



E3 METALS CORP



Management Discussion and Analysis

For the year ended December 31, 2021



President's Year in Review

At the end of 2020, E3 Metals Corp ("E3 Metals" or the "Company") released its first economic analysis considering the development of its inferred mineral resource and the application of its ion-exchange direct lithium extraction process. The positive results from this analysis were a catalyst for the Company to complete the first of two significant capital raises starting with \$5.0 million at the end of the year.

At the beginning of 2021, E3 Metals and FMC Lithium USA Corp ("Livent") completed the separation of its Joint Development Agreement. E3 Metals retained full ownership and rights to its technology, and the Company commissioned its development facility with the goal of commercializing the technology. With the additional raise of \$8.1 million, the Company has been able to establish itself as a global market leader in Direct Lithium Extraction ("DLE") technology and is committed to progressing the development of its 100% owned Clearwater Lithium Project.

The Clearwater Preliminary Economic Assessment ("PEA") outlined a project producing 20,000 tonnes per year of lithium hydroxide ("LHM") over 20 years. The robust project economics showed a pre-tax value of USD \$1.1 billion NPV8% and an IRR of 32%, using an average LHM sales price of approximately USD \$14,000/tonne. Spot market pricing has seen LHM trading at over USD \$75,000/tonne in 2022 and has provided a strong incentive for E3 Metals to accelerate the project without compromise to meet the growing demand, and supply the global market with carbon neutral, battery grade lithium.

E3 Metals is proud to highlight the following 2021 achievements:

- **Progression of its DLE technology:** The Company commissioned its Calgary-based lab facility in February 2021 and has been able to accelerate the development of its ion-exchange process. The facility delivered strong results from a scaled-up lab pilot prototype completed in October 2021 which delivered up to 97% lithium recoveries from genuine Leduc brines. The fully automated lab pilot prototype operates with two trains and has been processing up to 18 bbl/d of brine. This has been providing the team with significant amounts of data to assist in the design and engineering work of the upcoming field pilot plant.
- **Progression of the Company's Resources:** Leveraging on existing data provided on the backbone of the Alberta oil and gas industry, the Company has been able to build and complete its geological model to provide the optimal locations for its lithium test wells. This provides the basis to upgrade portions of the 7.0 million tonnes of *Inferred Resource* to *Measured and Indicated*, as defined by National Instrument 43-101.
- **Regulatory Clarity:** In consultation with stakeholders including E3 Metals, the Alberta government passed Bill-82, which centralized all critical minerals regulatory functions with the Alberta Energy Regulator ("AER") who already oversees the oil & gas industry. This provides regulatory certainty and a well-established framework for E3 Metals to permit and license its future commercial developments.
- **Securing Sources of Non-dilutive Financing:** The Company continues to deliver shareholder value through the utilization of new and existing government grants. In April 2021, E3 Metals received a non-dilutive grant from Alberta Innovates of \$1.8 million to provide financing for the lab-pilot prototype and the upcoming field pilot. The Company continues to pursue other sources of grant funding from provincial and federal organizations.



- **Corporate Expansion:** The Company upgraded to Tier 1 on the TSX Venture Exchange and up listed to the OTCQX during 2021. The resulting additional trading volume, interest and value enhancing opportunities have helped contribute to the 270% year-over-year return based on the appreciation of the closing share price on the last trading day in 2021 from 2020.

Outlook

At the end of 2021, E3 Metals ended with a strong balance sheet of \$17.6 million in working capital. Potential source of funds includes \$10 million of 'in-the-money' warrants expiring by February 2023. This provides significant financial flexibility for the Company to deliver on its next major milestones:

1. **De-risk and Upgrade the Clearwater Resource** - Drilling Alberta's first lithium test wells into the Leduc Aquifer.
2. **De-risk and Scale-up the Ion-Exchange Technology** – Constructing and operating a modularized ion-exchange field pilot in the Clearwater Area.
3. **Production of Battery Grade LHM Samples** - Using commercially available technology to upgrade lithium concentrate from the Ion-Exchange technology to battery grade LHM for potential offtake partners.

