

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the accompanying short form base shelf prospectus dated April 18, 2022 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference herein and therein, 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.

*These securities 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 securities laws of any state of the United States. Accordingly, except as permitted under the Underwriting Agreement (as defined herein), the securities may not be offered or sold in the “United States” or to “U.S. persons” (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to U.S. persons. See “Plan of Distribution”.*

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated April 18, 2022 to which it relates 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 E3 Lithium Ltd. at 1520 - 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, or by telephone at 587-324-2775, and are also available electronically at www.sedarplus.ca.

**PROSPECTUS SUPPLEMENT
To Short Form Base Shelf Prospectus Dated April 18, 2022**

New Issue

September 20, 2023



E3 LITHIUM

E3 LITHIUM LTD.

**\$20,022,000
5,640,000 Common Shares**

Price: \$3.55 per Common Share

This prospectus supplement of E3 Lithium Ltd. (“**E3 Lithium**” or the “**Company**”) together with the short form base shelf prospectus dated April 18, 2022 hereby qualifies the distribution (the “**Offering**”) of 5,640,000 common shares of the Company (the “**Offered Shares**”) at a price of \$3.55 per Offered Share (the “**Offering Price**”). The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and Eight Capital, as lead underwriter and sole bookrunner (the “**Lead Underwriter**”), on behalf of a syndicate of underwriters, which includes Echelon Wealth Partners Inc. (together with the Lead Underwriter, the “**Underwriters**”). The Offering is being made pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated September 20, 2023 between the Company and the Underwriters. See “*Plan of Distribution*”.

The outstanding common shares in the capital of the Company (the “**Common Shares**”) are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**ETL**”. On September 19, 2023, the last trading day prior to the date of this prospectus supplement, the closing price of the Common Shares on the TSXV was \$3.55. The Company has applied to list the Offered Shares on the TSXV. The TSXV has not conditionally

approved the Company's listing application and there is no assurance that the TSXV will approve the listing application. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

	Public Offering Price	Underwriters' Fee⁽¹⁾	Net Proceeds to the Company⁽²⁾⁽³⁾
Per Offered Share.....	\$3.55	\$0.178	\$3.373
Total Offering	\$20,022,000	\$1,001,100	\$19,020,900

Notes:

- (1) Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters a cash fee equal to 5.0% of the gross proceeds from the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option (as defined herein)). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue the Underwriters such number of broker warrants (the "**Broker Warrants**") as is equal to 5.0% of the number of Offered Shares sold pursuant to the Offering (including any Offered Shares sold on the exercise of the Over-Allotment Option). Each Broker Warrant shall entitle the holder thereof to acquire one Offered Share (a "**Broker Warrant Share**") for a period of 24 months from the Closing Date (as defined herein) at an exercise price per Broker Warrant Share equal to the Offering Price. This prospectus supplement and the accompanying base shelf prospectus qualifies the distribution of the Broker Warrants and the Broker Warrant Shares. See "*Plan of Distribution*".
- (2) After deducting the Underwriters' Fee, but before deducting expenses of the Offering estimated to be an aggregate of \$325,000, which will be paid from the proceeds of the Offering. See "*Plan of Distribution*" and "*Use of Proceeds*".
- (3) If the Over-Allotment Option is exercised in full, the "*Public Offering Price*", "*Underwriters' Fee*" and "*Net Proceeds to the Company*" (before deducting expenses of the Offering) will be \$23,025,300, \$1,151,265 and \$21,874,035, respectively. This prospectus supplement and accompanying base shelf prospectus also qualify for distribution the Over-Allotment Option and the Additional Shares (as defined herein) issued pursuant to the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

The Company has also granted to the Underwriters an option (the "**Over-Allotment Option**") exercisable, in whole or in part and from time to time, at the sole discretion of the Underwriters, at any time up to 30 days from and including the Closing Date, to purchase up to an additional 846,000 Offered Shares (the "**Additional Shares**") at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. A purchaser who acquires Additional Shares forming part of the Underwriters' over-allocation position acquires those Additional Shares under this prospectus supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, references in this prospectus supplement to the "**Offering**" and "**Offered Shares**" include the Additional Shares and Broker Warrant Shares, as applicable.

The following table sets out the Underwriters' position:

Underwriters' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	846,000 Additional Shares	Exercisable at any time for a period of 30 days from and including the Closing Date	\$3.55 per Additional Share
Broker Warrants ⁽¹⁾	282,000 Broker Warrants (324,300 Broker Warrants if the Over-Allotment Option is exercised in full)	Exercisable for a period of 24 months following the Closing Date	\$3.55 per Broker Warrant Share

Notes:

- (1) The Prospectus qualifies the grant of the Broker Warrants and Broker Warrant Shares. See "*Plan of Distribution*".

The Underwriters, as principals, conditionally offer the Offered Shares, 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 and subject to the passing upon of certain legal matters relating to the Offering on behalf of the Company by Cozen O'Connor LLP and on behalf of the Underwriters by Bennett Jones LLP, with respect to matters of Canadian law. See "*Plan of Distribution*".

The Underwriters propose to offer the Offered Shares to the public initially at the price specified on the cover page of this prospectus supplement. If all of the Offered Shares are not sold at the price specified in this prospectus supplement, the Underwriters may decrease the Offering Price and change the other selling terms. The compensation realized by the Underwriters will decrease 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 decrease in the Offering Price will not decrease the amount of net proceeds of the Offering to the Company. See “*Plan of Distribution*”.

Subscriptions 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. Closing of the Offering is expected to occur on or about September 26, 2023, or such other date as may be permitted under applicable securities laws and as agreed upon by the Company and the Underwriters (the “**Closing Date**”).

It is expected that the Company will arrange for the electronic deposit of the Offered Shares distributed under the Offering under the book-based system of registration, to be registered in the name of CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and will be deposited with CDS on the Closing Date. Except in limited circumstances, no certificates evidencing the Offered Shares will be issued to purchasers of the Offered Shares. Such purchasers of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer from or through whom a beneficial interest in the Offered Shares are purchased. See “*Plan of Distribution*”.

The Underwriters may, in connection with the Offering, effect transactions which are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable market stabilization rules. Such transactions, if commenced, may discontinue at any time. See “*Plan of Distribution*”.

The Company’s head office is located at 1520 - 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 and is registered office is located at Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC, V6C 2B5.

Investing in the Offered Shares is highly speculative and involves significant risks that you should consider before purchasing such Offered Shares. You should carefully review the “*Risk Factors*” in this prospectus supplement, the “*Risk Factors*” sections of the accompanying base shelf prospectus and the AIF (as defined herein), the “*Forward-Looking Information*” sections in the Annual MD&A (each as defined herein), as well as the information under the heading “*Cautionary Note Regarding Forward-Looking Statements*” in this prospectus supplement.

Investors should rely only on current information contained in or incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus as such information is accurate only as of the date of the applicable document or as of the date as otherwise indicated therein. The Company has not authorized anyone to provide investors with different information. Information contained on the Company’s website shall not be deemed to be a part of this prospectus supplement or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Offered Shares. The Company will not make an offer of these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement (including the documents incorporated by reference herein) is accurate only as of the date of this prospectus supplement or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable).

Prospective investors should be aware that the acquisition, holding or disposition of the Offered Shares may have tax consequences. Such consequences may not be fully described in this prospectus supplement, and Canadian resident and non-resident prospective investors should consult their own tax advisors in this regard. See “*Canadian Federal Income Tax Considerations*”.

TABLE OF CONTENTS

Prospectus Supplement

GENERAL MATTERS.....	S-1
CANADIAN MINERAL PROPERTY STANDARDS AND RESOURCE ESTIMATES.....	S-1
NOTICE REGARDING PRESENTATION OF FINANCIAL INFORMATION	S-3
CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION.....	S-3
MARKETING MATERIALS	S-4
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	S-4
DOCUMENTS INCORPORATED BY REFERENCE.....	S-5
THE COMPANY.....	S-6
RISK FACTORS.....	S-10
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	S-14
USE OF PROCEEDS.....	S-15
CONSOLIDATED CAPITALIZATION	S-17
PRIOR SALES	S-17
ESCROWED SECURITIES	S-19
TRADING PRICE AND VOLUME	S-20
PLAN OF DISTRIBUTION	S-20
LEGAL MATTERS	S-23
TRANSFER AGENT AND REGISTRAR.....	S-23
INDEPENDENT AUDITOR	S-23
EXPERTS.....	S-23
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES.....	S-23
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	S-24
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	S-24
ELIGIBILITY FOR INVESTMENT	S-27
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

Prospectus

ABOUT THIS PROSPECTUS.....	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	1
NOTICE REGARDING REPRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES.....	2
PRESENTATION OF FINANCIAL INFORMATION	3
DOCUMENTS INCORPORATED BY REFERENCE.....	3
SUMMARY DESCRIPTION OF BUSINESS.....	4
RECENT DEVELOPMENTS.....	8
RISK FACTORS.....	8
USE OF PROCEEDS.....	12
PRIOR SALES	13
TRADING PRICE AND VOLUME	15
DIVIDEND POLICY.....	16
CONSOLIDATED CAPITALIZATION	16
DESCRIPTION OF SHARE CAPITAL.....	16
DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS	17
DENOMINATIONS, REGISTRATION AND TRANSFER	21
PLAN OF DISTRIBUTION	22
CERTAIN INCOME TAX CONSIDERATIONS	23
AUDITOR AND REGISTRAR AND TRANSFER AGENT.....	23
LEGAL MATTERS AND INTERESTS OF EXPERTS	23
ADDITIONAL INFORMATION	24
EXEMPTION FROM NI 44-101.....	24
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	24
CERTIFICATE OF THE COMPANY	

GENERAL MATTERS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the accompanying base shelf prospectus and the documents incorporated by reference therein. The second part is the accompanying base shelf prospectus, which gives more general information, some of which may not apply to the Offering. This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purposes of the Offering. If the description of the Offered Shares varies between this prospectus supplement and the accompanying base shelf prospectus, you should rely on the information in this prospectus supplement. Before investing, you should carefully read both this prospectus supplement and the accompanying base shelf prospectus together with the documents incorporated by reference herein and therein referenced in the section of this prospectus supplement entitled “*Documents Incorporated by Reference*”.

You should rely only on the information contained or incorporated by reference in this prospectus supplement or in the accompanying base shelf prospectus. The Company and the Underwriters have not authorized any other person to provide you with different, additional or inconsistent information. If anyone provides you with different, additional or inconsistent information, you should not rely on it. The Company and the Underwriters are not making an offer of the Offered Shares in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying base shelf prospectus is accurate only as of the date on the front of those documents or such other dates as specified in those documents and that information contained in any document incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus is accurate only as of the date of that document or such other date as specified in that document. The Company’s business, financial condition, results of operations and prospects may have changed since those dates.

Any market data or industry forecasts used in this prospectus supplement and the accompanying base shelf prospectus and the documents incorporated by reference herein and therein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. The Company has not independently verified such information, and it does not make any representation as to the accuracy of such information.

Unless the context otherwise requires, references in this prospectus supplement and the accompanying base shelf prospectus to “**E3 Lithium**” or the “**Company**” include E3 Lithium Ltd. and each of its subsidiaries. All capitalized terms used but not otherwise defined herein have the meanings provided in the accompanying base shelf prospectus.

CANADIAN MINERAL PROPERTY STANDARDS AND RESOURCE ESTIMATES

As a Canadian issuer, the Company is required to comply with reporting standards in Canada that require the Company to make disclosure regarding its mineral properties, including any estimates of mineral reserves and resources, in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral resource and mineral reserve estimates contained in or incorporated by reference in this prospectus supplement have been prepared in accordance with NI 43-101.

This prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein use certain technical terms, which are defined in accordance with the CIM Definition Standards on mineral resources and reserves (the “**CIM Definition Standards**”) adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM Council**”), as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Definition Standards, which were adopted by the CIM Council on May 10, 2014 (the “**CIM Definitions**”):

Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
Mineral Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-feasibility Study or Feasibility Study.

Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
Modifying Factors	Considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Pre-feasibility Study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-feasibility Study is at a lower confidence level than a Feasibility Study.
Probable Mineral Reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
Proven Mineral Reserve	The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

The AIF (as defined herein) and the documents incorporated by reference therein also include the term "preliminary economic assessment", which is defined in NI 43-101 to mean a study that includes an economic analysis of the potential viability of mineral resources, but that does not meet the definition of either a "Pre-feasibility Study" or a "Feasibility Study", as such terms are defined above.

NOTICE REGARDING PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, and the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2023, incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). IFRS differs in some material respects from United States Generally Accepted Accounting Principles ("**U.S. GAAP**") and so these financial statements may not be comparable to the financial statements of U.S. companies that report in accordance with U.S. GAAP. As a result, financial information included or incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus may not be comparable to financial information prepared by companies in the United States.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

The financial statements incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus, and any selected consolidated financial data derived therefrom included herein and in the accompanying base shelf prospectus, are presented in Canadian dollars. In this prospectus supplement, references to "\$" or "C\$" are to Canadian dollars and references to "US\$" are to United States dollars.

