

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 June 21, 2024 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 Agency 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 June 21, 2024 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 June 21, 2024**

New Issue

October 8, 2025



E3 LITHIUM

E3 LITHIUM LTD.

**\$12,180,000
10,150,000 Units**

Price: \$1.20 per Unit

This prospectus supplement of E3 Lithium Ltd. (“**E3 Lithium**” or the “**Company**”) together with the short form base shelf prospectus dated June 21, 2024 hereby qualifies the distribution (the “**Offering**”) of up to 10,150,000 units of the Company (the “**Units**”) at a price of \$1.20 per Unit (the “**Offering Price**”). The terms of the Offering, including the Offering Price, were determined by arm’s length negotiation between the Company and TD Securities Inc., as co-lead agent and sole bookrunner (“**TD**”), on behalf of a syndicate of agents, which includes Roth Canada Inc. as co-lead agent, ATB Securities Inc. and Stifel Nicolaus Canada Inc. (together with TD, the “**Agents**”), with reference to the prevailing market price of the common shares of the Company (the “**Common Shares**”). The Offering is being made pursuant to an Agency Agreement (the “**Agency Agreement**”) dated October 8, 2025 between the Company and the Agents. See “*Plan of Distribution*”.

Each Unit consists of one Common Share (a “**Unit Share**”) and one-half of one Common Share purchase warrant (each whole such warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one Common Share of the Company (a “**Warrant Share**”) at an exercise price of \$1.50 per Warrant Share for a period of

36 months from the Closing Date (as defined herein), subject to adjustment in certain customary circumstances. The Warrants will be created and issued pursuant to the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into on or prior to the Closing Date between the Company and Odyssey Trust Company (the “**Warrant Agent**”), as warrant agent.

The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**ETL**”. On October 7, 2025, the last trading day prior to the date of this prospectus supplement, the closing price of the Common Shares on the TSXV was \$1.41.

There is no market through which the Warrants may be sold. Purchasers may not be able to resell the Warrants purchased under this prospectus supplement. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See “Risk Factors”.

	Public Offering Price	Agents’ Fee⁽¹⁾⁽⁴⁾	Net Proceeds to the Company⁽²⁾⁽³⁾⁽⁴⁾
Per Unit.....	\$1.20	\$0.072	\$1.128
Total Offering	\$12,180,000	\$730,800	\$11,449,200

Notes:

- (1) Pursuant to the Agency Agreement, the Company has agreed to pay the Agents a cash fee (the “**Agents’ Fee**”) equal to 6.0% of the gross proceeds from the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option (as defined herein), other than in respect of gross proceeds from the sale of Units to purchasers on the President’s List (as defined herein) for which the Agents will receive a cash fee equal to 3.0% (the “**President’s List Fee**”). “**President’s List**”, as used herein, means a list of certain purchasers under the Offering as agreed between the Company and the Agents. Assumes no sales to the President’s List. See “*Plan of Distribution*”.
- (2) After deducting the Agents’ Fee (assuming no President’s List sales), 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 (assuming no Additional Units are sold to purchasers on the President’s List), the “*Public Offering Price*”, “*Agents’ Fee*” and “*Net Proceeds to the Company*” (before deducting expenses of the Offering) will be \$14,007,000, \$840,420 and \$13,166,580, respectively. This prospectus supplement and accompanying base shelf prospectus also qualify for distribution the Over-Allotment Option and the Additional Units, the Additional Shares and the Additional Warrants. See “*Plan of Distribution*”.
- (4) Assumes that no Units are sold to purchasers on the President’s List and, accordingly, the total and per Unit Agents’ Fee in this table has not been reduced in respect of proceeds that may be raised in respect of the President’s List.

The Company intends to raise gross proceeds in a maximum amount of \$12,180,000 in connection with this Offering. **There is no minimum amount of funds that must be raised under this Offering. This means that the Company could complete this Offering after raising only a small portion of the Offering amount set out above.**

The Company has also granted to the Agents an option (the “**Over-Allotment Option**”) exercisable, in whole or in part and from time to time, at the sole discretion of the Agents, at any time up to 30 days from and including the Closing Date, to offer to sell up to an additional 1,522,500 Units (the “**Additional Units**”) at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents, in whole or in part, at the sole discretion of the Agents, for either (i) Additional Units; (ii) additional Unit Shares (the “**Additional Shares**”) at a price of \$1.07 per Additional Share; (iii) additional Warrants (“**Additional Warrants**”) at a price of \$0.26 per Additional Warrant with each Additional Warrant entitling the holder thereof to acquire, subject to adjustment in certain customary circumstances, one Common Share (an “**Additional Warrant Share**”); or (iv) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,522,500 Additional Shares and 761,250 Additional Warrants. See “*Plan of Distribution*”.

Unless the context otherwise requires, when used herein, all references to “Offering” include the exercise of the Over-Allotment Option, all references to “Units” include the Additional Units issuable upon exercise of

the Over-Allotment Option, all references to “Unit Shares” include the Additional Shares issuable upon exercise of the Over-Allotment Option, all references to “Warrants” include the Additional Warrants issuable upon exercise of the Over-Allotment Option and all references to “Warrant Shares” include the Additional Warrant Shares issuable upon exercise of the Additional Warrants.

The following table sets out the maximum number of securities, if any, that may be issued by the Company pursuant to the Over-Allotment Option:

<u>Agents' Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,522,500 Additional Units;	Exercisable at any time for a period of 30 days from and including the Closing Date	\$1.20 per Additional Unit
	1,522,500 Additional Shares; and/or		\$1.07 per Additional Share
	761,250 Additional Warrants		\$0.26 per Additional Warrant

The Agents, as agents, conditionally offer the Units on a best efforts agency basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency 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 Agents by Bennett Jones LLP, with respect to matters of Canadian law. 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 October 14, 2025, or such other date as may be permitted under applicable securities laws and as agreed upon by the Company and the Agents (the “**Closing Date**”).

It is expected that the Company will arrange for the electronic deposit of the Units 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 Unit Shares and Warrants will be issued to purchasers of the Units. Such purchasers of Units will receive only a customer confirmation from the Agents or other registered dealer from or through whom a beneficial interest in the Units are purchased. See “*Plan of Distribution*”.

The Agents 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 its registered office is located at 525-8th Avenue S.W., 43rd Floor, Eighth Avenue Place East Calgary, Alberta, T2P 1G1.

Investing in the Units is highly speculative and involves significant risks that you should consider before purchasing such Units. 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 Units. 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 Unit Shares, Warrants or Warrant 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*”.

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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 Units, Unit Shares, Warrants and/or Warrant 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 Agents 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 Agents are not making an offer of the Units, Additional Units, Additional Shares or Additional Warrants 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, 2024 and 2023, and the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2025, 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").

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 Agents 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 Agents 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 included or incorporated by reference in this prospectus supplement include, but are not limited to, statements with respect to the Offering and the expected Closing Date; the Company’s intention to apply for listing of the Unit Shares and Warrant Shares; the potential effecting of transactions for market stabilization purposes; the future financial or operating performance of the Company including the potential effects of inflation; the Company’s expectations with respect to future growth; the Company’s expectations with respect to achievement of its business objectives and milestones; the Company’s expectations with respect to the use of net proceeds from the Offering and of future offerings and the use of the available funds following completion of such offerings; requirements for additional capital; the Company’s expectations regarding anticipated capital needs; and the Company’s intentions relating to moving toward commercial production of lithium carbonate; pursuing development of its proprietary lithium sorbent; and the anticipated timing in respect of the sale of Estevan Lithium District assets. 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 and development stages 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 than 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 and the documents incorporated by reference herein, 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 24, 2025 for the year ended December 31, 2024 and filed on SEDAR+ on April 28, 2025;
- (b) the audited consolidated financial statements of E3 Lithium as at December 31, 2024 and 2023 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 28, 2025;
- (c) the unaudited condensed consolidated interim financial statements of E3 Lithium as at and for the three and six months ended June 30, 2025, together with the notes thereto (the "**Interim Financial Statements**") and related management's discussion and analysis (the "**Interim MD&A**"), filed on SEDAR+ on August 27, 2025;

- (d) the management information circular dated May 16, 2025 for the annual general meeting of the shareholders of E3 Lithium held on July 2, 2025 and filed on SEDAR+ on June 2, 2025;
- (e) the template version of the term sheet dated October 7, 2025 in connection with the Offering; and
- (f) the template version of the term sheet dated October 8, 2025 (the “**Term Sheet**”) in connection with the upsize of 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 Units. 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 9 of the accompanying base shelf prospectus; the “Risk Factors” section beginning on page 20 of the AIF; and the “Risk Factors” section beginning on page 15 of the Annual MD&A.

