



Lithium Energy Products Announces the ramp-up of the Lost Sheep fluorspar mine in Utah and a Brokered Private Placement of \$3,500,000

Vancouver, British Columbia, 19th of November 2019. LITHIUM ENERGY PRODUCTS INC. ("**Lithium Energy Products**" or "**LEP**" or the "**Company**") (TSX-V: LEP) (FRANKFURT: N8I) today announced that as a result of its intention to ramp up its Lost Sheep fluorspar mine in Utah, it has engaged Sprott Capital Partners LP (the "**Agent**"), on a best efforts basis, as the exclusive placement agent to the Company, for a private placement of up to 43,750,000 units (the "**Units**") at a price of \$0.08 per Unit (the "**Purchase Price**") for gross proceeds of up to \$3,500,000 (the "**Offering**"). Each Unit is comprised of one common share of the Company (each a "**Common Share**") and one half of one common share purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each whole Warrant shall entitle the holder thereof to purchase one Common Share for a period of twenty-four (24) months after the closing of the Offering at an exercise price of \$0.15 per Common Share.

The net proceeds from the Offering will be used to purchase mining equipment, employ a professional workforce, upgrade processing facilities, construct an adit, and will provide the Company working capital to restart the mine.

James Walker, CEO of LEP said, "We are very happy to be working with Sprott to ramp up the Lost Sheep fluorspar mine. Fluorspar is listed as a critical and strategic metal in the USA, and currently there are no producing mines in the country¹. Fluorspar is used extensively in the production of steel and aluminium, as well as the manufacture of hydrofluoric acid, cement, and refrigerants. Currently about 600,000 tonnes of fluorspar are imported into the US every year, from countries such as Mexico, Vietnam, and South Africa¹. As result, the industry in North America struggles to secure consistent supply of quality product. We aim to provide a

¹ Page 60 - <https://www.usgs.gov/centers/nmic/mineral-commodity-summaries>

secure source of supply to a select group of fluorspar users. With newly purchased equipment, an expert staff, and a large market for our product, we are confident our fully permitted, past producing fluorspar mine, can be properly developed to become the only local supplier in the USA.”

Prospectus Exemptions

The Company advises that it may be relying on certain prospectus exemptions including but not limited to, the Existing Security Holder Exemption and Multilateral CSA Notice 45-318 *Prospectus Exemption for Certain Distributions through an Investment Dealer*, an exemption where the purchaser has obtained advice regarding suitability from a person registered as an investment dealer. The Company also advises that the insiders of the Company may also participate in the Offering, which will be completed pursuant to available related party exemptions under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. Can we not just say accredited investors only?

Offering jurisdictions

The Offering will take place by way of a brokered private placement to qualified investors in such provinces of Canada as the Agent may designate and otherwise in those jurisdictions where the Offering can lawfully be made under applicable exemptions.

Agent's compensation

On the closing of the Offering, the Company has agreed to pay to the Agent, subject to certain exclusions, a cash commission equal to 8% of the gross proceeds arising from the Offering. At the closing of the Offering, the Company will also issue to the Agent Units entitling the Agent to acquire that number of Units which is equal to 8% of the total number of Units sold under the Offering. Agent's Units are comprised of one Common Share and one half of one Agent's Warrant. The Agent's Warrants are non-transferable and are exercisable at a price of \$0.15 per Common Share for a period of 24 months from closing of the Offering.

The closing of the Offering is expected to occur on or about November 29, 2019. Closing is subject to a number of prescribed conditions, including, without limitations, approval of the TSX Venture Exchange.

All the securities issued under the Offering are subject to resale restrictions under applicable securities legislation.

Disclosure: Companies typically rely on comprehensive feasibility reports on mineral reserve estimates to reduce the risks and uncertainties associated with a production decision. The Company has not completed a feasibility study on, nor has the Company completed a mineral reserve estimate at the Lost Sheep Mine, and as such the financial and technical viability is deemed to have higher risk than if this work had been completed. Based on historical engineering and geological reports, historical production data and current engineering work completed or in process by the Company, the Company intends to move forward with the development of this asset. The Company further cautions that it is not basing any production decision on a feasibility study of mineral reserves demonstrating economic and technical viability, and therefore there is a much greater risk of failure associated with its production decision. In addition, readers are cautioned that inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

- *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.

Lost Sheep Fluorspar Project – Delta, Utah

- 100% owned – 1,447 acres – 67 Claims
- Located in the Spor Mountain area, Juab County, Utah, approximately 214 km south-west of Salt Lake City.
- Fully Permitted – including mining permits.
- NI 43-101 Technical Report identified extensive high-grade fluorspar with low levels of impurities.
- Mining plan approved by BLM².

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.

For further information, please contact:

James Walker

CEO

Lithium Energy Products Ltd.

² First approved by Rex Rowley – Area Manager, Bureau of Land Management – 24th August 1992.

Renewed by Paul B. Baker – Minerals Program Manager, Bureau of Land Management – 12th December 2016.

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