*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. These securities will not be offered or sold to, or for the account or benefit of, persons within the United States or "U.S. persons", as such term is defined in Regulation S under the U.S. Securities Act unless the securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy the securities offered hereby to, or for the account or benefit of, persons in the United States or U.S. persons.*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at our head office located at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Telephone (604) 609-6138, and are also available electronically at www.sedar.com.*

New Issue — October 26, 2017

SHORT FORM PROSPECTUS

LITHIUM X ENERGY CORP.

$13,015,000
6,850,000 Units

This short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of 6,850,000 units (the "**Units**") of Lithium X Energy Corp. ("**Lithium X**" or the "**Company**") at a price of $1.90 per Unit (the "**Offering Price**") for aggregate gross proceeds of $13,015,000. Each Unit will consist of one common share in the capital of the Company (each, a "**Unit Share**") and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a "**Warrant Share**") at an exercise price of $2.75, until 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date (as defined herein), subject to the exercise by the Company of the Acceleration Right (as defined herein). The Units are being offered and sold pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated October 17, 2017 among the Company and Cormark Securities Inc. ("**Cormark**"), Canaccord Genuity Corp. and GMP Securities L.P. (collectively, the "**Underwriters**"). See "*Plan of Distribution*". The Offering Price was determined by negotiation between the Company and Cormark, on behalf of the Underwriters.

$1.90 per Unit

	Price to the Public	Underwriter's Fee(1)	Net Proceeds to the Company(2)
Per Unit	$1.90	$0.114	$1.786
Total(3)	$13,015,000	$780,900	$12,234,100

Notes:

(1) In consideration of the services rendered by the Underwriters in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to 6% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option (as defined herein)) (the "**Underwriters' Fee**"). See "*Plan of Distribution*".

(2) After deducting the Underwriters' Fee, but before deducting the expenses related to the Offering, estimated at $250,000, which, together with the Underwriters' Fee, will be paid by the Company from the proceeds of the Offering. See "*Use of Proceeds*".

(3) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date that is 30 days following the Closing Date, to purchase (or arrange for the purchase by substituted purchasers of) up to an additional 1,027,500 Units (the "**Additional Units**") on the same terms as set forth above to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares (the "**Additional Unit Shares**") at a price of $1.89 per Additional Unit Share, or (iii) to acquire additional Warrants (the "**Additional Warrants**") at a price of $0.01 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares

and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,027,500 Additional Unit Shares and 513,750 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the total Price to the Public, Underwriters' Fee and Net Proceeds to the Company will be $14,967,250, $898,035 and $14,069,215 (before estimated expenses of $250,000), respectively. A purchaser who acquires securities forming part of the Underwriters' over-allotment position acquires those securities under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units and/or Additional Unit Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option. See "*Plan of Distribution*". Unless the context otherwise requires, when used herein, all references to "Offering", "Units", "Unit Shares" and "Warrants" include the Additional Units, Additional Unit Shares and Additional Warrants, as applicable, issuable upon exercise of the Over-Allotment Option.

The following table sets out the number of securities that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option.

Underwriter's Position	**Maximum Size or Number of Securities Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	1,027,500 Additional Units	At any time, but not later than 30 days following the Closing Date	$1.90 per Additional Unit ($1.89 per Additional Unit Share and $0.01 per Additional Warrant)

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*". The Offering Price was determined by negotiation between the Company and Cormark, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares (as defined herein).

In connection with the Offering and subject to applicable laws, the Underwriters may effect transactions intended to stabilize or maintain the market price of the Common Shares (as defined herein) at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Units at prices lower than that stated above. See "*Plan of Distribution*".**

The outstanding common shares of the Company (the "**Common Shares**") are listed on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "LIX" and trade in the United States on the OTCQX International under the trading symbol "LIXXF". On October 10, 2017, the last trading day prior to the public announcement of the Offering, the closing price of the Common Shares on the TSXV and the OTCQX International were $2.02 and US$1.62, respectively, and on October 25, 2017, the last trading day prior to the filing of this Prospectus, the closing price of the Common Shares on the TSXV and the OTCQX International were $1.96 and US$1.54, respectively. The Company has received conditional approval to list the Unit Shares and the Warrant Shares on the TSXV. Such listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

An investment in the Units is highly speculative and involves significant risks. The risk factors outlined or incorporated by reference in this Prospectus should be carefully reviewed and considered by prospective purchasers in connection with their investment in the Units. See "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*". Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about November 2, 2017 or such earlier or later date as the Company and the Underwriters may agree (the "**Closing Date**"), but in any event, no later than 42 days after the date of the receipt for the final short form prospectus.

Except as may be otherwise agreed by the Company and the Underwriters, it is expected that the Company will arrange for an instant deposit of the Units, Unit Shares and Warrants to or for the account of the Underwriters with CDS Clearing and Depository Services Inc. ("**CDS**") on the Closing Date, against payment of the aggregate purchase price for the Units. Purchasers of Units will receive only a customer confirmation from the Underwriters or other registered dealer that is a CDS participant and from or through which a beneficial interest in the Units is purchased. See "*Plan of Distribution*".

