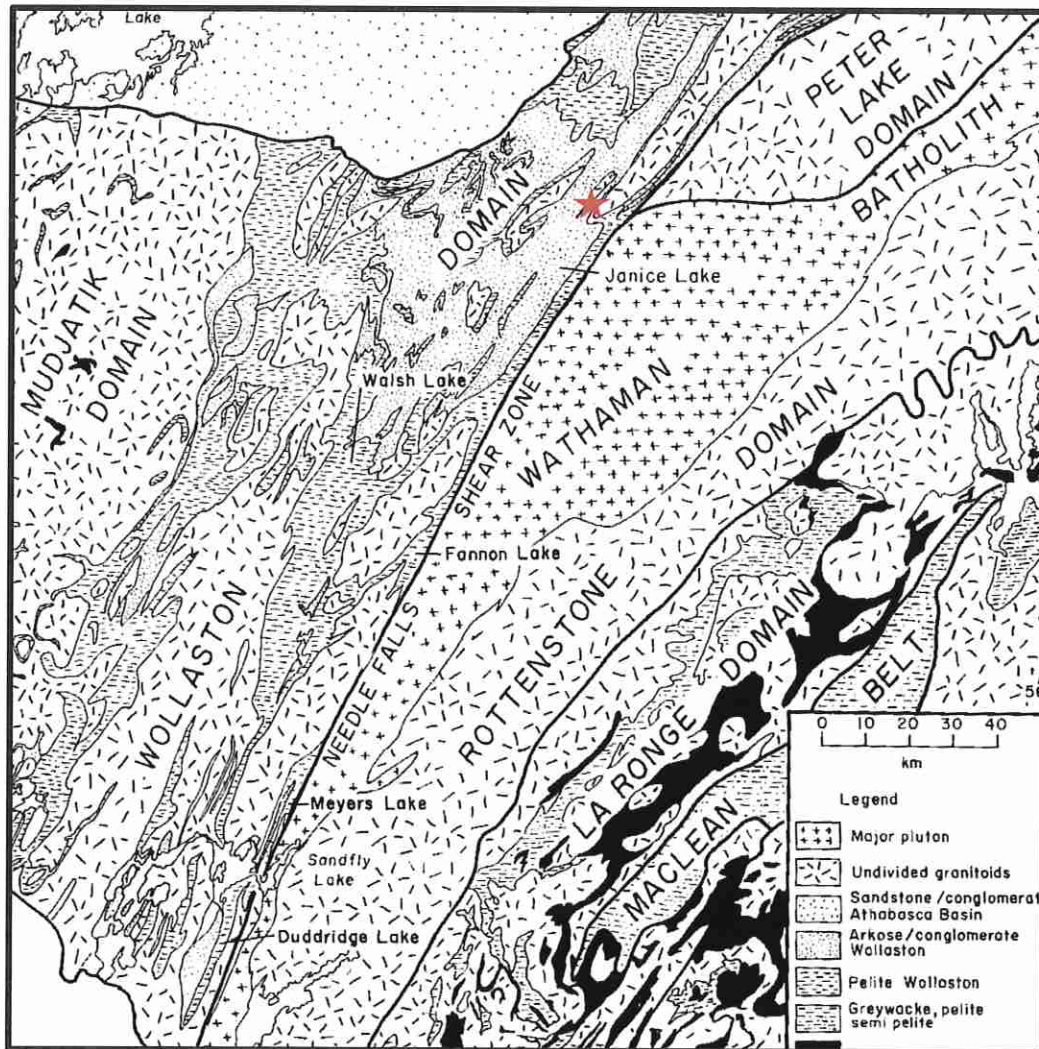
*Note: See Figure 7.1.1. for geology legend.

7 Geological Setting and Mineralization

7.1 Regional Geology

The Nelson Lake Copper Property lies within the eastern margin of the Wollaston Domain in northern Saskatchewan. The Wollaston Domain comprises a series of northeast-trending, tightly folded and variably dipping siliciclastic metasedimentary rocks and minor meta-volcanics segmented by interfolded Archean Granitoids (Delaney et al., 1995 and references therein). The domain is bounded to the southeast by the Needle Falls Shear zone. To the southeast of the shear zone lie the Peter Lake Domain and Wathaman Batholith (Figure 7.1).

