

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Reporting Issuer

Lithium South Development Corporation (the “**Company**”)
400-1681 Chestnut Street
Vancouver, BC V6J 4M6

Item 2: Date of Material Change

December 6, 2021.

Item 3: News Release

A news release was disseminated and filed on SEDAR at www.sedar.com on December 6, 2021.

Item 4: Summary of Material Changes

The Company announced that it has closed its non-brokered private placement (the “**Private Placement**”). See Item 5 for details.

Item 5: Full Description of Material Change

The Company announced that it has closed its Private Placement issuing 7,700,000 units (the “**Units**”) at a price of \$0.60 per Unit for gross proceeds of \$4,620,000. Each Unit is comprised of one common share (a “**Share**”) and one transferable common share purchase warrant (a “**Warrant**”). Each Warrant will allow the holder to purchase one Share of the Company at a price of \$0.75 per Share for a period of three (3) years (the “**Expiry Date**”) from the date of closing of the Private Placement.

The Company also announced that, subject to the approval of the Exchange, it has closed its Private Placement issuing 2,300,000 Units at a price of \$0.65 per Unit for gross proceeds of \$1,495,000. Each Unit consists of one Share and one Warrant. Each Warrant will allow the holder to purchase one Share of the Company at a price of \$0.82 per Share until the Expiry Date.

Proceeds of the Private Placements will be used to advance the Company’s HMN Lithium Project, located in Salta Province, Argentina. A drill program is currently being designed to potentially increase the present lithium resource, and process test work is underway. In addition, the funding will be used to undertake an advertising campaign as announced November 24, 2021, and for general working capital purposes.

The Company paid finder’s fees of \$421,600 and 696,000 finder’s warrants (the “**Finder’s Warrants**”) to Canaccord Genuity Corp. and PI Financial Corp. The Finder’s Warrants are non-transferable and exercisable until the Expiry Date at prices of \$0.75 to \$0.82 per Share.

All securities issued will be subject to a four month hold period and the Exchange Hold Period.

The Company confirms that the price of the Units in the Private Placements was determined based on the closing market price of the Shares of the Company on the dates the Company announced the Private Placement and/or obtained Exchange acceptance to the pricing, in accordance with the policies of the Exchange. Subscription agreements received following the increase to the trading price of the Company’s Shares were priced at \$0.65 per Unit.

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

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

For further information, please contact:

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Item 9: Date of Report

December 7, 2021.