The following persons are required to sign a certificate under Part 5 of National Instrument 41-101 – *General Prospectus Requirements* ("**NI 41-101**") or provide a consent under Part 10 of NI 41-101 and reside outside of Canada and have appointed the following agent(s) for service of process:

Name of Person	**Name and Address of Agent**	**Relationship with the Company**
Michele Ashby	Lithium X Energy Corp., 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1	Director
Frederik Reidel, CPG	Lithium X Energy Corp., 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1	Named expert
Ignacio Freeze Durand	Lithium X Energy Corp., 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1	Named expert

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "*Risk Factors*".

Certain legal matters relating to the Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP, on behalf of the Underwriters.

In this Prospectus, references to "Lithium X", the "Company", "we", "us" and "our" refer to Lithium X Energy Corp. and/or, as applicable, one or more of its subsidiaries. Lithium X's head office is located at Suite 3123 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1 and its registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

Investors should rely only on the information contained in or incorporated by reference into this Prospectus. The Company has not authorized anyone to provide investors with different information. Neither the Company nor the Underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Company's business, operating results, financial condition and prospects may have changed since that date.

Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada), including the regulations thereunder, (the "**Tax Act**"), the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan ("**RESP**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") and a tax-free savings account ("**TFSA**"), as those terms are defined in the Tax Act (collectively, the "**Deferred Income Plans**"), provided that (i) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV), and (ii) in the case of the Warrants, the Company, and any person with whom the Company does not deal at arm's length for the purposes of the Tax Act, is not an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the particular Deferred Income Plan.

Notwithstanding that a Unit Share, Warrant or Warrant Share may be a qualified investment for an RRSP, RRIF or TFSA as discussed above, if the Unit Share, Warrant or Warrant Share is a "prohibited investment" for the purposes of the Tax Act, the holder of a TFSA, the annuitant under an RRSP or RRIF, or which holds such Unit Share, Warrant or Warrant Shares will be subject to penalty taxes as set out in the Tax Act. A Unit Share, Warrant or Warrant Share will not be a prohibited investment for a RRSP, RRIF or TFSA if the annuitant or holder, as the case may be, deals at arm's length with the Company for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" as defined in the Tax Act, for an RRSP, RRIF or TFSA. Annuitants of an RRSP or RRIF and holders of a TFSA should consult their own tax advisors with respect to whether the Unit Shares, Warrants and Warrant Shares would be a prohibited investment in their particular circumstances.

If certain proposed amendments to the Tax Act released by the Department of Finance (Canada) on September 8, 2017 are enacted as proposed, the prohibited investment rules will extend to trusts governed by RDSPs and RESPs.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference herein, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws (together, "**forward-looking information**") concerning the Offering, the use of proceeds of the Offering and the Company's projects, capital, anticipated financial performance, business prospects and strategies and other general matters. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking information. The use of words such as "intend", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may constitute forward-looking information. Statements relating to mineral resources are also forward- looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. There is no certainty that it will be commercially viable to produce any portion of the mineral resources.

Forward-looking information contained in this Prospectus includes statements with respect to:

- the timing and closing of the Offering;
- the satisfaction of the conditions to closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals;
- the proposed use of proceeds of the Offering;
- expectations regarding the potential mineralization and geological merit of the Company's projects;

- the Company's goals regarding development of its projects, and regarding raising capital and conducting further exploration and development of its properties;
- potential opportunities to sell the Company or its assets, and other corporate alternatives;
- the Company's proposed plans for advancing its projects, including drilling and other exploration work;
- expectations regarding the continuity of mineral deposits, including in relation to adjacent or other properties (including producing or past-producing properties) that are in the vicinity or same region as the Company's projects;
- the results in the 2017 Sal de Los Angeles Report (as defined herein), including resource estimates;
- expectations regarding any environmental issues that may affect planned or future exploration programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- mineral exploration program cost estimates;
- timing and completion of geological studies and reports;
- receipt and timing of exploration permits and other third party approvals;
- government regulation of mineral exploration and development operations in Argentina;
- expectations regarding any social or local community issues in Argentina that may affect planned or future exploration and development programs;
- the execution of a public deed and registration of the Company's acquisition of the Arizaro lithium brine project in Argentina's Salta Province (the "**Arizaro Project**") (as defined herein);
- the completion of the Arizaro Work Program (as defined herein); and
- the undertaking, preparation and anticipated completion date of the Feasibility Study (as defined herein).

