# E3 LITHIUM LTD.

# ANNUAL INFORMATION FORM

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

**April 24, 2025**

## TABLE OF CONTENTS

**Page**


**EXPLANATORY NOTES** ..... 1
**CORPORATE STRUCTURE** ..... 3
**GENERAL DEVELOPMENT OF THE BUSINESS** ..... 4
**BUSINESS OF THE COMPANY** ..... 13
**RISK FACTORS** ..... 20
**DIVIDENDS AND DISTRIBUTIONS** ..... 34
**DESCRIPTION OF CAPITAL STRUCTURE** ..... 34
**MARKET FOR SECURITIES** ..... 39
**SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER** ..... 40
**DIRECTORS AND OFFICERS** ..... 40
**PROMOTERS** ..... 43
**LEGAL PROCEEDINGS AND REGULATORY ACTIONS** ..... 43
**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS** ..... 44
**TRANSFER AGENT AND REGISTRAR** ..... 44
**MATERIAL CONTRACTS** ..... 44
**INTERESTS OF EXPERTS** ..... 44
**ADDITIONAL INFORMATION** ..... 45
**APPENDIX "A" GLOSSARY OF TERMS** ..... A-1
**APPENDIX "B" SUMMARY FROM THE CLEARWATER PFS TECHNICAL REPORT** ..... B-1
**APPENDIX "C" SUMMARY FROM THE ESTEVAN TECHNICAL REPORT** ..... C-1

## EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form (the "**Annual Information Form**" or "**AIF**") is stated as at April 24, 2025. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars and references to "US$" are to U.S. dollars.

The information presented herein reflects the details of the financial year ended December 31, 2024 of E3 Lithium Ltd. ("**E3 Lithium**" or **"E3"** or the "**Company**"). Unless otherwise noted or the context otherwise indicates, the "Company", "we", "us" and "our" refer to E3 Lithium Ltd.

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the "Glossary of Terms" at Appendix "A" of this Annual Information Form.

### Scientific and Technical Information

The scientific and technical information relating to the Clearwater Project set forth in this AIF has been derived from or is based on the technical report entitled "Clearwater Project, NI 43-101 Technical Report on Pre-Feasibility Study, Bashaw District Mineral Property, Central Alberta, Canada" with an effective date of June 20, 2024 and prepared by Daron Abbey, M.Sc., P.Geo. and Alex Haluszka, M.Sc., P.Geo. of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.), Meghan Klein, P.Eng. of Sproule Associates Ltd., Antoine Lefaivre, P. Eng., of Sedgman Canada Ltd., and Keith Wilson, P.Eng. of Stantec Inc. (the "**Clearwater PFS Technical Report**").

Attached as Appendix "B" to this Annual Information Form is the summary contained in the Clearwater PFS Technical Report, which has been conformed (in certain instances) to be consistent with other disclosure within this AIF. The Clearwater PFS Technical Report is incorporated by reference into this AIF and should be consulted for details beyond those summarized, compiled or extracted herein. The Clearwater PFS Technical Report was filed SEDAR+ on July 29, 2024 and is accessible under the Company's profile at www.sedarplus.ca.

The scientific and technical information relating to the Estevan Lithium District set forth in this AIF has been derived from or is based on the technical report entitled "Estevan Lithium District Resource Estimate, NI 43-101 Technical Report" with an effective date of May 23, 2024 and prepared by Alex Haluszka, M. Sc., P. Geo., and Jason Clarke, B.Sc., P. Geo., of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.) (the "**Estevan Technical Report**").

Attached as Appendix "C" to this Annual Information Form is the summary contained in the Estevan Technical Report, which has been conformed (in certain instances) to be consistent with other disclosure within this AIF. The Estevan Technical Report is incorporated by reference into this AIF and should be consulted for details beyond those summarized, compiled or extracted herein. The Estevan Technical Report was filed SEDAR+ on June 11, 2024 and is accessible under the Company's profile at www.sedarplus.ca.

The brine-hosted mineral licenses in the Bashaw District also include the Nisku formation in the Woodbend group. The Company has confirmed that lithium is present in the Nisku formation but has not yet pursued further technical evaluation or development plans for that resource as of the issuance of this AIF.

For the purposes of mineral project disclosure required to be included in this AIF, the Clearwater Project is the Company's current most active and advanced project area. Unless otherwise indicated, Kevin Carroll, P.Eng., CDO of E3 Lithium and a "qualified person" within the meaning of NI 43-101, has reviewed and is responsible for the technical information contained in this Annual Information Form. Mr. Carroll is not "independent" of E3 Lithium within the meaning of NI 43-101, as he serves as the Chief Development Officer ("CDO") of the Company.

**Forward-Looking Statements**

Except for statements of historical fact relating to the Company, certain information included in this AIF 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: E3 Lithium's ability to effectively implement its planned exploration programs; unexpected events and delays in the course of E3 Lithium's exploration and drilling programs; changes in project parameters as plans continue to be refined; the ability of E3 Lithium to raise capital through equity financing, debt financing, joint ventures or other means as is necessary 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 E3 Lithium's properties; the fact that E3 Lithium'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 E3 Lithium'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 E3 Lithium's

properties; risks inherent in the mineral exploration and development business; the uncertainty of the requirements demanded by environmental agencies; E3 Lithium'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 E3 Lithium's business; and other risks related to mining activities and E3 Lithium's business as may be disclosed in the Company's continuous disclosure filings from time to time. Although E3 Lithium has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements in this AIF, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 contained in this AIF. E3 Lithium does not undertake to update any forward-looking statements except in accordance with applicable securities laws.

### Presentation of Financial Information

The Company presents its financial statements in Canadian dollars. All dollar figures in this Annual Information Form are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Annual Information Form relating to the Company have been prepared using IFRS.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on August 19, 1998 under the name BCY Ventures Inc. under the *Business Corporations Act* (British Columbia). On September 20, 2000, the Company changed its name from "BCY Ventures Inc." to "BCY LifeSciences Inc.". At the Company's annual general meeting held on July 27, 2007, the Company received shareholder approval to change its name from "BCY LifeSciences Inc." to "BCY Resources Inc.".

On March 16, 2011, the Company changed its name from "BCY Resources Inc." to "Mexigold Corp." and consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares.

On August 22, 2016, the Company changed its name from "Mexigold Corp." to "Savannah Gold Corp.". 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.

On May 30, 2017, the Company completed a Fundamental Acquisition (as that term is defined in the policies of the TSXV) with 1975293 Alberta Ltd. ("**Alberta Co**"), whereby all outstanding securities of Alberta Co were exchanged for securities of the Company pursuant to a Definitive Share Exchange Agreement dated May 8, 2017. In connection with the Fundamental Acquisition the Company changed its name from "Savannah Gold Corp." to "E3 Metals Corp.".

On January 17, 2022, the Company effected a continuance from British Columbia to Alberta under the provisions of the *Business Corporations Act* (British Columbia) and *Business Corporations Act* (Alberta), respectively.

On July 8, 2022, the Company changed its name from "E3 Metals Corp." to "E3 Lithium Ltd." In connection with the change of name, the Company changed its trading symbol from "ETMC" to

"ETL".

The Company's Common Shares are listed for trading on the TSXV under the trading symbol "ETL". The Company is a reporting issuer in all provinces and territories of Canada. The principal regulator of the Company is the Alberta Securities Commission.

The head office of the Company is located at 1520 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, Canada and the registered and records office of the Company is located at 525-8th Avenue S.W., 43rd Floor, Eighth Avenue Place East, Calgary, Alberta, T2P 1G1.

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares without par value, of which 75,459,397 Common Shares are issued and outstanding as fully paid and non-assessable.

**Intercorporate Relationships**

The following table sets forth the relationships among the Company and its subsidiaries, the percentage of votes attaching to all voting securities of its respective subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Company, as well as their respective jurisdictions of incorporation, continuance, formation or organization.

| Name of Subsidiary | Place of Incorporation | Ownership Interest |
|---|---|---|
| 1975293 Alberta Ltd. | Alberta | 100% |
| 2437798 Alberta Ltd. (1) | Alberta | 100% |
| Mexigold Resources SA de CV ("**MAU Mexico**")(1) | Mexico | 100% |

(1) Inactive and has no assets.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

*Financial year Ended December 31, 2022*

On January 4, 2022, the Company announced the appointment of John Pantazopoulos as Chair of the Board of Directors and the resignation of Elizabeth Lappin as VP Exploration & Corporate Development.

On January 11, 2022, the Company announced the results of the first 50-cycle test performed using the Lab Pilot Plant. A single batch of the Company's proprietary Direct Lithium Extraction ("**DLE**") sorbent was used to complete the 50-cycle test. Each cycle consisted of a lithium extraction step, flowing raw brine from the Leduc Aquifer, a rinse step, and a desorbent step that stripped the lithium from the sorbent to produce a highly concentrated lithium solution. Results showed cumulative lithium extraction recoveries from the first cycle to the last cycle varied by less than 2%. Peak lithium recoveries reached up to 97% consistent with the Company's initial tests

in December 2021.

On January 19, 2022, Enhance Energy ("**Enhance**"), a carbon management company, announced its Origins Project, a proposed carbon sequestration hub located near one of E3 Lithium's project areas, providing a local sequestration option for the Company. E3 Lithium and Enhance collaborated on the proposed development of carbon sequestration as it relates to lithium production and as a potential location for any CO2 sequestration by E3 Lithium, should the Company select this option, and included an evaluation of both technical and regulatory synergies for both Enhance and E3 Lithium.

On January 27, 2022, the Company announced its drilling program to complete up to three lithium evaluation wells in Alberta. These were the first wells drilled for the specific purpose of evaluating lithium in the province. The wells were located within the Clearwater Lithium Project area to determine the optimal location for commercial operations with the intent to upgrade the resource to "measured" and "indicated" (as such terms are defined in NI 43-101).

On March 8, 2022, the Company announced that it had completed a seismic interpretation across the Clearwater Lithium Project area as part of the development of its Aquifer Management Plan.

On March 27, 2022, the Company announced the addition of Leigh Clarke as Director of Corporate Strategy and Sustainability.

On March 22, 2022, the Company announced it had received $500,000 from Alberta Innovates following completion of the Lab Pilot Plant, representing achievement of the first milestone under the Alberta Innovates Grant. As of the date hereof, the Company had received an aggregate $1,050,000 of the total $1.8 million grant.

On April 6, 2022, the Company announced that it had engaged several specialty equipment providers to evaluate manufacturing methods for its proprietary ion-exchange sorbent used as part of its DLE process.

On April 21, 2022, the Company announced that it had engaged an engineering firm to begin the design work for its Field Pilot Plant which would utilize E3 Lithium's proprietary sorbent.

On June 8, 2022, the Company announced it had been granted its license for the first brine production well in Alberta for the purpose of evaluating lithium. The well was completed in Clearwater Lithium Project area.

On June 23, 2022, the Company announced a collaboration with Imperial Oil Limited ("**Imperial**") to advance a lithium-extraction pilot in Alberta (the "**IOL Investment**"). In connection with the IOL Investment, Imperial agreed to invest $6.35 million in the Company and the Company issued 3,413,979 non-transferable Warrants to Imperial (the "**IOL Warrants**") at a pre-paid price of $1.86 per IOL Warrant, with each IOL Warrant exercisable to acquire one Common Share for no additional consideration for a period of two years from the date of issuance. In connection with the IOL Investment the Company paid a finder's fee comprising a cash payment of $79,375 and the issuance of 128,024 Common Shares.

On June 24, 2022, the Company announced it had started drilling the first lithium evaluation well in Alberta.

On June 27, 2022, the Company announced a grant of 1,810,000 Options (as defined below) with an exercise price of $2.67 per Option to certain directors, officers and employees of the Company under the Stock Option Plan (as defined below).

On June 29, 2022, the Company announced the successful completion of its first battery through a collaboration with Pure Lithium, using lithium produced from E3's DLE technology to create the lithium metal that was used to produce a pouch cell battery.

On July 4, 2022, the Company announced its change of name from "E3 Metals Corp." to "E3 Lithium Ltd." and the change of trading symbol from "ETMC" to "ETL", to take effect on July 8,. 2022.

On July 11, 2022, the Company announced the increase in its inferred mineral resource to 23.4 million tonnes of lithium carbonate equivalent (LCE) contained within the newly-named Bashaw District. The Bashaw District combines and expands the Clearwater Lithium Project and Exshaw West Property areas into a consolidated resource that contains an estimated total of 59 billion m3 (59 km3) of brine formation water at an average grade of 74.5 milligram/litre (mg/L) lithium.

On July 20, 2022, the Company announced drilling of its first well had been completed.

On July 28, 2022, the Company announced the successful manufacture of its first quantity of continuously produced, commercial scale sorbent.

On September 20, 2022, the Company announced that it had acquired a third-party well in its Clearwater Lithium Project area within the Bashaw District.

On October 4, 2022, the Company announced it had acquired the Clearwater Project Gross Overriding Royalty (the "**Royalty**"). The Royalty was negotiated in 2016 during the original amalgamation of the Company's permits in the Clearwater Lithium Project area within the Bashaw District.

On October 27, 2022, the Company announced that it had completed a production test on its first well in the Clearwater Lithium Project area within the Bashaw District in order to confirm the production feasibility of lithium-rich brine from the Company's resource located in the Leduc Reservoir.

On November 10, 2022, the Company announced the sample results from its first well, which demonstrated lithium concentrations within a previously untested area of the Leduc Aquifer.

On November 28, 2022, the Company announced that it had received a $27 million investment from the Government of Canada's Innovation, Science and Economic Development's Strategic Innovation Fund ("**SIF**").

*Financial year Ended December 31, 2023*

On January 4, 2023, the Company announced sample results from its second well, located approximately 20 kilometers south of the first well in the Clearwater Lithium Project area in the Bashaw District and drilled in the summer of 2022.

On January 19, 2023, the Company announced the results from its third and final well associated with the inaugural 2022 drill program.

On January 25, 2023, the Company announced it has acquired the last remaining tenure for metallic and industrial minerals in the Exshaw West Property area of the Bashaw District.

On February 2, 2023, the Company announced updates on the Field Pilot Plant, including the completion of preliminary engineering, location selection and the commissioning of final engineering and design work.

On March 7, 2023, the Company announced it was awarded $3.5 million in funding through the Critical Minerals Research, Development and Demonstration program of Natural Resources Canada. The funds are non-dilutive and non-repayable and are expected to be used to support the construction and operation of the Field Pilot Plant.

On March 21, 2023, the Company announced the upgrade of its mineral resource within the Bashaw District to “measured” and “indicated” (as such terms are defined in NI 43-101). The mineral resource upgrade includes 6.6 million tonnes (Mt) of LCE measured and 9.4 Mt of LCE indicated within the Bashaw District.

On April 11, 2023, the Company announced that it has received approval from the Alberta Energy Regulator (the “**AER**”) for the Field Pilot Plant.

On April 17, 2023, the Company announced that Kevin Carroll has joined the Company as the Chief Development Officer (“**CDO**”) and will be responsible for the technical, process and project management aspects for E3 Lithium as the Company continues developing the commercial lithium facility in Alberta.

On April 20, 2023, the Company filed its NI 43-101 Technical Report: Lithium Resource Estimate, Bashaw District Project, Central Alberta. The qualified persons for the report are Daron Abbey, M.Sc., P.Geo and Alex Haluszka, M.Sc., P.Geo of Matrix Solutions Inc. and Peter Ehren, M.Sc. AusIMM of Ehren-González Limitada.

On May 16, 2023, the Company began field pilot plant site construction with a focus on the installation and operation of the downhole equipment in preparation for brine production for the pilot. The Company also planned to conduct a pre-pilot reservoir test to further understand the reservoir fluid characterization for future development work. The site was also graded and prepared in advance of equipment arriving.

On May 30, 2023, the Company entered into an underwriting agreement with Red Cloud Securities Inc., as lead underwriter and sole bookrunner, and Eight Capital (the “**June Underwriting Agreement**”), pursuant to which the underwriters had agreed to purchase for resale 2,222,222 common shares of the Company at a price of $2.25 per Common Share on a “bought deal” basis for gross proceeds of $5,000,000. The Company had granted to the underwriters an option, exercisable for a period of 30 days after and including the closing date of the offering, to purchase for resale up to an additional 15% of the Common Shares sold in the offering at a price of $2.25 per Common Share to raise additional gross proceeds of up to $750,000 to cover over-allotments, if any, and for market stabilization purposes.

On June 8, 2023, the Company closed the “bought deal” public offering as previously announced on May 30, 2023, for gross proceeds of $5,623,837 including partial exercise of the overallotment option for proceeds of $623,837. In total, the Company issued 2,499,483 Common Shares at a price of $2.25 per Common Share.

The offering was led by Red Cloud Securities Inc. and included Eight Capital, with institutional participation accounting for the majority of the offering. There was strong participation from E3 Lithium directors, officers and staff which represented $312,499 of the total offering.

Pursuant to the June Underwriting Agreement, the underwriters received a cash commission of $318,080, equal to 6.0% of the gross proceeds less insider participation raised under the offering, and also received 141,369 non-transferable broker warrants of the Company equal to 6.0% of the number of gross shares issued less insider participation. Each broker warrant entitles the holder to purchase one Common Share at a price of $2.25 per share for a period of 24 months from the date of issuance.

On June 14, 2023, the Company outlined key performance indicators (“KPIs”) for its DLE Plant. The KPIs included: i.) Lithium Recovery: The basis for including ≥ 80% lithium recovery is that it enables E3 Lithium to maximize the value of each unit of brine brought to surface.; ii.) Lithium Concentrate Quality: The quality of the product stream, or concentrate, containing lithium ≥ 600 mg/L with low impurities (≥ than 25% lithium in the product stream) outlines a high lithium to impurity ratio that enables simplified and conventional downstream refining into battery quality lithium hydroxide.; iii.) Flow Rate: The flow rate ratio is a measure of the rate at which the lithium can be extracted from the brine within a fixed capacity. The higher the ratio, the smaller the DLE commercial plant required, which is a proxy for the capital costs of this system.

On June 27, 2023, the Company received a $375,000 progress payment from Alberta Innovates and announced that it claimed a total of $7.0 million from all reimbursable and non-reimbursable grants to date. On April 6, 2021 the Company was awarded a $1.8 million non-repayable grant to assist in the scale-up of its DLE technology and field pilot plant. The Company had received $1.425 million of the $1.8 million as at June 27, 2023.

On July 6, 2023, the Company announced the selection of Fluor Corporation as its prime Engineering, Procurement and Construction (EPC) company to lead its Pre-Feasibility Study (PFS) for the Clearwater commercial project.