Business of the Company

The Company is a leader in Canadian lithium 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 Lithium’s principal land holding in South Central Alberta. The Company has made significant steps towards commercializing the first lithium project in the province by piloting Direct Lithium Extraction (“**DLE**”) technologies, increasing the resource confidence to measured and indicated, a portion of which are proven and probable reserves, and demonstrating it can produce battery quality products.

The Clearwater Lithium Project is a brine-hosted lithium project being developed on the backbone of the mature and sophisticated Alberta oil industry, which provides transparent permitting, available workforce and understood way of operating. Development and construction for this project is analogous to 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 for resource extraction is well established and the Company's activities are regulated by the Alberta Energy Regulator, the same governing body that oversees oil and gas activity in the province.

Utilizing DLE technology, the Company is developing a method of extracting lithium from brine aquifers underlying oil and gas fields in Alberta. The Company is proceeding with engineering its own processes and design in coordination with vendors and engineering firms that will deploy commercially available third-party lithium extraction sorbents for its first facility. The Company intends to continue to pursue the development of its proprietary lithium extraction sorbent for subsequent commercial facilities. The Company is aiming to move into commercial production of battery-quality lithium carbonate that feeds directly into lithium-ion batteries for the growing electrification of transportation, thus capitalizing on projection of significant increases in demand for these products.

In addition to the Clearwater Lithium Project, the Company holds approximately 66,800 hectares of exploration permits in Southern Saskatchewan, near the town of Estevan (the "**Estevan Lithium District**"). The Company has entered into an agreement to sell its Estevan Lithium District Assets. See "*Recent Developments*".

Recent Developments

On June 25, 2025, the Company announced the results of an updated mineral resource report for its Garrington District project in central Alberta (the "**Garrington District**") and further to which the Garrington Technical Report (as defined below) was filed on July 22, 2025.

On July 3, 2025, the Company announced that all items of business had been approved at the Company's annual general meeting of shareholders held on July 2, 2025, that John Pantazopoulos had retired from the board of directors of the Company and that Brian Newmarch was appointed as the new Chief Financial Officer of the Company.

On August 27, 2025, the Company announced:

- that the Interim Financial Statements had been filed;
- that the progress of the commissioning of the demonstration facility was on target;
- the results from phase 1 of the lithium metal battery joint development agreement with Pure Lithium Corp.; and
- that the directors of the Company had appointed Alexandra Cattelan as lead director.

On September 2, 2025, the Company announced that the commissioning of phase 1 of the Company's demonstration facility was underway and on schedule.

On September 11, 2025, the Company announced that it had received approval of its required permits from the Alberta Energy Regulator to advance phase 2 of its Clearwater Lithium Project demonstration facility, which demonstration facility is being completed in three phases, with phase 1 currently being commissioned. Phase 2 of the demonstration facility involves drilling a production and injection well to confirm Leduc aquifer flow rates and reservoir characteristics, which will support the commercial well scheme design, gathering system and treatment equipment for the Company's commercial facility. Once the wells are completed, they will be tied into the existing 30-column DLE system and purification units commissioned in phase 1 to create a fully integrated brine-to-battery-grade lithium carbonate process system. Upon the completion of phase 1 commissioning, the Company will initiate final preparations to commence its drill program.

On September 22, 2025, the Company announced that it had produced battery-grade lithium carbonate while commissioning phase 1 of its demonstration facility.

On September 30, 2025, the Company announced that it had entered into an asset purchase and sale agreement with an arm's length private company to sell its non-core Saskatchewan-based Estevan Lithium District assets for total cash consideration of US\$4.296 million. The transaction is expected to close in late Q4 2025, and is subject to customary closing conditions, including, but not limited to, receipt of all third party consents as well as satisfactory regulatory, surface impediment and environmental due diligence being completed by the purchaser.

The documents incorporated by reference herein, including the AIF, contain further details regarding the business of the Company, as well as risk factors relating thereto, since the completion of the most recently completed financial year. See "*Documents Incorporated by Reference*".

RISK FACTORS

Investing in the securities of the Company 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 Units 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 20 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 Units and the Offering

No Assurance of Liquidity

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.

Market Price Fluctuations

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 ongoing international conflicts, macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, 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.

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.

Broad Discretion in the Use of Proceeds from Offering

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 Units 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.

Additional Financing

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/or development of the Bashaw District, the Garrington District and the Company's other properties.

Inflation and the Need for Additional Funds

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.

Imposition of Duties, Tariffs and Other Trade Protection Measures

Executive orders by the President of the United States over the past months have directed the imposition of new or increased tariffs on many trading partners and certain other imports and it remains unclear the extent to which additional duties, tariffs, and trade restrictions may be imposed by the United States. There is also uncertainty about potential retaliatory tariffs by other countries, including Canada, and the possibility of escalating trade wars. Whether changes to the currently announced tariffs will occur, how long they may be in effect, and the extent to which these tariffs, retaliatory measures, and trade wars will impact the market remain uncertain. Trade restrictions, including tariffs, quotas, embargoes, safeguards, customs and/or other similar measures could increase the cost or reduce the supply of various products available to the Company, reduce the attractiveness of the Company's products to other countries, or otherwise force the Company to modify its current business practices, any of which could harm our business, financial condition and results of operations.

Geopolitical Conflicts and Political Volatility

The Company may be subject to the impact of national and global economic issues stemming from geopolitical conflicts. The ongoing conflict between Russia and Ukraine and between Israel and Hamas and the sanctions that many countries have imposed, create risks across the global economy, including fluctuations, volatility or illiquidity in the financial market, commodity prices, foreign exchange rates, supply chain disruptions and potential slowdowns in a variety of industries. Although the conflicts have not had a significant adverse effect on the Company's overall business, business opportunities, results of operations, financial condition and cash flows at this time, the Company will continue to monitor the impact of the ongoing Russia-Ukraine and Israel-Hamas conflicts.

In addition, global political volatility may cause adverse changes to the flow of goods, services, and capital as a result of public health crises, wavering consumer confidence, unemployment, declines in global stock markets, contraction of credit availability, declines in real estate values, stagnant global economic conditions, increasing nationalism and protectionism in countries across the globe, trade tensions and tariff uncertainty, political deadlock, financial and trade sanctions, social unrest or other factors affecting economic conditions generally.

Economic and Financial Market Instability

The Company maintains cash and cash equivalents in accounts with major banks in Canada, and the Company's deposits at these institutions, may at times, exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where the Company maintains its cash and cash equivalents, there can be no assurance that the Company would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect the Company's business and financial position.

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.

No Guarantee of Positive Returns

A positive return on an investment in the securities of the Company is not guaranteed. There is no guarantee that an investment in the securities of the Company will earn any positive return in the short term or long term. An investment in the securities of the Company 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.

Investors May Lose Their Entire Investment

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

No Assurance of Continued Listing on TSXV

The outstanding Common Shares are currently listed for trading on the TSXV. The Company cannot make any assurance that the Unit Shares and Warrant 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.

Warrants Are Speculative in Nature and May Not Have Any Value

There is currently no market through which the Warrants may be sold. Purchasers may not be able to resell the Warrants purchased under this prospectus supplement. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation.