These statements and information are only predictions based on current information and knowledge, some of which may be attributed to third party industry sources. Actual future events or results may differ materially. Undue reliance should not be placed on such forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

The following are some of the assumptions upon which forward-looking information in this Prospectus is based:

- that general business and economic conditions will not change in a material adverse manner;
- demand for, and stable or improving price of lithium and/or lithium carbonate;
- receipt of regulatory and governmental approvals, permits and renewals in a timely manner;
- that the Company will not experience any material accident, labour dispute or failure of plant or equipment or other material disruption in the Company's planned exploration or development programs;
- the availability of financing for development and exploration activities on reasonable terms;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- that planned drilling at its mineral properties will be completed and that the results of such drilling will be sufficient to expand the existing resources consistent with management's expectations;
- that the estimates of the resources at the Sal de los Angeles Project are within reasonable bounds of accuracy (including with respect to size, grade and recovery);
- that the Company's current exploration and development programs and objectives can be achieved;

- the Company's ability to attract and retain skilled personnel and directors; and
- the accuracy of the Company's mineral resource estimates (including size, grade and recoverability) and the geological, operational and price assumptions on which these are based.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risks and uncertainties set forth below and elsewhere in this Prospectus:

- volatility in prices of, and demand for, lithium and/or lithium carbonate;
- the Company is an exploration and development stage company with no history of pre-tax profit and no income from its operations and there can be no assurance that the Company's operations will be profitable in the future;
- risks inherent in mineral exploration and development;
- risks associated with political and/or economic instability in Argentina;
- uncertainties associated with estimating mineral resources;
- uncertainties related to title to the Company's mineral projects;
- competition for, among other things, capital and skilled personnel;
- geological, technical and drilling problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- rising costs of labour and equipment;
- inherent uncertainties involved in the legal dispute resolution process, including in foreign jurisdictions;
- changes in income tax and other laws of foreign jurisdictions;
- tightening of the credit markets, global economic uncertainty and counterparty risk; and
- other factors discussed under "*Risk Factors*", as well as those risk factors discussed or referred to in the Annual Information Form and Annual MD&A (each as defined herein).

Assumptions relating to the potential mineralization on the Sal de los Angeles Project are discussed in the 2017 Sal de los Angeles Report (as defined herein) which is available under the Company's profile on the SEDAR website at www.sedar.com.

Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also materially and adversely affect the Company's business and prospects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information.

The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. This forward-looking information is expressly qualified in its entirety by this cautionary statement. Forward-looking information contained in this Prospectus is made as of the date of this Prospectus, and forward-looking information contained in documents incorporated herein by reference is made as of the dates specified in such documents. The Company disclaims any obligation to update any such forward-looking information to reflect events or circumstances after the date of such information, or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to "$" or "dollars" in this Prospectus refer to Canadian dollars and all references to "US$" in this Prospectus refer to United States dollars.

The daily average exchange rate on October 25, 2017 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US$1.00 = $1.2771.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Lithium X at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Telephone (604) 609-6138 and are also available electronically at www.sedar.com.

The following documents of Lithium X filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. the Company's revised annual information form dated October 19, 2017 and filed on October 25, 2017 (the "**Annual Information Form**") in respect of the fiscal year ended June 30, 2017;

2. the audited consolidated financial statements of the Company and the notes thereto as at and for the year ended June 30, 2017, together with the auditors' report thereon (the "**Annual Financial Statements**");

3. the management's discussion and analysis of financial conditions and operations of the Company for the year ended June 30, 2017 (the "**Annual MD&A**");

4. the management information circular dated November 7, 2016 relating to the annual general meeting of shareholders of Lithium X held on December 15, 2016 (the "**Information Circular**");

5. the material change report dated July 13, 2017 in respect of the Company's acquisition of the remaining 50% interest in Potasio y Litio de Argentina S.A., which controls 100% of the Sal de los Angeles Project from Aberdeen International Inc. (the "**Aberdeen Acquisition**");

6. the material change report dated October 13, 2017 in respect of a news release announcing the Offering; and

7. the "template version" of the "marketing materials" (as such terms are defined in NI 41-101) for the Offering dated October 11, 2017.

Any document of the type referred to in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the distribution shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes that statement. Any

statement so modified or superseded shall not constitute a part of this Prospectus except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing material that has been, or will be, filed on SEDAR before termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus. The marketing materials can be viewed under the Company's profile on SEDAR at www.sedar.com.

THE COMPANY

General

The Company was incorporated as Vehicle Recycling Technologies Inc. under the *Business Corporations Act* (Alberta) on August 28, 1997. On July 23, 1999, Vehicle Recycling Technologies Inc. changed its name to AADCO industries.com Inc. On January 15, 2002, AADCO industries.com Inc. changed its name to AADCO Automotive Inc. Effective January 9, 2008, as a result of the sale of the automotive recycling business, the Company changed its name to Royce Resources Corp. and consolidated its outstanding shares on a five old for one new share basis The Company continued under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") effective May 11, 2011. Effective November 25, 2015, Royce Resources Corp. changed its name to "Lithium X Energy Corp."

Summary of the Business

The Company is a growth-oriented, Canadian-based lithium exploration company focused on exploration and development of the Sal de los Angeles lithium brine project comprised of a group of mining concessions located in the province of Salta, Argentina (the "**Sal de los Angeles Project**"). The Company owns 100% of the Sal de los Angeles Project, which is currently the Company's only material mining property. The Company's focus is on the construction and development of the Sal de los Angeles Project.

Inter-Corporate Relationships

The Company has two wholly-owned subsidiaries, Potasio y Litio de Argentina SA. ("**PLASA**"), which holds the Company's Sal de los Angeles Project and Tortuga de Oro S.A., which holds the Company's Arizaro Project. Both of these subsidiaries are Argentine companies.

