

## **E3 Metals adds third Petro-Lithium Inferred Mineral Resource of 3.9 million tonnes (Mt) LCE, bringing total resource to 6.7 million tonnes**

- **The Exshaw West Area contains 3.9 Mt LCE inferred mineral resource with an average grade of 75 mg/L lithium**
- **E3 Metals' inferred resource now totals 6.7 Mt LCE within the Clearwater, Rocky & Exshaw permit areas which cover just 34% of the Company's total permit area**
- **The Exshaw West resource alone contains sufficient lithium enriched brine to support 50,000 tonnes/year LCE production for more than 70 years**

VANCOUVER, May 3, 2018 /CNW/ - E3 METALS CORP. (TSXV: ETMC, FSE: OU7A, OTC: EEMMF) (the "Company", "E3" or "E3 Metals") is pleased to announce a major addition to the Company's total resource base with the completion of a third National Instrument 43-101 (NI 43-101) Inferred Mineral Resource Estimate (the "Resource") of 3.9 million tonnes (Mt) lithium carbonate equivalent (LCE). The addition of this resource brings the Company's total combined inferred resource estimate to 6.7 Mt LCE. The Exshaw West Resource Area (EWRA) contains an estimated total of 19.5 billion m<sup>3</sup> (19.5 km<sup>3</sup>) of brine formation water at an average grade of 75 milligram/Litre (mg/L) lithium. Consistent with E3 Metals' prior resource estimates, the NI 43-101 Technical Report for the EWRA is being prepared and will be filed on SEDAR and the Company's website within 45 days.

The magnitude of this new resource area (EWRA), in addition to the North Rocky and Central Clearwater Resource Areas, demonstrates the project's significant lithium production potential. The EWRA spans over 1709 km<sup>2</sup> and covers 18% of the E3 Metals' permits. The Company's total combined resource is contained within only 34% of the overall Project Area. The Company plans to evaluate the potential to upgrade portions of its inferred resource to measured and indicated in 2018-2019.

"E3 Metals has established itself as one of the largest lithium resource holders in the world." commented Chris Doornbos, E3 Metals' CEO. "The Company has also been developing a direct brine lithium extraction technology that is key to unlocking the significant value of our vast lithium resource. The goal is to achieve greater than 90% metallurgical recovery of lithium while rapidly creating a concentrate with greater than 10x the original lithium content, without evaporation. If the Company were able to achieve this objective, our concentrated brine would be comparable to that of existing commercial lithium producers."

E3 Metals also wishes to announce that it has entered into an agreement with Hampson Equities to evaluate partnership opportunities for development of E3 Metals' Alberta brine resources. Hampson Equities brings a wealth of experience in financial management and high-profile network of Fortune 500 companies. The goal of the engagement is to assist in negotiating collaborative corporate relationships for E3 Metals.

### Mineral Resource Estimate

Across the EWRA are a number of oil and gas pools; several of these have been producing since as early as the 1960's. As a result of this development, publicly available geological and production data has provided a robust geological understanding the EWRA. Of the over 5,000 wells located within and around the Resource area, over 1,200 penetrate the Leduc Formation.

Brine samples were collected from actively producing Leduc wells along the reef trend and tested to determine lithium concentrations. Of the total wells sampled in 2017 and 2018 (Figure 1), the samples utilized in the EWRA analysis included 19 wells located within or very near the EWRA and 13 wells from Clearwater Resource Area; all of which are located within a hydraulically connected Leduc reef trend. A standard operating procedure ("SOP") was developed to ensure samples were collected in accordance with NI 43-101 requirements.

A geological investigation was completed utilizing the data outlined above to define the geometry and architecture of the reservoir. This included wireline logs and core sample analysis. The literature was

consulted to understand and predict spatial variations in porosity, permeability and geometry in between wells. Formation tests and production data were reviewed and utilised to understand initial and temporal variations in pressure with time.

