

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number: 000-41356

Electra Battery Materials Corporation

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Canada

(Jurisdiction of Incorporation or Organization)

133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3, Canada

(Address of Principal Executive Offices)

**Trent Mell
Electra Battery Materials Corporation
133 Richmond Street W, Suite 602
Toronto, Ontario, M5H 2L3
Telephone: (416) 900-3891
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	ELBM	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to section 15(d) of the Act

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 103,738,330.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files)

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any updated issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court

Yes No

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GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise “we”, “us”, “our”, the “Company” or “Electra” refers to Electra Battery Materials Corporation.

As used in this Annual Report on Form 20-F (this “**Annual Report**”), the terms “Mineral Reserves,” “Mineral Resource,” “Measured Mineral Resource,” “Indicated Mineral Resource,” and “Inferred Mineral Resource” and any grammatical variations thereof are based on the definitions of such terms set forth in Subpart 1300 of Regulation S-K (“**S-K 1300**”).

Unless otherwise indicated, financial information in this Annual Report has been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board. Unless otherwise noted herein, all references to “\$,” “C\$,” “Canadian dollars,” or “dollars” are to the currency of Canada and “US\$,” “United States dollars,” or “U.S. dollars” are to the currency of the United States.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and as such, we have elected to comply with certain reduced U.S. public company reporting requirements.

Unless otherwise indicated, the Company has obtained the market and industry data contained in this Annual Report from its internal research, management’s estimates and third-party public information and other industry publications. While the Company believes such internal research, management’s estimates and third-party public information is reliable, such internal research and management’s estimates have not been verified by any independent sources and the Company has not verified any third-party public information. While the Company is not aware of any misstatements regarding the market and industry data contained in this Annual Report, such data involves risks and uncertainties and are subject to change based on various factors, including those described under “Cautionary Statement Regarding Forward-Looking Information and Statements” and “Item 3.D. Risk Factors”.

This Annual Report (including the consolidated audited financial statements for the years ended December 31, 2025, 2024 and 2023 attached thereto, together with the auditors’ report thereon), and the exhibits thereto shall be deemed to be incorporated by reference as exhibits to (i) the Registration Statement of the Company on Form S-8 (File No. 333-264589), (ii) the Registration Statement of the Company on Form F-3, as amended (File No. 333-288364) and (iii) the Registration Statement of the Company on Form F-3, as amended (File No. 333-291766), and to be a part thereof from the date on which this report was filed, to the extent not superseded by documents or reports subsequently filed or furnished.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F contains forward-looking statements within the meaning of the U.S. federal securities laws and “forward-looking information” within the meaning of applicable securities laws in Canada (collectively, “**forward-looking statements**”). Forward-looking statements are based on management’s current expectations, estimates, assumptions and beliefs and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “might,” “will,” “indicate,” “seek,” “likely,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential,” or the negative of these terms or other similar expressions.

Forward-looking statements in this Annual Report include, but are not limited to, statements relating to:

- the business and future activities of, and development related to, the Company after the date of this Annual Report;
- the construction, completion, commissioning, ramp up, timing and commercial operation of the Refinery (as defined herein), including anticipated capital costs, execution schedules, mechanical completion, commissioning milestones, timelines and targeted commercial production dates;
- the Company’s ability to complete remaining construction activities, obtain and maintain required permits and approvals, and successfully integrate engineering, procurement, construction and commissioning activities;
- the availability, timing and terms of additional financing, including equity financings, debt financings, government funding, strategic investments and other capital sources;
- the Company’s ability to comply with and satisfy applicable covenants, minimum liquidity requirements, repayment terms, conversion features, interest deferral arrangements and other obligations under the October 2025 Term Loan (as defined herein), and related credit and security documentation;
- the Company’s ability to regain and/or maintain compliance with Nasdaq’s (as defined below) Minimum Bid Price Requirement (as defined herein) in light of its Deficiency Notice (as defined below);
- the Company’s liquidity, cash runway, burn rate, working capital needs and ability to continue as a going concern;
- the expected benefits, timing and outcomes of government funding, loans, contributions and non-binding term sheets, including from Canadian and U.S. government entities, and the satisfaction of any conditions thereto;
- the sourcing, availability, quality and pricing of cobalt hydroxide and other feedstock, including reliance on third party suppliers and supply agreements;
- the Company’s battery materials recycling strategy, including black mass processing, recoveries, product quality, scalability, economics, commercialization timing and the development of standalone or adjacent recycling facilities;
- expectations as to the extension of the Company’s black mass processing and recovering activities;
- anticipated operating costs, production volumes, product specifications, recoveries, revenues and margins at the Refinery, including the ability to achieve sustained commercial operations following commissioning;
- expectations regarding demand for battery grade cobalt sulfate and other battery materials, including demand driven by electric vehicle adoption and energy storage markets;

the Company’s mineral exploration, development and evaluation activities, including expectations regarding mineral resources, future drilling, metallurgical testing, studies and potential advancement of the Iron Creek Project (as defined herein);

- the performance, timing and enforceability of commercial arrangements, supply, offtake and tolling agreements with third parties, including, but not limited to, the memorandum of understanding with Three Fires (as defined below), the Cobalt Supply Agreement (as defined below), commercial agreements with LG Energy Solution (“LGES”), the Stratton Offtake Agreement and the Glencore Offtake Agreement (each, as defined below);
- commodity prices, foreign exchange rates, inflation, interest rates and broader macroeconomic and geopolitical conditions;
- the Company’s ability to retain key personnel, manage contractors and suppliers, and execute complex projects; and
- the Company’s business strategy, growth plans, capital markets activities and future development initiatives.

The statements we make regarding the following matters are forward-looking by their nature and are based on certain of the assumptions noted below, including statements relating to the Company’s business, operations and future activities of, and development related to, the Company, including the ability of the Company to continue as a going concern, the Company’s ability to generate revenue, manage cash flows and meet ongoing liquidity requirements; the availability, timing and terms of additional financing including equity and debt financings, at-the-market offerings and government funding; debt service obligations, anticipated burn rate and operating expenditures; planned exploration and development programs and expenditures; plans to process black mass material and the ability to recover high value elements therefrom; expectations as to the timing of commissioning of equipment and the Refinery (as defined below); expectations as to the extension of the Company’s black mass processing and recovering activities; the memorandum of understanding with Three Fires; the Cobalt Supply Agreement; commercial agreements with LGES and other parties; the offtake agreement with Stratton Metal Resources Limited (the “the Stratton Offtake Agreement”); the offtake agreement with Glencore plc (the “Glencore Offtake Agreement”); the results of the Refinery and black mass reviews; timelines and milestones with respect to the Refinery; anticipated expenditures and programs at the Refinery and Iron Creek Project (as defined below); the results of any scoping study of an integrated nickel sulfide processing facility; the amount of battery-grade cobalt to be produced by the Temiskaming Shores planned cobalt sulfate refinery and construction thereof; the impact of any health pandemics on the Company; the estimation of mineral resources; magnitude or quality of mineral deposits; anticipated advancement of mineral properties and programs; future exploration prospects; proposed exploration plans and expected results of exploration; Electra’s ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans; changes in commodity prices and exchange rates; future growth potential of Electra; future development plans; the obligations of the Company and its subsidiaries in connection with the Note Offerings (as defined below) and its various government loans and obligations under the October 2025 Term Loan; and currency and interest rate fluctuations. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements. In particular, forward-looking information in this Annual Report includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance, or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking information is based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with this forward-looking information. Given these risks, uncertainties, and assumptions, you should not place undue reliance on this forward-looking information. Whether actual results, performance, or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed under “Risk Factors” in Item 3.D. of this Annual Report, and economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the ability to extract valuable elements from black mass; general expectations with respect to the development of the Refinery (as defined below) including commodity prices with respect to its development; the state of the electric vehicle (“EV”) market; the future price and supply 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; the impact of 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 October 2025 Term Loan; the Company’s ability to obtain financing as and when required and on reasonable terms; and certain other risk factors identified in our reports filed from time to time with the SEC (as defined below).

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those anticipated in the forward-looking information. Furthermore, unless otherwise stated, the forward-looking statements contained in this Annual Report are made as of the date hereof, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changes or otherwise, except as required by law.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not required.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required.

ITEM 3. KEY INFORMATION

3.A.

[Reserved]

3.B. Capitalization and Indebtedness

Not required.

3.C. Reasons for the Offer and Use of Proceeds

Not required.

3.D. Risk Factors

Following is a list of risks that the Company faces in its normal course of business. These are factors which, individually or in the aggregate, we think could cause our actual results to differ significantly from anticipated or historical results. The risks and uncertainties set out below are not exhaustive and are not the only ones the Company is facing. There are additional risks and uncertainties that the Company does not currently know about or that the Company currently considers immaterial which may also impair the Company's business operations and cause the price of the Company's common shares, such common shares being without par value (the "Common Shares") to decline. If any of the following risks actually occur, the Company's business may be harmed and the Company's financial condition and results of operations may suffer significantly. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Company's business. Additionally, investors should not interpret the disclosure of a risk to imply that the risk has not already materialized.

Risks Related to the Company's Financial Position and the Need for Additional Capital

The Company has a history of operating losses, which may continue for the foreseeable future and our auditors have indicated that recurring losses and negative cash flows from operations raise substantial doubt about the Company's ability to continue as a going concern.

The Company has suffered recurring losses from operations, has a net working capital deficiency and will require additional financing to continue operations, complete the construction of the Refinery, advance its battery recycling strategy, purchase required feedstock before the Refinery enters its operating phase and remain in compliance with the minimum liquidity covenant under the October 2025 Term Loan. There can be no assurances that the Company will be able to obtain adequate financing in the future. This represents a material uncertainty that casts substantial doubt on the Company's ability to continue as a going concern. The Company's financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

The Company has not generated any revenue to date, has negative cash flow, and may never be profitable.

The Company is a pre-operations stage company with respect to the Refinery and an exploration stage company with respect to its mineral properties, and as a result has not to date generated cash flow from operations. The Company is devoting significant resources to the development of its assets, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project.

The Company will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our programs or operations.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company does not have sufficient financial resources necessary to complete the construction and final commissioning of the Refinery. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, considering its current cash position and potential funding sources.

Until we can generate a sufficient amount of revenue to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through a combination of public and private debt and/or equity offerings. If sufficient funds on acceptable terms are not available when needed, or at all, we could be forced to significantly reduce operating expenses and delay, scale back or eliminate one or more of our programs or our business operation.

The Company is actively pursuing various alternatives which may include equity and debt financing to increase its liquidity and capital resources. The Company will require a working capital facility to cover the feedstock purchase cycle through to the sale of final cobalt sulfate. The Company is in discussions with various parties on alternatives to finance the funding of feedstock purchases. The Company will also require additional financing to advance the Refinery, which is key to the Company's long-term plans and financial success.

However, there can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Failure to obtain sufficient financing when needed could result in the Company being unable to meet specified timelines for the advancement of the Refinery and may lead to the indefinite postponement of the advancement of the Refinery. The cost and terms of such financing may also significantly reduce the expected benefits from the Refinery or render the Refinery uneconomic.

The Company has future obligations to pay interest and principal related to the October 2025 Term Loan. The Company is subject to a minimum reportable cash balance requirement of US\$15,000,000 until it secures signed, binding commitments of at least C\$20,000,000 from the Government of Canada and C\$17,500,000 from the Government of Ontario, after which the Company must maintain a minimum reportable cash balance of US\$2,000,000.

Starting in 2028, repayment of the interest-free government loan payables is scheduled to begin in 19 equal installments.

Although the Company has historically been successful in obtaining financing, there can be no assurances that the Company will be able to obtain adequate financing in the future. This represents a material uncertainty that casts substantial doubt on the Company's ability to continue as a going concern.

The Company's ability to obtain financing and raise capital may be impacted by our operational results and general industry and macroeconomic trends beyond our control.

Historically, the Company's capital requirements have been primarily funded through the sale of Common Shares and the issuance of notes. Factors that could affect the availability of financing include the progress and results of refurbishment of the Refinery, levels of debts and security over the Company's assets, customer arrangements, ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the transition to EVs and the global cobalt markets generally. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

The Company may be unable to meet its debt service obligations.

The Company has debt service obligations arising from its October 2025 Term Loan, which include ongoing coupon payments and payment of principal at maturity. In the event the Refinery construction is not completed as planned or sufficient cash flow from Refinery operations is not generated, there is a risk that the Company may not have sufficient available capital to meet its debt obligations. In this event, the assets pledged may be transferred to the lenders. There can be no assurance that Refinery cash flows will be sufficient to meet future debt service obligations.

Raising additional capital may cause dilution to shareholders, restrict the Company's operations or require it to relinquish substantial rights.

To the extent that the Company raises additional capital through the sale of equity or debt securities, its capital structure will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect the rights of common shareholders. Debt financing, if available at all, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends. The Company cannot assure you that it will be able to obtain additional funding if and when necessary. If the Company is unable to obtain adequate financing on a timely basis, it could be required to delay, scale back or eliminate one or more of its programs or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Commodity prices may not support corporate profit or operations.

The prices of commodities vary on a daily basis and is intensely competitive. Even if commercial quantities of minerals are discovered and developed, a profitable market may not exist for the sale of same. 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 cobalt materials may also be reduced by the discovery of new cobalt deposits, which could not only increase the overall supply of cobalt (causing downward pressure on its price), but could draw new firms into the cobalt industry which would compete with the Company. The Company's refinery business plan is currently based on toll processing, however, future business planning may involve both buying cobalt products and selling cobalt products, whereby ultimate economics would be significantly impacted by market commodity prices.

Additionally, factors beyond the control of the Company may affect the marketability of any minerals discovered. The prices of natural resources are volatile over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production. If the Company is unable to economically produce minerals from its projects, it may have a negative effect on the Company's financial condition or require the Company to cease operations altogether.

Cost estimates and predictions may prove inaccurate.

The Company prepares estimates of operating costs 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 cobalt and by-product metals and the cost of inputs used in exploration 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.

Risks Related to Our Operations

The Cobalt Supply Agreement is not a definitive agreement, and there is no guarantee the agreement will result in cobalt sales.

The Company's commitment on key commercial terms for a multi-year agreement, as first announced on September 22, 2022, to supply battery-grade cobalt to LGES, a leading global manufacturer of lithium-ion batteries for EVs (the "**Cobalt Supply Agreement**") is an agreement with respect to key commercial terms on which the parties intend to enter into a definitive supply agreement, not a definitive agreement with respect to the provision of cobalt to LGES for cash. Until a definitive agreement exists, there is no enforceable or binding obligation on either party to purchase or deliver cobalt. Entering into a definitive agreement is subject to a number of conditions and factors, not all of which are in the Company's control. If a definitive agreement is not entered into with respect to cobalt supply with LGES on the terms described in the Cobalt Supply Agreement, or on terms different than those expressed therein, the Company will need to seek out additional customers for the purchase of cobalt sourced from the Refinery, and there may be other negative effects on the Company and on the value of the Common Shares.

The Company's ability to bring the Refinery online and the success of the Refinery is uncertain.

The Company's strategic priority is the advancement of the Refinery. No assurance can be given that the Refinery will operate as expected or will be economically viable. The Company will manage these risks through contracting technical experts on metallurgy and engineering to perform the required analysis and studies on the capability of the Refinery and its projected economics.

The success of the Company's Refinery and long-term operations depends on the demand for Cobalt, which in turn is expected to be largely driven by consumer demand for electric vehicles and other applications in the transition from fossil-fuel based energy sources.

If the market for electric vehicles or other electronic consumer products that rely on cobalt does not develop as the Company expects, or develops more slowly than expected, or if current demand declines, the Company's business prospects and economic outlook may be harmed. Additionally, demand for electric vehicles is driven by many factors outside of the company's controls, including consumer sentiment and perceptions of the quality and value of electric vehicles compared to gasoline vehicles, competition among electric vehicle manufacturers and among other vehicle types, government regulations and economic incentives, and volatility in the cost of oil, gasoline, and industry.

The Company may not be able to insure itself against all 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.

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. 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. The Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. 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. This lack of environmental liability insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the payment of any other liabilities for which the company is not insured, or underinsured, would reduce the funds available to the Company. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The Company may be subject to the risks associated with future acquisitions.

As part of its business strategy, the Company has sought and will continue to seek new operating, development and exploration opportunities in the mining 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 you 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 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.

The Company's operations depend on its ability to access various consumables, and shortages or increases in the prices of such could negatively impact the Company's results of operations.

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 concrete, steel, copper, piping, diesel fuel and electricity and water. Other inputs such as labour, consultant fees 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. Market prices of input consumables and commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond the Company's control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. There is no assurance that consumables will be available at all or at reasonable costs.

The Company's titles to its properties may be contested or subject to the rights of various community stakeholders, including First Nations.

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 mining 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 mining 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.

The Company faces reputational risks within the communities in which it operates.

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 mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation.

In addition, negative public perceptions regarding the suitability of lithium-based batteries, or any future death, personal injury or property damage involving lithium-based batteries, such as in connection with an electric vehicle or other fire, could seriously harm our business and 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.

Conflicts of interest may exist among the Company and its directors and officers.

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 depends on key personnel, the loss of whom could negatively affect the Company's results and operations.

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 mining properties 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.

On February 4, 2026, the Company announced the resignation of its Chief Financial Officer ("CFO") Marty Rendall at the end of February to pursue another executive opportunity, and announced that David Allen, who previously served as Electra's CFO for 2024, would return as Interim CFO effective February 28, 2026, while a formal search for a permanent successor is underway.

The Company's properties may be subject to commitments that the Company may be unable to satisfy.

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

The Company's operations could be negatively affected by global instability, negative macroeconomic trends, and other events outside of our control including health epidemics, wars, or natural disasters.

Global economic and geopolitical conditions continue to be characterized by heightened uncertainty and volatility. Recent years have seen increased instability arising from a combination of factors, including shifting domestic and international political dynamics, ongoing armed conflicts, such as those in Ukraine, the Gaza Strip and Iran, and geopolitical tensions, disruptions in the global banking sector, inflationary pressures, elevated interest rates, climate related events, and other natural disasters. While the acute phase of the COVID-19 pandemic has largely subsided, the potential for future pandemics, epidemics, or the emergence of new variants cannot be ruled out.

These developments have contributed, and may continue to contribute, to volatility in global financial markets, supply chain disruptions, fluctuating consumer demand, and increased costs across a range of inputs. The Company may be affected by factors beyond its control, including changes in currency exchange rates, trade and tariff regimes, sanctions or embargoes, transportation availability and costs, import and export restrictions, security risks, and broader political or social unrest. Such conditions may also impact commodity pricing and availability, access to capital and financing on acceptable terms, and the cost and timing of equipment procurement, construction, and other operational activities.

Any sustained or heightened period of global instability or adverse macroeconomic conditions could negatively affect the Company's ability to conduct its operations as planned, execute its business strategy, and obtain financing or capital on terms acceptable to the Company, which in turn could have a material adverse effect on its business, financial condition, and results of operations.

Changes in U.S. legislative and regulatory policies under the current administration may negatively impact our business, our industry, markets and global economic conditions.

The current U.S. administration previously significantly increased tariffs on U.S. imports. In 2026, the current U.S. presidential administration has continued to threaten the enactment of additional tariffs on Canada that are as high as 100%. These tariffs have been in many cases amended, postponed, or changed in other ways since their initial announcements, including a subsequent exemption for goods compliant with the United States-Mexico-Canada Agreement (USMCA), which the U.S. presidential administration is reportedly considering pulling out of. Although the United States Supreme Court recently struck down many of the administration's tariffs as unconstitutional, the administration has responded by initiating investigations under the Trade Act of 1974 against certain countries, including Canada, with a goal of reimposing the tariffs through alternate means. This has resulted in uncertainty over the quantum and duration of tariffs, and this lack of clarity has made it difficult to manage and mitigate the impacts of tariffs. In response to these tariffs, other countries have limited their trade with the United States and have retaliated through their own restrictions and/or increased tariffs, among other actions. In particular, there is uncertainty regarding U.S. tariffs and support for existing treaty and trade relationships, including with Canada, which has been targeted by the current U.S. presidential administration and there is substantial uncertainty as to further actions that may be taken under the current U.S. presidential administration with respect to U.S. trade policy. Implementation by the U.S. government of new legislative or regulatory policies could impose additional costs on us, or otherwise negatively impact us, which may have a material adverse effect on our business, financial condition and operations. In addition, this uncertainty may adversely impact: (i) the ability of companies to transact business with companies such as us; (ii) global stock markets (including the TSXV (as defined below) and Nasdaq); and (iii) general global economic conditions. We continue to evaluate the evolving status of tariffs, retaliatory tariffs, and tariff countermeasures. All these factors are outside of our control, but may nonetheless lead us to adjust our strategy to compete effectively in global markets.

Inflationary pressures and rising interest rates could negatively affect the Company's financial condition and results of operations.

Following the COVID-19 pandemic, the ongoing conflicts in the Ukraine, Iran and Gaza, the introduction of tariffs by the U.S. government and subsequent retaliatory tariffs and other events, the global economy has faced significant instability marked by increased inflation, rising interest rates and supply chain volatility. Global economic conditions could further deteriorate, and the economy may contract and enter into a recession. Additionally, future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability, natural disasters and outbreaks of medical endemic or pandemic issues. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment charges. Further, in such an event, the Company's operations and financial condition could be adversely impacted.

General inflationary pressures may affect labour and other costs, which could have a material adverse effect on the Company's financial condition, results of operations and the capital expenditures required to advance the Company's business plans. There can be no assurance that any governmental action taken to control inflationary or deflationary cycles will be effective or whether any governmental action may contribute to economic uncertainty. Governmental action to address inflation or deflation may also affect currency values. Accordingly, inflation and any governmental response thereto may have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and the price of the Company's securities.

The Company faces risks related to its information technology systems and potential cyberattacks and security and privacy breaches.

The Company's operations depend, in part, on how well it and its third-party service providers protect networks, equipment, information technology ("IT") systems and software against damage from a number of threats, including, but not limited to, cable cuts, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Recently, data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security. As a result, the Company may become subject to more extensive requirements to protect the customer information that it processes in connection with the purchase of its products, resulting in increased compliance costs.

The Company's information technology systems and on-line activities, including its e-commerce websites, also may be subject to denial of service, malware or other forms of cyberattacks. While the Company has taken measures to protect against those types of attacks, those measures may not adequately protect its on-line activities from such attacks. If a denial-of-service attack or other cyber event were to affect the Company's information technology systems, its business could be disrupted, it may lose sales or valuable data, and its reputation may be adversely affected. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company is subject to risks relating to a changing climate.

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Company's sites, impact local infrastructure or threaten the health and safety of the Company's employees, contractors and/or local communities.

The Company is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, certain environmental impacts from mineral exploration and mining activities may be inevitable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Company's financial condition or results of operations.

Risks Related to Our Industry

The Company may be unable to exploit, expand, and replace its mineral reserves and mineral resources.

The Company's mineral reserves and resources are by their nature, limited. Unless other mineral reserves or resources are discovered or acquired, The Company's sources of future production for cobalt or other minerals will decrease over time if its current mineral reserves and mineral resources are exploited or otherwise depleted. There can be no assurance that the Company's future exploration, development and acquisition efforts will be successful in replenishing its mineral reserves and resources. In addition, while the Company believes that many of its properties demonstrate development potential, there can be no assurance that they can or will be successfully developed and put into production in future years.

The Company's ability to convert its mineral resources into mineral reserves is uncertain.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to mineral resources, there can be no assurances that mineral resources will be upgraded to mineral reserves as a result of continued exploration or during operations.

There can be no assurances that any of the mineral resources stated in this Annual Report 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 cobalt prices, results of future drilling, metallurgical testing, actual mining and 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.

The exploration and development of mineral resources is speculative and there is no guarantee that the company will be successful in developing its resources.

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on any of the Company's mineral properties. There is no certainty that the expenditures to be made by the Company in the exploration of its mineral properties otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The mining business is subject to cyclical volatility.

The mining business and the marketability of the products that are produced are affected by worldwide economic cycles. At the present time, the significant demand for cobalt and other commodities in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As the Company's mining and exploration business is in the exploration stage and as the Company does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

The Company's industry is highly regulated, and the regulatory framework, together with any future legislative or regulatory changes, may have a materially adverse effect on our operations.

Mining 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, protection, and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mines and refining and other facilities. 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 Iron Creek Project, the Refinery or the Cobalt Camp (as defined below), or any other 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.

