**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1.** **Name and Address of Company**

Lithium Energy Products Inc.
1001 - 409 Granville Street
Vancouver, BC V6C 1T2

**Item 2.** **Date of Material Change**

May 2, 2018

**Item 3.** **News Release**

A news release with respect to the material changes referred to in this report was disseminated on May 2, 2018 and filed on SEDAR.

**Item 4.** **Summary of Material Change**

**The Company** announced the signing of a definitive agreement for the acquisitions of 100% interest in the Vanadium Ridge Property from Darren Blaney, Carmen Blaney and Brayden Blaney (the "Vendors"). The Vanadium Ridge Property (the "Property") consists of 20 mining claims, covering over 5,200 acres, situated 40 minutes by road from Kamloops, British Columbia.

**Item 5.** **Full Description of Material Change**

See Item 4 above and the attached news release for a full description of the material change.

**Item 6.** **Reliance on Section 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 James Walker, Chief Executive Officer of the Company at 604-566-8570

**Item 9.** **Date of Report**

**February 25, 2019**

# Lithium Energy Products Acquires Vanadium Ridge Property

*Robert Friedland recently said: "there's a revolution coming in vanadium Redox batteries... You'll have to get into the mining business and produce ultra-pure vanadium electrolyte for those batteries on a massive scale." – Northern Miner Interview, 2017*

**Vancouver, British Columbia, May 2, 2018. LITHIUM ENERGY PRODUCTS INC. ("Lithium Energy Products" or "LEP" or the "Company") (TSX-V: LEP) (FRANKFURT: N8I)** is pleased to announce the signing of a definitive agreement for the acquisition of a 100% interest in the Vanadium Ridge Property from Darren Blaney, Carmen Blaney and Brayden Blaney (the "Vendors"). The Vanadium Ridge Property (the "Property") consists of 20 mining claims, covering over 5,200 acres, situated 40 minutes by road from Kamloops, British Columbia.

The property is a vanadium-rich magnetite deposit, discovered by a Provincial Government airborne magnetic survey, which found an intense magnetic anomaly near Barriere. Follow up surface mapping and ground geophysics resulted in well-defined magnetic anomalies and a vanadium-rich magnetite deposit exposed right at surface.

A preliminary diamond drill program was completed in November 2009, drilling at depth for an aggregate of 658 meters, and identified multiple massive magnetite seams and pods. All drill holes intersected broad intervals of magnetite mineralization with many ending in magnetite-rich mineralized zones. This preliminary drill program not only confirmed significant magnetite mineralization at depth, but also indicates that many other additional anomalies identified on the property may have the potential to host vanadium-rich magnetite mineralization.

Initial metallurgical testing of the magnetite/vanadium samples by ALS, Australia, produced concentrate averaging 67% iron (Fe203), 93% magnetite (Fe304), and 0.74% vanadium,

indicating the potential to produce a concentrate for direct shipping material. These assays also indicate that the magnetite is coarse-grained, soft, and that silica is not bound in magnetite. Crushing produces a good liberation of silica, resulting in a high-grade magnetite concentrate, even in samples with disseminated magnetite[1].

| Sample | Fe (%) | $V_2O_5$% | $TiO_2$% | $P_2O_5$% | $Al_2O_3$% | MgO% | CaO% | NaO% |
|---|---|---|---|---|---|---|---|---|
| 8R187811 | **43.5** | **0.40** | 0.50 | 0.002 | 1.47 | 1.34 | 0.52 | 0.05 |
| 8R187812 | **34.2** | **0.34** | 0.48 | 0.002 | 1.85 | 1.69 | 0.76 | 0.05 |
| 8R187813 | **51.9** | **0.39** | 0.52 | 0.002 | 2.15 | 1.92 | 0.46 | 0.05 |
| 8R187821 | **39.2** | 0.29 | 0.43 | 0.002 | 2.30 | 1.91 | 0.77 | 0.07 |
| 8R187826 | **38.2** | 0.27 | 0.40 | 0.002 | 2.70 | 1.76 | 0.77 | 0.03 |
| 8R187827 | **47.3** | **0.35** | 0.60 | 0.002 | 2.15 | 1.67 | 0.77 | 0.05 |
| 8R187828 | **49.6** | **0.32** | 0.50 | 0.002 | 2.42 | 1.62 | 0.38 | 0.01 |
| 8R187829 | **43.9** | **0.33** | 0.57 | 0.002 | 2.36 | 1.99 | 0.73 | 0.05 |
| 8R187830 | **58.6** | **0.39** | 0.50 | 0.002 | 0.66 | 0.30 | 0.11 | 0.01 |
| 8R187831 | **61.7** | **0.38** | 0.55 | 0.002 | 0.76 | 0.45 | 0.14 | 0.01 |
| 8R187832 | **55.2** | **0.38** | 0.47 | 0.002 | 1.15 | 0.76 | 0.21 | 0.03 |