MARKETING MATERIALS

In connection with the Offering, the Underwriters used the Term Sheet as “marketing materials” (as such term is defined under applicable Canadian securities laws). Any “template version” (as such term is defined under applicable Canadian securities laws) of any marketing materials that are used by the Underwriters in connection with the Offering do not form part of this prospectus supplement and the accompanying base shelf prospectus to the extent that the contents of such marketing materials have been modified or superseded by a statement contained in this prospectus supplement. Any template version of any marketing materials that has been, or will be, filed on SEDAR+ (www.sedarplus.ca) before the 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 by reference into this prospectus supplement and the accompanying base shelf prospectus solely for the purposes of the Offering.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information included in this prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Generally, forward-looking statements can be identified by the use of forward-looking language such as “plans”, “expects”, “budgets”, “schedules”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “proposed”, “potential”, “target”, or variations of such words and phrases, and statements that certain actions, events or results “may”, “could”, “would”, “might”, “will be taken”, “will occur” or “will be achieved” or negatives thereof. Statements concerning “mineral resource” or “mineral reserve” estimates (within the meaning of NI 43-101) may also be deemed to be forward-looking information to the extent that they involve estimates of mineralization. Forward-looking statements are based on the opinions and estimates of E3 Lithium as of the date such statements are made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of E3 Lithium to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to, risks related to: E3 Lithium’s ability to effectively implement its planned exploration programs; unexpected events and delays in the course of E3 Lithium’s exploration and drilling programs; changes in project parameters as plans continue to be refined; the ability of E3 Lithium to raise the capital necessary to meet its milestones, conduct its planned exploration programs and to continue exploration and development on its properties; the failure to discover any significant amounts of lithium or other minerals on any of E3 Lithium’s properties; the fact that E3 Lithium’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 Lithium 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 E3 Lithium’s properties may become uneconomical to extract; the continued demand for minerals and lithium; the 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 and elsewhere, 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 Lithium 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 therefrom; the fact that in the event E3 Lithium determines through its pilot testing program that a third party technology or process is preferable or produces better results than E3 Lithium’s own developing technology will require E3 Lithium to negotiate commercially reasonable use or licensing arrangements, which is not assured; 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 E3 Lithium's properties; risks inherent in the mineral exploration and development business; the uncertainty of the requirements demanded by environmental agencies; E3 Lithium's ability to hire and retain qualified employees and consultants necessary for the exploration and development of any of E3 Lithium's properties and for the operation of E3 Lithium's business; and other risks related to mining activities and market conditions that are beyond E3 Lithium's control. This list of factors is not, and should not be construed, as exhaustive. Although E3 Lithium has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements in this prospectus supplement, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this prospectus supplement. E3 Lithium does not undertake to update any forward-looking statements except in accordance with applicable securities laws. The forward-looking statements contained in and incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus are expressly qualified by this cautionary note.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purposes of the Offering. Other documents are also incorporated, or are deemed to be incorporated by reference, into the accompanying base shelf prospectus and reference should be made to the accompanying base shelf prospectus for full particulars thereof.

Information has been incorporated by reference in this prospectus supplement from documents filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of E3 Lithium at 1520 - 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, or by telephone at 587-324-2775. These documents are also available on SEDAR+, which can be accessed online at www.sedarplus.ca. Information contained or featured on the Company's website shall not be deemed to be part of this prospectus supplement or the accompanying base shelf prospectus.

The following documents, which have been filed by the Company with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this prospectus supplement and the accompanying base shelf prospectus:

- (a) the annual information form of E3 Lithium (the "**AIF**") dated April 27, 2023 for the year ended December 31, 2022 and filed on SEDAR on April 27, 2023;
- (b) the audited consolidated financial statements of E3 Lithium as at December 31, 2022 and 2021 together with the notes thereto and the auditors' report thereon and related management's discussion and analysis (the "**Annual MD&A**"), filed on SEDAR on April 20, 2023;
- (c) the unaudited condensed consolidated interim financial statements of E3 Lithium as at and for the three and six months ended June 30, 2023, together with the notes thereto and related management's discussion and analysis (the "**Interim MD&A**"), filed on SEDAR on August 24, 2023;
- (d) the material change report dated April 10, 2023 in respect of announced the upgrade of its mineral resource to Measured and Indicated (M&I), filed on SEDAR on April 10, 2023;
- (e) the material change report dated May 31, 2023 in respect of the Company's announcement of a bought deal offering of common shares at a price of \$2.25 per share for aggregate gross proceeds of \$5,000,000 (the "**June Offering**");
- (f) the material change report dated June 9, 2023 in respect of the closing of the June Offering;

- (g) the material change report dated September 18, 2023 in respect of the announcement of the Offering;
- (h) the material change report dated September 18, 2023 in respect of the Company's commencement of operations at the Field Pilot Project and preliminary update on the direct lithium extraction ("DLE") technology results;
- (i) the management information circular dated May 23, 2023 for the annual general and special meeting of the shareholders of E3 Lithium to be held on June 27, 2023 and filed on SEDAR on June 1, 2023; and
- (j) the template version of the term sheet (the "Term Sheet") dated September 16, 2023 in connection with the Offering.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus Distributions and required to be filed by the Company with the securities commissions or similar regulatory authorities in Canada after the date of this prospectus supplement and prior to the completion of the distribution under the Offering shall be deemed to be incorporated by reference in this prospectus supplement for the purposes of the Offering.

Any statement contained in this prospectus supplement, the accompanying base shelf prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or in the accompanying base shelf prospectus shall be deemed to be modified or superseded for purposes of the Offering to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the accompanying base shelf prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document 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. Any statement so modified or superseded shall not constitute a part of this prospectus supplement or the accompanying base shelf prospectus, except as so modified or superseded.

References to the Company's website in any documents that are incorporated by reference into this prospectus supplement and the accompanying base shelf prospectus do not incorporate by reference the information on such website into this prospectus supplement or the accompanying base shelf prospectus, and the Company disclaims any such incorporation by reference.

THE COMPANY

The following summary contains basic information about the Company and is not intended to be complete. This description does not contain all of the information about the Company and its properties and business that you should consider before investing in the Offered Shares. You should carefully read the entire prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference in this prospectus supplement and in the accompanying base shelf prospectus before making an investment decision. See "Documents Incorporated by Reference". You should also carefully consider the matters discussed under "Risk Factors" in this prospectus supplement; the "Risk Factors" section beginning on page 8 of the accompanying base shelf prospectus; the "Risk Factors" section beginning on page 16 of the AIF; and the "Risk Factors" section beginning on page 15 of the Annual MD&A.

Business of the Company

The Company is an emerging lithium developer aiming to become a producer of lithium battery products with a head office in Calgary, Alberta. The Company's primary focus is developing its Clearwater lithium

project (the “**Clearwater Lithium Project**”), a part of the Bashaw District, E3’s primary land holding in South Central Alberta, developing on the backbone of the mature and sophisticated Alberta oil industry that will allow the Company to catapult its development. The Company combines a significant resource and a well-established local industry with DLE technology (the “**Extraction Technology**”) with a view to delivering lithium to market.

The Company was incorporated on August 19, 1998 under the *Business Corporations Act* (British Columbia). On January 17, 2022, the Company continued into the Province of Alberta under the provisions of the *Business Corporations Act* (Alberta). As at the date hereof, the Company has three Canadian subsidiaries, 1975293 Alberta Ltd. (100% owned), Alberta Battery Holdings Inc. (formerly, 2216747 Alberta Ltd.) (100% owned) and 2437798 Alberta Ltd. (100% owned), and a Mexican subsidiary, Mexigold Resources SA de CV, incorporated on March 4, 2011, whereby the Company owns 99% and 0904254 BC Ltd., a dissolved subsidiary of the Company, owns 1% of MAU Mexico. MAU Mexico is inactive and has no assets.

The Company holds approximately 66,800 hectares of exploration permits in Southern Saskatchewan, near the town of Estevan. To date, the Company has completed no exploration activities on this property, however, recent developments in the area show lithium concentrations ranging as high as 191mg/L from the Duperow Formation.

Alberta Lithium Assets

General

The Company holds Metallic and Industrial permits over the Leduc Aquifer containing lithium enriched brine, being developed on the backbone of the oil and gas industry in Alberta, Canada. Development and eventual construction aimed for this project differs very little in practice from the oil and gas industry as it involves much of the same types of infrastructure and know-how already well established locally. The social license is therefore well established and the Company anticipates being permitted under the same governing body.

The Company is developing a new source of lithium extracted from brine water aquifers underlying oil and gas fields in Alberta. The Company is aiming to develop a process for the commercial production of high purity lithium products fed directly into lithium-ion batteries for the growing electrification of transportation, thus capitalizing on projection of significant increases in demand for these products.

MIM Permits

The Company’s mineral properties are currently comprised of multiple Metallic and Industrial Minerals Permits (“**MIM Permits**”), which includes the rights for lithium.

MIM Permits grant the explorer the exclusive right to explore for metallic and industrial minerals subject to annual assessment work requirements. Work requirements for maintenance of permits in good standing need to be reported in a mineral assessment report submitted to the provincial government from time to time.

On December 2, 2021, the Alberta Government passed Bill 82, which centralized all critical minerals regulatory functions with the Alberta Energy Regulator (“**AER**”) which already oversees the oil and gas industry in Alberta. This provides regulatory certainty and a well-established framework for the Company to permit and license its future commercial developments.

On January 1, 2023, amendments to the Metallic and Industrial Minerals (MIM) Tenure Regulation (the “**Tenure Regulation**”) came into force. Under the Tenure Regulation, all MIM Permits became rock-hosted mineral permits. During the first year of the new regulation, eligible rock-hosted minerals permit owners may apply for brine-hosted minerals licenses. E3 Lithium is eligible for this conversion and expects to make an application during 2023. Brine-hosted mineral licenses are available for a 5-year, non-renewable term. Holders of brine-hosted mineral licenses have exclusive rights to apply for brine-hosted mineral leases

with 10-year primary terms and indefinite continuation. The Company will be required to pay an annual fee to remain in good standing.

On March 2, 2023, the AER provided updates to include well, facility, and pipeline licensing requirements for brine-hosted mineral resource development, as well as updates relating to geothermal resource development in Directive 056 applicable to permitting a lithium project in Alberta.

On March 15, 2023, the AER provided Directive 090 which set out the requirements for brine-hosted mineral resource development. The directive defines the types of mineral developments, including brine-hosted mineral schemes; identifies the licences and authorizations for wells, facilities, pipelines, and schemes; extends the existing Licensee Management Program (i.e. holistic licensee assessment, estimates of liability, and security deposits) to include brine-hosted mineral developments; identifies the requirements for converting oil, gas, or geothermal wells to a brine-hosted minerals well; identifies risk assessment requirements related to hazards for brine-hosted mineral wells; and identifies data filing, measurement, and reporting requirements specific to brine-hosted mineral wells.

Properties

The Company's Alberta lithium assets consists of 71 MIM Permits that overlie the Leduc Reservoir in Southern Alberta. All permits are held 100% by 1975293 Alberta Ltd., a wholly owned subsidiary of E3 Lithium, and have a total area of approximately 515,602 hectares. The Bashaw area consists of 46 of the Company's 71 MIM Permits, covering approximately 333,608 hectares (the "**Bashaw District**"). The Garrison area consists of 22 of the Company's 71 MIM Permits, covering approximately 155,208 hectares (the "**Garrison District**") and Exshaw East consists of 3 permit covering approximately 26,786 hectares.

Technical Development of the Clearwater Lithium Project

Released on April 20, 2023, the Company outlined a mineral resource upgrade including 6.6 million tonnes (Mt) of Lithium Carbonate Equivalent (LCE) Measured and 9.4 Mt of LCE Indicated for a total of 16.0 Mt M&I within its Bashaw District. The Company is focused on developing the Clearwater Lithium Project that sits in the southern section of the Bashaw District. In 2022, the Company completed and acquired a total of three brines wells for further definition of the reservoir. The Company is currently in the process of testing the Extraction Technology with the goal of demonstrating a viable process to move towards commercialization. The pilot consists of a well that has produced brine to the surface where H₂S has been removed and is then processed through the Extraction Technology, operating at the first well drilled in 2022 (the "**Field Pilot Project**"). The goal of developing the Clearwater Lithium Project is to deliver battery quality lithium hydroxide to the market for sale into the battery industry. This is completed over three general steps. The first step involves pumping the brine to surface using new or existing infrastructure, or a combination of both. 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 aquifer. The second step uses Extraction Technology to remove the lithium from the brine. The process both concentrates the lithium and removes the majority of the impurities in one process step. This technology development is the key link between the existing brine production and readily available technology potentially utilized for the third step of lithium production. The third step is the production of a high purity lithium salt and involves refining the concentrate generated from the Extraction Technology to further remove the last of the impurities and produce a battery quality lithium product for direct sale into the battery market. Aside from the Extraction Technology, the remaining process steps involved are likely to utilize existing technology modified slightly for the specifics of the Clearwater Lithium Project. The Company believes the key to a feasible project in the future is the deployment of an Extraction Technology, which demonstrates its ability to concentrate lithium and remove impurities.

The Company is currently in the process of developing its own proprietary Extraction Technology with a goal of determining the optimal process to produce lithium on a commercial basis. The Company opened its Calgary-based testing facility in early 2021 with a focus on improving the manufacturing process for its sorbent material, a critical component of its Extraction Technology. The Company has designed and built a pilot skid to test the processes and sorbent at high flow conduction and is currently operating this unit at

the Field Pilot Project. The Company is also in the process of testing two, third-party Extraction Technologies that will continue through the remainder of 2023 and potentially into 2024. The Company made the decision to include testing of third-party Extraction Technology as: i) it may accelerate the path to commercial lithium, ii) it may allow for performance guarantees that have the potential to assist in securing project financing to build a commercial facility.

The Field Pilot Project began commissioning, and subsequently operating, in August of 2023. Preliminary results were outlined on September 15, 2023 that demonstrate the first round of testing of the Extraction Technology. It was able to achieve a concentration of 884 mg/L lithium at over 80% purity achieving over 94% lithium recovery. Further testing is planned including running an additional two test scenarios to find the optimal operating parameters and then choosing one of those scenarios to operate a long, continuous test to confirm the results can be achieved over a long period. Upon completion of the remaining testing scenarios and the completion of long run, the Company will provide the results against the Key Performance Indicators (“KPIs”) used to evaluate the performance of the Extraction Technology.

Success Criteria	Key Performance Indicator (KPI)	Description
Lithium recovery	≥ 80%	Mass of lithium recovered from the mass of lithium in the feed
Lithium grade in the lithium product stream	≥ 25%	Concentration of lithium relative to other impurities (Na+K+Ca+Mg+Mn+Sr+B)
	≥ 600 mg/L	Concentration of lithium in the lithium product stream
Flow rate ratio	≥ 3	Brine flow rate divided by the system volumetric capacity

- **Lithium Recovery:** The basis for including ≥ 80% lithium recovery is that it enables E3 Lithium to maximize the value of each unit of brine brought to surface.
- **Lithium Concentrate Quality:** The quality of the product stream, or concentrate, containing lithium ≥ 600 mg/L with low impurities (≥ than 25% lithium in the product stream) outlines a high lithium to impurity ratio that enables simplified and conventional downstream refining into battery quality lithium hydroxide.
- **Flow Rate:** The flow rate ratio is a measure of the rate at which the lithium can be extracted from the brine within a fixed capacity. The higher the ratio, the smaller the DLE commercial plant required, which is a proxy for the capital costs of this system.