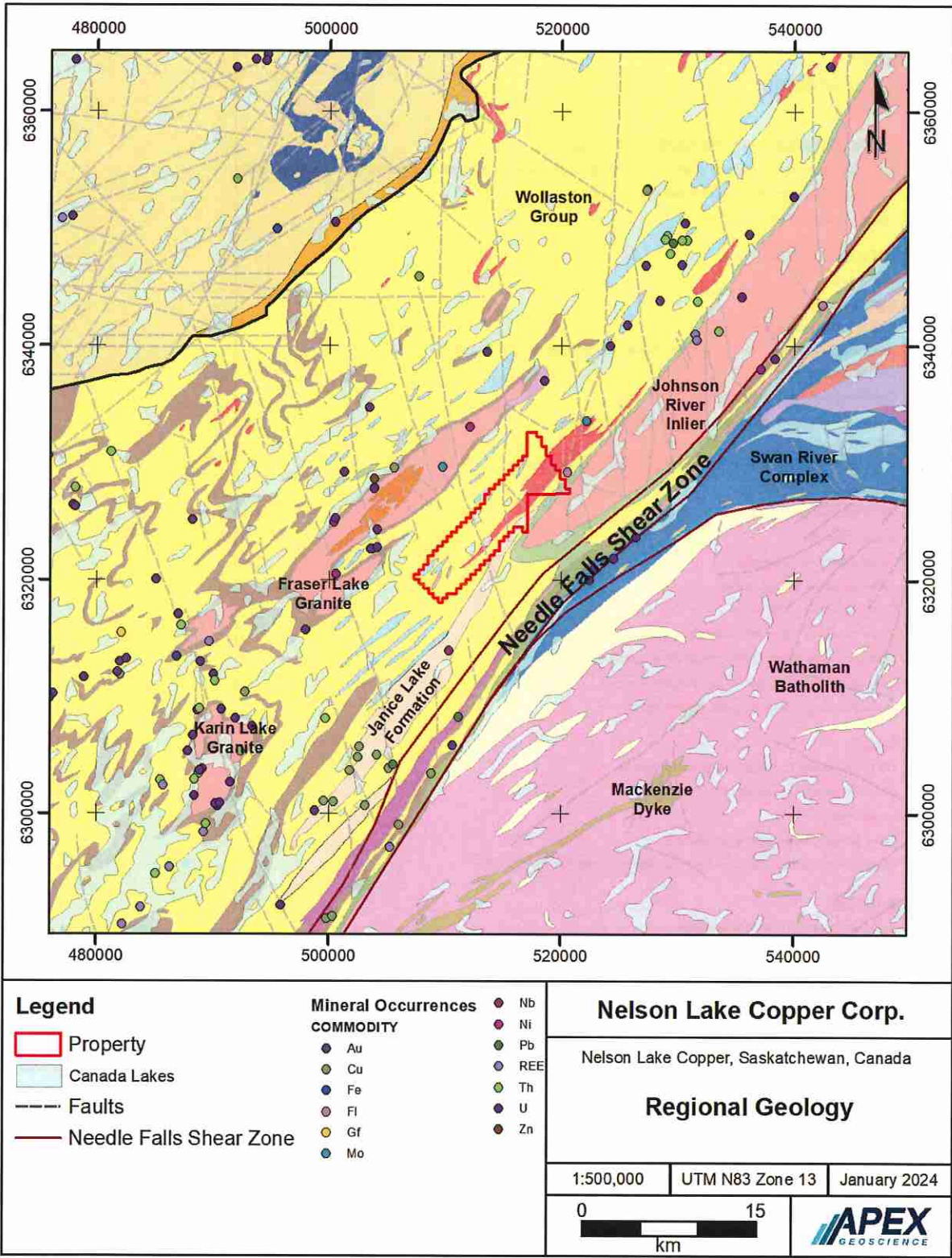
Figure 7.1 Major lithostructural elements in central northern Saskatchewan (Delaney et al., 1995). Nelson Lake Copper Property denoted by red star.



Metamorphic grade throughout the Wollaston Domain varies from lower amphibolite facies along the southeast side of the domain increasing to upper amphibolite-granulite facies towards the west. Compositionally heterogeneous granitoid rocks are dominant and supracrustal rocks are subordinate. The Lower Proterozoic supracrustal rocks comprise a basal pelitic assemblage overlain by a thick succession of arkoses and calcareous arkoses that locally contain calcsilicate lenses (Ray 1979). In the southeastern part of the domain unique assemblages have been mapped including meta-conglomerates, fanglomerates, metaquartzites, psammitic gneisses and schists, psammo-pelitic gneisses and schists, marbles and pelitic gneisses and schists (Figure 7.2; Delaney et al., 1995; Ray, 1983). Metasedimentary rocks of the Wollaston Domain are underlain by Archean granites which appear similar to plutonic bodies of the Peter Lake domain and have an approximate age of 2,500 Ma derived from U-Pb zircon and K-Ar geochronological dating studies by Ray and Wanless (1980).

The Wollaston Domain is characterised by two main episodes of deformation. The first (D1) is related to emplacement of gneiss domes and thermal reworking of the basement. D1 is characterised by a prominent foliation that is typically parallel to original layering and parallel to the basement cover contact. The second event (D2) refolded D1 structures into tight northeast trending folds (Delaney, 1994).

Figure 7.2. Regional geology*.



*Note: See figure 7.2.1. for geology legend

Figure 7.2.1. Regional geology legend.

Legend	
LITHOLOGY	
Mesoproterozoic	
	Diabase dyke
Mesoproterozoic - Paleoproterozoic	
	1) Conglomerate to mudstone; 2) quartz arenite; 3) quartz arenite with intraclasts. Multiple fining-up cycles proximally
	Conglomeratic quartz arenite. One to five fining-up cycles
	Diabase dykes and sills
Paleoproterozoic	
	Amphibolite
	Biotite granodiorite-tonalite
	Calc-silicate rock, marble
	Fanglomerate: mostly angular to subrounded arkose clasts up to 1.5 m diameter
	Granitic pegmatite
	Graphite-bearing pelitic gneiss
	Leucogranite, granite, monzogranite, granodiorite, tonalite
	Megacrystic granitoid
	Megacrystic granitoid; granitic dioritic orthogneisses; granodiorite
	Monzogranite-granodiorite
	Mylonite/cataclastic rocks
	Muscovite schist
	Pelitic, psammopelitic gneiss
	Psammitic meta-arkosic gneiss
	Quartz-muscovite schist
	Quartz monzodiorite, quartz monzonite, granite, tonalite
	Monzonite, quartz monzonite, monzodiorite, quartz monzodiorite
	Syenogranite, leucogranite; in part possibly Archean
	Undivided granite, monzogranite, syenogranite
Archean	
	Derived gneisses from SRC gabbros and diorites
	Diorite, monzodiorite, anorthosite, minor gabbro
	Felsic gneiss
	Felsic gneiss: biotite-hornblende bearing
	Leucogabbro, gabbro, gabbro-norite, melagabbro, pyroxenite; minor diorite
Undefined	
	Pelitic gneiss and meta-arkosic gneiss

7.2 Property Geology

The Nelson Lake Copper Property is largely underlain by quartzofeldspathic gneiss and granite of Proterozoic age with minor occurrences of calc-silicate rocks, marble and granitic pegmatite. The quartzofeldspathic gneiss unit comprises medium to coarse grained quartzofeldspathic gneiss with biotite foliae, fine to medium grained leucocratic granitoid segregations and some fine to medium grained quartz rich layers. The top of the succession contains intervals of fine-grained arkose with minor disseminated amphibole.

The Johnson River Inlier granitoids border the northern part of the Property to the east. At the southwest end of the Johnson River Inlier the granitoids are unconformably overlain by conglomerate and fanglomerate members of the Janice Lake Formation (Figure 7.3 and 7.4; Delaney et al., 1995). The Janice Lake Formation encroaches on a small portion of the Property in the central east. The conglomerate at the base of the Janice Lake Formation is characterised by sub-rounded pebble and cobble-sized clasts of arkose, quartzite and other rock types. These are similar in part to the quartzofeldspathic gneiss unit. The overlying fanglomerate is a massive unit with poorly sorted angular to sub angular fragments in a matrix of fine to medium grained quartz and feldspar. The Janice Lake formation thins to the northeast and is absent north of Nelson Lake (Delaney et al., 1995).

