

Management's Discussion and Analysis

For the three and six months ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of August 24, 2023 and provides a summary of the activities, results of operations, and financial condition of E3 Lithium Ltd. ("E3 Lithium" or the "Company") as at and for the three and six months ended June 30, 2023 and should be read in conjunction with the unaudited condensed consolidated interim financial statements as at and for the three and six months ended June 30, 2023, and the MD&A and audited consolidated financial statements for the year ended December 31, 2022 and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in thousands of Canadian dollars unless otherwise indicated. This MD&A should also be read in conjunction with "Forward-Looking Statements" below. Additional information about E3 Lithium is available on E3 Lithium's website www.e3lithium.ca and on SEDAR+ at www.sedarplus.ca, including the Company's most recently filed Annual Information Form.

BUSINESS OVERVIEW

E3 Lithium is a lithium resource company with a current focus on commercial development of lithium extraction from brines contained in its mineral properties in Alberta. E3 Lithium's shares are listed on the TSX Venture Exchange, the OTCQX, and Frankfurt Stock Exchange under the symbols ETL, EEMMF, and OW3, respectively.

E3 LITHIUM'S STRATEGIC VISION

Our vision is to be a global leader in responsibly sourced lithium, fueling the global transition towards a brighter energy future. We are focused on creating long-term, sustainable value for the future by creating a world-class, large-scale, and long-life lithium production company.

MARKET OUTLOOK

According to Benchmark Minerals Intelligence, the lithium market is expected to remain balanced through 2026 but will enter a period of undersupply from 2027. In the near-term, demand is set to surpass 1 million tonnes ("Mt"), lithium carbonate equivalent ("LCE") by 2024, having experienced a 24% compound annual growth rate ("CAGR") over the last 8 years. In the medium-to-long term, strong global electric vehicle growth will continue to support lithium demand over the next 20 years. Global demand is set to grow at 11% CAGR up to 2040 and will reach 2Mt by 2027.

Q2 2023 HIGHLIGHTS

2023 Catalysts: Path to first lithium

As outlined in our 2023 guidance announced on March 2, 2023, we continue to believe in our comprehensive strategy and focused path to first lithium production. E3 Lithium is well positioned to continue to execute successfully.

Timing	Goal	Milestones
Q1 2023	Resource upgrade to Measured & Indicated	<ul style="list-style-type: none"> ✓ Announce results of the Measured and Indicated upgrade ✓ Publish the NI 43-101 report (within 45 days of March 21, 2023)
Q3 2023	Field pilot plant	<ul style="list-style-type: none"> ✓ Obtain approval on facility license from the Alberta Energy Regulator ✓ Publish Key Performance Indicators (KPIs) on expected pilot performance ✓ Complete Detailed Engineering and Design ✓ Commence commissioning equipment on site <ul style="list-style-type: none"> • Commence pilot operations • Publish results against the previously outlined KPIs
Q3-Q4 2023	Lithium hydroxide samples	<ul style="list-style-type: none"> • Initiate testing program with an industry leader for lithium hydroxide production • Publish results and specification of the lithium hydroxide produced
End of 2023	Pre-Feasibility Study (PFS)	<ul style="list-style-type: none"> ✓ Engage Pre-Feasibility EPC firm <ul style="list-style-type: none"> • Define capacity for the first commercial facility • Publish the results of the PFS

Direct Lithium Extraction (“DLE”) Field Pilot Plant

On May 16, 2023, E3 Lithium began field pilot plant site construction and on August 3, 2023 construction was complete. The field pilot is designed to test and validate DLE technology in real-world operating conditions to develop the design and cost estimates for E3 Lithium’s first commercial facility. Outlined below are a set of parameters, or key performance indicators (“KPIs”), for the field pilot plant. E3 Lithium believes that achieving these KPIs will facilitate a design basis for the Pre-Feasibility Study (“PFS”) and provide a viable commercial operation. Along with testing its DLE technology to demonstrate commercial viability, E3 Lithium will also be testing third-party technology at its field pilot plant this summer and fall. Based on the results of testing, commercial readiness and economics, the Company will decide which technology to pursue for its first commercial facility. Choosing the appropriate technology path for the first plant will enable E3 Lithium to get to commercial operations as quickly as possible and reduce its project technology risk while controlling the cost and quality of the process and end product.