The Company believes that a successful Field Pilot Project should enable the design of a commercial process and the Company aims to have this outlined in the Pre-feasibility Study that is underway. The Company aims to achieve the foregoing milestones and necessary construction activities required to complete an operational commercial lithium production facility between 2026 and 2027. There is no guarantee that the Field Pilot Project testing and evaluations will be commercial or that a commercial lithium production facility, obtaining the necessary permits and licenses and/or obtaining funding related to these activities within these timeframes or at all. See “*Risk Factors*”.

On December 28, 2018, the Company filed a patent application for “Lithium Extraction From Low Grade Petro-Brine by Ion Exchange” and was assigned the Provisional Patent Application No. 62/786,106. The Company subsequently filed an international PTC patent on December 20, 2019. Upon issuance, the patent is expected to have a finite life (expected to be between 14 and 20 years).

Recent Developments

The documents incorporated by reference herein, including the AIF, contain further details regarding the business of the Company since the completion of the most recently completed financial year. See “*Documents Incorporated by Reference*”.

RISK FACTORS

Investing in the Offered Shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. The following risk factors, as well as risks currently unknown to the Company, could materially adversely affect E3 Lithium's future business, operations, capital, financial condition, results of operations and prospects and could cause them to differ materially from the estimates described in forward-looking information relating to the Company, or its business, property, financial results or prospects, each of which could cause purchasers of the Offered Shares to lose part or all of their investment. The risks set out below are not the only risks that the Company faces. In addition to the other information contained in this prospectus supplement, the accompanying base shelf prospectus and the documents incorporated by reference herein and therein, prospective investors should also carefully consider the matters discussed under "Risk Factors" in this prospectus supplement; the "Risk Factors" section beginning on page 9 of the accompanying base shelf prospectus; the "Risk Factors" section beginning on page 16 of the AIF; the "Risk Factors" section beginning on page 15 and the "Forward-Looking Statements" section beginning on page 17 of the Annual MD&A; and the "Risk Factors" section beginning on page 11 and the "Forward-Looking Statements" section beginning on page 13 of the Interim MD&A.

Risks Relating to the Offered Shares and the Offering

There can be no assurance of the commercialization of the required processes and technology that would result in the Company's ability to commercially produce battery quality lithium hydroxide from the Leduc brine.

No assurances can be given that the Company will be successful in developing an end-to-end process flow sheet that will enable it to produce battery quality lithium hydroxide from the brines located in the Leduc Aquifer in Alberta. One of the critical steps in the process flow sheet is the Extraction Technology. While the Company is developing its own technology, it is also testing third-party technologies that could support reducing the risk factors. With any of the Extraction Technology, there is no guarantee that the KPI's will be met and that, if they are met, that this will result in an economically viable project. With regards to the third-party technology, there are no assurances that a licensing agreement to commercially utilize the technology will be successfully negotiated. The Company can also not guarantee that the lithium production step, converting the concentrate into battery quality lithium products, can be achieved and that if this is achieved, that the cost of this will result in an economically viable project. The Leduc Aquifer is well understood and the Company is developing a plan to produce the brine and subsequently re-inject it. This will also include a process to remove the H₂S. While this has been achieved in other industries in Alberta, the volumes of brine required to be produced brings some inherent risk as the size of the production is more complicated. A Pre-feasibility Study is under development and this study will outline the combined process flow sheet and resulting economics to a defined level, expected to be completed in early 2024.

There can be no assurance of an active or liquid market for the Common Shares.

No assurance can be given that an active or liquid trading market for the Common Shares will develop or be sustained. If an active or liquid market for the Common Shares fails to develop or be sustained, the prices at which the Common Shares trade may be adversely affected. Whether or not the Common Shares will trade at lower prices depends on many factors, including liquidity of the Common Shares, prevailing interest rates and the markets for similar securities, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

The market price of the Common Shares may be subject to significant fluctuations in response to variations in the Company's financial results or other factors.

The market price of the Common Shares may be volatile, which may affect the ability of holders of Common Shares to sell their Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's exploration results and development milestones failing to meet the expectations of securities analysts or investors, negative or unfavorable coverage by securities analysts,

governmental regulatory action, adverse changes in general market conditions or economic trends, including changes resulting from the ongoing Russia-Ukraine conflict, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under “*Cautionary Note Regarding Forward-Looking Statements*” in this prospectus supplement.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many mining companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. These factors are ultimately beyond the control of the Company and could have a material adverse effect on the Company’s financial condition and results of operations.

The Company may issue additional securities, which may affect market prices and subject a holder to dilution.

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company’s securities will have on the market price of the Common Shares. With any additional sale or issuance of securities of the Company, holders may suffer dilution with respect to voting power and may experience dilution in the Company’s earnings per share. Moreover, this prospectus supplement and the accompanying base shelf prospectus may create a perceived risk of dilution resulting in downward pressure on the price of the Company’s issued and outstanding Common Shares, which could contribute to progressive declines in the prices of such securities.

The Company has broad discretion in the use of the net proceeds from the Offering and other funds available to the Company.

Management will have broad discretion with respect to the use of the net proceeds from the Offering and other funds available to the Company and investors will be relying on the judgment of management regarding the application of these proceeds and other funds. Management could spend most of the net proceeds from the Offering and other available funds in ways that the Company’s shareholders may not desire or that do not yield a favorable return. Investors in the Offered Shares will not have the opportunity to influence the manner in which the net proceeds of the Offering and other available funds are used. At the date of this prospectus supplement, the Company intends to use the net proceeds from the Offering and other available funds as described under the heading “*Use of Proceeds*”. However, the Company’s needs may change as the business and the industry the Company addresses evolve. As a result, the proceeds to be received in the Offering and other available funds may be used in a manner significantly different from the Company’s current expectations.

The proceeds from the Offering and other available funds will only fund the Company’s operations for a limited period of time and the Company will need additional financing to fund its operations.

The Company anticipates that it will require funds beyond the net proceeds of the Offering and other funds currently available to the Company in order to achieve its long term business objectives. There is no assurance that the Company will be able to secure additional equity or alternative financing when required. To the extent that the Company is unable to raise additional financing, the Company will curtail operational activities which will ultimately delay advancement of the exploration and development of the Bashaw District and the Company’s other properties.

Inflation may affect the Company’s estimates for costs to complete its planned exploration programs, and the Company may need to raise additional funds or reduce expenditures.

Inflation in Canada, the United States and in many other countries around the world rose significantly over

the past three years. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, shipping costs, supply shortages, increased costs of labor, weakening exchange rates, and other similar effects. The Company's ability to advance exploration and development of the Bashaw District and other properties is dependent on the acquisition of goods and services at a reasonable cost, such as laboratory equipment, skilled labor, construction materials, heavy equipment and fuels in a timeframe that allows the Company to execute on development phases expeditiously, and the availability of transportation and logistics providers to mobilize labor, position equipment and supply develop operations. If the Company is unable to take effective measures in a timely manner to mitigate the impact of the inflation, the scope of the Company's development of the Bashaw District may decrease and the Company's business, financial condition, and results of operations could be adversely affected.

The Company experiences negative cash flow.

The Company experiences negative cash flow from operations and anticipates incurring negative cash flow from operations for the foreseeable future due to the absence of revenues from mining or any other activities. The Company expects cash flow from operations to continue to be negative until the Company is able to establish the economic viability and the development of its properties, of which there is no assurance. Completion of the planned development programs on the Bashaw District and the Company's other properties using the proceeds of the Offering and other available funds is only expected to advance the exploration and development of the Company's properties and will not in itself result in revenues from mining activities. Accordingly, the Company's cash flow from operations will be negative for the foreseeable future as a result of expenses to be incurred in connection with advancement of exploration and development of the Company's properties and the Company will require additional financing.

A positive return in the Offered Shares is not guaranteed and investors may lose some or all of their investment.

A positive return on an investment in the Offered Shares is not guaranteed. There is no guarantee that an investment in the Offered Shares will earn any positive return in the short term or long term. An investment in the Offered Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and the capacity to absorb a loss of some or all of their investment.

The TSXV may in the future delist the Company's securities from its exchange, which could limit investors' ability to make transactions in the Company's securities and subject the Company to additional trading restrictions.

The outstanding Common Shares are currently listed for trading on the TSXV, and the Company has applied to list the Offered Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. The Company cannot make any assurance that the Offered Shares will be accepted for listing by the TSXV or that the Common Shares will continue to be listed on the TSXV in the future. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including a limited availability of market quotations and liquidity for the Common Shares, a limited amount of news and analyst coverage for the Company, and a decreased ability for the Company to issue additional securities or obtain additional financing in the future.

Reliance on Key Personnel.

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company advances to the next growth phase is critical to its success. The number of persons skilled in the exploration and development of lithium brine projects and the development of Extraction Technology in Alberta is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not

successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this stage of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

Substantial Capital Requirements and Liquidity.

The Company anticipates that it will incur substantial capital expenditures for the continued exploration and development of the Bashaw District, test work and pilot plant development and the completion of a Pre-feasibility Study. The Company currently has no revenue and may have limited ability to undertake or complete future exploration and development activities and the completion of other infrastructure projects necessary to advance the development of the Bashaw District. There can be no assurance that debt or equity financing, government grants, funding from potential joint venture or offtake partners or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

The Company has not yet commenced commercial production on any of its properties and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at its properties. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will not continue to incur losses.

Cost Estimates.

The Company prepares estimates of exploration and/or capital costs for its projects. The Company's actual costs are dependent on a number of factors, and may vary from estimates for a variety of reasons, including changes in labor and other input costs, commodity prices and general inflationary pressures. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Risks Relating to the Business

Development and Adoption of Non-Lithium Battery Technologies.

Lithium and its derivatives are the preferred raw materials for certain industrial applications, such as current and next generation high energy density batteries for use in electric vehicles and liquid crystal displays. Alternative materials and technologies are being researched with the goal of making batteries lighter, more efficient, faster charging and less expensive, and some of these could be less reliant on lithium compounds. The development and adoption of new battery technologies that rely on inputs other than lithium compounds, could significantly impact the prospects and future revenues of the Company, which are heavily dependent on continued demand for lithium. The Company cannot predict which new technologies may ultimately prove to be commercially viable and in what timeframe. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the Company's prospects and future revenues.

Operational Dependence.

The successful operation of the Company is dependent on third parties. Loss of any third-party suppliers, manufacturers and contractors may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, any significant interruption, negative change in the availability or economics of the supply chain or increase in the prices for the products or services provided by any such third-party suppliers, manufacturers and contractors could materially impact the Company's business, financial condition, results of operations and prospects. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition, results of operations and prospects.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED**Common Shares**

The authorized capital of the Company consists of an unlimited number of Common Shares, without par value. As at the close of business on September 20, 2023, 68,264,647 Common Shares of the Company were issued and outstanding.

Holders of the Common Shares are entitled to one vote per share at all meetings of the holders of common shares of the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends as the directors of the Company may, from time to time, declare and authorize the payment of by resolution. There are no pre-emptive, redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions or conversion or exchange rights attached to the Common Shares. There are no provisions permitting or restricting the issuance of additional securities and any other material restrictions or requiring a holder of Common Shares to contribute additional capital. All Common Shares, when issued, are and will be issued as fully paid and non-assessable Common Shares without liability for further calls or to assessment.

Broker Warrants

As additional consideration for the services rendered in connection with the Offering, the Underwriters will receive Broker Warrants to purchase a number of Broker Warrant Shares as is equal to 5.0% of the number of Offered Shares sold pursuant to the Offering (including any Offered Shares sold on the exercise of the Over-Allotment Option). Each Broker Warrant shall entitle the holder thereof to acquire one Broker Warrant Share for a period of 24 months from the Closing Date at an exercise price per Broker Warrant Share equal to the Offering Price.

The terms governing the Broker Warrants will be set out in the respective certificates representing the Broker Warrants and will include, among other things, customary provisions for adjustments upon the occurrence of certain events including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company, or any merger, arrangement, consolidation or amalgamation of the Company with another corporation or entity as well as customary amendment provisions. The Broker Warrants will be non-transferable without the express written consent of the Company and approval of the TSXV. The Underwriters, as holders of the Broker Warrants, will not have any voting rights attached to the underlying Broker Warrant Shares until such Broker Warrant Shares are acquired in accordance with the terms of the Broker Warrants.

This prospectus supplement and the accompanying base shelf prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*"

USE OF PROCEEDS

Funds Available

The Company's working capital as at June 30, 2023 was \$20,000,000. The net proceeds to the Company from the sale of the Offered Shares are estimated to be approximately \$18,695,900 after deducting the Underwriters' Fee of \$1,001,100 and the estimated expenses relating to the Offering of approximately \$325,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the sale of the Offered Shares are estimated to be approximately \$21,549,035 after deducting the Underwriters' Fee of \$1,151,265 and the estimated expenses relating to the Offering of approximately \$325,000. See "Plan of Distribution".

Funds Available	Amount
Working capital as of June 30, 2023 (unaudited)	\$20,000,000
Net proceeds of the Offering	\$18,695,900
Net Funds Available⁽¹⁾ (unaudited)	\$38,695,900

Notes:

(1) Net Funds Available are exclusive of government grants funds not yet received but awarded and are paid to the Company after certain milestones and as work expenditures are claimed and reimbursed. The estimated funds still available to the Company from such grants are outlined below and are:

- (a) Natural Resources Canada, Critical Minerals Research, Development and Demonstration Program: \$1.0M;
- (b) Alberta Innovates: \$0.4M; and
- (c) Government of Canada Innovation, Science and Economic Development Strategic Fund: \$21.7M.

Principal Purposes

The Company intends to use the net proceeds from the Offering together with other funds expected to be available to the Company for the following principal purposes:

Principal Purpose	Estimated Amount to be Expended
Pre-feasibility Study ⁽¹⁾	\$3.0 million
Lithium Extraction Field Pilot ⁽²⁾	\$7.0 million
Lithium Processing ⁽³⁾	\$2.0 million
Reservoir Development ⁽⁴⁾	\$8.0 million
DLE Commercialization and Development ⁽⁵⁾	\$2.0 million
2024 Feasibility Study ⁽⁶⁾	\$10.0 million
General working capital ⁽⁷⁾	\$6.7 million
Total⁽⁸⁾	\$38.7 million

Notes:

- (1) Completion of Pre-feasibility Study in order to support the conversion of mineral resources to mineral reserves.
- (2) The goal of the pilot is to provide critical information for E3 Lithium to design its commercial facility.
- (3) Using conventional lithium processing processes to convert lithium extracted from DLE process into battery grade lithium hydroxide.
- (4) Reservoir modeling and well production planning for the Aquifer Management Plan to assist in the reserve calculation and commercial development for the PFS.
- (5) Continued non-pilot activities towards commercial development for the sorbent manufacturing and process design.