The calcareous arkose is a thick succession of fine-grained quartzofeldspathic rocks that are compositionally layered. Calcareous intervals are composed of disseminated fine to coarse grained amphibolite in a fine grained feldspar matrix. At the south end of Nelson Lake the upper part of the quartzofeldspathic gneiss and the overlying calcareous arkose are intruded by a subconcordant elongate southwest tapering granitoid body (Delaney et al., 1995).

Fetter (2013) identified five deformation episodes in the area, producing foliation and folding in the rocks. The last deformation event produced cross-cutting north-northwest trending faults.

Previous glaciation periods, combined with northeast-trending stratigraphy have imparted a dominantly northeast-southwest trending topographic expression in the form of lakes, streams, and glacial drumlins. Outcrop exposure at the Property is currently unknown.

Figure 7.3 Schematic stratigraphic section from 3km southwest of Nelson Lake (A) to northeast end of Nelson Lake (B; Delaney et al, 1995).

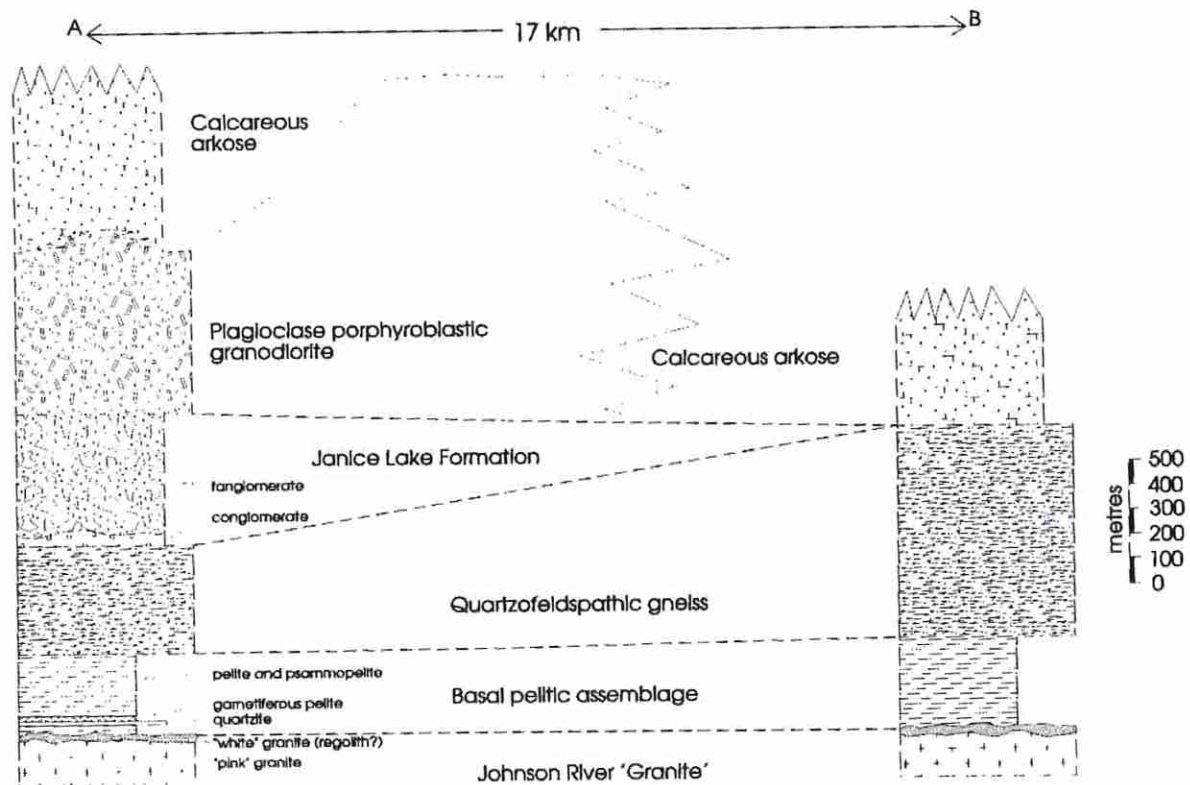
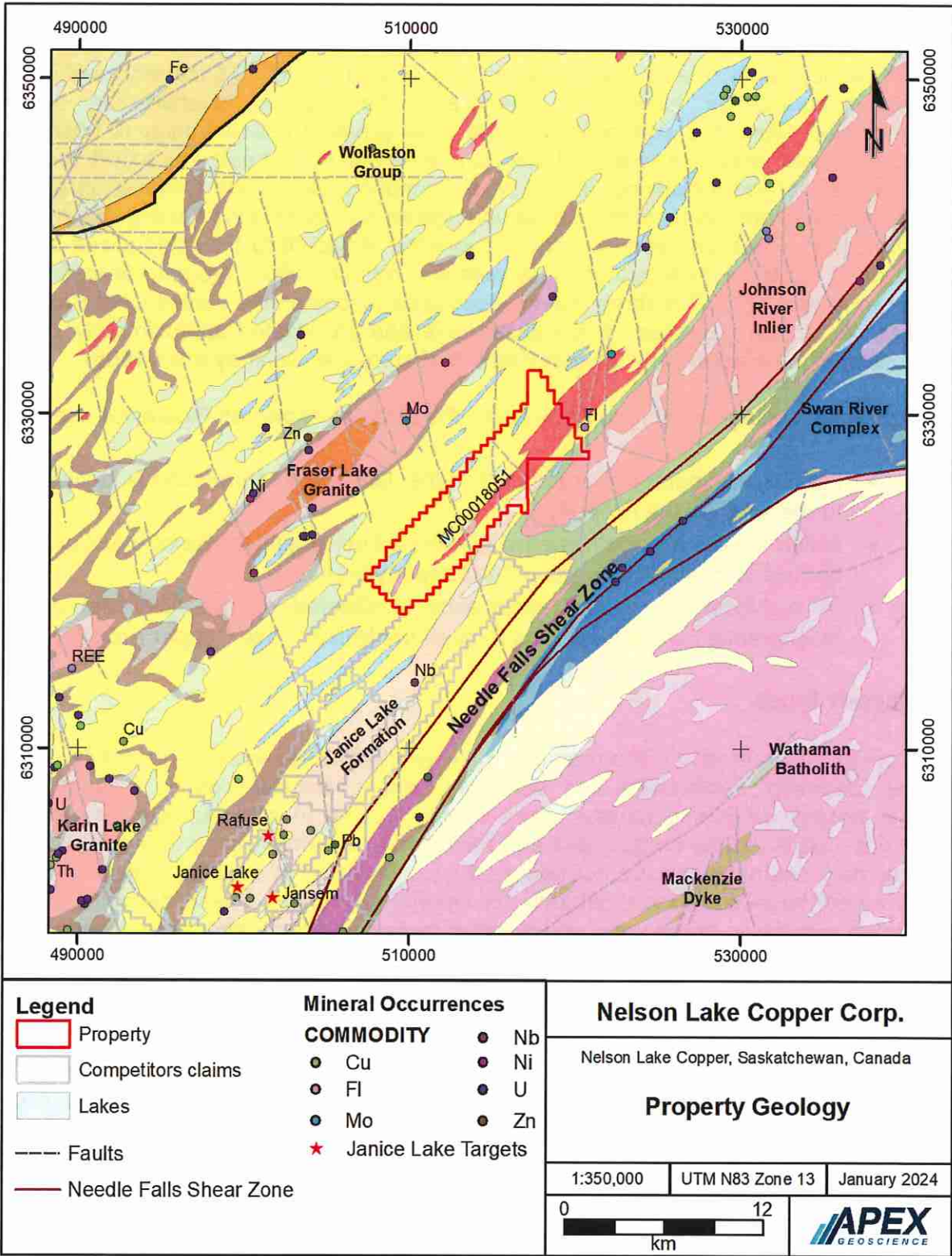