***Figure 1 - Assays results from rock samples taken from the Vanadium Ridge anomaly. Assaying completed in 2009 at a specialized iron ore division of ALS Chemex Laboratories in Perth, Australia. Selected chip samples randomly selected and may not necessarily be representative of the mineralization hosted on the property.***

[1] The preliminary diamond drill program, initial metallurgical testing and aerial surveys conducted on the Vanadium Ridge Property are historical and any estimates are Historic Estimate as defined by NI 43-101 Standards of Disclosure for Mineral Projects. No other Resource Estimates are known to LEP. Qualified Persons working on behalf of LEP have not done sufficient work to classify the historical estimates, as a result LEP is not treating the historical estimate as a Current Mineral Resource.

| | Fe | S | TiO2 | V2O5 | Magnetite |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| C686517-19+38um HEAD | 18.65 | 0.069 | 1.7 | 0.173145 | 26.7743 |
| C686527-29+38um HEAD | 37 | 0.061 | 3.01 | 0.351645 | 51.134 |
| C686582-85+38um HEAD | 23.7 | 0.059 | 2.64 | 0.29274 | 32.7534 |
| C686586-88+38um HEAD | 37.7 | 0.082 | 4.01 | 0.48195 | 52.1014 |
| C686600-02+38um HEAD | 17.1 | 0.101 | 2 | 0.19278 | 23.6322 |
| C686517-19+38um CONC | 69.8 | 0.004 | 0.47 | 0.826535 | 96.4636 |
| C686527-29+38um CONC | 68 | 0.004 | 1.61 | 0.63189 | 93.976 |
| C686582-85+38um CONC | 68.7 | 0.004 | 0.99 | 0.81753 | 94.9434 |
| C686586-88+38um CONC | 67.3 | 0.004 | 1.6 | 0.86751 | 93.0086 |
| C686600-02+38um CONC | 69.3 | 0.008 | 0.71 | 0.762195 | 95.7726 |
| C686517-19+75um HEAD | 18.3 | 0.063 | 1.7 | 0.169575 | 25.2906 |
| C686527-29+75um HEAD | 37.1 | 0.06 | 3.02 | 0.36343 | 51.2722 |
| C686582-85+75um HEAD | 24.1 | 0.059 | 2.8 | 0.2856 | 33.3062 |
| C686586-88+75um HEAD | 39.5 | 0.077 | 3.99 | 0.505155 | 54.589 |
| C686600-02+75um HEAD | 16.9 | 0.104 | 2.06 | 0.19992 | 23.3558 |
| C686517-19+75um CONC | 68.9 | 0.005 | 0.72 | 0.615825 | 95.2198 |
| C686527-29+75um CONC | 68 | 0.003 | 1.76 | 0.622965 | 93.976 |
| C686582-85+75um CONC | 68.9 | 0.005 | 1.18 | 0.822885 | 95.2198 |
| C686586-88+75um CONC | 67.6 | 0.003 | 1.7 | 0.865725 | 93.4232 |
| C686600-02+75um CONC | 69.5 | 0.01 | 0.98 | 0.783615 | 96.049 |
| C686517-19+106um HEAD | 18.8 | 0.065 | 1.72 | 0.173145 | 25.9816 |
| C686527-29+106um HEAD | 37 | 0.061 | 3.01 | 0.34986 | 51.134 |
| C686582-85+106um HEAD | 25.2 | 0.059 | 2.64 | 0.301665 | 34.8264 |
| C686586-88+106um HEAD | 38.1 | 0.09 | 3.98 | 0.48909 | 52.6542 |
| C686600-02+106um HEAD | 17.45 | 0.101 | 2.02 | 0.194565 | 24.1159 |
| C686517-19+106um CONC | 67.9 | 0.007 | 1.06 | 0.648617 | 93.8378 |
| C686527-29+106um CONC | 67.4 | 0.003 | 1.95 | 0.62118 | 93.1468 |
| C686582-85+106um CONC | 67.8 | 0.005 | 1.54 | 0.805035 | 93.8996 |
| C686586-88+106um CONC | 67.3 | 0.002 | 1.82 | 0.865725 | 93.0086 |
| C686600-02+106um CONC | 68.3 | 0.012 | 1.22 | 0.762195 | 94.3906 |

***Figure 2 - Crushed and magnetically separated concentrates from all composite samples average > 67% Fe (>93% Magnetite). Concentrating the mineralized material was completed in 2009 using DTR (Davis Tube Recovery) by the ALS Chemex Laboratories in Perth, Australia. XRF and Magnetic susceptibility results were used to determine the samples to be concentrated by DTR***

James Walker, CEO of LEP said, "this is a great find and acquisition. As the market shifted its focus to vanadium we examined many potential vanadium projects, but none had the surveying, geophysics, data and scope for expansion as this project. The vanadium spot price has increased almost 6 times in 2 years, from $2.5/lbs in 2016 to over $14/lbs today. The use of vanadium in Redox batteries, which have many favourable qualities[2] compared to other battery types, has put pressure on supply of the element.

