

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Cape Lithium Corp. (the “**Company**”)
Suite 2250 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Item 2 Date of Material Change

October 23, 2024

Item 3 News Release

The news release dated October 24, 2024 was disseminated through The Newswire on October 24, 2024.

Item 4 Summary of Material Change

Effective October 23, 2024, the Company closed (the “**Closing**”) its securities exchange agreement dated July 25, 2024 (the “**Securities Exchange Agreement**”) with Continental Lithium Africa Development Corporation (“**Continental**”), a private arm’s length British Columbia company, and each of the securityholders of Continental (the “**Continental Securityholders**”), pursuant to which the Company acquired all of the issued and outstanding securities of Continental (collectively, the “**Continental Securities**”) from the Continental Securityholders (the “**Transaction**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Further to the Company’s news release dated July 26, 2024, it has closed the Securities Exchange Agreement with Continental and the Continental Securityholders pursuant to which the Company acquired all of the Continental Securities from the Continental Securityholders.

Pursuant to the terms of the Securities Exchange Agreement, the Company acquired all of the issued and outstanding Continental Securities in exchange for the issuance of 40,300,000 common shares (each, a “**Share**”) in the capital of the Company, at a deemed price of \$0.37 per Share, and 20,000,000 warrants (each, a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one additional Share for a period of three years at an exercise price of \$0.50 per Share. The Shares and Warrants issued to the Continental Securityholders as consideration in the Transaction are subject to a voluntary restriction on resale for a period of four months and one day. Pursuant to the Securities Exchange Agreement, the Company will appoint Steve Mynott to its board of directors (the “**Board**”) once there is a vacancy on the Board.

Upon Closing, Continental became a wholly-owned subsidiary of the Company and the Company's business focus will be directed to its consolidated strategic lithium position, which will consist of 52,000 ha in the Cape Cross - Uis area pegmatite belt ("**CUPB**"). The CUPB stretches 115km from Cape Cross in the West to Uis which can be as wide as 24km.

The Company paid a finder's fee of 2,000,000 Shares on the Closing of the Transaction to an arm's-length third-party who assisted in introducing and facilitating the Transaction.

5.2 *Disclosure for Restructuring Transactions*

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

James Lumley, CEO, 604.688.9588

Item 9 Date of Report

October 25, 2024