Figure 7.4. Property geology*.



*Note: See Figure 7.2.1 for geology legend.

7.3 Mineralization

There is no known mineralization reported within the Nelson Lake Copper Property.

On the adjacent to the southwest Janice Lake Property, over 20 occurrences of in situ copper mineralization have been identified. The copper mineralization occurs disseminated within the sedimentary strata. The greatest concentration is hosted in siliciclastic sediments of the Rafuse Lake Formation with some hosted by a thick red bed fanglomerate of the underlying Janice Lake Formation. Deposition occurred in arid to semi-arid conditions adjacent to an area undergoing normal or listric faulting. Host rocks of all copper mineralized zones contain magnetite. Adjacent to the mineralized zones rocks often contain hematite creating a potential zonation effect around mineralization (Delaney et al., 1995). The three main copper occurrences on the Janice Lake Property include Janice Lake, Jansem, and Rafuse Lake and are located approximately 15 km southwest of the Nelson Lake Copper Property (Figure 7.4; Delaney et al, 1995).

Additional occurrences in proximity to the Property, as shown on Figure 7.4, include:

- a niobium mineral occurrence within the Janice Lake Formation is located just to the south of the Property.
- A fluorine occurrence hosted within the arkosic meta-gneiss of the Wollaston domain is located just north of the Property boundary.
- A molybdenum mineral occurrence is situated on the northeast of the leucogranite that partially runs through the Nelson Lake Copper Property.

8 Deposit Types

Copper mineralization in the area has many similarities to sediment-hosted stratiform copper deposits. Sediment-hosted stratiform copper deposits contain disseminated copper hosted within sedimentary rocks usually formed in arid depositional settings. Mineralization is usually stratabound and restricted to a narrow range of layers within a sedimentary sequence but are not necessarily conformable to bedding. These deposits can be very large and extend laterally for several kilometers. These deposits can be formed in siliciclastic or dolomitic sedimentary rocks and are formed with evolving fluid-flow systems that include sources of base metals and sulphur that precipitates. They are formed after the host sediment is deposited, but in most cases, prior to lithification of the host (Cox et al., 2007; Delaney et al., 1995). Copper minerals in sediment-hosted copper deposits are thought to be precipitated at redox boundaries, particularly where reduced sediments are in contact with more oxidized strata that support the transport of metalliferous brines. These sedimentary rocks are often oxidized to red in colour and hosted in fluid-rich porous rock types like the fanglomerate unit of the Janice Lake formation. Within the Wollaston domain, the fanglomerate units represent a period of intrabasinal uplift (Delaney et al., 1995).

9 Exploration

No exploration work has been completed by Nelson Lake at the Property.

10 Drilling

Nelson Lake has not conducted any drilling on the Nelson Lake Copper Property.

11 Sample Preparation, Analyses and Security

Nelson Lake has not completed any sampling on the Nelson Lake Copper Property.

12 Data Verification

12.1 Qualified Person Site Inspection

Mr. Nikolay Bashaev conducted a site visit to the Nelson Lake Copper Property on January 27th, 2024. The winter road was closed at this time and the Property was accessed by helicopter. Great Slave Helicopters was engaged to complete the site visit. Great Slave Helicopters has a permanent base in La Ronge, SK which was the base for the site visit. The helicopter flight from La Ronge to the Property took approximately 1 hour and 20 minutes.

The Nelson Lake Copper Property is an early-stage exploration project. The main objectives of the site visit were to verify the geology of the Property and to assess the road access to the Property area.

The Property was largely snow covered and outcrop exposure was extremely limited (Figure 12.1). Through aerial reconnaissance outcrop was located along the shoreline of a small unnamed lake located northwest of Nelson Lake in the northern part of the Property (Figure 12.2). Mr. Bashaev investigated the outcrops along the lake and collected two samples from two different locations (Table 12.1; Figure 12.2). The outcrops comprised very fine to fine grained metasedimentary rock that was predominantly red in colour. Detailed descriptions of the rock samples are presented in Table 12.1. The samples were collected by Mr. Bashaev in plastic bags that were labelled. The samples remained in Mr. Bashaev's custody at all times. The samples will be submitted to independent laboratory ALS Global in North Vancouver, BC for multielement analysis.

