



Management's Discussion and Analysis

For the three and nine months ended September 30, 2019 and 2018

The following Management's Discussion and Analysis ("MD&A") of E3 Metals Corp. ("E3 Metals" or the "Company") should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company as at and for the three and nine months ended September 30, 2019 (the "Financial Statements"), the most recent audited consolidated financial statements of the Company for the year ended December 31, 2018 and the related MD&A, and is based on information available as of November 19, 2019. Amounts herein are expressed in Canadian dollars except where indicated otherwise. The unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2019 and 2018, are prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual consolidated financial statements. The most recent audited consolidated financial statements of the Company for the year ended December 31, 2018 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

E3 Metals is a lithium development company focused on the commercialization of its proprietary ion exchange lithium extraction technology to produce high quality lithium from brines underlying existing oil reserves. The Company's shares trade on the TSX Venture Exchange (the "Exchange") under the trading symbol "ETMC".

This MD&A is dated November 29, 2019 and was prepared by management of the Company. The board of directors of the Company approved this MD&A on November 29, 2019.

Forward-looking statements

These forward-looking statements are based on current expectations and various estimates, factors and assumptions, and involve known and unknown risks, uncertainties and other factors. All statements, other than statements of historical fact, included herein, including without limitation, statements about the Company's ability to effectively implement its planned exploration programs; unexpected events and delays in the course of its exploration and drilling programs; the ability of the Company to raise the capital necessary to conduct its planned exploration programs and to continue exploration on its properties; the failure to discover any significant amounts of lithium or other minerals on any of the Company's properties; the fact that the Company's properties are in the exploration stage and exploration and development of mineral properties involves a high degree of risk and few properties which are explored are ultimately developed into producing mineral properties; the fact that the mineral industry is highly competitive and E3 Metals will be competing against competitors that may be larger and better capitalized, have access to more efficient technology, and have access to reserves of minerals that are cheaper to extract and process; the fluctuations in the price of minerals and the future prices of minerals; the fact that if the price of minerals decreases significantly, any minerals discovered on any of the Company's properties may become uneconomical to extract; the continued demand for minerals and lithium; that fact that resource figures for minerals are estimates only and no assurances can be given that any estimated levels of minerals will actually be produced; governmental regulation of mining activities and oil and gas in Alberta, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; environmental regulation, which mandate, among other things, the maintenance of air and water quality standards and land reclamation, limitations on the general, transportation, storage and disposal of solid and hazardous waste; environmental hazards which may exist on the properties which are unknown to E3 Metals at present and which have been caused by previous or existing owners or operators of the properties; reclamation costs which are uncertain; the fact that commercial quantities of minerals may not be discovered on current properties or other future properties and even if commercial quantities of minerals are discovered, that such properties can be brought to a stage where such mineral resources can profitably be produced there from; the failure of plant or equipment processes to operate as anticipated; the inability to obtain the necessary approvals for the further exploration and development of all or any of the Company's properties; risks inherent in the mineral exploration

and development business; the uncertainty of the requirements demanded by environmental agencies; the Company's ability to hire and retain qualified employees and consultants necessary for the exploration and development of any of E3 Metals' properties and for the operation of its business; and other risks related to mining activities that are beyond the Company's control.

Forward-looking statements contained herein are made as of the date of this MD&A, and the Company disclaims any obligation to update any forward-looking statements, except as required by law, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Corporate Summary

The Company was incorporated on August 19, 1998 under the laws of British Columbia, Canada. The Company is presently a "Venture Issuer", as defined in NI 51-102.

The Company has a Mexican subsidiary, Mexigold Resources SA de CV ("MAU Mexico"), incorporated on March 4, 2011 which is inactive and has no assets.

On August 22, 2016, the Company changed its name from Mexigold Corp. to Savannah Gold Corp. and its stock symbol from MAU.H to SAV.H. The Company also consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares.

Effective March 3, 2017, the Company consolidated its share capital on a ratio of five old common shares for every one new post-consolidated share. On completion of the consolidation, the Company had 3,046,021 issued and outstanding common shares.

