E3 LITHIUM

Management's Discussion and Analysis

For the three months ended March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of May 28, 2025, 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 months ended March 31, 2025, and should be read in conjunction with the unaudited condensed consolidated financial statements as at and for the three months ended March 31, 2025, and the MD&A and audited consolidated financial statements for the year ended December 31, 2024, 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, Canada. E3 Lithium's shares are listed on the TSX Venture Exchange under the symbol ETL, the OTCQX Exchange under the symbol EEMMF and on the Frankfurt Stock Exchange under the symbol OW3.

E3 LITHIUM'S UNIQUE VALUE PROPOSITION

E3 Lithium's project location offers several key advantages: significant resources, access to existing infrastructure, advanced technologies, leading environmental stewardship and a well-established regulatory framework. All of this provides a clear pathway to commercialization as E3 Lithium aims to be one of the first battery-quality lithium projects to market in North America.

MARKET OUTLOOK

According to Benchmark Mineral Intelligence, the near-term global lithium supply is projected to grow by 25% in 2025, while demand is expected to rise by 23% resulting in an anticipated surplus of 83 kt LCE, keeping prices subdued for most of the year. Looking ahead to 2026, the lithium market is forecast to continue experience a surplus of 60kt LCE followed by balanced market conditions in 2027–2028. During this period, macroeconomic challenges and the potential impact of tariffs may limit demand growth[1]. However, a growing sentiment for the necessity to onshore critical minerals production in Canada, the USA and Europe may impact these surplus volumes. Policies from all three jurisdictions indicate domestic production will become an important factor governing the growth of the critical mineral supply chain. While it is hard to predict how policies will impact trade in the future, support for domestically produced battery-quality lithium products is growing. Should upcoming policies limit trade from foreign nations who currently dominate lithium production, there could be a supply deficit for the foreseeable future in Canada, USA and Europe where E3 Lithium will be a reliable and trusted source of domestic lithium supply.

Q1 2025 HIGHLIGHTS

E3 Lithium Produces Battery Quality Lithium Carbonate with Demonstration-Scale Equipment

On January 28, 2025, E3 Lithium announced it had successfully produced battery quality lithium carbonate with a final purity of 99.71% using its demonstration-scale equipment, operated in its laboratory in Calgary. The battery-quality lithium carbonate was made using lithium chloride concentrate produced from the Pilot Operations in 2023. The production process utilized in the laboratory was conducted using the same conditions and equipment planned for the Demonstration Facility.

[1] Benchmark Minerals Intelligence Lithium Market Overview Q1 2025; Benchmark Minerals Intelligence Lithium Forecast Report Q1 2025

E3 Lithium and Imperial Finalize Freehold Mineral Land for E3's Clearwater Project

E3 Lithium and Imperial Oil Limited ("Imperial") entered into a Project Completion Agreement dated February 28, 2025, 2025 (the "Project Completion Agreement") which finalized the rights and lease agreements for the freehold mineral tenure held by Imperial for E3 Lithium's use in its Clearwater Project, pursuant to the Strategic Agreement dated June 22, 2022 and amended May 9, 2024 (the "Strategic Agreement") whereby Imperial has provided a mineral lease for 110 sections of the Imperial freehold interest in the area of the Clearwater Project. The long-term lease has a 10-year primary term with a renewable 10-year term on the mineral title. The Project Completion Agreement supersedes the Strategic Agreement and includes the cancellation of 3,413,979 warrants previously granted to Imperial at a pre-paid price of $1.86 per warrant upon the payment by E3 Lithium of cash consideration in the aggregate amount of $4.1 million. This amount is payable in three installments over the first three quarters of 2025, with the warrants being cancelled in proportion to the installment payments.

Lithium Metal Batteries Produced from Alberta Brines

On March 12, 2025, E3 Lithium and Pure Lithium Corporation ("Pure Lithium") reported that the companies have successfully manufactured more than 80 lithium metal battery cells using lithium concentrate produced by E3 Lithium's brines and DLE technology and Pure Lithium's proprietary Brine to Battery™ technology.

This initial work has focussed on integrating E3 Lithium's concentrate production flow sheet to produce high quality lithium metal batteries.

Several variations of lithium chloride concentrate reflecting specific locations along the E3 Lithium process flow sheet were electrodeposited into lithium metal and evaluated for consistency and purity. From there, batteries were produced to test how the metal performed when assembled into a battery and subjected to rigorous testing for cell performance using industry standard metrics.