Table 12.1 2024 Site visit rock sample locations and descriptions.

Rock Sample	Easting (N83Z13)	Northing (N83Z13)	Description
NLCP24-NBV 1	517070	6329617	Metasedimentary, meta-arkose, very fine to fine grained, red in colour predominantly, however some parts exhibit minor presence of black, no visible sulphides
NLCP24-NBV 2	517079	6329652	Metasedimentary, meta-arkose, very fine to fine grained, red in colour predominantly with some black intervals, contains cm thick layers of grey rock, no visible sulphides

The duration of the site visit was limited by the winter weather conditions and the limited amount of fuel for the return flight. The winter road accessing the Janice Lake Property was examined from the air. The road was not cleared and has not been maintained for several years. In it's current state the road is unsuitable for use.

Figure 12.1 Sample outcrop and rock samples collected.

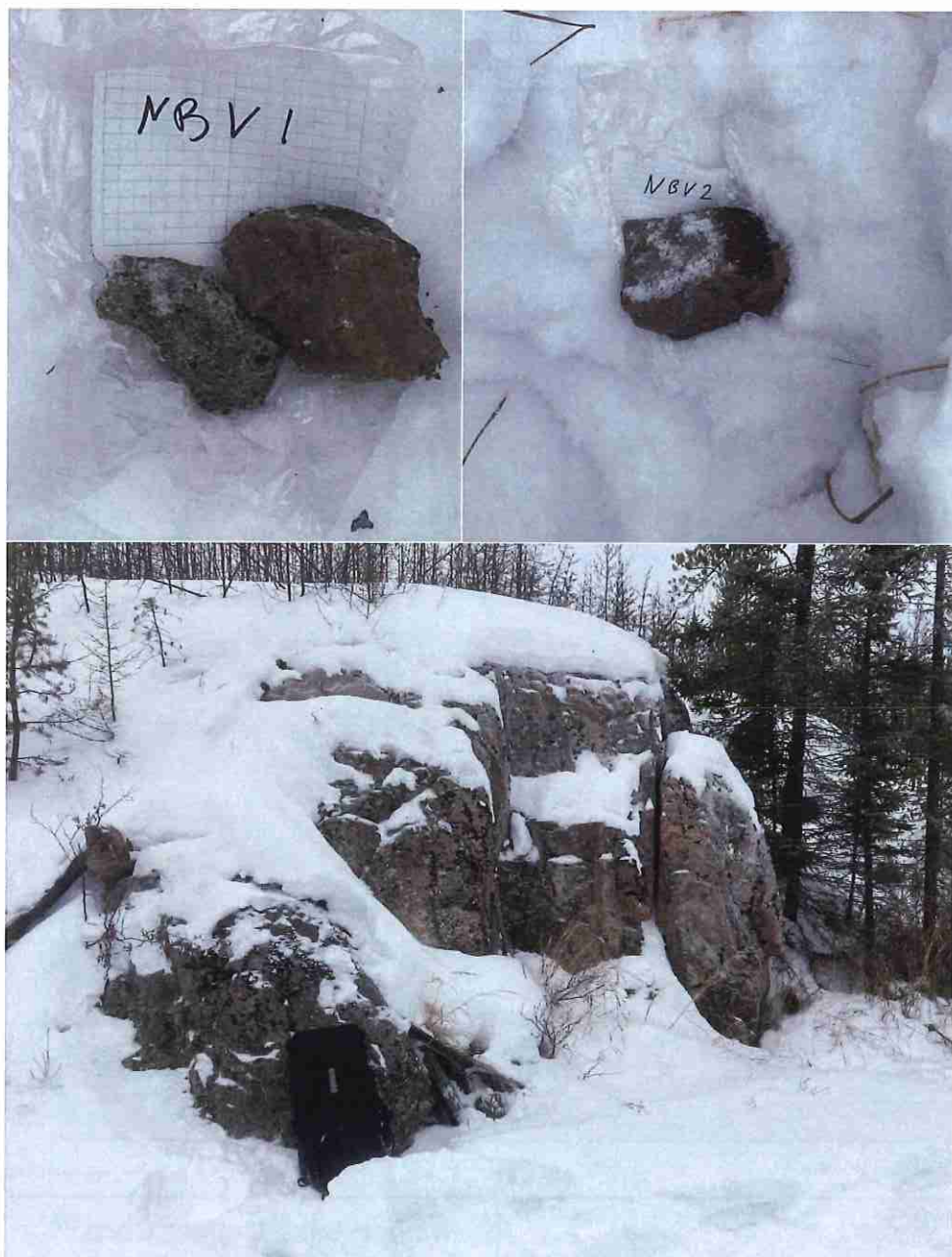
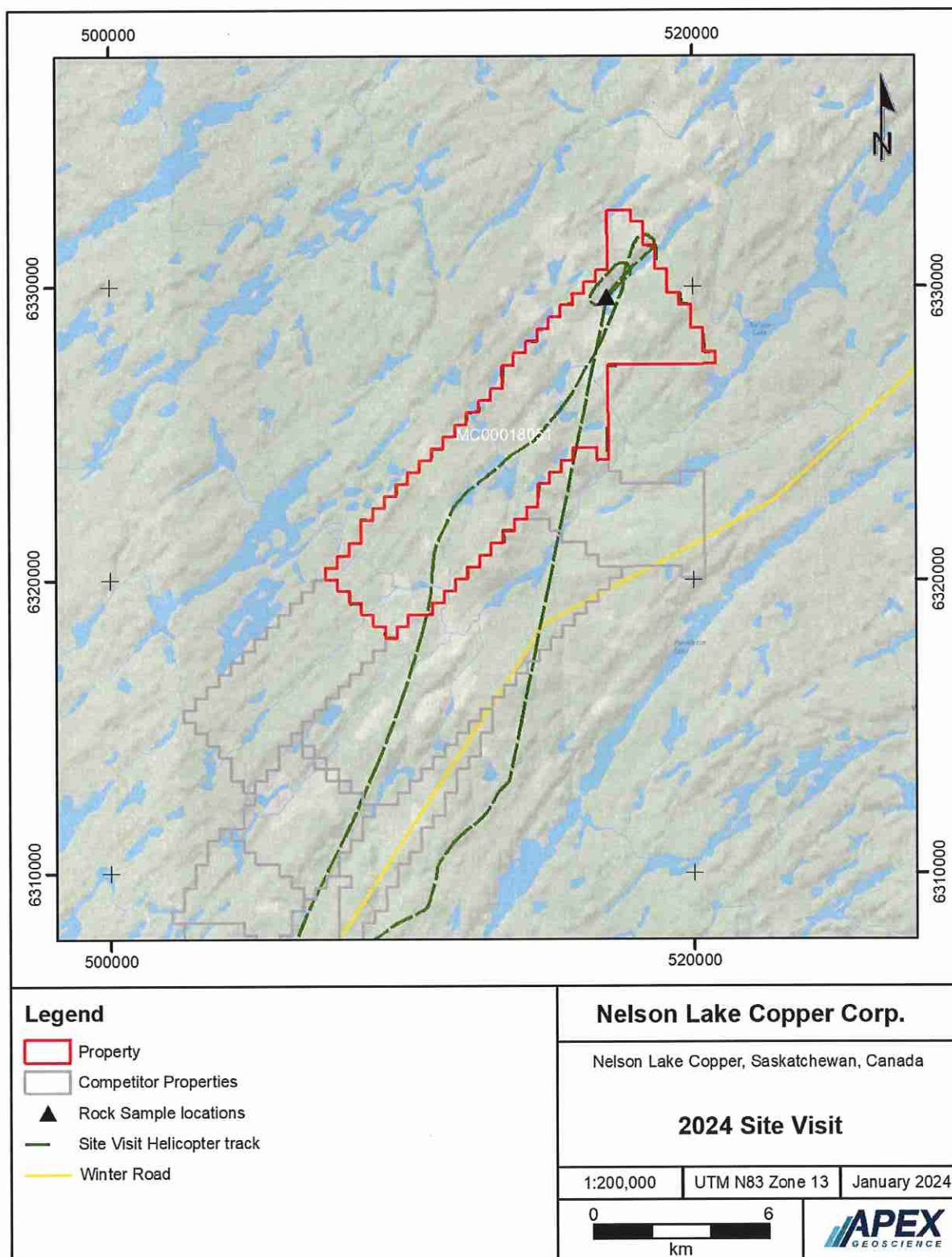


