

E3 Lithium and Epsilon CAM Sign MOU for Long-Term Supply of Battery-Grade Lithium Carbonate, Strengthening Battery Materials Supply Chain

Non-binding understanding contemplates multi-year supply of battery-grade lithium carbonate to support Epsilon CAM's growing cathode materials business

CALGARY, ALBERTA / MUMBAI, INDIA, September 15th, 2026 – Epsilon CAM Pvt. Ltd. ("Epsilon"), a India based developer and manufacturer of Lithium Iron Phosphate ("LFP") based Cathode Active Materials ("CAM") for lithium-ion batteries has entered into a non-binding Memorandum of Understanding (the "MOU") with E3 LITHIUM LTD ("E3"), a leader in Canadian lithium development. The MOU outlines the framework for potential long-term supply of battery-grade lithium carbonate from E3's Clearwater Project.

The MOU contemplates the potential supply of maximum up to 5,000 tonnes per year of battery-grade lithium carbonate over a five-year term, representing up to 40% of E3 Lithium's proposed Stage 1 production of 12,000 tonnes per year from the Clearwater Project. Final volumes and commercial terms would be established as the parties progress towards a definitive agreement.

This understanding strengthens Epsilon's strategy to build a geographically diversified and resilient battery materials supply chain. Epsilon's Gen III LFP is already progressing with global customer validations, while the company is building a 30,000 tonnes per year cathode materials facility with Phase 1 completion by early 2028. The potential supply of battery-grade lithium carbonate from E3 Lithium's Clearwater Project would add a new source of this critical raw material to the supply chain.

"Securing long-term offtake contracts is a critical commercial milestone required to advance the Clearwater Project," said **Chris Doornbos, CEO & Chair of E3 Lithium**. "This MOU with Epsilon demonstrates a serious interest and draws a clear path from Alberta brine directly into the battery supply chain. We look forward to advancing our negotiations and relationship with Epsilon as our Clearwater Project moves toward shovel-ready."

Vikram Handa, Managing Director of Epsilon CAM, said, "The electric mobility growth requires a battery materials supply chain that is resilient, diversified and globally connected. Our engagement with E3 Lithium strengthens this approach as we progress towards commercialization in India with a 30,000 tonnes cathode materials facility. This is also a great opportunity to connect upstream lithium resources in Canada with downstream cathode active material production in India, for development of a more diversified battery materials & battery value chain."

The terms of the MOU are likely to follow industry standards for offtake and follow a predictable path towards a definitive agreement seen within the industry. Generally, as the Company continues to execute on permitting, advancing Demonstration, and moving closer to completing its Feasibility Study, E3 expects agreements to finalize as the Project advances toward FID.

About Epsilon Cathode Active Materials (ECAM)

Established in 2023, Epsilon Cathode Active Materials specializes in the development and commercial production of Lithium Iron Phosphate (LFP) Cathode Active Materials. The company's ISO 9001-certified Cathode Technology Centre in Moosburg, Germany has a portfolio of 149 patents in next-generation cathode technologies, a 250-ton commercial demonstration plant, and advanced cell testing capabilities, positioning ECAM as one of the few organizations conducting serious cathode materials R&D at commercial scale.

With its R&D foundation in Germany, ECAM is ready for commercial scale Cathode Active Material facility, with 30,000 tons per annum capacity by 2028 in India. This shows the company's broader commitment to building a resilient, geographically diversified, and sustainable battery materials ecosystem for the global EV and energy storage industries.

For more information, visit www.epsilonam.com/cathode.html

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About E3 Lithium

E3 Lithium is a development company with a total of 21.2 million tonnes (Mt) of lithium carbonate equivalent (LCE) Measured and Indicated mineral resources as well as 0.3 Mt LCE Inferred mineral resources in Alberta, comprised of (a) Measured and Indicated mineral resources of 16.2 Mt lithium at a grade of 75.5 mg/L within its Clearwater Project¹ and (b) Measured and Indicated mineral resources of 5.0 Mt lithium at a grade of 54.0 mg/L lithium and Inferred mineral resources of 0.3 Mt lithium at a grade of 42 mg/L lithium within its Garrington District². The Clearwater Pre-Feasibility Study outlined a 1.13 Mt LCE proven and probable mineral reserve at a grade of 75.5 mg/L lithium, with a pre-tax NPV(8%) of USD 5.2 Billion with a 29.2% IRR and an after-tax NPV(8%) of USD 3.7 Billion with a 24.6% IRR¹.

1: The technical report titled "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, is available on the E3 Lithium's website (www.e3lithium.ca/technical-reports/) and under E3 Lithium's profile on SEDAR+ (www.sedarplus.ca).

2: The technical report titled "NI 43-101 Technical Report for the Garrington District Lithium Resource Estimate", with effective date of June 25, 2025, is available on the E3 Lithium's website (www.e3lithium.ca/technical-reports/) and under E3 Lithium's profile on SEDAR+ (www.sedarplus.ca).

Unless otherwise indicated, Chris Doornbos, P. Geo., Chief Executive Officer and a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information contained on this news release.

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