The Company is working through the full process design for its PFS while taking into account data produced from the pilot, and in which fulsome project economics will be outlined. On July 6, 2023, the Company selected Fluor Corp. as its prime Engineering, Procurement and Construction (EPC) company to lead its PFS for the Clearwater commercial project. Fluor will provide overall PFS project management, design and oversight, and will be coordinating with several other firms hired by E3 Lithium that will provide specialty engineering services that include reservoir and well design, technical reports, and environmental studies.

Pilot KPIs

E3 Lithium will measure the success of the field pilot plant against the KPIs below.

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

Bought Deal Public Offering

On June 8, 2023 the Company closed the “bought deal” public offering as previously announced on May 30, 2023, for gross proceeds of \$5.6 million (the “Offering”), including partial exercise of the over-allotment option for proceeds of \$0.6 million.

Alberta Innovates Progress Payment

On June 27, 2023 the Company received a progress payment of \$375,000 from Alberta Innovates as part of the \$1.8 million total non-repayable grant announced on April 6, 2021. Inclusive of the \$375,000, E3 Lithium has received a total of \$1.4 million from Alberta Innovates thus far, with the final \$375,000 anticipated to be claimed in early 2024. The Alberta Innovates grant is directed towards the scale-up and development of E3 Lithium’s Direct Lithium Extraction (DLE) technology and field pilot plant.

SUMMARY OF OPERATIONS

Operating Expenses

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Operating expenses	65	92	(29%)	181	92	97%

Operating expenses consist primarily of lease rentals, property taxes, repairs & maintenance and other costs incurred to maintain and operate the Company's lithium evaluation wells. During the three and six months ended June 30, 2023, the Company incurred \$0.1 million and \$0.2 million in operating expenses respectively, compared to \$0.1 million in both the prior year respective periods.

Business Development and Marketing

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Business development and marketing	494	524	(6%)	1,473	929	59%

Business development expenditures are comprised of costs incurred for building strategic relationships and exploring potential partnership offtake opportunities. Marketing expenditure refers primarily to the costs of advertising, conferences, and external consulting fees incurred for brand building and strategic positioning. For the three and six months ended June 30, 2023, business development and marketing expenses were \$0.5 million and \$1.5 million respectively, as compared to \$0.5 million and \$1.0 million in the same periods of the prior year, as the Company continues to build on its marketing strategy and relationship development.

General and Administrative

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
General and administrative	912	768	19%	1,762	1,248	41%

General and administrative expenses were \$0.9 million and \$1.8 million for the three and six months ended June 30, 2023, as compared to \$0.8 million and \$1.2 million in the comparable periods in the prior year. General and administrative costs increased relative to the prior year as a result of a higher headcount and general office-related expenditures.

Share-Based Compensation

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Share-based compensation	558	447	25%	1,148	824	39%

Share-based compensation refers to compensation expenses resulting from the issuance and vesting of equity-based rewards. For the three and six months ended June 30, 2023, share-based compensation was \$0.6 million and \$1.1 million respectively, compared to \$0.4 million and \$0.8 million in the comparable prior year periods.

	Stock Options	Weighted Average Exercise Price (\$)
Balance, January 1, 2022	2,876,750	1.42
Granted	2,750,000	2.57
Exercised	(67,900)	0.91
Forfeited/expired	(533,083)	2.17
Balance, December 31, 2022	5,025,767	1.98
Granted	1,510,000	2.34
Exercised	(585,000)	0.50
Forfeited/expired	(244,517)	2.42
Balance, June 30, 2023	5,706,250	2.20

Financing Expenses

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Accretion	2	-	100%	4	-	100%
Interest on leases	12	9	33%	24	15	60%
	14	9	56%	28	15	87%

Financing expenses relate to interest expense from the Company's vehicle, head office and laboratory leases, and accretion on its decommissioning obligations from its three-well exploratory program.

Depreciation

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Depreciation	42	43	(2%)	81	99	(18%)

For the three and six months ended June 30, 2023, depreciation was lower than the comparable period in 2022. The Company uses the declining balance method on the majority of its corporate assets with minimal corporate capital additions for the three and six months ended June 30, 2023, resulting in lower depreciation relative to the prior year.

Other Income

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
Interest income	130	35	271%	225	49	359%

Interest income results from the Company's short-term savings deposits. Interest income for the three and six months ended June 30, 2023 was \$0.1 million and \$0.2 million respectively, which represents significant increases over the prior periods primarily as a result of rising interest rates.

Net Loss

The Company incurred a net loss of \$2.0 million and \$0.03 per common share during the three months ended June 30, 2023, compared to a net loss of \$1.8 million and \$0.03 per common share in the prior year's period.