The Company is well positioned to take advantage of the current market environment with a business plan aimed at generating substantial returns to our shareholders by advancing our project. We continue to pursue our corporate initiatives while advancing our strategy to develop the lithium industry in Canada.



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(CAD\$ thousands, except share amounts and where noted)

This Management Discussion and Analysis (“MD&A”) of E3 Metals provides a summary of the activities, results of operations and financial condition of the Company as at and for the years ended December 31, 2021 and 2020. The MD&A has been prepared by management as of March 28, 2022 and should be read together with the audited consolidated financial statements for the years ended December 31, 2021 and 2020 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.

E3 Metals is a resource and technology company with mineral properties in Alberta and an ion-exchange direct lithium extraction technology that has been developed to exploit the lithium mineral resources contained in Alberta brines. The Company’s shares trade on the TSX Venture Exchange (the “Exchange”) under the trading symbol “ETMC”.

Corporate Summary

The Company was incorporated on August 19, 1998 under the laws of British Columbia. The Company is presently a “Venture Issuer”, as defined in NI 51-102.

The Company has a wholly-owned Canadian subsidiary, 0904254 BC Ltd. (“0904254 BC”), incorporated on March 1, 2011, and a Mexican subsidiary, Mexigold Resources SA de CV (“MAU Mexico”), incorporated on March 4, 2011, whereby the Company owns 99% and 0904254 BC owns 1% of MAU Mexico. The Canadian subsidiary was dissolved in 2019.

Effective July 9, 2015, the Company's listing was transferred to the NEX board of the Exchange in accordance with TSX-V Policy 2.5 as the Company was not able to maintain the requirements for a TSX-V Tier 2 company. The Company was listed on the NEX under the symbol SAV.H.

On August 22, 2016, the Company changed its name from Mexigold Corp. to Savannah Gold Corp. and its stock symbol from MAU.H to SAV.H. 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.

Effective March 3, 2017, the Company consolidated its share capital on a ratio of five old common shares for every one new post-consolidated share. On completion of the consolidation, the Company had 3,046,021 issued and outstanding common shares.

On May 30, 2017, the Company completed a Fundamental Acquisition (as that term is defined in the policies of the Exchange) (the “Transaction”) with 1975293 Alberta Ltd. (“Alberta Co”), whereby all outstanding securities of Alberta Co. have been exchanged for securities of the Company pursuant to a Definitive Share Exchange Agreement dated May 8, 2017. The Company changed its name to E3 Metals Corp. and upgraded its listing to Tier 2 of the Exchange subsequent to the closing of the Transaction.

As part of the Transaction, the Company paid Alberta Co. \$150 in cash to settle its outstanding debt owed to Revere Development Corp., issued a total of 6,000,000 common shares of the Company (the “Escrow Shares”) and 600,000 share purchase warrants in exchange for all of the issued and outstanding shares and share purchase warrants of Alberta Co. On May 30, 2020, the last of the Escrow Share were released and are now free-trading shares.

SUMMARY OF OPERATIONS

Business Development and Marketing

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Business development and marketing	221	479	(54)	874	787	11

The Company's business development and marketing expenditures primarily consist of sponsorships and advertisements at various investment and ESG-themed conferences. Expenses are also incurred for the service of external consultants with expertise in brand building and strategic positioning. As such, the timing and amount of expenditures can fluctuate year-to-year based on the availability of business development and marketing opportunities. The management team allocates a fixed budget each year for business development and marketing activities.

For the year ended December 31, 2021, business development expenses were 11% higher than the year 2020 as the Company continues to build its brand and increase awareness of the Company in the investment and ESG communities.

General and Administrative

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
General and administrative	696	260	168	2,021	928	118

For the three months ended December 31, 2021, general and administrative expenses were 168% higher than the comparable period in 2020 primarily due to increase in corporate headcount. As the Company continues to achieve significant milestones in its development plan, several strategic hires were made during 2021 including the Chief Financial Officer, Director of Technology, Director of Projects, and Director of Resource Development. Expenditures were also made to improve the Company's information technology infrastructure including upgrades to the systems utilized by the finance and operations teams.