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Warrant Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Warrant Shares and pay an exercise price of \$1.50 per Warrant Share, prior to the date that is 36 months from the Closing Date, subject to adjustment in certain events, after which date any unexercised Warrants will expire and have no further value.

The Warrants will not be listed on the TSXV. Investors may be unable to sell the Warrants at the prices desired or at all. There is no existing trading market for the Warrants and there can be no assurance that a liquid market will develop or be maintained for the Warrants, or that an investor will be able to sell any of the Warrants at a particular time (if at all). The liquidity of the trading market in the Warrants and the sale price, if any, for the Warrants, may be adversely affected by, among other things: (i) changes in the overall market for the Warrants; (ii) changes in the Company's financial performance or prospects; (iii) changes or perceived changes in the Company's creditworthiness; (iv) the prospects for companies in the mining industry generally; (v) the number of holders of the Warrants; and (vi) the interest of securities dealers in making a market for the Warrants.

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 be necessary to incur substantial capital expenditures for the continued exploration and development of its projects in the future. The Company currently has no revenue and may have limited ability to undertake or complete future drilling or exploration programs and process studies. 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 or joint venture partnerships are available, that they 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 the Company's projects. 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, including potential joint ventures. 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 development, operating and/or capital costs for each operation and project. The Company's actual costs are dependent on a number of factors, including royalties, the price of lithium and by-product metals and the cost of inputs used in exploration, development and production activities. The Company's actual costs may vary from estimates for a variety of reasons, including labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. 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.

USE OF PROCEEDS

Funds Available

The Company's working capital as at September 30, 2025 was \$5,500,000. The net proceeds to the Company from the sale of the Units are estimated to be approximately \$11,124,200 after deducting the Agents' Fee of \$730,800 (assuming completion of the maximum amount of the Offering, no sales to purchasers on the President's List and no exercise of the Over-Allotment Option) 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 Units are estimated to be approximately \$12,841,580 after deducting the Agents' Fee of \$840,420 (assuming no sales to purchasers on the President's List) and the estimated expenses relating to the Offering of approximately \$325,000. See "*Plan of Distribution*".

Funds Available	Amount
Working capital as of September 30, 2025 (unaudited)	\$5,500,000
Net proceeds of the Offering	\$11,124,200
Net Funds Available⁽¹⁾ (unaudited)	\$16,624,200

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) Government of Canada Innovation, Science and Economic Development Strategic Fund: \$15.4 million;
 - (b) Emissions Reduction Alberta: \$5 million; and
 - (c) Critical Minerals Infrastructure Fund: \$4.3 million.

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
Demonstration Facility ⁽¹⁾	\$12,000,000
General working capital ⁽²⁾	\$4,624,200
Total	\$16,624,200

Notes:

- (1) To support the progression of the Company's Demonstration Facility and progress toward completion of an FS (as defined herein), as further described under the heading "*Business Objectives and Milestones*", below.
- (2) Funds include general working capital into 2026 and may be allocated to staff salaries, corporate expenses and business development expenses. To the extent the Over-Allotment Option is exercised, in whole or in part, the net proceeds therefrom is expected to be allocated to 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. In addition, the Company is continually evaluating business opportunities including the potential acquisition of new assets, formation of new partnerships, identifying potential joint venture partners, and disposition of non-core assets. As a result, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors – Risks Relating to the Units 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 its 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, 2024 and for the six months ended June 30, 2025. 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, 2025 and December 31, 2026:

Business Objectives	Milestones	Estimated Cost
<p>Q4 2025: Demonstration Facility</p> <p>Commence Demonstration Facility Phase 2 development to provide additional reservoir tests to support feasibility study ("FS") work.</p> <p>Submit environmental applications in compliance with environmental standards of the Alberta Energy Regulator ("AER") and begin the process to license the Clearwater Lithium Project Central Processing Facility ("CPF") and wells with the AER.</p> <p>Initiate FS that will support the economic analysis of the commercial project.</p>	<ul style="list-style-type: none"> ✓ Begin construction of Demonstration Facility at 13-22 site ✓ Initiate drilling of producing and injecting well pair at 13-22 Demonstration Facility site ✓ Obtain regulatory approval for injection of brine into Leduc Reservoir ✓ Submit <i>Environmental Protection and Enhancement Act</i> application for the planned CPF ✓ Submit AER Application for Directive 056 for the planned CPF 	<p>\$8,000,000</p>

Business Objectives	Milestones	Estimated Cost
Fiscal Year 2026: Demonstration Facility / Complete Feasibility Study		\$4,000,000
Commence operations at Phase 2 of the Demonstration Facility with continuous flow to further inform FS work and produce additional battery quality lithium carbonate for vendor offtake qualifications.	✓ Continuous operations at 13-22 Demonstration Facility site	
Submit remaining environmental applications required to commence construction of the CPF.	✓ Submit remaining required permit applications to support development goals	
Progress toward completion of FS.	✓ Advance engineering required for a FS	
	✓ Submit NI 43-101 FS report	

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, 2025 to the date of this prospectus supplement.

After giving effect to the Offering and without taking into account the exercise of any securities convertible into or exercisable for Common Shares, 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 and Warrants issued and outstanding.

	<u>As at June 30, 2025 before giving effect to the Offering⁽¹⁾</u>	<u>As at June 30, 2025 after giving effect to the Offering⁽²⁾</u>	<u>As at June 30, 2025 after giving effect to the Offering (assuming full exercise of the Over- Allotment Option)⁽³⁾</u>
Common Shares	75,459,397	83,792,731 ⁽¹⁾	85,042,731
Warrants	324,300	4,490,967 ⁽¹⁾	5,115,967

Notes:

- (1) These figures have been derived from the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2025.
- (2) Assuming the completion of the maximum amount of the Offering and Over-Allotment Option is not exercised in whole or in part.
- (3) Assuming the completion of the maximum amount of the Offering and Over-Allotment Option is exercised in full for Additional Units.

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:

<u>Class</u>	<u>Date of Issuance</u>	<u>Number</u>	<u>Issue/Exercise Price⁽³⁾</u>
Common Shares ⁽²⁾	11-Mar-2025	190,000	\$1.58
Common Shares ⁽¹⁾	08-Aug-2025	2,300	\$0.81
Common Shares ⁽¹⁾	12-Aug-2025	16,450	\$0.81
Common Shares ⁽¹⁾	19-Aug-2025	21,250	\$0.81
Common Shares ⁽¹⁾	22-Aug-2025	12,500	\$0.81
Common Shares ⁽¹⁾	25-Aug-2025	40,250	\$0.81

<u>Class</u>	<u>Date of Issuance</u>	<u>Number</u>	<u>Issue/Exercise Price⁽³⁾</u>
Common Shares ⁽¹⁾	28-Aug-2025	12,500	\$0.81
Common Shares ⁽¹⁾	03-Sep-2025	18,750	\$0.81
Common Shares ⁽¹⁾	11-Sep-2025	10,700	\$0.81
Common Shares ⁽¹⁾	12-Sep-2025	42,800	\$0.81
Common Shares ⁽²⁾	24-Sep-2025	11,000	\$0.81

Notes:

- (1) Issued on exercise of outstanding stock options.
- (2) Issued on vesting of outstanding restricted share units/performance share units.
- (3) For restricted share units and performance share units, this represents the market price of the Common Shares at the time of issuance.

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:

<u>Class</u>	<u>Date of Issuance</u>	<u>Number</u>	<u>Exercise Price⁽¹⁾</u>
Stock Options	25-Nov-2024	375,000	\$1.10
Stock Options	18-Feb-2025	200,000	\$0.87
Stock Options	06-Mar-2025	786,000	\$0.81
Stock Options	27-Jun-2025	40,000	\$0.81
Stock Options	03-Jul-2025	300,000	\$0.92
Restricted Share Units	25-Nov-2024	32,000	\$1.10
Restricted Share Units	06-Mar-2025	600,000	\$0.81
Restricted Share Units	27-Jun-2025	8,000	\$0.81
Restricted Share Units	03-Jul-2025	20,000	\$0.92
Performance Share Units	06-Mar-2025	739,600	\$0.81
Performance Share Units	03-Jul-2025	40,000	\$0.92

Notes:

- (1) For restricted share units and performance share units, this represents the market price of the Common Shares at the date of grant.

