

Lithium Energy Products to Extend its Definitive Agreement with American Strategic Minerals for the Acquisition of the Lost Sheep Fluorspar Mine

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October 11th, 2019 - [Lithium Energy Products Inc.](#) (TSXV:LEP) (FRANKFURT:N8I) ("LEP") today announced that, following recent progress in financing the project, LEP and American Strategic Minerals Inc. ("ASM") have agreed to extend the Definitive Amalgamation Agreement, as originally dated April 1, 2019 (the "Amalgamation Agreement").

LEP will honour its commitment to acquire all of the shares of ASM by way of a three-cornered amalgamation (the "Transaction") between LEP, ASM and a wholly-owned subsidiary of LEP formed for the purpose of completing the amalgamation ("Newco").

The Transaction will result in the reverse takeover of ASM by LEP. LEP and ASM are parties dealing at arm's length, therefore the Transaction will not be a non-arms' length transaction under the policies of the TSX Venture Exchange (the "TSXV").

Terms of the Transaction

The completion of the Transaction will involve, among other things, the following steps, but the parties may agree to a different structure based on tax efficiencies and the advice of legal and financial advisors:

- ASM and Newco will amalgamate, with the amalgamated company being a wholly-owned subsidiary of LEP; and
- the ASM Shares outstanding immediately prior to the amalgamation will be cancelled, and the holders of ASM Shares will receive one LEP Share and one LEP Warrant for each two ASM Shares held; and
- existing ASM option agreements reflecting the issuance of options exercisable into 600,000 ASM Shares will be terminated and the holders of the options will receive replacement options in LEP.

Completion of the Transaction will be subject to certain conditions, including:

- LEP and ASM obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including the board and shareholders of each of ASM and Newco, the board of LEP, the TSXV and other applicable regulatory authorities, if required;
- insiders of LEP entering into applicable escrow or pooling agreement as may be required by the TSXV;
- completion and submission of a Filing Statement prepared in accordance with TSXV Form 3D2 - "Information Required in a Filing Statement for a Reverse Takeover or Change of Business";
- delivery by ASM of the appropriate accredited investor certificate for each U.S. shareholder;
- certain management services agreements (the "Management Agreements") will be amended pursuant to

which two officers of ASM will receive 300,000 LEP Shares in lieu of ASM Shares on the closing of the Transaction;

- delivery of all customary closing documentation as set out in the Amalgamation Agreement; and
- completion of all required exchange filings, and the approval of the TSXV;
- other standard closing conditions, including there being no material adverse change in relation to the business of LEP or ASM, the representations and warranties of the parties in the Amalgamation Agreement remaining true and accurate of at the closing of the Transaction, and there being no material action, claim, demand, investigation or other proceeding in progress, pending or threatened against LEP or ASM, which involve the reasonable likelihood of any judgment or liability against either party.

In connection with the Transaction, LEP intends to change its name to "Ares Mining", which name change has previously been approved by the shareholders of LEP.

Trading in LEP Shares

Trading in the LEP Shares has been halted in compliance with the policies of the TSXV, and will remain halted pending review by the TSXV and satisfaction of the conditions of the TSXV for resumption of trading. It is likely that trading in the LEP Shares will not resume prior to Closing.

ON BEHALF OF THE BOARD OF DIRECTORS OF [Lithium Energy Products Inc.](#)

James Walker
Chief Executive Officer and President

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

- 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 4 highly prospective properties in Kamloops, Nevada and Arizona.

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 BLM.

Vanadium Ridge Project - Barriere, British Columbia

- 20% owned - 5213 acres - 20 claims
- 50km north of Kamloops.
- 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.
- Metallurgical testing indicates 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 Lithium Property -Moapa Valley, Nevada

- 100% owned - 2,800 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 Lithium Property -Arizona

- 1,400 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) ore properties in the Red Lake Mining 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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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 statements relating to the Transaction; terms and of the Transaction; ability to obtain the necessary approvals; and ASM's future site development plans. 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; that the Transaction may not be completed for any other reason; or that factors may occur which impede or prevent ASM's 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.

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.

<https://pubs.er.usgs.gov/publication/ofr76567>

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