On August 3, 2023 the Company announced that a DLE skid arrived on site on Wednesday, August 2, signaling the completion of construction of the DLE field pilot plant.

On August 23, 2023, the Company announced it had successfully produced lithium carbonate, the last major step in a conventional process before conversion to battery quality lithium hydroxide monohydrate (LHM). The Company engaged a major lithium refining technology and equipment vendor to develop the downstream lithium production processes in preparation for the upcoming Pre-Feasibility Study.

On August 29, 2023, the Company announced that commissioning of its DLE field pilot plant was complete and operations had begun. The operations began with running the DLE processes at different system parameter settings to determine the most efficient extraction of lithium, guided by the KPIs outlined on June 14, 2023.

On September 12, 2023, the Company provided an overview of its ownership of strategic assets in Saskatchewan, Canada. The Company stated that it owned mineral permits to approximately 258 sections, or 66,800 hectares, in southeast Saskatchewan, which secured the exploration and development rights to the subsurface lithium in brine resource located in the Duperow Formation. E3 Lithium’s contiguous land position is approximately 15 kilometers north of the U.S. border.

E3 Lithium's lands sit strategically in the center of the Estevan area, surrounded by land held by other leading Saskatchewan lithium explorers. The lithium exploration near E3 Lithium's land holding saw positive advancements, including resource updates, lithium sampling and reservoir testing. The lithium concentrations in the Duperow were reported to be as high as 191 mg/L. Recent business activity in the area demonstrated project valuations between $40 million to $70 million.

On September 15, 2023, the Company provided a preliminary update on the DLE technology results at its field pilot plant. The internal analysis of the first of the three tests were: i.) initial lithium recovery >94%; ii.) Purity of concentrate >80%; and iii.) average lithium grade in concentrate of 884 mg/L.

On September 18, 2023, the Company entered into an underwriting agreement with Eight Capital, as lead underwriter and sole bookrunner, and Echelon Wealth Partners Inc. (the "**September Underwriting Agreement**"), pursuant to which the underwriters agreed to purchase for resale 5,640,000 Common Shares of the Company at a price of $3.55 per Common Share on a "bought deal" basis for gross proceeds of $20,022,000. The Company granted to the underwriters an option, exercisable for a period of 30 days after and including the closing date of the offering, to purchase for resale up to an additional 15% of Common Shares at a price of $3.55 per Common Share to cover over-allotments, if any, and for market stabilization purposes.

On September 26, 2023, the Company announced that it closed the "bought deal" public offering of 6,486,000 Common Shares previously announced on September 18, 2023, for gross proceeds of $23,025,300, including full exercise of the overallotment option for proceeds of $3,003,300.

The Offering was led by Eight Capital and included Echelon Wealth Partners Inc. Pursuant to the September Underwriting Agreement, the underwriters received a cash commission of 5.0% of the gross proceeds of the offering, and non-transferable broker warrants of the Company, equal to 5.0% of the number of gross shares issued. Each broker warrant entitled the holder to purchase one Common Share of the Company at a price of $3.55 per share for a period of 24 months from the date of issuance. Eight Capital received a cash commission of $978,575 and 275,655 broker warrants. Echelon received a cash commission of $172,690 and 48,645 broker warrants.

On October 3, 2023, the Company announced the appointments of Suzanne Patrick and Justin Jimmy, along with the return of the Honourable Brad Wall, to E3 Lithium's Advisory Committee.

On October 4, 2023, the Company held an Investor Day with investors and interested parties.

On October 18, 2023, the Company reported it had completed the series of three optimized tests at its DLE Field Pilot Plant with results surpassing KPIs. The pilot continued to operate with the selected optimized test to confirm the results, while also producing lithium concentrate for further lithium production testing. The differences between each test included changes in the operating conditions to optimize the cycle time (the amount of time the sorbent was exposed to the brine), flow rate ratio and the duration of each cycle.

While the conditions of Test 1 resulted in the best product quality (higher lithium concentration and lower impurities), Test 2 was able to achieve the highest flow rate ratio and optimized cycle duration. While the product quality of Test 2 was lower, it was still significantly greater than the KPI success criteria and a preferable trade-off from a commercial design perspective. The average main impurities in the Test 2 product stream included: Na: 76.5 mg/L, K: 11.2 mg/L, Ca: 59.2 mg/L, Mg: 10.1 mg/L, Mn:0.2 mg/L mg/L, Sr: 1.5 mg/L and B 68.8mg/L.

On October 24, 2023, the Company announced the addition of Alexandra Cattelan to its Board of Directors. Concurrent with the appointment of Ms. Cattelan, Peeyush Varshney agreed to step down from E3 Lithium's Board of Directors.

On October 31, 2023, the Company announced it had successfully produced 99.78% pure battery quality Lithium Hydroxide Monohydrate (LHM).

On November 7, 2023, the Company reported it had completed field testing of its proprietary DLE technology at its pilot plant which met and exceeded its KPIs. E3 Lithium's DLE system demonstrated to achieve a high lithium recovery at much higher flow rate ratios. A higher flow rate ratio could have a significant positive economic impact on the design of a commercial facility for a given recovery. The concentration of lithium and that of the impurities varied throughout the testing based on what the system was testing for, . However, the relative impurities generally had a smaller impact on the potential costs. The information gathered would enable E3 Lithium to continue to optimize the quality of E3 Lithium's DLE concentrate, and is the Company anticipated the team would improve the purity of the concentrate.

On November 27, 2023, the Company announced the movement of Robin Boschman into the role of Director, Investor Relations and Corporate Communications, and Paul Godley as a Senior Project Director responsible for the execution of the Clearwater Lithium Project.

*Financial year Ended December 31, 2024*

On January 25, 2024, the Company announced the discovery of higher lithium concentrations in the Nisku Aquifer (the "**Nisku**") through a new six well sampling program conducted late in 2023. E3 Lithium sampled brine in the Nisku from six well locations in its Clearwater Lithium Project Area that outlined lithium concentrations as high as 87 mg/L. These results are from the first Nisku samples in the Clearwater Lithium Project area, and are higher than the historic Nisku samples, which outlined lithium grades up to 75 mg/L.

On February 20, 2024, the Company announced it was proceeding with third-party DLE technology for its first commercial facility and would continue to pursue the development of its proprietary technology for subsequent commercial facilities.

In selecting the technology for its first commercial facility, E3 Lithium prioritized, above all else, the most viable path to commercial operations with the most attractive economics. Other important factors included the ability for the third party to provide a performance guarantee, the commercial readiness of the technology and the operability of the processes. These factors became paramount as all DLE technologies tested produced the required technical results and lithium concentrate solutions suitable for downstream refining into battery-grade lithium. As a result, E3 Lithium decided to proceed with using third-party technology at its first commercial facility as the best option to meet the Company's goals. Selecting third-party technology with advanced commercial readiness would support E3 Lithium's commercialization plans in the near term.

On March 5, 2024, the Company announced that the Honourable Sonya Savage, former cabinet minister and Minister of Energy and Minerals for the Province of Alberta, joined the Company's Board of Directors.

On April 2, 2024, the Company announced it had received the final progress payment of $375,000 from Alberta Innovates, which was part of a larger $1.8 million non-repayable grant awarded in 2021.

On April 10, 2024, the Company announced that two of its collaborations with post-secondary institutions – McMaster University and the University of Alberta – were successful in receiving federal Natural Sciences and Engineering Research Council of Canada funding to progress research aimed at enhancing lithium brine production methodologies and the performance of lithium-ion batteries.

On May 9, 2024, the Company 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.

On May 13, 2024, the company announced an update to its agreement with IOL. As part of E3 Lithium and Imperial's continued collaboration under the agreement first announced in June 2022, the two companies agreed to increase access to additional freehold lands across the Clearwater Area. The Company also agreed to extend the term of the 3,413,979 outstanding IOL Warrants to be exercisable until July 8, 2025.

On May 23, 2024, the Company announced 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.

On June 4, 2024, the Company announced the nomination of Tina Craft to its Board of Directors, subject to election at the Annual General Meeting on July 16, 2024.

On June 26, 2024, the company announced the completion of its Pre-Feasibility Study (PFS) for its Clearwater Project, located in south-central Alberta. 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. As well, the PFS outlines the detailed process to produce battery grade lithium hydroxide and positions the Clearwater Project as a sustainable source of lithium in the stable and reliable jurisdiction of Alberta.

On July 17, 2024, the Company announced that all items of business were approved at its annual general and special meeting of shareholders held on July 16, 2024. This approval included the election of all director nominees listed in the Company's management information circular dated May 31, 2024, comprised of: Chris Doornbos, John Pantazopoulos, Kevin Stashin, Alexandra Cattelan, Sonya Savage, and Tina Craft.

On July 29, 2024, the Company announced that, in accordance with NI 43-101, it had filed the Clearwater PFS Technical Report.

On August 8, 2024, the Company announced its plan to build a fully integrated Lithium Brine Demonstration Facility (the "**Demo Project**") with the goal to produce battery grade lithium carbonate from brines located within the Leduc reservoir in Alberta. The Demo Project represents a significant step forward in the Company's strategic plan to develop a commercial lithium facility that will reinforce western Canada as a major lithium resource jurisdiction.

On August 15, 2024, the Company announced the investment of $5 million from the Government of Alberta through the Emissions Reduction Alberta ("**ERA**") Technology Innovation and Emissions Reduction ("**TIER**") fund to support the Demo Project.

On August 20, 2024, the Company announced that it had signed a Joint Development Agreement with Pure Lithium Corporation ("**Pure Lithium**"), a disruptive Boston-based vertically integrated lithium metal battery technology company. Under the Agreement, the two companies would

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's vast lithium brines and concentrate production.

On September 26, 2024, the Company announced the successful commissioning of its demo scale carbonate conversion reactors, allowing the Company to produce lithium carbonate using similar, yet small-scale equipment operating at the same temperature and chemical operating conditions as a commercial system.

On October 17, 2024, the Company announced it had successfully completed all milestones of the Pilot Project funded by Natural Resources Canada's Critical Minerals Research, Development and Demonstration ("**CMRDD**") program. The total support from the CMRDD program was a $3.5 million contribution, and E3 has received the final payment of $354,000.

On October 31, 2024, the Company announced the main objectives of its Demo Project which encompasses the full suite of process operations, from brine production, pretreatment and lithium carbonate production. The overarching goal is to replicate the functionality of the E3 Lithium commercial system at a smaller scale, to test the cohesiveness of each unit when operated simultaneously. The project is divided into six main systems, each designed to operate as close to a commercial system as possible.

On November 21, 2024, the Company announced it had secured a strategic brownfield site for its Clearwater Project's Central Processing Facility. Located on the former Dyck Gravel Pit land in Mountain View County or the "County", the site is well situated for infrastructure, including accessible utilities and roadways, to support E3 Lithium's development of the first commercial lithium facility in Western Canada.

*Announcements Subsequent to Year End*

On January 15, 2025, the Company announced its active participation in the ISO TC 333 Lithium mirror committee through the Standards Council of Canada (SCC). ISO TC 333 is an international technical committee dedicated to developing standardized methods for the determination of lithium product quality, critical to the battery industry.

On January 28, 2025, the Company announced it had successfully produced battery quality lithium carbonate from Leduc brines using its demonstration-scale equipment, operated in its laboratory in Calgary. The production of lithium carbonate achieves a battery quality purity of 99.71% based on internal analysis.

On February 18, 2025, the Company announced the appointment of Rob Knowles as the Company's Vice President, Investor Relations.

On February 25, 2025, the Company announced that in 2025 it would focus on five main initiatives as it progresses towards commerciality, being: (i) to advance Phase 1 development of the commercial plant, including engineering for the feasibility study; (ii) to construct and operate a fully integrated demonstration facility, showcasing Canada's first scaled-up DLE system to convert brine to battery quality lithium product; (iii) to submit the required environmental applications in compliance with AER's environmental standards and begin the process to license the Clearwater Project Central Processing Facility (CPF) and wells with the AER; (iv) to meaningfully advance

strategic partner and future offtake relationships; and (v) to continue to build strong stakeholder engagement and support.

On March 3, 2025, the Company announced it had entered into a Project Completion Agreement dated February 28, 2025, to finalize the rights and lease agreements for the freehold mineral tenure held by Imperial for E3's use in its Clearwater Project. The Project Completion Agreement includes the cancellation of the 3,413,979 pre-paid IOL Warrants upon the payment by E3 of cash consideration in the aggregate amount of C$4,150,000. The Company also announced on March 3, 2025 the conditional approval for contribution funding of up to $4.7 million in a non-repayable investment from the Critical Minerals Infrastructure Fund ("**CMIF**"). This strategic funding will support the advancement of the Clearwater Project.

On March 6, 2025, the Company granted 786,000 stock options, 600,000 restricted share units (the "RSUs"), and 779,600 performance share units ("the PSUs") to certain directors, officers and employees of the Company. Additionally, the Company repriced to $0.81 per Option Share all non-executive staff's current and non-exercised stock options.

On March 13, 2025, the Company announced that, as part of its ongoing Joint Development Agreement with Pure Lithium that the companies have produced lithium metal batteries using E3 Lithium's brines and DLE technology and Pure Lithium's innovative battery technology.

On March 20, 2025, the Company announced it had executed the Contribution Agreement for $4,397,625 million from the previously announced conditional approval of non-repayable funding from the CMIF.

On April 16, 2025, the Company announced a progress update on its Demo Facility which is planned to be commissioned in 2025.

## BUSINESS OF THE COMPANY

### The Company

The Company is a leader in Canadian lithium with a head office in Calgary, Alberta. The Company is developing the Clearwater Lithium Project, the first project contemplated in E3's Bashaw District. Developments for lithium in Alberta operate similarly to the well-established and sophisticated energy industry in Alberta. This provides transparent permitting, well-established social license, available workforce and understood way of operating. The Company has made significant steps towards commercializing the first lithium project in the province by piloting DLE technologies, increasing the resource confidence to measured and indicated, a portion of which are proven and probable reserves, and demonstrating it can produce battery quality products.

### Mineral Projects – Description

*General – The Company's Lithium Projects*

The Clearwater Project is a brine-hosted lithium project being developed on the backbone of the energy industry in Alberta, Canada. Development and construction for this project is analogous to the oil and gas industry as it involves much of the same types of infrastructure and know-how already well established locally. The social license for resource extraction is well established and the Company's activities are regulated by the AER, the same governing body that oversees oil

and gas activity in the province.

Utilizing DLE technology, the Company is developing a method of extracting lithium from brine aquifers underlying oil and gas fields in Alberta. The Company is proceeding with engineering its own processes and design in coordination with vendors and engineering firm that will deploy commercially available third-party lithium extraction sorbents for its first facility. The Company will continue to pursue the development of its proprietary lithium extraction sorbent for subsequent commercial facilities. The Company is aiming to move into commercial production of battery-quality lithium carbonate that feeds directly into lithium-ion batteries for the growing electrification of transportation, thus capitalizing on projection of significant increases in demand for these products.

The Clearwater PFS Technical Report was based on the production of lithium hydroxide monohydrate or LHM. The decision to evaluate the production of battery grade lithium carbonate or LCE in E3's first commercial facility was announced in a press release on February 25, 2025.

*MIM Permits / Brine-Hosted Mineral Licenses – Alberta*

E3's Alberta mineral properties were previously comprised of multiple Metallic and Industrial Minerals ("**MIM Permits").** On January 1, 2023, amendments to the Metallic and Industrial Minerals (MIM) Tenure Regulation (the "**Tenure Regulation**") came into force. Under the Tenure Regulation, all MIM Permits became rock-hosted mineral permits, that could be converted into brine-hosted mineral licenses with 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.

As an eligible rock-hosted minerals permit holder, E3 applied on November 17, 2023 to convert all of its rock-hosted permits into brine-hosted minerals licenses and received brine hosted licenses on January 26, 2024.

The annual rentals payable to the Crown for the brine-hosted mineral licenses in Alberta are $3.50/ha. The Government of Alberta is updating its structured royalty for brine-hosted minerals that will be applicable to lithium production from the Clearwater Project.

The Clearwater Project is located in an area of Central Alberta interspersed with freehold mineral rights. E3 executed the IOL Project Completion Agreement on February 28, 2025 securing access to IOL lands within the Clearwater Project area, which represents the majority of mineral tenure not already owned by E3. E3 is able to proceed with lithium exploration and development activities under the common-law principle of The Rule of Capture but intends to negotiate similar agreements with the balance of freehold mineral tenure owners in the Clearwater Project area to avoid any restrictions on how E3 proceeds with the development.

*Brine Permits - Saskatchewan*

E3 holds Permits to Explore for Subsurface Minerals (the "**Permits to Explore**") pursuant to the Subsurface Mineral Tenure Regulations in the Estevan Lithium District. The Permits to Explore are valid for a predefined period of eight years commencing April 20, 2021. Similar to Alberta, the Estevan Lithium District is interspersed with freehold mineral rights. The common-law principle of The Rule of Capture would be similarly applicable in the Estevan Lithium District but freehold mineral lease agreements might also be pursued to avoid restrictions on how the area is developed. The annual Crown rentals for the Permits to Explore are $2.00/ha. The Government of Saskatchewan has a defined structured royalty assessment system that will be applicable to lithium production from the Estevan Lithium District.