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
2024			
October	\$1.28	\$1.14	2,381,022
November	\$1.25	\$0.93	2,517,212
December	\$1.11	\$0.88	1,934,861
2025			
January	\$1.10	\$0.88	2,005,238
February.....	\$0.93	\$0.76	1,568,081
March	\$0.90	\$0.71	1,754,983
April.....	\$0.77	\$0.64	918,326
May.....	\$1.14	\$0.495	4,751,713
June	\$0.90	\$0.71	1,299,043
July.....	\$1.83	\$0.87	4,640,462
August.....	\$1.65	\$1.33	1,714,860
September	\$1.60	\$1.18	2,568,171
October 1 - 7.....	\$1.53	\$1.40	513,097

DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

Units

The Offering will consist of 10,150,000 Units (11,672,500 if the Over-Allotment Option is exercised in full). Each Unit will be comprised of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase, subject to adjustment in certain customary circumstances, one Warrant Share at a price of \$1.50 for a period of 36 months following the Closing Date. The Units will separate into Unit Shares and Warrants within one business day following issue. The Units will not be certificated.

Unit Shares and Warrant Shares

The Unit Shares and Warrant Shares will have all of the characteristics, rights and restrictions of the Common Shares.

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.

The authorized capital of the Company consists of an unlimited number of Common Shares, without par value. As at the close of business on October 7, 2025, 75,673,834 Common Shares of the Company were issued and outstanding.

Warrants

Each Warrant entitles the holder to acquire, subject to adjustment in certain customary circumstances, one Warrant Share at an exercise price of \$1.50 on or before 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date, after which time the Warrants will be void and of no value.

The Warrants will be governed by a warrant indenture to be entered into on or prior to the Closing Date (the "**Warrant Indenture**") between the Company and the Warrant Agent. The Company will designate the Warrant Agent, in its Toronto and Calgary offices, as agent for the Warrants. Prior to the closing of the Offering, the Company may name any other agent with respect to the Warrants.

The following is a summary of the principal attributes of the Warrants to be issued pursuant to the Offering and certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. Upon execution, a copy of the Warrant Indenture may be obtained on request from the Company's Corporate Secretary and will be available electronically at www.sedarplus.ca and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including but not limited to:

- (a) the issuance of Common Shares or securities exchangeable or exercisable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per

Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, of Common Shares on such record date; and

- (e) the issuance or distribution to all or substantially all of the holders of Common Shares of securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or exercisable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (a) the reclassification of the Common Shares;
- (b) the capital reorganization of the Company, other than as described above;
- (c) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Company’s outstanding Common Shares or a change of the Common Shares into other shares); or
- (d) the sale or conveyance of the Company’s property or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

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

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Any fraction of a Warrant Share will be rounded down to the nearest full Warrant Share, and any holder of Warrants shall not be entitled to any compensation in respect of any such fractional Warrant Share. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants, cumulatively, and passed by the affirmative vote of holders of Warrants representing not less than 66^{2/3}% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 66^{2/3}% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States. The Warrants will not be exercisable by or on

behalf of a person in the United States or a U.S. Person, unless the holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to offer for sale to the public on a best efforts agency basis, without underwriter liability, and the Company has agreed to issue and sell, on the Closing Date, up to 10,150,000 Units at a price of \$1.20 per Unit, payable against delivery of the Units, subject to the terms and conditions stated in the Agency Agreement. There can be no assurance that any or all of the Units being offered will be sold. The price of the Units was determined by arm's length negotiations between the Company and TD, on behalf of the Agents.

Pursuant to the Agency Agreement, the Company has granted to the Agents the Over-Allotment Option, exercisable in whole or in part at any time up to 30 days from and including the Closing Date, to offer to sell up to 1,522,500 Additional Units at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents, in whole or in part, at the sole discretion of the Agents, for (i) Additional Units; (ii) Additional Shares at a price of \$1.07 per Additional Share; (iii) Additional Warrants at a price of \$0.26 per Additional Warrant with each Additional Warrant entitling the holder thereof to acquire, subject to adjustment in certain customary circumstances, one Additional Warrant Share; or (iv) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,522,500 Additional Shares and 761,250 Additional Warrants. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Agents' over-allocation position acquires such securities 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. This prospectus supplement qualifies for distribution the Additional Units, the Additional Shares and the Additional Warrants, as well as the grant of the Over-Allotment Option.

The obligations of the Agents under the Agency 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", "market out" and "breach out" and upon the occurrence of certain other stated events. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents are not obligated to purchase Offered Shares that are not sold.

The Offering is being made concurrently in each of the provinces and territories of Canada, except Québec, pursuant to the terms of the Agency Agreement. Offers and sales of Units 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 Agents or securities dealers may distribute this prospectus supplement and the accompanying base shelf prospectus electronically.

The Company has applied to list the Unit Shares and Warrant Shares on the TSXV. Listing will be subject to the Company fulfilling all the listing requirements of the TSXV. Conditional approval for listing of the Unit Shares and Warrant Shares (including the Additional Shares and Additional Warrant Shares issuable upon any exercise of the Over-Allotment Option and/or Additional Warrants, as applicable) on the TSXV is a condition of closing of the Offering.

In consideration for their services in connection with the Offering, the Agents will be paid an Agents' Fee equal to 6.0% of the gross proceeds of the Offering (\$0.072 per Unit), for an aggregate fee payable by the Company of up to \$730,800, exclusive of any Agents' Fee payable in connection with the Over-Allotment Option, other than in respect of gross proceeds from the sale of Units to purchasers on the President's List for which the Agents will receive the President's List Fee equal to 3.0%. The President's List is comprised a list of certain purchasers under the Offering as agreed between the Company and the Agents. The Company has agreed in the Agency Agreement to reimburse the Agents for their legal fees and certain other expenses in connection with the Offering.

The Company has agreed in the Agency Agreement to indemnify the Agents 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 Agents may be required to make in respect of such liabilities.

The Company has agreed in the Agency Agreement that until the date that is 90 days following the Closing Date, the Company will not, without the prior written consent of TD, such consent not to be unreasonably withheld or delayed, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of (or agree to or announce any intention to do any of the foregoing) any equity or debt securities or securities convertible into equity or debt securities, other than pursuant to or in connection with (i) the Offering or the exercise of the Over-Allotment Option; (ii) the exchange, transfer, conversion, vesting or exercise of existing outstanding securities of the Company including but not limited to, existing stock options, restricted share units, performance share units, deferred units and any bonus or purchase plans or similar share compensation arrangements; (iii) the issuance of securities and/or grant of awards pursuant to the Company's omnibus equity incentive plan; or (iv) existing commitments to issue securities of the Company.

The Company has also agreed to cause each of its directors and insiders (identified by TD) to enter into lock-up agreements in form and substance satisfactory to the Company and the Agents, each acting reasonably, pursuant to which each such individual will agree, until the date which is 90 days following the Closing Date, other than with respect to those securities purchased pursuant to the Offering or securities of the Company sold to satisfy tax obligations on the exercise or vesting of any convertible securities of the Company, not to (other than in certain circumstances), without the prior written consent of TD, such consent not to be unreasonably withheld or delayed, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Company, provided that, in the event the take-over bid or other similar transaction is not completed, such securities shall remain subject to the lockup agreement.

In order to facilitate the Offering, the Agents 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 Agents may not, at any time during the period ending on the date the selling process for the Units 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 Agents, 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 Agents 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 Agents 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 Units will be received by the Agents 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 Units 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 Units distributed under the Offering will otherwise be delivered on the Closing Date as directed by the Agents. Except in limited circumstances, no certificates evidencing the Unit Shares and Warrants will be issued to purchasers of the Units. Such purchasers of Units will receive only a customer confirmation from the Agents or other registered dealer from whom the Units 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 Agent.