Figure 12.2 2024 Site Visit helicopter flight path and rock sample locations.



12.2 Validation Limitations

The author did not encounter any limitations that hindered the verification of the exploration data.

12.3 Adequacy of the Data

The QP and primary author has reviewed the adequacy of the geological information available for the Property and found no significant issues or inconsistencies that would cause one to question the validity of the data. The QP is satisfied to include the geological data within the context of this introductory technical report.

****Sections 15 to 22 are not required for an introductory geological report.****

23 Adjacent Properties

The Nelson Lake Copper Property is located within the Wollaston Copperbelt District and lies adjacent to the Janice Lake Property and Heron Lake Property (Figure 23.1). The authors have not verified the information contained in this section of the report and such information is not necessarily indicative of the mineralization on the Nelson Lake Copper Property.

23.1 Cosa Resources Corp.'s Heron Property

The Heron Property is held by Cosa Resources Corp. (Cosa) and consists of 3 mineral claims oriented along a southwest-northeast trend. The claims are located 12 km, 17 km, and 19 km southwest of the Property. The Property is underlain by rocks of the Wollaston Domain which comprise pelitic to semi-pelitic gneisses, psammitic or meta-arkosic gneiss with elongate lenses of calc-silicate gneiss and marble. Prior exploration on the Heron Property targeted uranium potential; however, Cosa is targeting sediment-hosted copper mineralization on the Property similar to the occurrences found on the adjacent Janice Lake Property. In 2021, Cosa commissioned Terraquest Ltd. to complete an airborne magnetics geophysical survey over all three claim blocks. Interpretation of the magnetics data in consideration with the structural setting identified 4 potential targets for future exploration (Maunula, 2022).

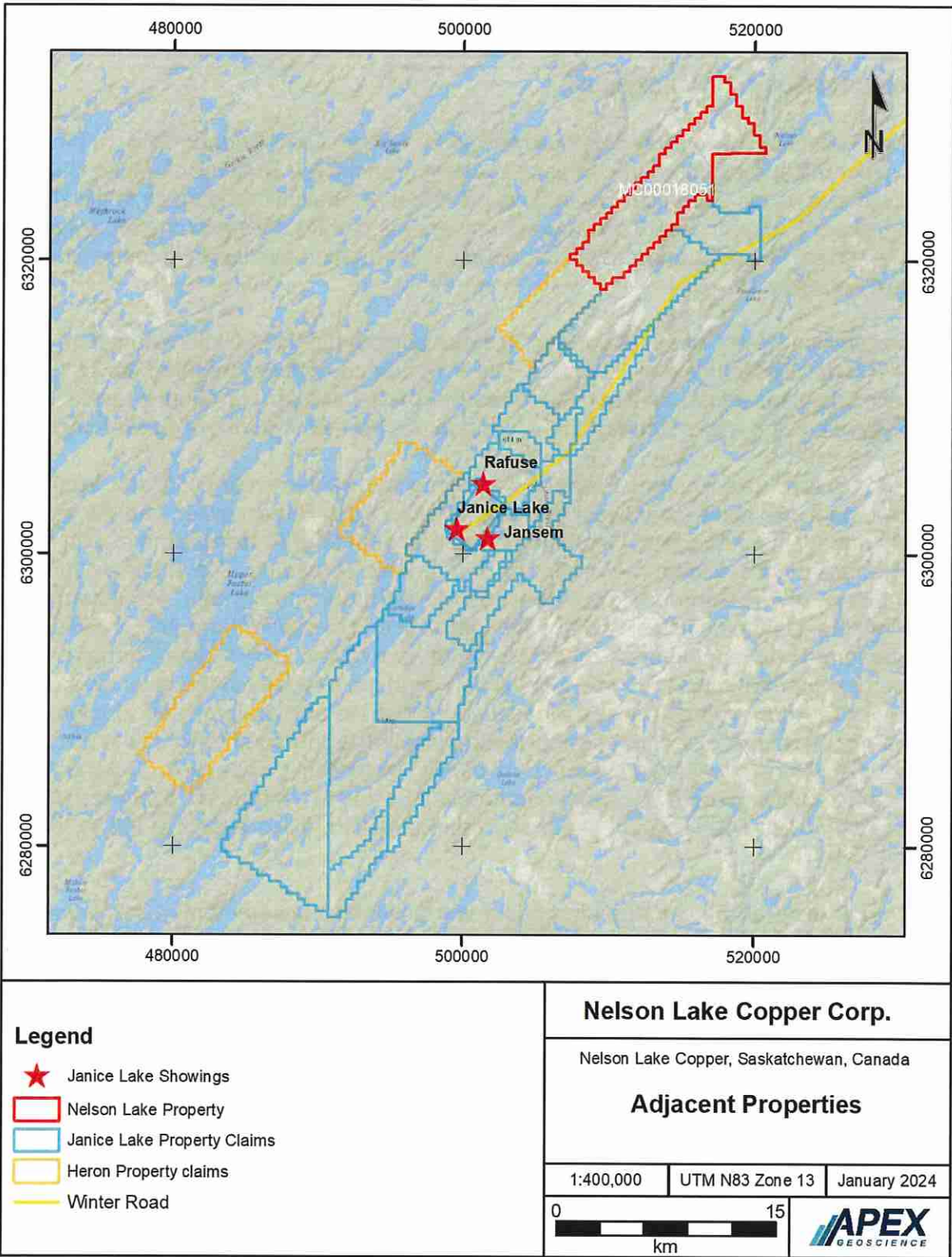
23.2 Forum Energy Metals Corp.'s Janice Lake Property

