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Cape Lithium Announces \$5,000,000 Non-Brokered Private Placement

VANCOUVER, BRITISH COLUMBIA – December 16, 2024 – Cape Lithium Corp. (formerly known as Moonbound Mining Ltd.) (“**Cape Lithium**” or the “**Company**”) (CSE: CLI) is pleased to announce a combined non-brokered private placement financing for gross aggregate gross proceeds of up to \$5,000,000, consisting of the issuance of up to 50,000,000 units (each, an “**Equity Unit**”) of the Company at a price of \$0.06 per Equity Unit for aggregate gross proceeds of up to \$3,000,000 (the “**Unit Offering**”) as well as the issuance of up to \$2,000,000 in secured convertible promissory notes (each, a “**Note**”) of the Company (the “**Note Offering**” and together with the Unit Offering, the “**Offering**”).

The Unit Offering

Each Equity Unit will be comprised of one common share (each, a “**Share**”) in the capital of the Company and one Share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional Share (each, a “**Warrant Share**”) at a price of \$0.10 for a period of 4 years following closing of the Unit Offering.

The Note Offering

Each Note will accrue interest at a rate of 10% per annum, payable as to 50% in cash and 50% in Shares at a deemed price of \$0.10 per Share every 6 months, unless otherwise earlier repurchased, redeemed or converted. The Notes will have a 4-year term and will be convertible into units (each, a “**Note Unit**”) of the Company at a conversion price of \$0.10 per Note Unit. Each Note Unit will be comprised of one Share and one Warrant, with each Warrant entitling the holder thereof to acquire one Warrant Share at a price of \$0.12 for a period of 4 years following the closing of the Note Offering. The principal amount of the Notes will be secured pursuant to the terms of a general security agreement (the “**GSA**”) among the Company and the various subscribers to the Note Offering. It is anticipated that the GSA will be entered into concurrently with the closing of the Note Offering.

Proceeds of the Offering will be used in connection with the acquisition of the remaining 60% equity interest of Dune Resources Proprietary Limited (“**Dune**”) by Norrabees Lithium (SA) Limited, a wholly-owned indirect subsidiary of the Company, as well as for the Company’s forthcoming 2025 exploration program on Cape Lithium’s Norrabees Lithium Project and for general working capital. For further information on Dune and the Norrabees Lithium Project, see the Company’s news releases dated December 15, 2023, January 5, 2024, January 29, 2024 as well as the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* mineral resource estimate on the Norrabees Lithium Project effective dated January 17, 2024, filed under Cape Lithium’s profile on SEDAR+ (www.sedarplus.ca).

Finder's fees may be paid in connection with the Offering. Closing of the Offering is subject to the satisfaction or waiver of a number of customary closing conditions, including the review and approval of the Canadian Securities Exchange. All securities issued in connection with the Offering will be subject to customary hold periods expiring on the date that is four months and one day following the date of issuance.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Cape Lithium Corp.

Cape Lithium Corp., headquartered in Vancouver, B.C., Canada, is a mineral exploration and development company focused on exploiting world-class hard-rock lithium projects in Africa. The Company's core focus is the Norrabees project in Northern Cape, South Africa. Cape Lithium's management is committed to operating efficiently and with transparency in all areas of the business, staying sharply focused on creating long-term, sustainable shareholder value. Investors and/or other interested parties may sign up for updates about the Company's continued progress on its website: <https://capelithium.com/>.

For further information, please refer to the Company's disclosure record on SEDAR+ (www.sedarplus.ca).

On Behalf of the Board of Directors

"James Lumley"

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Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation: statements with respect to the expectations of management regarding the Offering; the expectations of management regarding the use of proceeds of the Offering; the closing of the Offering; the Company's anticipated strategies and business plans, including the Company's ability to develop a "world class" lithium portfolio; and the Company's expectations regarding future growth, profitability and anticipated increase in shareholder value. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that market fundamentals

will support the viability of mining exploration, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future exploration of the property as well as in relation to the Offering and closing thereof, the availability of the financing required for the Company to carry out its planned future activities, and the availability of and the ability to retain and attract qualified personnel. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, future prices of minerals, changes in the financial markets and in the demand for minerals, changes in laws, regulations and policies affecting the mineral exploration industry, as well as the risks and uncertainties which are more fully described in the Company's annual and quarterly management's discussion and analysis and in other filings made by the Company with Canadian securities regulatory authorities under the Company's SEDAR+ profile. The ongoing labour shortages, inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and Palestine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The Company does not undertake any obligation to update such forward-looking information whether because of new information, future events or otherwise, except as expressly required by applicable law.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.