RECENT DEVELOPMENTS

The following is a summary of recent developments involving the Company since October 19, 2017, being the date of the Annual Information Form.

Strategic Opportunities

The Company continually evaluates opportunities, including inquiries and proposals from third-parties, in relation to potential financing, operational and strategic opportunities as they arise. These opportunities include capital markets initiatives, opportunities to sell the Company or its assets, and other corporate alternatives. The Company has from time to time engaged in discussions in respect of such opportunities and proposals. As a result of the Company consolidating its ownership of the Sal de los Angeles Project, and due to increasing interest in the lithium sector, the Company has recently received a number of more serious inquiries regarding an acquisition of the Sal de los Angeles Project, or the Company as a whole. Since July 1, 2017, certain parties have conducted due diligence, including site visits to the Sal de los Angeles Project, and the Company is currently in various stages of discussions with each of these parties. The Company, however, has not entered into any binding agreements (other than confidentiality agreements from time to time) with respect to any such transaction, and there is no assurance that any of these discussions will result in execution of a definitive agreement or completion of a transaction. The Company will continue to evaluate such proposals and opportunities as they arise. See "*Risk Factors*".

Update Regarding the Sal de los Angeles Project

The 2017 work program on the Sal de los Angeles Project (the "**2017 Work Program**") has been completed and the Feasibility Study is currently underway. Most of the resource upgrade, reserve and evaporation ponds processing works have been completed. A large component of the costing, logistics and ponds engineering work has been substantially completed. The bulk of the work remaining is plant design and engineering, and economic analysis. The Company is currently selecting between two major international firms to be the lead consultant for the Feasibility Study. The scope of the Feasibility Study has been defined. See "*Use of Proceeds*".

The Company's joint venture partner, Salta Exploraciones SA ("**SESA**") has not fulfilled its principal contractual obligation of completing the construction of a test ponding facility covering an area of 62.5 hectares (the "**Initial Ponding Facility**") at the Sal de los Angeles Project within the requisite time period. Construction of the Initial Ponding Facility is currently approximately 20% complete and has focused on the first two ponds, which cover an area of 15 hectares each. The Company is in active discussions with SESA with respect to addressing this issue, with a view to expediting the construction of the Initial Ponding Facility. See "*Use of Proceeds*".

In September 2017, the Company announced the initial results of the drill program at the Sal de los Angeles Project, which consisted of diamond drill holes DDD-08 to DDD-10 and sonic drill holes DSO-01 and DSO-02. Final brine sample results for DSO-02 and all Relative Brine Release Capacity results are pending, and are expected within 14 days of the date of this Prospectus.

CONSOLIDATED CAPITALIZATION

Other than as listed in the "*Prior Sales*" section of this Prospectus, and other than as a result of this Offering, there have been no material changes in the Company's capital structure on a consolidated basis since the Company's Annual Financial Statements.

As at the date of this Prospectus, and after giving effect to the intended issuance of securities under this Prospectus and assuming full exercise of the Over-Allotment Option, the Company will have 93,329,417 Common Shares issued and outstanding, 7,436,820 outstanding stock options (to acquire 7,436,820 Common Shares) and 3,938,750 outstanding warrants (to acquire 3,938,750 Common Shares).

USE OF PROCEEDS

Principal Purposes

The estimated net proceeds from the Offering, after payment of the Underwriters' Fee and estimated expenses of the Offering of $250,000, will be approximately $11,984,100 ($13,819,215 if the Over-Allotment Option is exercised in full).

The Company currently intends to use the net proceeds from the Offering as set forth in the following table:

Principal Purpose	Approximate Use of Net Proceeds
Feasibility Study	$6,000,000

Principal Purpose	**Approximate Use of Net Proceeds**
Arizaro Work Program	$200,000
General Working Capital	$5,784,100
Total (assuming no exercise of the Over-Allotment Option)	**$11,984,100**

The Company intends to expend the net proceeds from the Offering as set forth above. To that end, the Company has commenced the preparation of a feasibility study (the "**Feasibility Study**") with respect to the Sal de los Angeles Project, which will incorporate the results of the 2017 Work Program: (i) submitting all required regulatory permits; (ii) detailed engineering and project management; and (iii) partially funding land and minor water expenditures, including the continued acquisition of land positions strategic to the Sal de los Angeles Project. The estimated cost for the Feasibility Study is $6,000,000 and it is expected to be completed by the first half of calendar 2018. Proceeds from the Company's prior financing in March of 2017 (the "**March 2017 Offering**") that were originally allocated towards the 2017 Work Program and Feasibility Study were primarily directed towards the Company's acquisition of the remaining 50% interest in PLASA, as well as to the 2017 Work Program used to prepare for the Feasibility Study. See "*Prior Financings*".

The Company will also commence a work program in 2018 on the Arizaro Project (the "**Arizaro Work Program**"), which will include, among other things, sampling, topographical survey and permitting. The exploration permits for the Arizaro Project were received in August 2017. The Arizaro Work Program will commence during the first half of calendar 2018. The Company estimates that it will incur $1.2 million in costs in connection with the Arizaro Work Program. Of this $1.2 million, $1 million has been reserved from the March 2017 Offering. The Company continues to evaluate other mineral claims in areas adjacent to the Arizaro Project, and may require a certain portion of the proceeds from the Offering to take advantage of such opportunities if and when they arise.

