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OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

New Issue

March 24, 2025

ELECTRA BATTERY MATERIALS CORPORATION



Up to US\$3,500,000
Up to 3,125,000 Units

SUMMARY OF OFFERING

What are we offering?

- Offering:** Units (“Units”) of Electra Battery Materials Corporation (the “Company”, “Electra”, “we” or “our”), with each Unit being comprised of one common share in the capital of the Company (a “Share”) and one Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Share at an exercise price of US\$1.40 per Share for 18 months following the completion of the offering (the “Offering”).
- Offering Price:** US\$1.12 per Unit.
- Offering Amount:** Up to 3,125,000 Units for gross proceeds of up to US\$3,500,000 provided that in no event shall the Offering exceed \$5,000,000.
- Closing Date:** On or about April 2, 2025.
- Exchange:** The common shares of Electra (“Common Shares”) are listed and posted for trading, under the symbol “ELBM”, on the TSX Venture Exchange (the “TSXV”) and on the Nasdaq Capital Market (“Nasdaq”).
- Last Closing Price:** On March 21, 2025, the closing price of the Common Shares on the TSXV and the Nasdaq was C\$1.80 and US\$1.23, respectively.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

Electra is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – *Prospectus Exemptions*. In connection with this Offering, Electra represents the following is true:

- **Electra has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **Electra has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.**
- **Electra will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **Electra will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “anticipates”, “believes”, “estimates”, “expects” and similar expressions, or the negatives of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Offering Document speak only as of the date of this Offering Document or as of the date specified in such statement. Specifically, this Offering Document includes, but is not limited to, forward-looking statements regarding: the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering, the completion of the Offering, if it is to be completed at all; the expected Closing Date; sourcing of additional funding, including from the Federal Government of Canada and the Government of Ontario and completion of the Company’s business objectives, and the timing, costs, and benefits thereof.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Electra’s ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, the Refinery and general expectations with respect to the development of the Refinery (as defined below); risks associated with significant secured debt; general economic conditions in Canada, the United States and globally; industry conditions, including the state of the EV market; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in the mining industry; changes in tax laws and incentive programs relating to the mining industry and other risks involved in the minerals exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ and may differ materially from those expressed or implied by the forward-looking statements contained in the offering document. Such statements are based on a number of assumptions about the following: the ability to extract valuable elements from black mass; general expectations with respect to the development of the Refinery, including commodity prices with respect to its development; the state of the electric vehicle (“EV”) market; the future price of cobalt; anticipated costs of, and the Company’s ability to fund, its operations; the Company’s ability to carry on exploration and development activities; the timing and results of drilling programs; the discovery of additional mineral resources on the Company’s mineral properties; the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects; the costs of operating and exploration expenditures; the Company’s ability to operate in a safe, efficient and effective manner; the potential impact of natural disasters; U.S. legislative and regulatory policies; the impact of

ongoing international conflict; inflationary pressures; the Company's ability to comply with its obligations in connection with the 2027 Notes and the 2028 Notes (as defined herein); the Company's ability to obtain financing as and when required and on reasonable terms; market competition; and general business and economic conditions.

Forward-looking statements may be affected by known and unknown risks, uncertainties and other factors including, without limitation, those referred to in this Offering Document that may cause Electra's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If Electra does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Electra is in the business of producing battery materials, including refining material from mining operations and from the recycling of metals from battery scrap and end of life batteries. Electra is focused on building a diversified portfolio of assets that are highly leveraged to the critical minerals supply chain with assets located primarily in North America, with the intent of providing a North American supply of battery materials. The Common Shares are listed on the TSXV and Nasdaq and trade under the symbol "ELBM" in each case. The Company has two significant North American assets:

- (i) a hydrometallurgical refinery located in Ontario, Canada (the "**Refinery**"); and
- (ii) a number of properties and option agreements within the Idaho Cobalt Belt (the "**Idaho Properties**"), including the Company's flagship mineral project, Iron Creek (the "**Iron Creek Project**").

On May 4, 2020, the Company announced positive results from an engineering study (the "**Refinery Study**"), that outlined the Refinery's ability to reach annual production of 25,000 tonnes of battery grade cobalt sulfate from third party feed, representing approximately 5% of the total global refined cobalt market and 100% of North American cobalt supply with strong operating cash flows and a globally competitive cost structure. Subsequent to the Refinery Study, significant additional metallurgical testing, engineering work, flow-sheet optimization, costing and market analysis was completed, rendering many of the conclusions in the Refinery Study obsolete.