On May 30, 2017, the Company completed a Fundamental Acquisition (as that term is defined in the policies of the Exchange) (the "Transaction") with 1975293 Alberta Ltd. ("Alberta Co"), whereby all outstanding securities of Alberta Co. were exchanged for securities of the Company pursuant to a Definitive Share Exchange Agreement dated May 8, 2017. The Company changed its name to E3 Metals Corp. and upgraded its listing to Tier 2 of the Exchange subsequent to the closing of the Transaction. Alberta Co remains a wholly owned subsidiary of the Company.

As part of the Transaction, the Company paid Alberta Co. \$150,000 in cash to settle its outstanding debt owed to Revere Development Corp., issued a total of 6,000,000 common shares of the Company and 600,000 share purchase warrants in exchange for all of the issued and outstanding shares and share purchase warrants of Alberta Co.

On September 12, 2019, in conjunction with a Unanimous Shareholders Agreement dated September 17, 2019 between E3 and FMC Lithium USA Corp (a wholly owned subsidiary of Livent Corporation) ("Livent"), 2216747 Alberta Ltd. ("2216747") was incorporated. 2216747 is a joint venture between E3 and Livent with each company owning 50% of the voting shares.

Alberta Lithium Project

The Company's objective is the commercialization of an Alberta lithium brine project utilizing direct lithium extraction process that incorporates the Company's proprietary Ion Exchange Technology. In 2017, the Company acquired a 100% interest in the Alberta Lithium Project covering the Leduc reservoir in south-central Alberta and comprised of 10 Alberta Metallic and Industrial Mineral Permits ("MIM Permits") totaling 87,965 hectares (879.65 square kilometres). The Company acquired 61 additional MIM Permits in July 2017. In February 2018, the Company acquired 3 additional MIM permits in the Exshaw area from Fathom Minerals Ltd. In consideration of \$35,000 and 350,000 common shares of the Company issued on Exchange approval.

The Company's properties are currently comprised of 78 MIM Permits, which includes the rights for lithium, totaling 596,087 hectares (5,961 square kilometers). These properties were specifically selected and were of the first to be staked in the region for lithium extraction due to their ability to deliver the large volumes of water required for direct extraction of lithium from reservoir brines. Historical lithium concentrations in the region range as high as 135mg/L within the Leduc reservoir. Ease of on-the-ground access in combination with the large amount of existing infrastructure and well data associated with the production of oil and gas is the reason E3 Metals has focused its efforts in the region.

Inferred Mineral Resource Estimates

In 2017, the Company commissioned two National Instrument 43-101 inferred mineral resource estimates of a combined 2.83 million tonnes of LCE. This includes the Central Clearwater Resource Area: 4,617,079,087 cubic metres (4.6 cubic kilometres) of brine formation water at an average grade of 77.4 milligrams per litre for 1.9Mt of LCE. On the North Rocky Resource Area: 3,312,431,608 cubic meters (3.3 cubic kilometers) of brine formation water at an average grade of 52.9 milligrams per litre for 0.93Mt of LCE. Lithium is converted to LCE by multiplying by 5.323.

In May 2018, the Company commissioned a third National Instrument 43-101 inferred mineral resource estimate of 3.9 million tonnes (Mt) lithium carbonate equivalent (LCE) in the Exshaw West resource area ("Exshaw West"). The magnitude of this new resource area, in addition to the North Rocky and Central Clearwater resource areas, demonstrates the project's significant lithium production potential.

The Company plans to evaluate the potential to upgrade portions of its inferred resource to measured and indicated in 2020.

Highlights:

- The Central Clearwater Resource Area contains an Inferred Mineral Resource of 4.6 billion m3 of brine formation water at an average grade of 77.4 mg/L lithium calculated as total producible brine.
- The North Rocky Resource Area contains an Inferred Mineral Resource of 3.3 billion m3 of brine formation water at an average grade of 52.9 mg/L lithium calculated as total producible brine.
- The Exshaw West Resource Area contains an estimated total of 19.5 billion m3 of brine formation water at an average grade of 75 milligrams/litre (mg/L) lithium.
- E3 Metals total combined inferred lithium mineral resources (over Rocky Property, Clearwater Property and Exshaw West) is 6.7 Mt LCE and covers only 34% of E3 Metals' Petro-Lithium Project Area.