Ongoing Financial Support From Federal and Provincial Governments

On March 20, E3 Lithium reported that it had executed the previously announced Contribution Agreement for $4.4 million in non-repayable funding from the Critical Minerals Infrastructure Fund.

Under the Contribution Agreement terms, E3 Lithium will receive reimbursement for 50% of eligible expenditures up to the total $4.4 million allocation. The investment will be used to undertake preconstruction work on the necessary transportation and energy infrastructure to develop the Clearwater Project.

Since 2018, E3 Lithium has been granted an aggregate of $41.9 million in grants from Alberta Innovates, Natural Resources Canada, Strategic Innovation Fund, Emissions Reduction Alberta and Critical Minerals Infrastructure Fund. As at March 31, 2025, approximately 26.1 million remains available grants to be drawn upon. The Company continues to be committed to sourcing non-dilutive funding avenues to fulfill its ongoing capital requirements.

E3 Lithium Continues to Advance Strategic Partnerships & Offtake Agreements

E3 Lithium continues to progress discussions with potential customers in the automotive, battery cathode and battery cell sectors, as well as within the energy and mining space. E3 Lithium's goal is to secure a strategic partner for the project, either through an offtake agreement or through direct project participation. In addition, E3 Lithium is actively engaged in conversations with other industry participants with a focus on advancing our relationships built over the years to secure a partner that values a long-life project within a secure and stable jurisdiction to bolster their value chain or to provide an entry into the lithium industry.

E3 Lithium Updates the Clearwater Project Development Plan and 2025 Demonstration Facility

On February 25, 2025, E3 Lithium released updated development plans for the Clearwater project and the details of the 2025 Demonstration Facility.

Clearwater Project Update: E3 Lithium has been evaluating an amendment to the Clearwater PFS with the goals of reducing the initial capital required and increasing speed to market by shortening the engineering and construction timeframes through two fundamental changes to the design of the Clearwater Project. The initial plant design will focus on the production of battery-quality lithium carbonate vs lithium hydroxide production outlined in the PFS and the Clearwater Project is planned to be built in multiple phases with the first phase having annual production capacity of approximately 12,000 tonnes of LCE. Expansion of the Clearwater Project to the full annual capacity target of approximately 36,000 tonnes of LCE will be developed in future phases.

Demonstration Facility Update: The Company plans to construct a Demonstration Facility (the “Demo Facility”) to demonstrate the operations of continuous brine production to battery-quality lithium carbonate. The Demo Facility will collect continuous data and demonstrate that the process can operate at commercial scale. The battery-quality lithium carbonate can then be provided to potential customers for pre-qualification. The Demo Facility will consist of two DLE systems and a full-size commercial production and injection well pair.

Demo Facility will operate two DLE systems to test various components the system in preparation for commercial development; the first, a small scale 30-column process optimization skid which will operate a valve array and computer control system that mimics the full commercial design from a process operations perspective and the second, a full-size single commercial column which will operate in the same manner and volume as the planned commercial design to confirm recoveries and operating details. In addition, the Demo Facility will drill a production and injection well pair to confirm the productive capacity of the reservoir and test integration with the DLE systems. The design and operation well pair will simultaneously provide confirmation of reservoir performance and the amount of recoverable lithium that will be required for investors in the commercial development.

SUMMARY OF OPERATIONS

Business Development and Marketing

	Three months ended March 31		
	2025	2024	% Change
Business development and marketing	**348**	**531**	(34%)

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 months ended March 31, 2025, business development and marketing expenses were $0.3 million compared to $0.5 million in the same period of prior year due to the timing of marketing spend.

General and Administrative

	Three months ended March 31		
	2025	2024	% Change
General and administrative	**1,642**	1,258	31%

General and administrative expenses were $1.6 million for the three months ended March 31, 2025, compared to $1.3 million in the year prior. General and administrative costs increased relative to the prior year due to higher personnel costs and consulting fees as the Company right sizes its staff in preparation for the Demonstration Facility and Feasibility Study.

Share-Based Compensation

	Three months ended March 31		
	2025	2024	% Change
Share-based compensation	**911**	880	4%

Share-based compensation refers to compensation expenses resulting from the issuance and vesting of equity-based rewards. For the three months ended March 31, 2025, share-based compensation was $0.9 million compared to $0.9 million in the comparable prior year period.

