

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of August 29, 2024, 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, 2024, and should be read in conjunction with the unaudited condensed consolidated financial statements as at and for the three and six months ended June 30, 2024, and the MD&A and audited consolidated financial statements for the year ended December 31, 2023, 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 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 under the symbol ETL.

E3 LITHIUM'S STRATEGIC VISION

E3 Lithium's vision is to be a global leader in responsibly sourced lithium, fueling the global transition towards a brighter energy future. The Company is focused on creating long-term, sustainable value for the future by creating a world-class, large-scale, long-life lithium production company. E3 Lithium will be focusing on safe operations, maintaining a strong balance sheet, and taking advantage of the enormous potential across the Company's globally significant asset base.

MARKET OUTLOOK

Benchmark Minerals Intelligence estimates that in 2024, demand for lithium carbonate equivalent ("LCE") will reach 1.2 million tonnes ("Mt"), having experienced a 31% compound annual growth rate ("CAGR") over the last 5 years. In the medium-to-long term, strong global EV growth will continue to support lithium demand over the next 20 years. Demand is set to grow at 15% CAGR by 2040 and will reach 2Mt by 2027.

Q2 2024 HIGHLIGHTS

E3 Lithium Outlines Clearwater Project Pre-Feasibility Study and Confirms Lithium Reserves

On June 26, E3 Lithium announced the summary of key results from the Pre-Feasibility Study for its Clearwater Project. The PFS outlines the Clearwater Project's economic viability, environmental sustainability and long-term operational potential, and reports Canada's first lithium-in-brine proven mineral reserve. The PFS incorporates 12 months of engineering and design work and includes the data and learnings from the successful 2023 Direct Lithium Extraction (DLE) Field Pilot Plant, as well as the in-house verification testing.

Highlights of the Pre-feasibility Study:

- **Initial production:** 32,250 tonnes per annum Lithium Hydroxide Monohydrate (LHM)
- **50-year operating life:** covers only a portion of the total Bashaw District
- **Reserves:** 1.29 million tonnes (Mt) of LHM Proven & Probable lithium mineral reserve (1.13 Mt Lithium Carbonate Equivalent (LCE)) from the total Bashaw District of 18.4 Mt of LHM Measured and Indicated mineral resource (16.2 Mt LCE) located in the Leduc Reservoir
- **Strong Project Economics:** After-tax NPV \$3.72 Billion with a 24.6% IRR at an 8% discount rate (pre-tax NPV₈ of \$5.18 Billion with a 29.2% IRR) using Benchmark Mineral Intelligence's (BMI) LHM price forecast
- **Initial Capital Expenditure (CAPEX):** \$2.47 Billion includes water recycling and contingency

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- **Initial Operating Costs (OPEX):** \$6,200 per tonne LHM provide for a long life and robust project fundamentals
 - **Sustainably produced lithium:** Process water for the operation will be sourced from recycling and make-up water from waste brine stream, smaller surface footprint relative to conventional lithium production⁴ with potential plant emissions of 1.9 tonnes CO₂e/tonne LHM.

E3 Lithium Outlines Inaugural 2.5 Mt LCE Inferred Mineral Resource within the Estevan Lithium District in Saskatchewan

On May 23, E3 Lithium outlined the inaugural inferred mineral resource of ~2.5 million tonnes of lithium carbonate equivalent (LCE) contained within the Estevan Lithium District located in southeast Saskatchewan. The Company's permit area covers approximately 67,000 hectares of crown mineral permits within the Estevan Lithium District. Recent lithium exploration near E3 Lithium's land holdings have shown high lithium concentrations, including up to 259 mg/L in the Duperow Formation.

E3 Lithium and Imperial Oil Agreement Update

On May 13, E3 Lithium announced an update to its agreement with Imperial Oil Limited. The two companies agreed to increase access to additional freehold lands across the Clearwater Area. E3 Lithium proposes to extend the expiry date of 3,413,979 outstanding prepaid common share purchase warrants of the Company issued to Imperial Oil Limited for which the Company had received a prepayment of \$6.35 million on July 8, 2022.

