

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Axcap Ventures Inc. (the “**Company**”)
488 – 1090 West Georgia Street
Vancouver, BC, V6E 3V7

Item 2 Date of Material Change

October 7, 2024

Item 3 News Release

A news release dated October 8, 2024 was disseminated and subsequently filed on SEDAR+.

Item 4 Summary of Material Change

The Company announced that it has entered into a share purchase agreement dated October 7, 2024 (the “**Definitive Agreement**”) among the Company, Converse Acquisition Company, Limited (“**Converse**”) and the sole shareholder of Converse (the “**Shareholder**”), pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the Shareholder.

The Company also announced that the Board of Directors has approved a share split of the Company’s issued and outstanding common shares on the basis of one (1) pre-split share for 2.4 post-split shares, subject to regulatory approval.

Item 5 Full Description of Material Change

The Company announced that further to its news release of July 19, 2024, it has entered into a share purchase agreement dated October 7, 2024 (the “**Definitive Agreement**”) among the Company, Converse Acquisition Company, Limited (“**Converse**”) and the sole shareholder of Converse (the “**Shareholder**”), pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the Shareholder (the “**Proposed Transaction**”). Converse indirectly owns 100% interest in an advanced stage gold project located in Nevada, United States (the “**Converse Property**”). The acquisition of Converse is made in accordance with the Company’s investment policy, pursuant to which, the Company is committed to providing investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects.

Proposed Transaction Details

Pursuant to the terms of the Definitive Agreement, as consideration for 100% of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- On the effective date of the letter of intent, the Company shall make a cash payment of C\$500,000 to the Shareholder, which the Company paid on July 11, 2024;

- On closing of the Proposed Transaction, the Company shall make a cash payment of \$1,000,000 to the Shareholder; and
- On closing of the Offering (as defined below), issue to the Shareholder an aggregate of 20,000,000 common shares of the Company (“**Payment Shares**”), on a post-split basis.

The Company is at arm’s length from Converse. Completion of the Proposed Transaction remains subject to a number of conditions, including the completion of the Company’s offering of securities for gross proceeds of not less than C\$4,000,000 (the “**Offering**”) and the receipt of any required regulatory approvals, including the Canadian Securities Exchange (the “**CSE**”). The Proposed Transaction cannot be completed until these conditions have been satisfied. There can be no guarantees that the Proposed Transaction will be completed as contemplated or at all.

Converse acquired the Converse Property pursuant to membership purchase agreement. Converse is required to make the following milestone payments:

- on the closing of the Proposed Transaction, Converse shall make a cash payment of C\$1,500,000;
- on or before July 15, 2025, Converse shall make a cash payment of C\$2,000,000;
- on or before July 15, 2026, Converse shall make a cash payment of C\$2,000,000;
- on or before July 15, 2027, Converse shall make a cash payment of C\$2,000,000; and
- on or before July 15, 2028, Converse shall make a cash payment of C\$3,500,000

(each, a “**Milestone Payment**”).

Converse shall have a right to elect to pay each Milestone Payment, in whole or in part, in shares of the Company.

The Payment Shares shall be subject to voluntary hold periods as outlined in the Definitive Agreement: 2.5% of the Payment Shares will be released and become freely tradable six months after the closing of the Offering, with an additional 2.5% released seven months and eight months following the closing of the Offering, another 5% of the Payment Shares will be released every month for the next 11 months, another 7.5% of the Payment Shares will be released 20 months following the closing of the Offering, with an additional 7.5% of the Payment Shares becoming freely tradable every month thereafter.

The Proposed Transaction is not expected to constitute a Fundamental Change for the Company (as defined in the policies of the CSE), nor is it expected to result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the CSE.

SHARE SPLIT

The Company announces that the Board of Directors has approved a share split of the Company’s issued and outstanding common shares on the basis of one (1) pre-split share for 2.4 post-split shares, subject to regulatory approval. The Board of Directors is proceeding with the share split on the basis that it will provide the Company with increased flexibility to seek additional financing opportunities and strategic acquisitions.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The name and telephone number of the officer of the Company who is knowledgeable about the material change and the Material Change Report is:

Kevin Ma, Chief Financial Officer
(604) 687-7130.

Item 9 Date of Report

October 10, 2024

Cautionary Statement Regarding “Forward-Looking” Information

This material change report includes certain statements that may be deemed “forward-looking statements”. All statements in this new release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this material change report includes statements related to the Proposed Transaction, the Offering, receipt of all necessary regulatory approvals to the Proposed Transaction, satisfaction of the conditions precedent to the Proposed Transaction, and related matters. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.