*Properties*

The Company's contiguous mineral properties in Western Canada are secured with brine hosted mineral licenses and have been primarily consolidated into the following groups:

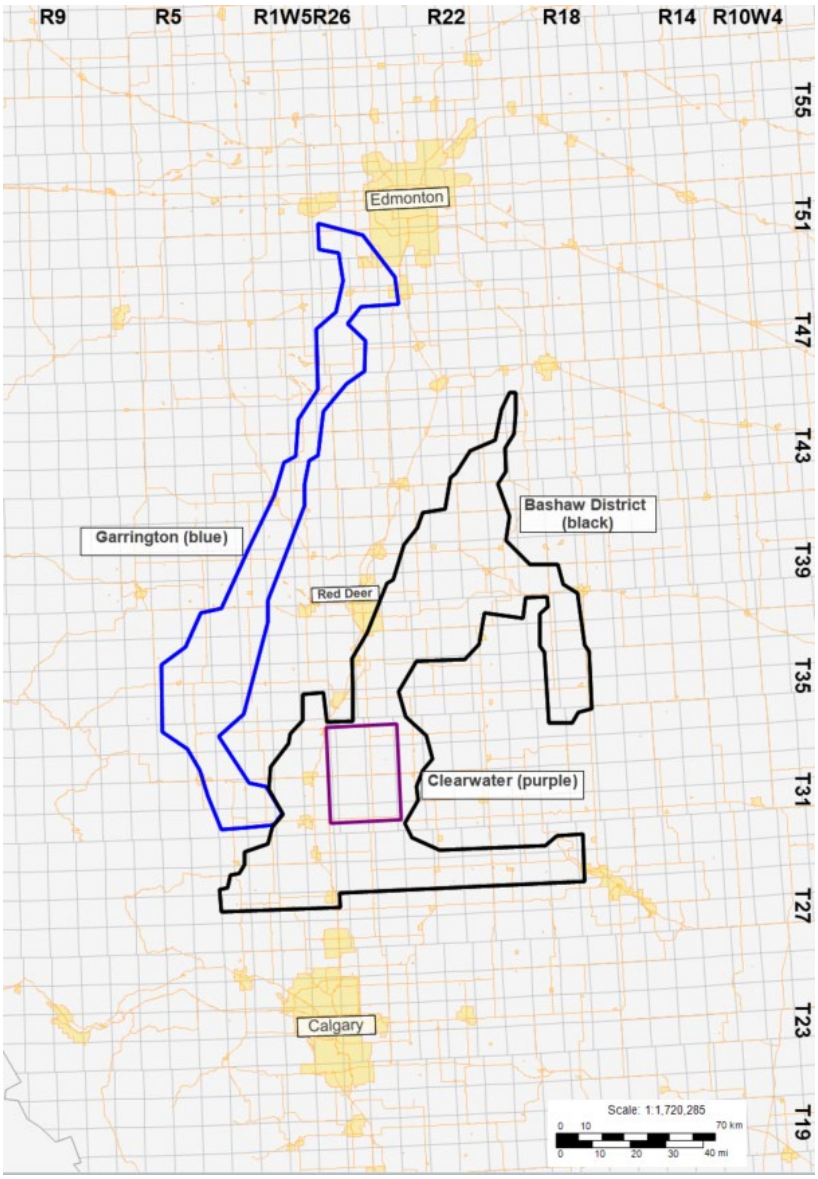
Bashaw District:

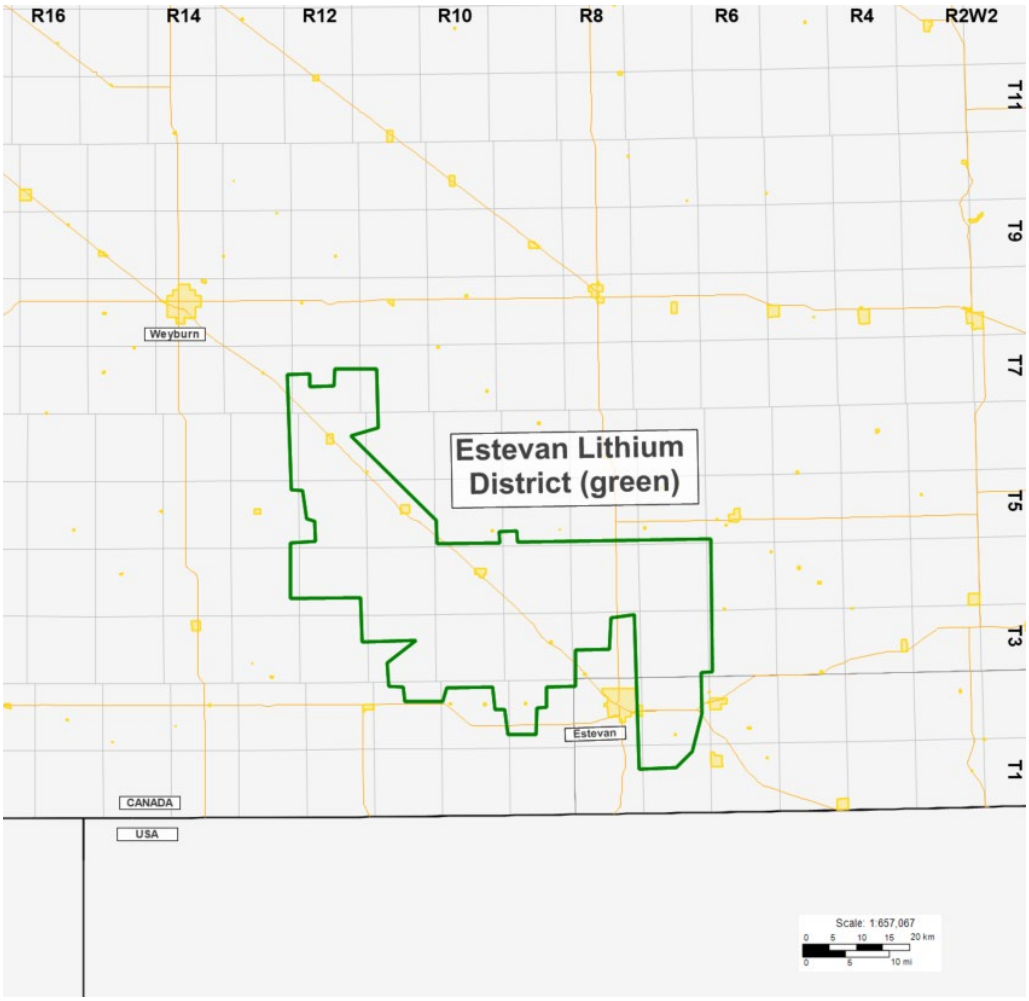
- Clearwater Lithium Project: ~63,000 hectares
- Balance of Bashaw District: ~300,000 hectares

Other Areas:

- Garrington: ~155,000 hectares
- Estevan Lithium District: ~67,000 hectares

Total Net Ownership: ~585,000 hectares






*Lithium Extraction and Processing*

The steps to produce lithium carbonate are outlined below:

1. The brine is pumped from wells into pipelines connected to a central processing facility. The wells, pumping equipment and pipeline infrastructure designs are analogous to oil and gas production from similar reservoirs.

2. Free gas is removed from the produced brine for separate handling.

3. Lithium is extracted from the brine using DLE technology. The process both concentrates the brine and removes the majority of the impurities in one step. The advent of proven DLE technology is an important link between the brine production and readily available technology utilized for the next step of lithium production.

4. The concentrate from the DLE is refined to further remove the last of the impurities and produce a high-grade lithium carbonate product for direct sale into the battery market.

5. The lithium depleted brine is reinjected into the same reservoir being produced from. The reinjection provides pressure support and displaces lithium rich brine to adjacent production wells. This “flooding” process is well understood in Alberta through analogous oil and gas production which has demonstrated that large volumes of brine can be cycled to surface and back into the same reservoir.

All other supporting process steps will utilize existing technology modified slightly for the specifics of the Clearwater Lithium Project.

*Development and Deployment of DLE Technology*

On February 20, 2024, the Company announced it was proceeding with third-party DLE sorbent for its first commercial facility and would continue to pursue the development of its proprietary sorbent for subsequent commercial facilities. The Company is currently designing the lithium extraction process for the Clearwater Phase 1 lithium production facility. The Company anticipates that further continuous flow testing, sorbent testing and process work being completed at the Company’s Calgary testing facility and planned Demonstration Facility should enable the design of a commercial process that can be used in subsequent development projects. There is no guarantee that the Company will be successful in developing or deploying its lithium extraction technology. See “Risk Factors”.

*Other Mineral Project Information*

Other information relating to the Clearwater Project, including geological information, sampling, processing testing, resource and reserve estimates, operations, permitting and costs is contained in the summary of the Clearwater PFS Technical Report attached as Appendix “B” and available in the full Clearwater PFS Technical Report available at www.sedarplus.ca.

**Production**

The method of production is described above in “Lithium Extraction and Processing”. Detailed information is contained in the Clearwater PFS Technical Report.

**Specialized Skills and Knowledge**

Successful exploration, development and operation of the Company’s lithium projects will require access to personnel in a wide variety of disciplines, including geoscientists, engineers, drillers, managers, project managers, accounting, financial and administrative staff, and others. Since the project locations are also in jurisdictions familiar with and friendly to resource extraction, management believes that the Company’s access to the skills and experience needed for success is sufficient.

**Competitive Conditions**

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than themselves in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals and the development of viable lithium DLE technology. Inability to compete will have a negative impact on the financial position and business operations of the Company. See “*Risk Factors*” below.

**Business Cycles**

Lithium production is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. See "*Risk Factors*" below.

**Economic Dependence**

The Company's business will be dependent upon third-party equipment suppliers for its first commercial project and rely upon negotiated supply agreements.

**Environmental Protection**

Environmental risk is inherent with mining operations, including exploration and development activities. The current or future operations of the Company require permits and licenses from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, development, production, transportation, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, and other matters. There can be no assurance that all permits and licenses that the Company requires for future exploration and development of production infrastructure will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration and development, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the operations of the Company and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the activities of the Company.

The Company is incorporating environmental protective measures into its commercial design, as outlined in the Company's PFS, to mitigate associated risk and ensure regulatory compliance. The cost of these protections and design enhancements are incorporated in its capital expenditure estimates.

**Employees**

The Company has approximately 30 employees and the loss of an individual could affect the business of the Company. Additionally, the Company will require other personnel to facilitate future progress on the resource and technology. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

**Bankruptcy and Similar Procedures**

There have not been any bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, nor any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years

**Reorganizations**

There have been no material reorganizations of the Company within the three most recently completed financial years.

## RISK FACTORS

*You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form, and all other information contained in this Annual Information Form. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of the Common Shares could be materially and adversely affected.*

### Corporate Risk Factors

*Financing Risks*

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. There can be no assurance that such financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Furthermore, if the Company raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction or production of any or all of the Company's mineral properties. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

*A Prolonged and Substantial Decline in the Price of the Common Shares Could Affect the Company's Ability to Raise Further Working Capital, thereby Adversely Impacting the Company's Ability to Continue Operations*

A prolonged and substantial decline in the price of the Common Shares could result in a reduction in the liquidity of the Common Shares and a reduction in the Company's ability to raise capital. The Company plans may need to acquire a significant portion of the funds it needs in order to conduct its planned operations through the sale of equity securities, and a decline in the price of the Common Shares could be detrimental to the Company's liquidity and its operations because the decline may cause investors not to choose to invest in the Common Shares. If the Company is unable to raise the funds it requires for all its planned operations and to meet its existing and future financial obligations, the Company may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on its business plan and operations, including its ability to develop new products and continue its current operations.

*Substantial Capital Requirements and Liquidity*

The Company anticipates that it will be necessary to incur substantial capital expenditures for the continued exploration and development of its projects in the future. The Company currently has

no revenue and may have limited ability to undertake or complete future drilling or exploration programs and process studies. There can be no assurance that debt or equity financing, government grants, funding from potential joint venture or offtake partners or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing or joint venture partnerships are available, that they will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

The Company has not yet commenced commercial production on any of its properties and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at the Company's projects. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing, including potential joint ventures. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will not continue to incur losses.

*Cost Estimates*

The Company prepares estimates of development, operating and/or capital costs for each operation and project. The Company's actual costs are dependent on a number of factors, including royalties, the price of lithium and by-product metals and the cost of inputs used in exploration, development and production activities. The Company's actual costs may vary from estimates for a variety of reasons, including labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

*Construction Risks*

As a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new projects are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. These include, but are not limited to, weather conditions, ground conditions, availability and performance of contractors and suppliers, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of the Company. A delay in start-up or commercial production would

increase capital costs and delay receipt of revenues.

*Estimated Project Timelines may be Subject to Delays*

As a result of the substantial expenditures involved in the development of a mineral project, the need to project years into the future, the need to make assumptions and use models that may not adequately approximate reality, unpredictable regulatory changes and other material adverse events, development projects such as the Company's commercial lithium production facility are inherently prone to delays. Furthermore, cost overruns, insufficient capital and other financial constraints may result in the Company discontinuing or modifying plans of development and abandoning or delaying making a construction or production decision, any of which could result in the Company failing to meet estimated project timelines.

In addition, mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop our projects for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The Company's ability to commence and/or sustain commercial production operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including technical success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing technology and capacity, the availability of storage capacity, the supply of and demand for lithium and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

*Permitting*

The Company's operations, development projects and exploration activities are subject to receiving and maintaining licenses, permits and approvals, including regulatory relief or amendments, (collectively, "**permits**") from appropriate governmental authorities. Before any development on any of its properties the Company must receive numerous permits, and continued operations at the Company's properties is also dependent on maintaining, complying with and renewing required permits or obtaining additional permits.

The Company may be unable to obtain on a timely basis or maintain in the future all necessary permits required to explore and develop its properties, commence construction or operation of facilities and properties or maintain continued operations. Delays may occur in connection with obtaining necessary renewals of permits for the Company's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. It is possible that previously issued permits may become suspended or revoked for a variety of reasons, including through government or court action.

*Pore Space*

Pore space competition due to overlapping subsurface rights with other emerging industries such as carbon capture and storage, geothermal, and helium poses a risk to the Company. These rights are sometimes split among different parties within the same geological formations. The lack of clear, tested frameworks for newer industries, combined with legacy oil and gas production and conflicting tenures between Crown and freehold owners, may result in legal disputes, permitting delays, and operational challenges for lithium production in areas with overlapping rights.

*Operational Risks*

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental contamination, liabilities arising from historic operations, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action. These factors could all have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

*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 technology. 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 in this Annual Information Form or at all. There is no guarantee that the Company will be successful in developing the DLE technology or utilizing third-party DLE technology, and its business and financial condition could be materially adversely affected.

*Exploration and Development*

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted, such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades and in the analysis of the economic viability of future development and mineral extraction. Until actually extracted and processed, the quantity of lithium reserves and resources and grade must be considered as estimates only. In addition, the quantity of reserves and resources may vary depending on commodity prices and various technical and economic assumptions. Any material change in quantity of reserves, grade or recovery ratio, may affect the economic viability of the Company's properties. In addition, there can be no assurance that results obtained in pilot plants will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

*Mineral Resource Uncertainties*

There can be no assurances that any of the mineral resources stated in this AIF or published technical reports of the Company will be realized. Until a deposit is actually extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that mineral recoveries in limited, small scale laboratory tests or pilot plants will be duplicated by larger scale tests or during production. Fluctuations in lithium prices, results of future drilling, metallurgical testing, actual brine production and quality, actual operating results, and other events subsequent to the date of stated mineral resources and reserves estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

*Reliance on Key Personnel*

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition,

exploration and development of lithium brine projects is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

*Community Relations and License to Operate*

The Company's relationship with the host communities where it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of resource extraction activities on the environment and on communities impacted by such activities. Significant local opposition can arise independently, reflecting genuine community concerns about environmental and social impacts, as well as through certain non-governmental organizations, some of which oppose globalization and resource development and are often vocal critics of extractive industries and their practices. Adverse publicity or resistance from any such community stakeholders related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to the Company's overall ability to advance its projects, which could have a material adverse impact on the Company's results of operations, financial condition, and prospects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

*Insurance*

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including: global pandemics, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company has limited environmental liability insurance. The limit of environmental liability insurance coverage

could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

*Environmental Risks*

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

*Consumables Availability and Costs*

The Company's planned exploration, development and operating activities, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include piping, fuel and electricity. Other inputs such as labor, consultant fees, reagents and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables and specialized equipment used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

*Operational Dependence*

The successful operation of the Company is dependent on third parties. Loss of any third-party suppliers, manufacturers and contractors may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, any significant interruption, negative change in the availability or economics of the supply chain or increase in the prices for the products or services provided by any such third-party suppliers, manufacturers and contractors could materially impact the Company's business, financial condition, results of operations and prospects. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition, results of operations and prospects.

*Difficulties with potential Joint Venture Partners*

The Company may have to enter into joint venture partnerships with entities having considerably more financial resources in the future in order to continue the development and commercialization

of its projects. If the Company does enter into such joint venture partnerships, the Company will be subject to the risks normally associated with the conduct of joint ventures. These risks include disagreement with a joint venture partner on how to develop, operate and finance a project or commercial operation, and compliance by the Company with the operating requirements in joint venture agreements, and possible litigation between the joint venture partners regarding joint venture matters. These matters may result in material legal liability or may have an adverse effect on the Company's ability to pursue the projects subject to the joint venture, either of which could have a material adverse impact on the Company's cash flows, earnings, results of operations and financial condition.

*Governmental Regulation and Policy*

Mineral extraction operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, emissions, protection and remediation of the environment, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, developing, constructing, and operating projects. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties, such as the properties in which the Company has an interest. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Company's properties could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

*Property Commitments*

The Company's properties may be subject to various land payments, royalties and/or work commitments. Ongoing policy, legislation and other reviews and changes relating to governmental royalty frameworks are not within the Company's control and may have a material effect on the Company. Failure by the Company to meet its payment obligations or otherwise fulfill its work commitments under these requirements and/or other agreements could result in the loss of related property interests.

*Title Claims and First Nations Rights*

The Company has investigated its rights to explore and exploit its projects and, to the best of its knowledge, its rights in relation to lands covering the projects are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties.

Although the Company is not aware of any existing title uncertainties with respect to lands covering material portions of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Certain of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including First Nations and other Indigenous Peoples. The presence of community stakeholders may impact the Company's ability to develop or operate its properties and its projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future production properties and projects.

Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities.

Governments in many jurisdictions must consult with, or require the Company to consult with, Indigenous Peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Indigenous Peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in any jurisdictions in which title or other rights are claimed by First Nations and other Indigenous Peoples, and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions. The risk of unforeseen title claims by Indigenous Peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

*Conflicts of Interest*

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may, or may also wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

*Legal and Litigation*

All industries, including the mineral resource industry, are subject to legal claims, with and without merit. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm its business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects,

financial condition, and operating results. There are no current claims or litigation outstanding against the Company.

*Acquisition and Integration Risks*

As part of its business strategy, the Company has sought and will continue to seek new operating, development and exploration opportunities in the extractive industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit its business. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial or geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of the Company's management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that it will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

**Macroeconomic Risk Factors**

*Risk Related to the Cyclical Nature of the Lithium Business*

The lithium business and the marketability of the products that are produced are affected by worldwide economic cycles. There is significant global demand for lithium and global policies continue to drive increased demand, however it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

*Lithium Demand*

Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. Therefore, it is possible that the sales prices used in preliminary economic assessments, pre-feasibility studies

or feasibility studies prepared for the Company will be different than the actual prices at which the Company is able to sell its lithium compounds. In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual lithium market sale prices could have an adverse impact on operating costs and stock market prices and on the Company's ability to fund its activities. In each case, the economics of the Clearwater Lithium Project could be materially adversely affected, even to the point of being rendered uneconomic.