- (6) Commence critical items related to the 2024 feasibility study.
- (7) Funds include general working capital into 2024 and may be allocated to staff salaries, corporate expenses, business development and legal expenses.
- (8) Grant funds available (Note 1 - Net Funds Available) not accounted for in the Net Funds Available will be applied to the Company's 2024 Feasibility Study and General Working Capital.

Although the Company intends to expend the proceeds from the Offering as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of lithium, unforeseen events, and the Company's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors – Risks Relating to the Offered Shares and the Offering*". The Company has broad discretion in the use of the net proceeds from the Offering and other funds available to the Company.

The Company is in the process of advancing the Clearwater Lithium Project and currently has no source of operating revenue and is therefore dependent upon equity or debt financing to maintain its current operations. Accordingly, the Company had a negative operating cash flow for the year ended December 31, 2022 and for the six months ended June 30, 2023. The Company anticipates that negative operating cash flows will continue as long as it remains in a pre-revenue stage. To the extent that the Company has negative cash flow from its operating activities in future periods, the Company may need to use a portion of the net proceeds of this Offering and other available funds that have been allocated to working capital to fund such negative cash flow. See "*Risk Factors – No Revenue and Negative Cash Flow*" in this prospectus supplement.

Business Objectives and Milestones

As of the date of this prospectus supplement, the Company has identified the following business objectives and milestones for the fiscal year ending December 31, 2023:

2023 Goals	Milestones	Estimated Cost
<p>Q3 2023: Field Pilot Project</p> <p>The goal of the pilot is to provide critical information for E3 Lithium to design its commercial facility. E3 Lithium has been developing multiple flow sheets and working with design firms with a complementary breadth of knowledge on various aspects of the process. E3 Lithium plans to select the most viable, and fastest path to commercial, direct extraction technology for Phase 1 of its commercial production facility.</p>	<ul style="list-style-type: none"> ✓ Obtain approval on facility license from the Alberta Energy Regulator ✓ Complete Detailed Engineering and Design ✓ Publish Key Performance Indicators (KPIs) on expected pilot performance ✓ Commission equipment on site ✓ Commence pilot operations ✓ Publish results against the previously outlined KPIs 	\$7.0M
<p>Q3-Q4 2023: Lithium Hydroxide Samples</p> <p>Producing lithium hydroxide with industry-proven downstream conversion processes at pilot scale allows E3 Lithium to produce battery grade products from its DLE concentrate. A benefit is the ability to provide samples for potential offtake partners for evaluation.</p>	<ul style="list-style-type: none"> ✓ Initiate testing program with an industry leader for lithium hydroxide production ✓ Publish results and specification of the lithium hydroxide produced 	\$1.0M
<p>Q4 2023 / Q1 2024: Pre-feasibility Study (PFS)</p> <p>E3 Lithium plans to complete a PFS outlining the detailed plans for its first commercial facility and one of the first global reserves for a DLE resource. Additional to this study will be work completed on</p>	<ul style="list-style-type: none"> ✓ Engage Pre-feasibility engineering procurement construction firm ✓ Define capacity for the first commercial facility ✓ Publish the results of the PFS 	\$3.0M

2023 Goals	Milestones	Estimated Cost
the Reservoir and DLE Development activities that will supplement the study and engineering designs.		

Use of Proceeds from June Offering

The Company had estimated net proceeds of approximately \$5,000,000 following the June Offering, the principal purposes for which such proceeds were intended to be used are as follows:

Principal Purpose	Estimated Amount to be Expended	Approximate Amount Expended as of the date of this Prospectus Supplement
Pre-Feasibility Study	\$3.0 million	\$0.5 million
Lithium Extraction Field Pilot	\$7.0 million	\$5.6 million
Lithium Processing.....	\$1.0 million	\$0.5 million
Reservoir Development	\$1.0 million	\$0.1 million
DLE Commercialization and Development	\$1.0 million	\$0.5 million
2024 Feasibility Study.....	\$3.0 million	\$nil
General working capital	\$4.9 million	\$2.0 million
Total	\$20.9 million	\$9.2 million

CONSOLIDATED CAPITALIZATION

Other than as disclosed under “*Prior Sales*” in this prospectus supplement, there have been no material changes in the share and loan capital of the Company on a consolidated basis from June 30, 2023 to the date of this prospectus supplement.

As a result of the Offering, the shareholder’s equity of the Company will increase by the amount of the net proceeds, less expenses, of the Offering and there will be additional Common Shares issued and outstanding. After giving effect to the Offering and without taking into account the exercise of any securities convertible into or exercisable for Common Shares, there will be an aggregate of 73,904,647 Common Shares issued and outstanding, or 74,750,647 Common Shares if the Over-Allotment Option is exercised in full. After giving effect to the Offering, there will be an aggregate of 282,000 share purchase warrants, or 324,300 share purchase warrants if the Over-Allotment Option is exercised in full.

PRIOR SALES

The following table sets forth the number, issue or exercise price, as applicable, and date of issuance of Common Shares issued during the 12-month period before the date of this prospectus supplement:

Class	Date of Issuance	Number	Issue Price
Common Shares ⁽¹⁾	Sep 22, 2022	75,000	\$1.40
Common Shares ⁽¹⁾	Sep 26, 2022	3,400	\$1.40
Common Shares ⁽¹⁾	Sep 27, 2022	2,496	\$1.40
Common Shares ⁽¹⁾	Sep 28, 2022	10,000	\$1.65
Common Shares ⁽¹⁾	Oct 3, 2022	6,000	\$1.40

Class	Date of Issuance	Number	Issue Price
Common Shares ⁽¹⁾	Oct 6, 2022	10,000	\$1.65
Common Shares ⁽¹⁾	Oct 27, 2022	10,000	\$1.40
Common Shares ⁽¹⁾	Oct 28, 2022	23,500	\$1.40
Common Shares ⁽¹⁾	Oct 31, 2022	6,250	\$1.40
Common Shares ⁽²⁾	Oct 31, 2022	8,000	\$1.70
Common Shares ⁽¹⁾	Nov 1, 2022	56,700	\$1.40
Common Shares ⁽¹⁾	Nov 3, 2022	167,500	\$1.40
Common Shares ⁽¹⁾	Nov 8, 2022	29,000	\$1.40
Common Shares ⁽¹⁾	Nov 9, 2022	43,300	\$1.40
Common Shares ⁽¹⁾	Nov 10, 2022	33,579	\$1.40
Common Shares ⁽¹⁾	Nov 21, 2022	65,882	\$1.40
Common Shares ⁽¹⁾	Nov 25, 2022	35,000	\$1.40
Common Shares ⁽¹⁾	Nov 28, 2022	175,550	\$1.40
Common Shares ⁽¹⁾	Nov 28, 2022	7,500	\$1.65
Common Shares ⁽¹⁾	Nov 29, 2022	92,214	\$1.40
Common Shares ⁽¹⁾	Dec 1, 2022	194,117	\$1.40
Common Shares ⁽¹⁾	Dec 1, 2022	22,000	\$1.65
Common Shares ⁽¹⁾	Dec 2, 2022	26,000	\$1.40
Common Shares ⁽¹⁾	Dec 5, 2022	70,000	\$1.40
Common Shares ⁽¹⁾	Dec 6, 2022	35,000	\$1.40
Common Shares ⁽¹⁾	Dec 7, 2022	6,000	\$1.40
Common Shares ⁽¹⁾	Dec 7, 2022	4,600	\$1.65
Common Shares ⁽¹⁾	Dec 8, 2022	6,000	\$1.40
Common Shares ⁽¹⁾	Dec 9, 2022	135,882	\$1.40
Common Shares ⁽¹⁾	Dec 12, 2022	192,647	\$1.40
Common Shares ⁽¹⁾	Dec 12, 2022	12,000	\$1.40
Common Shares ⁽¹⁾	Dec 13, 2022	15,877	\$0.85
Common Shares ⁽¹⁾	Dec 14, 2022	188,775	\$1.40
Common Shares ⁽¹⁾	Dec 14, 2022	5,000	\$1.40
Common Shares ⁽¹⁾	Dec 15, 2022	11,750	\$1.40
Common Shares ⁽¹⁾	Dec 16, 2022	8,051	\$1.40
Common Shares ⁽¹⁾	Dec 17, 2022	23,650	\$1.40
Common Shares ⁽¹⁾	Dec 19, 2022	470,500	\$1.40
Common Shares ⁽¹⁾	Dec 19, 2022	16,250	\$1.40
Common Shares ⁽¹⁾	Jan 17, 2023	7,500	\$1.65
Common Shares ⁽¹⁾	Jan 19, 2023	5,000	\$1.65
Common Shares ⁽²⁾	Jan 19, 2023	85,000	\$1.08
Common Shares ⁽¹⁾	Jan 24, 2023	25,000	\$1.65

Class	Date of Issuance	Number	Issue Price
Common Shares ⁽¹⁾	Jan 25, 2023	39,000	\$1.65
Common Shares ⁽¹⁾	Jan 26, 2023	25,000	\$1.65
Common Shares ⁽²⁾	Jan 26, 2023	142,659	\$1.65
Common Shares ⁽¹⁾	Jan 30, 2023	47,500	\$1.65
Common Shares ⁽¹⁾	Jan 31, 2023	750,000	\$1.65
Common Shares ⁽¹⁾	Feb 6, 2023	12,500	\$1.65
Common Shares ⁽¹⁾	Feb 8, 2023	57,850	\$1.65
Common Shares ⁽²⁾	Feb 8, 2023	92,400	\$1.65
Common Shares ⁽²⁾	Apr 21, 2023	500,000	\$0.40
Common Shares ⁽³⁾	Jun 8, 2023	2,499,483	\$2.25
Common Shares ⁽²⁾	Jul 18, 2023	200,000	\$0.70
Common Shares ⁽²⁾	Aug 15, 2023	272,500	\$1.38 – \$1.70
Common Shares ⁽¹⁾	Aug 25, 2023	127,232	\$2.25
Common Shares ⁽²⁾	Sep 6, 2023	121,250	\$0.70 – \$2.32
Common Shares ⁽²⁾	Sep 13, 2023	6,250	\$2.32
Common Shares ⁽²⁾	Sep 13, 2023	18,750	\$2.67

Notes:

- (1) Issued on exercise of outstanding share purchase warrants of the Company.
- (2) Issued on exercise of outstanding Options.
- (3) Issued in connection with bought deal offering of the Company completed on June 8, 2023.

The following table sets forth the number, exercise price and date of issuance of securities of the Company convertible or exercisable for Common Shares issued during the 12-month period before the date of this prospectus supplement:

Class	Date of Issuance	Number	Exercise Price
Options	November 30, 2022	430,000	\$2.44
Warrants ⁽¹⁾	December 13, 2022	7,938	\$1.65
Options	April 10, 2023	575,000	\$2.59
Warrants ⁽²⁾	June 8, 2023	141,369	\$2.25
Options	June 28, 2023	935,000	\$2.18

Notes:

- (1) Issued on exercise of broker warrants issued in connection with the bought deal offering of the Company completed on February 8, 2021. Please see "General Development of The Business - Three Year History" in the AIF.
- (2) Issued in connection with the bought deal offering of the Company completed on June 8, 2023.

ESCROWED SECURITIES

To the knowledge of the Company, there are no securities of the Company that are in escrow or subject to contractual restrictions on transfer.

TRADING PRICE AND VOLUME

The Common Shares trade on the TSXV under the symbol “ETL”. The price range and trading volume of the Common Shares for the 12-month period prior to the date of this prospectus supplement, as reported by the TSXV, are set out below:

Period	High (\$)	Low (\$)	Volume
2022			
September	2.72	2.17	1,177,728
October	2.48	1.94	1,083,498
November	2.60	1.74	2,078,856
December	2.56	1.89	1,731,591
2023			
January	2.44	1.82	1,993,584
February.....	2.45	2.12	1,768,884
March.....	2.87	2.18	5,106,148
April.....	2.85	2.51	2,596,624
May.....	2.78	2.18	2,568,746
June	2.42	2.13	1,962,197
July.....	2.71	2.29	1,721,180
August.....	4.04	2.57	6,774,429
September 1-19.....	5.725	3.34	11,615,241

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, 5,640,000 Offered Shares at a price of \$3.55 per Offered Share, payable against delivery of the Offered Shares, subject to the terms and conditions stated in the Underwriting Agreement. The price of the Offered Shares was determined by arm's length negotiations between the Company and the Lead Underwriter, on behalf of the Underwriters.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time up to 30 days from and including the Closing Date, to purchase up to an additional 846,000 Offered Shares at the Offering Price to cover over-allocations, if any, and for market stabilization purposes, on the same terms and conditions as apply to the purchase of Offered Shares thereunder. This prospectus supplement qualifies for distribution the Additional Shares as well as the grant of the Over-Allotment Option and the issuance of the Additional Shares pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Shares forming part of the Underwriters' over-allocation position acquires those Additional Shares under this prospectus supplement, 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, and may be terminated at their discretion on the basis of a “regulatory out”, “disaster out”, “material adverse change out”, and “breach out” and upon the occurrence of certain other stated events. The Underwriters are, subject to certain conditions, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The Underwriters are offering the Offered Shares, subject to prior sale, if, as and when issued to and accepted

by them, subject to certain conditions contained in the Underwriting Agreement, including receipt by the Underwriters of certain officer's certificates, legal opinions and other closing deliveries.

The Offering is being made concurrently in each of the provinces and territories of Canada, except Québec, pursuant to the terms of the Underwriting Agreement. Offers and sales of Offered Shares outside of Canada and the United States will be made in accordance with applicable laws in such jurisdictions on a prospectus exempt or similar basis. In connection with the Offering, the Underwriters or securities dealers may distribute this prospectus supplement and the accompanying base shelf prospectus electronically.

Offered Shares sold by the Underwriters to the public will initially be offered at the Offering Price set forth on the cover of this prospectus supplement. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the Offering Price specified in this prospectus supplement, the offering price may be decreased, and further changed from time to time, to an amount not greater than the initial Offering Price, and such decrease in the price payable by the purchasers will decrease the commission to be paid by the Company to the Underwriters, so that the net proceeds of the Offering to be received by the Company will not be reduced.

The Company has applied to list the Offered Shares on the TSXV. The TSXV has not conditionally approved the Company's listing application and there is no assurance that the TSXV will approve the listing application. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV. Conditional approval for listing of the Offered Shares (including the Additional Shares issuable upon any exercise of the Over-Allotment Option and the Broker Warrants) on the TSXV is a condition of closing of the Offering.