The development of mines and related facilities is contingent upon governmental approvals, licenses and permits which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licenses and permits are subject to many variables outside the control of the Company, including potential legal challenges from various stakeholders such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licenses or permits could have a material adverse effect on the Company, including delays and cost increases in the advancement of the Iron Creek Project, the Refinery and the Cobalt Camp.

The Company may be unable to obtain the necessary permits to develop its properties or conduct its operations.

The Company's operations, Refinery 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 mines 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 mining 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.

Without adequate infrastructure, the Company may be unable to pursue development opportunities or carry on its operations.

Mining, processing, development, and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and results of operations.

The Company operates in a competitive market.

The Company faces strong competition from other mining companies in connection with the identification and acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience, and technical capabilities than the Company. As a result of this competition, the Company may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. In addition, the Company faces competition sourcing mine production for the Refinery. The Company's plans for the Refinery, in part, include diverting African mine production from China to North America. Most cobalt is currently mined in the Democratic Republic of the Congo ("DRC") and shipped to China for refining.

The Company faces significant competition in diverting mine production, particularly ethically sourced mine production, to the Refinery and as a result, may be unable to identify, maintain or acquire mine production for the Refinery on acceptable terms or at all. Consequently, the Company's prospects, revenues, operations, and financial condition could be materially adversely affected.

Given the highly competitive nature of the international resources industries, 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 cobalt, around the world.

Decommissioning and reclamation costs could be substantial.

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators. The Company's ability to advance its projects could be adversely affected by any inability on its part to obtain or maintain the required financial assurances.

The Company's operations are subject to numerous environmental risks and related regulations.

All phases of mineral exploration and development businesses, including with respect to the Refinery, 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. Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. However, 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.

The Company is subject to regulations concerning its supply chain and mineral sources

Upon commencement of operations at the Refinery, the Company expects to source a material portion of feedstock for the Refinery from Glencore plc ("**Glencore**") and Eurasian Resources Group S.A.R.L ("**ERG**"). The Company reasonably expects Glencore and ERG to source a majority, if not all, of the cobalt for such feedstock from their mineral projects located in the DRC. In the past, the DRC has imposed and/or threatened to impose, cobalt export bans, quotas or curtailments. These measures could lead to increased costs and difficulties importing feedstock for the Refinery and may result in a material adverse effect on the Company and its operations.

On the Transparency International Corruption Perceptions Index, the DRC is ranked among the most highly corrupt countries in the world. Companies with operations or connections to the DRC have in the past and may in the future come under increased scrutiny from Canadian regulatory authorities with respect to the potential presence of forced labor in supply chains. While the Company does not currently, and does not expect to, have direct operations in the DRC, Canadian law nonetheless imposes due diligence obligations on an importer, which obligations include but are not limited to ensuring that imported goods are not produced in whole or in part through the use of forced labor. The consequences of the importation of goods that are produced with, or that contain any inputs that are produced with, forced labor include detention, seizure, forced destruction or re-exportation and/or forfeiture of the goods, administrative penalties, monetary penalties or criminal charges for the importer or its officers, directors or agents. The Company has taken reasonable steps to satisfy itself with respect to the origins of the Company's feedstock in connection with the foregoing due diligence obligations, however any deemed failure by the Company to be deemed to have satisfied the onus of such due diligence obligations could have a material adverse effect on the Company and its operations. In addition, there have been recent unsuccessful attempts by legislators in Canada to pass legislation imposing greater obligations on companies to perform proactive supply chain due diligence in connection with forced labor. While the legislative efforts to this point have been unsuccessful, there can be no assurance that future efforts will continue to be unsuccessful. The passage of any such legislation could impose additional or enhanced due diligence obligations on the Company in connection with Electra's supply chain, as well as enhanced penalties or enforcement measures, this may increase the time, effort and expense of conducting such due diligence investigations and in the event of any enforcement, result in a material adverse effect on the Company and its operations.

The Company's development projects, including the Refinery, have experienced delays and cost increases, and may continue to be subject to further delays, cost overruns and execution risks.

As a result of the substantial expenditures involved in large-scale development projects, such projects are prone to material cost overruns versus budget, and actual timelines and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. In particular, the construction and recommissioning of the Refinery has experienced delays and cost increases relative to earlier expectations, including as a result of supply chain disruptions, inflationary pressures affecting labour, materials and equipment, damage to certain long-lead equipment during transportation, changes to project scope and sequencing, and the need to re-baseline engineering, scheduling and capital cost estimates.

Construction costs and timelines for the Refinery have been, and may continue to be, impacted by a wide variety of factors, many of which are beyond the Company's control. These include, but are not limited to, weather conditions, site and ground conditions, availability and performance of contractors and suppliers, labour availability and productivity, delivery and installation of equipment, design refinements identified during construction, integration and commissioning of complex process systems, and the accuracy of cost and schedule estimates. While the Company has approved an updated construction budget and execution schedule and has recommenced construction activities, there can be no assurance that the Refinery will be completed within the currently anticipated budget or timeline, or that further re-baselining will not be required.

Project development schedules are also dependent on obtaining, maintaining and complying with governmental approvals, permits and amendments necessary for construction, commissioning and operation. The timing of such approvals, inspections and sign-offs is often beyond the control of the Company. Any delays in mechanical completion, commissioning, ramp-up or the achievement of commercial production could increase capital costs, defer anticipated revenues, require additional financing and adversely affect the Company's liquidity.

Failure to achieve anticipated construction milestones, commissioning timelines or cost estimates, or the occurrence of further delays or cost overruns, may adversely affect the Company's ability to complete the Refinery as planned, advance the Iron Creek Project and other development initiatives, and ultimately generate sufficient cash flows to meet its obligations and execute its business plan. There is no assurance that the Company's current estimates of time, cost or performance will be achieved.

Risks Related to an Investment in the Common Shares

The market price of our common shares is volatile.

Capital and securities markets have a high level of price and volume volatility, and the market price of our securities have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The market price of our Common Shares may continue to be volatile for the foreseeable future, and specifically may continue to fluctuate significantly in response to several factors, most of which we cannot control, including:

- continued fluctuations in mineral or commodity prices;
- macroeconomic developments in North America and globally;
- actual or anticipated variations in our periodic operating results;
- increases in market interest rates that lead investors of our Common Shares to demand a higher investment return;
- changes in earnings estimates;
- changes in market valuations of similar companies;
- actions or announcements by our competitors;
- adverse market reaction to any increased indebtedness we may incur in the future;
- additions or departures of key personnel;
- actions by shareholders; and
- speculation in the media, online forums, or investment community.

Volatility in the market price of our Common Shares may prevent investors from being able to sell their Common Shares at or above

their original purchase price. In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

The Company has not previously, and may never, pay dividends. As a result, any return on investment may be limited to the value of our Common Shares.

The Company has never paid cash dividends on the Common Shares and does not currently expect to pay cash dividends in the future in favor of utilizing cash to support the development of the Company's business. In addition, the October 2025 Credit Agreement (as defined below) restricts our ability to pay dividends while the October 2025 Term Loan (as defined below) is outstanding, subject to limited exceptions. Any future determination relating to the Company's dividend policy will be made at the discretion of the Company's 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. There can be no assurance regarding the amount of income to be generated by the Company and there can be no guarantee that an investment in the Common Shares will earn any positive return in the short term, long term, or at all. The market value of the Common Shares may deteriorate if we are unable to generate sufficient positive returns, and for macroeconomic and other factors that are outside the Company's control. That deterioration may be significant. An investment in the common shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Failure to meet Nasdaq's continued listing requirements could result in the delisting of the Common Shares, negatively impact the price of the Common Shares and negatively impact the Company's ability to raise additional capital.

If the Company fails to satisfy the continued listing requirements of the Nasdaq Capital Market, such as corporate governance requirements or the Minimum Bid Price Requirement, the exchange may take steps to delist the Common Shares. Such a delisting may have a negative effect on the price of the Common Shares and would impair shareholders' ability to sell or purchase its Common Shares when they wish to do so.

On September 21, 2023, we received a deficiency notice from Nasdaq (the "**Deficiency Notice**") informing us that our Common Shares had failed to comply with the US\$1.00 minimum bid price required for continued listing under Nasdaq Listing Rule 5550(a)(2) ("**Minimum Bid Price Requirement**") based upon the closing bid price of our Common Shares for the 30 consecutive business days prior to the date of the Deficiency Notice. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were given 180 calendar days from September 21, 2023, or until March 19, 2024, to regain compliance with the Minimum Bid Price Requirement. On March 21, 2024, we announced that the Nasdaq Listing Qualifications Department granted our request for a 180-day extension to regain compliance with the Minimum Bid Price Requirement. On September 17, 2024, we received another notice of non-compliance from Nasdaq. We filed an appeal, which was heard on November 5, 2024, before an independent panel. The panel issued a written decision granting us until January 15, 2025 to regain compliance with the Minimum Bid Price Requirement. We held a special meeting of shareholders on December 20, 2024, at which we received shareholder approval to implement a reverse share split. We implemented the Reverse Split (as defined herein) on a one-for-four basis and our Common Shares began trading on a post-Reverse Split basis on January 2, 2025, after which we regained compliance with the Minimum Bid Price Requirement.

On March 16, 2026, the Company received a second Deficiency Notice indicating that it is not in compliance with the Minimum Bid Price Requirement. In accordance with Nasdaq rules, the Company has been granted an initial 180-day compliance period or until September 14, 2026, to regain compliance, which requires the closing bid price of its common shares to meet or exceed US\$1.00 for a minimum of 10 consecutive business days. If necessary, the Company may be eligible for an additional 180-day compliance period and retains the option to implement a reverse stock split until its next annual meeting of shareholders, following shareholder authorization of a reverse stock split at a ratio of one (1) post-reverse split Common Share for up to three-and-a-half (3.5) pre-reverse split Common Shares at the Company's October 15, 2025 special meeting of shareholders, subject to applicable approvals.

Over the past 30 trading days, the closing bid price of our Common Share on Nasdaq has ranged from US\$0.86 to US\$0.55 and was US\$0.56 on March 26, 2026. If we are able to regain compliance with the Minimum Bid Price Requirement, the bid price of our Common Shares may still continue to trade under the minimum bid price in the future or further decline and trigger further Deficiency Notices for failure to meet the Minimum Bid Price Requirement.

We cannot guarantee that we will be able to regain compliance with the Minimum Bid Price Requirement or maintain such compliance on an ongoing basis. We cannot assure you that a reverse stock split, if the Company chooses to effect one, will increase the market price of our Common Shares sufficiently to meet Nasdaq's Minimum Bid Price Requirement, or that we will remain in compliance with other continued listing requirements of Nasdaq.

Our Common Shares may be delisted if we do not regain compliance with the Minimum Bid Price Requirement, as well as other continued listing requirements of Nasdaq, and our shareholders could, as a result, face significant material adverse consequences, including:

- Limited availability or market quotations for our Common Shares;
- Reduced liquidity of our Common Shares;
- Determination that our Common Shares are “penny stock”, which would require brokers trading in our Common Shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our Common Shares;
- Limited amount of news and analysts’ coverage of us; and
- Decreased ability for us to issue additional equity securities or obtain additional equity or debt financing in the future.

Recent changes to the Nasdaq Listing Rules, with respect to our ability to effect reverse stock splits, may also affect our ability to maintain and/or regain, as applicable, compliance with the Minimum Bid Price Requirement going forward. In January 2025, the SEC approved amendments of Nasdaq Listing Rule 5810(c)(3)(A), which provide that, if a company’s security fails to meet the Minimum Bid Price Requirement and the company has effected a reverse stock split within the prior one-year period, or has effected one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, the company will be immediately issued a de-listing determination. On December 31, 2024, we completed the Reverse Split of our share capital on the basis of one (1) post-Reverse Split Common Share for every four (4) pre-Reverse Split Common Shares.

Future sales or issuances of equity securities or the conversion of the Company’s securities into Common Shares could decrease the value of the Common Shares, dilute investors’ voting power, and reduce earnings per share.

The Company’s articles permit the issuance of an unlimited number of Common Shares, and our shareholders will have no pre-emptive rights in connection with such further issuances. Sales of a substantial number of Common Shares or other equity-related securities in the public markets by the Company or its significant shareholders could depress the market price of the Common Shares and impair the Company’s ability to raise capital through the sale of additional equity securities.

The Company cannot predict the effect that future sales of Common Shares or other equity-related securities would have on the market price of the Common Shares. The price of the Common Shares could be affected by possible sales of the Common Shares by hedging or arbitrage trading activity. Moreover, additional Common Shares may be issued by the Company on the exercise of options under the Company’s stock option plan and other equity compensation plans, and upon the exercise of outstanding warrants. Shares issued upon the exercise of stock options outstanding under the Company’s stock option plan and other equity compensation plans or pursuant to future awards granted under such plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules and Rule 144 (“**Rule 144**”) under the Securities Exchange Act of 1934, as amended (the “**Securities Act**”). Further, the Common Shares issued or issuable pursuant to the October 2025 Financing (as defined below) and Restructuring (as defined below) may be publicly sold at any time pursuant to the registration statement on Form F-3 (File No. 333-291766) (the “**Resale Registration Statement**”), filed with the SEC on November 25, 2025, which was declared effective on December 8, 2025, Rule 144 and/or Regulation S under the Securities Act. The sale of any such Common Shares, or the perception that such sales could occur, could create downward pressure on our share price.

If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

There may be difficulty in enforcing judgments and effecting service of process on the Company and its directors and officers that are not citizens of the United States.

The enforcement by investors of civil liabilities under the United States federal or state securities laws may be affected adversely by the fact that the Company is governed by the CBCA, that some of the Company’s officers and directors are not residents of the United States, and that all, or a substantial portion, of their assets and certain of the Company’s assets are located outside the United States. It may not be possible for investors to effect service of process within the United States on certain of its directors and officers or enforce judgments obtained in the United States courts against the Company or certain of the Company’s directors and officers based upon the civil liability provisions of United States federal securities laws or the securities laws of any state of the United States. There is some doubt as to whether a judgment of a United States court based solely upon the civil liability provisions of United States federal or state securities laws would be enforceable in Canada against the Company or its directors and officers. There is also doubt as to whether an original action could be brought in Canada against the Company or its directors and officers to enforce liabilities based solely upon United States federal or state securities laws.

If the Company is characterized as a passive foreign investment company, U.S. holders may be subject to adverse U.S. federal income tax consequences.

Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder (as defined under the heading “*Material U.S. Federal Income Tax Considerations for U.S. Holders*”) of Common Shares if the Company is classified as a “passive foreign investment company” (“**PFIC**”) for U.S. federal income tax purposes. The Company would be classified as a PFIC for any taxable year if, after the application of certain look-through rules with respect to the income and assets of the Company’s corporate subsidiaries in which the Company owns at least 25% (by value) of the stock, either: (i) 75% or more of the Company’s gross income for such year is “passive income” (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”)), or (ii) 50% or more of the value of the Company’s assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Based on the Company’s income and assets for the year ended December 31, 2025, the Company believes that it was not treated as a PFIC for the preceding taxable year. Whether the Company will be treated as a PFIC for U.S. federal income tax purposes for the current taxable year or any future taxable year is a factual determination that must be made annually after the close of each taxable year and depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and on the composition of the Company’s income and assets and the value of its assets from time to time. Therefore, there can be no assurance that the Company was not classified as a PFIC for the year ending December 31, 2025 or will not be a PFIC for the current or any future taxable year. Prospective investors should carefully read the discussion under the heading “*Material U.S. Federal Income Tax Considerations for U.S. Holders*” for more information and consult their own tax advisors regarding the likelihood and consequences of the Company being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making certain elections that may mitigate certain possible adverse U.S. federal income tax consequences that may result in an inclusion in gross income without receipt of such income.

As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to its U.S. shareholders.

The Company is a “foreign private issuer” under applicable U.S. federal securities laws and, therefore, is not required to comply with all of the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and related rules and regulations. As a result, the Company does not file the same reports that a U.S. domestic issuer would file with the SEC, although it will be required to file with or furnish to the SEC the continuous disclosure documents that the Company is required to file in Canada under Canadian securities laws. In addition, the Company’s officers, directors and principal shareholders are exempt from the reporting and “short swing” profit recovery provisions of Section 16 of the Exchange Act. Although Section 8103 of the National Defense Authorization Act for Fiscal Year 2026, named the “Holding Foreign Insiders Accountable Act”, which was signed into law on December 18, 2025, requires the directors and officers of certain foreign private issuers to make insider reports under Section 16(a) of the Exchange Act, effective March 18, 2026, the Company’s directors and officers were exempted from this requirement because the Company is organized in Canada and its directors and officers are subject to the insider reporting requirements of Canada’s National Instrument 55-104. Therefore, the Company’s securityholders may not know on as timely a basis when its officers, directors and principal shareholders purchase or sell securities of the Company as the reporting periods under the corresponding Canadian insider reporting requirements are longer. In addition, as a foreign private issuer, the Company is exempt from the proxy rules under the Exchange Act and is not subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act. The Company is also permitted to follow certain home country corporate governance practices, including shareholder approval requirements, instead of those otherwise required under the listing rules of Nasdaq for domestic U.S. issuers. These exemptions may reduce the frequency and scope of information and protections available to you in comparison to those applicable to a U.S. domestic reporting companies.

The Company may lose foreign private issuer status in the future, which could result in significant additional costs and expenses.

In order to maintain its current status as a foreign private issuer, 50% or more of the Common Shares must be directly or indirectly owned of record by non-residents of the United States unless the Company also satisfies one of the additional requirements necessary to preserve this status, which require that the majority of both the Company’s directors and executive officers are not U.S. citizens or residents, a majority of the Company’s assets are located outside the United States, and that Electra’s business be principally administered outside the United States. The Company may in the future lose its foreign private issuer status if most of the Common Shares are owned of record in the United States and the Company fails to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to the Company under U.S. federal securities laws as a U.S. domestic issuer may be significantly more than the costs the Company incurs as a Canadian foreign private issuer. If the Company is not a foreign private issuer, it would not be eligible to use foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer.

In addition, on June 4, 2025, the SEC published a Concept Release on Foreign Private Issuer Eligibility, inviting public comment on potential amendments to the definition of “foreign private issuer” and the accommodations available for those issuers that qualify as such. If the SEC adopts rules amending the definition of “foreign private issuer” to include requirements that we may not currently comply with, we may lose our status as a foreign private issuer. Even if we continue to qualify as a foreign private issuer, the accommodations available to us under applicable Securities Act and Exchange Act requirements may be adversely affected by rules adopted, and other actions taken, in the future by the SEC related to foreign private issuers.

The Company is subject to risks related to foreign exchange rates.

The Company reports its consolidated financial statements in Canadian dollars; however, the Company has operations in the United States. Consequently, the financial results of the Company’s operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the U.S. dollar. Exploration and development activities in the U.S. are held in the Company’s U.S. subsidiaries and are primarily incurred in U.S. dollars, and translated into Canadian dollars within the consolidated financial statements. Given the time between initial recognition and settlement of payments, as such, the Company can be exposed to significant fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar. In addition, a significant change in the exchange rate between the U.S. dollar and Canadian dollar can impact the Company’s available liquidity to perform exploration and development activities. The Company does not currently enter into any foreign exchange hedges to limit exposure to exchange rate fluctuations. The Company’s Board of Directors continually assesses the Company’s strategy toward its foreign exchange rate risk, depending on market conditions.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development of the Company

Name, Address and Incorporation

Electra was incorporated under the provisions of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on July 13, 2011 under the name Patrone Gold Corp. and became a reporting issuer in British Columbia and Alberta upon completion of an arrangement with Unity Energy Corp. on October 2, 2012. On October 3, 2013, the Company changed its name from Patrone Gold Corp. to Aurgent Gold Corp. On March 11, 2014, the Company changed its name from Aurgent Gold Corp. to Aurgent Resource Corp., and on September 22, 2016, the Company changed its name from Aurgent Resource Corp. to First Cobalt Corp. On October 26, 2017, shareholders of the Company approved a continuation under the *Canada Business Corporations Act* (the “**CBCA**”). The Company’s continuation under the CBCA was implemented as of September 4, 2018. On December 6, 2021, the Company changed its name from First Cobalt Corp. to Electra Battery Materials Corporation. On April 13, 2022, the Company completed a consolidation of its share capital (the “**Consolidation**”) on the basis of one (1) post-Consolidation Common Share for every eighteen (18) pre-Consolidation Common Shares. On December 31, 2024, the Company completed a reverse stock split (the “**Reverse Split**”) of the issued and outstanding Common shares of the Company at a ratio of one (1) post-Reverse Split Common Share for four (4) pre-Reverse Split Common Shares of the Company. Historical information presented in this annual report has been adjusted to account for the Consolidation and Reverse Split as applicable.

Electra is in the business of battery materials refining, including refining material from mining operations and from the recycling of battery scrap and end of life batteries, and the acquisition and exploration of resource properties. The Company is focused on building a diversified portfolio of assets that are highly leveraged to the battery supply chain with assets located primarily in North America, with the intent of providing a North American supply of battery materials.

Electra 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**”).

The Common Shares are listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) and on the Nasdaq Capital Market (“**Nasdaq**”) under the symbol “ELBM”. The Company is a reporting issuer in all the provinces and territories of Canada and files its continuous disclosure documents with the Canadian Securities Authorities in such jurisdictions. Such documents are available on SEDAR+ at www.sedarplus.com. The Company files reports with the U.S. Securities and Exchange Commission (the “**SEC**”) at www.sec.gov.

The Company's registered office is located at 40 Temperance Street, Suite 3200, Bay Adelaide Centre – North Tower, Toronto, Ontario, Canada M5H 0B4. The Company's corporate head office is located at 133 Richmond Street West, Suite 602, Toronto, Ontario, M5H 2L3. The Company maintains a corporate website at www.electrabmc.com.

General Development of the Business of the Company

Three Year History

The following events significantly influenced the general development of the business of the Company:

2023 Developments

On January 4, 2023, the Company announced it had signed an amendment to its agreement with Kuya Silver Corporation (“**Kuya**”) relating to silver and cobalt exploration assets in the Cobalt Camp (the “**Assets**”). Pursuant to the agreement, Electra granted Kuya the right to acquire a 100% in its remaining assets in the Cobalt Camp. To exercise this right, Kuya was required to make a payment in cash or in the equivalent value of its shares totaling \$1,000,000 to Electra on or prior to January 31, 2023. On January 31, 2023, Kuya exercised the option and issued Kuya common shares to satisfy the payment. Kuya also entered into a royalty agreement with Electra whereby it granted Electra a two percent royalty on net smelter returns from commercial production derived from the remaining assets. Electra retains a right of first offer to refine any base metal concentrates produced from the Assets at the Refinery.

On January 11, 2023, the Company released its inaugural Sustainability Report outlining the Company's progress on environmental, social, and governance matters in 2022 and commitments to sustainable, low-carbon production of battery-grade materials at the Refinery.

On February 8, 2023, the Company announced that it was in active discussions with the Government of Canada and Government of Ontario with respect to a potential commitment of up to US\$7.5 million (approximately \$10 million) in additional total funding to support the recommissioning of the Refinery. The terms and conditions for these potential sources of funding are under discussion and subject to final government approvals, therefore there is no guarantee this additional capital will be provided on terms the Company can satisfy, or at all.

On February 14, 2023, the Company announced that it successfully completed the first plant-scale recycling of black mass material in North America and recovered critical metals, including nickel, cobalt, and manganese, needed for the electric vehicle battery supply chain using its proprietary hydrometallurgical process at the Refinery.

On February 14, 2023, the Company provided an update on the commissioning and construction of the Refinery.

While constructing its crystallization circuit, the final stage in the cobalt sulfate refining process, the Company took delivery of a falling film evaporator vessel that was damaged in transit. Custom-built for the Company, the vessel is used to vaporize water from the cobalt solution before it can be crystallized into cobalt sulfate and was valued at approximately US\$881,000. The equipment was deemed suitable for installation, but a third-party inspection determined that onsite repairs were required before it could be commissioned. The repairs have since been completed. The Company requires microchips throughout its refinery complex as part of the process control system to regulate equipment and integrate various circuits and systems. Global supply shortages of microchips resulted in delays to delivery of several process control system components. The Company was unable to progress fully on some work projects pending delivery of the process control components. As a result of the impact of critical equipment being damaged en route to the Company's complex north of Toronto and ongoing supply chain disruptions, the Company withdrew its guidance issued on August 11, 2022, and November 9, 2022, for its fourth quarter ending December 31, 2022 along with any forward-looking statements previously made on the timing of the commissioning, capital spend and production of its cobalt sulfate refinery.