Offering in the United States

The Unit Shares, the Warrants and the Warrant 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 Agents 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 Agency Agreement, they will not offer or sell the Units within the United States as part of its distribution. The Agency Agreement permits the Agents through their U.S. registered broker-dealer affiliate(s) to offer to sell the Units 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. Moreover, the Agency Agreement provides that the Agents will offer and sell the Units outside the United States only to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act. The Units 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 Units in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units 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 Agents 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

Meghan Klein, P. Eng. and Alexey Romanov, Ph.D., P. Geo., of Sproule International Limited (formerly Sproule Associates Limited) are the named persons responsible for the preparation of the technical report titled "NI 43-101 Technical Report for the Garrington District Lithium Resource Estimate" with an effective date of June 25, 2025 (the "**Garrington Technical Report**").

Alex Haluszka, M. Sc., P. Geo. and Jason Clarke, B.Sc., P. Geo., of Matrix Solutions Inc. (now Montrose Environmental Solutions Canada Inc.), are the named persons responsible for the preparation of the technical report titled "NI 43-101 Technical Report, Estevan Lithium District, Southeast Saskatchewan" with an effective date of May 23, 2024.

Daron Abbey, M.Sc., P.Geo. and Alex Haluszka, M.Sc., P.Geo. of Matrix Solutions Inc. (now Montrose Environmental Solutions Canada Inc.), Meghan Klein, P.Eng. of Sproule International Limited, Antoine Lefavre, P. Eng., of Sedgman Canada Ltd., and Keith Wilson, P.Eng. of Stantec Inc., are the named persons responsible for the preparation of the technical report titled "Clearwater Project, NI 43-101 Technical Report on Pre-Feasibility Study, Bashaw District Mineral Property, Central Alberta, Canada" with an effective date of June 20, 2024.

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 Kevin Carroll, P. Eng., the Chief Development Officer 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 represents less than one per cent of the Company's outstanding securities. Other than Kevin Carroll, the Chief Development Officer of the Company, 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.

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
Alexandra Cattelan <i>Director</i>	Cozen O'Connor LLP Bentall 5, 550 Burrard St., Suite 2501 Vancouver, BC V6C 2B5
Tina Craft <i>Director</i>	Cozen O'Connor LLP Bentall 5, 550 Burrard St., Suite 2501 Vancouver, BC V6C 2B5

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.

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

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, Unit Shares and Warrants forming the Units under the Offering, and Warrant Shares on exercise of such Warrants (the Unit Shares and Warrant Shares referred to in this summary as "**Shares**") 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 Agents, (ii) is not "affiliated" (within the meaning of the Tax Act) with the Company, the Agents or any subsequent purchaser of Unit Shares, Warrants or Warrant Shares and (iii) acquires and holds the Shares and Warrants as capital property (a "**Holder**"). Generally, the Shares or Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use or hold (and is not deemed to use or hold) the Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them (or been deemed to have 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 Shares or Warrants; (vii) that receives dividends on the 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 Units 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 Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force as of the date hereof, counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by the CRA prior to the date hereof, and all 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 (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 Units.

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

Allocation of Purchase Price of Units

The Offering Price must be allocated on a reasonable basis between the Unit Share and the one-half of one Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act. For its purposes, the Company intends to allocate \$1.07 of the Offering Price as consideration for the issue of each Unit Share and \$0.13 of the Offering Price of each Unit as consideration for the issue of each one-half of one Warrant. Although the Company believes that this allocation is reasonable, it is not binding on the CRA or the Holder, CRA may not agree with such allocation and counsel expresses no opinion with respect to such allocation. The Holder’s adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

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

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 Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other “Canadian security” (as defined in the Tax Act), held by such 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. Such election is not available for Warrants.

Expiry of Warrants

The expiry of an unexercised Warrant generally will result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. The taxation of capital gains and losses generally is described below under the heading “Capital Gains and Capital Losses”.

Dividends on Shares

Dividends received or deemed to be received on the Shares by a Resident Holder will be included in computing the 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” (each 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 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 Shares to the extent such dividends are deductible in computing taxable income for the year.

Dispositions of Shares or Warrants

Upon a disposition or a deemed disposition of a Share (other than to the Company, unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) or a Warrant (except on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “Capital Gains and Capital Losses”.

Capital Gains and Capital Losses

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

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

a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” or is at any time in the relevant taxation year a “substantive CCPC” (as those terms are defined in the Tax Act) also may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including amounts in respect of taxable capital gains. 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 (and are not deemed to use or hold) the Shares or Warrants in carrying on a business in Canada (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends on Shares

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company on any 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 owner 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). The *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (the “**MLI**”), of which Canada is a signatory, affects many of Canada’s tax treaties (but not the Canada-U.S. Treaty), including the ability to claim benefits thereunder. Non-Resident Holders should consult their own tax advisors to determine their entitlement to relief under an applicable income tax treaty or convention.

Dispositions of Shares or Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Warrant, as the case may be, 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 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 Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition of such Shares or Warrants, as the case may be, 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 such 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 Shares and Warrants to be taxable Canadian property in certain circumstances.

Even if a Share or Warrant 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 Share or Warrant 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 Shares or Warrants 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 (including as a result of the application of the MLI)) will generally be computed in the manner described above under the subheadings "Residents of Canada — Dispositions of Shares or Warrants" and "Residents of Canada - Capital Gains and Capital Losses". Non-Resident Holders whose Shares or Warrants 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 Agents with respect to Canadian legal matters, based on the provisions of the Tax Act and 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, the Unit Shares, Warrants and Warrant Shares will be "qualified investments" under the Tax Act at a particular time 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 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 (collectively "Deferred Plans"), provided that at such time: (i) in the case of the Unit Shares and the Warrant Shares, the Unit Shares or Warrant Shares, as applicable, are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV) or the Company is otherwise a "public corporation" as defined in the Tax Act (other than a "mortgage investment corporation" as defined in the Tax Act); and (ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above and neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be qualified investments for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA, RDSP or FHSA, or the subscriber of an RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP, FHSA or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a prohibited investment for a particular RRSP, RRIF, RESP, RDSP, FHSA or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP, or FHSA or the subscriber of the RESP, as the case may be, (i) deals at arm's length with the Company for the purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for the particular RRSP, RRIF, RESP, RDSP, FHSA or TFSA.

Prospective purchasers who intend to hold Unit Shares, Warrants or Warrant Shares in a Deferred Plan should consult their own tax advisors.

CERTIFICATE OF THE COMPANY

Dated: October 8, 2025

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.

"Christopher Doornbos"

CHRISTOPHER DOORNBOS
Chief Executive Officer

"Brian Newmarch"

BRIAN NEWMARCH
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Tina Craft"

TINA CRAFT
Director

"Alexandra Cattelan"

ALEXANDRA CATTELAN
Director

CERTIFICATE OF THE AGENTS

Dated: October 8, 2025

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.

TD SECURITIES INC.

"Mark Tiberio"

MARK TIBERIO

Director, Investment Banking

ROTH CANADA INC.

"Tony Loria"

TONY LORIA

Managing Director, Co-Head Investment
Banking

ATB SECURITIES INC.

"Craig Mathison"

CRAIG MATHISON

Director, Investment Banking

STIFEL NICOLAUS CANADA INC.

"Stephen Delaney"

STEPHEN DELANEY

Managing Director, Investment Banking

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.

*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 Lithium Ltd. at 1520 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, telephone 587-324-2775, and are also available electronically at www.sedarplus.ca.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

June 21, 2024



E3 LITHIUM

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

\$100,000,000

**COMMON SHARES
WARRANTS
SUBSCRIPTION RECEIPTS
UNITS**

E3 Lithium Ltd. (the “**Company**” or “**E3 Lithium**”) 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 Alberta, 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 Lithium 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 “ETL”, 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*”.**

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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 Lithium has not authorized anyone to provide you with different information. E3 Lithium 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 Lithium”, the “Company”, “we”, “us” or “our” includes E3 Lithium Ltd. 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, and expenses and anticipated cash needs.