*Commodity Price Fluctuations*

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. The price of lithium materials may also be reduced by the discovery of new lithium deposits, which could not only increase the overall supply of lithium (causing downward pressure on its price), but could draw new firms into the lithium industry which would compete with the Company.

*Industry Competition and International Trade Restrictions*

The international resource industries are highly competitive. The value of any future reserves discovered and developed by the Company may be limited by competition from other world resource mining companies, or from excess inventories. Existing international trade agreements and policies and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals, including lithium, around the world.

*Global Financial Conditions*

Global financial conditions have from time to time been subject to periods of elevated volatility. Government debt, war, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on the Company's business.

*Imposition of Duties, Tariffs and Other Trade Protection Measures*

Recent executive orders by the President of the United States have directed the imposition of new or increased tariffs on many trading partners and certain other imports, regardless of origin. It remains unclear the extent to which additional duties, tariffs, and trade restrictions may be imposed by the United States. There is also uncertainty about potential retaliatory tariffs by other countries and the possibility of escalating trade wars. Whether changes to the currently announced tariffs will occur, how long they may be in effect, and the extent to which these tariffs, retaliatory measures, and trade wars will impact the market remain uncertain. Trade restrictions, including tariffs, quotas, embargoes, safeguards, customs and/or other similar measures could increase the cost or reduce the supply of various products available to the Company, reduce the attractiveness of the Company's products to other countries, or otherwise force the Company to

modify its current business practices, any of which could harm our business, financial condition and results of operations.

*Geopolitical Conflicts and Political Volatility*

The Company may be subject to the impact of national and global economic issues stemming from geopolitical conflicts. The ongoing conflict between Russia and Ukraine and between Israel and Hamas and the sanctions that many countries have imposed, create risks across the global economy, including fluctuations, volatility or illiquidity in the financial market, commodity prices, foreign exchange rates, supply chain disruptions and potential slowdowns in a variety of industries. The Company will continue to monitor the impact of the ongoing Russia-Ukraine and Israel-Hamas conflicts; however the conflicts have not had a significant adverse effect on the Company's overall business, business opportunities, results of operations, financial condition and cash flows at this time.

In addition, global political volatility may cause adverse changes to the flow of goods, services, and capital as a result of public health crises, wavering consumer confidence, unemployment, declines in global stock markets, contraction of credit availability, declines in real estate values, stagnant global economic conditions, increasing nationalism and protectionism in countries across the globe, trade tensions and tariff uncertainty, political deadlock, financial and trade sanctions, social unrest or other factors affecting economic conditions generally.

*Economic and Financial Market Instability*

The Company maintains cash and cash equivalents in accounts with major banks in Canada, and the Company's deposits at these institutions, may at times, exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where the Company maintains its cash and cash equivalents, there can be no assurance that the Company would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect the Company's business and financial position.

*Development and Adoption of Non-Lithium Battery Technologies*

Lithium and its derivatives are the preferred raw materials for certain industrial applications, such as current and next generation high energy density batteries for use in electric vehicles and liquid crystal displays. Alternative materials and technologies are being researched with the goal of making batteries lighter, more efficient, faster charging and less expensive, and some of these could be less reliant on lithium compounds. The development and adoption of new battery technologies that rely on inputs other than lithium compounds, could significantly impact the prospects and future revenues of the Company, which are heavily dependent on continued demand for lithium. The Company cannot predict which new technologies may ultimately prove to be commercially viable and in what timeframe. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the Company's prospects and future revenues.

*Epidemics and Pandemics*

The Company faces risks related to health epidemics, pandemics, and other outbreaks of communicable diseases, which could significantly disrupt its operations and could have a material

adverse effect. The Company could be adversely impacted by governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse effect. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its partners. Furthermore, disruptions such as store closures or reduced operational hours or service methods, employee health, workforce productivity, reduced access to supply, increased insurance premiums, limitations on travel, the availability of experts and personnel and other factors that will depend on future developments beyond the Company's control, which could have a material adverse effect. There can be no assurance that the personnel of the Company will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased costs because of these health risks. Any widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have a material adverse effect on the Company and its performance.

**Risks Related to the Company's Securities**

*The Company's Shareholders may Experience Dilution in the Future*

The Company is authorized to issue an unlimited number of Common Shares. The Board has the authority to cause the Company to issue additional Common Shares without the consent of the Company's shareholders. The issuance of any such securities may result in a reduction of the book value or market price of the Common Shares. Given the fact that the Company operates in a capital-intensive industry with significant working capital requirements, the Company may be required to issue additional common equity or securities that are dilutive to existing Common Shares in the future in order to continue its operations. The Company's efforts to fund its intended business plan may result in dilution to existing shareholders. Further, any such issuances could result in a change of control or a reduction in the market price for the Common Shares.

*Volatility of the Market Price of the Common Shares*

The Common Shares are listed on the TSXV. Trading of shares on the TSXV is often characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the Company's operations or business prospects.

The price of the Common Shares has fluctuated significantly. This volatility could depress the market price of the Common Shares for reasons unrelated to operating performance. The market price of the Common Shares could decline due to the impact of any of the following factors upon the market price of our Common Shares:

- sales or potential sales of substantial amounts of the Common Shares;
- announcements about the Company or the Company's competitors;
- litigation and other developments relating to the Company or those of our suppliers;
- conditions in the Company's industry;
- governmental regulation and legislation;
- variations in the Company's anticipated or actual operating results;
- change in securities analysts' estimates of the Company's performance, or our failure to meet analysts' expectations;

- change in general economic conditions or trends;
- changes in capital market conditions or in the level of interest rates;
- investor perception of the Company's industry or prospects; and
- short selling (see "*Effect of Short Sales*" below).

Many of these factors are beyond the Company's control. The stock markets in general, and the market price of common shares of lithium companies in particular, have historically experienced extreme price and volume fluctuations. These fluctuations often have been unrelated or disproportionate to the operating performance of these companies. These broad market and industry factors could reduce the market price of the Common Shares, regardless of our actual operating performance.

*Future Share Issuances May Affect the Market Price of the Common Shares*

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

*Effect of Short Sales*

Any downward pressure on the price of Common Shares could encourage short sales by third parties. In a short sale, a prospective seller borrows shares from a shareholder or broker and sells the borrowed shares. The prospective seller anticipates that the share price will decline, at which time the seller can purchase shares at a lower price for delivery back to a lender. The seller profits when the share price declines because it is purchasing shares at a price lower than the sale price of the borrowed shares. For the Company, short sales of Common Shares could place downward pressure on the market price of the Common Shares by increasing the number of Common Shares being sold, which could lead to a decline in the market price of the Common Shares.

*No Revenue and Negative Cash Flow*

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

*Analyst Coverage*

The trading market of the Common Shares depends, to some extent, on the research and reports that securities or industry analysts publish about the Company or its business. The Company has no control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If

one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

*Dividends*

The Company has never paid cash dividends on its Common Shares, and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

## DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends to its shareholders to date and does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company's current policy is to retain cash flows to finance the exploration and development of its mineral properties and to otherwise invest in the Company's business. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, the financial condition of the Company and other factors, which the Board of Directors may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future if at all.

## DESCRIPTION OF CAPITAL STRUCTURE

### Common Shares

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 75,459,397 Common Shares are issued and outstanding as fully paid and non-assessable.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to receive notice of and attend all meetings of shareholders, to one vote per Common Share at such meetings and, upon liquidation, to rateably receive the assets of the Company as are distributable to the holders of the Common Shares.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions and there are no provisions which are capable of requiring a security holder to contribute additional capital.

**Warrants**

The Company may issue share purchase warrants ("**Warrants**") from time to time entitling the holder thereof to purchase Common Shares. As of the date of this Annual Information Form, the Company has 1,191,932 Warrants outstanding.

**Incentive Securities**

The Company adopted the Omnibus Equity Incentive Plan (the "**Omnibus Plan**"), which provides flexibility to the Company to grant equity-based incentive awards in the form of Options, restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**", and together with Options, RSUs and PSUs, "**Awards**"). The Omnibus Plan is the Company's only equity compensation plan and was last approved by the Company's shareholders at its annual general meeting held on July 16, 2024.

The following information is intended to be a brief description and summary of the material features of the Omnibus Plan:

*Eligibility*

All employees, directors and, subject to the discretion of the Board, consultants of the Company and any affiliates of the Company designated by the Board (the "**Participating Entity**") are eligible to participate in the Omnibus Plan (collectively, the "**Participants**"). Except as required by law, no Awards or any rights of a Participant under the Omnibus Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

*Common Shares Subject to the Omnibus Plan and Limitation on Awards*

The maximum number of Common Shares available for issuance pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding Common Shares from time to time.

In addition, the grant of Awards under the Omnibus Plan is subject to the following additional limitations:

(a) the aggregate number of Common Shares issuable to insiders of the Company under the Omnibus Plan or any other security based compensation plan of the Company shall not at any time exceed 10% of the issued and outstanding Common Shares and the aggregate number of Common Shares issuable to insiders of the Company under the Omnibus Plan or any other security based compensation plan of the Company, within a one-year period, shall not exceed 10% of the issued and outstanding Common Shares as at the date any Award is granted to any insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);

(b) the aggregate number of Common Shares issuable to any one Participant under the Omnibus Plan or any other security based compensation plan of the Company, within a one-year period, shall not at any time exceed 5% of the issued and outstanding Common Shares as at the date any Award is granted to the Participant (unless the Company has obtained disinterested shareholder approval in respect thereof);

(c) the aggregate number of Common Shares issuable to any one consultant under the Omnibus Plan or any other security based compensation plan of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Award is granted to the consultant; and

(d) the aggregate number of Common Shares issuable to all Participants retained to provide "investor relations activities" (as defined in TSXV Policy 1.1) under the Omnibus Plan or any other security based compensation plan of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Option is granted to a Participant retained to provide investor relations activities.

If any Options, RSUs, PSUs or DSUs granted under the Omnibus Plan expire, terminate or are cancelled for any reason without being settled in the form of Common Shares, such Common Shares will become available for additional grants under the Omnibus Plan.

*Stock Options*

The exercise price for Options will be determined by the Board, but shall be not less than one hundred per cent (100%) of the Market Value (as defined in the Omnibus Plan) at the date the Option is granted. Options granted under the Omnibus Plan shall have the vesting provisions (if any) designated by the Board

Options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

As at the date of this Annual Information Form, the Company has 7,404,000 Options outstanding.

*Restricted Share Units and Performance Share Units*

The terms and conditions of RSU and PSU grants, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's RSU agreement or PSU agreement, as applicable. The agreement governing the grant of a PSU may also set out the applicable performance goals and the performance periods during which such goals must be attained in order for vesting to occur. RSUs and PSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

Performance goals for PSUs may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the performance goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in the award agreement for the PSU or an employment or other agreement with the Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable award agreement for the PSU.

An RSU and PSU account will be maintained for each Participant and each notional grant of RSUs and PSUs, as granted to such Participant from time to time, will be credited to such Participant's account. RSUs and PSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

Vested RSUs and PSUs may be settled on the first business day following the applicable vesting date, and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the grant of RSUs or PSUs relates. No RSU or PSU may vest before the date which is one year from the date of grant of the RSU or PSU.

If RSUs or PSUs would be otherwise be settled during a trading blackout period, such settlement

shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the RSUs or PSUs under the Omnibus Plan.

As at the date of this Annual Information Form, the Company has 832,000 RSUs outstanding and 779,600 PSUs outstanding.

*Deferred Share Units*

The Board may grant DSUs to any eligible Participant designated by the Board as eligible to receive DSUs under the Omnibus Plan. Eligible directors may also elect to be paid up to 100% of their annual board retainer (if applicable) in the form of DSUs, subject to Board approval. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by not less than the market value of a Common Share on the grant date or election date, as applicable. The Company shall maintain a DSU account for each Participant. All DSUs recorded in a Participant's DSU account will vest on the date the Participant ceases to be a director of the Company and, if applicable, an employee of the Company; provided, however, that no DSU may vest before the date which is one year from the date of grant of the DSU. DSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

If DSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the DSUs under the Omnibus Plan.

Upon the settlement of DSUs by the issuance of Common Shares, the Common Shares will be issued from treasury by the Company as fully paid non-assessable Common Shares in an amount based on the whole number of DSUs then recorded in the Participant's DSU account (no fractional Common Shares will be issued). If settled in cash, the aggregate market value of the DSUs so settled will be determined based on the market value of the Common Shares on the applicable termination date multiplied by the number of DSUs then recorded in the Participant's DSU account on the termination date.

As at the date of this Annual Information Form, the Company has no DSUs outstanding.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Company's Common Shares are listed for trading on the TSXV under the symbol "ETL", on the Frankfurt Stock Exchange under the symbol "OW3" and on the OTCQX under the symbol "EEMMF". The following table sets out the price ranges and trading volumes on the TSXV of the Common Shares for each month of the most recently completed financial year:

| Period | High ($) | Low ($) | Volume |
|---|---|---|---|
| January 2024 | 2.21 | 1.84 | 3,595,000 |
| February 2024 | 1.90 | 1.54 | 3,253,900 |
| March 2024 | 1.79 | 1.47 | 2,255,700 |
| April 2024 | 1.95 | 1.47 | 3,157,900 |
| May 2024 | 1.78 | 1.67 | 1,095,600 |
| June 2024 | 1.70 | 1.44 | 1,549,600 |
| July 2024 | 1.52 | 0.95 | 3,873,600 |
| August 2024 | 1.55 | 0.99 | 3,822,300 |
| September 2024 | 1.33 | 1.13 | 1,685,800 |
| October 2024 | 1.24 | 1.15 | 2,380,900 |
| November 2024 | 1.18 | 0.95 | 2,517,300 |
| December 2024 | 1.09 | 0.90 | 1,821,400 |

The Common Shares were listed on the OTCQX on October 26, 2021. The following table sets out the price ranges and trading volumes on the OTCQX of the Common Shares for each month of the most recently completed financial year:

| Period | High (US$) | Low (US$) | Volume |
|---|---|---|---|
| January 2024 | 1.66 | 1.36 | 874,200 |
| February 2024 | 1.42 | 1.15 | 1,279,000 |
| March 2024 | 1.29 | 1.07 | 1,105,500 |
| April 2024 | 1.37 | 1.08 | 872,800 |
| May 2024 | 1.31 | 1.22 | 428,000 |
| June 2024 | 1.24 | 1.06 | 1,078,300 |
| July 2024 | 1.11 | 0.70 | 1,672,400 |
| August 2024 | 1.14 | 0.70 | 603,400 |
| September 2024 | 0.98 | 0.83 | 188,800 |
| October 2024 | 0.91 | 0.83 | 217,700 |

| Period | High (US$) | Low (US$) | Volume |
|---|---|---|---|
| November 2024 | 0.82 | 0.67 | 577,800 |
| December 2024 | 0.75 | 0.61 | 668,800 |

**Prior Sales**

The following tables set forth the number, exercise price and date of issuance of outstanding securities of the Company issued during the most recently completed year ended December 31, 2024, other than securities of the Company that were listed or quoted on a marketplace.

| Class | Date of Issuance | Number | Exercise Price |
|---|---|---|---|
| Options | March 5, 2024 | 300,000 | $1.70 |
| Options | March 11, 2024 | 1,738,000 | $1.58 |
| Options | May 27, 2024 | 100,000 | $1.72 |
| Options | June 3, 2024 | 175,000 | $1.70 |
| Options | July 17, 2024 | 475,000 | $1.52 |
| Options | November 25, 2024 | 375,000 | $1.10 |
| Options | February 18, 2025 | 200,000 | $0.87 |
| Options | March 6, 2025 | 786,000 | $0.81 |
| RSUs | March 11, 2024 | 395,000 | N/A |
| RSUs | November 25, 2024 | 32,000 | N/A |
| RSUs | March 6, 2025 | 600,000 | N/A |
| PSUs | March 6, 2025 | 779,600 | N/A |

## SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of the Company, there are no securities of the Company that are in escrow or subject to contractual restrictions on transfer.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holdings

The following table sets out, as at the date hereof, for each of our directors and executive officers, the person's name, province or state, and country of residence, position(s) with us, the date on which he or she became a director of the Company, and his or her principal occupation and previously held positions for the last five years. Our directors are expected to hold office until our next annual meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

| Name, province or state and country of residence and position with the Company | Principal occupation for past five years | Director Since |
|---|---|---|
| Christopher Doornbos<br>*Alberta, Canada*<br><br>Chief Executive Officer, President & Director | Professional Geologist and President and Chief Executive Officer of the Company and Revere Development Corp. Former Vice President of Exploration of MinQuest Ltd. | May 30, 2017 |
| John Pantazopoulos(2)<br>*Alberta, Canada*<br><br>Chair of the Board of Directors, Corporate Secretary and Director | CEO of Lucky Strike Energy Ltd. Former Chief Financial Officer and Corporate Secretary of the Company. Former CEO and CFO of Next Hydrogen Corporation. Former Vice President ATB Financial. Former Senior Vice President and CFO of Tangle Creek Energy Ltd. | November 5, 2020 |
| Kevin Stashin(2)(4)<br>*British Columbia, Canada*<br><br>Independent Director | Former President and CEO of NAL Resources Management Limited. Former VP Exploitation and VP Operations of Devon Canada.<br><br>Chair of the Board of the Petroleum Technology Alliance of Canada. | February 17, 2021 |
| Alexandra Cattelan(3)(4)<br>*Chicago, United States*<br><br>Independent Director | Chief Operating Officer at Fermata Energy. Former Chief Technology Officer at Brunswick Corporation and VP Engineering at Polaris Inc.<br><br>Board Member at BruanAbility. | October 24, 2023 |
| Sonya Savage(3)(4)<br>*Alberta, Canada*<br><br>Independent Director | Senior Counsel at Borden Ladner Gervais LLP. Former Minister of Energy, Minister of Justice and Solicitor General and Minister of Environment and Protected Areas for the Province of Alberta.<br><br>Board Member at Reconciliation Energy Transition Inc. and Senior Advisor at Navigator Ltd. | March 5, 2024 |
| Tina Craft (2)(3)<br>*Houston, United States*<br><br>Independent Board Member | CEO at Axen. Former Chief Commercial Officer at Ketjen, and Chief Commercial Officer for the Lithium division at Albemarle. Founding Member of Women Connect, and recipient of the Charlotte Women in Business Award (2019). | July 16, 2024 |
| Raymond Chow<br>*Alberta, Canada*<br><br>Chief Financial Officer | Former Associate Director at ATB Financial. Former Director of Finance and Interim CFO of Tangle Creek Energy Ltd. Former Partner of iCount Consulting Inc. | |
| Kevin Carroll<br>*Alberta, Canada*<br><br>Chief Development Officer | Former Consulting Engineer, Former VP Operations at Deltastream Energy Corporation. Former VP Engineering at Huron Resources Corp. Former Manager, Operations at Huron Energy Corporation. Former Exploitation Engineer at ARC Resources Ltd. Former Facilities Manager at Star | |

| Name, province or state and country of residence and position with the Company | Principal occupation for past five years | Director Since |
|---|---|---|
| | Oil & Gas Ltd. Former Project Manager at Shell Canada. | |
| Peter Ratzlaff<br>*Alberta, Canada*<br><br>VP Resource Development | Former Consulting Engineer at Aspenleaf Energy. Former Production Operations Manager at Huron Resources Corp. Former Production Manager at Cequence Energy Ltd. Former Sr. Production Engineer at Compass Petroleum. | |
| Leigh Clarke<br>*Alberta, Canada*<br><br>VP Corporate Development | Former General Counsel and Corporate Secretary at Balancing Pool of Alberta. Former Consultant at Strategic Indigenous Engagement Counsel. Former VP and General Counsel at Canada First Management Corp. Former SVP, External Engagement, General Counsel and Corporate Secretary at AltaLink. | |
| Rob Knowles<br>*Alberta, Canada*<br><br>VP Investor Relations | Former VP Finance at CoGo.Global. Former VP Corporate Development at Sunniva Inc. Former VP Corporate Finance at J.F. Mackie & Company. Former Sr. Manager Investor Relations, and Senior Investor Relations Analyst at Husky Energy. | |

**Notes:**

For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.