For the year ended December 31, 2021, general and administrative expenses were 118% higher than the year 2020 due to the same reasons as discussed above.

Share-Based Compensation

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Share-based compensation	246	221	11	1,761	375	370

For the three months ended December 31, 2021, share-based compensation expenses were only 11% higher than the comparable period in 2020, despite new grants, due to forfeitures during the quarter.

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For the year ended December 31, 2021, share-based compensation expenses were 370% higher than the year 2020 due to grants given to new hires during the year. See continuity below for details:

	Stock Options	Weighted Average Exercise Price (\$)
Balance, January 1, 2020	1,915,000	0.42
Granted	1,903,000	0.52
Exercised	(780,000)	0.41
Expired	(100,000)	0.40
Balance, December 31, 2020	2,938,000	0.48
Granted	2,105,000	1.89
Exercised	(1,981,250)	0.51
Forfeited	(116,750)	1.65
Expired	(68,250)	0.95
Balance, December 31, 2021	2,876,750	1.42

Financing Expenses

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Interest on leases	10	1	900	21	2	950

For the three and twelve months ended December 31, 2021, interest on leases were 900% and 950% higher than the comparable periods in 2020, respectively. The Company entered into two leases during 2021: the corporate head office and the lab facility at University Research Centre in Calgary, Alberta.

Amortization

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Amortization	35	10	250	128	49	161

For the three and twelve months ended December 31, 2021, amortization were 250% and 161% higher than the comparable periods in 2020, respectively. The depreciable asset base increased in 2021 as the Company entered into new leases and procured new equipment for the expanding workforce.

Foreign Exchange Gain and Loss

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Foreign exchange (gain) and loss	3	10	(70)	12	(16)	(175)

For the three and twelve months ended December 31, 2021, the company incurred losses on foreign exchange of \$3 and \$12 compared to \$10 and a gain of \$16 in the comparable periods in 2020, respectively. The Company

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is exposed to foreign exchange risk through purchasing supplies and services from vendors based in the United States. Exposure is immaterial relative to the Company's annual expenditures and gains or losses are incurred from the difference in the CAD/USD exchange rate between the dates when expenses are recognized and when they are settled.

Other Income

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Interest income	13	1	1,200	37	1	3,600
SR&ED	-	(29)	(100)	-	(29)	(100)
Total	13	(28)	(146)	37	(28)	(232)

Interest income for the three and twelve months ended December 31, 2021 were higher than the comparable periods in 2020 due to the cash inflow from the equity raise and exercises of stock options and warrants during 2021.

The SR&ED credit recognized in 2020 was for eligible expenditures incurred in 2019. Management is currently evaluating the eligibility of expenditures incurred after 2019 for the federal and provincial incentive/grant programs.

Net Loss

The Company incurred a net loss of \$4,780, which was a 128% increase compared to the net loss of \$2,095 in 2020. On a weighted average per-share basis, losses were \$0.10 for the year 2021 (2020 - \$0.07). The increase in losses were due to a ramp-up in expenditures during 2021 as the Company had sufficient liquidity to pursue its corporate and strategic objectives.

CAPITAL EXPENDITURES

The Company has three main sources of capital expenditures:

- Exploration and evaluation (“E&E”) assets – the acquisition of mineral permits and licenses
- Property and equipment – corporate assets such as computer equipment and software
- Intangible assets – costs incurred to further the Company’s proprietary DLE technology