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 or deploy DLE 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 (as defined below).

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.sedarplus.ca.

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 25, 2024 for the year ended December 31, 2023 and filed on SEDAR+ on April 26, 2024 (the “**AIF**”);
2. the audited consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 together with the notes thereto and the auditor’s report thereon and related management’s discussion and analysis, dated April 25, 2024 and filed on SEDAR+ on April 26, 2024;
3. the information circular of the Company dated May 23, 2023, in respect of its annual general and special meeting of shareholders held on June 27, 2023 and filed on SEDAR+ on June 1, 2023; and
4. the information circular of the Company dated May 31, 2024, in respect of its annual general and special meeting of shareholders to be held on July 16, 2024 and filed on SEDAR+ on June 7, 2024.

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 TSXV) 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. In connection with the Fundamental Acquisition the Company changed its name from “Savannah Gold Corp.” to “E3 Metals Corp.”.

On January 17, 2022, the Company effected a continuance from British Columbia to Alberta under the provisions of the Business Corporations Act (British Columbia) and Business Corporations Act (Alberta), respectively.

On July 8, 2022, the Company changed its name from “E3 Metals Corp.” to “E3 Lithium Ltd.” In connection with the change of name, the Company changed its trading symbol from “ETMC” to “ETL”.

The Company’s Common Shares are listed for trading on the TSXV under the trading symbol “ETL”. The Company is a reporting issuer in all provinces and territories of Canada. The principal regulator of the Company is the Alberta Securities Commission.

The head office of the Company is located at 1520 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada and the registered and records office of the Company is located at 525-8th Avenue S.W., 43rd Floor, Eighth Avenue Place East, Calgary, Alberta, T2P 1G1.

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares without par value, of which 75,269,397 Common Shares are issued and outstanding as fully paid and non-assessable.

As at the date hereof, the Company has two wholly-owned Canadian subsidiaries, 1975293 Alberta Ltd. and 2437798 Alberta Ltd., and one wholly-owned Mexican subsidiary, Mexigold Resources SA de CV (“**MAU Mexico**”). MAU Mexico is inactive and has no assets.

General

The Clearwater Project is a lithium brine project being developed on the backbone of the energy industry in Alberta, Canada. Development and eventual construction aimed for this project is analogous to 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 for resources extraction is well established and the Company’s activities are regulated by the Alberta Energy Regulator, the same governing body that oversees oil and gas activity in the province.

Utilizing DLE 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 proceeding with third-party DLE technology for its first commercial facility and will continue to pursue the development of its proprietary DLE technology for subsequent commercial facilities. The Company is aiming to move into 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.

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 up to 259mg/L from the Duperow Formation.

The Company's Lithium Projects

General

The Company holds brine-hosted mineral licenses 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 Alberta Energy Regulator.

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 use a Direct Lithium Extraction 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 / Brine-hosted mineral licenses

E3's mineral properties were previously comprised of multiple Metallic and Industrial Minerals ("**MIM Permits**"). 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, that could be converted into Brine-hosted mineral licenses with 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.

As an eligible rock-hosted minerals permit holder, E3 applied on November 17, 2023 to convert all of its rock-hosted permits into brine-hosted minerals licences and received brine hosted licences on January 26, 2024.

On December 2, 2021, the Mineral Resource Development Act (Alberta) received royal assent, which centralized all critical minerals regulatory functions with the Alberta Energy Regulator 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.

Properties

The Company's contiguous mineral properties in Western Canada are secured with crown brine hosted mineral licenses, with a total area of 576,000 hectares and have been primarily consolidated into the following groups:

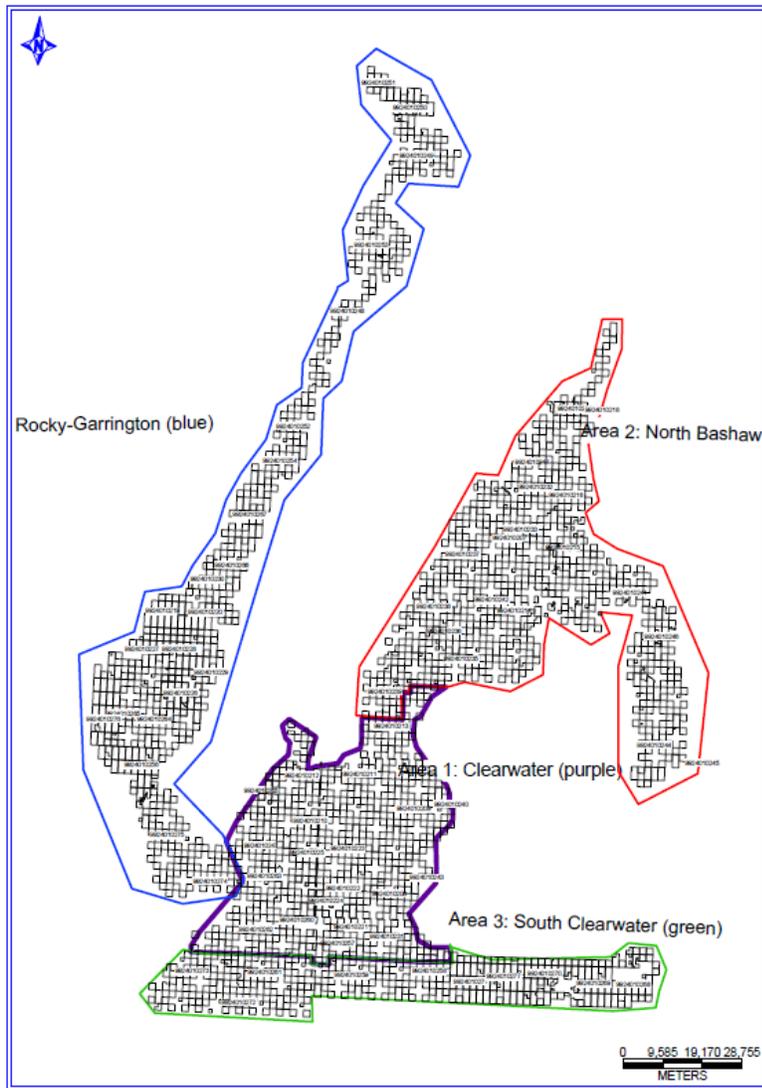
Bashaw District:

- Clearwater Lithium Project: ~121,000 hectares
- North Bashaw : ~142,000 hectares
- South Bashaw: ~91,000 hectares
- Rocky-Garrington: ~155,000

Other Areas:

- Saskatchewan: ~66,800 hectares

Total Properties: ~576,000 hectares



The mineral permits are interspersed with privately owned (Freehold) land, where the subsurface and/or minerals rights are owned by private individuals and/or companies and not the crown. The Freehold mineral rights do not pose an obstacle to brine assay and mineral processing test work within the mineral permits owned by E3, as E3 can take assays and perform testing over areas that they own the permits and extrapolate the data to cover the areas that do not include E3 permits. The reservoir itself is not confined to the E3 permits but spans the whole Bashaw District. Since June 23, 2022, E3 has formed a partnership with Imperial Oil with the option to lease a number of the freehold mineral rights in the area to fill in some gaps within permit area. E3 is confident that appropriate agreements with off-setting freehold mineral owners can be arranged, based on Alberta Energy Regulator's Directive 56. Discussions with significant Freehold owners are currently underway. The Company's measured & indicated resource volumes includes all lands within the Bashaw District, both Crown and Freehold mineral rights.

For more information concerning the Company's mineral properties, please see "*Mineral Properties*" in the AIF.

The Company's project areas were specifically selected due to their ability to deliver large volumes of water. Historical lithium concentrations in the region range as high as 135 mg/L and

average approximately 75 mg/L within the Leduc reservoir. The Company has focused its efforts in the region due to ease of on-the-ground access in combination with the large amount of existing infrastructure and well data associated with the production of oil and gas.