(1) The information as to province and country of residence and principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(2) Member of the Company's Audit Committee.

(3) Member of the Company's Compensation Committee.

(4) Member of the Company's Governance Committee.

As of the date of this AIF, the Company's directors and executive officers beneficially own, control or direct, directly or indirectly, 2,190,264 Common Shares, representing 2.9% of the issued and outstanding Common Shares of the Company as of the date of this AIF. The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by each of the individuals listed above.

### Cease Trade Orders and Bankruptcies

None of our directors or executive officers is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, or after that person ceased to act in such capacity but resulting from an event that occurred while that person was acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation in each case for a period of more than 30 consecutive days.

None of our directors, or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of our Company (i) is as at the date

of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

### Penalties or Sanctions

None of our directors or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of our Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between us and our directors, executive officers or other members of management as a result of their outside business interests as at the date of this Annual Information Form. However, as certain of our directors and officers also serve as directors and officers of other companies, it is possible that a conflict of interest may arise between their duties to us and their duties to such other companies. Conflicts, if any, will be subject to the procedures and remedies provided under the ABCA. See "*Directors and Officers*".

## PROMOTERS

No person will be or has been within the two most recently completed financial years or during the current financial year, a promoter of the Company.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not party to any legal proceedings or regulatory actions and no such proceedings are known to the Company to be contemplated.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

## TRANSFER AGENT AND REGISTRAR

The Company has appointed Odyssey Trust Company at its office located at Suite 1230, 300-5th Avenue SW, Calgary AB, T2P 3C4, as the transfer agent and registrar for the Common Shares.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the Company has not entered into any material contracts during its most recently completed financial year.

## INTERESTS OF EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in this Annual Information Form as having prepared or certified a part of that document or a report of valuation described in this Annual Information Form:

1. The Company's Financial Statements have been audited by MNP LLP, Chartered Financial Accountants, who are independent in accordance with the Chartered Professional Accountants of Alberta Rules of Professional Conduct;

2. The Clearwater PFS Technical Report was authored by Daron Abbey, M.Sc., P.Geo. and Alex Haluszka, M.Sc., P.Geo. of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.), Meghan Klein, P.Eng. of Sproule Associates Ltd., Antoine Lefaivre, P. Eng., of Sedgman Canada Ltd., and Keith Wilson, P.Eng. of Stantec Inc.;

3. The Estevan Technical Report was authored by Alex Haluszka, M. Sc., P. Geo., and Jason Clarke, B.Sc., P. Geo., of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.); and

4. Kevin Carroll, P.Eng., the CDO of E3 Lithium and a "qualified person" within the meaning of NI 43-101, is responsible for certain information of a scientific or technical nature relating to the Company's properties in this Annual Information Form.

Based on information provided by the relevant persons named above, none of such persons or companies have received or will receive direct or indirect interests in the property of the Company or have any beneficial ownership, direct or indirect, of securities of the Company, except that Mr. Carroll owns 60,000 Common Shares representing 0.1% of the current issued and outstanding Common Shares of the Company and has been granted 446,000 Options, 35,000 RSUs and 40,000 PSUs.

## ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional financial information is provided in the Financial Statements and the management's discussion and analysis for its most recently completed financial year.

# APPENDIX "A"
# GLOSSARY OF TERMS

| | |
|---|---|
| "**ABCA**" | means the *Business Corporations Act* (Alberta); |
| "**AER**" | means Alberta Energy Regulator; |
| "**Annual Information Form**" or "**AIF**" | means this annual information form of the Company; |
| "**Award**" | means an award under the Omnibus Plan and includes Options, DSUs, RSUs and PSUs; |
| "**Bashaw District**" | means the property consisting of approximately 331,000 hectares overlying the Leduc Reservoir in Central Alberta which includes the Clearwater Lithium Project. |
| "**Board of Directors**" | means the board of directors of the Company; |
| "**Clearwater Lithium Project"** | means the property consisting of approximately 77,800 hectares overlying the Leduc Reservoir in Southern Alberta included within the Bashaw District; |
| "**Clearwater PFS Technical Report**" | means the technical report entitled "Clearwater Project, NI 43-101 Technical Report on Pre-Feasibility Study, Bashaw District Mineral Property, Central Alberta, Canada" with an effective date of June 20, 2024 and prepared by Daron Abbey, M.Sc., P.Geo. and Alex Haluszka, M.Sc., P.Geo. of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.), Meghan Klein, P.Eng. of Sproule Associates Ltd., Antoine Lefaivre, P. Eng., of Sedgman Canada Ltd., and Keith Wilson, P.Eng. of Stantec Inc.; |
| "**Common Shares**" | means the common shares in the capital of the Company; |
| "**Company**" | means E3 Lithium Ltd.; |
| "**DLE**" | means direct lithium extraction; |
| "**DSU**" | means a deferred share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares; |
| "**Estevan Technical Report**" | means the technical report entitled "Estevan Lithium District Resource Estimate, NI 43-101 Technical Report" with an effective date of May 23, 2024 and prepared by Alex Haluszka, M. Sc., P. Geo., and Jason Clarke, B.Sc., P. Geo., of Matrix Solutions Inc. (now Montrose Environmental Group, Inc.); |
| "**Financial Statements**" | means the audited financial statements of the Company for the year ended December 31, 2024; |
| "**LCE**" | means lithium carbonate equivalent; |
| "**IFRS**" | means International Financial Reporting Standards; |
| "**MIM Permits**" | means Metallic and Industrial Minerals permits; |
| "**NI 43-101**" | means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*; |

| | |
|---|---|
| "**Omnibus Plan**" | means the omnibus equity incentive plan of the Company as approved by the Company's shareholders at its annual general meeting held on July 16, 2024; |
| "**Options**" | means stock options of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares; |
| "**PSU**" | means a performance share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares; |
| "**Qualified Person**" | has the meaning given to such term under NI 43-101; |
| "**RSU**" | means a restricted share unit of the Company issued pursuant to the Omnibus Plan, entitling the holder thereof to acquire Common Shares; |
| "**Securities Laws**" | means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer; |
| "**TSXV**" | means the TSX Venture Exchange; and |
| "**Warrants**" | means share purchase warrants in the capital of the Company, all of which are exercisable into Common Shares. |

# APPENDIX "B"
# SUMMARY FROM THE CLEARWATER PFS TECHNICAL REPORT

Information of a scientific or technical nature in respect of the Clearwater Lithium Project in this Appendix "B" is derived from portions of the Clearwater PFS Technical Report.

For readers to fully understand the technical information in this Annual Information Form, they should read the Clearwater PFS Technical Report (available on SEDAR+ at www.sedarplus.ca under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Annual Information Form. The Clearwater PFS Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Clearwater PFS Technical Report is subject to the assumptions and qualifications contained in the report.

## 1.0 SUMMARY

### 1.1 Introduction

Mr. Daron Abbey, P.Geo., Mr. Alex Haluszka, P.Geo., Ms. Meghan Klein, P.Eng., Mr. Antoine Lefaivre, P.Eng., and Mr. Keith Wilson, P.Eng., prepared a technical report (the Report) on the Clearwater Project (the Project) within the Bashaw District Mineral Property for E3 Lithium Ltd. (E3). The Clearwater Project will host the planned Central Processing Facility.

### 1.2 Terms of Reference

The Report was prepared to support disclosures in E3's news releases dated June 26, 2024, entitled "E3 Outlines Clearwater Project Pre-Feasibility Study And Confirms Lithium Reserves" and dated 29 August 2024, entitled "E3 Lithium Files Clearwater Project NI 43-101 Technical Report".

The Report provides an updated Brine Resource estimate and first-time disclosure of Brine Reserves as a result of a pre-feasibility study completed during 2024 (the 2024 PFS).

The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014; the 2014 CIM Definition Standards), incorporated by reference into National Instrument NI 43-101 (NI 43-101) does not currently include brines as part of the "mineral" (2014 CIM Definition Standards) or "mineral project" (NI 43-101) definitions. However, there is a general acceptance within the industry that reporting brine projects as mineral projects is appropriate, and a brine-specific guideline exists (2012 CIM Best Practice Guidelines for Resource and Reserve Estimation for Lithium Brines). For the purposes of this Report, the estimates are referred to as Brine Resources or Brine Reserves, with the exception of statutory Item headings.

The Report uses Canadian English. Monetary units are reported in US dollars (US$) unless otherwise noted. Units are metric units unless otherwise noted.

### 1.3 Report Terms

The Report uses the following t e r m s :

- Bashaw District Mineral Property: referred to as the Bashaw District;
- Clearwater Project: also referred to as the Project; a rectangular area within the Bashaw District, which includes the drainage area, the infrastructure associated with the drainage area, and the Central Processing Facility;

- The Central Processing Facility: the infrastructure required for processing produced brine into saleable product.

The Report uses reservoir engineering terminology for most parameters rather than hydrogeological terminology to align with the proposed recovery method via existing oilfield technologies (wells, pumps, and pipelines) to extract the lithium-rich brine from the reservoir and supply it to a process facility that will use a direct lithium extraction technology. In some cases, however, hydrogeological terms can be used. A summary of key terminology is provided in Table 1-1.

E3 adapted the standard oilfield approach for evaluating data distribution and variance which involves calculating "P10," "P50," and "P90" values. These metrics represent the 10$^{th}$, 50$^{th}$, and 90$^{th}$ percentile values in a given data distribution. The 50$^{th}$ percentile value (P50) represents a median and is not a mean value but these terms are equal for normal data distributions. Average (mean) values are presented in some sections of the Report where appropriate and are described as such.

## 1.4 Project Setting

The Clearwater Project is located within E3's Bashaw District brine-hosted minerals licence area in central Alberta, between the cities of Red Deer and Calgary. The City of Red Deer is located at the junction of Alberta Provincial Highway 2 and Highway 11. Highway 2 is the main corridor between Edmonton and Calgary and runs north–south along the west boundary of the Clearwater Project area.

Major and secondary provincial highways, and all-weather roads developed to support oil/gas infrastructure, occur throughout the permit areas. Additional access is provided by secondary one- or two-lane all-weather roads, and numerous all weather and dry weather gravel roads. Grid roads run every mile throughout the Project area, providing access year-round.

There are international airports in Calgary and Edmonton. Red Deer hosts a regional airport. Two rail lines (Canadian National and Canadian Pacific + Kansas City Southern) are present throughout the area and connect to the major centers of Edmonton and Calgary.

Calgary has a continental climate with severe winters, no dry season, warm summers and strong seasonality. Extraction operations will be conducted on a year-round basis. As this is a reservoir that will be produced using direct lithium extraction technology to extract lithium from brine, there are no climate related limitations to resource extraction, unlike the situation for salar-type deposits.

Table 1-1: Reservoir Engineering versus Hydrogeology Terminology

| **Reservoir Term(s) Term** | **Equivalent Hydrogeological** | |
|---|---|---|
| Reservoir; net pay | Aquifer | Hydrostratigraphic units |
| Seal | Aquitard | |
| Producible volume* | Specific yield* | |
| Total system compressibility product | Specific storage | |
| Irreducible water saturation | Specific retention | |
| Fluid mobility | Hydraulic conductivity | |
| Viscosity-corrected permeability thickness | Transmissivity | |

| Reservoir Term(s) | Equivalent Hydrogeological Term |
|---|---|
| Flow test | Pumping test |
| Build-up; shut-in period | Pumping test recovery period |
| Fall-off | Injection test recovery period |

Note: * Producible volume relies on reservoir drive mechanisms whereas specific yield assumes gravity drainage.

The region is dominated by farmland with numerous creeks and wetlands occurring throughout the district. The dominant landform is undulating glacial till plains, with about 30% as hummocky, rolling, and undulating uplands. The average elevation is 750 masl, but ranges from 500 masl near the Alberta– Saskatchewan border to 1,250 masl near Calgary and 700 masl near Edmonton. The Red Deer River is the dominant riparian feature, flowing south–southeast from the middle of the North Bashaw area within the Bashaw District to Drumheller in the in the southeast of the permit area.

Accommodation, food, fuel, and supplies are readily obtained in the City of Red Deer and the towns of Olds, Sylvan Lake and Innisfail. Internet and phone coverage are available throughout the permit areas. Many trained workers live in the area and work in the oil and gas sector. These workers have the skills and expertise required to develop lithium from their related experience in oil and gas. There is a significant amount of infrastructure in the area to support over 70 years of oil and gas development operations.

### 1.5 Mineral Tenure, Surface Rights, and Royalties

The Bashaw District consists of 46 brine-hosted minerals licences that overlie the Leduc Formation in Southern Alberta covering 333,608 ha. These 46 licences completely or partially intersect the Bashaw District boundary, with 331,847 ha falling within the boundary and 1,760 ha falling outside. The claims are interspersed with privately-owned (freehold) mineral rights. The Clearwater Project within the Bashaw District covers an area of 77,872 ha, and contains all or portions of 10 brine hosted minerals licences (licences 209, 210, 211, 212, 222, 223, 224, 225, 243, and 248) within the Bashaw District.

Amendments to the Metallic Industrial Minerals Tenure legislation came into force on January 1, 2023 (Alberta Energy, Energy Operations Division, 2022), which split the Metallic Industrial Minerals permits into rock-hosted metallic and industrials minerals permits, and brine-hosted minerals leases.

As an eligible rock-hosted minerals permit holder, E3 applied on November 17, 2023 to convert the rock- hosted permits to brine-hosted minerals licences. E3 received 100% of the permits converted to brine- hosted licences on January 26, 2024. These licences have a non-renewable term of five years with an annual rental fee, after which E3 intends to convert the licences to brine-hosted mineral leases.

The mineral permits are interspersed with privately-owned (freehold) land, where the subsurface and/or minerals rights are owned by private individuals and/or companies and not the Crown. The freehold mineral rights do not pose an obstacle to brine assay and mineral processing test work within the mineral permits owned by E3, as E3 can take assays and perform testing over areas for which they own the permits, and extrapolate the data to cover the areas that do not include E3's permits. The reservoir itself is not confined to the E3 permits but spans the whole Bashaw District. Since June 23, 2022, E3 has formed a partnership with Imperial Oil with the option to purchase a number of the freehold mineral rights in the area to fill in some gaps within permit area. In 2024, a number of additional freehold sections were added to the original agreement to

further fill in gaps within the Bashaw District. E3 is confident that appropriate agreements with off-setting freehold mineral owners can be arranged, per Alberta Energy Regulator D56 7.7.12(e). Discussions with freehold owners are currently underway. E3 is able to proceed with exploration and development activities under the common-law principle of The Rule of Capture, wherein an exploration company is allowed to extract resources (including brine) from underneath their leased lands, regardless of whether that brine migrated from adjacent unleased lands. The resource volumes in this Report includes all lands within the Bashaw District outline, including both Crown and freehold mineral rights.

Surface rights are owned mainly by private landowners over the Bashaw District, and E3 currently leases three surface locations from private owners for their three well pads.

Drill pad locations will be leased from individual property owners for an annual fee and must be reclaimed when the terms of the surface lease have been fulfilled or terminated. For facilities, surface locations can either be purchased or leased under the same conditions, and it is required that they are also reclaimed when the facility is decommissioned or abandoned.

No private royalties remain over the Project area. There were no known existing non-government royalties over E3's permit areas at the Report effective date.

### 1.6 Geology and Mineralization

The lithium brine in the Bashaw District is considered to be an example of a lithium-rich brine deposit.

The Bashaw District is in the southwestern part of the Western Canada Sedimentary Basin. In this area, the Upper Devonian (Frasnian) sediments of the Woodbend Group were deposited in a shallow inland sea bounded by the emergent Peace River Arch to the northwest and the West Alberta Ridge to the southwest, creating a barrier between the sea and the open ancestral Pacific to the west.

The Woodbend Group is dominated by basin siltstone, shale and carbonate of the Majeau Lake and Cooking Lake Formations. The Duvernay and Ireton Formations surround and cap the reef complexes of the Leduc Formation. The flooded carbonate platform of the Cooking Lake Formation provided structural highs and a favorable environment for the extensive reef buildups of the Leduc Formation.

Deep-seated faulting related to the Precambrian basement and the Snowbird Tectonic Zone appear to have at least partial control on the distribution of reefs and some of the oil fields in the area.

Lithofacies within the Leduc Formation were identified, interpreted, and delineated based on sedimentary structures and textures observed in core, and can be related to trends of porosity and permeability. The three key facies are:

- Facies-1: Leduc reef flat to reef margin facies;
- Facies-2: Leduc Mixed reef interior open lagoon to reef flat facies;
- Facies-3: Leduc reef interior restricted to open lagoon facies.

Based on the available data, the facies were assumed to be vertically continuous throughout the reef thickness.

The main lithium accumulations in E3's properties occur within brines contained within dolomitized reefs complexes of Devonian-aged Leduc Formation, with a secondary accumulation occurring at a higher elevation in the biostromal development in the Nisku Formation of the Devonian Winterburn Group. Consequently, lithium-brine mineralization in the Project area consists of

lithium-enriched brines that are hosted in porous and permeable reservoirs associated with the Devonian carbonate reef complexes. The specific emplacement method for the lithium in these reservoirs is currently unknown.