Each Warrant provides IOL the non-transferable and non-refundable option to exercise the Warrant for one common share of the Company at a price of \$1.86 for a period of 24 months from the date of grant at no further cost to IOL. No Warrants have been exercised to date and none are held by insiders of the Company.

E3 Lithium's Laboratory to Expand to Include Production of Lithium Carbonate

On May 19, E3 Lithium announced it is expanding the Calgary-based lab to incorporate the equipment to complete the polishing and production of battery products, such as lithium carbonate and lithium hydroxide.

E3 Lithium's development facility, located at the University of Calgary, has been operational since early 2021. The facilities' focus has been on the development and verification of Direct Lithium Extraction (DLE) processing technologies. The internal team of experts has been beneficial in ensuring that E3 Lithium successfully completed the necessary steps towards technology development and selection, including verification testing of third-party DLE processes to support the design and decision making for the commercial facility. E3 also has its own internal analytics team that enables the Company to efficiently and quickly produce consistent results from the various testing processes.

With the definition of the downstream processes utilizing chemical conversion to produce lithium carbonate and then lithium hydroxide, E3 will deploy the same validation, verification and optimization strategy to the conversion processes. This includes building scaled down process equipment that mimics the commercial systems to validate and optimize the production of lithium carbonate. The team will further investigate the necessity to complete the equipment to continue from carbonate to lithium hydroxide. This work will support E3 Lithium's feasibility engineering study and future commercial operations.

SUMMARY OF OPERATIONS

Operating Expenses

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Operating expenses	-	65	(100%)	-	181	(100%)

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, 2024, the Company incurred nil in operating expenses as compared to \$0.1 million and \$0.2 million in the prior year comparative period as the Company recognized higher operating costs due to wireline work on its wells in preparation for its field pilot plant in the prior year.

Business Development and Marketing

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Business development and marketing	696	494	41%	1,227	1,473	(17%)

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, 2024, business development and marketing expenses were \$0.7 million and \$1.2 million as compared to \$0.5 million and \$1.5 million in the same period of prior year.

General and Administrative

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
General and administrative	1,216	912	33%	2,474	1,762	40%

General and administrative expenses were \$1.2 million and \$2.5 million for the three and six months ended June 30, 2024, an increase of \$0.3 million and \$0.7 million from the comparable period in the prior year. General and administrative costs increased relative to the prior year as the result of strategic hiring and incremental corporate costs as the Company executes on its strategy to commercialization.

Share-Based Compensation

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Share-based compensation	803	558	44%	1,683	1,148	47%

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, 2024, share-based compensation was \$0.8 million and \$1.7 million, compared to \$0.6 million and \$1.1 million in the comparable prior year period due to 2.0 million options issued during the first quarter along with the issuance of 0.4 million RSUs.

Stock Options

	Stock Options	Weighted Average Exercise Price (\$)
Balance, January 1, 2023	5,025,767	1.98
Granted	2,045,000	2.51
Exercised	(1,522,500)	0.89
Forfeited/expired	(732,017)	2.28
Balance, December 31, 2023	4,816,250	2.50
Granted	2,313,000	1.61
Exercised	(200,000)	1.38
Forfeited/expired	(706,250)	2.92
Balance, June 30, 2024	6,233,000	2.18

RSUs

	Restricted Share Units	Weighted Average Fair Value per Award (\$)
Balance, December 31, 2023	-	-
Granted	395,000	1.58
Forfeited/expired	(5,000)	1.58
Balance, June 30, 2024	390,000	1.58

Financing Expenses

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Accretion	3	2	50%	6	4	50%
Interest on leases	12	12	-	23	24	(4%)
	15	14	7%	29	28	4%

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

Depreciation

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Depreciation	46	42	10%	101	81	25%

For the three and six months ended June 30, 2024, depreciation was higher than the comparable period in 2023 primarily due to greater number of computer equipment additions and office furniture purchased for the office expansion in the second quarter of 2024. The Company uses the declining balance method on the majority of its corporate assets resulting in higher depreciation relative to prior year.