Management Discussion & Analysis
For the Three and Nine-Months Ended September 30, 2019 and 2018

Resource Area	Volume of Water in Effective porosity (m ³)	Lithium Grade (mg/L)	Production Factor Cut-off	Production Volume (m ³)	Inferred Lithium Resource Estimate (tonnes)	Inferred Lithium Resource Estimate (LCE tonnes)
Central Clearwater Resource Area	9,234,158,174	77.4	1	9,234,158,174	710,000	3,800,000
	9,234,158,174	77.4	0.9	8,310,742,357	640,000	3,400,000
	9,234,158,174	77.4	0.8	7,387,326,539	570,000	3,000,000
	9,234,158,174	77.4	0.7	6,463,910,722	500,000	2,700,000
	9,234,158,174	77.4	0.6	5,540,494,904	430,000	2,300,000
	9,234,158,174	77.4	0.5	4,617,079,087	360,000	1,900,000
	9,234,158,174	77.4	0.4	3,693,663,270	290,000	1,500,000
	9,234,158,174	77.4	0.3	2,770,247,452	210,000	1,100,000

Resource Area	Volume of Water in Effective Porosity (m ³)	Lithium Grade (mg/L)	Production Factor Cut-off	Production Volume (m ³)	Inferred Lithium Resource Estimate (tonnes)	Inferred Lithium Resource Estimate (LCE tonnes)
North Rocky Resource Area	6,624,863,216	52.9	1	6,624,863,216	350,000	1,900,000
	6,624,863,216	52.9	0.9	5,962,376,894	320,000	1,700,000
	6,624,863,216	52.9	0.8	5,299,890,572	280,000	1,500,000
	6,624,863,216	52.9	0.7	4,637,404,251	250,000	1,300,000
	6,624,863,216	52.9	0.6	3,974,917,929	210,000	1,100,000
	6,624,863,216	52.9	0.5	3,312,431,608	180,000	930,000
	6,624,863,216	52.9	0.4	2,649,945,286	140,000	750,000
	6,624,863,216	52.9	0.3	1,987,458,965	110,000	560,000

Resource Area	Volume of Water in Effective Porosity (m ³)	Lithium Grade (mg/L)	Production Factor Cut-off	Production Volume (m ³)	Inferred Lithium Resource Estimate (tonnes)	Inferred Lithium Resource Estimate (LCE tonnes)
Exshaw West Resource Area	19,511,285,152	75	1	19,511,285,152	1,462,014	7,782,300
	19,511,285,152	75	0.9	17,560,156,637	1,315,813	7,004,072
	19,511,285,152	75	0.8	15,609,028,122	1,169,611	6,225,839
	19,511,285,152	75	0.7	13,657,899,606	1,023,410	5,447,611
	19,511,285,152	75	0.6	11,706,771,091	877,208	4,669,378
	19,511,285,152	75	0.5	9,755,642,576	731,007	3,891,150
	19,511,285,152	75	0.4	7,804,514,061	584,806	3,112,922
	19,511,285,152	75	0.3	5,853,385,546	438,604	2,334,689

The Company's NI 43-101 technical reports are filed on the Company's SEDAR profile (www.sedar.com) as well as on the Company's website (www.e3metalscorp.com).

Development of Lithium Extraction Technology

With a large potential source of lithium secured, management's focus is to demonstrate the technological and commercial viability of the project. E3 Metals' process of delivering high grade lithium hydroxide or carbonate to the market is being developed as three major steps. The first step involves pumping the brine to surface using a combination of new and existing infrastructure. This process is well understood in Alberta through oil and gas production which has demonstrated that large volumes of brine can be cycled to surface and back into the reservoir. The use of existing infrastructure has the potential to reduce the Company's development costs and reduce land disturbance.

