

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Lithium Energy Products Inc. (“**LEP**”)
Suite 1000 - 409 Granville Street
Vancouver, BC V6C 1T2

Item 2 Date of Material Change

January 29, 2020

Item 3 News Release

The news release dated January 29, 2020 was disseminated via Stockwatch and Market News.

Item 4 Summary of Material Change

LEP announced that, further to its news releases of April 3, 2019 and October 11, 2019, LEP has entered into an amending agreement (the “**Amendment**”) to the definitive amalgamation agreement dated April 1, 2019, as amended (together, the “**Agreement**”), with American Strategic Minerals Inc. (“**ASM**”), a private British Columbia company which holds the prospective Lost Sheep Property.

The Amendment permits LEP to close a proposed shares for debt transaction detailed below prior to the Transaction and, when combined with other changes set out in the Amendment, results in the Transaction no longer being deemed a reverse take-over transaction for accounting purposes. Instead, LEP is proceeding to obtain approval of the Transaction from the TSX Venture Exchange (the “**TSXV**”) as a “Fundamental Transaction” as defined by TSXV policies which LEP anticipates will expedite the closing process.

The changes in the Amendment do not affect the structure of the Transaction or the number of securities issuable to acquire all of the outstanding securities of ASM.

To repeat prior news releases, it is structured as a three-cornered amalgamation among LEP, ASM, and a wholly-owned subsidiary of LEP (the “**Transaction**”). Pursuant to the terms of the Agreement, the existing shareholders of ASM will each receive one common share of LEP (each, a “**Lithium Share**”) and one half of one warrant at an exercise price of \$0.16 for each two shares of ASM.

The closing of the Agreement is subject to:

- A non-brokered private placement (the “**Financing**”) raising gross proceeds of up to a remaining amount of \$3,300,000 at a price of \$0.08 per unit, with each unit comprised of one Lithium Share and one half of one share purchase warrant of LEP, and with each whole warrant entitling the holder to acquire an additional Lithium Share at the exercise price of \$0.15 for a period of two years from the date of issuance (each, a “**Lithium Unit**”). At this time, LEP anticipates that it will close on gross proceeds of \$1,800,000 or issue 22,500,000

Lithium Units on the closing of the Financing. Finder's fees may be paid to eligible finders in accordance with applicable securities laws and TSXV policies.

- A shares for debt arrangement to settle an aggregate of \$454,591 bona fide debt owed by LEP to certain creditors through the issuance of up to 5,682,387 Lithium Units (the "**Debt Settlement**").

There are currently 16,063,375 Lithium Shares issued and outstanding. On the closing of the Transaction, and assuming 22,500,000 Lithium Shares are issued in the Financing and 5,682,387 Lithium Shares are issued in the Debt Settlement, LEP anticipates that there will be a total of 58,520,322 Lithium Shares issued and outstanding on a non-diluted basis with 27.5% held by current LEP shareholders, 38.4% held by investors in the Financing, 9.7% held by creditors participating in the Debt Settlement and 24.4% held by current shareholders of ASM. LEP does not anticipate that the Transaction or the ancillary matters thereto will result in any new Insiders of LEP (as that term is defined by the policies of the TSXV).

The Transaction was negotiated at arm's length. Subsequent to entering into the Agreement, and at its last annual general meeting held on October 23, 2019, Karl Marek and Raul Sanabria were appointed to the board of directors of LEP, both of whom are also directors of ASM. All directors' resolutions passed subsequent to their appointment have included a notice of disclosure from Karl Marek and Raul Sanabria and such directors have abstained on voting on such matters. James Walker was subsequently appointed to the board of directors on December 1, 2019.

There are no further anticipated changes to LEP's board of directors and executive management team on closing.

LEP intends to change its name to "Ares Strategic Mining Inc." on or prior to closing, subject to approval of the TSXV.

Trading in Lithium Shares has been halted and will remain halted pending review by the TSXV of the Transaction, and satisfaction of TSXV conditions with respect to the same.

Securities issued by LEP in connection with the Financing and the Debt Settlement will be subject to resale restrictions as required pursuant to TSXV policies and securities laws.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the attached news release which has been filed on SEDAR.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

James Walker, Chief Executive Officer
Telephone: (604) 566-8570

Item 9 Date of Report

January 29, 2020



1001 - 409 Granville Street
Vancouver, British Columbia V6C 1T2

Lithium Energy Products Announces Amendment to Definitive Agreement with American Strategic Minerals and Updates Transaction Structure

Vancouver, British Columbia – January 29, 2020. LITHIUM ENERGY PRODUCTS INC. (“LEP” or the “Company”) (TSX-V: LEP) (FRANKFURT: N8I) today announced that, further to its news releases of April 3, 2019 and October 11, 2019, LEP has entered into an amending agreement (the “Amendment”) to the definitive amalgamation agreement dated April 1, 2019, as amended (together, the “Agreement”), with American Strategic Minerals Inc. (“ASM”), a private British Columbia company which holds the prospective Lost Sheep Property.