Stock Options

	Stock Options	Weighted Average Exercise Price ($)
Balance, January 1, 2024	4,816,250	2.50
Granted	3,163,000	1.54
Exercised	(200,000)	1.38
Forfeited/expired	(1,017,500)	3.04
Balance, December 31, 2024	6,761,750	2.05
Granted	**986,000**	**0.82**
Forfeited/expired	**(343,750)**	**1.58**
Balance, March 31, 2025	**7,404,000**	**1.54**

On March 7, 2025, the Company repriced all non-executive staff's current and non-exercised stock options. There were 2.1 million stock options with an exercise price between $1.10 to $2.75 revalued to $0.81 per unit. All other terms of the options remain the same. The modification resulted in an increase in incremental fair values ranging from $0.04 to $0.24 per option, which was calculated as the difference between the fair value of the repriced options and the original options at the modification date.

RSUs

	Restricted Share Units	Weighted Average Fair Value per Award ($)
Balance, December 31, 2024	422,000	1.54
Granted	**600,000**	**0.81**
Released	**(190,000)**	**1.58**
Balance, March 31, 2025	**832,000**	**1.01**

PSUs

	Performance Share Units	Weighted Average Fair Value per Award($)
Balance, December 31, 2024	-	-
Granted	**739,600**	**0.81**
Balance, March 31, 2025	**739,600**	**0.81**

Announced on March 7, 2025, The Company granted 509,600 PSUs to staff and 270,000 PSUs to Insiders under the Omnibus Plan. PSUs will vest upon the attainment of Performance Goals, to be achieved during the Performance Period of 24 months and are settled with common shares. No PSU may vest before the date that is one year from the date of grant.

Performance Goals are as follows:

- Successful Demonstration Program
- Securing a Strategic Partner or Off-take Agreement
- Completion of Feasibility Study
- Successful Permitting, Policy and Stakeholder Engagement
- Continued Corporate Financing

Financing Expenses

	Three months ended March 31		
	2025	2024	% Change
Accretion	**3**	3	-
Interest on leases	**17**	12	42%

Financing expenses relate to interest expense from the Company's vehicle, head office, and laboratory leases as well as accretion on its decommissioning obligations from its evaluation wells and field pilot plant. During the prior year, the Company expanded its corporate head office to accommodate growing staff, resulting in a minor increase in lease interest expense.

Depreciation

	Three months ended March 31		
	2025	2024	% Change
Depreciation	**112**	55	>100%

Depreciation in 2025 increased due to office additions from the third and fourth quarter of the prior year, related to the Company's corporate head office expansion.

Other Income

	Three months ended March 31		
	2025	2024	% Change
Interest income	**137**	370	(63%)

The Company recorded interest income of $0.1 million for the three months ended March 31, 2025, as compared to $0.4 million in the prior year period. Interest income results from the Company's short-term savings deposits. For the quarter ended March 31, 2025, the Company had a lower average cash balance compared to the same period in prior year.

Net Loss

The Company incurred a net loss of $2.9 million and $0.04 per common share during the three months ended March 31, 2025, compared to a net loss $2.4 million and $0.03 per common share in the prior year 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 Company's lithium resources
- Property and equipment ("P&E") – corporate assets such as leasehold improvements, computer equipment and software
- Intangible assets – costs incurred to further the Company's proprietary DLE technology

	Three months ended March 31		
	2025	2024	% Change
E&E expenditures	**1,715**	2,713	(37%)
P&E expenditures	**3**	33	(91%)
Intangible asset expenditures	**-**	6	(100%)
Total capital expenditures	**1,718**	2,752	(38%)

E&E expenditures were $1.7 million for the three months ended March 31, 2025, compared to $2.7 million in the comparative prior year period. During the prior year, E&E expenditures primarily related to costs incurred for the Company's PFS which was completed in July 2024. E&E expenditures in the current year relate to equipment, land, and engineering expenditures in preparation for the Company's Demonstration Facility and 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. Internal resources have been reallocated towards the Company's project development resulting in no costs being included in intangible expenditures.

P&E expenditures were minimal for the three months ended March 31, 2025, compared to $0.03 million in the comparative prior year period. The Company incurred higher P&E expenditures in the prior year due to increased headcount resulting in additional computer hardware and office supplies.