The second step uses E3 Metals' proprietary Ion Exchange Direct Lithium Extraction ("DLE") technology. The process both concentrates the brine and removes the majority of the impurities in one step (see E3 Metals news releases on May 29, 2018, December 4, 2018, March 4, 2019) producing a concentrate feedstock. This technology development is the key link between the existing brine production techniques and the readily available technology potentially utilized for the third step of lithium production.

The third step is the production of a lithium salt and involves refining the concentrate feedstock to further remove the last of the impurities and produce a high-grade lithium product for direct sale into the battery market. The Company believes the key to the defining a feasible project in the future is the continued development of its' proprietary DLE technology, which has demonstrated it will efficiently concentrate lithium and remove brine impurities. All other process steps may consist of existing technology modified slightly for the specifics of the Alberta Lithium Project.

The University of Alberta has assisted E3 in the development of its DLE technology that has a veer high selectivity for lithium. The technology has shown results achieving greater than 20 to 100 times concentration factor with 80 to 90 per cent Li recovery while attracting less than 1-per-cent impurities (see March 4, 2019 press release).

In July 2019 the Company announced the successful design and assembly of a lab scale ion exchange flow system. The unit was commissioned by E3 Metals, in collaboration with GreenCentre Canada and Kingston Process Metallurgy. Operation of the flow system advances the Company's proprietary Ion Exchange Technology under more commercially applicable continuous flow conditions.

On September 17, 2019 the Company entered into a Joint Development Agreement with Livent to advance E3 Metals' proprietary Ion-Exchange Direct Lithium Extraction process. The ultimate goal of the joint venture is to develop a process to produce battery quality lithium products from the lithium enriched brines located in the Leduc Formation in Alberta.

Under the terms of the joint venture, Livent will deploy its technical expertise to assist in the accelerated advancement of E3's lithium extraction process towards commercialization. Livent will contribute up to US\$ 5.5 million to the joint venture project. An initial US\$ 1.5 million contribution from Livent was made subsequent to September 30, 2019. E3 is contributing its Ion-Exchange Direct Lithium Extraction technology to the joint venture. The joint venture is being undertaken through 2216747 Alberta Ltd, a company owned 50% by E3 and 50% by Livent.

The Company anticipates that the result of the Joint Development Agreement with Livent will be the construction of a pilot plant focusing on creating larger volumes of concentrate through field testing in 2020. Potential low-cost field testing should be facilitated by available brine production at surface from E3 Metals' partnerships with multiple

oil and gas operators. The large volumes of concentrate will be shipped in batches to facilities to create larger quantities of lithium products such as lithium carbonate or lithium hydroxide. The results from this testing should allow the company to begin Front End Engineering and Design (FEED) towards a Pre-Feasibility Study (PFS).

The key individuals associated with the University of Alberta involved in developing the DLE technology (the “Inventors”) filed for a US provisional patent No. 62/786,106 (“Lithium Extraction From Low Grade Petro-Brine by Ion Exchange”) on December 28, 2018. E3 and the University of Alberta acquired the provisional US patent from the Inventors in February 2019.

Government Funding

In 2018, the Company received funding of \$40,000 from NRC-IRAP (National Research Council - Industrial Research Assistance Program) toward the salaries of an intermediate chemical process engineer and a junior geologist. The grant was paid over a six-month period.

On April 25, 2019, the Company signed an agreement with the National Research Council – Industrial Research Assistance Program pursuant to which it would receive up to \$20,000 in IRAP funding on a reimbursement basis to offset the costs of additional support staff between May 15 and November 30, 2019. The Company applied for the initial reimbursement funding beginning in July 2019.

The Company received grant approval of \$56,000 from NRC-IRAP in 2018 towards technology development at National Research Council laboratories in Ottawa and Vancouver. E3 received a total of \$55,320 under this program as of August 2019. The project was completed in July 2019.

