



E3 METALS CORP

Suite 2300 – 150 9th Ave SW
Calgary, AB T2P 3H9
Tel: +1 (587) 324-2775
Email: investor@e3metalscorp.com
Website: e3metalscorp.com

Directors:
Chris Doornbos
Paul Reinhart
Mike O'Hara
Peeyush Varshney
John Pantazopoulos

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E3 Metals Announces \$5.2 Million “Bought Deal” Private Placement

CALGARY, ALBERTA, January 21, 2021 – E3 METALS CORP. (TSXV: ETMC) (FSE: OU7A) (OTC: EEMMF) (the “Company” or “E3 Metals”), an emerging lithium developer and leading lithium extraction technology innovator, is pleased to announce it has entered into an agreement with Echelon Wealth Partners Inc. and Canaccord Genuity Corp. as co-leads and joint bookrunners (the “Underwriters”), pursuant to which the Underwriters have agreed to purchase, on a “bought deal” private placement basis, 4,400,000 units of the Company (the “Units”) at a price of \$1.185 per Unit (the “Issue Price”), for total gross proceeds of \$5,214,000 (the “Offering”).

Each Unit will consist of one common share (a “Common Share”) in the capital of the Company and one common share purchase warrant (a “Warrant”) of the Company. Each Warrant shall be exercisable to acquire one Common Share (a “Warrant Share”) at a price per Warrant Share of \$1.65 for a period of 24 months from the closing date of the Offering.

The Company has granted the Underwriters an option to purchase up to an additional 15% of the Offering in Units (the “Underwriter’s Option”), exercisable in whole or in part at any time up to 48 hours prior to the closing date.

The net proceeds from the sale of the Units will be used to fund advancement of the Company's Clearwater Lithium Project and for general working capital purposes.

“We are very excited to bring solid institutional capital into E3 Metals with this “bought deal” financing,” commented Chris Doornbos, E3 Metals’ President and CEO. “These funds will be used to accelerate the development of E3 Metals Clearwater Lithium Project and greatly assist us in advancing towards our goal of commercial lithium production from brines in Alberta using our DLE technology.”

The Offering is expected to close on or about February 8, 2021 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities. The Units to be issued under the Offering will be subject to a hold period in Canada expiring four months and one day from the closing date of the Offering.

In connection with the Offering, the Underwriters will receive a cash commission of 7.0% of the gross proceeds of the Offering and that number of non-transferable compensation options (the “Compensation Options”) as is equal to 7.0% of the aggregate number of Units sold under the Offering. Each Compensation Option is exercisable into one Common Share of the Company at the Issue Price for a period of 24 months from the closing date of the Offering.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may

not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About E3 Metals Corp.

E3 Metals is a lithium development Company with 7.0 million tonnes of lithium carbonate equivalent (LCE) inferred mineral resources¹ in Alberta and an after-tax NPV_{8%} on its Clearwater Lithium Project of USD 1.1B with a 32%¹ IRR. Through the successful scale up its DLE technology towards commercialization, E3 Metals' goal is to produce high purity, battery grade, lithium products. With a significant lithium resource and innovative technology solutions, E3 Metals has the potential to deliver lithium to market from one of the best jurisdictions in the world. E3 Metals also continues to work with partners at the University of Alberta and at GreenCentre Canada. For more information about E3 Metals, visit <http://www.e3metalscorp.com>.

ON BEHALF OF THE BOARD OF DIRECTORS,

Chris Doornbos, President & CEO
E3 METALS CORP.

For more Information:

Contact: Chris Doornbos

Phone: (587) 324-2775

investor@e3metalscorp.com

1: The Preliminary Economic Assessment (PEA) of the Clearwater Lithium Project NI 43-101 technical report is effective Dec 21, 2020. E3 Metals has also released three NI 43-101 Technical Reports providing a total resource of 7.0 Mt LCE. The Clearwater Lithium Project PEA resource estimate, identifying 2.2Mt LCE (inferred) effective December 21, 2020; the North Rocky Resource Area (NRRA) Technical Report effective October 27, 2017 identifying 0.9Mt LCE (inferred); and the Exshaw West Resource Area (EWRA) identifying 3.9Mt LCE (inferred) dated June 4, 2018. All reports are available on the Company's website (e3metalscorp.com/technical-reports) and SEDAR (www.sedar.com)

Forward-Looking and Cautionary Statements

This news release includes certain forward-looking statements concerning the Offering and the use of the net proceeds therefrom, as well as management's objectives, strategies, beliefs and intentions. Forward looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, 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, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.