Impairment Analysis

As at March 31, 2025, there were no indicators of impairment and the Company does not consider its exploration and evaluation or intangible assets to be impaired.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at March 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a working capital of $11.1 million at March 31, 2025 (December 31, 2024 - $18.1 million). The current working capital reflects the $3.0 million warrant cancellation payment made in the quarter to cancel 2.6 million warrants and $1.0 million warrant liability to cancel the remaining 0.9 million IOL warrants.

During the three months ended March 31, 2025, the Company:

- used \$1.5 million (2024 – \$6.7 million) in operating activities primarily due to increases in general and administrative expenses offset by interest income;
- used \$3.2 million (2024 – \$10.7 million) in investing activities primarily due to early engineering and subcontracting work on the Demonstration Facility and ordering long-lead items;
- used \$2.6 million in financing activities (2024 – generated \$6.7 million) primarily as a result of a \$3.0 million payment for cancellation of 2.6 million warrants with IOL, which is offset by the receipt of government grants in support of the Company's move to commercialization.

As at March 31, 2025, the Company had net cash on hand of \$12.0 million compared to cash on hand of \$19.3 million at December 31, 2024.

Government Grants

Completed

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. The Company has received the full amount of this grant as the final payment was received in 2024 upon completion of the field pilot plant.

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 were used to support the construction and operation of the Company's field pilot plant. The Company has submitted and been reimbursed for eligible expenses throughout the term of the agreement. The Company has received the full amount of this grant as the final payment was received in 2024 upon completion of the field pilot plant.

In Progress

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 March 31, 2025 (December 31, 2024 – nil).

As at March 31, 2025, life-to-date claims under the SIF grant is \$10.3 million (December 31, 2024 - \$9.7 million) and the contingent obligation related to SIF is estimated to be \$14.4 million (December 31, 2024 - \$13.6 million). As at March 31, 2025, there is \$1.3 million in accounts receivable related to SIF grants (December 31, 2024 - \$1.1 million).

Emissions Reduction Alberta ("ERA")

On August 15, 2024, ERA announced a $5 million investment to support E3 Lithium's path to commercialization. The funds are non-dilutive and non-repayable and are reported on a milestone basis. 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.

As at March 31, 2025, there have been no claims submitted to date.

Critical Minerals Investment Fund ("CMIF")
On March 20, 2025, CMIF announced $4.4 million in non-refundable funding to support E3 Lithium's path to commercialization. The Company plans to use the funds to undertake preconstruction work on the necessary transportation and energy infrastructure to develop the Clearwater Project. This includes facilitating electrical connection and substation power studies, transportation assessments, and the associated engagement initiatives, which are key deliverables for supporting the Demonstration Facility and Feasibility Study.

As at March 31, 2025, there has been $0.04 million claimed (December 31, 2024 - nil) and as at March 31, 2025, there is $0.04 million in accounts receivable related to CMIF grants (December 31, 2024 - nil).

Share Capital
The table below summarizes the change in share capital:

Number of Shares	**March 31, 2025**	December 31, 2024
Balance, beginning of period	**75,269,397**	75,069,397
Exercise of stock options and warrants	**-**	200,000
Release of restricted share units	**190,000**	-
Balance, end of period	**75,459,397**	75,269,397

2025
During the three months ended March 31, 2025, the Company issued 0.2 million common shares through the release of restricted share units with a release price of $0.78.

2024
During the year ended December 31, 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.

Warrants
The following table summarizes the change in warrants:

	Warrant (units)	**Weighted Average Exercise Price ($)**
Balance, January 1, 2024	3,752,416	0.32
Balance, December 31, 2024	3,752,416	0.32
Warrant repurchase	**(2,560,484)**	**-**
Balance, March 31, 2025	**1,191,932**	**0.32**

On February 28, 2025, the Company and IOL entered into a Project Completion Agreement to finalize the rights and lease agreements for the freehold mineral tenure held by IOL for the Company's use in its Clearwater Project. The strategic agreement provided a mineral lease for 110 sections of the IOL freehold interest in the Clearwater Project Area with a primary term and renewable 10-year term on the mineral title. The Project Completion Agreement includes the cancellation of 3,413,979 warrants granted to IOL upon the payment of $4.15 million, payable over the first three quarters of 2025. This agreement created a financial liability for the repurchase of the warrants and was recorded in accordance with IFRS 9.

As of March 31, 2025, the Company has paid $3.1 million to IOL and 2.6 million warrants were cancelled.