In conjunction with this, on February 14, 2023, the Company announced a review of the Refinery scope, scheduling, and capital expenditures and a re-baseline engineering report, the completion of which was announced on October 23, 2023. The re-baseline engineering report estimated that the total capital costs are now at \$155 to \$167 million, of which approximately \$85.6 million had been capitalized as of December 31, 2023. The increase in capital costs has been driven by supply chain disruptions, and global inflationary pressures that negatively impacted all aspects of the Refinery, including contractor labour rate, costs for concrete, steel, piping, and freight.

On February 14, 2023, the Company announced the closing of a private placement offering pursuant to which the Company entered into subscription agreements with investors for the issuance (the “**2023 Note Offering**”) of an aggregate of US\$51,000,000 principal amount of 8.99% senior secured convertible notes due February 2028 (the “**2028 Notes**”). As part of the 2023 Note Offering, the Company also announced that it purchased and cancelled certain previously existing debt of the Company. In connection with the 2023 Note Offering, the Company entered into a note indenture (the “**2023 Note Indenture**”) with GLAS Trust Company LLC, as trustee for the 2028 Notes, a warrant indenture with TSX Trust Company (the “**2023 Warrant Indenture**”), as warrant agent for the 2023 Warrants (as defined below), and other customary associated security documentation. The initial, post Reverse Split conversion rate of the 2028 Notes was 100.804 common shares per US\$1,000 (equivalent to an initial, post Reverse Split conversion price of approximately US\$9.92 per common share) subject to certain adjustments set forth in the indenture governing the 2028 Notes.

Prior to the Restructuring (as defined herein), the 2028 Notes bore interest at 8.99% per annum, payable in cash semi-annually in arrears in February and August of each year and were scheduled to mature in February of 2028. The initial 2028 Noteholders also received a royalty of an aggregate of 0.6% of revenues for five (5) years from the commencement of commercial production, subject to certain allowable deductions in the first year of the term.

In October 2025, the Company completed the Restructuring of the Notes, pursuant to which each of the Lenders exchanged (i) 60% of the aggregate principal amount and the aggregate amount of all accrued and unpaid interest of the Notes for October 2025 Units at a deemed price of US\$0.75, and (ii) the remaining 40% of the aggregate principal amount and the aggregate amount of all accrued and unpaid interest of the Notes for the October 2025 Term Loan pursuant to the October 2025 Credit Agreement, and 3,822,341 Common Shares at a deemed price of US\$0.90 per Common Share. See “*2025 Developments*” below for further information.

Holders of the 2028 Notes (“**2028 Noteholders**”) received an aggregate of 2,699,014 common share purchase warrants (the “**2023 Warrants**”) exercisable for five years at an exercise price of US\$9.92 per common share, which is the same price as the conversion price in connection with the 2023 Note Offering. The 2023 Warrants were amended on January 12, 2024 as further described below.

On March 10, 2023, the Company announced a new mineral resource estimate for the Iron Creek Project. The new mineral resource estimate was based on infill drilling and limited step-out drilling and provides an increase of 83% to the indicated mineral resource category coming from the conversion of 1.7Mt to the indicated mineral resource category. The indicated mineral resource is now 4.4M tonnes grading 0.19% cobalt and 0.73% copper containing 18.4M pounds of cobalt and 71.6M pounds of copper. The inferred mineral resource is now 1.2M tonnes grading 0.08% cobalt and 1.34% copper for an additional 2.1M pounds of cobalt and 36.5M pounds of copper. The Company subsequently filed the 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 “**43-101 Technical Report**”). The 43-101 Technical 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 National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“**NI 43-101**”). See “*Iron Creek Project*” below. We have also prepared the 2024 Iron Creek Technical Report Summary (the “**2024 Technical Report Summary**”) in compliance with S-K 1300. The 2024 Technical Report Summary was prepared by Martin Perron, P.Eng. of InnovExplo Inc., Marc R. Beauvais, P.Eng. of InnovExplo Inc., Eric Kinnan, P.Geo. of InnoExplo Inc., and Pierre Roy, P.Eng. of Soutex Inc. All of the qualified persons (“**Qualified Persons**” or “**Authors**”) of the 2024 Technical Report Summary are independent of the Company within the meaning of S-K 1300. The 2024 Technical Report Summary is included as Exhibit 15.6 of this Annual Report, which is incorporated herein by reference.

On March 13, 2023, the Company announced that it had successfully recovered lithium, a critical mineral need for the electrical vehicle battery supply chain in its black mass recycling trial at the Refinery. The recovery and subsequent production of a technical-grade lithium carbonate product in a plant-scale setting validates the Company’s proprietary hydrometallurgical process.

On May 2, 2023, the Company announced the signing of a memorandum of understanding with the Three Fires Group Inc. (“**Three Fires**”) to form a joint venture focused on the primary recycling (shredding) of lithium-ion battery waste in Ontario, underpinned by Electra’s propriety black mass refining capabilities that recover high value elements, including lithium, nickel, cobalt, and graphite. Under the joint venture, Electra and Three Fires will collaborate to source and process lithium-ion battery waste generated by manufacturers of current and future battery cells, electric vehicles, and energy storage systems. The waste is expected to be processed at a future facility in southern Ontario to produce black mass material that will be further refined using Electra’s proprietary hydrometallurgical process at its Refinery. As part of the Three Fires agreement, the Company and Three Fires have agreed to work together to secure a net-zero industrial facility that can be used to shred and separate lithium-ion batteries and produce black mass material.

On May 11, 2023, the Company completed a desktop scoping study to evaluate the potential economics of developing a standalone black mass process plant within its Refinery complex capable of processing 2,500 tonnes of black mass material per annum. The facility could be scaled over time as the market for battery recycling expands.

On May 11, 2023, Electra announced that it had initiated a process to evaluate potential strategic alternatives to maximize shareholder value and close the funding gap to complete the construction and commissioning of the Refinery. BMO Capital Markets was retained to assist with the process. The Company's board of directors (the "Board" or "Board of Directors") evaluated a range of alternatives identified by the process including but not limited to a potential equity investment from a strategic partner and merger opportunities with other entities. None of the strategic options were approved or ratified by the Board but the Company may consider strategic options in the future. The Company continues to explore strategic alternatives, and there is no assurance that this process will culminate in any transaction or alternative.

On May 24, 2023, the Company announced the resignation of Garrett Macdonald as a member of the Board of Directors.

On June 9, 2023, the Company announced the resignation of Craig Cunningham as the Chief Financial Officer effective June 30, 2023, and the appointment of Peter Park as Chief Financial Officer effective July 1, 2023.

On June 26, 2023, the Company announced that it had received a commitment for a strategic investment from the Three Fires in support of advancing the Company's Battery Materials Park north of Toronto and accelerating its battery recycling strategy in North America. The Three Fires investment was expected to form part of a larger financing by Electra totaling up to \$20 million. Ultimately, the Company completed a financing for gross proceeds of \$21.5 million without any participation by Three Fires, though the parties agreed to reconsider a strategic investment in tandem with the advancement of the primary recycling joint venture.

On July 17, 2023, the Company announced the first customer shipment of nickel-cobalt produced at its Refinery from recycled battery material. Using Electra's proprietary hydrometallurgical process, the nickel-cobalt mixed hydroxide precipitate product ("MHP") was produced in the Company's black mass recycling trial currently underway at its Refinery.

On August 11, 2023, the Company completed a previously announced brokered private placement (the "2023 Market Offering") and concurrent non-brokered private placement (the "2023 Non-brokered Offering") for aggregate gross proceeds of \$21.5 million. Under the terms of the 2023 Market Offering, the Company issued 3,750,000 units at a price of \$4.40 per unit for aggregate gross proceeds of \$16.5 million and issued 1,136,364 units for aggregate gross proceeds of \$5 million under the 2023 Non-brokered Offering. Each unit consists of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder thereof to purchase one additional Common Share at a price of \$6.96 for a period of two years. Under the 2023 Market Offering, the agent received cash commission of \$990,000 and 225,000 non-transferable warrants entitling the holder to purchase one common share for each warrant at a price of \$4.40 for a period of two years, subject to certain events.

On September 19, 2023, the Company filed a Notice of Change of Auditors, together with the required letters from each party on SEDAR+ in connection with a change of the Company's auditors from KPMG LLP, Chartered Professional Accountants to MNP LLP, Chartered Professional Accountants effective September 18, 2023.

On the same day, the Company also disclosed that commissions of \$3,415,000 and US\$2,547,000 were paid to CIBC World Markets Inc. and CIBC World Markets Corp., respectively in related to distributions made between October 1, 2022 and December 26, 2022 and the termination of the distribution agreement with the Company.

On September 21, 2023, the Company was notified by the Nasdaq that the closing price of the Common Shares for the 30 consecutive business day period from August 9, 2023 to September 20, 2023 did not meet the Minimum Bid Price Requirement. The Nasdaq Minimum Bid Price Requirement notice had no immediate effect on the listing of the Common Shares at that time, and the Common Shares continue to trade on Nasdaq under the symbol "ELBM". Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company was given 180 calendar days to regain compliance with the Minimum Bid Price Requirement. On March 20, 2024, the Company received an additional 180-day's notice from the Nasdaq to regain compliance with the Minimum Bid Price Requirement (effective to September 16, 2024).

On October 2, 2023, the Company provided an update on the Company's battery materials recycling trial, confirming improved recoveries of high-value elements, higher metal content in saleable products produced, and reduced use of reagents. Combined, the improvements pave the way for higher-quality customer products and improved economics for continuous battery materials recycling operations.

On October 23, 2023, the Company provided an update on the Refinery noting that certain long lead items delayed since 2021 had been delivered and announced the completion of the engineering study first announced on February 14, 2023. The Company confirmed that an additional US\$55.7 to US\$62 million is required to complete construction and that management is working on a largely non-dilutive funding solution with the government and industry stakeholders to address the additional capital.

On October 25, 2023, the Company announced that it had obtained an easement on lands adjacent to the Refinery for the purpose of installing, operating and maintaining certain electrical works servicing water pumping facilities located on the Refinery in exchange for a total of 2,500 common shares at a deemed price of \$2.96 per common share, representing an aggregate purchase price of \$7.4 million.

On November 28, 2023, the Company announced the signing of a memorandum of understanding with Rock Tech Lithium (“**Rock Tech**”) for the development of a partnership to supply recycled lithium from Electra’s Refinery for upgrading to battery-grade lithium chemicals in Rock Tech’s lithium refineries.

On December 1, 2023, the Company announced its intention to amend the terms of the 2023 Warrants issued in connection with the 2023 Note Offering. Pursuant to the proposed amendments to the 2023 Warrants, the exercise price would be reduced from US\$9.92 to \$4.00 per Common Share. In addition, the 2023 Warrants would be amended to include an acceleration clause such that the term of the 2023 Warrants would be reduced to 30 days (the “**Reduced Term**”) in the event the closing price of the Common Shares on the TSXV exceeds \$4.00 by 20% or more for ten (10) consecutive trading dates (the “**Acceleration Event**”), with the Reduced Term to begin seven (7) calendar days after such ten (10) consecutive trading day period. Upon the occurrence of an Acceleration Event, holders of the 2023 Warrants would be permitted to exercise the 2023 Warrants on a cashless basis, based on the value of the 2023 Warrants at the time of exercise, subject to compliance with the policies of the TSXV.

On December 5, 2023, the Company promoted George Puvvada as the Vice-President of Metallurgy and Technology.

On December 29, 2023, the Company announced the appointment of David Allen as the Chief Financial Officer of the Company effective January 1, 2024, replacing Peter Park.

Also on December 29, 2023, the Company announced that it intended to file a resale registration statement with the SEC. The registration statement was to address resale registration rights previously granted to holders of 2028 Notes and would include Common Shares issuable upon the conversion of the Notes themselves as well as the exercise of 2023 Warrants (as defined below) previously issued to holders. Pursuant to the 2023 Note Offering Waiver (as defined below), the Company did not proceed with filing of the resale registration statement.

2024 Developments

On January 12, 2024, the Company entered into a supplemental indenture to effect the amendment with TSX Trust Company, as warrant agent, to the 2023 Warrant Indenture.

The proposed amendments were agreed upon with the holders of the 2023 Warrants following constructive negotiations and more closely align the terms of the 2023 Warrants with current market conditions. As partial consideration for the proposed amendments, the holders of the 2023 Warrants have agreed not to exercise certain adjustment provisions they hold in connection with the 2028 Notes. As a result, the 2028 Notes have not been re-priced at a lower exchange rate and no amendments have been made in respect of the debt conversion ratio. The proposed amendments also serve to reduce potential dilution in the Company’s capitalization in the event the 2028 Notes are converted into equity, while the cashless exercise feature will serve to concurrently reduce the dilutive effect of future exercises of 2023 Warrants upon the occurrence of an Acceleration Event.

On January 15, 2024, the Company announced the appointment of Heather Smiles as the Vice-President, Investor Relations and Corporate Development.

On February 9, 2024, the Company announced that it received a \$5,000,000 investment commitment from the Government of Canada of which \$5,000,000 has been received, towards the construction of the Refinery, North America’s first cobalt sulfate refinery. Located in Temiskaming Shores, Ontario, the facility is expected to produce approximately five percent of the global supply of battery-grade cobalt needed for electric vehicles. The investment is in the form of a loan from the Federal Economic Development Initiative for Northern Ontario (FedNor).

On February 27, 2024, the Company announced that the Company and the holders of the 2028 Notes entered into a waiver to the 2028 Notes (the “**2023 Note Offering Waiver**”). Pursuant to the 2023 Note Offering Waiver, the Company was required to pay accrued interest on August 15, 2024, other than the interest paid through the issuance of shares set out below. In the event of a default by the Company under the 2023 Note Indenture, the Company is required to pay the interest immediately. Pending repayment, the interest will be treated as additional principal amounts of 2028 Notes entitled to the same rights as the notes under the 2023 Note Indenture, including the accrual of additional interest under the 2023 Note Indenture and the right to convert into Common Shares. In addition, subject to certain conditions, the 2028 Noteholders agreed to waive the requirement set out in the 2023 Note Indenture for the Company to file a registration statement to provide for the resale of the Common Shares underlying the 2028 Notes and 2023 Warrants.

On March 21, 2024, the Company issued an aggregate of 210,760 Common Shares at a deemed issue price of \$2.5756 per Common Share in satisfaction of a portion of the interest payable to certain of the 2028 Noteholders. The deemed issue price was calculated at 95% of the simple average of the volume weighted average trading price of the Common Shares for each of the five trading days ending on, and including, March 20, 2024.

On March 21, 2024, the Company announced it had received an additional 180-days from Nasdaq to regain compliance with the Minimum Bid Price Requirement under Nasdaq’s Listing Rule 5550(a)(2). If at any time before September 16, 2024, the bid price of the Common Shares closes at or above US\$1.00 per Common Share for a minimum of 10 consecutive business days, the Company will regain compliance with the Minimum Bid Requirement.

On April 2, 2024, the Company and Eurasian Resources Group S.A.R.L announced that they have signed a binding letter of intent for long-term supply of ERG’s cobalt hydroxide Electra’s cobalt sulfate Refinery. This transaction supports efforts to onshore the battery supply chain and reduce reliance on foreign refiners. Starting from 2026, under the three-year supply agreement, ERG will deliver 3,000 tonnes per annum of IRA-compliant cobalt to Electra’s refinery north of Toronto. With this agreement, Electra has sufficient cobalt hydroxide feed material to meet all of the Refinery’s annual capacity.

On June 10, 2024, the Company announced that it had been awarded \$5 million 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 July 25, 2024, the Company announced that its 2023 field program on an unexplored boundary area of certain claims of the Idaho properties subject to an earn-in and joint venture agreement among the Company, though Idaho Cobalt Company (“**Idaho Cobalt**”), Borah Resources and Phoenix Copper for the SCOB1 to 30 unpatented mineral claims (the “**Redcastle Agreement**”) discovered a previously unknown copper surface showing, the Malachite Hill Copper Showing. Electra also signed an amendment to the Redcastle Agreement to extend its two main exploration expenditure commitments by two years, to 2026 and 2028 respectively.

On August 14, 2024, the Company announced that it and the holders of the 2028 Notes had entered into an agreement whereby the noteholders had agreed, subject to certain conditions, that all unpaid interest owing to August 14, 2024 under the 2023 Note Indenture would be “paid-in-kind”, not in cash and added to the outstanding principal amount of the 2028 Notes.

On August 19, 2024, the Company announced that it had been awarded US\$20 million 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 August 29, 2024, the Company announced that in support of its strategic plans to build a North American battery materials supply chain, the Company has signed a strategic advisory agreement with Altitude Capital Consultants Inc. (“**Altitude**”), based in Toronto, Ontario and led by renowned Canadian capital markets and investment banking experts Michael Wekerle and Gene McBurney, to provide capital markets strategy and analysis of market opportunities. Altitude was engaged for an initial term of twelve months, effective as of August 28, 2024. The Company granted 250,000 incentive stock options to Altitude in accordance with its long-term incentive plan exercisable at a price of \$3.28, for a period of three years, and vesting quarterly in four equal tranches over a one-year period. The Company is at arms-length from Altitude and its principals, and the services to be provided by Altitude do not include investor relations or promotional activities.

On September 10, 2024, the Company announced that it had received a non-binding term sheet for a US\$20 million prepayment facility from an arms-length strategic player in the battery materials sector.

On September 18, 2024, the Company announced a joint venture, named Aki Battery Recycling, with Indigenous-owned Three Fires to produce battery black mass through responsible recycling of lithium-ion battery scrap and waste material. The black mass would then be sold to the Refinery to recover lithium, nickel, cobalt and other critical minerals to produce new lithium-ion batteries.

On September 24, 2024, the Company announced that it had successfully achieved greater than 99% purity, or technical grade, lithium carbonate product. These results further bolster the Company's ability to produce high-quality, technical and battery-grade products from its black mass recycling project.

On October 1, 2024, the Company announced the appointment of Michael Green as its Construction Director. With over 30 years of extensive experience in construction management, Mr. Green will be focused on the timely and successful completion of the final phase of construction for North America's first cobalt sulfate refinery, Electra's Refinery in Temiskaming Shores, Ontario.

On October 25, 2024, the Company announced receipt of a non-binding term sheet from the holders of the 2028 Notes for a financing transaction which would result in gross proceeds to the Company of US\$5 million. These funds will enable the Company to initiate certain early works and winter preparations at the Refinery project site in Temiskaming Shores, Ontario, and for general corporate purposes. On November 26, 2024, the Company announced the closing of the previously announced financing transaction pursuant to which the Company issued 12.0% secured convertible notes in the principal amount of US\$4 million (the "**2027 Notes**" and, together with the 2028 Notes, the "**Notes**"), 443,225 common shares at a price of US\$2.172 per common share, and 1,136,364 detachable common share purchase warrants entitling the holders to acquire an equivalent number of common shares at a price of C\$4.00 per share until November 26, 2026 (the "**2027 Note Offering**" and, together with the 2028 Note Offering, the "**Note Offerings**"). The Company also issued additional 2028 Notes to the holders thereof, in the principal amount of US\$6,521,000, as payment-in-kind for all outstanding accrued interest owing on the 2028 Notes through to August 15, 2024. The additional 2028 Notes carry the same payment and conversion terms as the balance of the 2028 Notes. In October 2025, the Company completed the Restructuring of the Notes. See "*2025 Developments*" below for further information.

In connection with closing of the 2027 Note Offering, the holders of the 2028 Notes waived certain existing events of default through until February 15, 2025, and agreed that the previous failure to register the resale of the common shares issuable pursuant to the terms of the 2028 Notes and the Existing Warrants (as defined below) will not constitute an event of default. The holders of the 2028 Notes also agreed to the cancellation of a total of 1,136,364 common share purchase warrants exercisable at a price of C\$6.96 until August 11, 2025, for no further consideration. The Company also amended the terms of an aggregate of 2,699,014 outstanding share purchase warrants (the "**Existing Warrants**"), issued in connection with the offering of the 2028 Notes and were previously exercisable at a price of C\$4.00 until February 13, 2028. Following the amendment, the exercise price of the Existing Warrants was reduced to C\$3.40 per share and include a revised acceleration clause.

On December 23, 2024, the Company announced the appointment of Marty Rendall, CFA as its new Chief Financial Officer effective January 1, 2025, upon the retirement of David Allen.

On December 30, 2024, the Company announced that effective at the close of business on December 31, 2024, the Company would effect the Reverse Split of its outstanding common share capital on the basis of four (4) pre-Reverse Split Common Shares for every one (1) post-Reverse Split Common Share.

2025 Developments

On January 28, 2025, the Company announced the commencement of a feasibility level engineering study to build a battery recycling refinery adjacent to its Refinery. The study will build on the technology and expertise accumulated during a year-long black mass recycling trial, whereby Electra produced technical grade lithium and a nickel and cobalt product from end-of-life lithium batteries.

On February 25, 2025, the Company announced the appointment of Alden Greenhouse to the Board.

On March 5, 2025, the Company entered into an agreement with the holders of its senior secured debt 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 was to 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, accrued interest at the applicable stated rate of interest borne by the applicable series of Notes. All deferred interest (including all interest thereon) was to become payable immediately if an event of default occurs under the applicable note indenture prior to February 15, 2027.

On March 21, 2025, the Company announced receipt of a Letter of Intent ("LOI") for proposed funding of \$20,000,000 in support of completion of construction and commissioning of North America's first battery-grade cobalt refinery. The LOI was provided to the Company by the Government of Canada and is non-binding. The LOI expresses an interest and intent to work towards completing a final term sheet but does not constitute a binding agreement. While discussions between the parties are ongoing, there is no guarantee or assurance that final agreements will be reached and/or funding will be provided to the Company.

On April 4, 2025 and April 14, 2025, the Company closed a first and second tranche of a non-brokered private placement (the "2025 Offering") raising aggregate gross proceeds of US\$3,500,000. The 2025 Offering consisted of units of the Company (each, a "Unit") issued at a price of US\$1.12 per Unit. Each Unit consisted of one Common Share and one transferable common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one common share of the Company at a price of US\$1.40 at any time for a period of eighteen (18) months following the issue date.

On June 5, 2025, the Company announced completion of a Class 3 feasibility-level engineering study for a modular battery recycling facility adjacent to its cobalt refinery north of Toronto. The study confirms the design to recover lithium, nickel, cobalt, manganese, and graphite from lithium-ion battery scrap and end-of-life batteries using Electra's hydrometallurgical process, validated through prior pilot operations.

On June 12, 2025, the Company announced progress on the Aki Battery Recycling joint venture with Three Fires Group, Canada's first Indigenous-led lithium-ion battery recycling initiative. The project will establish a battery pre-processing facility in Ontario to produce black mass for refining at Electra's hydrometallurgical refinery.

On June 19, 2025, the Company announced it had commenced an early works program at its cobalt refinery north of Toronto to support the restart of full-scale construction of North America's only battery-grade cobalt sulfate refinery. The \$750,000 program advanced key infrastructure in the solvent extraction area and other site activities, supported by U.S. and Canadian government funding, to position the project for construction once full financing was secured.

On July 31, 2025, the Company announced it had begun metallurgical testing of North American cobalt feedstock from the historic Cobalt Camp in Ontario and its Iron Creek cobalt-copper project in Idaho to diversify and strengthen its refinery feedstock pipeline, with preliminary results expected by the end of 2025 to inform potential flowsheet modifications for processing a broader range of concentrates.

On August 21, 2025, the Company announced that it had entered into a term sheet and transaction support agreement with the Lenders (as defined below) to effect the Restructuring. As part of the Restructuring, the Lenders provided US\$2 million in short-term bridge debt in the form of 90-day bridge notes (the "Bridge Notes"). In exchange, the Lenders appointed David Stetson to the Board on August 25, 2025.

On September 3, 2025, the Company announced it had completed its early works program at its cobalt refinery north of Toronto, advancing key infrastructure and site activities to support the restart of full-scale construction. The work focused primarily on the solvent extraction area and related infrastructure, reduced remobilization timelines and positioned the project for a more efficient construction restart once full funding was in place.

On September 12, 2025, the Company announced it had signed a non-binding term sheet with Invest Ontario for \$17,500,000 million in proposed funding toward completion of the Refinery.