In consideration for their services in connection with the Offering, the Underwriters will be paid an Underwriters' Fee equal to 5.0% of the gross proceeds of the Offering (\$0.178 per Offered Share), for an aggregate fee payable by the Company of \$1,001,100, exclusive of any Underwriters' Fee payable in connection with the Over-Allotment Option. In addition, the Company will grant to the Underwriters non-transferable Broker Warrants equal to 5.0% of the aggregate number of Offered Shares sold pursuant to the Offering, including any Over-Allotment Offered Shares issued pursuant to any exercise of the Over-Allotment Option. Each Broker Warrant will entitle the holder thereof to acquire one Broker Warrant Share at a price equal to the Offering Price for a period of 24 months following the Closing Date. This prospectus supplement also qualifies the distribution of the Broker Warrants and the Broker Warrant Shares. The Offering Price was determined by arm's length negotiations between the Company and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters. The Company will also pay certain expenses incurred by the Underwriters in connection with the Offering as set forth in the Underwriting Agreement.

The Company has agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under the U.S. Securities Act, and Canadian securities laws, and, where such indemnification is unavailable, to contribute to payments that the Underwriters may be required to make in respect of such liabilities.

In order to facilitate the Offering, the Underwriters may engage in transactions that are intended to stabilize, maintain or otherwise affect the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable market stabilization rules. Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Common Shares are terminated, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions including: (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSXV, in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc., (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriters, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period, and (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. The Underwriters may engage in market stabilization or market balancing activities on the TSXV where the bid for or purchase of the Common Shares is for the purpose of

maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Underwriters and/or their affiliates have in the past engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company for which they have received, and would expect to receive, customary fees and commissions.

Subscriptions for the Offered Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. It is expected that the Company will arrange for the electronic deposit of the Offered Shares distributed under the Offering under the book-based system of registration, to be registered in the name of CDS or its nominee and will be deposited with CDS on the Closing Date, or that the Offered Shares distributed under the Offering will otherwise be delivered on the Closing Date as directed by the Underwriters. Except in limited circumstances, no certificates evidencing the Offered Shares will be issued to purchasers of the Offered Shares. Such purchasers of Offered Shares will receive only a customer confirmation from the Underwriters or other registered dealer from whom the Offered Shares are purchased.

Copies of this prospectus supplement and the accompanying base shelf prospectus in electronic format may be made available on the websites maintained by one or more of the Underwriter.

Offering in the United States

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any applicable securities laws of any state of the United States, and accordingly may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. "United States" and "U.S. person" have the respective meanings assigned thereto in Rule 902 of Regulation S under the U.S. Securities Act.

The Underwriters have agreed that, except in certain transactions exempt from the registration requirements of the U.S. Securities Act and the applicable securities laws of any state of the United States, as permitted under the Underwriting Agreement, they will not offer or sell the Offered Shares within the United States as part of its distribution. The Underwriting Agreement permits the Underwriters through their U.S. registered broker-dealer affiliate(s) to (i) offer and resell the Offered Shares that they have acquired pursuant to the Underwriting Agreement in the United States to persons who are "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in compliance with Rule 144A under the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws, and (ii) offer the Offered Shares in the United States to persons to whom the Company will sell such Offered Shares directly as substituted purchasers where such persons are "accredited investors", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act. The Offered Shares that are sold in the United States will be "restricted securities" within the meaning of Rule 144 of the U.S. Securities Act, and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares distributed under the Offering within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

LEGAL MATTERS

Certain Canadian legal matters relating to the Offering will be passed upon on behalf of the Company by Cozen O'Connor LLP and on behalf of the Underwriters by Bennett Jones LLP. At the date of this prospectus supplement, the designated professionals of Cozen O'Connor LLP as a group beneficially own less than 1% of the Company's outstanding securities. At the date of this prospectus supplement, the designated professionals of Bennett Jones LLP as a group beneficially own less than 1% of the Company's outstanding securities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal office at 1230 – 300 5th Avenue SW, Calgary, Alberta T2P 3C4.

INDEPENDENT AUDITOR

MNP LLP, Chartered Professional Accountants, of 2000, 112 - 4th Avenue SW, Calgary, Alberta, T2P 0H3, are the auditors of the Company and are independent of the Company within the meaning of the Chartered Professional Accountants Alberta Rules of Professional Conduct.

EXPERTS

Names of Experts

Daron Abbey, M.Sc., PGeo and Alex Haluszka, M. Sc., PGeo, of Matrix Solutions Inc., and Peter Ehren, M.Sc. AUSIMM are the named persons responsible for the preparation of the technical report titled "E3 Lithium 43-101 Technical Report: Lithium Resource Estimate, Bashaw District Project, Central Alberta" dated April 20, 2023 (effective date of March 21, 2023), and at the date of that report were "qualified persons" within the meaning of NI 43-101.

Unless otherwise indicated, all scientific and technical information in this prospectus supplement or the accompanying base shelf prospectus or incorporated by reference herein or therein has been reviewed and approved by Christopher Doornbos, P. Geo., President and CEO of E3 Lithium and a "qualified person" within the meaning of NI 43-101.

Interests of Experts

Based on information provided by the experts named under "Names of Experts" above, the registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates of each of the above experts, other than Christopher Doornbos, represents less than one per cent of the Company's outstanding securities. Except as set forth below, none of the above experts is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Christopher Doornbos is the President, Chief Executive Officer and a Director of the Company and as of the date of this prospectus supplement holds 1,502,780 Common Shares, representing approximately 2.2% of the Company's outstanding Common Shares. Mr. Doornbos also holds stock options exercisable to purchase 850,000 Common Shares at exercise prices ranging from C\$0.70 to C\$2.67 with expiry dates ranging from November 9, 2023 to June 28, 2028.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES

The following persons reside outside of Canada or, in the case of companies, are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and each has appointed an agent listed below, if applicable, for service of process in Canada:

Name of Person	Name and Address of Agent
Peter Ehren, AUSIMM	n/a

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.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada 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 or a prospectus supplement relating to the securities purchased by a purchaser and any amendments thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus or a prospectus supplement relating to the securities purchased by a purchaser and any amendments thereto contain 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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Subject to the limitations and qualifications stated herein, the following summary is, as of the date of this prospectus supplement, a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act (Canada)* (the "**Tax Act**") generally applicable to an investor who acquires, as beneficial owner, an Offered Share under the Offering and who, for the purposes of the Tax Act and at all relevant times: (i) deals at arm's length with the Company and the Underwriters, (ii) is not "affiliated" (within the meaning of the Tax Act) with the Company, the Underwriters or any subsequent purchaser of Offered Shares and (iii) acquires and holds the Offered Shares as capital property (a "**Holder**"). Generally, the Offered Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use or hold the Offered Shares 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 elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (v) that is exempt from tax under the Tax Act; (vi) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Offered Shares; (vii) that receives dividends on the Offered Shares under or as part of a "dividend rental arrangement", as defined in the Tax Act or (viii) that is a corporation resident in Canada and is or becomes, or does not deal at arm's length with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Offered Shares pursuant to the Offering, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length, for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Offered Shares.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, and 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 and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted 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 other federal or any provincial, territorial or foreign tax legislation or considerations.

This summary does not address the deductibility of interest by a Holder who borrows money or otherwise incurs debt in connection with the acquisition of the Offered Shares.

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.

Residents of 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**"). Certain Resident Holders whose Offered 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 Offered Shares, and every other "Canadian security" (as defined in the Tax Act), held by such persons, in the taxation year of the election and each subsequent taxation year to be capital property. Resident Holders should consult their own tax advisors regarding this election.

Dividends

Dividends received or deemed to be received on the Offered Shares will be included in computing a Resident Holder's income. In the case of a Resident Holder who is 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 a "taxable Canadian corporation" (as defined in the Tax Act). An enhanced gross up and dividend tax credit will be available to individuals (other than certain trusts) in respect of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received on the Offered Shares by a Resident Holder that is a corporation must be included in computing its income but generally will be deductible in computing its 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.

A Resident Holder that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (as defined for the purposes of Part IV of the Tax Act), may be liable to pay an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Offered Shares to the extent such dividends are deductible in computing taxable income for the year.

Dispositions of Offered Shares

Upon a disposition or a deemed disposition of an Offered Share (other than to the Company, subject to detailed exceptions under the Tax Act), 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". The adjusted cost base to a Resident Holder of an Offered Share will be determined by averaging the cost of that Offered Share with the adjusted cost base (determined

immediately before the acquisition of the Offered Share) of all other Common Shares held as capital property at that time by the Resident Holder.

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 Offered 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 Offered Shares or shares substituted for such Offered Shares, to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where an Offered 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 tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. Tax Proposals released on August 9, 2022 are intended to extend this additional tax and refund mechanism in respect of “aggregate investment income” to “substantive CCPCs” as defined in such Tax Proposals. Holders are advised to consult their personal tax advisors.

Minimum Tax

Capital gains realized and dividends received or deemed to be 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.

Non-Residents of Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act and at all relevant times (i) are not, and are not deemed to be, resident in Canada; and (ii) do not use or hold (or be deemed to use or hold) the Offered Shares 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 or is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident 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 on any Offered Shares will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless such rate is reduced by the terms of an applicable income tax treaty or convention. For example, under the *Canada-United States Tax Convention (1980)*, as amended (the “**Canada-U.S. Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Canada-U.S. Treaty, is the beneficial holder of the dividends, and is fully entitled to benefits under the Canada-U.S. Treaty (a “**U.S. Holder**”) is generally reduced 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 Offered Shares

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 an Offered Share, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Offered Share constitutes “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act at the time of disposition, and the gain is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention.

Provided the Offered Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), at the time of disposition, the Offered Shares 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 of such Offered Shares, as applicable, the following two conditions are met concurrently: (i) 25% or more of the issued shares of any class or series of shares of the Company were owned by one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, or (c) partnerships in which persons referred to in (a) or (b) hold a membership interest (directly or indirectly through one or more partnerships); and (ii) more than 50% of the fair market value of the Offered Shares 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 in respect of, an interest in, or for civil law, a right in such properties, whether or not such property exists. The Tax Act may also deem the Offered Shares to be taxable Canadian property in certain circumstances.

Even if an Offered Share is “taxable Canadian property” to a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Offered Share by virtue of an applicable income tax treaty or convention.

A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Offered Shares that constitute or are deemed to constitute “taxable Canadian property” to a Non-Resident Holder (and is not exempt from tax under an applicable income tax treaty or convention) will generally be computed in the manner described above under the subheadings “Residents of Canada — Dispositions of Offered Shares” and “Residents of Canada - Capital Gains and Capital Losses”. Non-Resident Holders whose Offered Shares are or may be “taxable Canadian property” should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cozen O'Connor LLP, counsel to the Company with respect to Canadian legal matters, and Bennett Jones LLP, counsel to the Underwriters with respect to Canadian legal matters, based on the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force as of the date hereof and specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, Offered Shares will be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (a “**RRSP**”), a registered retirement income fund (a “**RRIF**”), a deferred profit sharing plan (a “**DPSP**”), a registered education savings plan (a “**RESP**”), a registered disability savings plan (a “**RDSP**”), a tax-free savings account (a “**TFSA**”), and a first home savings account (a “**FHSA**”), each as defined in the Tax Act, provided that the Offered Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the TSXV).

Notwithstanding that the Offered Shares may be a qualified investment for a TFSA, RRSP, RRIF, RDSP, RESP or FHSA, the holder of the TFSA, RDSP or FHSA, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be) will be subject to a penalty tax as set out in the Tax Act if such securities are a “prohibited investment” of the particular TFSA, RRSP, RRIF, RDSP, RESP or FHSA for the purposes of the Tax Act. The Offered Shares will generally be a “prohibited investment” if the holder of the TFSA, RDSP or FHSA, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be): (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest” (within the meaning of the Tax Act for purposes of the prohibited investment rules) in the Company. Notwithstanding the foregoing, the Offered Shares will not be a “prohibited investment”, if such securities

are “excluded property”, as defined in the Tax Act for purposes of the prohibited investment rules, for the particular TFSA, RRSP, RRIF, RDSP RESP or FHSA.

Prospective purchasers that intend to hold Offered Shares in a TFSA, RRSP, RRIF, RDSP, RESP, FHSA or DPSP should consult their own tax advisors with respect to their individual circumstances.

CERTIFICATE OF THE COMPANY

Dated: September 20, 2023

This short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces and territories of Canada.

(signed) "Christopher Doornbos"

CHRISTOPHER DOORNBOS
Chief Executive Officer

(signed) "Raymond Chow"

RAYMOND CHOW
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Peeyush Varshney"

PEEYUSH VARSHNEY
Director

(signed) "Mike O'Hara"

MIKE O'HARA
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 20, 2023

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces and territories of Canada.

EIGHT CAPITAL

(signed) "Stephen Delaney"

Stephen Delaney
Principal, Managing Director, Co-Head of
Investment Banking

ECHELON WEALTH PARTNERS INC.

(signed) "Ryan Mooney"

Ryan Mooney
Managing Director

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements is available.

This short form base shelf prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state of the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state of the United States.

*This short form base shelf 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. See "Plan of Distribution". **No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.***

Information has been incorporated by reference in this short form base shelf 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 secretary of E3 Metals Corp. at 1520 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, telephone 587-324-2775, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

April 18, 2022



**E3 METALS CORP.
1520, 300 5th Avenue S.W.
Calgary, AB T2P 3C4**

\$100,000,000

**COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS**

E3 Metals Corp. (the "**Company**" or "**E3 Metals**") may offer and issue from time to time, the securities listed above or any combination thereof with the aggregate initial offering amount not to exceed \$100,000,000 during the 25 month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments thereto, remains effective. The Company's securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement ("**Prospectus Supplement**").

Prospective investors in the United States should be aware that such requirements are different from those of the United States. Financial statements included or incorporated

by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS”), and may not be comparable to financial statements of United States companies. The Company’s financial statements are not subject to the standards of the Public Company Accounting Oversight Board (United States) and the United States Securities and Exchange Commission (“SEC”) independence standards.

Prospective investors should be aware that the acquisition and disposition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States are not described fully herein. Prospective Investors should read the tax discussion contained in any applicable Prospectus Supplement with respect to a particular offering of the securities. See "Certain Income Tax Considerations" in this Prospectus.