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 March 31, 2025:

As at March 31,	2025	2026	2027	2028	2029	Thereafter	Total
Office leases (1)	262	353	356	256	129	-	1,356
Mineral license fees	1,805	1,805	1,805	6,961	1,805	14,440	28,621
Total	**2,067**	**2,158**	**2,161**	**7,217**	**1,934**	**14,440**	**29,977**

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

In December 2022, amendments to the Metallic and Industrial Minerals Tenure regulation were approved by Cabinet and 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 from brine-hosted mineral leases with 10-year primary terms and indefinite continuation.

SUBSEQUENT EVENTS

See Warrants

MATERIAL ACCOUNTING ESTIMATES

The Company's material 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

Cash and cash equivalents, trade and other receivables, and trade and other payables, are initially recognized at fair value and subsequently measured at amortized cost. Warrant liabilities are considered financial derivative instruments and included in current liabilities. The Company's financial derivative instruments are classified as financial assets or liabilities at fair value through profit or loss and are reported at fair value with changes in fair value recorded in net income or loss. The carrying value of the Company's financial instruments approximate their fair value due to the relatively short periods to maturity of the instruments.

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 March 31, 2025, 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 March 31, 2025, the Company has positive working capital of $11.1 million (December 31, 2024 - $18.1 million) and does not foresee a shortfall in capital within the next twelve months.

RISK FACTORS

Liquidity and Capital Resources
The Company's development and exploration activities may depend upon the Company's ability to obtain financing through equity financing, debt financing, joint ventures or other means. 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, perceptions of investors and potential joint venture partners 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 Clearwater Lithium Project
The Company's business strategy depends in large part on developing the Clearwater Lithium Project. The capital expenditures and time required to develop the Clearwater Lithium Project are significant and the Company has not yet secured funding that it believes will be sufficient to cover its share of capital expenditure obligations for

the development of the Clearwater Lithium Project. If the Company is unable to develop all or any of its projects, its business and financial condition will be materially adversely affected.

The Company believes that one of the key elements to the successful development of a feasible project in the future is the use of DLE. 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 its financial year ended December 31, 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. The Company’s ability to progress the Clearwater Project is dependent upon its ability to raise financing through equity financing, debt financing, joint ventures or other means in order to progress its upcoming demonstration facility, feasibility study, and move towards a commercial lithium project.

SUMMARY OF QUARTERLY INFORMATION

	Q1 2025	**Q4 2024**	**Q3 2024**	**Q2 2024**
Net loss	**(2,896)**	(2,295)	(2,602)	(2,434)
Net loss per share	**(0.04)**	(0.03)	(0.03)	(0.03)
Total assets	**48,672**	54,968	55,308	55,994
Total liabilities	**3,984**	4,240	2,874	1,686
Common shares outstanding	**75,307,374**	75,269,397	75,269,397	75,269,397

	Q1 2024	**Q4 2023**	**Q3 2023**	**Q2 2023**
Net loss	**(2,369)**	(2,134)	(2,462)	(1,955)
Net loss per share	**(0.03)**	(0.03)	(0.04)	(0.03)
Total assets	**59,000**	61,987	62,650	41,124
Total liabilities	**3,061**	4,835	4,377	3,619
Common shares outstanding	**75,269,397**	75,069,397	74,750,647	67,518,665