Lithium Extraction and Processing

With a large potential source of lithium secured, Management's focus shifted to demonstrating the technological viability of the Clearwater Lithium Project. The Company's process of delivering high grade lithium hydroxide or carbonate to the market entails three major steps. The first step is to pump the brine from wells into pipelines connected to a central processing facility. This process is well understood in Alberta through analogous oil and gas production which has demonstrated that large volumes of brine can be cycled to surface and back into the same aquifer. The second step uses DLE technology to extract lithium from the brine. The process both concentrates the brine and removes the majority of the impurities in one step. The advent of proven DLE technology is an important link between the brine production and readily available technology 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 DLE 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 supporting process steps will utilize existing technology modified slightly for the specifics of the Clearwater Lithium Project.

Development and Deployment of DLE Technology

On February 20, 2024, the Company announced it was proceeding with third-party DLE technology for its first commercial facility and would continue to pursue the development of its proprietary DLE technology for subsequent commercial facilities. Prior to the advent of proven third party technology, the Company worked towards the development of a DLE technology that could concentrate lithium and remove brine impurities. The Company continues its development of its own DLE technology. The Company anticipates that further continuous flow testing, sorbent testing and process work should enable the design of a commercial process that can be used in subsequent development projects. There is no guarantee that the Company will be successful in developing or deploying its DLE technology. See "Risk Factors".

In 2023, the Company successfully commissioned, operated and tested its own DLE field pilot plant and tested several other third party DLE technologies. The published results demonstrated the technical feasibility to extract lithium from its Leduc brine from multiple technology options.

In 2022, the Company also oversaw the successful manufacture of its first quantity of continuously produced, commercial scale sorbent, critical to the success and commercialization of its ion-exchange DLE technology. This work enabled the design of a field based pilot plant ("Field Pilot Plant") that operated at the Clearwater Lithium Project in Q3 2023.

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 DLE technology. The Company subsequently commissioned a lab scale pilot plant ("Lab Pilot Plant") in Q4 2021 to test sorbent candidates and achieved high purity and contaminant removal. 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%.

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. The patent is active and anticipated to have a finite life expiring in 2040.

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”.

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.sedarplus.ca.

RECENT DEVELOPMENTS

There have been no material developments in the business of the Company since December 31, 2023, 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.

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 grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of lithium brine projects 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 state 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 its projects in the future. The Company currently has no revenue and may have limited ability to undertake or complete future drilling or exploration programs and process studies. 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 the Company's projects. 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.

Development of the Clearwater Lithium Project

The Company's business strategy depends in large part on developing the Clearwater Lithium Project. The capital expenditures and time required to develop the Clearwater 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 Clearwater 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 use of DLE technology. There is no guarantee that the Company will be successful in developing a commercial lithium production facility or obtaining funding related to these activities within the timeframes indicated in this Annual Information Form or at all. There is no guarantee that the Company will be successful in developing the DLE technology or utilizing third-party DLE technology, and its business and financial condition could be materially adversely affected.

Property Commitments

The Company's properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its work commitments under these agreements could result in the loss of related property interests.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted, such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades and in the analysis of the economic viability of future development and mineral extraction. Until actually extracted and processed, the quantity of lithium reserves and grade must be considered as estimates only. In addition, the quantity of reserves and resources may vary depending on commodity prices and various technical and economic assumptions. Any material change in quantity of reserves, grade or recovery ratio, may affect the economic viability of the Company's properties. In addition, there can be no assurance that results obtained in pilot plants will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

Operational Risks

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental contamination, liabilities arising from historic operations, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action. These factors could all have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Construction Risks

As a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new projects are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. These include, but are not limited to, weather conditions, ground conditions, availability and performance of contractors and suppliers, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of the Company. A delay in start-up or commercial production would increase capital costs and delay receipt of revenues.

Environmental Risks

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Commodity Price Fluctuations

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. The price of lithium materials may also be reduced by the discovery of new lithium deposits, which could not only increase the overall supply of lithium (causing downward pressure on its price), but could draw new firms into the lithium industry which would compete with the Company.

Cost Estimates

The Company prepares estimates of development, operating and/or capital costs for each operation and project. The Company's actual costs are dependent on a number of factors, including royalties, the price of lithium and by-product metals and the cost of inputs used in exploration, development and production activities. The Company's actual costs may vary from estimates for a variety of reasons, including labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. 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.

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.

Consumables Availability and Costs

The Company's planned exploration, development and operating activities, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include piping, fuel and electricity. Other inputs such as labor, consultant fees, reagents and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables and specialized equipment used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

Mineral Resource Uncertainties

There can be no assurances that any of the mineral resources stated in this AIF or published technical reports of the Company will be realized. Until a deposit is actually extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that mineral recoveries in limited, small scale laboratory tests or pilot plants will be duplicated by larger scale tests or during production. Fluctuations in lithium prices, results of future drilling, metallurgical testing, actual brine production and quality, actual operating results, and other events subsequent to the date of stated mineral resources and reserves estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

Lithium Demand

Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. Therefore, it is possible that the sales prices used in preliminary economic assessments, pre-feasibility studies or feasibility studies prepared for the Company will be different than the actual prices at which the Company is able to sell its lithium compounds. In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales

prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual lithium market sale prices could have an adverse impact on operating costs and stock market prices and on the Company's ability to fund its activities. In each case, the economics of the Clearwater Lithium Project could be materially adversely affected, even to the point of being rendered uneconomic.

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.

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.

Insurance

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including: global pandemics, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company has limited environmental liability insurance. The limit of environmental liability insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Conflicts of Interest

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may, or may also wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

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. The Company plans may need to acquire a significant portion of the funds it needs in order to conduct its planned operations through the sale of equity securities, and 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.

Financing Risks

The Company's development and exploration activities may require additional external financing. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Furthermore, if the Company raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction or production of any or all of the Company's mineral properties. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

Global Financial Conditions

Global financial conditions have from time to time been subject to periods of elevated volatility. Government debt, war, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on the Company's business.

Industry Competition and International Trade Restrictions

The international resource industries are highly competitive. The value of any future reserves discovered and developed by the Company may be limited by competition from other world resource mining companies, or from excess inventories. Existing international trade agreements and policies and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals, including lithium, around the world.

Governmental Regulation and Policy

Mineral extraction operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, emissions, protection and remediation of the environment, toxic and radioactive substances, transportation safety and

emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, developing, constructing, and operating projects. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties, such as the properties in which the Company has an interest. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Company's properties could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

Permitting

The Company's operations, development projects and exploration activities are subject to receiving and maintaining licenses, permits and approvals, including regulatory relief or amendments, (collectively, "permits") from appropriate governmental authorities. Before any development on any of its properties the Company must receive numerous permits, and continued operations at the Company's properties is also dependent on maintaining, complying with and renewing required permits or obtaining additional permits.

The Company may be unable to obtain on a timely basis or maintain in the future all necessary permits required to explore and develop its properties, commence construction or operation of facilities and properties or maintain continued operations. Delays may occur in connection with obtaining necessary renewals of permits for the Company's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. It is possible that previously issued permits may become suspended or revoked for a variety of reasons, including through government or court action.

Risk Related to the Cyclical Nature of the Lithium Business

The lithium business and the marketability of the products that are produced are affected by worldwide economic cycles. There is significant global demand for lithium and global policies continue to drive increased demand, however it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

Title Claims and First Nations Rights

The Company has investigated its rights to explore and exploit its projects and, to the best of its knowledge, its rights in relation to lands covering the projects are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties.

Although the Company is not aware of any existing title uncertainties with respect to lands covering material portions of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Certain of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including First Nations and other Indigenous Peoples. The presence of community stakeholders may impact the Company's ability to develop or operate its properties

and its projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future production properties and projects.

Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities.