The enforcement of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is existing under the laws of British Columbia, Canada, that some or all of the experts named in this Prospectus are residents of Canada, and some or all of the assets of said persons are located outside the United States. See "Enforcement of Civil Liabilities" in this Prospectus.

NEITHER THE SEC, NOR ANY STATE SECURITIES REGULATOR, HAS APPROVED OR DISAPPROVED THE SECURITIES OFFERED HEREBY OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The specific terms of the securities offered in a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of the Company’s common shares (the “**Common Shares**”), the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the designation, number and terms of the securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the designation, number and terms of the securities issuable upon satisfaction of certain release conditions, any procedures that will result in the adjustment of these numbers, any additional payments to be made to holders of subscription receipts upon satisfaction of the release conditions, the terms of the release conditions, the terms governing the escrow of all or a portion of the gross proceeds from the sale of the subscription receipts, terms for the refund of all or a portion of the purchase price for the subscription receipts in the event that the release conditions are not met or any other specific terms; and (iv) in the case of units, the designation, number and terms of the Common Shares, warrants or subscription receipts comprising the units. A Prospectus Supplement may include specific variable terms pertaining to the above-described securities that are not within the alternatives or parameters set forth in this Prospectus.

This Prospectus may qualify an “at-the-market” distribution as defined under National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX Venture Exchange (the “**TSXV**”) or other existing markets for the securities.

All shelf information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus to the extent required by applicable securities laws. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains.

An investment in the Company's securities involves a high degree of risk. You should carefully read the "Risk Factors" section detailed in this Prospectus.

This Prospectus may constitute a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. E3 Metals may offer and sell securities to, or through, underwriters or dealers and also may offer and sell certain securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. The Prospectus Supplement relating to each issue of securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of such securities and will set forth the terms of the offering of such securities, the method of distribution of such securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution.

No underwriter has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.

Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the securities.

In connection with any offering of securities (unless otherwise specified in a Prospectus Supplement), other than an "at-the-market distribution", the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Common Shares are publicly traded on the TSXV under the symbol "ETMC", the OTCQX under the symbol "EEMMF" and the Frankfurt Stock Exchange (the "FSE") under the symbol "OU7A". **Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company's warrants, units or subscription receipts may be sold and you may not be able to resell any of such securities, purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	1
NOTICE REGARDING REPRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES.....	2
PRESENTATION OF FINANCIAL INFORMATION	3
DOCUMENTS INCORPORATED BY REFERENCE	3
SUMMARY DESCRIPTION OF BUSINESS.....	4
RECENT DEVELOPMENTS	8
RISK FACTORS	8
USE OF PROCEEDS.....	12
PRIOR SALES	13
TRADING PRICE AND VOLUME.....	15
DIVIDEND POLICY.....	16
CONSOLIDATED CAPITALIZATION	16
DESCRIPTION OF SHARE CAPITAL.....	16
DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS.....	17
DENOMINATIONS, REGISTRATION AND TRANSFER.....	21
PLAN OF DISTRIBUTION.....	22
CERTAIN INCOME TAX CONSIDERATIONS	23
AUDITOR AND REGISTRAR AND TRANSFER AGENT	23
LEGAL MATTERS AND INTERESTS OF EXPERTS.....	23
ADDITIONAL INFORMATION.....	24
EXEMPTION FROM NI 44-101	24
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	24
 CERTIFICATE OF THE COMPANY	

ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this Prospectus or any applicable Prospectus Supplement. E3 Metals has not authorized anyone to provide you with different information. E3 Metals is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should bear in mind that although the information contained in this Prospectus and any Prospectus Supplement is accurate as of any date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus and by any subsequently filed prospectus amendments.

This Prospectus provides a general description of the securities that the Company may offer. Each time the Company sells securities under this Prospectus, it will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any securities, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under “*Documents Incorporated by Reference*” and “*Available Information*”.

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to “E3 Metals”, the “Company”, “we”, “us” or “our” includes E3 Metals Corp. and each of its material subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements (collectively, “**forward-looking statements**”) in this Prospectus and the documents incorporated by reference into this Prospectus about the Company’s current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer (collectively, “**Securities Laws**”). The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Discussions containing forward-looking statements include, among other places, those under “*Business of the Company*” and “*Risk Factors*”. Forward-looking statements included or incorporated by reference in this Prospectus include, but are not limited to, statements with respect to the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; anticipated developments in operations of the Company; market position, ability to compete and future financial or operating performance of the Company; the timing and amount of funding required to execute the Company’s business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulations; the availability of labour; requirements for additional capital; goals, strategies and future growth; the adequacy of financial resources; expectations regarding revenues, expenses and anticipated cash needs; and the impact of the COVID-19 pandemic on the business and operations of the Company.

Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments, including projected growth in the lithium industry, and other factors we believe are

appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct. These assumptions include, but are not limited to, (i) the Company being able to generate sufficient cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Company operates will remain the same; (iii) the Company being able to compete in the lithium industry; (iv) the Company being able to manage anticipated and unanticipated costs; (v) the Company being able to maintain internal controls over financial reporting and disclosure, and procedures; (vi) the Company being able to obtain the required approvals from regulatory authorities; (vii) the timely receipt of any required regulatory approvals; (viii) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (ix) the Company's ability to conduct operations in a safe, efficient and effective manner; and (x) the Company being able to develop the Extraction Technology and complete a commercial lithium production facility within the anticipated timeframes.

Many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors, which are discussed in greater detail in the "*Risk Factors*" section of this Prospectus and the AIF.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. Furthermore, unless otherwise stated, the forward-looking statements contained in this Prospectus are made as of the date of this Prospectus, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement.

NOTICE REGARDING REPRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

The disclosure included in or incorporated by reference in this Prospectus uses mineral reserves and mineral resources classification terms that comply with reporting standards in Canada and are made in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

These standards differ significantly from the requirements of the SEC that are applicable to domestic United States reporting companies. Any mineral reserves and mineral resources reported by the Company in accordance with NI 43-101 may not qualify as such under SEC standards. Accordingly, information included in this Prospectus and the documents incorporated by reference herein that describes the Company's mineral reserves and mineral resources estimates may not be comparable with information made public by United States companies subject to the SEC's reporting and disclosure requirements.

PRESENTATION OF FINANCIAL INFORMATION

The Company presents its financial statements in Canadian dollars. All dollar figures in this Prospectus are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Prospectus relating to the Company have been prepared in accordance with IFRS.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada (the “**Commissions**”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Company at 1520 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, telephone 587-324-2775 and are also available electronically on SEDAR which can be accessed electronically at www.sedar.com.

The following documents of the Company, which have been filed with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

1. the annual information form of the Company dated April 8, 2022 for the year ended December 31, 2021 and filed on SEDAR on April 11, 2022 (the “**AIF**”);
2. the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 together with the notes thereto and the auditor’s report thereon and related management’s discussion and analysis, filed on SEDAR on March 29, 2022; and
3. the information circular of the Company dated May 18, 2021, in respect of its annual general and special meeting of shareholders held on June 22, 2021.

Any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, any information circulars (excluding those portions that, pursuant to National Instrument 44-101 of the Canadian Securities Administrators (“NI 44-101”), are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of an offering under any Prospectus Supplement, 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 herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document 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. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

A Prospectus Supplement containing the specific terms of an offering of securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the securities, will be delivered to prospective purchasers of such securities together with this Prospectus and the applicable Prospectus Supplement and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the securities covered by that Prospectus Supplement.

Upon a new annual information form and related annual financial statements and management's discussion and analysis being filed by the Company with, and, where required, accepted by, the applicable securities commissions or similar regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statement and all quarterly financial statements and related management's discussion and analysis, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of securities hereunder.

Upon new interim financial statements and related management's discussion and analysis of financial condition and results of operations being filed by the Company with the applicable securities regulatory authorities in Canada during the term of this Prospectus, all interim financial statements and related management's discussion and analysis of financial condition and results of operations filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of securities hereunder.

SUMMARY DESCRIPTION OF BUSINESS

Overview

The Company was incorporated on August 19, 1998 under the name BCY Ventures Inc. under the *Business Corporations Act* (British Columbia). On September 20, 2000, the Company changed its name from BCY Ventures Inc. to BCY LifeSciences Inc. At the Company's annual general meeting held on July 27, 2007, the Company received shareholder approval to change its name from BCY LifeSciences Inc. to BCY Resources Inc.

On March 16, 2011, the Company changed its name from BCY Resources Inc. to Mexigold Corp. and consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares.

On August 22, 2016, the Company changed its name from Mexigold Corp. to Savannah Gold Corp. 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.

On May 30, 2017, the Company completed a Fundamental Acquisition (as that term is defined in the policies of the TSX-V) 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.

The Company's Common Shares are listed for trading on the TSXV under the trading symbol "ETMC". The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The principal regulator of the Company is the British Columbia Securities Commission.

As at the date hereof, the Company has two Canadian subsidiaries, 1975293 Alberta Ltd. (100% owned) and Alberta Battery Holdings Inc. (100% owned), and a Mexican subsidiary, Mexigold Resources SA de CV ("**MAU Mexico**"), incorporated on March 4, 2011, whereby the Company owns 99% and 0904254 BC Ltd., a dissolved subsidiary of the Company, owns 1% of MAU Mexico. MAU Mexico is inactive and has no assets.

General

The Company is an emerging lithium developer and lithium extraction technology innovator with a head office in Calgary, Alberta. The Company is developing its Alberta lithium project (the "**Alberta Lithium Project**") on the backbone of the mature and sophisticated Alberta oil industry. The Company combines a significant resource and a well-established local industry with its own proprietary direct lithium extraction technology (the "**Extraction Technology**") with a view to delivering lithium to market.

Alberta Lithium Project

The Alberta Lithium Project is a lithium brine project being developed on the backbone of the oil and gas industry in Alberta, Canada. Development and eventual construction aimed for this project differs very little in practice from the oil and gas industry as it involves much of the same types of infrastructure and know-how already well established locally. The social license is therefore well established and the Company anticipates being permitted under the same governing body.

Utilizing its Extraction Technology, the Company is developing a new source of lithium extracted from brine water aquifers underlying oil and gas fields in Alberta. The Company is aiming to develop a process for the commercial production of high purity lithium products fed directly into lithium-ion batteries for the growing electrification of transportation, thus capitalizing on projection of increases in demand for these products.

Properties

The Company's mineral properties are currently comprised of multiple Metallic and Industrial Minerals ("**MIM**") Permits, which includes the rights for lithium.

The Company's contiguous mineral properties in Western Canada are secured with MIM Permits and are grouped into the following areas:

- Clearwater Area: ~157,000 hectares (including the "**Clearwater Lithium Project**");
- Exshaw Area: ~142,000 hectares (including the "**Exshaw Resource Area**");
- Rocky Area: ~184,000 hectares (including the "**North Rocky Resource Area**"); and
- Other Areas: ~95,000 hectares

Detailed Project Descriptions

For additional information with respect to the Clearwater Lithium Project and the Exshaw West Property, readers are referred to the Company's AIF, annual management's discussion and analysis and interim management's discussion and analysis, if applicable, all of which are incorporated by reference herein, and the other documents incorporated by reference herein. See

also “*Risk Factors*” in this Prospectus and “*Risk Factors*” in the AIF.

Developments Following the Date of the Prospectus

If, after the date of this Prospectus, the Company is required by Section 4.2 of NI 43-101 to file a technical report to support scientific or technical information that relates to a mineral project on a property that is material to the Company, the Company will file such technical report in accordance with Section 4.2(5)(a)(i) of NI 43-101 as if the words “preliminary short form prospectus” refer to “shelf prospectus supplement”.

Development of the Extraction Technology

With a large potential source of lithium secured, management's focus has shifted to demonstrating the technological viability of the Alberta Lithium Project. The Company's 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 new or existing infrastructure, or a combination of both. 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 aquifer. The use of existing infrastructure has the potential to reduce the Company's development costs. The second step uses the Company's Extraction Technology to extract lithium from the brine. The process both concentrates the brine and removes the majority of the impurities in one step. This technology development is the key link between the existing brine production and readily available technology potentially utilized for the third step of lithium production. The third step is the production of a high purity lithium salt and involves refining the concentrate generated from the Company's direct lithium extraction process to further remove the last of the impurities and produce a high-grade lithium product for direct sale into the battery market. All other process steps may utilize existing technology modified slightly for the specifics of the Alberta Lithium Project. The Company believes the key to a feasible project in the future is the continued development of the Extraction Technology, which has demonstrated its ability to concentrate lithium and remove brine impurities. There is no guarantee that the Company will be successful in developing the Extraction Technology. See “*Risk Factors*” in the Company's AIF.

The Company is currently in the process of developing the Extraction Technology and its completion will occur as a series of steps increasing the operating scale of the Extraction Technology. The Company opened its Calgary-based testing facility in early 2021 with a focus on improving the manufacturing process for its sorbent material, a critical component of the Extraction Technology. This improved sorbent has been tested rigorously by the Company in early 2021 and has achieved high performance represented by high recovery and removal of impurities, while demonstrating a robust cycle life at batch scale. The next step in the development of the Extraction Technology is the continuous flow testing of sorbent candidates. As part of the prototype phase, the Company has built a lab scale pilot plant (“**Lab Pilot Plant**”) which is currently conducting small scale optimization testing with the aim of enabling the design of a field based pilot plant (“**Field Pilot Plant**”), such Field Pilot Plant is to be located on the Alberta Lithium Project. The Lab Pilot Plant began operating in Q4 2021 and on December 2, 2021, the Company announced the completion of an initial series of continuous flow tests on one form of sorbent, which recorded peak recoveries as high as 97%. Selected sorbents that have been tested through the continuous flow testing process will be used for the prototype phase. The fully automated Lab Pilot prototype operates with two trains and has been processing up to 18bbl/d of brine. This has been providing the Company's scientists and engineers with significant amounts of data to assist in the design and engineering work of the upcoming Field Pilot Plant.

The Company anticipates that the continuous flow testing process and further Lab Pilot Plant evaluations will continue into Q1 2022. The Company anticipates that the Field Pilot Plant will be operating by the end of Q1 2023. The Company believes that a successful pilot program should enable the design of a commercial process. The Company aims to achieve the foregoing milestones and necessary construction activities required to complete an operational commercial lithium production facility between 2025 and 2027. There is no guarantee that the Lab Pilot Plant testing and evaluations will be successful or that the Company will be successful in developing the Field Pilot Plant, a commercial lithium production facility or obtaining funding related to these activities within these timeframes or at all. See “*Risk Factors*” in this Prospectus and the Company’s AIF.