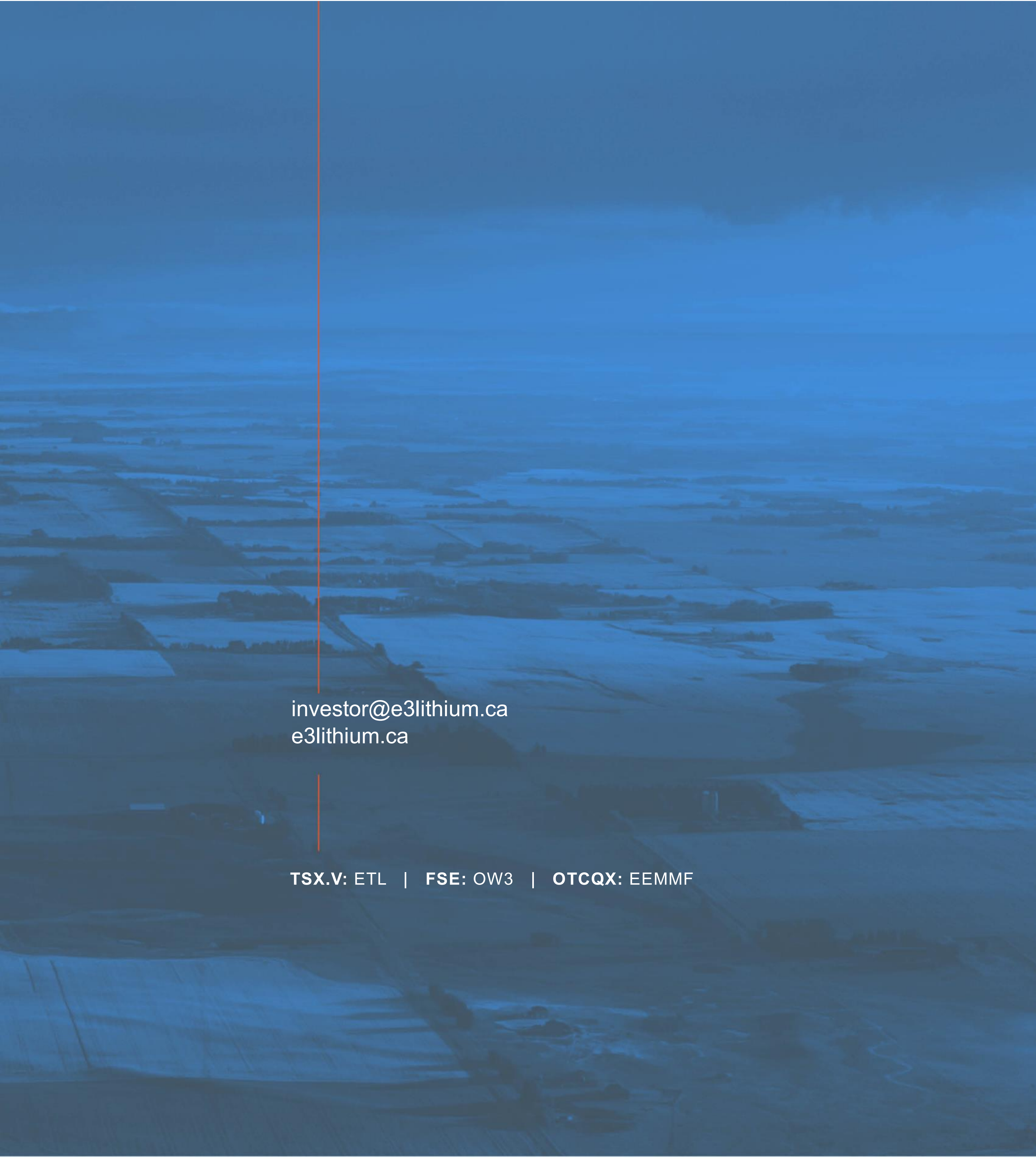
SELECTED ANNUAL INFORMATION

	2024	2023	2022
Net loss	**(9,700)**	(9,044)	(6,944)
Loss per share	**(0.13)**	(0.13)	(0.12)
Total assets	**54,968**	61,987	36,101
Total liabilities	**4,240**	4,835	2,629
Capital expenditures	**10,023**	15,622	14,074

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information included in this MD&A may constitute forward-looking statements. Generally, forward-looking statements can be identified by the use of forward-looking language such as “plans”, “expects”, “budgets”, “schedules”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “proposed”, “potential” or variations of such words and phrases, and statements that certain actions, events or results “may”, “could”, “would”, “might”, “will be taken”, “will occur” or “will be achieved”. Statements concerning “mineral resource” or “mineral reserve” estimates (within the meaning of NI 43-101) may also be deemed to be forward-looking information to the extent that they involve estimates of mineralization. Forward-looking statements are based on the opinions and estimates of E3 Lithium as of the date such statements are made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of E3 Lithium to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to, risks related to: 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 capital through equity financing, debt financing, joint ventures or other means in order to meet its milestones, conduct its planned exploration programs and to continue exploration and development on its properties; the failure to discover any significant amounts of lithium or other minerals on any of 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 deceases 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 as well as the risks discussed in the annual information form of the Company (“AIF”) under the heading “Risk Factors”. The risks discussed in this MD&A and in the AIF are not exhaustive of the factors that may affect any of the forward-looking statements.

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.



investor@e3lithium.ca
e3lithium.ca

TSX.V: ETL | **FSE:** OW3 | **OTCQX:** EEMMF

E3 LITHIUM