The Janice Lake Property is held by Forum Energy Metals Corp. (Forum) and borders the eastern margin of the Nelson Lake Copper Property and the Heron Property, extending southeast. The property covers 39,943 ha. Sediment-hosted copper mineralization has been reported on the property hosted in horizons of mafic-rich stratigraphy within more felsic units.

Exploration at the Janice Lake Property has been ongoing since 1993 with numerous operators involved, including Noranda, Phelps Dodge, Rio Tinto (RTEC), Transition Metals and Forum. Historical exploration programs, including sampling, mapping, geophysical surveys and drill programs, have delineated a 52 km long copper belt. Over 20 copper showings have been reported on the property. Historical drilling focused on a few widespread surface showings. In 2018, Forum completed a first pass drill four-hole shallow drill program totalling 447 m which encountered copper mineralization in all four holes at the Janice and Jansem targets within 80 m of the surface. Hole FEM-01 intersected 18.5 m (59.0 to 77.5 m downhole depth) grading 0.94% Cu and 6.7 g/t Ag including 5.2 m grading 2.22% Cu and 16.5 g/t Ag. The true thickness of the mineralization is 18.0 m. By the end of 2021, RTEC had completed 39 holes totalling 10,033 m on four drill targets: Janice and Jansem (22 drillholes), Kaz (3 drillholes), and Rafuse (14 drillholes). The RTEC drilling significantly expanded the strike length of copper mineralization at the Janice and Jansem targets. Copper mineralization at Janice is delineated along a 1.2 km long by 400 m wide corridor and has thickness of up to 57 m. The Janice target remains open to the southwest and northeast, and at depth. Copper mineralization at Jansem was extended to 650 m in length by 200 m in width by thicknesses up to 66 m. Jansem remains open to the southwest, northeast, and at depth. Drilling results at Kaz and Rafuse did not extend significant mineralization to the northwest (Forum Energy, 2021).

The Janice Lake Property overlies the Janice Lake Formation, a northeast-southwest trending belt of conglomerate and fan conglomerate. The age and depositional environment in this area are similar to the prolific sediment-hosted copper deposits of Udokan in Lake Baikal, Russia, and the Revett Deposits in Montana, USA (Forum Energy, 2021).

Figure 23.1 Adjacent Properties to the Nelson Lake Copper Property



24 Other Relevant Data and Information

The authors of this report are not aware of any other relevant information.

25 Interpretation and Conclusions

This Technical Report has been completed for Nelson Lake Copper Corp., a privately held junior mineral exploration company based in Vancouver, British Columbia, Canada. The objective of this Technical Report is to provide a geological introduction to the Nelson Lake Copper Property and to provide recommendations for future exploration programs. This Technical Report summarizes the technical information available up to the Effective Date of February 1st, 2024.

The Nelson Lake Copper Property is located approximately 220 kilometers (km) north of La Ronge, Saskatchewan, Canada. The Property comprises one singular cell claim that encompasses a total area of 5746 hectares (14,199 acres). The Nelson Lake Copper Property is located along trend of the Wollaston Copperbelt in northern Saskatchewan.

The Nelson Lake Copper Property lies along the eastern margin of the Wollaston Domain near northeast-southwest oriented Needle Falls Shear zone. The Property is largely underlain by quartzofeldspathic gneiss and granite of Proterozoic age with minor occurrences of calc-silicate rocks, marble and granitic pegmatite. The Archean Johnson River Inlier granitoids border the northern part of the Property to the east. At the southwest end of the Johnson River Inlier the granitoids are unconformably overlain by conglomerate and fanglomerate members of the Proterozoic Janice Lake Formation. The Janice Lake Formation is found on a small portion of the Property in the central east. The Janice Lake Formation comprises a basal conglomerate and an overlying fanglomerate and is host to numerous copper occurrences located to the southwest of the Property. The Janice Lake occurrences form part of the Wollaston Copperbelt, a 52 km long northeast-southwest trend of copper occurrences hosted in Proterozoic Wollaston Group siliciclastic rocks. The Property lies along trend at the northern extent of the Wollaston Copperbelt.

Copper mineralization in the area has many similarities to sediment-hosted stratiform copper deposits. Sediment-hosted stratiform copper deposits contain disseminated copper hosted within sedimentary rocks usually formed in arid depositional settings. Copper minerals in sediment-hosted copper deposits are thought to be precipitated at redox boundaries, particularly where reduced sediments are in contact with more oxidized strata that support the transport of metalliferous brines. These sedimentary rocks are often oxidized to red in colour and hosted in fluid-rich porous rock types like the fanglomerate unit of the Janice Lake Formation.