The Company incurred a net loss of \$4.4 million and \$0.07 per common share during the six months ended June 30, 2023, compared to a net loss of \$3.2 million and \$0.05 per common share in the prior year's period.

CAPITAL EXPENDITURES

The Company has three main sources of capital expenditures:

- Exploration and evaluation ("E&E") assets – the acquisition of mineral permits and licenses and pilot plant additions
- Property and equipment ("P&E") – corporate assets such as computer equipment and software
- Intangible assets – costs incurred to further the Company's proprietary DLE technology

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	2023	2022	% Change
E&E expenditures	2,057	2,471	(17%)	3,041	3,642	(17%)
P&E expenditures	26	71	(63%)	32	95	(66%)
Intangible asset expenditures	1,013	755	34%	1,784	1,328	34%
Total capital expenditures	3,096	3,297	(6%)	4,857	5,065	(4%)

E&E expenditures were \$2.0 million and \$3.0 million respectively, for the three and six months ended June 30, 2023 compared to \$2.5 million and \$3.6 million in the same periods of the prior year. During the three months ended June 30, 2023, the Company incurred increasing production and procurement costs in preparation for its summer DLE field pilot. In March 2023, the Company announced an upgrade of its mineral resource to 16.0 Mt Measured and Indicated ("M&I"), resulting in one Canada's largest DLE brine projects and M&I mineral resources globally. As a result, the Company incurred higher geological and geophysical costs during the six months ended June 30, 2023.

The Company incurred higher E&E expenditures in the prior year comparable periods due to costs associated with its three-well exploratory program that included seismic and drilling costs and was completed in the latter half of 2022.

For the three and six months ended June 30, 2023, P&E expenditures decreased by 63% and 66% respectively, from the comparable prior year periods. The Company incurred higher P&E expenditures in the prior year from entering new office space as well as the onboarding of additional staff with no similar such increases in the current year.

For the three and six months ended June 30, 2023, intangible asset expenditures were \$1.0 million and \$1.8 million respectively, compared to \$0.8 million and \$1.3 million during the three and six months ended June 30, 2022. The Company continues to make significant progress with respect to its DLE development and has incurred additional costs in the current year in preparation for the DLE field pilot.

Impairment Analysis

The Company does not consider its exploration and evaluation or intangible assets to be impaired. The Company's ability to realize the value of these assets is dependent on the successful completion of an economically feasible pilot plant, followed by the construction of commercial scale lithium production facilities. Based on the current development progress of its proprietary DLE technology and positive results from geological testing, the Company does not believe that these assets are impaired. Current market prices show that there is a short supply of lithium and that the demand for battery-grade lithium is at all-time highs.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended June 30, 2023, the Company:

- used \$3.0 million (2022 – \$1.8 million) in operating activities primarily due to increases in business development and general and administrative expenses to support the Company's expansion;
- used \$4.4 million (2022 – \$3.7 million) in investing activities primarily as a result of technology and field pilot project costs;
- generated \$12.2 million (2022 – \$2.5 million) as a result of \$5.6 million in gross proceeds from the issuance of 2.5 million shares from its June 2023 bought deal financing with \$0.6 million in share issuance costs, as well as the exercise of 1.8 million options and warrants during the six months ended June 30, 2023.

As at June 30, 2023, the Company had working capital of \$20.0 million compared to working capital of \$17.0 million at December 31, 2022.

Government Grants

Alberta Innovates ("AI")

In the prior year, on April 6, 2022, the Company was awarded a \$1.8 million grant to assist in the scale up and development of its field pilot plant. As at June 30, 2023, life-to-date claims under AI are \$1.4 million (December 31, 2022 - \$1.1 million) and the Company has received \$1.4 million (December 31, 2022 - \$1.1 million). The remaining amount is expected to be claimed upon the completion of the field pilot plant.

Strategic Innovation Fund (“SIF”)

On November 28, 2022, the Company was awarded a \$27 million grant from the Government of Canada’s Innovation, Science and Economic Development’s SIF to support several aspects of the Company’s resource and technology development up until commercial production. Eligible costs under the agreement are reimbursed at 33.94% to a maximum of \$27 million.

Contingent on the Company’s success and reaching commercial lithium production, the grant becomes repayable at 1.4 times the amount disbursed from the SIF grant. The repayment period begins the second-year post-project completion at a rate of 1% of annual gross business revenues over a 20-year period. Currently, it is possible but not probable whether the Company will realize an outflow of benefits to settle the contingent obligation as the Company has not yet achieved commercial production. The Company has not recognized a provision at June 30, 2023 (December 31, 2022 – nil).

