

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

January 6, 2020

Item 3. News Release

A news release with respect to the material changes referred to in this report was disseminated on January 6, 2020 and filed on SEDAR

Item 4. Summary of Material Change

The Company announced that it has successfully arranged a bridge financing, representing the funds required to satisfy the closing conditions for the reverse takeover transaction with American Strategic Minerals Inc. ("ASM") which was announced on April 3, 2019 (the "RTO Transaction")

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, President & Chief Executive Officer of the Company at 604-566-8570

Item 9. **Date of Report**

January 20, 2020



Lithium Energy Products Announces the Close of its Bridge Financing and provides an Update of its Reverse Takeover Transaction

Vancouver, British Columbia, 6th January 2020. LITHIUM ENERGY PRODUCTS INC. ("**Lithium Energy Products**" or "**LEP**" or the "**Company**") (TSX-V: LEP) (FRANKFURT: N8I) announces that it has successfully arranged a bridge financing, representing the funds required to satisfy the closing conditions for the reverse takeover transaction with American Strategic Minerals Inc. ("**ASM**") which was announced on April 3, 2019 (the "**RTO Transaction**").

The bridge financing consists of the issuance of 2,500,000 common shares of the Company ("**Common Shares**") at a price of \$0.08 per Common Share with 1,250,000 warrants attached with an exercise price of \$0.15, valid for two years from the closing of the financing.

The Company is also pleased to announce that Sprott has signed an agreement to act as an adviser to the Company in connection with the RTO Transaction and the Offering. The Company may pay Sprott Capital Partners LP ("**Sprott**") a finder's fee of 8% of the gross proceeds and finders warrants up to 8% of the units sold.

With the closing of the bridge financing, the Company will pay certain external service providers up to \$200,000, which will allow the Company to proceed towards the closing of the RTO Transaction.

The Company would also like to provide clarifications to the information provided in the news release dated November 19, 2019. That news release stated that the Company is arranging a brokered private placement of up to \$3,500,000. The private placement will be a non-brokered private placement for up to \$3,500,000.

Sprott will be acting as an advisor to the offering of up to 43,750,000 units ("**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 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.

The parties continue to work to satisfy the closing conditions for the RTO Transaction. Documents related to the RTO Transaction has been filed with the TSX Venture Exchange (the “**Exchange**”).

Trading of the Common Shares on the Exchange will remain halted until the RTO Transaction is accepted by, or satisfactory documentation has been filed with, the Exchange, pursuant to the policies of the Exchange.

The Units, Common Shares, warrant shares, finders warrants will be subject to applicable resale restrictions, including a four-month hold period from date of closing of the Offering under applicable Canadian securities laws.

Completion of the Offering is subject to regulatory approval, including approval of the TSX Venture Exchange.

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.Ge., 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 and a director. 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 BLM¹.

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.