



E3 LITHIUM

E3 LITHIUM LTD.

MODERN SLAVERY REPORT

I. Introduction

This report (the “**Report**”) is made jointly by E3 Lithium Ltd. (“**E3**”) and its wholly-owned subsidiaries listed in Schedule “A” hereto (collectively, the “**Reporting Entities**”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report constitutes our forced labour and child labour reporting statement for the financial year ending December 31, 2023. Where this Report refers to “E3”, the “Company”, “we”, “us” or “our”, it is a reference to all the Reporting Entities.

E3 does not tolerate child labour, forced labour or any other form of modern slavery. We are dedicated to upholding and respecting human rights, firmly opposing all forms of modern slavery. We recognize the critical role this plays in human rights protection and strive to avoid causing or contributing to any adverse human rights impacts.

II. E3’s Structure, Activities, and Supply Chains

E3 is a Canadian lithium resource company with a current focus on commercial development of lithium extraction from brines contained in its mineral properties in Alberta. E3’s vision is to be a global leader in responsibly sourced lithium, fueling the global transition towards a brighter energy future. The Company is incorporated under the *Business Corporations Act* (Alberta) and is listed on the TSX Venture Exchange, the Frankfurt Stock Exchange and the OTCQX. The Company’s head office is in Calgary, Alberta.

E3 holds Canada’s largest measured and indicated lithium resource located in a subsurface brine. The Company has several operating areas, however, currently the E3’s primary focus is to advance all aspects of its Clearwater Project located in Southern Alberta in order to achieve commercial operations.

E3 has over 30 employees and contractors working in professional office, research laboratory, and field operations roles. All of E3’s employees and contractors are located in Alberta with the majority located in Calgary, Alberta. We strive to create a diverse, inclusive and respectful culture across our business operations and projects.

E3 does business with a wide range of goods and services suppliers (“**Suppliers**”), sourcing goods and services locally and globally. We strive to build relationships with Suppliers who align with our values and are committed to ensuring that our contracting and procurement activities are done in compliance with our policy commitments.

In 2023, E3 procured goods and services across a wide range of categories and industry sectors.

The vast majority of E3's procurement activities in 2023 related to the purchase of services in relation to the construction and operation of Alberta's first lithium field pilot. These services included a service rig to produce brine, site preparation for the pilot, construction of temporary facilities, and testing of lithium extraction equipment. The majority of costs for equipment for our 2023 activities were rentals. E3 also purchased manufactured goods such as laboratory equipment, skid, columns, heaters, valves, pipes, measurement instruments, pumps, programmable control systems and other engineered equipment for its field pilot. The majority of our Suppliers are located in Canada and the United States, although we recognize that many of our Suppliers supply us with goods that originate in other jurisdictions and each have their own supply chains.

In evaluating Suppliers and potential Suppliers, we consider reliability, product quality, technical specifications, price, delivery terms and location, product guarantees/warranty, operational costs, support offering, reputation, and financial stability.

III. Policies and Due Diligence

E3 does not have specific policies and due diligence processes in place relating specifically to forced labour and/or child labour. However, E3 does have similar policies governing how the Company conducts its business.

1. Policies

E3 is committed to embedding human rights considerations into its policies, governance framework and decision-making and strives to continually evolve and improve its governance processes by implementing new policies and procedures. While we do not have a specific policy in place relating to modern slavery concerns, E3's core corporate values promote a strong culture of corporate responsibility that empowers our people to create tangible and long-lasting benefits for our future. All of E3's directors, officers and employees are required to comply with all applicable laws and regulations while fulfilling their duties and responsibilities. E3 also has a risk mitigation program that identifies, ranks and addresses identified risks to the Company and its projects. E3's current policies include policies pertaining to:

- Work Philosophies, including, but not limited to:
 - Conflict of Interest, Privacy, Intellectual Property, Technology Use
- Business Conduct and Ethics
- Environmental, Social and Governance
- Health, Safety and Environment
- Diversity, Equity and Inclusion
- Communication and Reporting
- Insider Trading and Reporting
- Whistleblower Procedures

2. Due Diligence

E3 expects its critical Suppliers to comply with all applicable laws and regulations and E3 plans to request confirmation from its Suppliers that they are adhering to the Act.