Other Income

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Interest Income	341	130	>100%	711	225	>100%

Interest income results from the Company's short-term savings deposits. Interest income for the three and six months ended June 30, 2024, was \$0.3 million and \$0.7 million which represents significant increases over the prior period as a result of a higher average cash balance and rising interest rates.

Net Loss

The Company incurred a net loss of \$2.4 million and \$0.03 per common share during the three months ended June 30, 2024, compared to a net loss of \$2.0 million and \$0.03 per common share in the prior year's period.

The Company incurred a net loss of \$4.8 million and \$0.06 per common share during the six months ended June 30, 2024, compared to a net loss of \$4.4 million and \$0.07 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 costs related to the development of the Clearwater project.
- Property and equipment ("P&E") – corporate assets such as computer equipment and software
- Intangible assets – patent costs incurred to for the Company's proprietary DLE technology

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2023	2022	% Change
E&E expenditures	1,580	2,057	(23%)	4,293	3,041	41%
P&E expenditures	37	26	42%	70	32	>100%
Intangible asset expenditures	8	1,013	(99%)	14	1,784	(99%)
Total capital expenditures	1,625	3,096	(48%)	4,377	4,857	(10%)

E&E expenditures were \$1.6 million and \$4.3 million for the three and six months ended June 30, 2024, compared to \$2.1 million and \$3.0 million in the comparative prior year period. E&E expenditures in the current period primarily relate to costs to further progress its Pre-Feasibility Study. In the first quarter of 2024, the Company selected a third-party DLE to move forward with its first project for commercial operations. Resources have currently been reallocated towards the pre-feasibility study and resulted in fewer costs being included in intangible expenditures.

For the three and six months ended June 30, 2024, P&E expenditures increased by \$0.01 million and \$ 0.04 million from the comparable prior period. The Company experienced an increase in headcount and office costs in the current year resulting in higher P&E expenditures. For the three and six months ended June 30, 2024, intangible asset expenditures were \$8.0 thousand and \$14.0 thousand, compared to \$1.0 million and \$1.8 million during the three and six months ended June 30, 2023.

Impairment Analysis

There were no indicators of impairment in the period and 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 its pre-feasibility and feasibility studies, followed by the construction of commercial scale lithium production facilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a working capital of \$26.3 million at June 30, 2024, compared to working capital of \$32.0 million at December 31, 2023. During the six months ended June 30, 2024, the Company:

- Used \$3.4 million (2023 – \$3.0 million) in operating activities primarily due to increases in general and administrative expenses offset by interest income;
- Used \$7.1 million (2023 – \$4.4 million) in investing activities as a result of increased spending towards commercializing the Clearwater project, specifically its pre-feasibility study in the second quarter;
- Received \$5.3 million (2023 – \$12.2 million) primarily as a result of the receipt of government grant funding; there were higher expenditures in the prior year related to the field pilot which resulted in larger grant claims.

Government Grants

Alberta Innovates ("AI")

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, 2024, life-to-date claims under AI is \$1.8 million (December 31, 2023 - \$1.8 million) and the Company has received \$1.8 million (December 31, 2023 - \$1.4 million). The remaining amount was 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, 2024 (December 31, 2023 – nil).

As at June 30, 2024, life-to-date claims under the SIF grant is \$8.6 million (December 31, 2023 - \$7.2 million) and the contingent obligation related to SIF is estimated to be \$12.0 million (December 31, 2023 - \$10.1 million). As at June 30, 2024, there is \$1.4 million in accounts receivable related to SIF grants (December 31, 2023 - \$1.9 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, 2024, life-to-date claims under the NRCan CMRDD grant are \$3.2 million. As at June 30, 2024, there is \$0.4 million in accounts receivable related to NRCan grants (December 31, 2023 - \$2.9 million).