The Company intends to use the $5,784,100 allocated to general working capital for strategic opportunities currently being reviewed by the Company or opportunities that may arise in the future. Should none of these opportunities materialize, the funds will be set aside for future use on current projects.

If the Over-Allotment Option is exercised, the Company intends to use the proceeds for general working capital.

The Company is an exploration stage entity and, as such, does not have, and has never had, any cash flow from mining operations. As a result, the Company is dependent on equity or debt financing to maintain its current operations. The Company incurred the following operating losses over its two most recently completed financial years for which audited annual financial statements have been filed: (i) $5.3 million for the year ended June 30, 2016; and (ii) $2.4 million for the year ended June 30, 2017. As of June 30, 2017, the Company had an accumulated deficit of $9.9 million. To the extent that the Company has negative operating cash flows in future periods in excess of the amounts disclosed above in the use of proceeds, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Prior Financings

From November 26, 2015 to March 8, 2017, the Company raised approximately $35.8 million from a public offering and private placement financings (the "**Prior Financings**"). As of September 30, 2017, the Company's working capital balance was $12,864,857 from the Prior Financings. Since March 31, 2017, the Company's working capital has been used towards the acquisition of the remaining 50% interest in PLASA, the sale of its interest in the Clayton Valley properties to Pure Energy Minerals Limited, the 2017 Work Program and general and administrative expenditures. The Company anticipates that its current working capital, before taking into account the proceeds of the Offering, will be used as set forth in the following table:

Purpose	**Approximate Use of Working Capital**
General and Administrative Expenses for 24 months	$6,232,700

Purpose	Approximate Use of Working Capital
Obligations under agreements with Orocobre Limited and its subsidiaries	$1,250,000
Initial Ponding Facility funding	$4,500,000
General Working Capital	$882,157
Total Working Capital of the Company	**$12,864,857**

The balance of proceeds raised from the Prior Financings has been used by the Company as disclosed in the Annual Financial Statements and the Annual MD&A.

Although the Company intends to expend the net proceeds from the Offering and Prior Financings as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the result from the Arizaro Work Program, the Feasibility Study and the Company's ability to execute its development plan at the Sal de los Angeles Project. See "*Risk Factors*".

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The authorized capital of the Company is an unlimited number of Common Shares and an unlimited number of preferred shares. As at October 25, 2017, the Company had 85,451,917 Common Shares and no preferred shares issued and outstanding. There are no limitations contained in the notice of articles or articles of the Company or the BCBCA on the ability of a person who is not a Canadian resident to hold Common Shares or exercise the voting rights associated with Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, purchase for cancellation, surrender or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions. A summary of the rights attached to the Common Shares is set forth below.

Holders of Common Shares are entitled to receive on a pro rata basis dividends if, as and when declared by the Company's board of directors (the "**Board**") in respect of the Common Shares. The BCBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the Company is insolvent or the payment of the dividend would render the Company insolvent. The Board has no current intention to declare dividends on the Common Shares. See "*Risk Factors*".

The holders of Common Shares are entitled to share rateably in any distribution of the assets of the Company upon liquidation, dissolution or winding-up, after satisfaction of all debts and other liabilities, and subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to liquidation.

The holders of Common Shares are entitled to one vote for each share on all matters submitted to a vote of shareholders and do not have cumulative voting rights.

Warrants

The Warrants issued under the Offering will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**"). The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. The following description is subject to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, a Warrant Share at an exercise price of $2.75 until the date that is 36 months following the Closing Date (the "**Expiry Date**"), after which time the Warrants will be void and of no value. The Expiry Date of the Warrants may be accelerated by the Corporation if the volume weighted average trading price of the Common Shares on the facilities of the TSXV is greater than $3.75 for any 10 consecutive trading days (the "**Acceleration Right**"), provided the Company provides holders of Warrants with a minimum of 30 days' notice of the Company's decision to exercise the Acceleration Right, in accordance with the terms of the Warrant Indenture.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

The Warrants may be issued in uncertificated form. Any Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrantholders to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

The Warrant Indenture provides that the share ratio and exercise price of the Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (a) a reclassification or change of the Common Shares, (b) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares, or (c) any sale or conveyance of the Company's assets as an entity or substantially as an entirety to another entity, then each holder of a Warrant which is thereafter exercised shall receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price of the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid *in lieu* of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or preemptive rights or any other rights of a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (a) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (b) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants**.**