IV. Areas of Risk and Steps Taken to Manage Risk

1. Risk Factors

In 2023, E3 procured a minimal amount of products, equipment and services from outside of Canada, the United States and Europe. The risk during the period was very low.

Based on E3's review of its supply chain, the Company believes the greatest risk of forced labour and child labour in its supply chain originates from products and equipment sourced outside of Canada, the United States and Europe. The Company plans to engage with critical Suppliers (particularly those who import goods) to confirm their understanding of the Act and to understand how they intend to comply with the requirements.

E3 recognizes that the risks of forced labour and child labour are increased in certain high-risk areas, including:

- sectors reliant on low-skilled labour, often vulnerable to exploitative practices;
- dangerous or undesirable roles more likely to involve coercion;
- migrant workers at risk due to language barriers, uncertain legal status, and isolation;
- labour brokers or intermediaries that may obscure exploitative employment practices;
- manufacturing or production in regions with lax labour laws or enforcement, posing a higher risk;
- extended supply chains lacking transparency, complicating oversight and increasing the likelihood of labour abuses;
- industries and regions known for prevalent child labour and forced labour; and
- risks exacerbated by poverty and conflict.

E3 will consider in the future, additional ways to monitor and improve interactions with its employees and Suppliers, especially those in sectors potentially at higher risk of labour exploitation.

2. Risk Management Strategy

E3 understands that the risks associated with modern slavery are complex and ever-changing. The potential elimination of forced labour and child labour requires ongoing diligence. We are committed to continuously identifying and addressing these risks within our business, and will consider in the future how we might refine our policies further to help combat forced labour and child labour.

V. Measures Taken to Remediate Forced Labour or Child Labour and Loss of Income

E3 has not identified any instances of forced labour or child labour in its operations or supply chain. As a result, it has not had to take any measures to remediate any forced labour or child labour.

E3 acknowledges that efforts to prevent and reduce forced labor and child labor can unintentionally impact the income of vulnerable families. However, there have been no identified or reported instances where our measures to eliminate forced or child labor have led to income loss for these families within our activities and supply chains.

Should E3 identify incidents of forced labour or child labour, it may have the option of the following responses:

- taking actions to halt the identified practices and initiate an investigation to fully understand the issue;

- taking measures to ensure the well-being of impacted individuals, focusing on their safety and immediate needs;
- discussing with relevant parties, including Suppliers, the formulation and execution of a corrective action plan to address underlying causes and prevent recurrence; and
- conducting a review of associated policies and procedures to identify and implement enhancements that could strengthen its preventive strategies against forced labour and child labour.

VI. Employee Training

When onboarding new employees, and annually for existing employees, E3 provides training regarding our safety commitments. Employees are provided E3's employee handbook, which includes policies outlined in the policy section above and requires annual sign-off. E3 is also committed to improving the capacity of our employees to understand, identify and manage the risks of modern slavery in our operations and across our supply chains. E3 will consider in the future, mandatory training modules for new employees to familiarize them with E3's core principles and guidelines.

VII. Assessment of Effectiveness

E3 will explore in the future, additional ways to maintain standards of ethics and integrity, which are reflected in its policies referenced above.

1. Review and Response

E3 is evaluating how to address concerns raised through these channels, including taking necessary actions to resolve identified issues. These actions may include implementing corrective measures, adjusting policies, or providing additional training to prevent recurrence. E3's ongoing evaluation of its governance and compliance processes reflects its interest in upholding ethical business practices and the welfare of its employees and supply chain partners.

2. Board Oversight

E3 will dedicate a line item at a meeting of its corporate governance committee, a sub-committee to the board of directors with board oversight to improving its policies and procedures for identifying and tackling forced labour and child labour in its operations and supply chain.

VIII. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of E3 Lithium Ltd. for all Reporting Entities and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at <https://www.e3lithium.ca/>.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the Reporting Entities. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the 2023 reporting year.

DocuSigned by:



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Chris Doornbos

CEO, President & Director

May 31, 2024

I have the authority to bind E3 Lithium Ltd.

Schedule “A”

Wholly-owned subsidiaries of E3 Lithium Ltd.

1975293 Alberta Ltd.

2437798 Alberta Ltd.

2216747 Alberta Ltd. (Voluntarily dissolved on December 22, 2023)

Mexigold Resources SA de CV (Inactive and no assets)