NEWS RELEASE

DESERT LION ENERGY ANNOUNCES OFFTAKE AGREEMENT WITH CHINESE LEPIDOLITE CONVERTER

Highlights:

- Offtake agreement, as amended, signed with Chinese lepidolite converter for purchase and sale of Phase 1 lithium concentrate production from stockpiled material
- Prepayment of US$4.5 million received against delivery of Phase 1 lithium concentrate
- Management estimates that there are approximately 700,000 - 750,000 tonnes of stockpiled material located on the Property that will produce approximately 150,000 - 160,000 tonnes of lithium concentrate for sale over the next 12 to 18 months
- First 30,000 tonne shipment of lithium concentrate expected to be delivered in April 2018
- Construction of the Phase 1 floatation plant capable of processing approximately 350,000 – 400,000 tonnes per year of feed is underway, with commissioning due to begin in early Q3 2018

TORONTO, Canada, March 6, 2018 – Desert Lion Energy Inc. (TSXV: DLI) (“**Desert Lion Energy**” or the “**Company**”) is pleased to announce that it has entered into a binding offtake agreement, as amended (the “**Agreement**”) with Chinese lepidolite converter Jiangxi Jinhui Lithium Co. Limited (“**Jinhui**” or the “**Buyer**”), whereby the Company has agreed to sell lithium concentrate from Phase 1 production of stockpiled material located on the Company’s Rubicon and Helikon properties (together, the “**Property**”), exclusively to Jinhui. Jinhui, based in Yinchuan, China, is a chemical converter that produces lithium carbonate and lithium hydroxide.

Under the terms of the Agreement, Jinhui has agreed to purchase all lithium concentrate produced from the stockpiled material that contains not less than 2.0% lithium oxide (Li_2O) and up to a maximum of 120,000 tonnes of lithium concentrate containing not less than 1.7% Li_2O. Management estimates that there are approximately 700,000 – 750,000 tonnes of stockpiled material located on the Property that will produce approximately 150,000 – 160,000 tonnes of lithium concentrate for sale to Jinhui under the Agreement over the next 12 to 18 months. Payment by Jinhui for each shipment of lithium concentrate, each in an approximate amount of 30,000 tonnes, shall be collaterized by the delivery by Jinhui to Desert Lion Energy of irrevocable and unconditional letters of credit drawable on a major international bank.

On execution of the Agreement, Jinhui made a deposit of US$4.5 million against future delivery of lithium concentrate, which depletes by an adjustment of the purchase price using a depletion factor of US$40.00 per tonne. The purchase price for lithium concentrate is determined as of the first day of each month, for that month, calculated as a percentage of the previous 30 day moving average price of 99.5% lithium carbonate as published by Asian Metals (the "**Benchmark**"). The percentage of the Benchmark is determined by the average lithium oxide and tantalum content of the lithium concentrate.

Where the Company has not delivered the first shipment of Material to the Port of Walvis Bay (the "**FOB Port**") on or before April 16, 2018 (the "**Deadline Date**"), the Deposit shall become due and owing, together with interest accruing thereon at the rate of 10% per annum until repaid in full. Where Desert Lion Energy delivers the first shipment of Material to the FOB Port on or before the Deadline Date, Jinhui shall have a period of 60 days to elect to subscribe for 15% of the common shares of the Company for $13 million. In consideration for the subscription, the Company will enter into a five-year offtake agreement with Jinhui for Phase 2 lithium concentrate production produced by Desert Lion Energy from in-situ ore.

To support the sale of the Phase 1 lithium concentrates, Desert Lion Energy has installed and commissioned a sorting plant; in addition, the construction of the Phase 1 floatation plant is currently underway, with commissioning due to begin in early Q3 2018. Upon completion, the Phase 1 floatation plant will be capable of processing approximately 350,000 – 400,000 tonnes per year of feed.

"This offtake agreement and commencement of lithium concentrate production represents a significant milestone for the Company and positions Desert Lion as an emerging lithium producer," commented Tim Johnston, President and Chief Executive Officer of Desert Lion Energy. "We are in the early stages of building the next large-scale lithium mine in Namibia, we are confident that this relationship provides near-term value for shareholders, while positioning us for long-term organic growth."

Qualified Persons Consent

Tim Johnston, CPEng, President and Chief Executive Officer of the Company, and a Qualified Person as defined by National Instrument 43-101 has reviewed and approved the scientific and technical information contained in this news release pertaining to the Property and was responsible for verifying the data herein.

About Desert Lion Energy

Desert Lion Energy is an emerging lithium development company focused on building Namibia's first large-scale lithium mine to be located 30 km south east of Karibib and approximately 210 km from the nation's capital of Windhoek. The Company's Rubicon and Helikon mines is located within a 301 km^2 prospective land package, with known lithium bearing pegmatitic mineralization and the Company is currently in Phase 1 of its production plan, producing and exporting lithium concentrate from stockpiled material. The project site is accessible year-round by road and has access to power, water, rail, port, airport and communication infrastructure. Desert Lion Energy is listed on the TSX Venture Exchange under the ticker "DLI".

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Generally, any statements that are not historical facts may contain forward-looking information, and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget" "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or indicates that certain actions, events or results "may", "could", "would", "might" or "will be" taken, "occur" or "be achieved." Forward-looking information includes, but is not limited to: statements and expectations regarding the initial targeted tonnage for the stockpiled material at the Property and lithium carbonate production therefrom; expected timing for the first shipment of Material to the FOB Port; the Company's planned work program for the Property and its exploration and development schedule and timetable; and the timing for the construction and commissioning of the Company's Phase 1 floatation plant.

Forward-looking information is based on certain factors and assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, lithium and other metal prices, the estimation of initial and sustaining capital requirements, the estimation of labour and production costs, the estimation of mineral reserves and resources, assumptions with respect to currency fluctuations, the timing and amount of future exploration and development expenditures, receipt of required regulatory approvals, the availability of necessary financing for the Property, permitting.

The forward-looking information involves a number known and unknown risks, including but not limited to: risks related to changes in lithium prices; the lack of historical operations; general global markets and economic conditions; risks associated with exploration, development and operations of mineral deposits; and the estimation of initial targeted tonnage and production from Phase 1 operations for the Property. The foregoing list of factors is not exhaustive. Please see the Company's joint management information circular dated January 17, 2018 for a more detailed description of the risk factors.

Although the Company has attempted to identify important factors that cause results not to be as anticipated, estimated or intended, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date hereof and the Company does not undertake to update or revise any forward-looking information this is included herein, except in accordance with applicable securities laws.

Cautionary Note Regarding Potential Quantity of Stockpiled Material

The potential quantity of stockpiled material located on the Property as disclosed herein is an estimate only and is conceptual in nature; there has been insufficient exploration to define a mineral resource and it is uncertain if further work will result in this estimate being delineated as a mineral resource. Estimates provided are based on initial prospecting work completed by the Company.

For more information, please contact:

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