The Company also received grant approval of \$100,000 from Alberta Innovates (“AI”), an Alberta provincial funding agency, to assist in the technology development work at Green Center Canada. The funding will continue to support the development and scaling of the Company’s concentration technology towards commercialization. The company invoiced AI for \$10,000 in 2018 and \$90,000 during the nine months ended September 30, 2019.

The research and development of the concentration technology is being guided by Dr. Daniel Alessi, Assistant Professor at the University of Alberta. In April 2018, the Company received a grant of \$100,000 from the National Science & Engineering Research Council (“NSERC”) under the collaborative research and development grant program. The funding will continue to support the advancement of the Company's lithium concentration technology into 2019.

The Company is supporting the NSERC grant with a matching contribution of \$50,000, payable to the University of Alberta in accordance with the following schedule:

- \$37,500 was paid in 2018; and
- \$12,500 on January 1, 2019.

As a result of the grant, the Alessi lab will also receive an in-kind contribution of up to an additional \$102,500.

Property and Permits

The Alberta Lithium Project is comprised of 78 MIM Permits, which includes the rights for lithium, totaling 596,087 hectares (5,961 square kilometers) that can be further sub-divided into five separate sub-properties, or groups of contiguous permits:

- Clearwater Sub-Property: 21 contiguous permits totaling 157,305 hectares;
- Exshaw Sub-Property: 18 contiguous permits totaling 142,285 hectares;
- Rocky Sub-Property: 29 contiguous permits totaling 225,309 hectares;
- Sunbreaker Sub-Property: 2 contiguous permits totaling 15,678 hectares; and
- Drumheller Sub-Property: 8 contiguous permits totaling 55,511 hectares.

Pursuant to the Share Exchange Transaction, the Company acquired a 100% interest in the Clearwater and Exshaw lithium brine projects covering the Leduc reservoir in south-central Alberta and comprised of 10 Alberta MIM Permits totaling 87,965 hectares (879.65 square kilometers). The Company also acquired 64 additional MIM Permits during the year ended December 31, 2017, 2 additional MIM Permits during the year ended December 31, 2018 and 6 in the current year, while allowing 4 permits to expire.

Clearwater

On July 10, 2017, the Company signed a Royalty Agreement pursuant to which it has agreed to pay to the royalty owner a perpetual production royalty equal to 2.25% (the “Royalty”) of the gross proceeds from all products that are mined or extracted from seven specific Clearwater MIM permits.

The Company has the option, at any time before September 30, 2020, to purchase all or a portion of the royalty at a price of:

- \$600,000 for the entire 2.25% of the Royalty, or
- \$75,000 for each 0.25% of the Royalty, provided that the maximum amount to purchase the entire 2.25% of the Royalty will be \$600,000.

Exshaw

On August 9, 2017, the Company entered into a binding term sheet to acquire three MIM permits located in the Exshaw Project Area from Fathom Minerals Ltd. (“Fathom”), a private mineral exploration company. Pursuant to the terms of the Term Sheet, the Company will acquire (i) a 100% interest in the Permits and (ii) all technical data and reports related to the Permits in Fathom’s possession, in consideration of:

- \$35,000 (paid); and
- 350,000 common shares of the Company (issued in 2019 following TSX Venture Exchange approval).

The following table summarizes the Company's exploration and evaluation asset expenditures to September 30, 2019:

	Alberta Lithium Project
Acquisition Costs:	
Balance December 31, 2018	\$ 1,649,009
Balance September 30, 2019	\$ 1,649,009
Exploration Costs:	
Balance, December 31, 2018	\$ 862,067
Research and development consulting	185,279
Government grants received	(61,542)
Geological Consulting	60,809
Geochemistry analysis	11,893
Capitalized expenses	50,699
	1,109,205
Transfer to Intellectual Property	(247,138)
Balance, September 30, 2019	\$ 862,067
Total, December 31, 2018	\$ 2,511,076
Total, September 30, 2019	\$ 2,511,076