On October 15, 2025, the Company announced the results of its special meeting of shareholders held in connection with the Restructuring, where all proposed matters were approved. At the meeting, each of Jody Thomas and Gerard Hueber were elected to the Board, with C.L. "Butch" Otter not standing for re-election. At the meeting, shareholders also approved the potential creation of a control person related to the Restructuring, and authorization for a reverse share split. As of the date hereof, the Company has not effected the previously authorized reverse share split, but retains the shareholder authorization to do so.

On October 22, 2025, the Company closed a US\$34.5 million equity financing (the "**October 2025 Financing**") issuing an aggregate of 46,000,000 units of the Company (each, an "**October 2025 Unit**"), with each October 2025 Unit consisting of one Common Share and one Common Share purchase warrant (each, an "**October 2025 Warrant**"), with each October 2025 Warrant entitling the holder thereof to purchase one Common Share at a price of US\$1.25 for a period commencing on the date that is 60 days following the completion of the October 2025 Financing until October 22, 2028. The Company also issued an aggregate of 2,416,884 non-transferable warrants to purchase Common Shares to the agents for the October 2025 financing (the "**October 2025 Broker Warrants**"). Each October 2025 Broker Warrant entitles the holder to acquire one Common Share at a price of US\$0.75, at any time on or before the date that is 36 months from October 22, 2025.

Additionally, on October 22, 2025, the Company closed an approximately US\$40 million debt restructuring (the "**Restructuring**"). Pursuant to the Restructuring, the holders (the "**Lenders**") of the Notes and the Company entered into exchange agreements dated as of October 22, 2025 pursuant to which each of the Lenders exchanged 60% of the aggregate principal amount of the Notes beneficially owned or held by each of the Lenders, plus the aggregate amount of all accrued and unpaid interest (including any deferred interest amounts) to but excluding October 9, 2025, for October 2025 Units at a deemed price of US\$0.75 per October 2025 Unit (the "**Equity Exchange**").

The Lenders exchanged the remaining 40% of the aggregate principal amount and the aggregate amount of all accrued and unpaid interest of the Notes for an equal aggregate principal amount of a new term loan (the "**October 2025 Term Loan**") pursuant to a credit agreement (the "**October 2025 Credit Agreement**") and 3,822,341 Common Shares at a deemed price of US\$0.90 per Common Share (the "**Debt Exchange**"). Interest on the October 2025 Term Loan will be payable in cash or in kind at the Company's election at a rate per annum of 8.99% if paid in cash or 11.125% if paid in kind. The October 2025 Term Loan matures on October 22, 2028.

To the extent that the Equity Exchange and the Debt Exchange would result in any Lender, individually or together with any person or company acting jointly or in concert (as such terms are defined in the Securities Act (Ontario)) with such Lender, beneficially owning Common Shares in excess of 9.90% of the issued and outstanding Common Shares following the October 2025 Financing and the Restructuring, such Lender received pre-funded warrants ("**Pre-Funded Warrants**") in lieu of the excess amount of Common Shares underlying the October 2025 Units which would otherwise have been issuable. Each Pre-Funded Warrant is exercisable by the holder thereof to acquire one (1) Common Share ("**Pre-Funded Warrant Share**") at an exercise price of US\$0.000001 per Pre-Funded Warrant Share, subject to adjustment in accordance with the terms thereof, for an indefinite period without expiry. As a result, the Company issued an aggregate of 27,128,396 Common Shares, 55,041,712 October 2025 Warrants (as defined below) and 31,735,657 Pre-Funded Warrants to the Lenders under the Equity Exchange and the Debt Exchange. An aggregate of 3,835,378 common share purchase warrants held by the Lenders were cancelled.

The Company also entered into amended and restated royalty agreements with the Lenders, dated as of October 22, 2025, amending the royalty agreements dated as of February 13, 2023 to (i) extend the length of the royalty on revenues from five years following the commencement of commercial production to seven years following the commencement of commercial production and (ii) raise the aggregate cap under all royalty agreements from US\$6,000,000 to US\$10,000,000.

The Company also redeemed previously issued Bridge Notes for an aggregate of US\$2,040,000, inclusive of interest. In connection with the closing of the Restructuring, the Company and the Lenders also entered into a registration rights agreement, pursuant to which the Company agreed to file one or more registration statements with the SEC covering the resale of the securities issued under the Equity Exchange and the Debt Exchange. Following the closing of the Restructuring, the Lenders do not have any ongoing right to appoint members of the Board. The Company subsequently filed a registration statement on Form F-3 (File No. 333-291766) (the "**Resale Registration Statement**") with the SEC on November 25, 2025, which was declared effective on December 8, 2025, covering the resale of (i) 21,860,375 Common Shares issued to the selling shareholders named therein (the "**Selling Shareholders**") in the Restructuring; (ii) 55,041,712 Common Shares issuable upon exercise of warrants issued to the Selling Shareholders in the Restructuring; (iii) 31,735,657 Common Shares issuable upon exercise of the Pre-Funded Warrants issued to the Selling Shareholders in the Restructuring; and (iv) 199,000 Common Shares issuable upon exercise of warrants issued to the Selling Shareholders in April 2025 through a non-brokered private placement.

On October 27, 2025, the Company announced it had launched a program to advance mineral deposit modeling and feedstock integration at its Iron Creek cobalt-copper project in Idaho.

On October 29, 2025, the Company announced it had appointed Paolo Toscano as Vice President, Projects and Engineering to lead and oversee construction of the Refinery.

On November 5, 2025, the Company announced it had reactivated construction at its Refinery. The reactivation includes resuming key construction activities, contractor mobilization, equipment installation, and completion of remaining mechanical, electrical, and commissioning work required to advance the facility toward initial production of battery-grade cobalt sulfate.

On November 10, 2025, the Company announced it had issued a major mechanical, piping, electrical, and instrumentation (SMPEI) tender package for the Refinery, marking a key milestone as the project moves from early works into full construction mobilization.

On November 25, 2025, the Company announced it had signed a supply chain cooperation agreement with Positive Materials Inc., a Canadian pCAM manufacturer, to advance a potential commercial and technical partnership for battery-grade cobalt sulfate and support development of a North American battery materials supply chain.

On December 22, 2025, the Company announced it had established an At-The-Market (the “**2025 ATM**”) offering program to sell up to US\$5.5 million of Common Shares from time to time through H.C. Wainwright & Co. at prevailing market prices under a registration statement on Form F-3, as amended (File No. 333-288364), which was declared effective by the SEC on December 11, 2025.

Subsequent Events

On January 8, 2026, the Company provided an update on construction progress at the Refinery, reporting that exterior pipe racks connecting key process buildings had been completed and civil, structural, concrete, and tank installation work was underway, with site preparation, parking, power services, and support areas nearly finished and procurement/contracting.

On February 3, 2026, the Company announced it had awarded a US\$6.1 million (C\$8.3 million) contract to EXP Services Inc. to provide engineering, project management, and construction management support during the construction phase.

On February 4, 2026, the Company announced the resignation of Chief Financial Officer (“CFO”) Marty Rendall at the end of February to pursue another executive opportunity, and announced that David Allen, who previously served as Electra’s CFO for 2024, would return as Interim CFO effective February 28, 2026, while a formal search for a permanent successor is underway.

On February 20, 2026, the Company announced it had upsized its previously announced 2025 ATM to allow for the sale of Common Shares with an aggregate offering price of up to US\$25 million. The aggregate offering amount includes the amount of sales previously made by the Company under the 2025 ATM pursuant to the Company’s prospectus supplement dated December 11, 2025, covering sales having an aggregate offering price of up to US\$5,500,000. During the three months ended December 31, 2025, the Company did not sell any Common Shares under the 2025 ATM.

On February 23, 2026, the Company announced that its Board approved a US\$73 million construction budget and execution schedule to complete its cobalt sulfate refinery north of Toronto. Commissioning is expected to begin in Q4 2026, with mechanical completion targeted for Q2 2027 and commercial production targeted for Q4 2027.

On March 10, 2026, the Company announced that it entered into a new binding term sheet with LGES detailing the updated contract period for the Cobalt Supply Agreement. The updated agreement includes a firm commitment for 60% of Electra’s cobalt sulfate production through 2029, keeping roughly 40% of capacity uncommitted and providing flexibility for Electra to capture potential upside in pricing cycles. The agreement also includes an option to extend the terms through 2032.

On March 19, 2026, the Company provided a construction progress update on its Refinery, highlighting completion of early works and transition toward full-scale construction. The update noted that key infrastructure is in place, major equipment has been procured, and construction sequencing has been defined, positioning the project to advance toward mechanical completion and commissioning. The Company also announced receipt of a Nasdaq Deficiency Notice on March 16, 2026 regarding non-compliance with the Minimum Bid Price Requirement.

4.B. Business overview

Background

The Company was incorporated on July 13, 2011 under the BCBCA. On September 4, 2018, the Company was continued under the CBCA. On December 6, 2021, the Company changed its name from “First Cobalt Corp.” to “Electra Battery Materials Corporation”. The Company’s vision is to build a North American supply of battery materials with a focus on refining material from mining operations and from the recycling of battery scrap and end of life batteries. The Company’s primary asset is the wholly owned Refinery located in Ontario, Canada. The Company also owns the Idaho Properties within the Idaho cobalt belt in the United States. The Idaho Properties include the Iron Creek Project and other minerals projects. The Company also holds royalty interests over several silver and cobalt properties in Ontario known as the “Cobalt Camp.”

The Refinery

The Company has been progressing plans to recommission and expand the Refinery with a view to becoming the first refiner of battery-grade cobalt sulfate in North America. Electra’s primary focus is to continue construction of the Refinery as the project advances toward its targeted 2027 commissioning. The Refinery is expected to begin with an initial production target of 5,100 tonnes per year of battery-grade cobalt sulfate, sourced from cobalt hydroxide supplied by certified mining operations in the DRC. The Company then plans to secure a permit amendment and undertake further expansion of certain refinery circuits to increase cobalt production to 6,500 tonnes per year of battery-grade cobalt sulfate, matching the Refinery’s crystallization circuit’s capacity. The Company has invested in larger equipment to enable this potential future production increase.

Future growth initiatives at the Refinery may include recycling black mass from spent or off-spec lithium-ion batteries sourced from various battery shredders in the United States and other regions; constructing a nickel sulfate plant, potentially providing essential components (excluding manganese) to attract a precursor manufacturer to integrate with the Company’s refining operations; and adjusting the Refinery’s specifications and leaching process to accept North American-mined cobalt.

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.

The Refinery Study was prepared to summarize the results of an engineering study prepared at a feasibility level related to the Refinery. The report does not constitute a feasibility study within the definition employed by the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”), as it relates to a standalone industrial project and does not concern a mineral project of Electra. As a result, disclosure standards prescribed by NI 43-101 are not applicable to the scientific and technical disclosure in the report. Any references to scoping study, prefeasibility study or feasibility study by Electra, in relation to the Refinery, are not the same as terms defined by the CIM Definition Standards and used in NI 43-101. The Refinery Study is also not based on any existing mineral reserves or mineral resources of the Company and the Company does not contemplate that any of the Company’s current mineral projects will provide a source of feedstock for the Refinery.

As the Company entered the full development phase of the Refinery expansion project in 2022, most of the long-lead custom equipment was ordered. Almost all of the long-lead equipment is now at the Refinery, either installed or in storage awaiting installation. As the project has progressed and changed from the Refinery Study, the original economic outputs should no longer be relied upon.

In response to strong customer demand, the Company invested in increased capacity for its cobalt crystallizer, which will result in installed capacity of 6,500 tonnes of annual contained cobalt production, a 30% increase from the engineering study design of 5,100 tonnes. Future permit amendments will be sought to permit this increased output level. The Company has also studied opportunities to utilize black mass from recycled lithium-ion batteries to provide supplemental cobalt feedstock for this circuit.

The Company has achieved several additional key milestones on its development path for the Refinery, including:

- Feedstock arrangements announced with Glencore (January 2021);
- Commencement of detailed engineering and pre-construction activities;
- Solvent extraction design and manufacturing contract awarded to Metso-Outotec (October 2021);
- Increased cobalt crystallizer capacity and formalized new project capital budget;
- Five-year tolling contract and amended feed purchase agreement with Glencore (December 2021);
- Receipt of Industrial Sewage Works approval (February 2022);
- Offtake agreement signed with LGES for 7,000 tonnes of battery-grade cobalt (September 2022);
- Completion of recommissioning of the analytical lab, feed material handling system (including ball mill and mixing station), leach circuit, filter presses and reagent handling systems (October 2022);
- Receipt of final approval for closure plan for the Refinery (November 2022);
- Completion of construction of the cobalt sulfate loadout facility (Q1 2023);
- Completion of the solvent extraction building (Q1 2023);
- Receipt of the majority of long lead and custom fabricated equipment from suppliers around the world, thereby reducing the schedule risk associated with final construction (May 2023);
- Completion of re-baseline report (May 2023);
- LGES offtake agreement amended to 19,000 tonnes over five years (July 2023);
- Supply agreement with ERG for 3,000 tonnes per annum of cobalt starting from 2026 (April 2024);
- Funding by U.S. Department of Defense for US\$20 million in support of construction and commissioning of the Refinery (August 2024);
- Receipt of LOI from Canadian Federal Government for a proposed \$20 million in support of construction and commissioning of the Refinery (March 2025);
- Signed term sheet with Invest Ontario for proposed \$17.5 million investment to support construction and completion of the Refinery as part of a broader \$100 million project financing (September 2025);
- Completed US\$34.5 million brokered private placement (minimum 46 million units at US\$0.75 per unit) to support refinery completion (September 2025);
- Approved a US\$73 million construction budget and execution schedule to complete the North American cobalt sulfate refinery, targeting commissioning in Q4 2026 and commercial production in Q4 2027 (February 2026); and

- Updated the Cobalt Supply Agreement, securing a firm commitment for 60% of refinery production through 2029 with an option to extend to 2032 (March 2026).

On February 14, 2023, the Company announced a review of the Refinery scope, scheduling, and capital expenditures and completed the re-baseline engineering report in the second quarter of 2023. The re-baseline engineering report estimated that the total capital costs are now at \$155 to \$167 million, of which approximately \$87.2 million had been capitalized as of December 31, 2025. The increase in capital costs has been driven by supply chain disruptions, and inflationary pressures that negatively impacted all aspects of the Refinery, including contractor labour rate, costs for concrete, steel, piping, and freight.

The Company may require additional financing to continue operations and for commissioning of the Refinery, to advance its battery recycling strategy, and to remain in compliance with the minimum liquidity covenant under the October 2025 Term Loan.

The Company has the necessary permits to operate the Refinery, including its Air and Noise permit and its Permit to Take Water, as well as final approvals for its Industrial Sewage Works permit amendment and its revised Refinery closure plan. The Company continues to make progress towards achieving its objective of providing the world's most sustainable battery materials for the electric vehicle market. The Company continues to work with engineering firms, its commercial partners, process experts and financial advisers to finalize and execute on the plans for its recommissioning and expansion of the Refinery.

See "*Refinery*" for more information with respect to the 2020 Refinery Study.

Refining & 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. Using a proprietary hydrometallurgical process, the Company successfully completed the first plant-scale recycling of black mass material in North America and confirmed the recovery of a number of critical metals, including lithium, nickel, cobalt, manganese, and graphite, needed for North America's lithium-ion battery supply chain, surpassing initial expectations.

To date, Electra has produced quality nickel-cobalt mixed hydroxide, technical grade lithium carbonate, and graphite products in its black mass recycling trial.

In 2023, the Company completed a desktop scoping study to evaluate the potential economics of developing a standalone black mass process plant within its refinery complex capable of processing 2,500 tonnes of black mass material per annum. The facility could be scaled over time as the market for battery recycling expands.

The desktop scoping study was based on a number of assumptions, including annual processing of 2,500 tonnes of black mass, metal prices using analysts' long-term forecasts, recovery rates consistent with those achieved to date, and \$12.6 million of committed capital comprised of \$8.1 million for capital costs and \$4.5 million in working capital.

In July 2023, Electra announced the first customer shipment of the nickel-cobalt MHP product produced at its refinery complex north from recycled battery material. As a result of the successes achieved, the Company continued to process black mass material at its Refinery through the end of 2023. On February 5, 2024, the Company provided an update on its battery materials recycling trial, including that the plant-scale black mass recycling trial is now largely complete.

On June 10, 2024, Electra was awarded \$5 million 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 January 28, 2025, the Company announced the commencement of a feasibility level engineering study to build a battery recycling refinery adjacent to its Refinery. The study will build on the technology and expertise accumulated during a year-long black mass recycling trial, whereby Electra produced technical grade lithium and a nickel and cobalt product from end of life lithium batteries.

Key highlights of the black mass trial include:

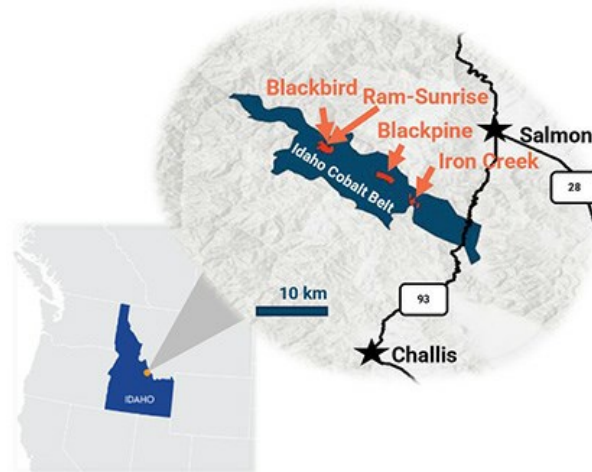
- 40 tonnes of black mass material have been processed in a plant scale setting, believed to be the first of its kind in North America.

Recovery rates for all targeted metals have improved since the start of the trial.

- Improved lithium carbonate product quality by nearly 20% from its initial processing and product quality is now approaching “technical grade” lithium carbonate. Discussions are ongoing with lithium companies to assess the tradeoffs between collaboration or producing a technical grade in-house.
- Refinements to the process parameters for the nickel-cobalt MHP product produced from the recycling process have at times improved paymetal concentration in the final MHP product to nearly 50% nickel and cobalt, well above quoted market standards. Improved metal concentration creates the opportunity to generate a higher metal payable, thereby improving the potential economics of continuous recycling operations.
- Approximately 28 tonnes of MHP product have been shipped to customers to date.
- Manganese recovery rate has been further improved to approximately 95% by strategically modifying the use and sequencing of reagents.
- Reagent requirements have been reduced and in some cases alternative, less costly reagents have been used for improved overall metal recovery. Further, some of the reagent additions substituted have reduced overall impurity levels within the process. The reduction in reagent use and substitution of certain reagents are expected to lower operating expenses, thereby improving the economics of continuous recycling operations.
- Continued optimization studies are underway, including metal recovery from internal recycling streams such as reusing tailings water as process water to feed the plant, thus making the process entirely closed circuit with minimal environmental impacts.
- Preliminary results of laboratory work to explore the potential of isolating cobalt from nickel contained in the leach liquor using hydrometallurgical methods are positive. Isolating the cobalt could improve the overall payability of both the resultant cobalt and nickel product.

The Iron Creek Project

The Company owns 100% of the Iron Creek Project which is located about 42 kilometres southwest of Salmon, Idaho, within the historic Blackbird cobalt-copper district of the Idaho cobalt belt. The project consists of seven patented Federal lode claims that straddle Iron Creek, as well as 129 unpatented mining claims held 100% by two separate subsidiaries: Idaho Cobalt Company of Boise, Idaho and by Scientific Metals (Delaware) Corp. (“SMDC”) of Midvale, Utah; both are wholly owned subsidiaries of the Company. In addition, adjoining unpatented mining claims are subject to earn-in and joint venture agreements with third parties. In total, the Iron Creek Project encompasses a land area of over 70km².



Specialized Skills and Knowledge

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

Competitive Conditions

The Company's activities are directed towards the potential recommissioning and expansion of the Refinery and the exploration, evaluation, and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in the recommissioning and expansion of the Refinery or discoveries of commercial quantities of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts, and the Company may not be able to successfully raise funds required for any such capital investment. See "*Risk Factors – The Company operates in a competitive market*" above.

Components

The Company's Refinery expansion depends on the sourcing, pricing, and availability of mine production for refining. Most of the cobalt consumed today is mined in the DRC and then shipped to China for refining. There are no primary cobalt refining facilities operating in North America, which gives the Refinery a strategic advantage in the lithium-ion battery supply chain. The ability of the Refinery to produce battery-grade cobalt sulfate using different types of feedstock will assist in diversifying sourcing of mine production for the Refinery.

Business Cycles

Refining battery materials is linked to the growth of the lithium-ion battery market, which has been expanding for the past five years based on increasing EV and battery energy storage demand, and is projected to continue growing in the years ahead. Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. If refining operations have contracts that are based prevailing commodity prices, the business would be similarly impacted by mining cycles. See "*Risk Factors – Risks Related to Our Industry*" above.

Environmental Protection

The Company's Refinery expansion and exploration activities are subject to various levels of federal, provincial, state, and local laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

The Refinery has active permits and is subject to a reclamation bond and closure plan. The total provision for reclamation and closure cost obligations at December 31, 2025 was \$2,290,000. The Company submitted an updated closure plan, which covers activities still to take place at site, with a total closure cost of \$3,323,000. A surety bond for the closure activities for \$3,450,000 remains deposited with the Province of Ontario.

The Iron Creek Project is located within Salmon National Forest, under the administration of the United States Forest Service ("USFS"). The Company manages all activities on site to ensure all work is performed in compliance with existing environmental regulations. It is understood that water and particulates from any drilling or other work should be prevented from entering any body of water without first being treated so there is no sediment or other contaminants entering the water. Water quality of Iron Creek and its tributaries within the project are subject to the Idaho Department of Environmental Quality.

Environmental and Social Governance

The Company's mission is to be one of the most sustainable producers of battery materials. Cobalt is a key element in fueling the lithium-ion batteries used in electric vehicles and for electric battery storage, both of which are essential technologies in the reduction of global carbon emissions.

The Company strives to be a leader amongst its peer group in Environmental and Social Governance ("ESG"). Cobalt is essential to the global transition to electric mobility and Electra is committed to sustainable production and employing industry leading ESG practices at its Refinery.

The Company will provide a clean and ethical supply of cobalt for the EV market from large, commercial mining operations that provide ethically sourced cobalt and the highest quality cobalt hydroxide globally. As a member of the Cobalt Institute, the Company will follow the Cobalt Industry Responsible Assessment Framework (CIRAF), an industry-wide risk management tool that helps cobalt supply chain players identify production and sourcing related risks. Electra also committed to the Responsible Minerals Initiative, which will include a third-party audit of the systems in place to responsibly source minerals in line with current global standards.

The Refinery is projected to have a lower quartile carbon intensity cobalt by virtue of hydro powered mining operations supplying its hydro powered refining operation. In October 2020, results were released from an independent Life Cycle Assessment (“LCA”) which affirmed the low carbon footprint of the Refinery. The report concluded that the environmental impacts associated with refining cobalt at the Refinery will be materially lower than the published impacts of a leading Chinese refiner.

The Company takes a proactive, risk-based approach to environmental management and human rights with robust measures intended to minimize the environmental impact of operations and prevent the use of child labor at any level in the supply chain. Electra believes that these and other ESG practices will help it establish a premium brand of cobalt sulfate for the electric vehicle market.

4.C. Organizational Structure

Intercorporate Relationships

Electra has four direct subsidiaries, being Cobalt Industries of Canada Inc., Cobalt Projects International Corp. (“**Cobalt Projects**”), both of which are incorporated under the laws of the Province of Ontario, Canada, U.S. Cobalt Inc. (“**US Cobalt**”), which is incorporated under the laws of the Province of British Columbia, Canada, and Cobalt One PTY Ltd. (“**Cobalt One**”), an Australian corporation. Electra is the registered and beneficial owner of all of the outstanding share capital in all four direct subsidiaries.

The following shows the Company’s intercorporate relationships. Electra owns, directly or indirectly, 100% of each subsidiary unless otherwise indicated.