E3's current conceptualization of the Brine Resource is that the lithium grade is homogeneously distributed within the connected reservoir of the Bashaw District due to the high permeability and connected nature of the reservoir.

Data collected during E3's 2022 evaluation well program supports this theory, as all samples collected have a very narrow range of P10–P90 concentrations. The lithium data were collected across the 65+ townships of the Bashaw District, and E3's evaluation well program acquired lithium concentrations across the vertical extent of the Leduc Formation.

Additionally, major cation and anion geochemistry concentrations do not vary significantly across the Bashaw District, which further supports the interpretation that the brine is continuous.

### 1.7 History

E3's 2022 drill program was the first in Alberta specifically drilled to test brine for lithium concentrations. At the Report effective date, no other operator in Alberta had drilled wells solely to evaluate lithium concentrations in subsurface brines.

Historical testing of lithium in brine, prior to E3, was conducted as part of routine chemistry analysis by oil and gas operators in the area from produced water related to oil and gas production. These data were compiled in a comprehensive overview of the mineral potential of formation waters from across Alberta by the Government of Alberta. Subsequent collection of brine water from actively producing oil and gas wells was conducted by the Alberta Geological Survey and the brine water was analyzed for lithium.

E3 completed a review of the brine and hydrocarbon drilling history within the Project area, reviewed available historical third-party core data and historical well logs, examined results of hydrocarbon industry drill stem tests, examined historical production, injection and disposal volumes, and assessed historical and publicly available lithium data. E3 conducted brine sampling from existing hydrocarbon wells, including wellhead, test separator, large volume, and repeat sampling. The company has drilled and completed two wells, and completed a third-party well, estimated Brine Resources and Brine Reserves, and completed engineering studies, culminating in the 2024 PFS.

### 1.8 Drilling and Sampling

From June 2022 to January 2023, E3 conducted a three-well exploration program. The exploration program included drilling two wells and acquiring a third. The locations were selected to maximize the description of geological, reservoir, and lithium concentrations within the Project area.

A collar locator logging tool was used to identify collar locations. The tool consists of a set of magnetic coils that detect changes in the magnetic field cased by the presence of the metallic collars. During drilling, directional tools measure the well bottom-hole location using sensors behind the drill bit which measure inclination and azimuth. The data are transmitted to surface using electromagnetic signals that are interpreted in real time to guide the well trajectory. Post-drill, directional surveys were run on all three locations, to total depths, using advanced directional sensors and broad frequency electromagnetic signals.

The general sampling procedure was consistent for samples collected either from existing oil and gas infrastructure or dedicated exploration wells installed and sampled by E3. All samples were collected into 1 L opaque amber bottles. The bottles were filled to the top to ensure no air was trapped at the top. The cap was screwed on and then sealed with electrical tape. Each bottle

was labeled with the unique well identifier, sample interval depth, date, and an E3 custody seal was applied for security.

Samples were submitted either to Bureau Veritas Laboratories (Bureau Veritas Red Deer, Edmonton and/or Calgary), or AGAT Laboratories Calgary (AGAT), or SGS Geochemistry Division, Lakefield, ON (SGS Lakefield) for processing. Each of these laboratories are accredited by the Canadian Association of Laboratory Accreditation Inc as meeting general requirements for the competence of testing and calibration laboratories. The laboratories are independent of E3.

In the laboratory, samples were first degassed to primarily get rid of hydrogen sulfide. Samples received at the individual laboratories were vigorously mixed and a subset of sample was placed in a digestion tube. Samples were subject to acid digest, which depending on the laboratory could be a single or double digest. Post-digestion, samples were then diluted and run through an inductively coupled plasma–optical emission spectrometry (ICP–OES) machine for trace metal analysis. Samples collected from the three E3 wells had trace metals measured by SGS Lakefield. The samples were diluted with 20% HCl for the ICP- OES and 2% HCl for the inductively coupled plasma–mass spectrometry (ICP-MS) method. A combination of both practices is used for the 30 trace metal analyses.

Quality assurance and quality control (QA/QC) measures consisted of insertion of certified reference materials (standards). The standard was based on a Leduc reservoir brine. Analyses included in the Report all passed the QA/QC testing.

E3 collected 102 Leduc brine samples across the Bashaw District. Of the sample data contained in this Report, a subset of these samples come from the same well (55 unique locations sampled over the Bashaw District). At each well location, there may be different vertical intervals of the Leduc Aquifer that were sampled, and there are also samples that were collected from the same well and interval over time (47 repeat samples). Vertically different samples were treated as unique samples so that vertical heterogeneity within the reservoir could be evaluated. For intervals with multiple samples over time, a mean value was calculated after a qualitative review that the samples had low variance in the temporal scale. Based on the sampling results, the Leduc reservoir is enriched in lithium in sampled wells across the Bashaw District, and the data demonstrate consistency throughout both horizontally and vertically.

Sampling to the Report effective date included samples from 44 individual wells, representing a temporal variation dataset, with four or more repeat samples collected at several locations. The lithium concentrations remain steady in a relatively narrow P90 to P10 distribution over time in the Bashaw District. The Bashaw District data density, based on the 44 individual well locations is 0.013/km$^2$, and is 0.031/km$^2$ based on the 102 unique samples.

### 1.9 Data Verification

The QPs verified the information used in their discipline areas was acceptable for support of Brine Resource and Brine Reserve estimates and in the economic analysis that supports the Brine Reserves.

### 1.10 Metallurgical Testwork

Testwork for the Clearwater Project was conducted by, or supervised by SGS in Lakefield Ontario, Bureau Veritas in Calgary and Edmonton Alberta, as well as vendor and E3 in-house laboratories and piloting facilities during the period of 2019–2024 and remains ongoing. To date testing has focused on the novel direct lithium extraction process for the extraction of lithium from the Leduc reservoir brine. Other technologies to be incorporated into the process flowsheet include reverse osmosis, ion exchange for polishing and removal of cations,

precipitation, evaporation and crystallization processes to produce battery-grade lithium hydroxide monohydrate.

Multiple manganate ion exchange and aluminate sorbent systems were evaluated at bench scale to demonstrate lithium recovery from the Leduc brine. Manganate ion exchange achieved lithium extraction recoveries from 89.1– 90.8% while the aluminate sorbents achieved recoveries from 90.0–95.0%.

A manganate ion exchange and an aluminate sorbent technology were each selected for pilot testing at E3's field pilot plant facility. The pilot project was to demonstrate the two technologies at larger scale and to further understand and demonstrate lithium recovery under continuously operating conditions. In addition to their extraction performance, these technologies were proven to significantly reject other brine species (Na, K, Ca, Mg, B) to facilitate impurity removal producing a high-quality lithium chloride eluate, and have been used in commercial applications. Following piloting, an aluminate sorbent was identified as the preferred technology.

The results of ion exchange testwork indicated that small quantities of lithium was adsorbed during the process and therefore the regenerate solution should be recycled to recover this lithium. Reverse osmosis testing was completed on the ion exchange treated direct lithium extraction eluate to concentrate the lithium in solution. The reverse osmosis concentrate contained approximately 6,000 mg/L of lithium while

the permeate contained only 8 mg/L indicating <1% of lithium losses in the reverse osmosis process while achieving approximately a 7.5 times increase in lithium concentration.

Lithium was tested for further concentration by evaporating the reverse osmosis concentrate solution. Calcium and silicon levels in the evaporator concentrate were lower than expected, indicating these species also partially precipitated.

A recycle stream of mother liquor was passed through an ion exchange to separate sodium from lithium with the lithium product stream able to return to the lithium chloride evaporation step for additional lithium precipitation. Lithium carbonate was then redissolved and reacted with hydrated lime resulting in a 2.85% lithium hydroxide (LiOH) solution containing solid calcium carbonate. Following the removal of calcium carbonate solids, the remaining calcium in the lithium hydroxide solution was removed to <1.0 mg/L through ion exchange. Evaporation testing of the lithium hydroxide solution showed that it could be concentrated to 13% LiOH with the concentrated brine then sent to a crude lithium hydroxide monohydrate crystallizer which was operated under vacuum. Analysis of the mother liquor showed a concentration factor of approximately 11.85 times. Washing of the crystal demonstrated the ability to reduce impurities on the crystal including aluminum, iron, potassium, silicon, sodium, zinc, carbonate, chloride, and sulfate.

The produced crystals were dewatered, washed and redissolved to produce a feed to the pure lithium hydroxide monohydrate crystallizer. The final crystallization produced crystals with a d50 of 800–850 µm, and washed crystals met the battery grade specification.

Testing demonstrated consistent direct lithium extraction lithium recovery from brine with a reported average of 95.04% ±0.79% observed during testing. The low variability of the brine chemistry will enable consistent lithium recovery. Downstream of the direct lithium extraction process, it is anticipated that 98% of the lithium recovered by the direct lithium extraction will be converted into solid lithium carbonate. The redissolution of lithium carbonate and precipitation of lithium hydroxide will recover 96.9% of the lithium for a final overall process recovery of 90.4% lithium into a lithium hydroxide monohydrate product.

Brine chemistry across the Bashaw district is relatively consistent with a narrow range of concentrations for lithium as well as for other species. E3 has collected samples across 65+

townships and has also collected a vertical brine profile in their most recent test wells and found the composition to have low variability.

Silicon, boron, sodium, magnesium and calcium are the expected deleterious elements present in the Leduc brine. The concentrations of these elements are expected to be steady during plant operations. Incompliance with battery grade lithium hydroxide monohydrate specifications, product is to contain <0.01 mg/L each of silicon, boron, sodium, magnesium and calcium.

### 1.11 Brine Resource Estimation

The Brine Resource estimate for the Bashaw District is based on reservoir geometries and properties populated in a 3D geological and reservoir model developed using Petrel™ (Schlumberger Information Solutions, undated). Petrel™ is a commercial software platform that integrates geological and reservoir data.

The geological model included the following reservoir characteristics: area geometry, structure, thickness, porosity, permeability, and lithium concentrations (grade). The 3D geological model was used to geostatistically simulate and evaluate scenarios of connected porosity in the reservoir that were used as the basis for the resource estimate in the model domain. The model was validated in part based on existing and project developed maps and cross-sections of depositional environments, facies, diagenesis and oil and gas pools. Additional validation by the QPs was completed by detailed review of the raw input data to the geological model, suitability of the geostatistical approaches applied, and output grids for the model.

Pore volume was estimated from the reservoir model grid by summing the porosity values from all the cells above a minimum porosity threshold connected to an adjacent cell also meeting the threshold (and for defining the resource, containing a measured lithium sample within the connected pore volume). Effective porosity was the parameter evaluated in this assessment.

Based on statistical evaluation and the completion of the vertical grade profiling, the QP determined that the sample dataset represented a large regional area across the Bashaw District and within this dataset, lithium grade variance was small and there were no mappable spatial trends in the grade. This result is expected for a regionally continuous, hydraulically connected aquifer, where the emplaced lithium has been regionally distributed through advective and dispersive groundwater flow over a long period of geological time. Based on this analysis, the QPs believe it is reasonable to apply the P50 lithium concentration of 75.5 mg/L as the lithium grade across the Bashaw District to estimate the volumes for Measured and Indicated Brine Resource volumes.

Permeability was evaluated to support development of effective porosity cutoffs and to determine if the resource has a reasonable prospect of eventual economic extraction. Linear regression analysis was done on the core data to evaluate the relationship between porosity and permeability. The effective porosity/permeability relationship was interpreted to indicate a high confidence that 6% effective porosity could be associated with an extractable resource volume and 2% a moderate confidence.

The Bashaw District resource area was treated as a single continuous reservoir based on continuity in porosity (>2% effective porosity connected pore volume), consistency in lithium grade, and observed pressure dynamics. A cut-off grade was not used in this assessment because the grade within the reservoir was determined to be homogeneous and therefore the factor controlling the resource volume will be the effective porosity distribution and connectivity in the reservoir.

The geostatistical simulation of 50 equally plausible 3D effective porosity distributions for the resource quantified the uncertainty in the estimated brine connected pore volume (and by

extension resource volume) accounting for the uncertainty in the measured data. Specifically, based on the current data locations, density and range in the effective porosity values, the difference in overall P10 and P90 brine connected pore volume using a 2% porosity cut-off between all 50 realizations is 12%. Based on the low range in variance of the connected pore volume and validation of the output results described above, the QPs selected the P50 volume calculated from the 50 realizations that evaluated the connected effective porosity as the basis for the estimate.

The Brine Resource estimate excludes hydrocarbons and any pore volume associated with them.

Measured Brine Resources are assumed to have permeability values at reservoir core porosities (which represent effective porosity) of 6% or greater range from 0.1–to 30,000 mD with a regression fit of approximately 10 mD. Indicated Brine Resources are assumed to have permeability values at reservoir core porosities (which represent effective porosity) of 2% or greater range from 0.04–1,000 mD with a regression fit of approximately 1 mD.

### 1.12 Brine Resource Statement

The estimates are reported inclusive of those Brine Resources converted to Brine Reserves using the 2014 CIM Definition Standards. Brine Resources that are not Brine Reserves do not have demonstrated economic viability.

The Qualified Persons for the Brine Resource estimates are Mr. Daron Abbey, P. Geo and Alex Haluszka, P. Geo, both of Matrix Solutions Inc.

The estimates have an effective date of June 20, 2024. A summary of the Measured, Indicated and Measured + Indicated Brine Resource volumes for the Bashaw District is provided in Table 1-2 and for the Clearwater Project area in Table 1-3. Table 1-3 is not additive to Table 1-2.

Table 1-2: Bashaw District Total, Measured, and Indicated Resource Estimates

| **Confidence Category** | **Original Lithium In Place (t Li)** | **Original Lithium In Place (t lithium carbonate equivalent)** | **Original Lithium In Place (t lithium hydroxide monohydrate)*** |
|---|---|---|---|
| Clearwater Measured Brine Resource (excluding hydrocarbon pore volumes) | 1,256,300 | 6,687,200 | 7,595,500 |
| Clearwater Indicated Brine Resource (excluding hydrocarbon pore volumes) | 1,790,500 | 9,530,900 | 10,825,500 |
| Clearwater Measured and Indicated Brine Resources OLIP (excluding hydrocarbon pore volumes) | 3,046,800 | 16,218,100 | 18,421,000 |

Table 1-3: Clearwater Project Area Total, Measured and Indicated Resource Estimates as a Subset of the Bashaw District

| Confidence Category | Original Lithium In Place (t Li) | Original Lithium In Place (t lithium carbonate equivalent) | Original Lithium In Place (t lithium hydroxide monohydrate)* |
|---|---|---|---|
| Clearwater Measured Brine Resource (excluding hydrocarbon pore volumes) | 340,200 | 1,811,100 | 2,057,100 |
| Clearwater Indicated Brine Resource (excluding hydrocarbon pore volumes) | 222,500 | 1,184,500 | 1,345,300 |
| Clearwater Measured and Indicated Brine Resources OLIP (excluding hydrocarbon pore volumes) | 562,800 | 2,995,600 | 3,402,500 |

Notes to Accompany Brine Resource Tables

1. Brine Resources are reported using the 2014 CIM Definition Standards, and are inclusive of those Brine Resources converted to Brine Reserves. Brine Resources that are not Brine Reserves do not have demonstrated economic viability.
2. The Qualified Persons for the estimate are Daron Abbey, P. Geo and Alex Haluszka, P. Geo, both of Matrix Solutions Inc.
3. The estimates have an effective date of June 20, 2024.
4. Brine Resources are confined within the Leduc Formation within the Bashaw District.
5. Numbers have been rounded.
6. Table 1-3 is not additive to Table 1-2.

The following are comments and discussion from the QPs on factors and risks that may affect the potential development of the Brine Resource:

- The resource estimate methodology is dependant on the assumption that the depleted brine will be reinjected into the host reservoir. It is important to note that emerging regulations in some jurisdictions, and currently in the Project jurisdiction, mandate fluid reinjection as part of brine production schemes. Reinjection brings challenges as well as benefits, as lithium depleted brine will be added to the reservoir and dilution of the resource over time will need to be managed. However, this type of production scheme has been used for oil and gas reservoir development for decades and fluid breakthrough can be managed, with the field optimized in real time. These aspects of production need to be evaluated as part of the reserves analysis, as by-passed brine will need to be excluded from the Brine Reserves versus the Brine Resource;
- The Brine Resource estimate used a geostatistical approach accounting for uncertainty in porosity measurements that leveraged a significant amount of publicly available data from historical petroleum exploration in the reservoir. Therefore, existing porosity, permeability, and grade measurements are still mainly concentrated in the hydrocarbon saturated portions of the reservoir. E3's exploration drilling in the central, water saturated portion of the reservoir, has improved the confidence that the reservoir properties inferred from this data are still representative of the full reservoir area but it is important to note that the relationship of porosity to permeability is variable across the Bashaw District area. The specific factors controlling variability (geological facies, diagenetic processes) were not discretely represented in the current reservoir model other than a linear decrease of

porosity versus depth inferred from the broad dataset. While the P50 connected porosity volume may be an overestimate of the actual connected porosity in the reservoir, the QPs believe that the geostatistical approach captured the potential range of uncertainty in connected porosity that could impact the resource estimate which was found to be 12% (P10–P90);

- It is known that there are fractures in the reservoir that make up a component of the connected porosity system. For the purposes of this Report, the porosity system has been treated as a single continuum of porosity, and de-weighted the fracture porosity by using the K90 core permeability measurements rather than the maximum permeability. If the exchange between matrix and fractures is delayed, this could affect the ability to extract the Brine Resource from the matrix porosity. This can be evaluated through additional flow testing and operational monitoring of production.

### 1.13 Brine Reserves Estimation

The proposed mining method will use production wells to pump brine from the Leduc Formation. The reference point for the Brine Reserves is defined as the saleable product from the Central Processing Facility.

The Brine Reserve estimate was conservatively modeled and stated as a Proven Brine Reserve for Year 1 through Year 5 of full-scale extraction, and a Probable Brine Reserve for Year 6 through Year 50 of full- scale extraction. The distinction between Proven and Probable Brine Reserves is based on industry precedent from similar projects.

The Measured and Indicated Mineral Resources correspond to the total producible lithium in place in the Bashaw District and the Clearwater Project Area while the Proven and Probable Brine Reserves represent the recoverable lithium, which is a subset of the producible lithium demonstrating the portion of producible lithium that can be extracted and sold during the planned life of the Project.

Lithium grade will decline over time as the reinjected lithium depleted brine makes its way to the production well. A conservative approach has been taken which allows both the production and injection wells to be perforated across the entire Leduc Formation thickness for the first five years of production, and then the injection wells will have a workover completed so that injection is limited to the lower portion of the reservoir while the production wells continue to produce from the entire reservoir thickness, to maximize overall recovery.