Using this data, a 3-D model was generated of the Leduc and Cooking Lake Formations based on the size and geometry of this reservoir and the reservoir characteristics including porosity (fluid storage) and permeability (fluid flow capability). The Cooking Lake Formation is a regional aquifer stratigraphically below, and hydrologically connected to, the Leduc Reservoir. From this model, the total volume of brine contained in the total reservoir was calculated. The measured geologic parameters within the EWRA enabled an estimate of total volume of water available to be extracted from the reservoir. This was combined with estimates of the dispersion of the injection water within the confined aquifer to determine the total producible volume of brine and calculate the Resource.

Optimized brine production from the reservoir requires that produced water, once stripped of lithium, is re-injected to maintain pressure support. Well networks containing a number of production wells paired with injection wells are planned to recover brine. Based on measured hydraulic properties, the well networks will likely be designed to produce brine from a 5 km<sup>2</sup> area. Re-injection of brine will result in mixing of original brine and injected brine over time that will decrease the lithium concentration locally as the well networks mature. This mixing effect is referred to as "dispersion". Once the injection water reaches the production wells and dilutes the lithium below an economic threshold, the production well network would be shut down and a new well network in an adjacent area would be commissioned in its place. The EWRA is large enough to contain over 340 of these 5 km<sup>2</sup> production areas, each of which could support up to 10 years of production, based on the Company's models.

The concentration of lithium with the EWRA is reasonably consistent and evenly distributed across the reservoir ranging from 68 mg/L to 85 mg/L lithium. The model estimated the volume weighted average lithium concentration for the EWRA to be 75 mg/L lithium. This was calculated using data from the wells in and around the Resource Area. Wells included in the characterization of formation water are located across the eastern Leduc reef trend in Central Clearwater and Exshaw West (Figure 1).

The Resource estimations, lithium concentration, total volume, production volumes and production factors are presented in Table 1. No measurements were below the cut-off grade of 20 mg/L lithium. The total volume of water in effective porosity is given in Table 1 and outlines the total drainable water in the reservoir. A production factor of 50% was used as a conservative estimate on total producible water given dispersion and this was reported as the Resource. To better define dispersion effects, detailed mapping including seismic for delineation of fractures, geophysical characterization and structural analysis along with production tests will be required at a later stage. This may indicate if a different production factor is appropriate for this reservoir and assist in upgrading the resource to Measured and Indicated.

Table 1: Inferred Mineral Resource Estimate for the EWRA

Resource Area	Volume of Water in Effective Porosity (m <sup>3</sup> )	Lithium Grade (mg/L)	Production Factor	Production Cut-off	Production Volume (m <sup>3</sup> )	Inferred Lithium Resource Estimate (tonnes)	Inferred Lithium Resource Estimate (LCE tonnes)
	19,511,285,152	75	1		19,511,285,152	1,462,014	7,782,301
	19,511,285,152	75	0.9		17,560,156,637	1,315,813	7,004,071
	19,511,285,152	75	0.8		15,609,028,122	1,169,611	6,225,841
Exshaw West	19,511,285,152	75	0.7		13,657,899,606	1,023,410	5,447,611
	19,511,285,152	75	0.6		11,706,771,091	877,208	4,669,381
	<b>19,511,285,152</b>	<b>75</b>	<b>0.5</b>		<b>9,755,642,576</b>	<b>731,007</b>	<b>3,891,151</b>
	19,511,285,152	75	0.4		7,804,514,061	584,806	3,112,920
	19,511,285,152	75	0.3		5,853,385,546	438,604	2,334,690

The planned production well network design for the EWRA includes several production wells delivering up to 20,000 m<sup>3</sup> of brine to the surface per day. It is intended that E3 Metals will complete these wells in an

area distal from oil and gas pools. The network also assumes one to three injection wells placing the injected water at lower per-well volumes to control dispersion. It is possible for E3 Metals to collaborate with oil and gas operators in the area to add pressure support to the oil and gas pools by injecting this water proximal to the pools. This may also allow E3 Metals to repurpose existing infrastructure currently owned by oil and gas operators in these areas.