As at June 30, 2023, life-to-date claims under the SIF grant are \$5.3 million (December 31, 2022 - \$4.4 million) and the contingent obligation related to SIF is estimated to be \$7.4 million (December 31, 2022 - \$6.4 million).

Natural Resources Canada’s (“NRCan”) Critical Minerals Research, Development, and Demonstration (“CMRDD”)

On March 7, 2023, the Company announced it was awarded \$3.5 million in funding through NRCan’s CMRDD program. The funds are non-dilutive and non-repayable. The funds will be used to support the construction and operation of the Company’s field pilot plant. The Company shall submit and be reimbursed for eligible expenses on an ongoing basis throughout the term of the agreement.

As at June 30, 2023, life-to-date claims under the NRCan CMRDD grant are \$2.5 million.

Share Capital

The table below summarizes the change in share capital:

Number of Shares	June 30, 2023	December 31, 2022
Balance, beginning of period	63,229,773	57,759,871
Share issuance	2,499,483	-
Exercise of stock options and warrants	1,789,409	5,241,878
Stock options exercised in prior period	-	100,000
Shares issued – Finder’s fee	-	128,024
Balance, end of period	67,518,665	63,229,773

On June 8, 2023, the Company announced the Offering for gross proceeds of \$5.6 million. Share issuance costs in relation to the Offering were \$0.7 million, comprised of \$0.5 million in cash commission and \$0.2 million in broker warrants (note 10) issued to the underwriters. Under the Offering, the Company issued 2.5 million common shares at a price of \$2.25 per common share.

Warrants

The following table summarizes the change in warrants:

	Warrant (units)	Weighted Average Exercise Price (\$)
Balance, January 1, 2022	7,018,165	1.43
Broker warrants	484,722	1.65
Imperial warrants	3,413,979	-
Exercised	(5,173,978)	1.30
Forfeited/expired	(92,243)	1.40
Balance, December 31, 2022	5,650,645	0.65
Broker warrants	141,369	2.25
Exercised	(1,204,409)	1.65
Forfeited/expired	(1,032,257)	1.65
Balance, June 30, 2023	3,555,348	0.09

Stock Options

See “Share-Based Compensation” above for summary of changes.

Commitments

The following is a summary of the Company’s estimated commitments as at June 30, 2023:

As at June 30,	2023	2024	2025	2026	2027	Thereafter	Total
Office leases ⁽¹⁾	149	271	245	245	245	82	1,237
Mineral license fees	1,804	1,804	1,804	1,804	1,804	-	9,020
Total	1,953	2,075	2,049	2,049	2,049	82	10,257

(1) Represents undiscounted estimated operating cost payments for office and lab leases.

In December 2022, amendments to the Metallic and Industrial Minerals Tenure regulation were approved by Cabinet and were made effective January 1, 2023. Under the new regulation, brine-hosted mineral rights are granted through new agreements: brine-hosted minerals license and brine-hosted minerals lease. Brine-hosted mineral licenses are available for a 5-year, non-renewable term. Holders of brine-hosted mineral licenses have exclusive rights to apply for brine-hosted mineral leases with 10-year primary terms and indefinite continuation. The Company will be required to pay an annual fee to remain in good standing.

As at August 24, 2023 there were 67,991,165 common shares in the capital of E3 Lithium issued and outstanding.

RELATED PARTY TRANSACTIONS

Amounts due from related parties of \$0.3 million as at June 30, 2023 (December 31, 2022 - \$0.1 million) are withholding taxes remitted on behalf of employees arising from previous stock option exercises.

GOING CONCERN

As at June 30, 2023 the Company has not generated revenues from operations and has an accumulated deficit of \$38.2 million (December 31, 2022 – \$33.7 million) including a net loss of \$4.4 million (June 30, 2022 – \$6.9 million) as at and for the six months ended June 30, 2023. The Company’s ability to continue as a going concern

is dependent upon its ability to raise equity financing to evaluate and confirm Direct Lithium Extraction (“DLE”) technology and commence construction of a pilot project.