	Three months ended December 31			Year ended December 31		
	2021	2020	% Change	2021	2020	% Change
Acquisition	-	20	(100)	1,099	20	5,395
Additions	329	55	498	847	135	527
Total E&E expenditures	329	75	339	1,946	155	1,155
Computer equipment	5	3	67	44	3	1,367
Furniture and fixtures	2	-	n/a	29	-	n/a
Software licenses	-	-	-	9	-	n/a
Leasehold improvement	-	-	-	-	(12)	(100)
Total corporate expenditures	7	3	133	82	(9)	(1,011)
Acquisition	-	-	-	738	-	n/a
Additions	464	119	290	1,557	650	140
Government grant	-	-	-	(643)	-	n/a
Total intangible asset expenditures	464	119	290	1,652	650	154
Total capital expenditures	800	197	306	3,680	796	362

Exploration and evaluation asset expenditures were 339% and 1,155% higher during the three and twelve months ended December 31, 2021 compared to the same periods in 2020, respectively. The higher expenditures were part of the Company’s strategy in securing potential resources in its core areas.

Corporate asset expenditures were higher in 2021 due to suppling the increased workforce with appropriate equipment and expansion of the Company’s office and lab research space.

Intangible asset expenditures were 290% and 154% higher during the three and twelve months ended December 31, 2021 compared to the same periods in 2020, respectively. The Company will continue to allocate significant resources to develop and commercialize its proprietary lithium extraction technology.

The Company’s joint venture partner elected to withdraw from an existing technology development joint venture arrangement in Q1 2021. All the joint venture’s assets and liabilities were assumed by the Company in exchange for consideration of USD \$1.00 dollar. See note 9 of the consolidated financial statements for details.



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The Company received \$643 in government grant in 2021 from Alberta Innovates for its efforts in developing and commercializing a novel technology to address a gap or market need in Alberta. Further grants may be received and they will be recognized during the periods in which the Company has achieved the required milestones.

Impairment Analysis

The Company does not consider its exploration and evaluation or intangible assets to be impaired. The Company's ability to realize on the value of these assets is dependent on the successful completion of an economically feasible pilot plant, followed by the construction of commercial lithium production facilities. Based on the current development progress of its proprietary direct lithium extraction technology, 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.

COMMITMENTS

Pursuant to the terms of the Metallic and Industrial Mineral ("MIM") Permits, the Company is required to incur exploration expenses during each two-year period to maintain the permits in good standing. The land holdings are expected to be upgraded from permits to leases once commercialization occurs in 2025. The following is a summary of the expense requirements:

	Expenditures
2022	1,191
2023	2,762
2024	1,864
Total	5,817

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at December 31, 2021.

RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. During the years ended December 31, 2021 and 2020, the remuneration of the key management personnel were as follows:

Year ended December 31	2021	2020
Salaries and benefits	500	263
Consulting	36	117
Share-based compensation	862	285
Total	1,398	665

Due from related parties of \$130 as at December 31, 2021 (2020 – due to related parties of \$66) were withholding taxes remitted on behalf of employees arising from stock option exercises during the year.

SHAREHOLDERS' EQUITY

Share Capital

The table below summarizes the change in share capital:

Number of Shares	2021	2020
Balance, January 1	41,664,131	27,397,901
Exercise of stock options and warrants	9,302,440	1,906,230
Issuance of shares by private placement	6,793,300	12,341,250
Issuance of shares to settle payables	-	18,750
Balance, December 31	57,759,871	41,664,131

On February 8, 2021, the Company closed its brokered private placement by issuing 6,793,300 units at a price of \$1.185 per unit for gross proceeds of \$8.1 million. Each unit was comprised of one common share and one unit warrant. Each unit warrant entitled the holder to acquire one additional common share at an exercise price of \$1.65 for a period of 24 months following the date of issuance. The broker warrants carried the same terms as the unit warrants. As the closing price of the Company's common shares on the issue date exceeded the unit price of the private placement, no residual value was allocated to the warrants. Share issuance costs consisted of \$0.7 million in cash and 567,931 broker warrants fair valued at \$1.3 million.

During the year 2021, the Company issued 9,302,440 common shares on the exercise of stock options and warrants with exercise prices between \$0.40 to \$1.65 per share. Total proceeds received were \$9.7 million.

The regulatory fees and legal fees attributable to shares issuance for the year 2021 were \$125.