PLAN OF DISTRIBUTION

General

Under the terms of the Underwriting Agreement between the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have severally agreed to purchase or arrange for the purchase from the Company, on the Closing Date, subject to the terms and conditions contained in the Underwriting Agreement, 6,850,000 Units at the Offering Price for total gross consideration of $13,015,000 payable in cash to the Company against delivery of the Units. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events, including, among other things, events that would reasonably be expected to have a material adverse effect on the market price or the value of the Units or the Common Shares, and events of national or international consequence that would reasonably be considered to materially adversely affect or will materially adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Company. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Offering Price was determined by negotiation between the Company and Cormark, on behalf of the Underwriters.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about November 2, 2017 or such earlier or later date as the Company and the Underwriters may agree, however the Units are to be taken up by the Underwriters, if at all, on or before a date that is not later than 42 days after the date of the receipt for the final short form prospectus.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part at the sole discretion of the Underwriters at any time until the date that is 30 days following the Closing Date to purchase (or arrange for the purchase by substituted purchasers of) up to 1,027,500 Additional Units to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Unit Shares at a price of $1.89 per Additional Unit Share, or (iii) to acquire Additional Warrants at a price of $0.01 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,027,500 Additional Unit Shares and 513,750 Additional Warrants. This Prospectus qualifies the distribution of the Over-Allotment Option and the issuance of the Additional Units, Additional Shares and Additional Warrants on the exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several, and not joint, nor joint and several. In the event that any Underwriter does not purchase its applicable percentage of Units, the remaining Underwriters shall not be obligated to purchase Units; however, the remaining Underwriters shall have the right, exercisable at their option, to purchase all, but not less than all, of the Units which would otherwise have been purchased by the defaulting Underwriter or Underwriters. The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under applicable Canadian securities legislation, and to contribute to payments that the Underwriters may be required to make in respect thereof.

The expenses of the Offering, not including the Underwriters' Fee, are estimated to be $250,000 and are payable by the Company. The aggregate Underwriters' Fee will be $780,900 ($0.114 per Unit or 6.0% of the gross proceeds and assuming no exercise of the Over-Allotment Option). The Company will also pay certain expenses incurred by the Underwriters in connection with the Offering as set forth in the Underwriting Agreement, including the reasonable fees and disbursements and taxes thereon of the Underwriters' counsel.

If the Over-Allotment Option is exercised in full for Additional Units, the total number of Units sold pursuant to the Offering will be 7,877,500, the total price to the public will be $14,967,250, the total Underwriters' Fee will be

$898,035, and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be $14,069,215.

The Underwriters reserve the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers or investment dealers, who may or may not be offered part of the Underwriters' Fee.

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Units at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers of the Offered Shares is less than the gross proceeds paid by the Underwriters to the Company.

The Company has received conditional approval from the TSXV to list the Unit Shares and the Warrant Shares distributed under this Prospectus on the TSXV. Such listing is subject to the Company fulfilling all of the applicable listing requirements of the TSXV.

The Company has agreed pursuant to the Underwriting Agreement that during a period ending 90 days from the Closing Date, the Company will not, directly or indirectly, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, issue or announce any intention to issue any Common Shares or any securities convertible into or exchangeable for Common Shares, other than issuances in conjunction with: (i) the grant or exercise of share purchase options and other similar issuances pursuant to the share purchase incentive plan of the Company and other share compensation arrangements; (ii) acquisitions; (iii) the exercise of any outstanding warrants, options, rights or other convertible securities; or (iv) to satisfy existing contractual obligations.

The Company has also agreed to use its commercially reasonable efforts to cause each director and senior officer of the Company to enter into lock up agreements in favour of the Underwriters evidencing their agreement not to, for a period of 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, grant an option to purchase, make any short sale or otherwise dispose of or transfer, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of the Common Shares, or announce its intention to do any of the foregoing, whether now owned directly or indirectly, or under their control or direction other than with the prior written consent of the Underwriters, or as otherwise permitted pursuant to the terms of the lock up agreements.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSXV including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made on behalf of a client where the client's order was not solicited during the period of distribution. The Company has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Units, Unit Shares and the Warrants will be delivered at the closing of the Offering to the Underwriters in "book-based" form and must be purchased or transferred through a CDS participant so long as they are held through CDS. It is expected that the Company will arrange for an instant deposit of the Units, Unit Shares and the Warrants to or for the account of the Underwriters with CDS on the Closing Date, against payment of the aggregate net purchase price for the Units. So long as the Units, Unit Shares and the Warrants are held through CDS, rights of holders must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder holds such Units, Unit Shares and Warrants, as the case may be. Each person who acquires Units under the Offering will receive only a customer confirmation of purchase from the Underwriter or registered dealer who is a CDS participant from or through whom the Units are acquired in accordance with the practices and procedures of that Underwriter or registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book-entry accounts for its CDS participants having interests in the Unit Shares and Warrants.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants issued under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Warrants.