CRITICAL ACCOUNTING ESTIMATES

The Company’s critical accounting estimates are based on note 4 of the Annual Consolidated Financial Statements. In preparation of the Annual Consolidated Financial Statements, estimates may be necessary to make a determination of the carrying value of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the Annual Consolidated Financial Statements. Management regularly reviews assumptions used for estimates. Additionally, management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

E3 Lithium’s critical accounting estimates that may impact financial and operating results include:

- Estimates regarding the evaluation of progress towards establishing the technical feasibility and commercial viability of E&E assets and intangible assets;
- Estimates of share-based compensation and inputs into the Black-Scholes Option Pricing Model including risk-free interest rate, expected stock price volatility, expected life, expected dividend yields, and the fair value per option granted;
- Estimated values of decommissioning obligations include the expected amount and timing of future cash flows and discount rate used;
- Estimates of deferred income taxes incorporating management’s interpretation of tax regulations and legislation in various tax jurisdictions.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

E3 Lithium’s financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due from related parties. The Company’s financial instruments at June 30, 2023 approximate fair value due to their short-term nature. Accounts receivable, accounts payable and accrued liabilities and due from related parties are carried at amortized cost. The Company has cash carried at fair value through profit or loss.

All of the Company’s financial instruments are classified as Level 1 in the fair value measurement hierarchy and there were no transfers between levels for the three and six months ended June 30, 2023. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The Company’s financial instruments are exposed to credit risk, currency risk, and liquidity risk.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk with respect to its carrying balances of accounts receivable and due from related parties.

Accounts receivable outstanding as at June 30, 2023 relate to government grants and refundable tax credits which have minimal credit risk. Due from related parties as at June 30, 2023 were withholding taxes remitted on behalf of current and former employees from exercising their stock options. Based on management's assessment, the risk of default is considered low.

Currency Risk

The Company's exposure to foreign currency risk is not considered to be material as it transacts primarily in the Canadian dollar.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to maintain sufficient and readily available cash-on-hand in order to meet its liquidity requirements at any point in time.

As at June 30, 2023, the Company has positive working capital of \$20.0 million (December 31, 2022 - \$17.0 million) and does not foresee a shortfall in capital within the next twelve months.

RISK FACTORS**Liquidity and Capital Resources**

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

Development of the Alberta Lithium Project

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

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

Negative Operating Cash Flows

Given that the Company has yet to enter commercial production and generate cash flow, the Company had negative operating cash flow for the three and six months ended June 30, 2023. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves or a portion of the proceeds of any offering of securities to fund such negative cash flow.

SUMMARY OF QUARTERLY INFORMATION

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net loss	(1,955)	(2,493)	(1,981)	(1,798)
Net loss per share	(0.03)	(0.04)	(0.03)	(0.03)
Total assets	41,124	36,316	36,101	36,815
Total liabilities	3,619	2,668	2,629	5,034
Common shares outstanding	67,518,665	64,519,182	63,229,773	61,039,349

	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net loss	(1,848)	(1,310)	(1,198)	(942)
Net loss per share	(0.03)	(0.02)	(0.02)	(0.03)
Total assets	28,035	25,729	25,991	19,890
Total liabilities	3,306	1,125	990	725
Common shares outstanding	59,466,611	58,291,018	57,759,871	53,426,406

SELECTED ANNUAL INFORMATION

	2022	2021	2020
Net loss	(6,944)	(4,780)	(2,095)
Loss per share	(0.12)	(0.10)	(0.07)
Total assets	36,101	25,991	10,641
Total liabilities	2,629	990	544
Capital expenditures	14,074	3,585	796

FORWARD-LOOKING STATEMENTS

These forward-looking statements are based on current expectations and various estimates, factors and assumptions, and involve known and unknown risks, uncertainties and other factors. All statements, other than statements of historical fact, included herein, including without limitation, statements about the Company's ability to effectively implement its planned exploration programs; unexpected events and delays in the course of its exploration and drilling programs; the ability of the Company to raise the capital necessary to conduct its planned exploration programs and to continue exploration on its properties; the failure to discover any significant amounts of lithium or other minerals on any of the Company's properties; the fact that the Company's properties are in the exploration stage and exploration and development of mineral properties involves a high degree of risk and few properties which are explored are ultimately developed into producing mineral properties; the fact that the mineral industry is highly competitive and E3 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 the Company's properties may become uneconomical to extract; the continued demand for minerals and lithium; that fact that resource figures for minerals are estimates only and no assurances can be given that any estimated levels of minerals will actually be produced; governmental regulation of mining activities and oil and gas in Alberta 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 failure of plant or equipment processes to operate as anticipated; the inability to obtain the necessary approvals for the further exploration and development of all or any of the Company's properties; risks inherent in the mineral exploration and development business; the uncertainty of the requirements demanded by environmental agencies; the Company's ability to hire and retain qualified employees and consultants necessary for the exploration and development of any of E3 Lithium's properties and for the operation of its business; and other risks related to mining activities that are beyond the Company's control.

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

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