### 1.14 Brine Reserves Statement

The Proven and Probable Brine Reserves estimate for the proposed 50-year production period is summarized in Table 1-4, and includes reductions for both facility on-time and processing losses during lithium recovery.

Brine Reserves are reported at the point of saleable product from the Central Processing Facility, using the 2014 CIM Definition Standards, and have an effective date of June 20, 2024. The Qualified Person for the estimate is Ms. Meghan Klein, P. Eng., of Sproule Associates Limited.

Table 1-4: P50 Proven and Probable Brine Reserves for the Clearwater Project

| Clearwater Project Reserves | Li (t) | Lithium Carbonate Equivalent (t) | Lithium Hydroxide Monohydrate (t) |
|---|---|---|---|
| Proven Reserves (initial 5 years) | 26,550 | 141,450 | 160,700 |
| Probable Reserves (6 to 50 years) | 187,200 | 996,400 | 1,131,7000 |
| ***Total Proven and Probable*** | ***213,750*** | ***1,137,850*** | ***1,292,400*** |

Note:

1. Brine Reserves are reported at the reference point of the saleable product from the Central Processing Facility, and have an effective date of June 20, 2024. Brine Reserves are reported using the 2014 CIM Definition Standards.
2. The Qualified Person for the estimate is Ms. Meghan Klein, P. Eng., of Sproule Associates Limited.
3. Brine Reserves are reported assuming 2,500 $m^3$/d/well, initial capital of $2,465 million, average operating costs of $7,250/t lithium hydroxide monohydrate, 92% on-time and 90.4% lithium recovery.
4. Numbers have been rounded.

Factors that may affect the estimate include:

- E3's ability to raise sufficient capital to develop the Clearwater Project as outlined in Section 16. Should insufficient capital be available, a smaller-scale development could be considered, which would recover fewer Brine Reserves than those included in the 2024 PFS;
- Other factors that could affect development of the Brine Reserves are changes in the assumptions regarding reservoir factors (brine volume, reservoir deliverability, lithium concentration); cost factors (operating and capital costs); processing factors (facility on time, processing losses); lithium market and pricing; supply of materials (both building materials and process materials and chemicals); environmental, social license, and regulatory considerations (approvals and licenses).

## 1.15 Mining Methods

To produce lithium, the reservoir water will be pumped to the surface from a production well as produced brine. The produced brine will be processed at the surface to remove the lithium, leveraging direct lithium extraction technology. The lithium-depleted brine will be injected into the reservoir using injection wells for pressure support.

The reservoir development plan is to drill up to five wells from each of the 38 pads in the project area, for a total of 93 producers and 93 injectors, each with a brine rate of 2,500 m3/d. This approach allows for the centralized gathering of fluids, reducing road and pipeline construction. The inlet volume required for the Central Processing Facility is 232,500m3/d, which can be met and maintained from the 93 wells for the full 50 years of production, without requiring sustaining well capital. The preliminary locations of the 38 multi-well pads are not being publicly disclosed at this time, to ensure that E3's engagement and stakeholder consultation can occur in the appropriate sequence.

Multiple well and pump design scenarios were evaluated to determine the optimal design for the project. The optimal design was determined by balancing total project costs with executability, including lead-time for casing, tubing, and pumps, to deliver the total brine production of 232,500 $m^3$/d to the facility inlet. The evaluation included the reservoir deliverability and injection capacity of a variety of well network patterns and downhole spacing scenarios.

The total field development program will require approximately 1,300 days of drilling. With six rigs, this would take approximately six months of drill time. This includes the initial survey, clearing, and civil work required for well pad construction and access.

A simulation model formed the basis for the reservoir development plan, which in turn formed the basis for the production profile associated with the Brine Reserve estimate. The simulation model was developed using a numerical simulation to generate a type curve for well performance, which was rolled up to generate the full project production profile which was input into an economic model. The model is based on a standard “five-spot” well network pattern where the production well is in the center of the pattern and drains the reservoir within its pattern boundary. The boundaries are described as “no-flow” as the fluid on the opposite side of the pattern boundary is pulled towards the production well in the center of its pattern. The model was calibrated using the rates and pressure data from E3’s 2022 flow test.

Drilling wells for brine production and injection will use the same practices and proven technology as hydrocarbon drilling. Lithium-enriched brine from the Leduc Formation will be produced from the subsurface to surface using a downhole artificial lift system placed within the well.

To offset lithium grade decline, after five years of production and injection, a workover will be performed on the injector wells to shut in the top quarter of the reservoir, thereby forcing re-injected lithium depleted brine into the lower portion of the Leduc Reservoir from Year 6 to Year 50. This strategy was chosen to optimize drainage across the well network as the lithium-depleted brine injected into the reservoir travels more quickly through the upper portion of the Leduc Reservoir, which has higher porosity and permeability compared to the lower portion. By forcing injection into the lower portion of the Leduc Reservoir, the lithium depleted brine sweeps the lithium enriched brine towards to producer wells more effectively.

### 1.16 Recovery Methods

The proposed Clearwater Project will produce battery-grade lithium hydroxide monohydrate from Leduc Formation brines. The lithium enriched brine will be extracted from the reservoir through the producer wells and transferred by pipeline to the Central Processing Facility. The Central Processing Facility will process 232,500 m³/d of brine to produce battery-grade hydroxide monohydrate at the expected combined lithium processing recovery of 90.4% from the direct lithium extraction technology, lithium refining and conversion processes. The brine has a lithium concentration of 75 mg/L ± 5 mg/L. The planned production life is 50 years. Applying the assumed on-time of 92% for the Central Processing Facility, the initial facility production rate is 32,250 t/a.

The Central Processing Facility will include the following major process units:

- Brine degassing treatment and acid gas handling;
- Lithium recovery from the brine by direct lithium extraction;
- Lithium-depleted evaporative water recovery and reinjection;
- Lithium chloride purification and concentration by nanofiltration, reverse osmosis, ion exchange, and mechanical vapor recompression evaporation;
- Lithium chloride carbonation to lithium carbonate;
- Lithium carbonate conversion to lithium hydroxide monohydrate;
- Lithium hydroxide monohydrate evaporation, crystallization, drying and packaging.

Under normal operations, the Central Processing Facility will not be reliant on fresh water to meet the process water demands. All process demands for pure water will be met by recycling

reverse osmosis and evaporator distillates. Raw materials used in the process will include hydrochloric acid and sodium hydroxide for pH control and ion exchange regeneration, soda ash ($Na_2CO_3$) for the carbonate conversion process and lime (CaO) for hydroxide conversion process.

### 1.17 Project Infrastructure

The key infrastructure envisaged in the 2024 PFS includes:

- Power supply (grid tie-in and third-party cogeneration unit);
- Access road(s);
- Storm water pond;
- Central Processing Facility (gas compression and injection; pre-treatment – degassing; direct lithium extraction and post-direct lithium extraction treatment; lithium hydroxide plant);
- Office space, control room, laboratory, security, first aid;
- Warehouse for storage of spares and sales product;
- Communications (fibre-optic cable);
- Multi-well pads;
- Pipelines.

E3 is seeking a third-party to construct and operate a cogeneration facility to be located adjacent to the Central Processing Facility to supply power to the facility and the well pads. The Central Processing Facility will require an electrical power supply of approximately 85 MW, and field production infrastructure, dominated by downhole pump requirements, will require approximately 80 MW. The facility will include natural gas-fired turbines. A portion of the steam generated from waste heat will be used within the Central Processing Facility to satisfy all utility steam requirements during normal operations.

The brine will be extracted from the Leduc reservoir using a series of wells. A total of 38 pads will be cleared. Each pad will host five wells, each drilled using direction techniques in an “S” pattern so that they intersect the Leduc reservoir vertically and will be completed across the entire Leduc interval. The well configuration will be four producers and one injector for 19 of the pad locations and one producer and four injectors for the remaining 19 pad locations. A total of 93 producers and 93 injectors will be completed across the brine production area. Once the drill activities are complete, the production wells will have an electric submersible pump installed, and each pad site will have a transformer, local motor control centre and electrical building. The pipeline will be tied into the pad site and further tied into the main pipeline gathering system for the Central Processing Facility.

The pipeline will operate in a two-phase flow regime along its length. This is not uncommon in the oil and gas industry, and operating a two-phase pipeline operation is well understood. The pipeline corridors and trench for the brine supply pipelines will be shared with the brine reinjection pipeline network. There will be approximately 200 km each of brine production and brine reinjection pipelines. The pipeline segments will be buried in a trench, below the frost line, and will be insulated below grade.

The provisional Central Processing Facility site was selected due to its strategic location, which will benefit from its proximity to existing infrastructure including roads, and rail, facilitating efficient transport of chemicals and supplies to the Central Processing Facility and from the Central

Processing Facility to offtake customers. The proposed Central Processing Facility will be located strategically on a previously disturbed site that is within proximity of existing regional infrastructure.

Solid waste will be transferred by truck to a local waste handling disposal facility. Acid gas will be injected into disposal wells located at the Central Processing Facility. There is a local market for calcium carbonate and E3 is exploring ways to sell this product into the cement industry and eliminate this product as waste.

Surface water will be collected in a stormwater pond. Runoff not collected in the pond will be directed around the site using ditches and culverts.

Personnel to construct, operate, maintain, and support the operation are expected to come from local towns and cities, and a camp will not be required at the Central Processing Facility.

## 1.18 Environmental, Permitting and Social Considerations

### 1.18.1 Environmental Considerations

There have been two environmental studies completed to date on the proposed potential site for the Central Processing Facility, including a reconnaissance-level survey to identify potential environmental constraints, and a Phase 1 environmental site assessment to identify potential environmental concerns, including those from previous land uses.

No evaporative ponds or tailings ponds are required at the Central Processing Facility. However, a stormwater pond will be required to manage surface water run-off, which will be designed to meet a 1- in-100-year flood event. Secondary containment requirements for ponds as outlined in Directive 055 (Storage Requirements for the Upstream Petroleum Industry) (D055) will be used for stormwater run-off ponds within the facility boundary. Surface water run-off within the Central Processing Facility boundary will be managed in accordance with the industrial wastewater limits.

A groundwater monitoring program will likely be required to monitor and detect potential impacts to fresh groundwater resources in the vicinity of the Central Processing Facility that may occur from production of brine or through ongoing operational activities.

The Central Processing Facility will only produce calcium carbonate ($CaCO_3$), a solid waste product that will be transported to a licenced waste management facility. E3 is not planning to construct a landfill at the Central Processing Facility. No liquid industrial waste will result from the process. E3 is investigating mechanisms to sell the calcium carbonate produced to the cement industry, thereby creating a zero-waste facility.

### 1.18.2 Closure and Reclamation Planning

The submission of a conceptual reclamation plan is required for the Central Processing Facility to fulfil the goals identified under the *Env*ironmental Protection and Enhancement Act related to pollution prevention, mitigating environment impacts, and not impairing future use of the environment.

The objective of a Conservation and Reclamation Plan for the well pads and pipelines is to return the land to equivalent land capability, which requires that landscape, soil, biological resources and water be conserved and protected.

As set out in Alberta Energy Regulator (AER) Directive 90 (Brine-Hosted Mineral Resource Development) (D090), E3 will need to estimate the total Project liabilities, including the costs of providing care and custody and the cost to permanently end operations, which includes

abandoning, remediating and reclaiming the proposed site. E3 will be required to pay facility abandonment and reclamation costs, and an abandonment fee per well and reclamation costs per well under Directive 011 (Licensee Liability Rating Program: Updated Industry Parameters and Liability Costs) (D011). The facility abandonment cost and well reclamation costs used in the Licensee Liability Rating formula were based on the most recent cost assessment conducted by the Alberta Energy Regulator. The closure cost estimate is a high-level estimate of the costs to suspend, abandon, remediate, and reclaim the proposed site, as well as provide care and custody from shutdown of operations through to site reclamation. Facility abandonment and reclamation costs were calculated based on the instruction in AER Directive 6 (Licensee Liability Rating (LLR) Program) (D006) for well equivalents for a facility designed to process 232,500 $m^3$/d, and total C$36.7 million.

### 1.18.3 Permitting Considerations

E3 has identified four key regulatory pathways that will be used to organize required regulatory applications for the overall permitting and approval of the Project. These four regulatory pathways are organized as follows:

- Central Processing Facility regulatory requirements;
- Brine-hosted mineral scheme;
- Well pads, and associated production and injection wells;
- Pipelines.

The regulatory approval of the Central Processing Facility will also require the regulatory applications, assessments and guidance from various Alberta Energy Regulator Directives. E3 has not yet applied for the regulatory approvals required for the Project. Key components that will require permitting include: the Central Processing Facility, well pads with mineral wells, and accompanying mineral scheme(s), and pipeline network required to transport brine to the Central Processing Facility for processing and refinement.

### 1.18.4 Social Considerations

E3 has developed a strategy to address social licence for the project, which is a combination of adhering to instructions in various Alberta Energy Regulator Directives, and in the Responsible Energy Development Act, and a planned broader consultation process.

The Clearwater Project is located on freehold-owned surface land. There currently appears to be no Project activities that will occur on Crown land, and therefore Crown consultation activities should not be required. It is unlikely that there will be any Aboriginal Consultation Office determination on level of consultation for the Project. E3 will seek to engage with First Nations to understand and address their values, concerns and interests in the Project, and potentially explore options for economic development.

## 1.19 Markets and Contracts

Lithium is a key element in the production of batteries for electric vehicles, consumer electronics, and grid-scale energy storage. The demand for lithium has been growing rapidly in recent years, driven by the global transition to sustainable energy solutions and the rapid adoption of lithium-ion batteries. Market studies indicate a robust upward trend, with lithium demand expected to triple by 2030.

Global lithium mine supply is projected to reach a substantial level by 2033. However, increasingly stringent environmental, social, and governance requirements and lengthy regulatory

processes in many jurisdictions are likely to extend the timelines for new lithium projects, adding long-term pressure on supply. Many projects are still in the early stages, and the difference between nameplate capacity and output should be noted as new and existing facilities will produce volumes below their nameplate capacity, resulting in limited visibility on supply sources beyond the next 5–10 years. Consequently, supply growth beyond 2033 is expected to be limited, despite some early-stage projects potentially coming online during this period.

The two main lithium products, lithium carbonate and lithium hydroxide monohydrate, are crucial for manufacturing the cathodes used in lithium-ion batteries. Lithium carbonate is widely used due to its stable chemical properties and straightforward production process. Lithium hydroxide monohydrate is increasingly preferred for high-nickel cathode chemistries due to its superior performance characteristics. As consumers, especially those outside China, seek higher energy densities and longer cycle lives, the demand for lithium hydroxide monohydrate is projected to grow significantly.

A detailed future pricing study for lithium chemicals was developed for the Project using data from trusted research firms, covering battery-grade lithium carbonate and lithium hydroxide monohydrate prices for China, Japan, and Korea, as well as spodumene prices for China. Prices at approximately US$70/kg (US$70,000/t) for lithium hydroxide monohydrate, as seen in 2022, are considered unsustainable. It is anticipated that prices will stabilize at levels beneficial for both producers and consumers. While volatility has been a feature of the market in recent years and is expected to continue, there may be periods of higher-than-expected prices during times of extreme tightness. The price forecast for lithium hydroxide monohydrate was based on yearly forecast from 2027 to 2034, where the long-term price used was the 2023 price of $31,000/t lithium hydroxide monohydrate, in Benchmark Mineral Intelligence's Q1 2024 report, published in March 2024.

It is anticipated that material contracts for the Project will include power, concentrating, refining, transportation, handling, and product offtake. Any future contracts would be in line with similar contracts in Alberta. No contracts were in place at the Report effective date.

### 1.20 Capital Cost Estimates

The capital cost estimate for the 2024 PFS was completed by breaking the facilities down into a work breakdown structure and estimating each section using industry standard estimating practices for an AACE International Class 4 estimate (-30% to +50%). The capital cost estimate includes engineering, materials, equipment, and labour required to design, build, and construct a commercial lithium extraction well network, gathering system and Central Processing Facility and produce lithium hydroxide monohydrate over a 50-year production life.

The capital cost estimate was completed by an experienced cost estimator who determined its accuracy as Class 4 by assessing the extent and maturity of the estimate input information (e.g. vendor-supplied data, key planning and design deliverables). All costs for the project were estimated and calculated in Canadian dollars and converted to United States dollars. All costs outlined in this Report are in 2024 US$ with an exchange rate of CA$:US$ of 1.34.

The capital cost estimate was developed using budgetary vendor quotes, historical pricing, and industry accepted allowances. Budgetary vendor quotes were used for all major equipment, while minor equipment was estimated using either historical data or budgetary vendor quotes. Where allowances have been used, the allowance has been identified in the report for clarity. Factors were used to determine installed equipment cost.

The capital cost estimate includes both direct and indirect field costs:

- Direct field costs included factored equipment cost, materials which have been adjusted for winterization, labour which has been adjusted for productivity expected in central Alberta, utilities and offsites, and freight calculated as 8% of equipment and material cost. Installation factors were selected for the equipment based on the equipment type and the level of modularization expected from the vendor. Labour rates were based on current rates for southern Alberta and it is expected that offsite fabrication and module assembly will be the preferred execution strategy;
- Indirect field costs were calculated as a percentage of the direct field cost and includes contractor indirect costs such as contractor management and supervision, temporary construction facilities, temporary construction services, construction equipment, small tools and consumables, and contractor overhead and profit. Engineering is included as a percentage of the total field cost.

Sustaining capital starts in the second year of operation, and the cashflow analysis assumes that no sustaining capital is required in the first year of operation. When the facility sustaining capital is calculated on an annual basis for the first 25 operating years, the cost is approximately US$26 million per year. Beyond 25 years, sustaining capital was increased to account for maintenance of the older facility. The increased sustaining capital was calculated by dividing the initial equipment capital cost, as invested in Year 1, by 25 and spreading it across Years 26–50 of the production life. This increased sustaining capital is intended to cover the cost of replacing Central Processing Facility equipment between Year 26 and the final year of production operation.

A cost allocation of US$27.4 million was included at the end of the production life to cover abandonment, decommissioning and reclamation of the production and injection wells, the pipelines and the Central Processing Facility.

The total capital cost for the project is summarized in Table 1-5.

### 1.21 Operating Cost Estimates

The annual operating cost was calculated using quantity and pricing information provided through vendor quotes or by engineering calculation. An allowance was assumed for some miscellaneous costs.