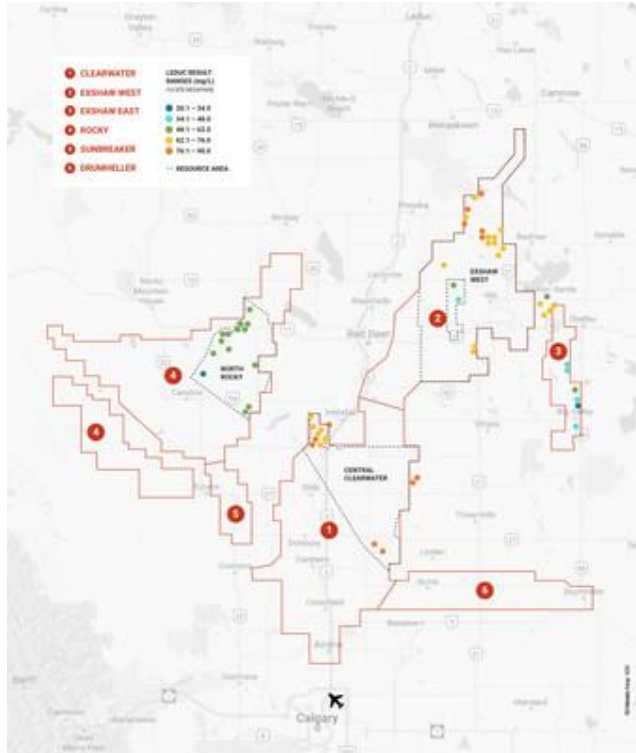


Figure 1 - Sampling results from 71 locations across E3 Metals' Leduc Reef permit area. EWRA is located in the northeast area of the map and is indicated by a dashed line.

The Company would like to thank its staff and contractors for their diligent and safe work in achieving this significant corporate milestone as well as the cooperation of producing oil and gas partners across its permit areas.

#### About E3 Metals Corp.

E3 Metals is a Petro-Lithium company rapidly advancing the development of direct recovery lithium brine projects in Alberta. E3 Metals already holds one of the world's largest combined lithium resources at 6.7 Mt LCE (inferred). The Company has a compelling competitive advantage by virtue of having access to extensive infrastructure built by the Oil and Gas industry in Alberta. This has provided E3 Metals with extremely low finding costs, as the Company has been able to sample existing wells to define its resource. This infrastructure may also provide wells and pipelines for a future lithium production operation, potentially reducing the future underlying capital requirements significantly. The Company's immediate goal is to demonstrate a commercially viable chemical concentration process and believes this is a key driver to commercial production of its Alberta lithium brine resources. More information about E3 Metals can be found on our website by visiting: [www.e3metalscorp.com](http://www.e3metalscorp.com).

ON BEHALF OF THE BOARD OF DIRECTORS,

Chris Doornbos, President & CEO  
E3 METALS CORP.

Gordon MacMillan, P.Geol., QP is responsible for the preparation of the technical information relating to the Exshaw West Resource that is contained in this news release and has reviewed and approved the use and disclosure of such information in this news release. Mr. MacMillan is a "Qualified Person", as that term is defined in NI 43-101.

Chris Doornbos (P.Geol), CEO and Director of E3 Metals Corp., is a Qualified Person as defined by NI 43-101 and has read and approved the technical information contained in this announcement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes certain forward-looking statements concerning the potential of the Company's projects to produce saleable lithium byproducts, including LCE, the future performance of our business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the effectiveness and feasibility of emerging lithium extraction technologies which have not yet been tested or proven on a commercial scale or on the Company's brine, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at [www.sedar.com](http://www.sedar.com). Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

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