"The Vanadium Ridge magnetite outcrops at surface are well suited for quarrying and open pit mining and will be crushed and concentrated by magnetic separation. The logistics of the property are also excellent; with nearby rail, high power transmission lines, roads running

2 The main advantages of the vanadium redox battery are that it can offer almost unlimited energy capacity simply by using larger electrolyte storage tanks, it can be left completely discharged for long periods with no ill effects, if the electrolytes are accidentally mixed, the battery suffers no permanent damage, a single state of charge between the two electrolytes avoids the capacity degradation due to a single cell in non-flow batteries, the electrolyte is aqueous and inherently safe and non-flammable and the generation 3 formulation using a mixed acid solution developed by the Pacific Northwest National Laboratory operates over a wider temperature range allowing for passive cooling - https://en.wikipedia.org/wiki/Vanadium_redox_battery

through the property and a shipping port on the west coast of British Colombia within 300 km. The aerial surveys show intense magnetic anomalies stretching over 7km, which our claims cover, giving us huge potential for expansion."

The market has also not been slow recognising vanadium as a hot commodity. Forbes noted that "the latest, greatest utility-scale battery storage technology to emerge on the commercial market is the vanadium redox battery." A recent Bloomberg article noted that the vanadium pentoxide price soared more than 130% in 2017, outperforming better-known battery components like cobalt, lithium and nickel. The Bank of Montreal published recent research noting that Chinese vanadium pricing would see significant further upside as the market adjusts to lower Chinese shipments due to the upgrade of Chinese rebar standards and the growing adoption of vanadium redox batteries. Fittingly, the vanadium pentoxide price has increased 40% in 2018 to date, with European V2O5 price at US$14.1/lb., surpassing the Chinese V2O5 price of $13.8/lb., an anomaly not often seen, demonstrating global shortage of vanadium inventories.

Under the terms of the agreement, the Company will make a $35,000 cash payment and issue 2,250,000 common shares to the Vendors. The Company also intends to raise capital by way of a private placement ("Financing") within sixty (60) days of the signing of the agreement. Upon completion of the Financing, the Company will make an additional $100,000 in cash payment to the Vendors and issue 250,000 common shares ("Additional Considerations"), and in any event, these Additional Considerations will be made no later than sixty (60) days from the signing of the agreement, in addition, the Vendors will retain a 1% net smelter returns royalty ("NSR") on the Property. In the event that the Additional Considerations are not made within sixty (60) days from the singing of the agreement, the agreement will be terminated. The transaction is subject to regulatory approval and closing is expected following receipt of approval.

- *Raul Sanabria,* P.Geo., is a qualified person as defined by NI 43-101 and has reviewed and approved the technical contents of this news release. *Mr. Sanabria* is not independent to the Company as he is a shareholder. The property has not been the subject of a NI 43-101 report.

**About Lithium Energy Products Ltd.**

Lithium Energy Products has 3 highly prospective properties in Kamloops, Nevada and Arizona.

**Vanadium Ridge Project – Barriere, British Columbia**

- 100% owned - 5213 acres – 20 claims
- 50km north of Kamloops 550 ppm, average 175 ppm
- Airborne magnetic survey detected an intense magnetic anomaly. A vanadium-rich magnetite deposit was subsequently discovered.
- Preliminary diamond drilling discovered multiple massive magnetite seams and pods. All drill holes intersected broad intervals of magnetite mineralization
- Initial metallurgical testing of the magnetite / vanadium produced concentrate averaging 67% iron, 93% magnetite, and 0.74% vanadium.
- These assays indicate that the magnetite is coarse-grained, soft, and that silica is not bound in magnetite. Crushing produces a good liberation of silica at 106 microns resulting in a high-grade magnetite concentrate even in samples with disseminated magnetite.
- Favourable logistics are excellent: Rail, high power transmission lines and a highway run through the property. It is located just over 300 km from a shipping port in Vancouver, B.C.

**Jackpot Lake –Moapa Valley, Nevada**

- 100% owned - 2800 acres – 140 claims
- 35 km NE of Las Vegas
- 1976 USGS completed 129 core samples; highest Lithium value was 550 ppm, average 175 ppm
- Spectrographic and atomic-absorption analyses of 135 stream sediment samples confirmed potential for lithium mineral deposits.

**Wilcox Playa –Arizona**

- 1400 acres on shore of Wilcox Playa – Dry lake bed
- In 1976 USGS identified this area as one of the most prospective locations for lithium brines and highly analogous to Clayton Valley
- The USGS has identified a 22-sq. mile anomaly with high electrical conductivity, interpreted as subsurface brine field with no hydrological outlet.

The company is also the owner of five iron (magnetite) properties in the Red Lake District in the Province of Ontario. The Red Lake District is an established mining region where Lithium Energy Products has two near term development projects, the past producing Griffith mine and the Karas property.

*Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

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