Governments in many jurisdictions must consult with, or require the Company to consult with, Indigenous Peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Indigenous Peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in any jurisdictions in which title or other rights are claimed by First Nations and other Indigenous Peoples, and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions. The risk of unforeseen title claims by Indigenous Peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Community Relations and License to Operate

The Company's relationship with the host communities where it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of resource extraction activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of extractive industries and their practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, which could have a material adverse impact on the Company's results of operations, financial condition and prospects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Acquisition and Integration Risks

As part of its business strategy, the Company has sought and will continue to seek new operating, development and exploration opportunities in the extractive industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit its business. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial or geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of the Company's management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the

quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that it will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Legal and Litigation

All industries, including the mineral resource industry, are subject to legal claims, with and without merit. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results. There are no current claims or litigation outstanding against the Company.

Economic and Financial Market Instability

The Company maintains cash and cash equivalents in accounts with major banks in Canada, and the Company's deposits at these institutions, may at times, exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where the Company maintains its cash and cash equivalents, there can be no assurance that the Company would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect the Company's business and financial position.

Geopolitical Conflicts

The Company may be subject to the impact of national and global economic issues stemming from geopolitical conflicts. The ongoing conflict between Russia and Ukraine and between Israel and Hamas and the sanctions that many countries have imposed, create risks across the global economy, including fluctuations, volatility or illiquidity in the financial market, commodity prices, foreign exchange rates, supply chain disruptions and potential slowdowns in a variety of industries. The Company will continue to monitor the impact of the ongoing Russia-Ukraine and Israel-Hamas conflicts; however the conflicts have not had a significant adverse effect on the Company's overall business, business opportunities, results of operations, financial condition and cash flows at this time.

Epidemics and Pandemics

The Company faces risks related to health epidemics, pandemics, and other outbreaks of communicable diseases, which could significantly disrupt its operations and could have a material adverse effect. The Company could be adversely impacted by governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse effect. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its partners. Furthermore, disruptions such as store closures or reduced operational hours or service methods, employee health, workforce productivity, reduced access to supply, increased insurance premiums, limitations on travel, the availability of experts and personnel and other factors that will depend on future developments beyond the Company's control, which could have a material adverse effect. There can be no assurance that the personnel of the Company will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased costs because of these health risks. Any widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have a material adverse effect on the Company and its performance.

Time and Cost Estimates

Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Company's projects and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

Risks Related to the Company's Securities

Volatility of the Market Price of the Common Shares

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.

Future Share Issuances May Affect the Market Price of the Common Shares

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.

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 the Common Shares.

No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources.

There can be no assurance that such sources of financing will be available on acceptable terms or at all.

Dividends

The Company has never paid cash dividends on its Common Shares, and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

Analyst Coverage

The trading market of the Common Shares depends, to some extent, on the research and reports that securities or industry analysts publish about the Company or its business. The Company has no control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

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 and advancing towards commercial operations, including the development and deployment of the DLE technology, commercial permitting, engineering studies 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, 2023 and 2022 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 – No revenue and negative cash flow*”.

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:

Class of Securities	Issue Date	Number	Issue Price per Common Share
Common Shares ⁽¹⁾	Apr 21, 2023	500,000	\$0.40
Common Shares ⁽²⁾	Jun 8, 2023	2,499,483	\$2.25
Common Shares ⁽¹⁾	Jul 18, 2023	200,000	\$0.70
Common Shares ⁽¹⁾	Aug 15, 2023	272,500	\$1.38 – \$1.70
Common Shares ⁽³⁾	Aug 25, 2023	127,232	\$2.25
Common Shares ⁽¹⁾	Sep 6, 2023	121,250	\$0.70 – \$2.32
Common Shares ⁽¹⁾	Sep 13, 2023	6,250	\$2.32
Common Shares ⁽¹⁾	Sep 13, 2023	18,750	\$2.67
Common Shares ⁽⁴⁾	Sep 26, 2023	6,486,000	\$3.55
Common Shares ⁽¹⁾	Sep 29, 2023	12,500	\$1.70
Common Shares ⁽¹⁾	October 6, 2023	50,000	\$1.38
Common Shares ⁽¹⁾	October 6, 2023	18,750	\$2.67
Common Shares ⁽¹⁾	November 3, 2023	100,000	\$0.70
Common Shares ⁽¹⁾	November 9, 2023	100,000	\$0.70
Common Shares ⁽¹⁾	November 14, 2023	12,500	\$2.67
Common Shares ⁽¹⁾	November 14, 2023	12,500	\$2.32
Common Shares ⁽¹⁾	November 14, 2023	12,500	\$1.77
Common Shares ⁽¹⁾	January 12, 2024	200,000	\$1.38

Notes:

- (1) Issued on exercise of outstanding Options.
- (2) Issued in connection with bought deal public offering of the Company completed on June 8, 2023.
- (3) Issued on exercise of outstanding share purchase warrants of the Company.
- (4) Issued in connection with bought deal public offering of the Company completed on September 26, 2023.

The following table summarizes all the Company’s issuances of Options, Warrants, and RSUs in the 12-month period preceding the date of this Prospectus:

Class of Securities	Issue Date	Number	Exercise Price
Options	April 10, 2023	575,000	\$2.59
Options	June 28, 2023	935,000	\$2.18
Options	September 6, 2023	85,000	\$4.40
Options	October 24, 2023	450,000	\$2.75
Options	March 11, 2024	1,738,000	\$1.58
Warrants⁽¹⁾	June 8, 2023	141,369	\$2.25
Warrants⁽²⁾	September 26, 2023	324,300	\$3.55

Class of Securities	Issue Date	Number	Exercise Price
Options	March 5, 2024	300,000	\$1.70
Options	March 11, 2024	1,738,000	\$1.58
RSUs	March 11, 2024	395,000	N/A
Options	May 27, 2024	100,000	\$1.72

Notes:

- (1) Issued in connection with bought deal public offering of the Company completed on June 8, 2023.
- (2) Issued in connection with bought deal public offering of the Company completed on September 26, 2023.

TRADING PRICE AND VOLUME*Trading Price and Volume*

The Common Shares are publicly traded on the TSXV under the symbol “ETL”, the OTCQX under the symbol “EEMMF” and the FSE under the symbol “OU7A”. On June 20, 2024, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$1.46. The following table sets forth the reported intraday high and low prices and monthly trading volumes for the Common Shares on the TSXV for the periods indicated.

Date	High (\$)	Low (\$)	Total Volume
June 1 – 20, 2024	1.72	1.44	989,527
May 2024	1.85	1.60	1,095,499
April 2024	2.05	1.46	3,157,992
March 2024	1.79	1.47	2,255,700
February 2024	1.90	1.54	3,253,900
January 2024	2.21	1.84	3,595,000
December 2023	2.30	1.98	5,244,900
November 2023	2.99	2.13	5,255,700
October 2023	3.61	2.53	7,018,100
September 2023	5.52	3.02	15,272,300
August 2023	3.97	2.59	6,774,500
July 2023	2.67	2.31	1,721,000
June 2023	2.42	2.14	1,962,000
May 2023	2.75	2.24	2,568,800

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, 2023, 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 75,269,397 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 6,048,000 stock options ("Options") outstanding.

Restricted Share Units

As at the date of this Prospectus, the Company had 390,000 restricted share units ("RSUs") outstanding.

Warrants

As at the date of this Prospectus, the Company had 3,752,416 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 2000, 112 – 4th Avenue SW, Calgary, AB T2P 0H3 and are independent of the Company within the meaning of the Chartered Professional Accountants Alberta Rules of Professional Conduct.

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.

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 or incorporated by reference herein has been reviewed and approved by Kevin Carroll, P. Eng., CDO 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 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.

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
Alexandra Cattelan <i>Director</i>	Cozen O’Connor LLP Bentall 5, 550 Burrard St., Suite 2501 Vancouver, BC V6C 2B5
Peter Ehren, AUSIMM	N/A

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.sedarplus.ca. 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 May 15, 2024, 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 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers under section 203 of the *Securities Act* (Alberta) 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 LITHIUM LTD.

Dated: June 21, 2024

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) "Kevin Stashin"

Kevin Stashin
Director