On September 17, 2019, the Company entered into a Unanimous Shareholders Agreement ("USA") with a wholly owned subsidiary of Livent Corporation ("Livent") pursuant to which 2216747 Alberta Ltd. was incorporated ("Devco"). Under the terms of the USA, the Company granted a perpetual, exclusive, royalty-free intellectual property license to Devco. The fair value of the license granted to Devco was deemed to be E3's costs incurred from the date that a provisional US patent was issued in December 2018. This amount was reclassified from Exploration and Evaluation Assets to Intellectual Property, an intangible asset

Investment in Joint Venture

Under the terms of the USA entered into with Livent, E3 purchased fifty (50) common shares of Devco for US \$50 (CDN \$66), representing a 50% ownership of the company. In addition, E3 granted Devco a perpetual, exclusive, royalty-free intellectual property license. The Company's intellectual property consists of its proprietary Ion-Exchange technology. E3 has also committed the time of three of its employees to Devco to work with employees from Livent to complete the Direct Lithium Extraction process.

In accordance with IFRS 11 – Joint Arrangements, the Company's investment is considered a joint venture since it has joint control of the arrangement with Livent. As a result, the Equity Method (IAS 28) is used to account for the interest in the investment.

Management Discussion & Analysis
For the Three and Nine-Months Ended September 30, 2019 and 2018

	Investment in Joint Venture
Balance at January 1, 2019	\$ –
Initial investment for shares	66
Balance at September 30, 2019	\$ 66

Pursuant to the USA, Livent also purchased fifty (50) common shares of Devco for US \$50 (CDN \$66) and contributed a perpetual, exclusive, royalty-free intellectual property license for its relevant intellectual property. On October 12, 2019, Livent also contributed US \$1.5 million to Devco which will be used to pay Devco expenses. Livent is obligated to contribute a total of US \$5.5 million to Devco to fund the completion of the development of the Direct Lithium Extraction technology and to build a pilot plant.

Selected Financial Information

For the period ended	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Cash used in operations	\$ (580,397)	\$ (668,024)	\$ (1,348,088)	\$ (1,258,032)
Cash from financing	40,000	1,227,675	1,386,652	1,394,175
Cash used in investing	(44,852)	(57,369)	(275,547)	(174,550)
Net loss	(760,561)	(499,344)	(1,851,368)	(1,148,789)
Loss per share - basic and diluted	(0.03)	(0.03)	(0.08)	(0.06)

As at	September 30, 2019	September 30, 2018	December 31, 2018
Total assets	\$ 3,038,290	\$ 2,961,146	\$ 2,911,363
Current assets	197,460	714,459	381,054
Current liabilities	344,675	142,665	122,501
Working capital (deficiency)	(147,215)	584,090	285,553
Common shares outstanding	25,073,986	20,622,409	21,002,002

Analysis of the Company's financial performance and conditions

During the three and nine months ended September 30, 2019, the Company reported a net loss of \$760,561, and net loss of \$1,851,368 respectively (2018 – \$499,344 and \$1,148,789). The Company currently is in the technology development stage and does not have recurring revenues. During the period, the company recorded revenue due to the transfer of its intellectual property to the investment in its Joint Venture. As such, funding of operations is provided by the issuance of common shares as well as available government grants. The Company

Management Discussion & Analysis
For the Three and Nine-Months Ended September 30, 2019 and 2018

continued to expand its development activities and, therefore, incurred higher operational costs as compared to the first six months in 2019.

The increase in operating expenses during the period ended September 30, 2019 was a result of the following:

- consulting fees totaled \$360,177 (2018 - \$188,956) for investor relation services, assistance with strategic initiatives and CFO services;
- general and administrative expenses reduced to \$115,333 (2018 - \$143,708) due to the changes required by the adoption of IFRS 16 – Leases, a decrease in administrative services fees and other office administrative expenses;
- marketing and promotion expenses were \$299,707 (2018 - \$242,990) and included capital market services, including marketing campaigns and investors' presentations conducted to increase awareness of the Company's activities and exploration plans, as well as participation in investment conferences and industry shows;
- professional fees increased to \$254,828 (2018 - \$75,742) due to an increase in accounting and legal fees. The legal fees incurred during the period were related to general corporate matters and the documents required for the joint venture with Livent;
- regulatory and transfer agent fees increased to \$48,379 (2018 - \$23,449) as a result of annual Venture sustaining fees and other transfer agent fees;
- share-based compensation increased to \$327,735 (2018 - \$48,039) as a result of the vested portion of the stock options granted to employees, officers and a consultant in 2019; and
- travel expenses increased to \$47,782 (2018 - \$40,301) as a result of Board of Directors and management meetings in Vancouver and Calgary and meetings with potential strategic partners.

Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Net loss	Loss per share
September 30, 2019	\$ (760,561)	(0.03)
June 30, 2019	(677,315)	(0.03)
March 31, 2019	(413,494)	(0.02)
December 31, 2018	(230,699)	(0.01)
September 30, 2018	(499,344)	(0.02)
June 30, 2018	(353,680)	(0.02)
March 31, 2018	(295,764)	(0.02)
December 31, 2017	(582,135)	(0.04)

Liquidity and Capital Resources

The Company reported a working capital deficit of \$147,215 at September 30, 2019 (December 31, 2018 - \$258,553), representing a decrease in working capital of \$111,339 during the nine month period.

As at September 30, 2019, the Company had cash on hand of \$109,487 compared to cash on hand of \$347,547 at December 31, 2018.

The Company does not have sufficient cash to settle its accounts payable and accrued liabilities at September 30, 2019 and continue operations during Q4 2019, into 2020 and beyond. For the Company to continue operations, it will require additional equity funding in Q4 2019.

Risks and Uncertainties

The Company has not had a history of operations or earnings and the overall success of the Company will be affected by its current or future business activities.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including liquidity risk and market risks with respect to its ability to raise capital through equity markets under acceptable terms and conditions. Management monitors its activities and various factors that could impact the risks in order to manage risks and make timely decisions.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and receivables. The Company minimizes its exposure to credit risk by placing its cash with a Canadian Schedule 1 Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as low due to the high credit quality rating the institution has with the rating agencies. As at September 30, 2019, the Company had cash of \$109,487 (December 31, 2018 - \$347,547).

The Company's secondary exposure to credit risk is on its receivable of \$67,591. This risk is minimal as \$27,529 of the receivable consists of refundable government sales taxes. (December 31, 2018 - \$14,092) as well as grants receivable from government agencies of \$30,762 (December 31, 2018 - \$10,000). The Company believes that it will realize on its receivables in 2019.

Currency risk

The Company's current operations are not exposed to significant foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The fair value of the Company's financial instruments is relatively unaffected by changes in interest rates. The Company is exposed to interest rate risk on its bank deposit, which earns interest at a variable rate. Based on the cash balance at September 30, 2019, the effect of a 10% fluctuation in interest rates would not be material.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash to cover current liabilities as they mature.

As at September 30, 2019, the Company had a working capital deficit of \$147,215 (December 31, 2018 - \$258,553). At September 30, 2019, the Company had a cash balance of \$109,487, which is not sufficient to pay

Management Discussion & Analysis
For the Three and Nine-Months Ended September 30, 2019 and 2018

its current cash liabilities of \$344,674 and to continue operations in the short term. As stated above, the Company will require additional equity funding to continue operations during Q4 2019, through 2020 and beyond.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company has been successful in raising capital in the past, there is no guarantee it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

During the nine months ended September 30, 2019 and 2018, the remuneration of the key management personnel was as follows:

Nine months ended September 30,	2019	2018
Management salaries and benefits(i)	\$ 233,933	\$ 145,433
Management fees (ii)	63,000	–
Share-based compensation (iii)	44,395	12,213
Total	\$ 341,328	\$ 157,646