Electra Battery Materials Corporation (Canada)

- (I) Cobalt Industries of Canada Inc. (Ontario)
- (II) Cobalt Projects International Corp. (Ontario)
- (III) U.S. Cobalt Inc. (British Columbia)
 - i. Scientific Metals Corp. (Delaware)
 - ii. 1086370 B.C. Ltd. (British Columbia)
 - a. Idaho Cobalt Company (Idaho)
 - iii. Orion Resources NV (Nevada)
- (IV) Cobalt One PTY Ltd. (Australia)
 - i. Cobalt Camp Refinery Ltd. (British Columbia)
 - ii. Cobalt Camp Ontario Holdings Corp. (British Columbia)
 - iii. Acacia Minerals Pty Ltd. (Australia)
 - iv. Ophiolite Consultants Pty Ltd. (Australia)

4.D. Property, plant and equipment

REFINERY

The Refinery

The Refinery is wholly owned by Cobalt Camp Refinery Ltd. (“**CCRL**”), a subsidiary of Electra. The Refinery is currently under development with permit amendments mostly complete. The Refinery business plan involves modifying the existing flowsheet to treat cobalt hydroxide feed material to produce cobalt sulfate used in the manufacture of batteries for electric vehicles. The flowsheet changes from the feasibility study were supported by bench and pilot scale metallurgical test work. The Company intends to refurbish and expand the Refinery to produce, first 5,100 tonnes per annum (tpa) of production capacity of cobalt contained in cobalt sulfate before expanding to 6,500 tpa of production capacity.

Refinery Description and Location

The Refinery is located at approximately 47.40640° north and 79.62225° west in Lorrain Township near the town of North Cobalt, Ontario. The Refinery is located approximately 1.5 km east of the town of North Cobalt, along Highway 567, locally referred to as “Silver Centre Road”.

The facility was permitted in 1996 with a nominal throughput of 12 tpd and operated intermittently until 2015, producing a cobalt carbonate product along with nickel carbonate and silver precipitate. The facility is located on approximately 250 acres, with two settling ponds and an autoclave pond. The current footprint also includes a large warehouse building that once housed a conventional mill.



Infrastructure and Physiography

The Refinery is located near the town of North Cobalt and the city of Temiskaming Shores. Temiskaming Shores is an amalgamation of the towns of New Liskeard, Dymond, Haileybury and North Cobalt. Geographically, the Refinery is closest to the town of North Cobalt approximately 140 km north of the city of North Bay. The Refinery is accessed from the town of North Cobalt via an all-weather road from Silver Centre Road (Highway 567).

The region experiences a typical continental-style climate, with cold winters and warm summers. Daily average temperature ranges from -15°C in January to 18.3°C in July. The coldest months are December to March, during which the temperature is often below -20°C and can fall below -30°C. During summer, temperatures can exceed 30°C. Snow accumulation begins in November and generally remains until the spring thaw in mid-March to April, with the average monthly snowfall peaking at 40 cm in January and a yearly average of 181 cm.

Basic services are available locally in Temiskaming Shores, and further services are available in Sudbury. Sudbury is located 200 km by road southwest of the Refinery and is considered a world-class mining centre and major hub for retail, economic, health, and education sectors in Northern Ontario. Most of the resources for the restart of the Refinery will likely be provided from the local townships, Sudbury, and North Bay areas.

Power for the Refinery is provided from the grid by Hydro One through 115 kV and 230 kV transmission lines. The feeder to the Refinery is 44 kV. Fresh water is sourced from the nearby Lake Timiskaming. Many roads, trails, and powerlines span the area. Ontario Northland Railway services the town of North Cobalt, linking North Bay with the rest of north-eastern Ontario. Ontario Northland's rail line passes approximately 2 km west-northwest of the Refinery road. An existing road provides access to the site.

The Refinery is located within a well-established site. Local topography is dominated by Lake Temiskaming and the Montreal River, both of which are within the Ottawa River watershed. Topography within the property boundaries of the Refinery is generally flat. General physiography is typical of the Precambrian Shield in north-eastern Ontario, with rocky, rolling bedrock hills with locally steep ledges and cliffs, separated by valleys filled with clay, glacial material, swamps, and streams. Given the presence of the Clay Belt, some farms are present nearby. In this boreal region, coniferous and mixed-wood forests dominate. The main conifer species are black and white spruce, jack pine, balsam fir, tamarack and eastern white cedar. The predominant deciduous (hardwood) species are poplar and white birch. Swampy low-lying areas contain abundant tag alders.

History

In the 1980s, the location was the site of the Hellens-Eplett underground mine, which featured a traditional silver and cobalt mill that was quite common in the historic Cobalt Camp. The property and mill were bought by Cobatec Ltd. (“Cobatec”) in the 1990s and construction of the Refinery took place in 1994 and 1995. The integrated mining, milling and refining operation processed ore from the mine in the mill to produce concentrate, and then produce a refined cobalt and silver product from the concentrate in the Refinery. Initial start-up was in 1996. The Refinery was built with a nominal 12 tpd feed rate and made a cobalt-carbonate product from four feedstocks over different periods. Cobatec eventually shut down the Refinery on January 2, 1999. The Refinery was operational for approximately one of the three years between start-up and shutdown.

The Refinery was later owned and operated by several owners until Electra entered into a 50-50 joint venture with Australian-listed Cobalt One Limited to acquire the Refinery in 2017.

The previous owners included:

- 1999-2003: Canmine Resources Corporation
- 2003-2012: Yukon Refinery AG
- 2012-2015: United Commodities
- 2015-2017: Yukon Refinery AG
- 2017-present: Electra

Metallurgical Testing

Phase I – Initial Testing

Metallurgical testing was completed at SGS Canada Inc. (“SGS”) between Q4 2018 and Q2 2020. The test work program was managed by Electra with inputs from Ausenco. For purposes of the Refinery Study, the initial phase of test work was conducted under 17070-01, 17070-02 and 17070-03 programs.

The programs evaluated different cobalt hydroxide feed materials and white metal alloy. The composition of each feed material is summarized in the table below.

Cobalt Hydroxide Feed Sample Analysis

Program	Co %	Cu %	Fe %	Mn %	Mg %	Si %	Zn g/t	Ni g/t	Al g/t	Cr g/t
17070-01	23.2	1.61	2.39	3.27	3.45	1.05	1920	3870	6390	52
17070-02 (WMA)	17.8	11.2	66.4	0.003	0.22	0.38	2670	494	1840	755

The source of the 17070-01 was from an operation in the DRC, this sample had a lower cobalt content (23.2% dry weight (“w/w”)) compared to the samples received later for programs 17070-03 and 17070-05. Using this material in late 2018 and early 2019 bench scale tests on leaching, neutralisation and solvent extraction were conducted, the initial test results were encouraging and areas for improvement were identified. Using these bench scale test results preliminary Metsim modelling was conducted by Ausenco and a Solvay solvent extraction model was short listed for pilot studies. Leach tests under program 17070-02 were conducted on white metal alloy (WMA), even though the alloy was leached in acid the excessive dissolution of iron made the solution purification stage difficult.

In September 2019, program 17070-03 was commenced on a 570kg sample received from Glencore’s Mutanda operation in the DRC and several bench scale leach tests were conducted on this sample. Following which more samples were received from sources such as Katanga, ERG and IXM (Tenke). The head analysis of these samples is shown below, where the cobalt content of the samples received subsequently was found to be significantly higher compared to the initial Glencore’s mutanda sample.

Program	Co %	Cu %	Fe %	Mn %	Mg %	Si %	Zn g/t	Ni g/t	Al g/t	Cr g/t
17070-03 (Mutanda)	29.2	0.46	0.12	4.85	5.67	0.77	403	9410	1200	<100
17070-03 (Katanga)	34.0	1.19	0.46	4.61	4.73	-	1620	3750	3480	36
17070-05 (Katanga, ERG, IXM)	39.2	1.34	0.37	3.50	3.28	-	6410	1100	644	58

In November 2020, a continuous leach pilot plant was conducted at SGS on Katanga sample using the optimised leach test results obtained from the bench scale studies. The overall cobalt leach extraction was found to be approximately 96%. During 2021, solvent extraction pilot and effluent treatment pilot studies were conducted using the leach liquor obtained from the leach pilot plant. Similarly in 2022, under campaign #1707005, two more leach pilot campaigns were conducted at SGS on a blended feed sample consisting of 1/3rd each of Katanga, ERG and IXM-Tenke. The cobalt leach extractions of 96% from these leach pilots were found to be satisfactory and closely matched the previous pilot studies.

The purpose of the 1707003 campaign was to demonstrate that battery-grade cobalt sulfate could be produced from a cobalt hydroxide feedstock using most of the current flowsheet at the Refinery. The definition of a battery-grade cobalt sulfate product was based on specifications received by Electra from potential end users.

The program achieved a high purity cobalt sulfate product with a cobalt grade of 20.8%w/w, with impurity levels that were within the range of lithium-ion battery market specifications, excepting for manganese, to address this issue the technical team is proposing to introduce manganese removal in the preliminary neutralisation step using either SO₂/O₂ or KMnO₄. The pilot studies conducted in 2022 did successfully use SO₂/O₂ system to remove manganese, but KMnO₄ appear to be a better reagent both from cost and chemical potency viewpoint.

The purpose of the 17070-03 program was to provide data for the Refinery Study, such as process conditions and operating targets for the various unit operations. The tests conducted included leaching and neutralisation, impurity solvent extraction (“ISX”), CoSX, solid/liquid separation testing, environmental and tailings testing.

Following the SX bench and pilot plant campaigns performed at SGS, METSIM™ modelling was conducted by HATCH, and the results were provided to Metso-Outotec to evaluate the SX processes on a continuous basis. The modelling results were incorporated into the basis of design.

Environmental testwork was also conducted to determine operating parameters for the effluent treatment circuit. Synthetic solutions were prepared based on compositions predicted in the METSIM™ model and were supplied to Story Environmental Inc. (“SEI”) for effluent treatment testing and Aquatox Testing and Consulting Inc. for toxicity testing.

Key results from the testwork program and Solvay modelling are listed in the table below:

Key Results from the 1707003 Testwork Program & Solvay Modelling

Description	Unit	Value
Cobalt Leach and Neutralisation recovery	%	96 to 97
Neutralisation pH	-	4.70 to 4.80
Average leach sulphuric acid (93%) addition	kg/t (dry basis)	797
Quicklime addition	kg/t (dry basis)	0.54
Acid consumption for SX	kg/t (dry basis)	1811
ISX configuration	extract / scrub / strip	4 / 2 / 2 (SGS) 4 / 3 / 3 (Design)
ISX extractant concentration	%	10
ISX cobalt recovery (to extraction raffinate)	%	99.6
CoSX configuration	extract / scrub / strip	4 / 6 / 2 (SGS) 4 / 6 / 3 (Design)
CoSX extractant concentration	%	35
CoSX cobalt recovery (to strip solution)	%	99.6
Effluent treatment final pH	-	11.0

The solvent extraction pilot study resulted in removing the impurities from the leach liquor and generating a concentrated cobalt sulfate product solution that is used to produce battery-grade cobalt sulfate crystals. The test work demonstrated that high-purity, battery-grade cobalt sulfate can be produced from the cobalt hydroxide samples that were processed. The overall cobalt recovery of the process will be close to 96% based on the test work and METSIM results. The final cobalt sulfate produced in this test work graded 22.3% cobalt, exceeding the minimum cobalt specification for battery-grade cobalt sulfate.

The waste streams of the solvent extraction pilot were treated using lime in a separate continuous pilot run, and the effluent generated from this study was found to meet the discharge limits prescribed by the Ontario Ministry of Environment, Conservation and Parks. The gypsum residue generated as a solid waste will be stored in the on-site tailings storage facility.

Recovery Methods

The Refinery takes in cobalt hydroxide feed containing anywhere from 30 to 40% of contained cobalt. The Refinery uses sulfuric acid to leach the cobalt hydroxide material into solution. Following the leaching process the liquor is neutralized before being sent to solvent extraction circuits where further impurities are removed. The final liquid from solvent extraction contains a high percentage of cobalt and that product is put through a crystallization process where battery-grade cobalt sulfate is produced as the plants final product which then goes to market.

The process design is consistent with other operations, including:

- Vale, Long Harbour: impurity SX followed by CoSX
- WMC, Bulong Refinery: CoSX with Cyanex 272 followed by sulphide precipitation and impurity SX with D2EHPA
- Finland, Terrafame: crystallisation of high purity cobalt sulfate heptahydrate

Process Description

Cobalt hydroxide is received on site at moisture range of 20 to 60% w/w in one tonne bulk bags and stored in the warehouse. The bags are lifted by forklift and broken in a bag breaker before being fed into a storage bin by conveyors. The material is fed into a re-pulper where it is mixed with recycled water into a slurry and stored in a feed tank.

The slurry is pumped to a leach tank and leached with sulphuric acid to solubilise cobalt and other metals. The leach slurry then gravity flows to pre-neutralisation tanks where process steps such as a) water dilution and b) removal of impurities take place. The pre-neutralised slurry would then advance to thickeners and the thickener underflow is filtered using plate and frame filter presses. The leach thickener overflow and the leach filtrate would advance to secondary neutralisation stage.

The overflow of the neutralisation thickener is filtered to remove suspended solids. This filtrate is the feed stock for solvent extraction plant for further purification.

The solvent extraction step consists of two phases, the impurity solvent extraction (ISX) and cobalt solvent extraction (CoSX). The feed solution initially processed through ISX which consists of extraction, scrubbing, and stripping stages to separate various impurities. The cobalt-rich ISX raffinate reports to CoSX, while the impurities report to effluent treatment.

The ISX raffinate reports to CoSX and is processed through extraction, scrubbing and stripping stages to separate impurities from the cobalt. The CoSX raffinate is treated in the effluent treatment plant, while the cobalt-rich strip solution is sent to crystallisation.

The strip solution from CoSX reports to the forced circulation mechanical vapour recompression cobalt sulfate crystalliser. Cobalt sulfate is crystallised and subsequently dewatered in a thickener, centrifuge and fluid bed dryer. The dry product is then bagged and stored in the warehouse prior to shipment.

Some of the reagents used in the process include:

- flocculant, including a mixing and dosing system for the residue and effluent thickeners
- organic solvents,
- sulphuric acid, including a storage tank, dilution and dosing system
- lime (CaO), including a storage silo, slaker and ring main
- sodium hydroxide, including a heated storage tank, dilution and dosing system
- SO₂/O₂ or KMnO₄ for manganese removal

Services supplied to the process include:

- filtered water
- fire water and fire suppression systems
- gland water
- potable water
- plant and instrument air
- low pressure air
- natural gas
- steam from boiler

Process Design Criteria

The design criteria are based on data supplied by Electra, bench and pilot test work, vendor data and modelling, industry standards and Hatch's in-house database.

Site Infrastructure

The major project facilities include the existing refinery building with expanded facilities, a new SX building and three existing ponds.

Power to the Refinery is provided via an existing 44 kV feeder from the Hydro One grid. It is then stepped down via a 2.5 MVA 44kV/600V transformer for distribution throughout the facilities.

Fresh water is supplied to the Refinery from Lake Timiskaming by an overland pipeline and pumping system. The pumphouse holds two freshwater pumps in a duty/standby configuration. Water is pumped 2.5 km through a buried pipeline, in an existing easement, to the Refinery site, where it is stored in the filtered water tank. The water is predominantly used for cooling and does not touch the process liquids. The warm water is returned to Lake Timiskaming through a similar buried pipeline along the same easement.

Market Studies and Commercial Contracts

Electra has retained numerous firms to provide market studies and battery metals industry outlooks and expertise. After the Refinery Study and in the normal course of business, Electra entered the following contracts:

- a 5-year contract for the purchase of cobalt hydroxide feedstock from Glencore's KCC mine;
- a 5-year cobalt tolling agreement with Glencore for material from the KCC mine;

- a flexible, long-term cobalt sulfate offtake agreement with Stratton Metals for the sale of finished product from the Refinery; and
- a 6-year cobalt sulfate offtake agreement with LGES.

Demand

Cobalt is used in a range of applications, but the largest single market is lithium-ion (Li-ion) batteries. The three primary segments for Li-ion batteries are consumer electronic devices, electric vehicles and both stationary and grid energy storage. All three segments have a strong growth profile over the coming years and as such, management expects the market for Li-ion batteries to grow sharply. EVs are forecast to be the largest market for Li-ion batteries.

Growth in cobalt demand through 2040 will be almost entirely dominated by the battery sector, fuelled predominantly by increased EV penetration uptake. Demand growth is forecast to outpace the ability of suppliers to keep up by the mid-2020s. It should be expected that cobalt producers will not only be able to sell their products, but that strong prices should be able to be commanded due to the predicted shortfall.

Supply

Cobalt is mainly produced as a by-product from copper and nickel operations. Over 70% of mined cobalt originates from the copper operations of the African Copper Belt, in the DRC. Much of that production is exported to China, which is responsible for the majority of global refined supply.

Cobalt refining typically takes place away from mine sites. Vale SA (“Vale”), Glencore and Sherritt International are among some of the mining companies that refine cobalt from their own mining operations, but they produce metallic cobalt products. None of them refines cobalt sulfate, which is a key input for the battery market.

Besides Electra, to the Company’s knowledge, there are few plans for new cobalt sulfate refineries outside of China. However, with the current focus by governments and industry on the battery sector, supply chains are expected to develop outside of China.

Environmental Permits and Social or Community Impact

Electra has regularly kept local municipalities and Indigenous communities apprised of their activities. Local municipalities with an interest in the Refinery include the Township of Coleman, the Town of Cobalt and the City of Temiskaming Shores. Electra has engaged the following Indigenous communities to keep them informed and obtain their input on recommencing operations at the refinery, and the permits relating to the refinery:

- Matachewan First Nation (MFN)
- Temagami First Nation (TemFN)
- Timiskaming First Nation (TFN)
- Métis Nation of Ontario (MNO)
- Beaverhouse First Nation (BFN)

Electra is committed to ongoing engagement and consultation activities with stakeholders and Indigenous communities. All engagement and consultation activities related to the Refinery will continue to be entered into the Record of Consultation.

The Refinery requires three key environmental permits to operate and an approved closure plan prior to certain construction aspects. The Company received final approved and acceptance of its closure plan by the Ministry of Northern Development, Mines, Natural Resources and Forestry in March 2022 and approval for an updated plan in November 2022.

The Company received new or amended environmental permits as follows:

- Permit to Take Water (PTTW) in May 2021, amended July 2022
- Air and Noise Environmental Compliance Approval in October 2021
- Industrial Sewage Works Environmental Compliance Approval in February 2021, amended March 2023

Capital and Operating Costs

Capital Costs

The capital cost estimate for the expansion of the Refinery is expected to be between \$155 and \$167 million as reported on February 14, 2023, of which approximately \$87.2 million had been capitalized as of December 31, 2025. The Company will need significant financing to complete construction.

Operating Costs

The refinery operating costs include the following:

- labour for operating, maintenance and supervision;
- fuels, reagents, consumables and maintenance materials;
- fuels, lubricants, tires and maintenance materials for operating and maintaining equipment;
- operating costs for the on-site laboratory;
- power supply costs; and
- site G&A costs.

Excluding the cost of feedstock (cobalt hydroxide), reagents are expected to be the largest component of the Refinery's operating costs under 100% operating capacity. Key reagents include sodium hydroxide, sulfuric acid, quicklime, and cyanex. The next largest costs are expected to be refinery labour, power and site G&A.

Refinery Updates

See "General Development of the Business of the Company – Three Year History" and "– Subsequent Events" above for additional Refinery updates.

IRON CREEK PROJECT

Introduction

Electra currently holds an interest in one mineral property, the Iron Creek Project, an exploration stage property in Idaho, USA. Portions of the following excerpts are based on assumptions, qualifications and procedures set forth in the 2024 Technical Report Summary which, while not fully described in this section, is included as Exhibit 15.6 of this Annual Report.

The scientific and technical information in this section of this Annual Report that specifically relates to the current mineral resource estimates for the Iron Creek deposit has been extracted or summarized from the 2024 Technical Report Summary. The 2024 Technical Report Summary was prepared by Martin Perron, P.Eng. of InnovExplo Inc., Marc R. Beauvais, P.Eng. of InnovExplo Inc., Eric Kinnan, P.Geo. of InnoExplo Inc., and Pierre Roy, P.Eng. of Soutex Inc. Any additional information presented below that pertains to the Iron Creek Project, but does not specifically appear in the 2024 Technical Report Summary, has been provided by the Company. All of the Authors of the 2024 Technical Report Summary are independent of the Company within the meaning of S-K 1300. The 2024 Technical Report Summary is included as Exhibit 15.6 of this Annual Report.

Readers should refer to the discussion under the heading "Cautionary Note Regarding Forward-Looking Statements" at the beginning of this Annual Report for important information concerning certain mining terms and descriptions of Electra's mineral deposits used or contained in this section.

Project Location, Description, and Access

The Iron Creek Project is located about 18 miles or 30km southwest of the town of Salmon, Idaho, within the historical Blackbird cobalt-copper district of the ICB. The center of the Property is located at Latitude 44° 57' 42" North, and Longitude 114° 06' 57" West.

Iron Creek Project Location, Idaho



Property Description and Tenure

The Property consists of seven patented lode mining claims that straddle Iron Creek, and a surrounding group of 416 unpatented lode mining claims. Together the patented and unpatented claims cover an area of 18,075 acres (73.15km²).

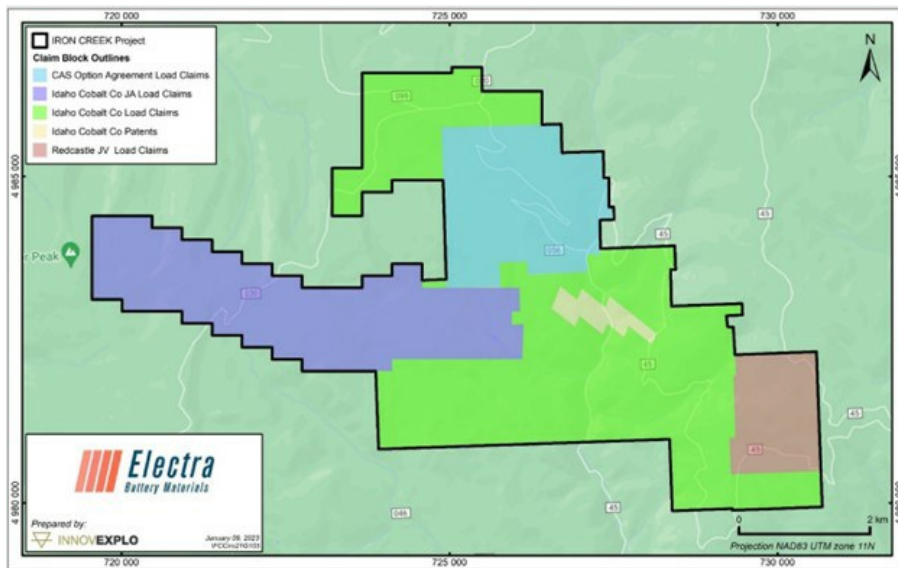
The Iron Creek Patents (as defined below), and unpatented mining claims BCA1-43, BR1-110, and BRS1-129 are held 100% by Idaho Cobalt Company (“**Idaho Cobalt**”) of Boise, Idaho, a wholly owned subsidiary of the Company. The NBR1-25 unpatented claims are held 100% by Scientific Metals (Delaware) Corp. (“**SMDC**”) of Midvale, Utah also, a wholly owned subsidiary of the Company. There are no royalties on all the above mining claims royalties.

The current mineral resource summarized in this Annual Report is covered by the patented claims. All of the patented and unpatented mining claims are in good standing as of the effective date of the 2024 Technical Report Summary attached as Exhibit 15.6 to this Annual Report.

The Company, through Idaho Cobalt, holds unpatented mining claims JA1-103 100% subject to a 1.0% net smelter return royalty. The Company holds beneficial interests in the unpatented mining claims SCOB1-30, subject to 2.5% net smelter return royalty related to a possible joint venture dilution, and unpatented mining claims CAS1-46, IRON1-7, IRON14-15 and IRON31-61, subject to a 1.5% net smelter return royalty.

A list of all the claims is presented in Appendix I of the 2024 Technical Report Summary, attached as Exhibit 15.6 to this Annual Report.

Iron Creek Property Claims



On August 23, 2016, US Cobalt, formerly Scientific Metals Corp., entered into a lease agreement with Chester Mining Company (“Chester”) with an option to purchase a 100% interest of the Iron Creek Patents. Under the terms of the lease, US Cobalt was required to make certain cash payments, Chester retained a 4.0% net smelter return royalty, and US Cobalt was granted the option to purchase the Iron Creek Patents and eliminate the royalty through a one-time payment. On September 4, 2018, the Company and Chester agreed to a 47% reduction of the purchase and royalty elimination payment to US\$1.07 million, which was paid in full.