Subsequent Event

Emissions Reduction Alberta (“ERA”)

On August 15, 2024, ERA announced a \$5 million investment to support E3 Lithium’s path to commercialization. The Company plans to use the funds towards its integrated Lithium Brine Demonstration Facility with the goal to produce lithium carbonate from brines within the Leduc reservoir in Alberta.

Share Capital

The table below summarizes the change in share capital:

Number of Shares	June 30, 2024	December 31, 2023
Balance, beginning of period	75,069,397	63,229,773
Share issuance	-	8,985,483
Exercise of stock options and warrants	200,000	2,854,141
Balance, end of period	75,269,397	75,069,397

2024

During the six months ended June 30, 2024, the Company issued 0.2 million common shares from the exercise of stock options with an exercise price of \$1.38. Total proceeds received were \$0.3 million year to date.

2023

During the year ended December 31, 2023, the Company issued 2.9 million common shares from the exercise of stock options and warrants with exercise prices between \$0.40 to \$2.67. Total proceeds received were \$3.6 million year to date.

On September 26, 2023, the Company closed a bought deal public offering (the “September Offering”) for gross proceeds of \$23.0 million, including full exercise of the overallotment option for proceeds of \$3.0 million. Share issuance costs in relation to the September Offering were \$2.1 million, comprised of \$1.6 million in cash commissions and closing costs, and \$0.5 million in broker warrants (note 11) issued to the underwriters. Under the September Offering, the Company issued 6.5 million common shares at a price of \$3.55 per common share.

On June 8, 2023, the Company closed a bought deal public offering (the “June Offering”) for gross proceeds of \$5.6 million. Share issuance costs in relation to the June Offering were \$0.7 million, comprised of \$0.5 million in cash commissions and closing costs and \$0.2 million in broker warrants (note 11) issued to the underwriters. Under the June Offering, the Company issued 2.5 million common shares at a price of \$2.25 per common share.

As at August 29, 2024, there were 75,269,397 common shares in the capital of E3 Lithium issued and outstanding.

Warrants

The following table summarizes the change in warrants:

	Warrant (units)	Weighted Average Exercise Price (\$)
Balance, January 1, 2023	5,650,645	0.65
Broker warrants	465,669	3.16
Exercised	(1,331,641)	1.71
Forfeited/expired	(1,032,257)	1.65
Balance, December 31, 2023	3,752,416	0.32
Balance, June 30, 2024	3,752,416	0.32

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, 2024:

As at June 30,	2024	2025	2026	2027	2028	Thereafter	Total
Office leases ⁽¹⁾	125	248	248	248	81	-	950
Mineral license fees	1,804	1,804	1,804	1,804	6,960	16,236	30,412
Total	1,929	2,052	2,052	2,052	7,041	16,236	31,362

(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.

GOING CONCERN

As at June 30, 2024, the Company has not generated revenues from operations and has an accumulated deficit of \$47.6 million (December 31, 2023 – \$42.8 million) including a net loss of \$4.8 million (June 30, 2023 – \$4.4 million) as at and for the three and six months ended June 30, 2024. The Company’s ability to continue as a going concern is dependent upon its ability to finance its project and move towards commercial production of battery grade Lithium Hydroxide Monohydrate (“LHM”).

SUBSEQUENT EVENTS

Subsequent to the quarter, on August 20, 2024 announced a Joint Development Agreement with Pure Lithium Corporation, a Boston-based vertically integrated lithium metal battery technology company. Under the Agreement, the two companies will advance the design of a lithium metal anode and battery pilot plant in Alberta and complete a Preliminary Economic Assessment of a commercial lithium metal battery facility combining Pure Lithium’s patented vertically integrated Brine to Battery™ technology with E3 Lithium’s vast lithium brines and concentrate production. The Company is assessing the accounting impacts, if any, on its consolidated financial statements.