PRIOR SALES

The following table summarizes the issuances by the Company of Common Shares and securities convertible or exchangeable into Common Shares within the 12 months prior to the date of this Prospectus:

Date	Type of Security	Price per Security	Number of Securities
November 2, 2016	Common Shares(1)	$0.83	75,000
November 14, 2016	Common Shares(1)	$0.12	20,000
November 15, 2016	Common Shares(1)	$0.15	100,000
November 28, 2016	Common Shares(2)	$2.24 (deemed)	446,112
December 1, 2016	Common Shares(1)	$0.15	50,000
February 1, 2017	Options(3)	$2.21	150,000
February 2, 2017	Common Shares(4)	$2.10 (deemed)	3,675,000
February 3, 2017	Common Shares(1)	$0.15	25,000
March 14, 2017	Common Shares(5)	$1.90	7,900,000
April 18, 2017	Options(3)	$1.90	1,645,000
April 27, 2017	Common Shares(1)	$0.15	40,000
May 25, 2017	Common Shares(1)	$0.11	45,000
May 25, 2017	Common Shares(1)	$0.12	75,000
July 11, 2017	Common Shares(6)	$1.88 (deemed)	6,000,000
July 28, 2017	Common Shares(1)	$0.15	75,000
October 6, 2017	Common Shares(1)	$1.90	60,000
October 12, 2017	Common Shares(1)	$0.15	100,000

Notes:

(1) Issued pursuant to exercise of stock options.
(2) Issued in connection with the Company's acquisition of the Clayton Valley Property (as defined in the Annual Information Form).
(3) Grant of stock options.
(4) Issued in connection with the Company's acquisition of the Arizaro Project.
(5) Issued in connection with the March 2017 Offering.
(6) Issued in connection with the Aberdeen Acquisition.

TRADING PRICE AND VOLUME

The Company's outstanding Common Shares are listed for trading on the TSXV under the symbol "LIX". The following table sets forth the high and low trading price and trading volumes of the Common Shares as reported by the TSXV for the periods indicated:

COMMON SHARES			
Month	**High($)**	**Low($)**	**Volume**
October 1 – October 25, 2017	$2.08	$1.85	5,807,237
September, 2017	$2.26	$1.73	7,167,558
August, 2017	$2.16	$1.96	2,217,947
July, 2017	$2.20	$1.88	3,521,873
June, 2017	$2.07	$1.85	3,676,271
May, 2017	$2.27	$1.88	9,040,294
April, 2017	$1.94	$1.58	9,247,916
March, 2017	$2.06	$1.40	14,910,535
February, 2017	$2.37	$1.92	8,563,066
January, 2017	$2.32	$1.96	5,338,917
December, 2016	$2.30	$1.86	4,784,970
November, 2016	$2.37	$1.67	8,401,359
October, 2016	$2.30	$1.66	4,898,758

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires a Unit, consisting of one Unit Share and one-half of one Warrant, pursuant to the Offering.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares and Warrants acquired pursuant to this Offering, and who, for the purposes of the Tax Act, and at all relevant times, deals at arm's length with the Company and the Underwriters, is not affiliated with the Company or the Underwriters, and who acquires and holds the Unit Shares, any Warrant Shares acquired on the exercise of Warrants, (hereinafter collectively referred to as "**Shares**") and Warrants as capital property (a "**Holder**"). Generally, the Shares and Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use the Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as each term is defined in the Tax Act, with respect to the Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). Except for the July 2017 Tax Proposals (as defined herein), this summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Government's intention to amend the Tax Act to, among other things, increase the amount of tax applicable to certain investment income earned through a private corporation (the "**July 2017 Tax Proposals**"). This summary does not address the potential implications of the July 2017 Tax Proposals. Holders should consult their tax advisors with respect to the implications of the July 2017 Tax Proposals as they relate to the acquisition and holding of Shares or Warrants.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half of a Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act. For its purposes, the Company intends to allocate $1.89 of the issue price of each Unit as consideration for the issue of each Unit Share and $0.01 of the issue price of each Unit as consideration for the issue of each one-half of a Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received on the Shares will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act.

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Shares must be included in computing its income but generally will be deductible in computing its taxable income. A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Dispositions of Shares and Warrants

Upon a disposition (or a deemed disposition) of a Share or a Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year which will include taxable capital gains.

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act, (i) have not been and will not be deemed to be resident in Canada at any time while they hold the Shares or Warrants, and (ii) do not use or hold the Shares or Warrants in carrying on a business in Canada ("**Non-Resident Holders**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the Canada-United States Tax Convention (1980), as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares).

Dispositions of Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Warrant constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which includes the TSXV), at the time of disposition, the Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances. A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Shares or Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident in Canada — Dispositions of Shares and Warrants". Non-Resident Holders whose Shares or Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them. There may be additional considerations not described herein in respect of a disposition of a Share by a Non-Resident Holder to the Company. Non-Resident Holders who dispose of Shares to the Company should consult their own tax advisors.

RISK FACTORS

An investment in the Units involves a high degree of risk and must be considered speculative due to the nature of the Company's business and present stage of exploration and development of its mineral properties. ***Before making an investment decision, prospective purchasers should carefully consider the risks and uncertainties described below, as well as the other information contained in or incorporated by reference in this Prospectus, including without limitation the risk factors described under the section "Risk Factors" in the Annual Information Form and under "Risks and Uncertainties" in the Annual MD&A.*** *These risks and uncertainties are not the only ones facing the Company. Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's business and operations. If any such risks actually occur, the Company's business, financial condition and operating results could be materially harmed.*

Loss of Entire Investment

An investment in the Units is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Discretion in the Use of Proceeds

The Company currently intends to apply the net proceeds received from the Offering and Prior Financings as described above under the heading "*Use of Proceeds*". However, management of the Company will have discretion concerning the use of the net proceeds of the Offering and Prior Financings as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the net proceeds of the Offering and Prior Financings. Management may use the net proceeds of the Offering and Prior Financings in ways that an investor may not consider desirable. The results and the effectiveness of the application of proceeds are uncertain. If the proceeds are not applied effectively, the Company's results may suffer.