Based on the geological setting, the Nelson Lake Copper Property has potential to host chalcocite, bornite, chalcopyrite, and pyrite mineralization.

No historical exploration is reported to have been completed within the Property. A geological mapping and sampling program was completed by the Saskatchewan Geological Survey in 1996. The mapping program produced a detailed 1:20,000 scale map of the geological units including the Janice Lake Formation in the area of the Property. A total of 16 samples were collected on the Property during this program however they were not submitted for assay.

The Janice Lake area is host to over twenty sediment hosted copper showings and unsourced mineralized boulder trains, including the Janice Lake occurrence located 15 km southwest of the current Property.

25.1 Risks and Uncertainties

The authors have considered risk and uncertainties that could reasonably be expected to affect exploration activities at the Nelson Lake Copper Property. The Project is subject to the typical external risks that apply to all mineral exploration projects, including changes in metal prices, volatility in supply and demand economics, the availability of investment capital, changes in government regulations, and general environmental concerns. The authors are not aware of any unusual risk factors that might affect future exploration work and potential development of the Property.

26 Recommendations

Based on the favourable geological setting as discussed in this Technical Report and the lead author's site visit, it is the opinion of the authors that the Nelson Lake Copper Property is an early-stage "Property of Merit" warranting further exploration work.

Future work recommendations include airborne geophysical surveying, mapping and geochemical sampling. The initial exploration program should include an airborne geophysical survey and sampling and mapping program. An airborne magnetics and VTEM survey should be completed over the Southeastern portion of the Property covering the most prospective area parallel to the Janice Lake formation. Airborne magnetics and VTEM have been successfully implemented in the area to identify sedimentary-hosted copper occurrences. Anomalies identified from the airborne geophysical survey and existing surface mapping should be follow-up with geological mapping and surface sampling programs. All samples should be assayed for Cu, Ag, Pb and Zn along with a suite of other elements. The budget for the recommended program is \$250,000 (Table 26.1).

Table 26.1 Recommended Exploration Budget

Airborne Geophysics				
Magnetics and VTEM	100 m spacing	~200 line km		\$75,000
Mapping & sampling Program				
	Staff	Rate	Days	
Office support				
Senior geologist	1	\$700	4	\$2,800
Field crew				
Senior geologist	1	\$700	12	\$8,400
Junior geologist	3	\$800	12	\$28,800
Assays				\$25,000
		Rate	Days	
Helicopter		\$6,000	10	\$60,000
Jet A		\$1,500	10	\$15,000
Truck & fuel				\$3,200
Hotel				\$1,500
Food				\$5,000
Flights				\$6,000
Consumables and rentals				\$5,000
Contingency				\$14,300
TOTAL				\$250,000

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28 Certificate of Author

28.1 Nikolay Bashaev Certificate of Author

I, Mr. Nikolay Bashaev, B.Sc., P. Geo., do hereby certify that:

1. I am a Project Geologist of APEX Geoscience Ltd., Suite 110, 8429 – 24th Street, Edmonton, AB, Canada, T6P 1L3.
2. I graduated with a bachelor's degree in Geology from the Tashkent State University, Uzbekistan in 1998.
3. I have been registered as a Professional Geoscientist with the Engineers and Geoscientists of Manitoba ("EGM") since 2010.
4. I have worked as a geologist for more than 15 years and have been involved in a variety of exploration projects in different parts of Canada.
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I am responsible for sections 2 to 5, 9 to 24, and 27 and am jointly responsible for sections 1, 25 and 26 of the "Technical Report Nelson Lake Copper Property, Saskatchewan, Canada", with an effective date of February 1, 2024 (the "Technical Report"). I visited the Nelson Lake Copper Property on January 27th 2024 and can verify the Property, general rock types and the nearby infrastructure at the Nelson Lake Property.
7. To the best of my knowledge, information and belief, the Technical Report contains all relevant scientific and technical information that is required to be disclosed, to make the Technical Report not misleading.
8. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
9. I am independent of the issuer, the vendor and the Property applying all of the tests in section 1.5 of Companion Policy 43-101 CP.
10. I have not had any prior involvement with the Property that is the subject of the Technical Report.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files or their websites.

Effective date: February 1, 2024
Winnipeg, Manitoba, Canada

"Signed and Sealed"

Nikolay Bashaev, BSc., P.Geo. (EGM Member #31300)

28.2 Fallon Clarke Certificate of Author

I, Fallon T. Clarke, B. Sc., P.Geo., of Victoria, British Columbia, do hereby certify that:

1. I am a Senior Geologist of APEX Geoscience Ltd., with a business address of Suite 110, 8429 – 24th Street, Edmonton, AB, Canada, T6P 1L3.
2. I graduated with a B.Sc. Degree in Geology from the University of Saskatchewan in 2010.
3. I am and have been registered as a Professional Geologist with the Association of Professional Engineers and Geoscientists (“APEGGS”) of Saskatchewan since 2015.
4. I have worked as a geologist for more than 11 years and have experience with exploration for precious and base metal deposits of various types through North America and Australia.
5. I have read the definition of “Qualified Person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
6. I am responsible for sections 7 to 8 and am jointly responsible for sections 1, 25 and 26 of the “Technical Report Nelson Lake Copper Property, Saskatchewan, Canada”, with an effective date of February 1, 2024 (the “Technical Report”). I have not visited the Nelson Lake Copper Property.
7. To the best of my knowledge, information and belief, the Technical Report contains all relevant scientific and technical information that is required to be disclosed, to make the Technical Report not misleading.
8. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
9. I am independent of the issuer, the vendor and the Property applying all of the tests in section 1.5 of Companion Policy 43-101 CP.
10. I have not had any prior involvement with the Property that is the subject of the Technical Report.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files or their websites.

Effective date: February 1, 2024
Victoria, British Columbia, Canada

“Signed and Sealed”

Signature of Qualified Person
Fallon T. Clarke, B.Sc., P.Geo (APEGGS #27238)