On September 12, 2016, US Cobalt acquired unpatented mining claims BR1 to 58 by means of share purchase agreement for 100% of the shares of the Idaho Cobalt. US Cobalt subsequently staked the unpatented mining claims NBR1 to 25 through SMDC. No royalties apply to these mining claims.

On June 4, 2018, the Company acquired all the issued and outstanding shares of US Cobalt thereby acquiring Idaho Cobalt and SMDC, and all the respective assets of these two subsidiaries.

On March 12, 2021, the Company, through Idaho Cobalt, purchased the JA1 to 103 unpatented mining claims from Arizona Lithium Company (“Arizona”). Arizona retains a 1.0% net smelter return royalty, and the Company has the right to purchase one-half (i.e., 0.5%) of the royalty for CAN\$750,000 and an unrestricted right of first refusal to acquire the remaining one-half of the net smelter return royalty.

On March 21, 2021, the Company, through Idaho Cobalt, entered into an earn-in and joint venture agreement with Borah Resources and Phoenix Copper for the SCOB1 to 30 unpatented mineral claims (“**Redcastle**”). Under the agreement, the Company may earn a 51% interest in Redcastle by investing US\$1,500,000 on or before the third anniversary of the effective date of the agreement. It may earn a 75% interest by investing an additional US\$1,500,000 on or before the by the fifth anniversary. If, after the joint venture is formed, the ownership interest of a party is reduced to 10% or below, such interest will be converted to a 2.5% net smelter return dilution royalty. The other party will have the right to buy-down the dilution royalty at a rate of US\$500,000 per 0.5% and shall retain a right of first refusal on any proposed sale of the dilution royalty to a third party. The Redcastle agreement is subject to a mutual area of interest provision.

On November 8, 2021, the Company changed its name from First Cobalt Corp. to Electra Battery Materials Corporation.

On March 22, 2022, the Company through Idaho Cobalt entered into a Property option agreement with Richard Fox to acquire the CAS1-46, IRON1-7, IRON14-15 and IRON31-61 unpatented mining claims for US\$1.5 million (“**CAS**”), payable over 10 years upon completion of specific milestones. Richard Fox retains a 1.5% net smelter return royalty which the Company may purchase for US\$500,000 within one year of commercial production from the CAS property. The Fox agreement is subject to a mutual area of interest provision.

In 2019, 2021, 2022, and 2023 the Company, through Idaho Cobalt staked 124 additional claims covering 9.22 km² including BCA1-43, BR59-110 and BRS1-29. No royalties apply to these mining claims except those that fall within the Redcastle area of interest (approximately 2.13 km²) and those that fall within the CAS area of interest (approximately 1.41 km²).

Nature of the Mining Claims

The Authors of the 2024 Technical Report Summary verified the status of all mineral titles using the Bureau of Land Management website (the USA online claim management system) and official documents.

The patented mining claims are described as Iron No.118, Iron No.135, Iron No.136, Iron No.143, Iron No.144, Iron No.182 and Iron No.189 of the Idaho Mineral Survey No. 3613 (the “**Iron Creek Patents**”), located in portions of Section 20 and Section 21, Township 19 North, Range 20 East, B.M., Parcel #RP9900000109A, Blackbird Mining District, Lemhi County, Idaho. The corners of the Iron Creek Patents have been surveyed professionally, most recently in 2018 by Wade Surveying of Salmon, Idaho. An RTK Total Station survey instrument was used.

An unpatented mining claim is a parcel of land for which the holder (the “**Locator**”) has asserted a right of possession and the right to develop and extract a discovered, valuable, mineral deposit. This right does not include surface rights. There are Federally administered lands in 19 states where one may locate a mining claim or site including Idaho. In these states, the Bureau of Land Management (“**BLM**”) manages the surface of public lands and United States Forest Service (“**USFS**”) manages the surface of National Forest System (“**NFS**”) land. The BLM is responsible for the subsurface on both public and NFS land. Mining claims are classified as “lode” (minerals located in the bedrock) or “placer” (minerals located in unconsolidated surface material). The Property includes only lode claims.

Ownership of unpatented mining claims is in the name of the Locator, subject to the paramount title of the United States of America. Under the Mining Law of 1872, which governs the location of unpatented mining claims on Federal lands. The Locator has the right to explore, develop, and mine minerals on unpatented mining claims without payments of production royalties to the Federal Government, subject to the surface management regulation of the BLM or USFS.

A patented mining claim is one which the Federal Government has passed its real and irremovable rights to the Locator, giving him or her full ownership of the surface rights and any “Locatable” minerals found in the subsurface. However, ownership of the “Leasable” materials, such as oil, natural gas, and coal, and surface materials such as sand, gravel, and stone stays with the Federal Government and does not pass to the Locator.

Effective October 1, 1994, the United States Congress imposed a moratorium on spending appropriated funds for the acceptance or processing of mineral patent applications that had not yet reached a defined point in the patent review process before a certain cut-off date. Until the moratorium is lifted or otherwise expires, the BLM will not accept any new patent applications.

Claim Maintenance

The unpatented mining claims included within the Property have no expiration date if the annual claim maintenance fees are paid by August 31 of each year. These fees have been paid in full to September 1, 2023.

The Iron Creek Patents are not subject to annual claim-maintenance fees, but applicable real and immovable property taxes are payable to Lemhi County annually.

All mineral titles with ownership and royalties are represented below. The total annual land holding costs are estimated to be US\$68,984.

Summary of Patented and Unpatented Mining Claims

Claim Group	# Claims	Locator	Royalty
Patented Lode		Idaho Survey No. 36123	
Iron No.118	1	Idaho Cobalt Co.	None
Iron No.135	1	Idaho Cobalt Co.	None
Iron No.136	1	Idaho Cobalt Co.	None
Iron No.143	1	Idaho Cobalt Co.	None
Iron No.144	1	Idaho Cobalt Co.	None
Iron No.182	1	Idaho Cobalt Co.	None
Iron No.189	1	Idaho Cobalt Co.	None
Total	7		
Unpatented Lode			
BCA	1-43	Idaho Cobalt Co.	None
BR	1-110	Idaho Cobalt Co.	None
BRS	1-29	Idaho Cobalt Co.	None
JA	1-103	Idaho Cobalt Co.	Arizona Lithium Co., 1.0% net smelter return
NBR	1-25	Scientific Metals (Delaware) Corp.	None
SCOB	1-30	Borah Resources Inc.	JV dilution, 2.5% net smelter return
CAS & IRON	76	Richard Fox	Richard Fox, 1.5% net smelter return
Total	416		

Environmental Liabilities

The Authors of the 2024 Technical Report Summary are not aware of any existing environmental liabilities within the Property. Because the Property is located within the Salmon National Forest, the Company is subject to surface management regulation by and is in communication with USFS personnel for guidance in ensuring that work is done in compliance with all applicable regulations.

It is understood that water and particulates from any drilling or other work into water resources requires permits from the State of Idaho. The Company, through Idaho Cobalt, operates under a Stormwater Pollution Prevention Plan ("SWPPP") and the Multi-Sector General Permit for Stormwater Discharges Associated with Industrial Activity ("MSGP"). The MSGP was issued by the United States Environmental Protection Agency ("EPA") with an effective date of September 21, 2021.

The North Fork of Iron Creek, a perennial regional drainage discharging to the Salmon River, bisects the Property, and cuts the sulphide-mineralized stratigraphic section. "Adit-1" (or "East Adit") is excavated approximately 40ft above the elevation of the creek on the east side, and the lay-down and parking area is partially built on waste rock from driving the adit. Concerns regarding the proximity of historic waste dumps to Iron Creek were documented in an inspection by the Idaho Geological Survey ("IGS") in June of 1994. The waste rock contains pyrite and chalcopyrite and other sulphides that may be producing localized acid rock drainage. Jersey barriers and storm water prevention systems such as silt fencing and straw wattles have been used to attempt to prevent surface water from interacting with and potentially eroding this material into the creek.

The Company has collected water samples from Iron Creek at nine established points upstream, within, and downstream of the Property beginning in June 2017, prior to rehabilitating Adit-1 and "Adit-2" (or "West Adit" or "6,500 Level Adit"), and before commencing the surface drill program in 2017. This sampling program is ongoing and has had no samples with acidic values (pH < 6). This sampling program has shown that the Company's exploration activities have had no deleterious effects on the water quality of Iron Creek. The Iron Creek drainage basin was recently identified as impaired due to stream samples collected by Idaho Department of Environmental Quality ("IDEQ") which show elevated dissolved copper in the creek below the Property.

Water discharges at low flow rates from Adit 1 (<1 gallons per minute; gpm) and 2 (<5 gpm). These discharges predate the Company's operations and were documented in an inspection by the IGS in June of 1994. The Company, through Idaho Cobalt, entered a "Consent Order" with the IDEQ on December 21, 2021, to cease discharges of water from the adits into waters of the United States. As per the Consent Order, the Company submitted a design for an infiltration system whereby the water will be conveyed from the adit portals by gravity flow through pipes into infiltration trenches equipped with drain tile for Adit 1 and infiltration chambers for Adit 2. IDEQ accepted the design, which included an Engineered Construction Plan, Operation and Maintenance Manual, and Proposed Monitoring Plan in the late fall of 2022. The installation is scheduled for Spring 2023.

Environmental Permitting

The bulk of the Iron Creek Resource area occurs on the seven Iron Creek Patents. Surface disturbances associated with mineral exploration conducted in and around the Iron Creek resource are contained within the Iron Creek Patents, which include ownership of the surface rights. However, this work requires a Notice of Intent to Conduct Mineral Exploration Activities ("NICMEA") to be filed annually with the Idaho Department of Lands ("IDL"). A stormwater discharge permit is also required under the MSGP for current and planned surface exploration disturbances.

The Company has obtained a water right permit from the Idaho Department of Water Resources ("IDWR") to divert up to 0.3 cubic feet per second between January 1 and December 31 from Iron Creek and/or from groundwater if a well is drilled on the patented claims. The water right permit allows water to be used on the Iron Creek Patents. Exploration operations in Idaho also commonly divert surface water for drilling under an annual Temporary Water Use Authorization ("TWUA"), which requires an application to be filed and approved by IDWR. Temporary water use authorizations were granted for the exploration work conducted prior to receiving the permanent water right permit.

Surface and underground activities must conform to applicable Mine Safety and Health Administration ("MSHA") standards and regulations. Drilling and underground mapping and sampling were performed in accordance with these regulations. No work has been completed underground since 2019 and the site is not currently an active MSHA site.

Annual snow removal permits are required by the USFS if plowing is needed to access the project. The Company first received this permit during the winter of 2017-2018, and received permits in 2019, 2021, and 2022 when winter access was necessary for exploration activities.

A separate exploration program was executed at the Ruby zone on unpatented claims. This program was executed under a Plan of Operations ("POO") authorized under a Categorical Exclusion by the USFS on May 2, 2022. As required by the permit all sites at Ruby have been reclaimed.

A POO was submitted to the USFS to conduct additional exploration throughout the land position in March 2022. The USFS acknowledged the POO on April 5, 2022, and initiated permitting activities. The plan is scoped for 92 pads with up to 6 holes per pad (diamond drill holes or reverse circulation holes) to be explored in a phased exploration approach over a 10-year period. The Company proposes to drill an average of 10 and up to 20 pads per year. Legal notice and request for comments was initiated by the USFS on November 24, 2022, as part of scoping activities related to the plan. As of February 1, 2023, the permitting and NEPA analyses is ongoing with a target permit issue date of July 1, 2024.

The Authors of the 2024 Technical Report Summary are not aware of any adverse environmental or social issues related to permitting activities connected with the Property.

Access, Local Resources and Infrastructure, Climate and Physiography

Access to the Property is via the paved, all-weather U.S. Highway 93 (“US 93”), and County Road 45 (“Iron Creek Road”) located 23mi (37km) south of the town of Salmon, Idaho. The Iron Creek Road is a well-maintained gravel road, accessible year-round, that traverses the central part of the Property approximately 11mi (~18km) west of US 93. Access throughout the Property is good because of a network of logging roads and previously constructed drill roads. Salmon is a town of about 3,000 inhabitants. The main industries are tourism, ranching and agriculture with some logging and mining. There are several small mining contractors in the region. Paved highways provide easy access to larger urban centers such as Butte, Montana, about 150mi (241 km) away, and Pocatello and Boise, Idaho, located 210mi (337km) and 250mi (402km) away, respectively.

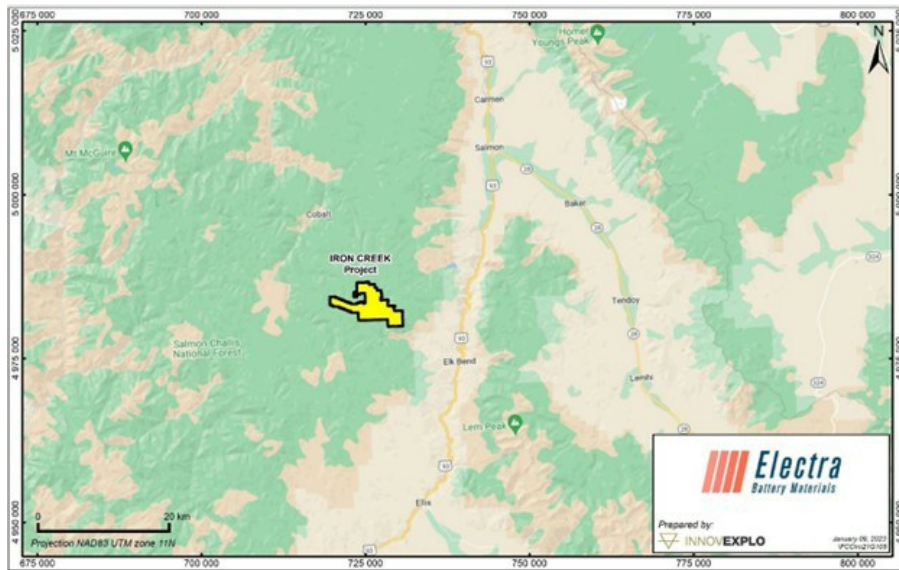
As for local resources and infrastructure, the Iron Creek Patents are real and irremovable property with complete surface rights for exploration and mining held by the Company, subject to state and federal environmental regulations. For the unpatented claims, the Mining Law of 1872 provides surface rights to the Company, subject to state and federal environmental regulations. The Iron Creek Project area is mountainous and rugged with few localities for permanent structures. Potential mined material would likely be transported to an undefined off-site processing plant.

The nearest electrical power line is located approximately 11mi (18km) from the Iron Creek Project. Water for exploration drilling and dust control is available from Little No Name Creek and Iron Creek. The Company through Idaho Cobalt obtained a 0.3 cubic foot per second or 214-acre feet per year water right from the Idaho Department of Water Quality on August 13, 2022. The water right allows the Company to pull up to 0.1 CFS from Iron Creek with the additional 0.2 CFS sourced from groundwater sources. Water wells have not been completed at this time. The Company has five years to develop the wells and show beneficial use of the water to establish the water right.

Fuel, groceries, hotels, restaurants, communications, schools, automotive parts and service, a health clinic, and emergency services are available in Salmon, within an hour’s drive from the Property. Highly trained mining and industrial personnel are available in Butte, Montana, and Boise and Pocatello, Idaho. Engineering, banking and construction services, and heavy equipment sales and maintenance are also available in these cities, and in Salt Lake City, Utah, approximately 370 miles (600km) from the Iron Creek Project.

No mining or milling infrastructures are present on site. A strategic ICB refinery is conceptually envisioned for mineral processing in the near vicinity (200 km), although no cobalt refinery currently exists in the western United States. A copper refinery plant is available at some 600km distance.

Iron Creek Property Access and Infrastructure Setting



The climate may be described as the temperate, continental-montane type. Annual precipitation ranges from 24in (600mm) per year in the lower elevations, to 30in (~760mm) at higher elevations. Of this, 70% falls as snow. Average winter snowpack is 3 to 4 ft (0.9 to 1.2m) in depth. Mining and exploration can be conducted year-round assuming snow removal is conducted to maintain road access during the winter. Road access for exploration may be limited or interrupted by snow from December to April.

The Iron Creek Project area consists of hilly to mountainous terrain with broadly rounded ridges surrounded by deeply incised stream valleys, the principal valley being that of the Iron Creek and its tributaries. Elevations range from 6,300ft (1,920m) along Iron Creek to > 8,300ft (2,530m) near the north end of the Property. The Property is forested, with abundant Douglas fir at lower elevations and Lodgepole pine increasing in abundance at higher elevations. Underbrush includes Ninebark brush on the north-facing slopes and Pine grass on the south-facing slopes.

History

Iron Creek Zone

According to Park (1973), the area of the Iron Creek zone initially drew interest as an iron prospect in 1946. In 1967, during construction of a logging road, Mr. L. Abbey staked 14 claims on copper-stained material in what later became known as the “No Name” zone. In May 1970, these claims were leased to Sachem Prospects Corporation (“Sachem”), a division of the POM Corporation of Salt Lake City, Utah.

Sachem completed claim staking, geologic mapping, aerial photography, and induced polarization, self-potential, magnetic and geochemical surveys of the No Name zone. In addition, they completed 11 diamond drill core holes and drove three underground exploratory drifts known as Adit-1, Adit-2 and Adit-3.

Hanna Mining (“**Hanna**”) optioned the historical Iron Creek property in 1972 through its wholly owned subsidiaries, Coastal Mining Co. (“**Coastal**”) and Idaho Mining Co. and acquired it outright through a legal action in 1973. Between 1972 and 1974, Hanna conducted a preliminary evaluation of the No Name zone for copper and cobalt, and areas outside the current Property. Coastal’s work for Hanna included construction of topographic base maps, a soil-geochemical survey for copper and cobalt, and a reconnaissance induced-polarization and resistivity survey, a stream sediment survey, an aeromagnetic survey, geologic mapping, diamond-core drilling, underground development and metallurgical testing. A total of 3,000 soil samples were collected at depths of <12in (30cm), with spacing between samples of 100ft (30.5m) over the No Name zone and every 400ft (122m) away from the zone. The soil samples contained as much as 105ppm Co and 1,900ppm Cu.

Coastal drilled a total of 13,250ft (4,040m) of core, principally in the No Name zone. That drilling substantially outlined the mineralization currently defined by the 2019 MRE. An adit sitting at the 6,500 Level was driven in Iron Creek, bringing the total drift footage to about 1,500ft (457m). Bench-scale metallurgical tests were done on drill core and samples from the underground drifts. Hanna subsequently calculated “reserves” for the No Name zone that are not S-K 1300 compliant.

In 1979, Noranda Exploration, Inc. (“**Noranda**”) optioned the nearby Blackbird Mine from Hanna that included a 75% interest in the Iron Creek property. Noranda conducted geologic mapping, re-logged three of the Coastal drill holes, conducted a soil-sample orientation survey, sampled the overlying Challis volcanic rocks, and mapped the underground workings. Noranda also drilled two core holes within the current Property. Noranda geologists described the stratiform nature of the cobalt and copper mineralized lenses, more than one of which were recognized, and calculated tons and grade for the No Name zone, and stated that in some locations the copper mineralization was “generally overlying cobalt mineralization”. Noranda subleased the Iron Creek property to Inspiration Mines, Inc (“**Inspiration**”) in 1985.

Inspiration’s activities are poorly documented and no information on their exploration work can be found. Later in 1985, Noranda and Inspiration terminated their interest in the Property, following which Hanna rehabilitated the underground workings and drove a new portal into the 6500 Level Adit, because the original portal had collapsed.

In January 1988, Centurion Gold (“**Centurion**”) acquired the Iron Creek property from Hanna and completed silt and heavy mineral surveys throughout the Property with the objective of finding gold mineralization. Additional surface geologic mapping was done at this time.

Cominco American Resources Inc. (“**Cominco**”) leased the Iron Creek property from Centurion in 1991. Cominco’s goal was to significantly upgrade and enlarge the mineralized material in the No Name zone. In 1991, Cominco compiled and reviewed existing data to identify targets to be drilled in 1992. Based on this review, Cominco carried out the following exploration in 1991 and into early 1992:

- re-analyzed 111 stream-silt samples collected by Centurion,
- carried out 1:4,800-scale geologic mapping,
- had a grid of about 16.6 line-miles (26.7 line-km) cut and surveyed by Wilson Exploration,
- commissioned an EM survey of 15.2 line-miles (24.5 line-km) by Blackhawk Geosciences using the newly surveyed grid,
- commissioned VLF and ground magnetic surveys of 1.6 (2.6 line-km) line-miles each by Gradient Geophysics,
- collected 514 soil and 231 rock-chip samples,
- re-logged approximately 14,600ft (4,450m) of drill core, and
- created 1:600-scale cross sections through the No Name zone.

Cominco decided to terminate their lease of the Iron Creek property in early 1992. However, Cominco drilled two core holes that totaled 2,308ft (703.5m) in 1996.

The Company has provided no information on exploration work that may or may have not been done on the Property between 1992 and 1996 when Cominco returned the Iron Creek property to Centurion, which later changed its name to Siskon Gold. At a time unknown to the Authors of the 2024 Technical Report Summary, the Iron Creek Patents were acquired by Chester Mining Company from an unidentified owner.

US Cobalt acquired the Iron Creek Patents on August 23, 2016, and later that year acquired 100% of the shares of the Idaho Cobalt. Eventually in 2018 it was acquired by the Company. Therefore, all work done on Iron Creek zone since August 23, 2016, is considered to have been done by the Company.

Ruby Zone

The Company acquired the Ruby zone as part of the amalgamation with US Cobalt, but has incomplete records on historical activities on the Ruby Zone.

Following its acquisition of the Iron Creek property in 1972-1973, Hanna conducted a reconnaissance exploration program between 1972 and 1974 at the Ruby (formerly “**Jackass**”) zone located southeast of the Iron Creek zone. The exploration program carried out by Coastal for Hanna included construction of topographic base maps, and reconnaissance induced polarization and resistivity line. Information is available for one drill hole (IC-6), which was likely drilled by Coastal at the Ruby zone.

Noranda completed detailed geologic mapping over the Ruby zone and a single hole (NIC-22). The drill hole was lost short of the target. Geologic logs and assays don't indicate that any mineralization was intercepted.

After Centurion acquired the Iron Creek property from Hanna in January 1988, they drilled four holes in the Ruby zone in 1989 and 1990. A total of six drill holes were completed at Ruby. Locations are available for two drillholes (IC-6, NIC-22) with limited geologic descriptions and assay results. Four additional drill holes were completed 1989 and 1990 (IC-23, 24, 25, and 26). One hole (IC-26) is reported in the text to be the deepest hole at 898ft and to contain an upper zone of 100ft @ 0.12% Co and a lower zone of 81ft.0 @ 0.14% Co. Detailed assay or log data and parameters used to calculate the cobalt-bearing intercept are not reported.

Cominco leased the Iron Creek property from Centurion in 1991 and carried out the following exploration in 1991 and possibly into early 1992:

- collected 133 rock chip samples across the Ruby Zone, and
- created 1:600-scale cross sections through the Ruby zone.

CAS Zone

Richard Fox located the claim block covering the CAS portion of the Property beginning in 1998. Fox and Hulen conducted surface sampling including a gradient array grid electrical survey to map resistivity, induced polarization, and spontaneous potential surveys. Fox leased the property to Nevada Contact in 2002. Nevada Contact conducted additional surface sampling and drilled eight diamond drill holes (“**DDH**”) in 2003 and six reverse circulation drill holes in 2004 (total length 1,971m). The DDHs effectively intercepted the vein swarm at depth with multiple intercepts for cobalt and gold. The reverse circulation drill holes were completed to test the extensions of the vein swarm to the east and west, but were unsuccessful at intercepting significant mineralization. The CAS agreement was subsequently dropped by Nevada Contact.

In 2005, Salmon River Resources leased the CAS property from Fox and conducted additional exploration work, including five DDHs for a total of 2,128ft (649m) in the main vein zone. Narrow zones of mineralization (3.0 to 20.5ft (0.9 to 6.3m) ranging in gold grade from 0.03 to 0.19 oz/t Au) were reported. The lease agreement was terminated in late-2008.