Market Price of Securities

The trading price of the Common Shares may be subject to large fluctuations. The trading price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- the price of metals and minerals;
- the Company's operating performance and the performance of competitors and other similar companies;
- exploration and development of the Company's properties;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Common Shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the number of Common Shares to be publicly traded after the Offering;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Common Shares is affected by many variables not directly related to the Company's success and not within the Company's control, including developments that affect the market for all resource sector shares, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. In addition, securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a result of these and other factors, the Company's share price may be volatile in the future and may decline below the Offering Price. Accordingly, investors may not be able to sell their securities at or above the Offering Price.

Dilution

Additional financing needed to continue funding the development and operation of the Sal de los Angeles Project and other properties of the Company may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of Common Share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

Strategic Opportunities

Although the Company is currently engaged in discussions with respect to potential acquisition opportunities, no definitive agreements have been signed in this regard and there is no assurance that any such opportunity will lead to an agreement with a potential acquiror or result in completion of a transaction. In addition to the uncertainty of reaching agreement or completing a transaction, the negotiation of an agreement results in diversion of management attention from its existing business.

No History of Dividends and No Dividends for Foreseeable Future

The Company has never paid dividends on its Common Shares. Currently, the Company intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any dividends on its Common Shares in the near future. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in any Common Shares in the foreseeable future.

Forward-Looking Statements may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this Prospectus, including the documents incorporated by reference in this Prospectus. By its nature, forward looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "*Cautionary Note Regarding Forward-Looking Information*".

No Market for Warrants

The Warrants constitute a new issue of securities of the Company. There is currently no market through which the Warrants may be sold and no such market is expected to develop. It is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Warrants are exercised, the number of Warrants outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants. A decrease in the liquidity of the Warrants may in turn, cause an increase in the volatility associated with the price of the Warrants. Purchasers may not be able to resell the Warrants purchased under this Prospectus.

INTERESTS OF EXPERTS

Information of a scientific or technical nature in respect of the Sal de Los Angeles Project contained in this Prospectus, including the documents incorporated by reference herein, is based on the technical report entitled "Resource Estimate for Lithium & Potassium Sal de los Angeles Project" on the Sal de los Angeles Project dated February 24, 2017 (the "**2017 Sal de los Angeles Report**") prepared by Frederik Reidel, CPG, who is a "qualified person" and "independent" of the Company within the meaning of NI 43-101.

Information of a scientific or technical nature contained in this Prospectus and the Annual Information Form and the Annual MD&A, both of which are incorporated by reference into this Prospectus, was reviewed and approved by

William Randall, P Geo, who is a "qualified person" within the meaning of NI 43-101 and an employee of the Company.

Opinions pertaining to the verification of land titles and mining rights of the Sal de los Angeles Project contained in this Prospectus, including the documents incorporated by reference herein, have been opined on by Ignacio Frezze Durand.

Each of: (a) Frederik Reidel; (b) William Randall; and (c) Ignacio Frezze Durand beneficially owns, directly or indirectly, less than one percent of the securities of the Company.

Certain legal matters in connection with this Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Company, and by Cassels Brock & Blackwell LLP on behalf of the Underwriters. As at the date hereof, the designated professionals of Stikeman Elliott LLP, as a group, and the designated professionals of Cassels Brock & Blackwell LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the securities of the Company.

KPMG LLP, Chartered Professional Accountants, the Company's auditors, have confirmed with respect to the Company, that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

PROMOTER

Mr. Brian Paes-Braga, the Chief Executive Officer and a director of the Company, is a promoter of the Company. As of the date hereof, Mr. Paes-Braga beneficially owns, controls or directs, directly or indirectly, 3,438,606 Common Shares, representing 4.02% of the currently issued and outstanding Common Shares. For additional information on the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by Mr. Paes-Braga, please see the disclosure under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis* in the Information Circular.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In the provinces of British Columbia, Alberta and Ontario, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: October 26, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Ontario, Alberta and British Columbia.

LITHIUM X ENERGY CORP.

By: (Signed) BRIAN PAES-BRAGA Chief Executive Officer	By: (Signed) BASSAM MOUBARAK Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

By: (Signed) PAUL MATYSEK Director	By: (Signed) HARRY POKRANDT Director

CERTIFICATE OF THE PROMOTER

Dated: October 26, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Ontario, Alberta and British Columbia.

By: (Signed) BRIAN PAES-BRAGA
Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: October 26, 2017

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Ontario, Alberta and British Columbia.

CORMARK SECURITIES INC.	**CANACCORD GENUITY CORP.**
(Signed) DARREN WALLACE	(Signed) JAMIE BROWN

GMP SECURITIES L.P.

(Signed) PETER ROCKANDEL