

Lithium Energy Products Concludes An Mou With Possehl Erzkontor, North America, Inc.

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Possehl Erzkontor Will Act As Exclusive Sales Agent For Metspar Production From The Lost Sheep Mine, Utah

Vancouver, 18th November 2019 - Lithium Energy Products Inc. ("Lithium Energy Products" Or "LEP" Or The "Company") (TSXV:LEP) (FRANKFURT:N8I) today announced the signing of an MOU between Possehl Erzkontor North America Inc. (Possehl) and the Company.

Under the MOU, the two firms will negotiate binding definitive agreements for the following:

- Possehl will become LEP's exclusive agent for the sale and worldwide distribution of Fluorspar produced at the Company's Lost Sheep Mine in Utah.
- Under a take or pay sales agreement, Possehl will be responsible for selling all the Company's expected 60,000 tonne per year production of Metspar, for the next 5 years, with the option of renewal at the end of that period.
- Possehl will earn a commission on all sales.
- After suitable due diligence, Possehl will advance US\$2,000,000 under a forward sale agreement, to enable the company to meet its working capital and investment needs.
- Possehl also has the right of first refusal for any additional fluorspar products such as acidspar and any production from other mines LEP may acquire.

Niklas Luedemann, President of Possehl Erzkontor North America said: "Having a US source for quality fluorspar is a gigantic step in securing the demand of the North American market. Under the agreement we will shorten lead times and eliminate many of the uncertainties that come along with importing material.

We are happy to partner up with an experienced company like LEP to move on to the next steps of this project."

James Walker, CEO of the Company said: "This agreement is a key milestone in ramping up the Lost Sheep mine's production. We have a fully permitted mine and now have confirmation that we can sell everything we can produce. We have a strategic partner with decades of global experience selling commodities and raw materials. Over the last few months traditional sources of fluorspar, like China, have become increasingly challenging to deal with and the fact that we are the only US source of fluorspar should prove to be a critical benefit. We currently have several investors interested in funding the mine ramp-up, and interest is likely to be positively impacted by the signing of this agreement."

The lost Sheep Mine is a fully permitted past producer. Fluorspar mining is expected to start in April 2020. Sales of metspar will commence soon after.

About Possehl Erzkontor

Possehl Erzkontor was established in 1915 in the Hanseatic City of Lubeck in Germany. Originally the business focused on trading iron ore from Sweden. From the 1960s onwards the focus shifted increasingly to

manganese and chrome ores. In subsequent years the product range and the company's divisions were expanded to meet changing needs, new commercial relations were established, and existing ones strengthened. The company grew in every respect and with typical Hanseatic cosmopolitanism also expanded internationally.

Today the trading portfolio of the Erzkontor Group comprises almost all natural and synthetic industrial raw materials. With our many offices located in Europe, Asia, North and South America, we supply traditional and emerging sales markets around the globe. In terms of sectors we focus mainly on the refractory, steel, metallurgical and chemical industries.

Since 2014 Possehl Erzkontor GmbH has been owned by Peter Cremer Holding GmbH & Co. KG. This traditional business is based in Hamburg and has operations worldwide: it specializes in the international trading, processing and refining of agricultural and industrial commodities.

Important Notices

The Company cautions that it has not defined or delineated any proven or probable reserves or mineral resources for its Lost Sheep Mine, and no mineralization estimates may therefore be produced. The Company also cautions that the decision to proceed to develop and ramp-up the Lost Sheep Mine, are proceeding without the Company first establishing reserves supported by a technical report, or completing a pre-feasibility or feasibility study. Accordingly, there is a higher risk of technical and economic failure at the Lost Sheep Mine because development proceeded without first establishing reserves supported by a technical report and completing a feasibility study.

- --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.

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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.

- 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.

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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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