On March 10, 2023, the Company announced a new mineral resource estimate for the Iron Creek Project in Idaho, USA. The Company subsequently filed a technical report with respect to the new mineral resource estimate titled "NI 43-101 Technical Report and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA" dated March 10, 2023 with an effective date of January 27, 2023. The report was prepared by Martin Perron, P.Eng. Marc R. Beauvais, P.Eng, Pierre Roy, P. Eng. and Eric Kinnan, P.Geo., each of whom is a qualified person and "independent" as such term is defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Recent developments

Refinery Project Update

The Company continued progressing plans to recommission and expand the Refinery with a view to becoming the first refiner of battery grade cobalt sulfate in North America.

- **Production Capacity:** The Refinery could produce up to 6,500 tonnes of cobalt per year, once fully operational, supporting over 1 million electric vehicles (EVs) annually.
- **Sales Agreement:** LG Energy Solutions has agreed to purchase up to 80% of the Refinery's capacity over the first five years.

- Ethical Sourcing: Cobalt feed material for the Refinery will be sourced from Glencore and Eurasian Resources Group (“ERG”) in the Democratic Republic of Congo.
- Strategic Importance: The Refinery could support the North American defense industrial base needs by diversifying critical supply chains for lithium-ion battery production.

Recycling of Black Mass

The Company launched a black mass trial late in 2022 at the Refinery to recover high-value elements found in shredded lithium-ion batteries. To date, Electra has produced quality nickel-cobalt mixed hydroxide, technical grade lithium carbonate, and graphite products in its black mass recycling trial, and the Company continues to advance this project.

- Technical Grade Lithium: The Company successfully produced a technical-grade lithium product, marking further advances its capabilities to produce critical materials for the EV industry.
- Joint Venture with Three Fires Group: On September 18, 2024, Electra formed a joint venture, Aki Battery Recycling (“**Aki Battery**”), with the Indigenous-owned Three Fires Group to locally produce black mass and recover critical minerals for re-use in EV battery production.
- Black Mass Trial: A successful 2023 trial processed 40 tonnes of black mass from shredded lithium-ion batteries, recovering critical minerals including nickel, cobalt, and lithium.
- Environmental and Social Impact: Aki Battery aims to reduce the carbon footprint of the EV supply chain and contribute to the participation of First Nations communities in the energy transition.

Idaho Exploration

- The Company received a 10-year exploration permit from the U.S. Forestry Service for an area encompassing the Iron Creek and Ruby Deposits Property and the adjacent CAS and Redcastle properties (properties subject to option and earn-in agreements) in the Idaho Cobalt Belt.
- New Copper Showing: The 2023 field program discovered the Malachite Hill Copper Showing, expanding potential at the Iron Creek Project in Idaho.
- Redcastle Agreement Extension: The Company amended its Redcastle property agreement to extend exploration expenditure commitments until 2026 and 2028.

The Company’s primary focus remains on its Refinery project, enhancing supply chain resilience, and securing financing to support the expansion of its critical minerals operations, while advancing the Idaho Properties.

Government Funding

On June 10, 2024, the Company announced that it had been awarded \$5,000,000 in contribution funding from Natural Resources Canada to support the development of its proprietary battery materials recycling technology, accelerating the next phase of its recycling project to demonstrate on a continuous basis that the Company’s hydrometallurgical black mass process is scalable, profitable, and can be implemented at other locations.

On August 19, 2024, the Company announced that it had been awarded US\$20,000,000 by the U.S. Department of Defense. The award was made pursuant to Title III of the Defense Production Act (DPA) to expand domestic production capability and is funded through the Additional Ukraine Supplemental Appropriations Act. The funds will support the construction and commissioning of North America’s only cobalt sulfate refinery, capable of producing battery grade materials for lithium-ion batteries.

On March 21, 2025, the Company announced receipt of a letter of intent from the Federal Government of Canada (Strategic Innovation Fund) for proposed funding of \$20,000,000 to support completion of construction and commissioning of the Refinery.

Board and Management

On December 23, 2024, the Company announced the appointment of Marty Rendall as Chief Financial Officer. Marty Rendall is a seasoned finance executive with extensive experience in the mining industry, spanning exploration, development, construction and operational stages across the Americas. Mr. Rendall assumed the responsibilities of Chief Financial Officer effective January 1, 2025.

On February 25, 2025, the Company announced the appointment of Alden Greenhouse to the Company's board of directors.

Note Waiver

On March 5, 2025, the Company entered into an agreement with the holders of both its 12% senior secured notes (the “**2027 Notes**”) and 8.99% senior secured notes (the “**2028 Notes**”) to enhance the Company's financial flexibility. Under the agreement, lenders agreed to defer all interest payments until February 15, 2027. The agreement covers all outstanding Notes. As consideration for this deferral, Electra will pay additional interest of 2.25% per annum on the 2028 Notes and 2.5% per annum on the 2027 Notes, calculated on the principal amounts of the 2028 Notes and 2027 Notes. All deferred interest, including deferred amounts of additional interest, will accrue interest at the applicable stated rate of interest borne by the applicable series of Notes. All deferred interest (including all interest thereon) will become payable immediately if an event of default occurs under the applicable note indenture prior to February 15, 2027.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Company in the 12 months preceding the date of this Offering Document.