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, 2024, 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 ended June 30, 2024. 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.

Accounts receivable outstanding as at June 30, 2024, relate to government grants and refundable tax credits which have minimal credit risk.

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, 2024, the Company has working capital of \$26.3 million (December 31, 2023 - \$32.0 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 use of DLE. 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 or at all. There is no guarantee that the Company will be successful in developing DLE or utilizing others DLE, and its business and financial condition could 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, 2024. 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 2024	Q1 2024	Q4 2023	Q3 2023
Net loss	(2,434)	(2,369)	(2,134)	(2,462)
Net loss per share	(0.03)	(0.03)	(0.03)	(0.04)
Total assets	55,994	59,000	61,987	62,650
Total liabilities	1,686	3,061	4,835	4,377
Common shares outstanding	75,269,397	75,269,397	75,069,397	74,750,647

	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

SELECTED ANNUAL INFORMATION

	2023	2022	2021
Net loss	(9,044)	(6,944)	(4,780)
Loss per share	(0.13)	(0.12)	(0.10)
Total assets	61,987	36,101	25,991
Total liabilities	4,835	2,629	990
Capital expenditures	15,622	14,074	3,585

FORWARD-LOOKING STATEMENTS

Certain information and statements contained in this MD&A constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are frequently identified by such words as “believe”, “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend”, “project”, “potential”, “possible” or the negative thereof and similar words referring to future events and results. These forward-looking statements are based on current opinions, expectations and various estimates, factors and assumptions made by management, and involve known and unknown risks and uncertainties. All statements, other than statements of historical fact, included herein, including without limitation, statements about commercialization and Lithium Brine Demonstration Facility’s are forward-looking statements.

The forward-looking statements contained herein are based on certain key expectations, material factors and assumptions, including expectations and assumptions underlying the Company’s ability to effectively implement its planned exploration programs; expectations and assumptions underlying the ability of the Company to raise the capital necessary to conduct its planned exploration programs and to continue exploration on its properties; that any additional financing needed will be available on reasonable terms; assumptions underlying the Company’s working capital requirements; projected costs of operating a junior mineral exploration company; assumptions regarding the global economic environment and the market price and demand for lithium; the Company’s ability to manage its property interests and operating costs; that the exchange rates for the U.S. and Canadian currencies will be consistent with the Company’s expectations; that the current exploration, development, environmental and other objectives concerning the Clearwater Project can be achieved and that the Company’s other corporate activities will proceed as expected; that the current price and demand for lithium will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned activities on the Clearwater Project will be obtained in a timely manner and on acceptable terms.

Actual results could differ materially from those anticipated in the Company’s forward-looking statements as a result of a number of known and unknown risks and uncertainties, including without limitation: unexpected events and delays in the course of its exploration and drilling programs; the speculative nature of mineral exploration and development; the effectiveness and feasibility of emerging lithium extraction technologies which have not yet been tested or proven on a commercial scale or on the Company’s brine, 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 and the impact on the Company’s business of such fluctuations; 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; the fact that resource figures for minerals are estimates only and no assurances can be given that any estimated levels of minerals will actually be produced; risks related to the availability of financing on commercially reasonable terms and the expected use of proceeds, governmental regulation of mining activities and oil and gas in Alberta and elsewhere and any changes thereto, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; environmental regulation and any changes thereto, 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 availability and potential failure of plant or equipment processes to operate as anticipated; accidents, effects

of weather and other natural phenomena; the Company's lack of operating revenues; 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, third party contractors and consultants necessary for the exploration and development of any of E3 Lithium's properties and for the operation of its business; and other such risks and uncertainties related to mining activities and the Company's business and operations in general.

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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