

This is the form of material change report required under Section 85(1) of the Securities Act.

BC FORM 51-102F3
(formerly Form 53-901F)

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

E3 Metals Corp.
Suite 2050 – 1055 West Georgia Street
Vancouver, BC V6E 3P3
(604) 684-2181

Item 2. Date of Material Change

July 18, 2017

Item 3. Press Release

Issued on July 18, 2017, at Vancouver, BC Canada

Item 4. Summary of Material Change

E3 METALS CORP announces that it has initiated the first round of sampling (the "Sampling Program") for lithium at active oil and gas wells across the Company's Alberta Lithium Project permit areas. The Company has also arranged a non-brokered private placement to raise gross proceeds of up to \$902,000 (the "Offering").

Item 5. Full Description of Material Change

Please see attached press release.

Item 6. Reliance on Section 85(2) of the Act

N/A

Item 7. Omitted Information

None

Item 8. Senior Officers/Directors

The following senior officers/directors of the Issuer are knowledgeable about the material change and may be contacted by the Commission at the address and telephone number:

Peeyush Varshney
Director
Suite 2050 – 1055 West Georgia St.

Chris Doornbos
President, CEO & Director
PO BOX 61187

Vancouver, BC
V6E 3P3
(604) 684-2181

Calgary, AB
T2N 4S6
(587) 324 2775

Item 9. Statement of Senior Officer/Director

The foregoing accurately discloses the material change referred to herein.

Dated this 18th day of July, 2017.

“Peeyush Varshney”

Peeyush Varshney
Name

Director
Position / Title

Vancouver, B.C.
Place of Declaration

E3 Metals Corp. Begins Well Sampling Program Testing for Lithium and Announces Non-Brokered Private Placement of up to \$902,000

Highlights

- E3 Metals has initiated the first round of sampling of Petro-Brine for lithium at active oil and gas producing wells across the Alberta Lithium Project permit area
- E3 Metals is collaborating with multiple oil and gas producers who have provided access and their assistance in the collection of the samples
- Details of the Private Placement:
 - Up to 670,000 flow-through common shares of the Company (“**Flow-Through Shares**”) at a price of \$.60 per Flow-Through Share.
 - Up to 1,000,000 non flow-through common shares of the Company (“**Common Shares**”) at a price of \$.50 per Common Share.

Vancouver, BC – July, 18 2017 – E3 METALS CORP. (TSX-V: ETMC, FSE: OU7A) (the “**Company**” or “**E3 Metals**”) is pleased to announce that it has initiated the first round of sampling (the “**Sampling Program**”) for lithium at active oil and gas wells across the Company’s Alberta Lithium Project permit areas. The Company has also arranged a non-brokered private placement to raise gross proceeds of up to \$902,000 (the “**Offering**”).

The initial Sampling Program will begin this week and is expected to continue on an on-going basis for the next 2 to 3 months. The Company is focused on sampling areas to confirm the historic results reported in E3 Metals’ Technical Report dated May 18, 2017 *Geological Introduction to E3 Metals Corp. Clearwater and Exshaw Lithium-Brine properties In South Central Alberta*, authored by Apex Geoscience Ltd. (available on SEDAR and on the Company’s website at e3metalscorp.com). This will be an important component of the information required to assist E3 Metals with completing an initial Mineral Resource estimate, as defined by National Instrument 43-101. E3 Metals will also be sampling portions of the Leduc Reservoir that are not proximal to historic results and have yet to tested for lithium.

The Company has been provided access by several operators to wells and batteries for collection of petro-brine samples to determine the concentration of lithium contained within. The Sampling Program is occurring at multiple locations within the Company’s Metallic and Industrial Minerals (MIM) Permit area. After the samples are collected in the field, they will be transported to accredited laboratories for analytical tests. The first results from the Sampling Program are expected to be available within 6 to 8 weeks. E3 Metals would like to thank the operators collaborating with the Company in relation to the Sampling Program.

The Offering will consist of a combination of (a) up to 670,000 Flow-Through Shares at a price of \$.60 per Flow-Through Share and (b) up to 1,000,000 Common Shares at a price of \$.50 per Common Share. The Company has reserved a 15% oversubscription option.

In connection with the Offering, the Company has agreed to pay finders (“**Finders**”) a cash fee in an amount up to 7.0% of the gross proceeds of the Offering (the “**Finder’s Fee**”), to be paid at closing out of the gross proceeds raised from the non flow-through portion of the Offering. As additional consideration, the Company will grant to the Finders common share purchase warrants (the “**Finder’s Warrants**”) entitling the Finders to subscribe for up to that number of common shares equal to 10.0% of the aggregate number of Flow-Through Shares and Common Shares sold in the Offering. Subject to regulatory approval, each Finder’s Warrant will be exercisable to acquire one common share of the Company at a price equal to \$.50 for a period of 12 months after the closing date of the Offering, subject to acceleration. If at any time between the Finder’s Warrants’ expiry date and the date that is four months and one day from the closing date, the closing price of the Company’s common shares on the TSX Venture Exchange is equal to or greater than \$.80 for 20 consecutive trading days, then the Company may, at its sole option, elect to provide notice (the “**Acceleration Notice**”) to the holders of the Finder’s Warrants by news release that the Finder’s Warrants will expire at 4:00pm Pacific Time on the date that is 30 days from the Acceleration Notice (the “**Accelerated Expiry Date**”). In such instance, all Finder’s Warrants that are not exercised prior to the Accelerated Expiry Date shall expire on such date. This acceleration provision matches the acceleration provision applicable to share purchase warrants issued under the Company’s last private placement.

The net proceeds received from the Offering will be used, in part, to advance the timing of the Company’s plans to complete a Mineral Resource estimate and for the research and development of potential lithium extraction technology. The gross proceeds received by the Company from sale of the Flow-Through Shares will be used to incur Canadian Exploration Expenses that are “flow-through mining expenditures” (as such terms are defined in the *Income Tax Act* (Canada)) on the Company’s mineral properties in the aggregate amount equal to the total amount of the gross proceeds raised from the issue of Flow-Through Shares (the “**Commitment Amount**”). The Company will renounce these expenses pursuant to subsection 66(12.6) in conjunction with subsection 66(12.66) of the *Income Tax Act* (Canada) to the subscribers in an amount equal to the Commitment Amount with an effective date no later than December 31, 2017. The net proceeds from the sale of the Common Shares will be used to finance the Company’s petro-brine properties in south-central Alberta and for general working capital purposes. All securities issued under the Offering will be subject to a four-month hold period from the date of issue in accordance with applicable securities laws. The Offering is subject to acceptance of the TSX Venture Exchange.

ON BEHALF OF THE BOARD OF DIRECTORS,

Chris Doornbos, President & CEO

E3 METALS CORP.

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.

This news release includes certain forward-looking statements concerning the use of proceeds of the Offering, the future renunciation of Canadian Exploration Expenses that are flow-through mining expenditures, the tax treatment of the Flow-Through Shares, the future performance of our business, its operations and its financial performance and condition, 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 future tax treatment of the Flow-Through Shares, 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.