What are the business objectives that we expect to accomplish using the available funds?

The business objectives the Company expects to accomplish using the net proceeds of the Offering, together with existing cash and cash equivalents, are to fund ongoing work programs to advance the Refinery and for working capital and general corporate purposes. In order to achieve these objectives, the Company must complete the Offering.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

The expected total available funds to the Company following completion of the Offering is estimated to be approximately \$55,950,000.

		Assuming 100% of Offering
A	Amount to be raised by this Offering	\$5,000,000 ⁽¹⁾
B	Selling commissions and fees	\$350,000
C	Estimated offering costs (e.g., legal, accounting, audit)	\$100,000
D	Net proceeds of Offering: $D = A - (B+C)$	\$4,550,000
E	Working capital as at most recent month end (deficiency)	\$(2,300,000)
F	Additional sources of funding	\$53,700,000 ⁽²⁾⁽³⁾⁽⁴⁾
G	Total available funds: $G = D+E+F$	\$55,950,000

Notes:

- (1) A portion of the Units to be sold under the Offering may be issued to purchasers resident outside of Canada pursuant to Ontario Securities Commission Rule 72-503 – *Distributions Outside Canada*.
- (2) A US\$20,000,000 award was granted to the Company from the US Department of Defense for construction of the Refinery. Approximately US\$19,500,000 of this award remains available as at the most recent month end. See “*Summary Description of Business – Recent Developments*” above for further information.
- (3) A \$5,000,000 award was granted to the Company from Natural Resources Canada for continued advancement of the black mass recycling program. Approximately \$4,200,000 of this award remains available as at the most recent month end. See “*Summary Description of Business – Recent Developments*” above for further information.
- (4) The Company has received a letter of intent from the Federal Government of Canada (Strategic Innovation Fund) pursuant to which it is to be granted \$20,000,000 to support the construction of the Refinery. This financing remains subject to completion of final due diligence and execution of definitive documentation. See “*Summary Description of Business – Recent Developments*” above for further information.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of Offering ⁽¹⁾
Expenditures associated with the construction of the Refinery ⁽²⁾	\$46,000,000
Expenditures associated with continuation of the black mass recycling project ⁽³⁾	\$6,000,000
Unallocated Working Capital	\$3,950,000
Total: Equal to G in the available funds in item 8	\$55,950,000

Notes:

- (1) In the event that the Offering is not fully subscribed, these amounts will be reduced accordingly based on available funds.
- (2) Further funding will be required to complete construction of the facility.
- (3) Comprised of labour costs and other G&A expenses.

The above-noted allocation of capital and anticipated timing represents Electra’s current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although Electra intends to spend the proceeds from the Offering as set forth above, there may be circumstances such as where the Offering is not fully subscribed in which case for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including Electra’s ability to execute on its business plan. See the “*Cautionary Statement Regarding Forward-Looking Information*” section above.

The most recent audited annual financial statements and interim financial report of the Company included a going concern note. The Offering is intended to permit the Company to continue to achieve its business objectives and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

Date of Financing	Funds Raised	Intended Use of Funds	Explanation of Variances and Impact on Business Objectives and Milestones
November 27, 2024	US\$5,000,000	Approximately US\$4,000,000 has been incurred to date. All spending has been incurred on, and will continue to be incurred on, early works and winter preparations at the Refinery project site and for general corporate purposes.	No variances to intended use of proceeds.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Company may pay a cash commission equal to 7% of the gross proceeds of the Offering and issue such number compensation options (“**Compensation Options**”) as is equal to 7% of the number of Units sold pursuant to the Offering in connection with the Offering in accordance with the policies of the TSXV. Each Compensation Option exercisable into one Common Share at US\$1.40 for a period of 18 months following the completion of the Offering.

Do the Agents have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to any finder to be paid cash consideration or issued Compensation Options, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PURCHASERS’ RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- (a) to rescind your purchase of these securities with Electra, or
- (b) to damages against Electra and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where you can find more information about us?

Security holders can access Electra’s continuous disclosure filings on SEDAR+ at **Error! Hyperlink reference not valid.** and may find additional information on our website at www.electrabmc.com.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Units.

CERTIFICATE OF THE COMPANY

March 24, 2025

This Offering Document, together with any document filed under Canadian securities legislation on or after March 24, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

“Trent Mell”

Trent Mell
Chief Executive Officer

“Marty Rendall”

Marty Rendall
Chief Financial Officer