Hybrid Minerals leased the CAS property from Fox in 2017. Hybrid reported surface trenching on the Iron Creek Project, although results of that trenching project are currently unavailable. They also completed a large aeromagnetic survey on the property. The lease agreement was terminated in 2019.

Geological Setting, Mineralization and Deposit Types

Regional Geology

The Iron Creek Property is situated in the Blackbird copper-cobalt ± gold mining district of the ICB, within the eastern part of the Salmon River Mountains, central Idaho. The host rocks to the ICB are part of the Belt-Purcell Supergroup, a Mesoproterozoic meta-sedimentary sequence that extends across the Idaho-Montana border northwards into southern Canada. Stratigraphic correlations within the ICB and surrounding area are contentious and complicated by the gradational and repetitious nature of the metasedimentary rocks and by later thrust faulting. Tertiary-age volcanism has also covered significant portions of the Mesoproterozoic sequence making correlations difficult in places.

In the mid-1970s, host rocks for the entire ICB were assigned to the mid-Proterozoic Yellowjacket Formation. Overall, metamorphism of the sedimentary sequence is lower greenschist facies, thus primary textures are relatively well-preserved. Consequently, Yellowjacket Formation has been described as a 17,000ft (5,200m) thick sequence of shallow marine sediments deposited in playa and alluvial environments. Based on detailed cross-sections and regional mapping, the ICB rocks were re-assigned to the Apple Creek Formation. The Apple Creek Formation consists of four conformable units of siltite and interbedded quartzite, including a unit described as diamictite. The subdivisions are based on the relative thickness of quartzite-siltite couplets. It was recognized that the iron-rich marker horizons could be correlated across the Apple Creek Formation, although at that time (1990s), these rocks were still considered to be part of the Yellowjacket Formation. In the upper portions of the Apple Creek Formation, iron occurs in biotite along this horizon, in contrast to the lower portions of the stratigraphic sequence where iron occurs in magnetite.

The majority of stratabound cobalt-copper mineralization, including that at the Blackbird Mine, occurs along the biotite-rich horizon. Other cobalt-copper prospects, such as Iron Creek, are located along the iron-oxide magnetite-bearing horizon considered to be lower in the stratigraphic sequence. Detrital zircons within the upper portion of the Apple Creek Formation have been dated at $1,409 \pm 10$ Ma, an age regarded as the maximum age of deposition.

The same sequence of rocks is intruded by a composite igneous pluton dated between 1,377-1,359Ma and considered to post-date sedimentation represented by the Apple Creek Formation. The Mesoproterozoic rocks are overlain by Paleozoic sedimentary and Eocene volcanic rocks (Challis Volcanic), which are considered to post-date the mineralization.

Regionally, at least two-fold generations are recognized. The currently observed bedding is considered to be a product of transposition, and its orientation parallel to the axial plane of moderately NW-plunging F_1 folds. Subsequently, a second generation (F_2) of N-to NE-plunging, open to tight folds formed and are accompanied by vertical to steeply W-dipping shear zones. The subsequent deformation is manifested primarily as brittle structures. During the Cretaceous, the NW-striking thrusts, such as the Iron Lake fault, acted as an important roof thrust in the Cordilleran thrust belt. Such thrusts were reactivated as and cut by normal faults during the Eocene. North to northeast-striking faults developed into graben structures and control the current distribution of the Challis volcanic sequence.

Overall, deformation of the Mesoproterozoic rocks in the area is relatively minor and largely restricted to brittle fault zones. Northwest-trending and subparallel folds have been re-interpreted as late Cretaceous thrust faults that subdivide the area into distinct structural blocks that were further displaced by younger, north-south and northeast-southwest-striking, normal faults. The most prominent thrust faults affecting the ICB rocks are the Iron Lake fault and the Poison Creek fault. More recent work has emphasized that the Poison Creek fault acted as the axial plane of a regional fold structure. The protracted sequence of events in the district also adds to the complexity of cobalt-copper metallogensis for the ICB deposits and prospects, but the following sequence of regional events is recognized:

- sedimentation in a rift basin $>1,470$ to $1,379$ Ma,
- intrusion of composite mafic-felsic plutons and development of metamorphic/ hydrothermal activity $1,379$ to $1,325$ Ma,
- metamorphism related to continental-scale accretion (Rodinia) $1,200$ to $1,000$ Ma,
- intrusion of mafic dikes and/or sills 665 to 485 Ma, and
- metamorphism and development of Mesozoic fold-thrust belt, intrusion of the Idaho Batholith at 155 to 55 Ma.

Local Geology

The Company has combined the historical project scale mapping with the recent Idaho Geological Survey mapping to develop a geologic compilation that covers the Property and incorporates the knowledge gained through exploration on the Iron Creek Project. In general, the meta-sedimentary rocks that host the Iron Creek cobalt-copper mineralization are fine-grained, interbedded siliciclastic rocks.

Overall, the regional metamorphic grade is lower greenschist facies. Therefore, most of the depositional grain size and sedimentary textures are preserved.

The proposed Iron Creek mine sequence comprises three major units, known as the Footwall Quartzite, the Argillite-Siltite and the Hangingwall Quartzite that are considered to belong to the Banded Siltite unit of the upper Apple Creek Formation. The clastic rocks range in grain size from mudstone (argillite) to sandstone (quartzite), but the dominant rock type is siltstone (siltite). Individual beds are identified by distinct color variations that reflect both grain-size and compositional variations. In places, individual beds are calcareous, recognized by metamorphic porphyroblasts. Carbonate-rich rocks, such as limestone or dolostone, are absent in the sedimentary sequence at the Iron Creek project.

An argillite-siltite unit hosts the cobalt-copper mineralization at Iron Creek. A mappable variation within the argillite-siltite, based on re-logging of 23 of the Company drill holes, has been recognized. This variation includes: a) siltite-argillite dominated strata with minor interbedded sandstone beds of <2in (5cm); and b) strata with sandstone interbeds of >2in (5cm).

Unmineralized Eocene Challis volcanic rocks unconformably overlie the Mesoproterozoic sedimentary rocks in the immediate vicinity of the Iron Creek deposit.

Structure

In general, brittle deformation in the area drilled at Iron Creek is minor. Several fracture zones where core competency and core recovery are poor have been intersected by drilling. Most of these are minor, less than 3ft in drilled width, but in places are greater than 6ft and can be correlated between drill holes. In places, shearing is interpreted to have occurred where core angles to bedding abruptly change within a single drill hole. Previous work on historical drill core concluded small, recumbent, isoclinal drag folds are common among the strata and compose fields of unique orientation and drag sense that can imply only the presence of much larger isoclinal folds. However, it has since been recognized that folding drill core does not correlate to folded rocks between holes. Instead, lithological contacts are folded at the local scale (3 to 6ft or 0.9 to 1.8m). Based on the continuity of the BSU, the pyrite mineralized units, and the mafic dikes, it is thought that that folding is not significant across the Iron Creek resource area.

A structural mapping and review campaign was completed by InnovExplo in 2021. Based on local and regional geological maps and geophysical surveys, the Authors of the 2024 Technical Report Summary consider that the Property may be located near a fold hinge of a regional F_2 fold, which may explain the orientation of bedding and the local N-S-trending faults. The results of this study confirm the local nature of the folding, but a weak, consistently oriented axial planar foliation observed in association with these small folds suggests that the folds are of tectonic origin. The orientation of these folds and their axial plane is inconsistent with regional F_2 folds as defined by the Company's geologists, but they may be the product of F_1 folding that was suggested to cause the transposition of the bedding into a northwesterly orientation in the Blackbird area.

Fault offset within the drilled area of the Property is considered minor. Two sets of faults have been identified in surface mapping. The first set trends west-northwest and is roughly parallel to bedding. The northernmost of these faults occurs up-section from the mineralization and appears to be nearly conformable with the regional bedding, dipping steeply to the north. This fault coincides with the northern edge of the quartzite breccia. The southernmost west-northwest-trending fault is a distinct boundary between rocks up-section that are chlorite-dominated and contain interbedded meta-sandstones (RBU), and the siltite-dominated rocks below, interpreted as stratigraphically lower, with increased biotite content relative to the RBU. Offset is limited to <1m based on the continuity of mafic dikes that cross the west-northwest-trending faults.

The second set is known regionally and strikes north and east-northeast. The fault on the eastern side of the drilled area is part of this set. These faults are interpreted as normal faults with displacement down to the east. The amount of offset on the fault shown is not known, because outcrops are sparse and no drilling has yet been conducted on the east side of the fault.

Mineralization

Within the Iron Creek Project boundary there are seven documented occurrences metallic of mineralization exposed at surface or encountered by drilling. From north to south these are known as "CAS", "Sulphate", "Iron Creek", "Footwall" or "FW", "MAG", "Magnetite" and "Ruby". Iron Creek is the main mineralized body in which the resources reported herein occur. Ruby is the second most important occurrence. The Iron Creek deposit is divided into an Upper (previously "**No Name**") and a Lower ("**Footwall No Name**" or occasionally "**Waite**") mineralized zones. In this Technical Report, No Name, Footwall No Name, and Waite are only used to refer to historical work and references.

Mineralization generally conforms to the bedding in the host meta-sedimentary rocks, which generally strikes north-northwest and dips 60° to 80° northeast. Cross-cutting veins of mineralization also occur within the host stratigraphic package. The following descriptions of the metallic minerals are based on observations of mineralization in drill core by the Company's geologists and consideration of previous descriptions in unpublished reports.

The observed primary mineral assemblage consists of pyrite, chalcopyrite, pyrrhotite, and magnetite. Typically, but not exclusively, the distribution of sulphide and magnetite mineralization is coincident with zones of moderate to intense shearing. Such shear zones are interpreted as zones of weakness through which mineralizing solutions flowed and/or were remobilized. However, some zones of disseminated, very fine-grained pyrite are present within unshattered beds and laminations of the siltite units. The presence of shear strain has also led to some distinct styles of mineralization, such as pyrrhotite formed within pressure shadows around pre-existing pyrite grains. Such paragenesis indicates the possibility of multiple stages of mineralization.

Pyrite is the most widespread of the sulphide minerals on the Property. It is the main Co host mineral. In the drill core, pyrite varies from massive to blebby, and from coarse-grained disseminated crystals to very fine-grained patches and disseminations. It is typically subhedral to euhedral with octahedral pyrite more abundant than cubic pyrite. Chalcopyrite, the main Cu mineral, varies from streaks and wisps to large blebs, is entirely anhedral to subhedral, and occurs intergrown with pyrite and pyrrhotite when the minerals are observed together. The bulk of the chalcopyrite occurs to the west of the North Fork of Iron Creek in the upper portion of the Upper zone, with fewer occurrences and lower concentrations to the east of the creek in the Lower zone down section to the south. Whereas the pyrite mineralization can be regarded as stratabound, chalcopyrite mineralization crosscuts the sequence at Iron Creek.

Pyrrhotite occurs in two distinct habits, which are both anhedral. One variant has a dull, metallic brownish-purple color and is weakly magnetic. The second variant has a lustrous, metallic reddish-brown color and is highly magnetic.

Magnetite is relatively uncommon in the Iron Creek zone and occurs in either a massive or fine-grained, disseminated habit. Massive magnetite within the Iron Creek zone is typically found in highly sheared rocks and accompanies moderate to strong sulphide mineralization in bands and pods up to 4in (10cm) thick in drill core. Magnetite generally occurs below the uppermost pyrite mineralized bed. Fine-grained magnetite occurs in disseminated blebs and patches, typically within bedded to weakly sheared siltite and quartzite. This habit is much more widespread than the massive bands observed in highly mineralized zones and does not appear to be associated with greater amounts of sulphide mineralization. Massive magnetite zones from metres to tens of metres thick typically occurs in heavily sheared zones in the footwall of the deposit and is well exposed at the Ruby zone.

Native copper and arsenopyrite are essentially trace minerals observed in the drill core and underground exposures. Dendritic native copper is almost exclusively fracture controlled with grains from <0.04 to 1.6in (<0.1 to 4.0cm) in length and is intimately associated with a brecciated diabase dike in Adit-1. Arsenopyrite is rare and observed mainly within the hanging wall quartzite of the upper zone, occurring as very small clusters of anhedral grains.

Oxidation and weathering have formed shallow surficial zones of residual quartz, jarosite, goethite and hematite ± brochantite ± chalcantite, and kasparite, which has been observed at the Adit-1 portal and at the massive magnetite exposure at the Ruby zone. The copper sulfate minerals occur as thin fracture coatings and weak disseminations in and adjacent to highly mineralized zones in Adit-1 and Adit-2 and in nearby drill holes. Copper oxides are also widespread on the eastern edge of the resource area and are particularly well developed at the contact between the Challis volcanics and the underlying Apple Creek. Oxidation levels are shallow across the Property, generally <50ft (15m) deep, but increase to 80 to 100ft (24 to 30m) deep under North Fork of Iron Creek.

Deposit Type

The cobalt and copper mineralization at Iron Creek belong to a class of deposits variably described as BlackbirdCo-Cu or Blackbird Sediment-hosted Cu-Co deposits in and adjacent to the Blackbird mining district of Idaho.

The Blackbird mining district contains several cobalt-copper ± gold deposits and prospects hosted in similar meta-sedimentary rocks. These deposits and prospects define the ICB. These deposits are stratabound iron-, cobalt-, copper- and arsenic-rich sulphide mineral accumulations in nearly carbonate-free argillite/siltite couplets and quartzites.

There has been disagreement about the origin and formation processes of the "Blackbird-type" deposits, with some workers attributing the mineralization to sea-floor hydrothermal activity and associated, syn-sedimentary style ("SEDEX") or volcanogenic massive sulphide ("VMS") deposition. In the Blackbird deposits, the biotite-rich host rocks are considered pyroclastic tuff accumulations, but these micaceous rocks are not found without sulphide mineralization.

Alternatively, the origin of the Blackbird cobalt-copper deposits has been attributed to a range of mineralizing processes, from diagenetic to epigenetic; the latter occurring both before and during metamorphism. At the Blackbird deposits, geochronological and geochemical evidence suggests links to the post-sedimentary composite granite-gabbroic plutons dating the main stage of cobalt mineralization to be younger than 1,370Ma, postdating the host rocks by approximately 30Ma. Cobalt mineralization hosted by tourmaline-rich breccia bodies and veins that are also prevalent throughout the Blackbird area was also linked to the later metamorphic events discussed above: (1) 1,200 to 1,000Ma; and (2) 155 to 55Ma. The Iron Creek mineralization is considered to have formed due to metamorphism during the Sevier orogeny at 112 to 85Ma.

The evidence for epigenetic style cobalt-copper mineralization has led to comparison to iron oxide-copper-gold (“**IOCG**”) deposits. The widespread occurrence of magnetite at Iron Creek, specifically, supports a possible IOCG connection. Similarities exist between the Iron Creek zone, Ruby zone, and Magnetite zone and IOCG deposits at Tennant Creek, Australia.

Regardless of genetic models for cobalt and copper, both metals are generally stratabound on a local scale at Iron Creek.

Exploration

The Company rehabilitated the underground workings of the Adit-1 and Adit 2 for subsequent channel sampling and underground diamond drilling. In 2018, 20 mineralized drill core samples were submitted for detailed mineralogical, petrographic and geochemical studies. Eight of the 2017 and 2018 drill holes were surveyed by a downhole electromagnetic probe to detect off-hole conductivity features. Ninety-six discontinuous samples were collected along 1,575 ft (480 m) of strike to test the metal content of mineralization at Ruby. In 2020 and 2022, 26.5 line-miles of induced polarization ground geophysical surveys were completed at Iron Creek (2020) and at Ruby and Redcastle (2022). In January 2023, an updated NI 43-101 resource estimate was completed on the Iron Creek deposit.

2016-2018 Exploration

The Company, first as Scientific Metals Corp., then US Cobalt, then First Cobalt and currently Electra, commenced exploration of the Iron Creek Property in 2016 with a compilation of historical geological, drilling, geophysical and geochemical data. In 2017 and 2018, Electra rehabilitated about 1,260ft of underground workings in Adit-1 and Adit-2, which provide subsurface access to portions of the Upper zones of the Iron Creek deposit for subsequent underground channel sampling and drilling. Adit-1 was fully rehabilitated and both portals of Adit-2 were excavated and partly rehabilitated during 2017. In the first quarter of 2018, the rehabilitation of Adit-2 was completed.

The entire length of Adit-1 was channel sampled and geologically mapped in detail by the Company’s geologists. A total of 133 channel samples each 5.0ft (1.5m) in length were collected from both ribs along the crosscut and drift. The samples were collected using air-powered chisels, with average sample weights of about 7.3lb (3.3kg). The underground channel samples were transported by one of the Company’s geologists from Adit-1 to the laboratory of American Assay Laboratories (“**AAL**”) in Sparks, Nevada.

Road-cut sampling was started, but not completed along the roads cross-cutting the Iron Creek deposit on the west side of the North Fork of Iron Creek.

2018 Mineralogical Studies

During 2018, the Company initiated mineralogical and petrographic studies of mineralized material from the upper zone. A total of 20 samples of drill core from 13 of the 2017 and 2018 drill holes were sent to SGS Minerals in Lakefield, Ontario for detailed mineralogical descriptions. The purpose of the study was to identify and quantify metallic mineral species over a range of cobalt grades as identified by geochemical analyses. Specific attention was made in this study to identify cobalt-bearing minerals. Core logging and underground mapping found a diversity of pyrite textures and a range of grain sizes that had not been systematically analyzed for cobalt content.

The SGS samples were derived from drill core and underground grab samples of pyrite-rich material. SGS prepared polished mounts of each sample for analysis using QEMSCAN, a standard method to derive high-resolution mineralogical images. Individual minerals are identified on each image manually by a mineralogist.

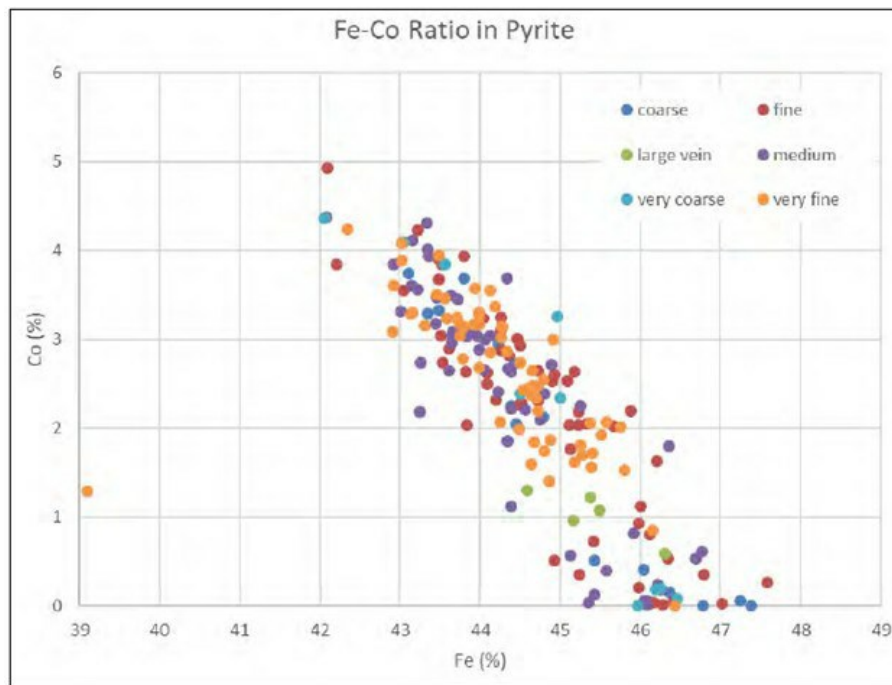
The principal metallic mineral in all 20 samples was pyrite. In six (6) samples, chalcopyrite was identified to a maximum of >14% in one sample. Pyrrhotite was identified in one sample. Magnetite and/or hematite are present in all samples; one sample contains >75% iron oxide. The cobalt-bearing minerals cobaltite, glaucodot, and gersdorffite were identified in four samples, but generally are in minor concentrations ($\leq 0.33\%$). Arsenopyrite was not observed.

Electron microprobe analytical work was completed to determine the cobalt concentration within pyrite relating to texture and grain size. Based on the QEMSCAN maps, pyrite grains were grouped as follows:

- Very fine grained - <50 μm ;
- Fine grained – 50 to 200 μm ;
- Medium grained – 200 to 700 μm ;
- Coarse Grained – 700 μm to 1500 μm ; and
- Very Coarse Grained - >1500 μm .

Based on the microprobe results, iron and cobalt demonstrate an inverse relationship that reflects direct substitution within pyrite. High levels of cobalt occur in all sub-divisions of grain sizes. Images of cobalt concentration within pyrite show cobalt is entrained within the pyrite grain lattice appearing as “growth bands”.

Cobalt Concentration in Pyrite

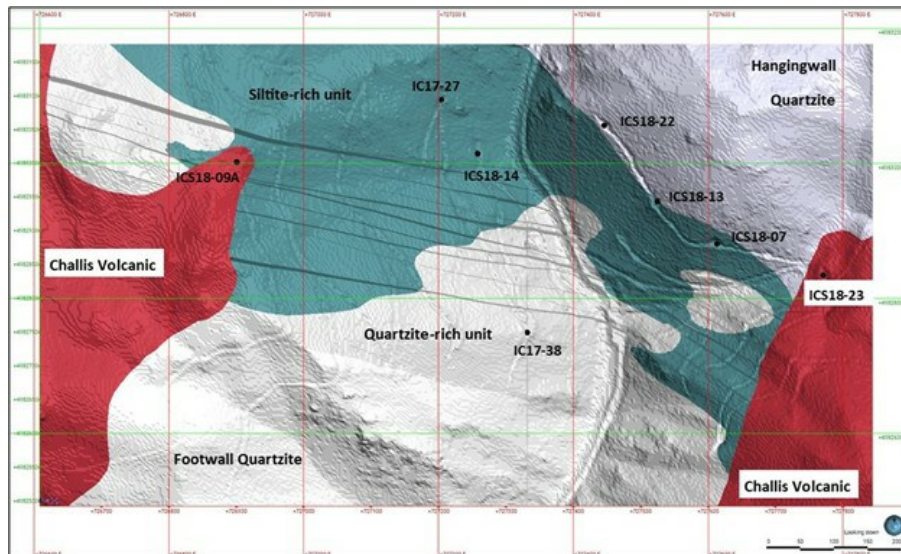


2018 Borehole Electromagnetic Surveys

Borehole electromagnetic (“EM”) measurements were completed in eight diamond-drill-holes at Iron Creek to: a) identify “off-hole” EM responses, and b) determine the conductivity of both pyrite-rich and chalcopyrite-rich mineralization to plan airborne or ground geophysical surveys for future exploration. The geophysical surveys were conducted in November 2018 by Abitibi Geophysics. The eight surveyed drill holes are well distributed along the strike extent of mineralization. The holes intersected a range of pyrite and chalcopyrite abundance from massive sulphides (IC17-27 and IC17-38) to disseminated mineralization (ICS18-09A). The EM data for each drill hole were modelled to identify in-hole and off-hole conductors. Conductors are modelled as “plates” to match the measured EM responses. Plates were modelled for seven of the eight holes where conductors were interpreted to occur off-hole.

The strongest responses, highest conductivity, were encountered in drill holes IC17-27 (300 Siemens) and ICS18-13 (250 Siemens), likely detecting nearby massive-pyrite and stringer-chalcopyrite mineralization that had been drilled nearby.

Location of the Eight DDHs Includes in the Borehole EM Survey



2018 Surface Sampling at Ruby

Previous work in the Ruby zone by Cominco included bedrock sampling across the exposures highlighting anomalous cobalt. Exact locations of the Cominco sampling and the quality of geochemical data could not be verified so the Company collected samples across the Ruby zone in 2018. The Ruby zone occurs along Jackass Creek as a series of large gossanous outcrops containing a 3ft- to 50ft (0.9-15m) thick interval of massive magnetite and pyrite mineralization.

Ninety-six discontinuous samples were collected along approximately 1575ft (480m) of strike to test the metal content of mineralization and to examine the nature of the host rocks. Samples were not collected where breaks in the outcrops occur. Sampling was conducted using a rock saw at a constant height. Sampling was started in gossanous rock and individual samples were demarcated every five feet (1.5m) from the start point. Assay results returned 35ft (10.6m) of 0.24% Co, including 4.0ft (1.2m) of 0.43% Co, and 24.9ft (7.6m) of 0.26% Co.