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Warrants

The table below summarizes the change in warrants:

	Warrant (units)	Weighted Average Exercise Price (\$)
Balance, January 1, 2020	4,238,781	0.50
Granted through private placement	4,502,250	1.13
Broker warrants	45,000	0.60
Exercised	(1,126,230)	0.49
Expired	(892,500)	0.41
Balance, December 31, 2020	6,767,301	\$0.93
Granted through private placement	6,793,300	1.65
Broker warrants	778,754	1.43
Exercised	(7,321,190)	1.18
Balance, December 31, 2021	7,018,165	1.43

Stock Options

See "Share-Based Compensation" above for summary of changes.

CRITICAL ACCOUNTING ESTIMATES

Information provided in this report, including the condensed consolidated interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. 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.



FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, due to/from related parties, and lease obligations. The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to/from related parties approximate fair value due to their short-term nature. 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 year ended December 31, 2021. 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 accounts receivable and due from related parties. The accounts receivable outstanding as at December 31, 2021 were refundable tax credits which carry have no credit risk. Due from related parties as at December 31, 2021 were withholding taxes triggered by the Company's current and former employees exercising their stock options. Based on management's assessment, the risk of default by the associated former and current employees was 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 readily available cash-on-hand in order to meet its liquidity requirements at any point in time.

As at December 31, 2021, the Company had a positive working capital of \$17.6 million (December 31, 2020 - \$6.5 million) and does not foresee a shortfall in capital within the following 12 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 the timeframes as indicated in this Prospectus or at all. Hence, there is no guarantee that the Company will be successful in developing the Extraction Technology. If the Company is unable to develop the Extraction Technology, its business and financial condition will be materially adversely affected.

COVID-19 Risks

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

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



Negative Operating Cash Flows

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

GOING CONCERN

As at December 31, 2021, the Company has not generated revenues from operations and has an accumulated deficit of \$26,798 (2020 – \$22,018) including a net loss of \$4,780 (2020 – \$2,095) incurred during the year ended December 31, 2021. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise equity financing to further develop their proprietary technology and commence construction of a pilot project.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a working capital of \$17,605 at December 31, 2021 (December 31, 2020 - \$6,481), representing an increase in working capital of \$11,124 due to the private placement completed in 2021 and the exercises of stock options and warrants throughout the year.

As at December 31, 2021, the Company had net cash on hand of \$17,841 (unrestricted) compared to cash on hand of \$6,718 (\$251 restricted) at December 31, 2020.

During the year ended December 31, 2021, the Company:

- used \$2,845 (2020 – \$1,594) in operating activities;
- used \$3,363 (2020 – \$808) in investing activities including \$1,946 for exploration expenditures and \$1,558 in for intangible assets; and
- generated \$17,331 (2020 – \$7,897) from its financing activities. The funds were received from a private placement completed in 2021 as well as the exercise of 9,302,440 stock options and warrants. In addition, \$643 of grants were received in the year.

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SUMMARY OF QUARTERLY INFORMATION

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net loss	(1,198)	(942)	(1,053)	(1,587)
Net loss per share	(0.02)	(0.02)	(0.02)	(0.03)
Total assets	25,991	19,890	20,052	20,348
Total liabilities	990	725	606	520
Common shares outstanding	57,759,871	53,426,406	52,968,406	52,509,731

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net loss	(951)	(370)	(381)	(393)
Net loss per share	(0.03)	(0.01)	(0.01)	(0.01)
Total assets	10,641	7,195	7,396	7,765
Total liabilities	544	878	752	853
Common shares outstanding	41,664,131	30,496,151	30,477,401	30,477,401

SELECTED ANNUAL INFORMATION

	2021	2020	2019
Net loss	(4,780)	(2,095)	(2,372)
Loss per share	(0.10)	(0.07)	(0.10)
Total assets	25,991	10,641	4,479
Total liabilities	990	544	456
Capital expenditures	3,680	796	448



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 Metals 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 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 Metals 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 there from; 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 Metals' 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.