The operating costs are average annual costs over the 50-year operating life of the project and are reported in US$/year. The operating expenditure was based on an average production rate of 25,850 t/a of battery-grade lithium hydroxide monohydrate and a nameplate facility capacity of 32,250 t/a with a 92% on-time over the project production life of 50 years.

Table 1-5: Capital Cost Estimate Summary

| Area | Installed Cost (US$ x 1,000) |
|---|---|
| Brine production and brine injection wells | 378,496 |
| Brine production and injection pipelines | 448,134 |
| Brine treatment | 448,146 |
| Lithium extraction, purification and carbonation | 403,971 |
| Lithium hydroxide, crystallization and packaging | 255,144 |

| Area | Installed Cost (US$ x 1,000) |
|---|---|
| Chemical handling | 52,741 |
| Site preparation (allowance) | 31,095 |
| Buildings (allowance) | 49,751 |
| First fills | 55,970 |
| Contingency | 342,028 |
| ***Total*** | ***2,465,476*** |

Operating costs include allocations for:

- Fixed and variable costs for the wells;
- Planned maintenance activities;
- Fiber optic monitoring system;
- Reagents and transport;
- Electrical power;
- Waste disposal;
- Operations personnel;
- Miscellaneous costs.

The average annual operating expenditure for the field and the Central Processing Facility is summarized in Table 1-6.

Table 1-6: Operating Cost Summary

| Description | Average Annual Operating Cost (US$/year x 1,000) |
|---|---|
| Well fixed costs | 3,640 |
| Well variable costs | 1,749 |
| Maintenance | 26,491 |
| Pipeline leak detection | 109 |
| Chemicals and trucking | 48,512 |
| Power and natural gas | 79,667 |
| Waste disposal | 2,484 |
| Operations personnel | 19,372 |
| Miscellaneous cost | 5,380 |
| ***Total Average Annual Operating Cost*** | ***187,404*** |

## 1.22 Economic Analysis

### 1.22.1 Forward-Looking Information Note

Please refer to the note at the front of this Report for information on forward-looking information.

### 1.22.2 Economic Analysis

The economic analysis combines the production profile from the Leduc reservoir provided by the production well network and the estimated capital and operating costs to extract, pipe and process the brine and further refine it into a saleable lithium hydroxide monohydrate product.

The economic analysis was prepared using a discounted cash flow economic model, showing both pre-tax and post-tax results. The model includes government royalties and taxes and there are no commercial royalties/payments expected. Any Freehold lands within the Project are assumed to have a royalty rate that is equivalent to government royalties. The results include net present value (NPV) for an 8% discount rate, internal rate of return (IRR), and a sensitivity analysis of key inputs.

The basis of the discounted cash flow model includes:

- Discount rate of 8% per year used to discount all future cashflows;
- Assumed start of production in 2027 with Year 1 of the model being the start of capital expenditure;
- Unlevered basis, which assumes that the project is financed from E3's equity and does not account for any interest expenses (debt) or interest income (cash);
- Real basis, which means that all future cash flows are accounted for in 2024 dollars with no provision for inflation or escalation of costs or revenue;
- Applicable taxes and royalties have been accounted for;
- A third-party research firm price forecast was used for the duration of the project with an average selling price of US$31,344/t over the producing life (weighted for production);
- Base case technical and economic outputs ;
- All amounts estimated in Canadian dollars (C$) were converted to United States dollars (US$) at an exchange rate of 1.34 (C$:US$) unless otherwise specified.

The Central Processing Facility will produce lithium hydroxide monohydrate, and all estimates for the production quantities and price forecasts use lithium hydroxide monohydrate, with the Brine Reserves reported in both lithium carbonate equivalent and lithium hydroxide monohydrate.

The following royalties were applied:

- Alberta crown royalties for metallic and industrial minerals are set at 1% gross mine revenue before payout, and the greater of either 1% gross mine-mouth revenue or 12% net revenue after payout;
- Payout is defined as the date that the total project costs are equivalent to total revenues on the project, or four years after production start for the 2024 PFS;

A blended Federal and Provincial income tax rate of 23% was used to calculate the projected income taxes payable. The cash flow model does not include any allowances for government funding for critical minerals.

A summary of the key base case economic outputs from the economic analysis are presented in Table 1-7. The post-tax NPV is US$3.72 billion, the post-tax IRR is 24.6%, and the payback period is four years.

Table 1-7: Economic Evaluation Results

| Evaluation Metric | Units | Years 1–25 | 50 Year Production Life |
|---|---|---|---|
| Lithium hydroxide monohydrate average production | t/year | 29,593 | 25,850 |
| Lithium hydroxide monohydrate price | US$/t | 31,601 | 31,344 |
| Total initial capital | US$ x1,000 | 2,465,476 | 2,465,476 |
| Total sustaining capital | US$ x1,000 | 375,755 | 1,263,699 |
| Total maintenance capital | US$ x1,000 | 282,022 | 507,640 |
| Total abandonment capital | US$ x1,000 | — | 27,404 |
| Average annual operating cost | US$/year | 194,776 | 187,403 |
| Average operating cost | US$/t | 6,582 | 7,250 |
| Annual EBITDA | US$ x1,000 | 648,070 | 530,844 |
| Project unlevered IRR (pre-tax) | % | 29.3 | |
| Project unlevered IRR (after-tax) | % | 24.7 | |
| Project NPV @ 8% (after-tax) | US$ x1,000 | 3,720,301 | |
| Payback period | Years | 4 | 4 |

Note: EBITDA = earnings before taxation, depreciation and amortization. IRR = internal rate of return. NPV = net present value.

## 1.23 Sensitivity Analysis

A sensitivity analysis was carried out by varying single parameters while keeping others unchanged to isolate their impact on the projected NPV8% and IRR. The analysis was completed under after-tax conditions. The sensitivity analysis was conducted for each of the key project parameters:

- Initial capital cost estimate, major maintenance and abandonment (±20%);
- Operating expense and maintenance (±20%);
- Selling price (±20%).

Grade sensitivity was excluded for this Project on the following basis:

- Brine-hosted lithium mineralization (grade) is demonstrably homogeneous both laterally and vertically across the entire Bashaw District;
- Declining grade, due to the reinjected lithium depleted brine from the injection wells reaching the production wells, fully or partially, is included in the economic analysis;

- A sensitivity for variation in overall production volumes disconnects the production profile from the infrastructure as described, and is considered to be unrepresentative.

The results of the sensitivity analysis demonstrate the economic viability of the project through the ranges of ±20% for the variable change of capital cost estimate, operating cost estimate, and selling price. The project economics show the most significant impact to variations of the selling price followed by the capital cost estimate, and finally the operating cost estimate.

## 1.24 Risks and Opportunities

### 1.24.1 Risks

The QPs identified the following risks in their areas of expertise.

**Brine Resource and Brine Reserve Estimates**

- Re-injection fails to maintain reservoir pressure;
- Existing porosity, permeability, and grade measurements are mainly concentrated in the hydrocarbon pools within the Bashaw District;
- Transfer of lithium from the rock matrix porosity to fractures could be delayed.

**Reservoir Development Plan**

- Potential production and injection rates for full Leduc perforations are currently calculated based on a single flow test;
- Hydraulic continuity between interior and margin areas was inferred from regional data, not physically validated by long-term pressure transient data;
- The assumptions as to timing and magnitude of break-through of lithium-depleted brine that is re- injected into the reservoir reaching the production wells;
- The ability to maintain reservoir pressures to support production flow rates has been modelled and will need to be validated through actual operational data;
- Relationship of porosity to permeability is variable across the Bashaw District area and the specific factors controlling variability (geological facies, diagenetic processes) have not been discretely represented in the current reservoir model.

**Process Design**

- Lithium sorbent degradation rates over time/cycles could be higher than anticipated;
- Consumption/fouling rates for reverse osmosis membranes could be higher than anticipated;
- Solids in brine are greater than anticipated, resulting in the need for solid removal equipment;
- Sour brine could have a detrimental long term impact on sorbent degradation;
- Potential for H2S to evolve from brine in the plant;
- Materials of construction failure:
    - Availability at 92% is at the high end for most mineral processing plants however is achieved from industrial processing facilities currently. Currently minor maintenance requirements are assumed to align into major maintenance windows; however, a

detailed minor maintenance schedule shall be constructed to update the total availability;

- Despite the chemistry being well understood for the post direct lithium extraction stages, varying incoming chemistry and reagent quality is a risk and further testwork is being conducted to understand the impact;

**Regulatory**

- Pore space competition between brine-hosted resources and reserves and carbon capture utilization and storage interests;
- Freehold land ownership and crown ownership for mineral permits not held by E3 will require agreements to equitably produce.

**Economics**

- Operating costs and capital costs could be higher than estimated;
- Lithium prices could be lower than estimated.

### 1.24.2 Opportunities

There is opportunity to further increase confidence in the Brine Resource and Brine Reserve estimates and reduce risks through additional data collection, flow tests and monitoring during future construction, commissioning, and production phases and incorporation and assessment of new information using the reservoir model.

Recovery is based on current testwork conducted by E3 and independent vendors and there is both a risk and opportunity on the total recovery, which will be further explored by future testwork and pilot plant trials.

E3 is investigating mechanisms to sell the calcium carbonate produced to the cement industry, thereby creating another potential revenue source and a zero-waste facility.

## 1.25 Interpretation and Conclusions

Under the assumptions described in this Report, the proposed LOM plan is achievable, and the economic analysis supports declaration of Brine Reserves.

## 1.26 Recommendations

Two work phases are recommended. The first work phase should include:

- Brine Resources and Brine Reserves: additional drilling and testing of existing wells; reservoir simulations;
- Lithium processing: testing to observe the sorbent longevity and susceptibility of thermal shock, any sorbent performance variability or loading limitation, and optimal column configuration; additional testing to de-risk unit operations;
- Engineering studies.

The total estimated costs for Phase 1 are approximately US$9 million, and will culminate in the completion of a feasibility study.

Assuming the results of the feasibility study are positive, E3 should evaluate a final investment decision in a second work phase, which may include:

- Brine Resources and Brine Reserves: additional drilling and testing of existing wells; reservoir simulations;

- Engineering studies.

The total estimated costs for Phase 2 are approximately US$57 million.

**APPENDIX "C"**
**SUMMARY FROM THE ESTEVAN TECHNICAL REPORT**

Information of a scientific or technical nature in respect of the Estevan Lithium District in this Appendix "C" is derived from portions of the Estevan Technical Report.

For readers to fully understand the technical information in this Annual Information Form, they should read the Estevan Technical Report (available on SEDAR+ at www.sedarplus.ca under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Annual Information Form. The Estevan Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Estevan Technical Report is subject to the assumptions and qualifications contained in the report.

## 1. Summary

The purpose of this technical report is to demonstrate the geological work done in E3's Project Area within the Estevan Lithium District of Southeast Saskatchewan and to disclose an inferred resource volume over E3's Crown Mineral permits.

Alex Haluszka, P. Geo, and Jason Clarke, P. Geo (the qualified persons or QP's), of Matrix Solutions Inc, a Montrose Environmental Company were retained by E3 Lithium to supervise work and prepare a technical report on the resource estimate of the Saskatchewan property in accordance with National Instrument 43-101 (NI 43-101) standards.

### 1.1. Property Location and Ownership

E3's Project Area covers ~67,000 Ha, consisting of 38 subsurface crown mineral permits in the Estevan Lithium District in Southeast Saskatchewan. The Estevan Lithium District is an area South of Regina where there are several companies who have both Crown and Freehold mineral permits to explore for lithium in brines. All crown permits in the E3 Project Area are held 100% by E3 and are listed under the broker names "Synergy Land Services Ltd. And Elk Run Resources Ltd.". The report and resource estimate are focused on E3's Saskatchewan Project Area. Table 1 below provides a list of all individual permits that make up the Project Area.

*Table 1: List of Claims for the E3 Project Area*

| Permit/Lease | Term | Expiry Date | Hectares | Issued To | E3 Working Interest |
|---|---|---|---|---|---|
| SMP026 | 8 | 2029-04-19 | 1351.978 | Synergy Land | 100% |
| SMP027 | 8 | 2029-04-19 | 2271.562 | Synergy Land | 100% |
| SMP028 | 8 | 2029-04-19 | 1877.341 | Synergy Land | 100% |
| SMP029 | 8 | 2029-04-19 | 225.76 | Synergy Land | 100% |
| SMP030 | 8 | 2029-04-19 | 1361.104 | Synergy Land | 100% |
| SMP031 | 8 | 2029-04-19 | 2396.511 | Synergy Land | 100% |
| SMP032 | 8 | 2029-04-19 | 2327.8 | Synergy Land | 100% |
| SMP037 | 8 | 2029-04-19 | 1779.103 | Synergy Land | 100% |
| SMP038 | 8 | 2029-04-19 | 2413.024 | Synergy Land | 100% |
| SMP039 | 8 | 2029-04-19 | 2007.042 | Synergy Land | 100% |
| SMP040 | 8 | 2029-04-19 | 2071.582 | Synergy Land | 100% |
| SMP041 | 8 | 2029-04-19 | 2523.472 | Synergy Land | 100% |
| SMP043 | 8 | 2029-04-19 | 517.988 | Synergy Land | 100% |
| SMP069 | 8 | 2029-04-19 | 1866.618 | Synergy Land | 100% |
| SMP071 | 8 | 2029-04-19 | 1300.681 | Synergy Land | 100% |
| SMP072 | 8 | 2029-04-19 | 1233.653 | Synergy Land | 100% |
| SMP073 | 8 | 2029-04-19 | 2076.02 | Synergy Land | 100% |
| SMP074 | 8 | 2029-04-19 | 650.576 | Synergy Land | 100% |
| SMP075 | 8 | 2029-04-19 | 2120.995 | Synergy Land | 100% |
| SMP076 | 8 | 2029-04-19 | 2586.153 | Synergy Land | 100% |
| SMP077 | 8 | 2029-04-19 | 1934.871 | Synergy Land | 100% |
| SMP080 | 8 | 2029-04-19 | 2835.761 | Synergy Land | 100% |
| SMP094 | 8 | 2029-04-19 | 64.574 | Elk Run Resource | 100% |
| SMP033 | 8 | 2029-04-19 | 974.283 | Elk Run Resource | 100% |
| SMP034 | 8 | 2029-04-19 | 3493.557 | Elk Run Resource | 100% |
| SMP035 | 8 | 2029-04-19 | 259.11 | Elk Run Resource | 100% |
| SMP051 | 8 | 2029-04-19 | 1799.048 | Elk Run Resource | 100% |
| SMP052 | 8 | 2029-04-19 | 1835.038 | Elk Run Resource | 100% |
| SMP053 | 8 | 2029-04-19 | 1817.251 | Elk Run Resource | 100% |
| SMP054 | 8 | 2029-04-19 | 1811.543 | Elk Run Resource | 100% |
| SMP055 | 8 | 2029-04-19 | 1809.694 | Elk Run Resource | 100% |
| SMP057 | 8 | 2029-04-19 | 2770.873 | Elk Run Resource | 100% |
| SMP088 | 8 | 2029-04-19 | 2001.985 | Elk Run Resource | 100% |
| SMP089 | 8 | 2029-04-19 | 1869.161 | Elk Run Resource | 100% |
| SMP091 | 8 | 2029-04-19 | 2584.598 | Elk Run Resource | 100% |
| SMP092 | 8 | 2029-04-19 | 2052.494 | Elk Run Resource | 100% |
| SMP093 | 8 | 2029-04-19 | 1928.158 | Elk Run Resource | 100% |
| SMP096 | 8 | 2029-04-19 | 260.243 | Elk Run Resource | 100% |

## 1.2. Geology and Lithium Brine

The Estevan Lithium District is in the Southeastern part of Saskatchewan, near the Manitoba border to the East, and the US border to the South. The primary target for brine-hosted lithium in the area is the Devonian-aged Duperow formation. Sediments of the Duperow formation were deposited as broad, carbonate-dominated rhythmic mega-sequences, reflecting significant fluctuations in sea levels over time. During the Late Devonian period, both the Duperow Formation and the Souris River Formation were deposited in the southeastern peripheral region of the Williston basin, characterized by restricted depositional conditions, particularly in shallow-water environments. The depositional environment is favorable for the leaching of lithium or generating

elevated lithium concentrations as the shallow brines become restricted and evaporate over time. Recent production testing and water analysis reporting has indicated that there are distinct and hydrodynamically isolated units with varying lithium concentration grades (Rostron, et al., 2022).

The Duperow was broken down into 6 distinctive zones, the Seward, Flat Lake Evaporite, Upper Wymark, Middle Wymark, Lower Wymark, and Saskatoon Member and are described in **Error! Reference source not found.**.

### 1.3. Status of Exploration

To date, E3 has compiled and reviewed historical information available from petroleum exploration in the Project Area and from adjacent properties. No new exploration activities have been completed by E3 in the Project Area at the time of publication of this report.

### 1.4. Resource

The resource estimate was developed in stages:

- Data compilation and review of existing reports in the area
- Core descriptions and reservoir depositional framework/lithofacies analysis
- Petrophysical modeling on logs, validated against core analysis where possible
- Generation of geological maps and reservoir volume calculations

The mineral resource estimate for the Project Area is summarized in Table 1. The mineral resource is considered inferred due to the geological evidence being sufficient to imply but not verify geological grade, or quality continuity.

*Table 1: Resource Estimate for E3 Project Area*

| Interval | Brine Volume (m3) | Average Li Grade (mg/L) | OLIP (t) | LCE (t) |
|---|---|---|---|---|
| Seward | 898,000,000 | 99 | 89,000 | 473,000 |
| Flat Lake Evaporite | 0 | N/A | 0 | 0 |
| Upper Wymark | 630,000,000 | 120 | 76,000 | 402,000 |
| Middle Wymark | 2,541,000,000 | 101 | 257,000 | 1,366,000 |
| Lower Wymark | 398,000,000 | 68 | 27,000 | 144,000 |
| Saskatoon Member | 624,000,000 | 48 | 30,000 | 159,000 |
| **Total** | 5,091,000,000 | | 478,000 | 2,545,000 |

### 1.5. Conclusions and Recommendations

The general conclusion of this report was that sufficient information was available to demonstrate that a mineral resource exists within the mineral claims in the E3 Project Area. The resource was

classified as an inferred resource due to the geological evidence being sufficient to imply but not verify geological grade, or quality continuity. There was sufficient evidence to document that the resource has a reasonable prospect for economic extraction. Two phases of work are recommended to increase confidence in the resource estimate within the Project Area and evaluate the extraction technologies to improve the understanding of project economics. The combined cost estimate to complete these additional work phases is $4,000,000 CAD.