The Amendment permits LEP to close a proposed shares for debt transaction detailed below prior to the Transaction and, when combined with other changes set out in the Amendment, results in the Transaction no longer being deemed a reverse take-over transaction for accounting purposes. Instead, LEP is proceeding to obtain approval of the Transaction from the TSX Venture Exchange (the “TSXV”) as a “Fundamental Transaction” as defined by TSXV policies which LEP anticipates will expedite the closing process.

The changes in the Amendment do not affect the structure of the Transaction or the number of securities issuable to acquire all of the outstanding securities of ASM.

To repeat prior news releases, it is structured as a three-cornered amalgamation among LEP, ASM, and a wholly-owned subsidiary of LEP (the “Transaction”). Pursuant to the terms of the Agreement, the existing shareholders of ASM will each receive one common share of LEP (each, a “Lithium Share”) and one half of one warrant at an exercise price of \$0.16 for each two shares of ASM.

The closing of the Agreement is subject to:

- A non-brokered private placement (the “Financing”) raising gross proceeds of up to a remaining amount of \$3,300,000 at a price of \$0.08 per unit, with each unit comprised of one Lithium Share and one half of one share purchase warrant of LEP, and with each whole warrant entitling the holder to acquire an additional Lithium Share at the exercise price of \$0.15 for a period of two years from the date of issuance (each, a “Lithium Unit”). At this time, LEP anticipates that it will close on gross proceeds of \$1,800,000 or issue 22,500,000 Lithium Units on the closing of the Financing. Finder’s fees may be paid to eligible finders in accordance with applicable securities laws and TSXV policies.
- A shares for debt arrangement to settle an aggregate of \$454,591 bona fide debt owed by LEP to certain creditors through the issuance of up to 5,682,387 Lithium Units (the “Debt Settlement”).

There are currently 16,063,375 Lithium Shares issued and outstanding. On the closing of the Transaction, and assuming 22,500,000 Lithium Shares are issued in the Financing and 5,682,387 Lithium Shares are issued in the Debt Settlement, LEP anticipates that there will be a total of 58,520,322 Lithium Shares issued and outstanding on a non-diluted basis with 27.5% held by current LEP shareholders, 38.4% held by investors in the Financing, 9.7% held by creditors participating in the Debt Settlement and 24.4% held by current shareholders of ASM. LEP does not anticipate that the Transaction or the ancillary matters thereto will result in any new Insiders of LEP (as that term is defined by the policies of the TSXV).

The Transaction was negotiated at arm's length. Subsequent to entering into the Agreement, and at its last annual general meeting held on October 23, 2019, Karl Marek and Raul Sanabria were appointed to the board of directors of LEP, both of whom are also directors of ASM. All directors' resolutions passed subsequent to their appointment have included a notice of disclosure from Karl Marek and Raul Sanabria and such directors have abstained on voting on such matters. James Walker was subsequently appointed to the board of directors on December 1, 2019.

There are no further anticipated changes to LEP's board of directors and executive management team on closing.

LEP intends to change its name to "Ares Strategic Mining Inc." on or prior to closing, subject to approval of the TSXV.

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Securities issued by LEP in connection with the Financing and the Debt Settlement will be subject to resale restrictions as required pursuant to TSXV policies and securities laws.

ON BEHALF OF THE BOARD OF DIRECTORS OF LITHIUM ENERGY PRODUCTS INC.

"James Walker"

James Walker
Director and Chief Executive Officer

For further information, please contact James Walker by phone at 604-566-8570 or by email at jwalker@lithiumenergyproducts.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Transaction. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward looking statements in this news release include, without limitation: the expectation that the Transaction will close; the ability of LEP to obtain the necessary approvals; a suggestion that the

Financing and Debt Settlement will be completed as contemplated; the proposed name change; the anticipated share numbers and percentages on closing; and that the TSXV will consider the Transaction to constitute a "Fundamental Acquisition". Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including the risk that the TSXV may not approve the Transaction or the ancillary matters contemplated therein; the inability to close the Financing and/or Debt Settlement; that the Transaction may not be completed for any other reason; or that factors may occur which impede or prevent future development plans. 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 LEP will obtain from them. Readers are urged to consider these factors carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and LEP disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.