- (i) On May 30, 2017, the Company entered into employment agreements (as amended) with the CEO and the VP Corporate Affairs and Exploration of the Company that ratify annual compensation of \$145,000 plus benefits for each individual. On April 1, 2019, the annual compensation for the CEO and VP of Project Development increased to \$152,250 plus benefits. During the nine months ended September 30, 2019, the Company paid gross management salaries and benefits of \$233,933 (2018 - \$226,200) pursuant to these agreements.
- (ii) On May 10, 2018, the Company entered into an agreement with The CFO Centre Limited to provide part-time CFO services to the Company on a contract basis. For the nine months ended September 30, 2019, the Company paid \$63,000 (2018 - \$20,790) in fees pursuant to the agreement.
- (iii) The Company recognised share-based compensation of \$44,395 (2018 - \$15,828) on the vested portions of the stock options granted to the CEO, CFO and VP Corporate Affairs and Exploration of the Company for the nine months ended September 30, 2019.
- (iv) At September 30, 2019, a total of \$21,663 (December 31, 2018 - \$22,465) was due to directors and officers of the Company or their related companies for reimbursement of travel and project related expenses and consulting fees.

Subsequent Events

On October 18, 2019, the Company received approval from the TSX Venture Exchange to issue 56,015 common shares for services rendered pursuant to a consulting services agreement between the Company and John McNicol dated January 17, 2019. Additional details can be found in the Company's news release dated January 22, 2019.

On November 7, 2019, 425,000 options issued on November 7, 2017 expired unexercised.

On November 11, 2019, the Company issued 100,000 stock options to a consultant. The options can be exercised at a price \$0.40 and expire November 11, 2022. The options vest in 25,000 option increments every three months beginning November 11, 2019.

On November 20, 2019, the Company announced its intention to complete a non-brokered private placement of up to 7,500,000 units ("Units") of the Company at a price of \$0.40 per Unit for gross proceeds of up to \$3,000,000. Each Unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.60 per Warrant Share for a period of 2 years and 6 months from closing. Closing of the private placement is expected to occur in tranches between the date of these statements and December 31, 2019.

Critical Accounting Estimates

Information provided in this report, including the condensed consolidated interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Changes in Accounting Policies including Initial Adoption

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

On January 1, 2019, the Company adopted the new IASB Lease Standard IFRS 16. IFRS 16 requires that former operating leases be capitalized and recognized on the consolidated balance sheet by the lessee. Lease assets and liabilities are initially measured at the present value of the unavoidable lease payments and amortized over the lease term. The Company adopted IFRS 16 using a modified retrospective approach (see Note 5). The modified retrospective approach does not require restatement of prior period financial information and recognizes the cumulative effect of IFRS 16 prior to January 1, 2019 as an adjustment to the opening retained deficit and applies the standard prospectively. On adoption, the Company also elected to apply the following methods as permitted under the standard:

- Leases with terms ending within 12 months are recognized as short-term leases.
- Short-term leases and leases of low value assets that have been identified are not recognized on the consolidated statement of financial position. Expenses for these leases are recognized as incurred with the amounts disclosed in the notes to the consolidated financial statements.
- The provision for onerous leases previously recognized was applied to the value of the associated right-of-use asset. In this case, no impairment assessment was performed under IAS 36 Impairment.

Going concern

As at September 30, 2019, the Company has not generated any revenues from operations and has an accumulated deficit of \$19,403,917 (December 31, 2018 - \$17,546,133).

The Company expects to incur further losses in the development of its Lithium technology and establishing it is economically commercial through the construction of a pilot plant, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company will continue to have capital requirements in excess of its currently available resources. The Company will require equity financing to continue operations during Q4 2019, in 2020 and beyond and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms.

These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

Financial Instruments

The Company's financial instruments include cash, receivables, trade payables and accrued liabilities, short-term loan, and due to related parties. Trade payables and accrued liabilities and due to related parties are classified as other financial liabilities. The carrying value of these financial instruments approximates their fair value due to their short-term maturity.

Other

Summary of outstanding shares, warrants and stock options as at September 30, 2019:

Authorized - Unlimited common shares without par value

Issued and outstanding common shares: 25,073,986

Share purchase warrants outstanding: 3,002,896

Stock options outstanding: 2,410,000

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

Signed "Chris Doornbos"

Chris Doornbos
President & CEO