Current Outlook

As the Company executes its plan towards the goal of a commercial lithium project in the Clearwater area, the Company has outlined the following upcoming milestones and their respective status:

- **De-risk and Upgrade the Clearwater Resource:** The Company has selected the locations for the wells to be drilled. It is in process of obtaining the required licenses and permits from the Alberta Energy Regulator.
- **De-risk and Scale-up the Ion-Exchange Technology:** The Company has engaged several specialty equipment providers to evaluate manufacturing methods for its proprietary ion-exchange sorbent used as part of its Direct Lithium Extraction (“**DLE**”) process. The work is to delineate a scalable manufacturing process to produce E3 Metal’s proprietary ion-exchange beads at a large scale. While the immediate need is to deliver large quantities of the sorbent material for the Company’s upcoming Field Pilot Plant, the Company continues to work on the design and engineering of the upcoming Field Pilot Plant.
- **Production of Battery Grade Lithium Hydroxide Monohydrate (“**LHM**”) Samples:** The Company has begun the evaluation of several commercially available processes with vendors to produce LHM samples from its Lithium concentrate produced from the Ion-Exchange process.

Initial estimates for the milestones noted above will require approximately \$6.0 million, \$5.0 million and \$1.5 million, respectively. The success of these milestones will lay the groundwork for the planned pre-feasibility study, anticipated in 2023.

Since inception of the Company, the Company has spent:

- ~\$2.5 million towards the development of the DLE technology, which includes costs related to the recent completion of the Lab-Pilot Prototype being commissioned in 2021.
- ~\$4.8 million towards the acquisition and development of the Company’s lithium resources. These costs include independent geological evaluation, well sampling, acquisition and continuation of land tenure, core logging, seismic interpretation, and aquifer management planning.
- The expenditures to date in the aggregate amount of \$7.3 million enabled the Company to publish the Clearwater PEA and the proposed expenditures of an

aggregate amount of \$12.5 million is expected to generate most of the necessary technical data to enable E3 Metals to publish a pre-feasibility study.

Additional information about the Company's business is included in the documents incorporated by reference into this Prospectus, which may be found on SEDAR under the Company's profile at www.sedar.com.

RECENT DEVELOPMENTS

There have been no material developments in the business of the Company since December 31, 2021, the date of the Company's most recent financial statements, which have not been disclosed in this Prospectus, the AIF, or any of the documents incorporated by reference herein.

RISK FACTORS

An investment in the Company's securities involves a high degree of risk and must be considered a highly speculative investment due to the nature and present stage of the Company's business.

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus and all documents incorporated by reference. Before deciding to invest in any securities, in addition to considering the risks outlined below, you should also carefully consider the risks contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements" above, the risks outlined in the documents incorporated by reference in this Prospectus, the risks described in any Prospectus Supplement, the risks described in the Company's historical consolidated financial statements, the related notes thereto and the AIF. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, its business, prospects, financial condition, results of operations and cash flows and consequently the price of the Company's securities could be materially and adversely affected.

Liquidity and Capital Resources

Historically, capital requirements have been primarily funded through the sale of securities of the Company. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets and investor perceptions and expectations of the global market for lithium and its derivatives. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

Development of the Alberta Lithium Project

The Company's business strategy depends in large part on developing the Alberta Lithium Project. The capital expenditures and time required to develop the Alberta Lithium Project are significant and the Company has not yet secured funding that it believes will be sufficient to cover its share of capital expenditure obligations for the development of the Alberta Lithium Project. If the Company is unable to develop all or any of its projects, its business and financial condition will be materially adversely affected.

The Company believes that one of the key elements to the successful development of a feasible project in the future is the continued scale-up of the Extraction Technology. The successful development of the Extraction Technology is dependent on the Company obtaining positive results from the Lab Pilot Plant testing and evaluations, which will enable the development of the Field Pilot Plant. The Company believes that a successful pilot program should enable the design of a commercial process. There is no guarantee that the Lab Pilot Plant testing and evaluations will be successful or that the Company will be successful in developing the Field Pilot Plant, a commercial lithium production facility or obtaining funding related to these activities within the timeframes indicated in this Prospectus or at all. Hence, there is no guarantee that the Company will be successful in developing the Extraction Technology. If the Company is unable to develop the Extraction Technology, its business and financial condition will be materially adversely affected.

Estimated Project Timelines May Be Subject to Delays

As a result of the substantial expenditures involved in the development of a mineral project, the need to project years into the future, the need to make assumptions and use models that may not adequately approximate reality, unpredictable regulatory changes and other material adverse events, development projects such as the Company's commercial lithium production facility are inherently prone to delays. Furthermore, cost overruns, insufficient capital and other financial constraints may result in the Company discontinuing or modifying plans of development and abandoning or delaying making a construction or production decision, any of which could result in the Company failing to meet estimated project timelines.

In addition, mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop our projects for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The Company's ability to commence and/or sustain commercial production operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including technical success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing technology and capacity, the availability of storage capacity, the supply of and demand for lithium and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral

properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

COVID-19 Risks

The Company's business, operations and financial condition, and the market price of the Common Shares, could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for lithium and other minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations, and financial condition and the market price of the Common Shares.

Ongoing travel restrictions and border closures could result in delays in the execution of the business objectives of the Company, and ultimately the timeline for reaching a commercialization decision in respect of the Company's proprietary process for lithium extraction.

The Company's shareholders may experience dilution in the future

The Company is authorized to issue an unlimited number of Common Shares. The Board has the authority to cause the Company to issue additional Common Shares without the consent of the Company's shareholders. The issuance of any such securities may result in a reduction of the book value or market price of the Common Shares. Given the fact that the Company operates in a capital-intensive industry with significant working capital requirements, the Company may be required to issue additional common equity or securities that are dilutive to existing Common Shares in the future in order to continue its operations. The Company's efforts to fund its intended business plan may result in dilution to existing shareholders. Further, any such issuances could result in a change of control or a reduction in the market price for our common shares.

The market price of the Common Shares may be volatile and may fluctuate in a way that is disproportionate to the Company's operating performance

The Common Shares are listed on the TSXV. Trading of shares on the TSXV is often characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the Company's operations or business prospects.

The price of the Common Shares has fluctuated significantly. This volatility could depress the market price of the Common Shares for reasons unrelated to operating performance. The market

price of the Common Shares could decline due to the impact of any of the following factors upon the market price of our Common Shares:

- sales or potential sales of substantial amounts of the Common Shares;
- announcements about the Company or the Company's competitors;
- litigation and other developments relating to the Company or those of our suppliers;
- conditions in the Company's industry;
- governmental regulation and legislation;
- variations in the Company's anticipated or actual operating results;
- change in securities analysts' estimates of the Company's performance, or our failure to meet analysts' expectations;
- change in general economic conditions or trends;
- changes in capital market conditions or in the level of interest rates;
- investor perception of the Company's industry or prospects; and
- short selling (see "*Effect of Short Sales*" below).

Many of these factors are beyond the Company's control. The stock markets in general, and the market price of common shares of lithium companies in particular, have historically experienced extreme price and volume fluctuations. These fluctuations often have been unrelated or disproportionate to the operating performance of these companies. These broad market and industry factors could reduce the market price of the Common Shares, regardless of our actual operating performance.

Effect of Short Sales

Any downward pressure on the price of Common Shares could encourage short sales by third parties. In a short sale, a prospective seller borrows shares from a shareholder or broker and sells the borrowed shares. The prospective seller anticipates that the share price will decline, at which time the seller can purchase shares at a lower price for delivery back to a lender. The seller profits when the share price declines because it is purchasing shares at a price lower than the sale price of the borrowed shares. For the Company, short sales of Common Shares could place downward pressure on the market price of the Common Shares by increasing the number of Common Shares being sold, which could lead to a decline in the market price of the Common Shares.

A prolonged and substantial decline in the price of the Common Shares could affect the Company's ability to raise further working capital, thereby adversely impacting the Company's ability to continue operations

A prolonged and substantial decline in the price of the Common Shares could result in a reduction in the liquidity of the Common Shares and a reduction in the Company's ability to raise capital. Because the Company plans to acquire a significant portion of the funds it needs in order to conduct its planned operations through the sale of equity securities, a decline in the price of the Common Shares could be detrimental to the Company's liquidity and its operations because the decline may cause investors not to choose to invest in the Common Shares. If the Company is unable to raise the funds it requires for all its planned operations and to meet its existing and future financial obligations, the Company may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on its business plan and operations, including its ability to develop new products and continue its current operations.

Discretion in the Use of Net Proceeds

The Company intends to allocate the net proceeds it will receive from an offering as described under “Use of Proceeds” in this Prospectus and the applicable Prospectus Supplement, however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in “Use of Proceeds” in this Prospectus and the applicable Prospectus Supplement if the Company believes it would be in the Company’s best interests to do so. The Company’s investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

Absence of Public Market for Certain Securities

There is no public market for the warrants, subscription receipts, units and securities debt, and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of the warrants, subscription receipts, units or securities debt on any securities exchanges. If the warrants, subscription receipts units or securities debt are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and its financial condition. There can be no assurance as to the liquidity of the trading market for the warrants, subscription receipts, units or securities debt, or that a trading market for these securities will develop at all.

Positive Returns

A holding of securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Negative Operating Cash Flows

Given that the Company has yet to enter commercial production and generate cash flow, the Company had negative operating cash flow for its financial years ended December 31, 2020 and 2021. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves or a portion of the proceeds of any offering of securities to fund such negative cash flow.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds of any offering of securities under a Prospectus Supplement will be used for general corporate purposes, including the development of the Extraction Technology, the development of the process design, the advancement of the aquifer and general working capital requirements. More detailed information regarding the use of proceeds from a sale of securities will be included in the applicable Prospectus Supplement.

There may be circumstances where, based on results obtained or for other sound business reasons, a reallocation of funds may be necessary or prudent. Accordingly, management of the Company will have broad discretion in the application of the net proceeds of an offering of securities made pursuant to a Prospectus Supplement. The Company has used reasonable best efforts to estimate the costs of long-term projects, however the actual amount that the Company

spends in connection with each intended use of proceeds may vary from the amounts specified in the applicable Prospectus Supplement and will depend on a number of factors, including those referred to under “*Risk Factors*” in this Prospectus and in the documents incorporated by reference herein and any other factors set forth in the applicable Prospectus Supplement. The Company may invest funds which it does not immediately use. Such investments may include short-term marketable investment grade securities denominated in Canadian dollars, United States dollars or other currencies. The Company may, from time to time, issue securities other than pursuant to this Prospectus.

To date, the Company has not generated any revenues from operations. The Company had negative operating cash flows for the years ended December 31, 2020 and 2021 and the Company may continue to incur negative operating cash flows. As a result, the Company may need to allocate a portion of its existing working capital or a portion of the proceeds of any offering of Securities to fund any such negative operating cash flow in future periods. See “*Risk Factors – Negative Operating Cash Flows*”.

All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Company's general funds, unless otherwise stated in the applicable Prospectus Supplement.

PRIOR SALES

The following table summarizes all the Company's issuances of Common Shares in the 12-month period preceding the date of this Prospectus:

Issue Date	Number of Common Shares	Issue/Exercise Price per Common Share
January 7, 2022	100,000 ⁽¹⁾	\$0.40
December 20, 2021	3,920 ⁽¹⁾	\$1.40
December 13, 2021	3,750 ⁽¹⁾	\$0.60
November 29, 2021	2,000 ⁽¹⁾	\$0.85
November 22, 2021	196 ⁽¹⁾	\$1.40
November 18, 2021	150,000 ⁽¹⁾	\$1.38
November 18, 2021	50,000 ⁽¹⁾	\$0.70
November 15, 2021	6,232 ⁽¹⁾	\$0.85
November 15, 2021	50,000 ⁽¹⁾	\$0.40
November 10, 2021	25,000 ⁽¹⁾	\$0.40
November 9, 2021	95,000 ⁽¹⁾	\$1.65
November 8, 2021	25,000 ⁽¹⁾	\$1.65
November 5, 2021	10,500 ⁽¹⁾	\$1.65
November 4, 2021	25,000 ⁽¹⁾	\$1.65
November 3, 2021	75,000 ⁽¹⁾	\$1.65
November 2, 2021	25,000 ⁽¹⁾	\$0.60
November 2, 2021	322,500 ⁽¹⁾	\$1.65
October 29, 2021	10,000 ⁽¹⁾	\$1.65
October 28, 2021	681,500 ⁽¹⁾	\$1.65
October 27, 2021	1,143,900 ⁽¹⁾	\$1.65
October 27, 2021	212,500 ⁽¹⁾	\$1.40
October 26, 2021	63,200 ⁽¹⁾	\$1.65
October 25, 2021	46,967 ⁽¹⁾	\$0.85

October 25, 2021	50,000 ⁽¹⁾	\$0.60
October 25, 2021	1,256,300 ⁽¹⁾	\$1.65
September 21, 2021	100,000 ⁽¹⁾	\$0.70
September 21, 2021	12,500 ⁽¹⁾	\$0.60
September 3, 2021	50,000 ⁽¹⁾	\$0.40
September 2, 2021	125,000 ⁽¹⁾	\$1.40
July 7, 2021	12,500 ⁽¹⁾	\$0.60
July 7, 2021	158,000 ⁽¹⁾	\$0.40
June 21, 2021	20,000 ⁽¹⁾	\$0.40
June 11, 2021	222 ⁽¹⁾	\$0.85
June 8, 2021	65,688 ⁽¹⁾	\$1.40
June 1, 2021	12,320 ⁽¹⁾	\$1.40
May 25, 2021	25,000 ⁽¹⁾	\$1.40
May 11, 2021	35,000 ⁽¹⁾	\$0.40
April 30, 2021	4,993 ⁽¹⁾	\$0.85
April 30, 2021	60,000 ⁽¹⁾	\$0.40
April 28, 2021	10,000 ⁽¹⁾	\$1.40
April 27, 2021	15,000 ⁽¹⁾	\$1.40
April 26, 2021	6,000 ⁽¹⁾	\$1.40
April 21, 2021	58,823 ⁽¹⁾	\$1.40
April 21, 2021	131,380 ⁽¹⁾	\$0.85
April 21, 2021	4,500 ⁽¹⁾	\$0.45

Notes:

(1) Represents an exercise of warrants or Options.

The Company has not issued any Warrants in the 12-month period preceding the date of this Prospectus.

The following table summarizes all the Company's issuances of Options in the 12-month period preceding the date of this Prospectus:

Issue Date	Number of Options	Exercise Price
January 3, 2022	510,000	\$2.32
August 3, 2021	25,000	\$1.77
June 23, 2021	745,000	\$1.70
April 19, 2021	50,000	\$2.05

The following table summarizes all the Company's issuances of units in the 12-month period preceding the date of this Prospectus:

Issue Date	Number of Units	Price per Unit
February 8, 2021	6,793,300 ⁽¹⁾	\$1.185
December 17, 2020	5,882,353 ⁽²⁾	\$0.85
December 17, 2020	117,646 ⁽³⁾	N/A

Notes:

(1) Represents units (the "**February Units**") issued pursuant to the bought-deal private placement of 6,793,300 units of the Corporation (the "**February Financing**"). Each February Unit is comprised of one Common Share and one share purchase warrant. Each warrant is exercisable to acquire one Common Share at an exercise price of \$1.65 per Common Share until February 8, 2023.

- (2) Represents units (“**December Units**”) issued pursuant to the brokered private placement of 5,882,353 units of the Corporation (the “**December Financing**”). Each December Unit is comprised of one Common Share and one-half of one share purchase warrant. Each whole warrant is exercisable to acquire one Common Share at an exercise price of \$1.40 per Common Share until December 17, 2022.
- (3) Represents corporate finance units issued to Canaccord in connection with the December Financing. Each corporate finance unit is comprised of one Common Share and one-half of one share purchase warrant. Each whole warrant is exercisable to acquire one Common Share at an exercise price of \$1.40 until December 17, 2022.

TRADING PRICE AND VOLUME

Trading Price and Volume

The Common Shares are publicly traded on the TSXV under the symbol “ETMC”, the OTCQX under the symbol “EEMMF” and the FSE under the symbol “OU7A”. On April 14, 2022, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$2.66. The following table sets forth information relating to the trading of the Common Shares on the TSXV for the dates indicated.

TSXV Price Range			
Date	High (\$)	Low (\$)	Total Volume
April 1 – 14, 2022	2.91	2.27	1,818,043
March 2022	2.55	2.00	1,607,104
February 2022	2.53	1.93	1,650,610
January 2022	2.99	2.06	3,561,731
December 2021	2.58	2.00	2,903,974
November 2021	3.33	2.41	4,462,413
October 2021	3.49	1.81	7,341,752
September 2021	2.56	1.69	4,267,824
August 2021	1.90	1.66	2,173,703
July 2021	1.95	1.60	2,013,532
June 2021	2.25	1.53	4,041,845
May 2021	2.47	1.85	2,278,211
April 2021	3.05	1.76	5,162,676

DIVIDEND POLICY

The Company has not declared or paid dividends since incorporation and has no present intention to declare or pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. Any decision to declare or pay dividends will be made by the Company's Board of Directors based upon the Company's earnings, financial requirements and other conditions existing at such future time.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of securities pursuant to such Prospectus Supplement.

There has not been any material change in the share and loan capital of the Company, on a consolidated basis, since December 31, 2021, being the date of the Company's financial statements most recently filed in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, which are incorporated by reference in this Prospectus, except as described under "*Prior Sales*".

DESCRIPTION OF SHARE CAPITAL

Authorized Capital

The Company's authorized capital consists of an unlimited number of Common Shares without par value.

Common Shares

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 58,296,018 Common Shares are issued and outstanding as fully paid and non-assessable.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to receive notice of and attend all meetings of shareholders, to one vote per Common Share at such meetings and, upon liquidation, to rateably receive the assets of the Company as are distributable to the holders of the Common Shares. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Stock Options

As at the date of this Prospectus, the Company had 3,321,250 stock options ("**Options**") outstanding.

Warrants

As at the date of this Prospectus, the Company had 6,639,018 common share purchase warrants outstanding.

DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS

The Company may offer common shares, warrants, subscription receipts or units with a total value of up to \$100,000,000 from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides you with a general description of the securities the Company may offer. Each time the Company offers securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- rates and times of payment of dividends, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important Canadian federal income tax considerations.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a security that is not described in this Prospectus.

Description of Common Shares

The Company may offer Common Shares, which the Company may issue independently or together with warrants or subscription receipts, and the Common Shares may be separate from or attached to such securities. All of the Company's Common Shares have equal voting rights, and none of the Common Shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attaching to any of the Common Shares and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the Common Shares. The Common Shares are not convertible into shares of any other class and are not redeemable or retractable.

Description of Warrants

Warrants may be offered separately or together with other securities, as the case may be. Each series of warrants will be issued under a separate warrant indenture to be entered into between the Company and one or more banks or trust companies acting as warrant agent. The applicable Prospectus Supplement will include details of the terms and conditions of the warrants being

offered. The warrant agent will act solely as the Company's agent and will not assume a relationship of agency with any holders of warrant certificates or beneficial owners of warrants.

The particular terms of each issue of warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of warrants;
- the price at which the warrants will be offered;
- the currency or currencies in which the warrants will be offered;
- whether the warrants will be listed on the TSXV;
- the designation and terms of the Common Shares purchasable upon exercise of the warrants;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each warrant;
- the designation and terms of any securities with which the warrants will be offered, if any, and the number of the warrants that will be offered with each security;
- the date or dates, if any, on or after which the warrants and the related securities will be transferable separately;
- whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the warrants; and
- any other material terms or conditions of the warrants.

The Company's authorized capital currently consists of a single class of shares, being the Common Shares. If the Company issues warrants exercisable for any designation of shares other than Common Shares, the material attributes and characteristics of such shares will be set forth in the applicable Prospectus Supplement. Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of Common Shares issuable upon exercise of the warrants.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such warrants.

Description of Subscription Receipts

The Company may issue subscription receipts, which will entitle holders to receive upon satisfaction of certain release conditions and for no additional consideration, Common Shares, warrants or a combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”), which will establish the terms and conditions of the subscription receipts. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. In Canada, the Company will file on SEDAR a copy of any Subscription Receipt Agreement after the Company has entered into it.

The following description sets forth certain general terms and provisions of subscription receipts and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement and the Prospectus Supplement describing such Subscription Receipt Agreement. The Company urges you to read the applicable Prospectus Supplement related to the particular subscription receipts that the Company sells under this Prospectus, as well as the complete Subscription Receipt Agreement.

The Prospectus Supplement and the Subscription Receipt Agreement for any subscription receipts the Company offers will describe the specific terms of the subscription receipts and may include, but are not limited to, any of the following:

- the designation and aggregate number of subscription receipts offered;
- the price at which the subscription receipts will be offered;
- the currency or currencies in which the subscription receipts will be offered;
- the designation, number and terms of the Common Shares, warrants or combination thereof to be received by holders of subscription receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of subscription receipts to receive for no additional consideration Common Shares, warrants or a combination thereof;
- the procedures for the issuance and delivery of Common Shares, warrants or a combination thereof to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the Common Shares, warrants or a combination thereof upon satisfaction of the Release Conditions (e.g., an amount equal to dividends declared on Common Shares by the Company to holders of record during the period from the date of issuance of the subscription receipts to the date of issuance of any Common Shares pursuant to the terms of the Subscription Receipt Agreement);

- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold Common Shares, warrants or a combination thereof pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price for their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event this Prospectus, the Prospectus Supplement under which subscription receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether the Company will issue the subscription receipts as global securities and, if so, the identity of the depositary for the global securities;
- whether the Company will issue the subscription receipts as bearer securities, registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms attaching to the subscription receipts;
- the identity of the Escrow Agent;
- whether the subscription receipts will be listed on any exchange;
- material Canadian federal tax consequences of owning the subscription receipts; and
- any other terms of the subscription receipts.

The holders of subscription receipts will not be shareholders of the Company. Holders of subscription receipts are entitled only to receive Common Shares, warrants or a combination thereof on exchange of their subscription receipts, plus any cash payments provided for under the Subscription Receipt Agreement, if the Release Conditions are satisfied. If the Release Conditions are not satisfied, the holders of subscription receipts shall be entitled to a refund of all

or a portion of the subscription price therefor and all or a portion of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the subscription receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the subscription receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such subscription receipts.

Description of Units

The Company may issue units comprised of one or more of the other securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement, if any, under which a unit is issued may provide that the securities comprising the unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of each issue of units will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of units offered;
- the price at which the units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the units are denominated;
- the terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- the number of securities that may be purchased upon exercise of each unit and the price at which and currency or currency unit in which that amount of securities may be purchased upon exercise of each unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
- any other material terms, conditions and rights (or limitations on such rights) of the units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such units.

DENOMINATIONS, REGISTRATION AND TRANSFER

The securities will be issued in fully registered form without coupons attached in either global or definitive form and in denominations and integral multiples as set out in the applicable Prospectus

Supplement. Other than in the case of book-entry only securities, securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) in the city specified for such purpose at the office of the registrar or transfer agent designated by the Company for such purpose with respect to any issue of securities referred to in the Prospectus Supplement. No service charge will be made for any transfer, conversion or exchange of the securities, but we may require payment of a sum to cover any transfer tax or other governmental charge payable in connection therewith. Such transfer, conversion or exchange will be effected upon such registrar or transfer agent being satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any registrar or transfer agent designated by the Company with respect to any issue of securities, we may at any time rescind the designation of any such registrar or transfer agent and appoint another in its place or approve any change in the location through which such registrar or transfer agent acts.

In the case of book-entry only securities, a global certificate or certificates representing the securities will be held by a designated depository for its participants. The securities must be purchased or transferred through such participants, which includes securities brokers and dealers, banks and trust companies. The depository will establish and maintain book-entry accounts for its participants acting on behalf of holders of the securities. The interests of such holders of securities will be represented by entries in the records maintained by the participants. Holders of securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each holder will receive a customer confirmation of purchase from the participants from which the securities are purchased in accordance with the practices and procedures of that participant.

PLAN OF DISTRIBUTION

The Company may sell the securities to or through underwriters or dealers, and also may sell securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the securities and the proceeds to the Company from the sale of the securities. Only those underwriters, dealers or agents named in a Prospectus Supplement will be the underwriters, dealers or agents in connection with the securities offered thereby.

The securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions deemed to be “at the market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSXV or other existing markets for the securities. Additionally, this Prospectus and any Prospectus Supplement may also cover the initial resale of the securities purchased pursuant thereto. The prices at which the securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

In connection with any offering of securities, other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of

the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company's warrants, units or subscription receipts may be sold and you may not be able to resell any such securities purchased under this Prospectus or any Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, the securities (excluding any Common Shares) will not be listed on any securities exchange. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

In connection with the sale of securities, underwriters, dealers and agents may receive compensation from the Company or from purchasers of the securities from whom they may act as agents in the form of discounts, concessions or commissions. Any such commissions will be paid out of the Company's general funds. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters and any discounts or commissions received by them from the Company and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

Underwriters, dealers and agents who participate in the distribution of the securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Those underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

CERTAIN INCOME TAX CONSIDERATIONS

Owning or holding any of the Company's securities may subject you to tax consequences in Canada and elsewhere.

Although the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully. You should consult your own tax advisor with respect to your particular circumstances.

AUDITOR AND REGISTRAR AND TRANSFER AGENT

The external auditors of the Company are MNP LLP, located at 1500 - 640 5th Ave SW, Calgary, AB T2P 3G4.

The registrar and transfer agent for the Common Shares is Odyssey Trust Company at its office located at 350 – 300 5 Ave SW, Calgary, Alberta, T2P 3C4.

LEGAL MATTERS AND INTERESTS OF EXPERTS

Unless otherwise specified in the Prospectus Supplement relating to an offering and sale of securities, certain legal matters relating to such offering and sale of securities will be passed upon on behalf of the Company by Cozen O'Connor LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with an offering and sale of securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such

offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law. As at the date hereof, the partners and associates of Cozen O'Connor LLP, as a group, own less than 1% of the outstanding securities of the Company.

The financial statements have been audited by MNP LLP, as set forth in their audit reports. MNP LLP is the independent auditor of the Company and is independent within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

ADDITIONAL INFORMATION

Each time the Company sells securities under this Prospectus, it will provide a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add to, update or change information contained in this Prospectus.

The Company's public filings are available on the System for Electronic Document Analysis and Retrieval, or SEDAR, at www.sedar.com. Unless specifically incorporated by reference herein, documents filed or furnished by the Company on SEDAR are neither incorporated in nor a part of this Prospectus.

EXEMPTION FROM NI 44-101

Pursuant to a decision of the Autorité des marchés financiers (“**AMF**”) dated January 21, 2022, the Company was granted exemptive relief from the requirement that this Prospectus as well as the documents incorporated by reference herein and any applicable Prospectus Supplement and the documents incorporated by reference therein to be filed in relation to an “at-the-market distribution” be filed with the AMF in the French language. This exemptive relief is granted on the condition that this Prospectus, any applicable Prospectus Supplement (other than in relation to an “at-the-market distribution”) and the documents incorporated by reference herein and therein be filed with the AMF in the French language if the Company offers securities to Quebec purchasers in connection with an offering other than in relation to an “at-the-market distribution”.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto (irrespective, in the case of an offering on a non-fixed price basis, of the determination at a later date of the purchase price for the securities distributed). In several of these jurisdictions, the securities legislation further provides a purchaser with remedies for rescission, or in some jurisdictions, revisions of the price, or damages if the Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's jurisdiction. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of warrants or subscription receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial or territorial securities legislation, to the price at which the warrant or subscription receipt is offered to the public under the Prospectus offering. This means that, under the securities

legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the warrant or subscription receipt, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

By virtue of their purchase of any warrants or subscription receipts under this Prospectus, original purchasers of warrants (if offered separately) and subscription receipts will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such warrant and subscription receipt, as the case may be. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the warrant or subscription receipt, as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of convertible, exchangeable or exercisable securities, original purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF E3 METALS CORP.

Dated: April 18, 2022

This short form prospectus, together with the documents incorporated herein by reference, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of all of the provinces and territories of Canada.

(Signed) "Christopher Doornbos"

Christopher Doornbos
Chief Executive Officer

(Signed) "Raymond Chow"

Raymond Chow
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "John Pantazopoulos"

John Pantazopoulos
Director

(Signed) "Peeyush Varshney"

Peeyush Varshney
Director