The Company implemented a quality control program to comply with industry best practices in geochemical sampling including sampling procedures, chain of custody and analyses. As part of the QA/QC program, blanks, duplicates and standards were inserted with the field samples at Electra's office in Challis, Idaho. Over 15% of the total number of analyzed samples are control samples separate from the laboratory standards. For this sampling program, samples were prepared and analyzed by American Assay Laboratories (AAL) in Sparks, Nevada. The rock samples were dried, weighed, crushed to 85% passing -6 mesh, roll crushed to 85% passing -10 mesh, split to obtain 250g pulps, then pulverized in a closed bowl ring pulverizer to 95 % passing -150 mesh, and finally dissolved using 5-acid digestion for ICP analysis.

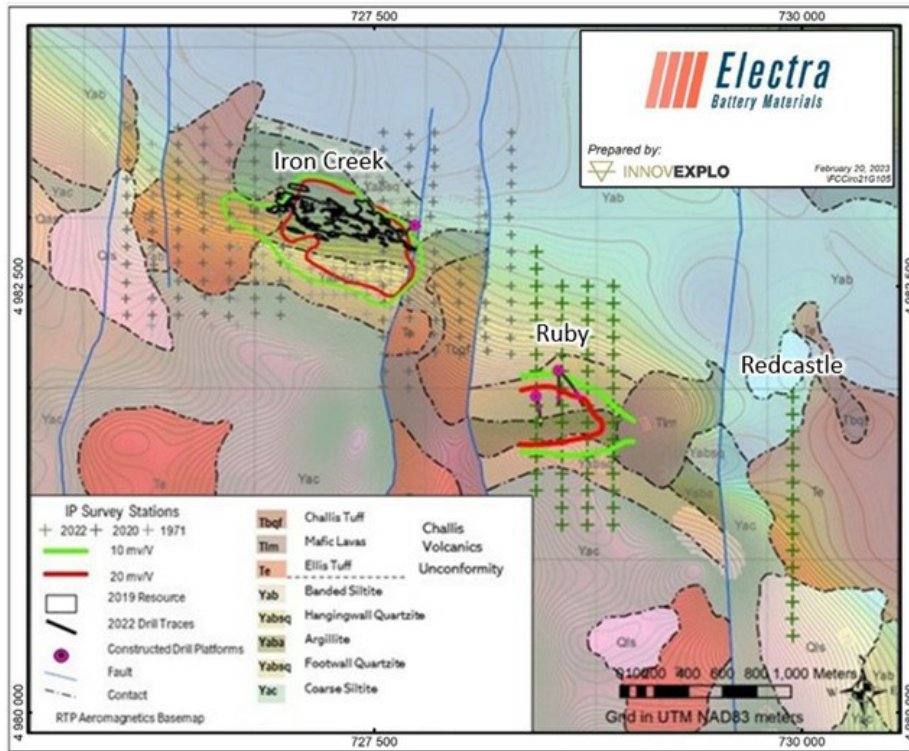
Airborne Magnetic Surveys

Airborne Magnetics was flown over the Property along with the overall ICB as part of the Earth MRI program in 2021 (Phelps, 2021). The magnetics define the mineralization at Ruby and at Iron Creek as occurring on the northeast margin of strong regional magnetic gradients. The Blackpine deposit to the northwest occurs on a similar geophysical break.

Induced Polarization Surveys

Induced Polarization (“IP”) geophysical surveys effectively define the zones of mineralization intercepted on the Iron Creek Project to date and are shown in the “2020 and 2022 IP Survey Stations” figure, below. In 2020 Aurora Geosciences completed an 18.5 line-km pole-dipole survey on the margins of the Iron Creek Resource Area. This survey was designed to cover the edges of the resource and extend the signature to the east and west. In 2022, Rock Bottom Geophysics conducted an 8.0 line-km pole-dipole survey on the Ruby prospect, including one line to evaluate the strike extent of mineralization onto the Redcastle project.

2020 and 2022 IP Survey Stations



Drilling

The Iron Creek Project database has 169 drill holes totalling 139,906ft (42,642m) completed from 1969 to January 2022, including five sets of underground channel samples entered into the database as “drill holes”. Of the 169 drill holes, 117 (excluding the five sets of underground channel samples) totalling 104,907ft (31,976m) were completed and/or sampled by the Company and were used in the estimate in some fashion. Five holes were lost and drilled again. Records for the historical drill holes are incomplete, but all are considered to have been drilled with diamond-core methods. Five of the holes were vertical (four historical and one drilled in 2017), and the balance were inclined with dips of 40° to -85°. None of the drill holes completed by operators prior to the Company were used for the mineral resource estimation.

Summary of Diamond Drilling Activities at Iron Creek

Year	Company	Number of holes	Feet drilled	Metres drilled	Comments
	unknown	20	12,727	3,879	historical holes by unknown companies
	Wilson	4	623	190	Not in MRE
	Sachem	7	4,161	1,268	Not in MRE
	Hannah/ Coastal	15	12,736	3,882	Not in MRE
	Noranda	1	579	176	Not in MRE
	Inspiration	1	467	142	Not in MRE
	Centurion	4	1,398	426	Not in MRE
	Cominco	2	2,308	703	Not in MRE
	Idaho Cobalt	117	104,907	31,976	
		171	139,906	42,642	

In addition to the drilling, the Company rehabilitated the underground workings of the Adit-1 and Adit-2 for underground diamond drilling and channel sampling later in 2016. In 2018, 20 mineralized drill core samples were submitted for detailed mineralogical, petrographic and geochemical studies. Eight of the 2017 and 2018 drill holes were surveyed by a downhole electromagnetic probe to detect off-hole conductivity features. Ninety-six discontinuous samples were collected along 1,575 ft (480 m) of strike to test the metal content of mineralization at Ruby. In 2020 and 2022, 26.5 line-miles of induced polarization ground geophysical surveys were completed at Iron Creek (2020) and at Ruby and Redcastle (2022). In January 2023, an updated NI 43-101 resource estimate was completed on the Iron Creek deposit.

Historical Drilling – Iron Creek Project

Records of the historical drilling are limited to references in historical reports and plotted on historical cross sections. Although all the drilling is believed to have been done with diamond-core methods, no information is available on the drilling contractors, drill rig types, or the exact drilling and sampling procedures. Maps and sections in historical reports indicate that many of the holes were surveyed for down-hole deviation, but the type(s) of instruments and applied methods are not known, and none of the down-hole deviation data are available. The results of the historical drilling were used by Hanna, Noranda and Centurion to estimate historical mineral reserves, but were not used in any way for the work described in the 2024 Technical Report Summary.

Little is known on the Property before Sachem in 1970 when 11 diamond drill core holes were done.

Coastal drilled a total of 13,250ft (4,040m) of core, principally in the Iron Creek zone, and one hole at each of the Sulfate and Ruby zones. That drilling substantially outlined the mineralization currently defined by the Company’s drilling.

In 1979, Noranda optioned the nearby Blackbird Mine from Hanna. This option included a 75% interest in the Iron Creek Property. Noranda subleased the Iron Creek Property to Inspiration Mines, Inc. in 1985. Two holes were drilled on the current Property during the Noranda/inspiration period.

In January 1988, Centurion Gold acquired the Property from Hanna. Centurion drilled three short holes in the Ruby zone in 1989.

Cominco American Resources Inc. leased the Property from Centurion in 1991. Cominco drilled two core holes for a total of 2,308ft (703.5m) in 1996.

There is no information on how the historical collar locations were surveyed by the historical operators. The Company's geologists were able to measure the locations of five or six historical drill collars with a handheld GPS. The balance of the historical collar locations was estimated from historical aerial photographs, maps and cross-sections, and evidence of historical drilling sites observed in the field.

Although drill hole maps compiled by Cominco show curved traces for many of the historical holes, the Authors of the 2024 Technical Report Summary have no information on the methods, procedures and equipment used for the down-hole deviation measurements.

Historical Drilling – CAS Project

During the historical period, exploration work was conducted on the CAS portion of the Property. Nevada Contact drilled eight diamond drill holes in 2003 and six reverse circulation holes of unknown length in 2004 (6,476ft (1,973.9m) total length). The DD holes effectively intercepted the vein swarm at depth with multiple intercepts for cobalt and gold. The RC holes were drilled to test the extensions of the vein swarm to the east and west and were unsuccessful at intercepting significant mineralization.

In 2005, Salmon River Resources leased the CAS Property from and drilled five diamond drill holes for a total of 2,128ft (649m). Narrow zones of mineralization (3.0 to 20.5ft) (0.9m to 6.3m) ranging in gold grade from 0.03 to 0.19 oz/t Au were reported from this drilling by Stewart (2006).

2017 to 2019 Drilling

The Company, as US Cobalt, drilled a total of 94,857ft (28,912m) in 110 holes (InnovExplo resource database) from July 2017 to the end of the program in 2019. All the holes were drilled from the surface or from underground using diamond-core, wireline methods to recover HQ- and NQ-diameter core.

The 2017 drilling focused on the Upper zone at Iron Creek to confirm, infill and potentially expand the mineralized zones that were known from the historical drilling. The drilling did substantially confirm what was indicated by drilling by previous operators. The drilling contractor was Timberline Drilling ("**Timberline**") of Hayden Lake, Idaho. Two modular Atlas Copco U8 underground type core drills were used.

In 2018, underground core drilling commenced again with Timberline as the contractor. A single Sandvik DE-130 underground drill was used to drill 27 NQ-diameter diamond-core holes in Adit-2. A total of four core holes were drilled in Adit-1. Timberline also drilled 14 HQ-diameter diamond-core holes from the surface before being evacuated from the Iron Creek Project area due to a wildfire. Another 18 surface core holes were drilled later in 2018. The 2018 surface drilling was carried out by Timberline with two Atlas Copco CS-14 track-mounted rigs, one modular Atlas Copco U8 underground rig and one UDR track-mounted rig. AK Drilling of Butte, Montana completed two drill holes (ICS18-20 and ICS18-23) with LF90 drill rig coring HQ-size core.

In 2019, core drilling from the surface was also completed in 2019. Four drill holes were completed totalling 3,790ft.

The results of the 2017, 2018 and 2019 drilling have generally confirmed the cobalt and copper mineralization encountered by historical drilling in the Iron Creek deposit and confirmed the known orientation and general thickness of mineralization. Most importantly, the drilling helped the Company to recognize that the cobalt and copper mineralized zones are distinct from each other but spatially overlap in some areas.

Sampling procedures for drill programs followed by the Company are discussed in detail in Item 11 of the 43-101 Technical Report. The collar locations of the 2017 and 2018 surface and underground core holes were surveyed by Wade Surveying with an RTK Total Station.

In 2017 to 2019, drill holes were oriented at surface with a Reflex TM14 Gyro Compass. In 2017 to 2019, downhole surveys were completed using a Reflex EZ-shot Multi-shot magnetic survey tool at approximately 50 foot intervals.

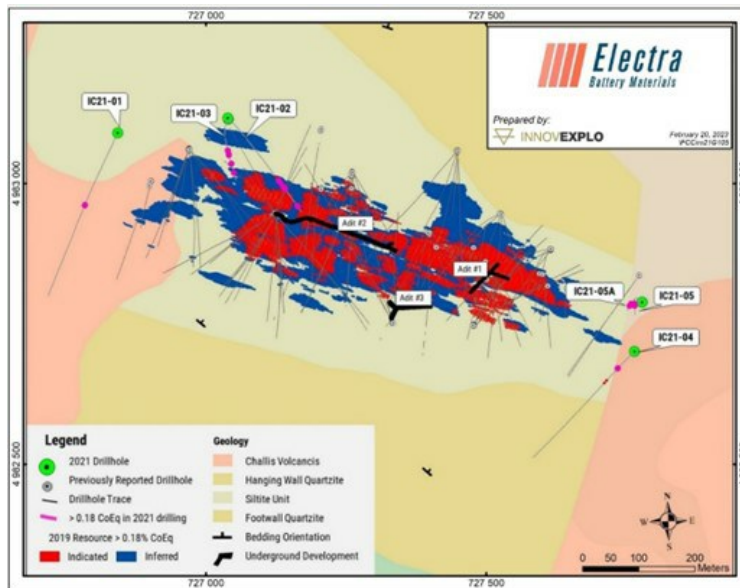
2021-2022 Drilling Programs

In 2021, Electra commenced surface drilling in September with Major Drilling using a track mounted LF-90 operated in 2 12-hour shifts. Six holes were drilled totaling 2433 m targeting the extensions of mineralization on the east and west side of the deposit. The drilling successfully expanded the Cu and Co mineralization on the west side of the resource area at depth, and intercepted Co mineralization east of the resource area along strike and at depth. All holes were drilled with HQ diameter core.

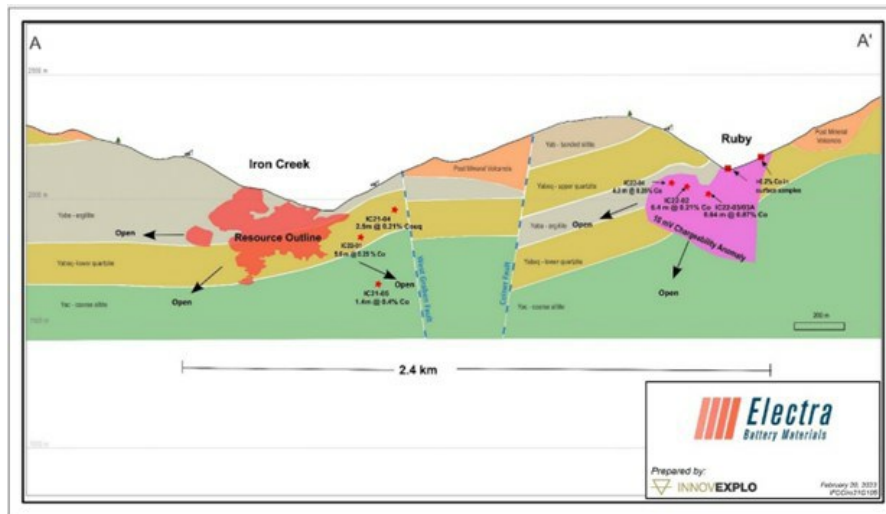
In 2022, Electra commenced drilling in May with Titan Drilling out of Elko, Nevada using a track mounted LF-70 operating on two 10 hour shifts each day. Electra completed 6 holes for 1,674 m. One hole was completed on the east side of the Iron Creek Resource area to infill between the edge of the resource boundary and the drill intercepts in the 2021 step out program. The remaining 3 collars with two wedges were completed on the Ruby target to evaluate the depth extent of Ruby zone. All holes were collared with HQ diameter core and three were reduced to NQ diameter for core recovery and extensions. All holes intercepted significant cobalt mineralization confirming the depth extent and continuity of the Ruby zone.

Sampling procedures for drill programs conducted by the Company are discussed in detail in Item 11 of the 43-101 Technical Report. The 2021 and 2022 drilling campaign collar locations were surveyed by Civil Science of Twin Falls, Idaho with a Trimble R-83 Base and a Trimble R10-2 Rover. The mine base used for 2017-2018 was paired in the 2021 and 2022 surveys along with a local mineral monument and select survey points throughout the Property to maintain consistency. In 2021 and 2022, the Company's geologists used a Brunton compass and handheld HPS, with front and back sights set before moving the drill to the pad to orient drill holes. A Reflex Gyro Sprint-IQ was used in 2021 and Reflex Gyromaster was used in 2022. Downhole surveys in 2022 and 2023 were carried out at 100 feet intervals and many were re-run with continuous surveys recording orientation at 5-foot intervals. Surveying was conducted by drilling contractors and overseen and quality control checked by the supervising geologists. All holes, surface and underground, were surveyed down-hole and corrected for magnetic declination of 12.9° east.

Plan Map Showing 2021 Drill Holes



Schematic Longitudinal Section of the Iron Creek and Ruby Areas with Mineralized Drill Hole Intercepts



Sampling, Analysis and Data Verification

The drill core was transported by the Company’s geologists from the drill sites to the Company’s core-processing facility in Challis, Idaho. Core recovery, rock quality designation (“RQD”), and bulk density were measured by the Company’s geologists, and recorded in spreadsheets on notebook computers. Subsequently, whole-core digital photographs were taken. Following the photography, the core was sawn into two equal halves using an Almonte core saw and returned to the core boxes by technicians employed by Earl Waite and Sons Mining Contractors. After being sawn, the Company’s geologists logged the core and inserted wooden core blocks to mark sample intervals taking into consideration lithological contacts and extents of observed mineralization. Sample intervals varied from 1.0ft to 5.0ft (0.3-1.5m). The log information was recorded directly into spreadsheets via notebook computers. Following completion of the logging, the geologists removed the half-core sample intervals and placed them in pre-numbered sample bags that were then closed with ties. The bagged samples were subsequently placed in either plastic super sacks, or plastic collapsible bins, along with blanks, certified reference materials (“CRM”) and duplicate quarter-core samples.

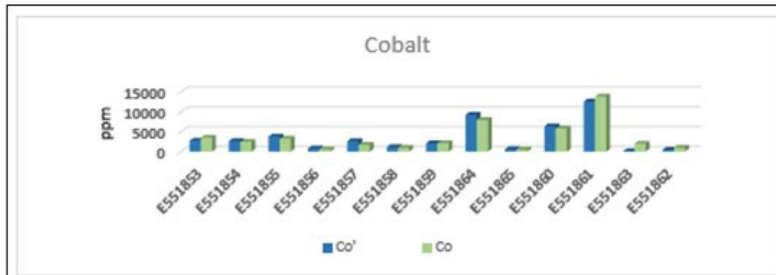
The quality assurance/quality control (“QA/QC”) procedures employed by the Company during the 2017-2022 drilling programs included insertion of duplicates, blanks and CRM samples were inserted at a frequency of one for every five drill core samples and were alternated throughout the length of the hole, such that a blank, CRM or duplicate was analyzed once in every 20 samples. In the opinion of the Qualified Person, the sample preparation, analytical procedures, security and QA/QC program meet industry standards, and that the data are of good quality and satisfactory for use in the Mineral Resource Estimate reported in the 43-101 Technical Report.

Data verification included site visits and a review of drill core geological descriptions. On behalf of InnovExplo, Mr. Eric Kinnan, P. Geo, (the “site visit Qualified Person”), visited the Iron Creek project, including the Property and office in Salmon, Idaho, USA, from November 28 to 30, 2022. Throughout the duration of the site visit, the site visit Qualified Person was accompanied by the Principal Geologist, Mr. Dan Pace, and by Mr. Clayton Campbell, field and laboratory technician for the Iron Creek Project.

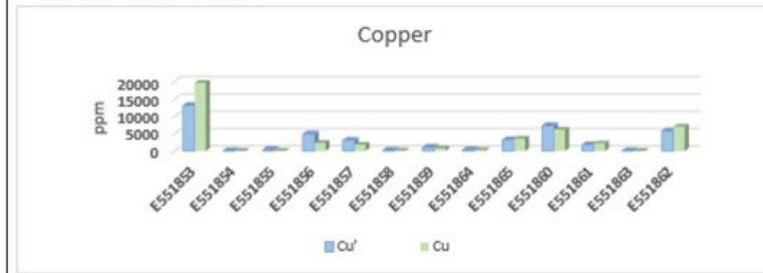
During the site visit, the site visit Qualified Person observed, verified, and ascertained the following key elements to establish the validity of the 2021 to 2023 drilling data used for the 2023 updated MRE. On the Property, the site visit Qualified Person observed evidence and precision of onsite exploration and drilling infrastructures, including accessible representative of underground and surface drill hole collars, drill pads, the network of access drill road and trail network linked to the local, and regional access road to the Company’s Iron Creek tenement, two exploration adits and representative tenement boundary claim posts. At the Company’s core storage facility and core shed in Salmon, the site visit Qualified Person observed the presence of drill core, drill samples and returned assay lab pulps stored in an undisturbed state in secured storage units.

Furthermore, independent due diligence sampling shows acceptable correlation with the original assays, and it is the Author's opinion that the Company's original results are suitable for use in the Mineral Resource Estimate reported in this Annual Report.

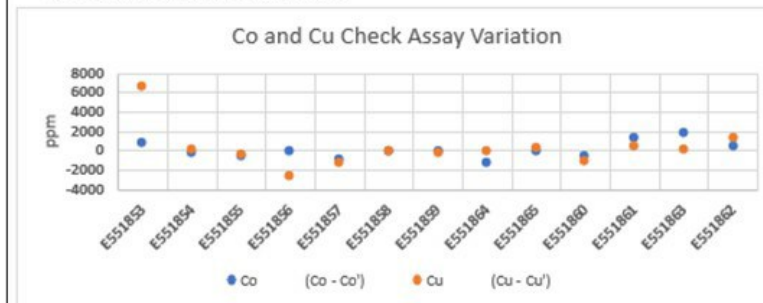
Cobalt and Copper Original Versus Check Assay Results



a) Cobalt original assay vs check assay: Difference between original and check assay values are minor, proportionate and within acceptable threshold;



a) Copper original assay vs check assay: Difference between original and check assay values are minor, proportionate and within acceptable threshold.



a) Cobalt and Cu check assay variation value: Co check assay values variations are within acceptable threshold for this MRE.
 For Co the population: 12/13 samples have nearly identical results and 1 sample has slightly higher value (E551863) as the original assay; 5 assay values are slightly lower, 3 are slightly higher and 4 have equal to nearly equal values to the original values. All Co check assay values fall within acceptable variation range for this MRE.
 For Cu the population: 11/13 samples have nearly identical results and 1 sample has a substantially higher value (E551854) and 1 has a substantially lower value (E551856) as the original assays; 3 assay values are very slightly higher, 3 are slightly higher and 4 have equal to nearly equal values to the original values; All Cu check assay values fall within acceptable variation range for this MRE.

Mineral Processing and Metallurgical Testing

Test Results

Metallurgical test work dates to the early 1970s when studies were done by Hanna and its subsidiary Coastal. Apparently, Noranda also undertook some metallurgical testing. The original metallurgical files or reports are apparently not available. The only sources of metallurgical information are summaries by others (e.g., Ristorcelli, 1988; Centurion Gold, 1990).

Work done by Hanna/Coastal showed that the coarse-grained sulphides were well liberated and could be floated as a bulk concentrate. A copper concentrate was then produced with excellent recovery. This concentrate contained about 0.5oz Ag/ton and 0.2% As. The cobalt was rejected with the pyrite in the tailings.

McClelland Laboratories Inc. (“**McClelland**”) in Sparks, Nevada, was commissioned by the Company to undertake metallurgical testing commencing in 2018. McClelland received samples of drill core from four holes drilled in 2017, but the cobalt and copper contents were low, and the drill core was not tested. The Company then extracted two bulk samples from Adit-1 and one from Adit-2, which were received by McClelland in May of 2018. It is worth noting that the current flotation results parallel those obtained in the earlier studies done by Hanna/Coastal. Both programs produced acceptable copper concentrates and showed that the bulk of the cobalt reported with the pyrite. However, the cobalt grade was generally low.

Once the initial flotation tests were completed and a variety of flotation products were available, a suite of products was selected for mineralogical evaluation. This work was done at BV Minerals – Metallurgical Division of Bureau Veritas Commodities Canada Ltd., in Richmond, British Columbia, and documented in the report of Ma (2018). The mineralogical investigation included QEMSCAN particle mineral analysis, X-ray diffraction analysis (to help calibrate the QEMSCAN results) and electron microprobe analysis. The conclusions suggest that flotation optimization should improve both metal recovery and concentrate quality.

In 2021, a sample of drill cores identified as 4657-Comp was sent to a metallurgical laboratory perform flotation testing. One of the goals of the testing was to verify if a cobalt concentrate with a higher grade could be obtained. The copper concentrate obtained has a lower grade than what was observed in the previous test work and the grade of the cobalt concentrate stays in the same range of values. A higher cobalt grade would have had the potential to produce a higher cobalt grade concentrate if it means that the pyrite, the cobalt carrier, has itself a higher cobalt grade. Another point that was observed is the higher ratio of sulfate to sulphide in the 4657 sample. This is an indication of oxidation that had occurred to the drill core sample. This oxidation may have produced soluble copper species, and this could be the explanation of the lower grade of the copper concentrate, a result of pyrite activation by copper ions. In summary, the metallurgical testing performed in 2021 shows lower metallurgical performances that were likely related to drill core sample degradation with time. These results were subsequently not considered for predicting performances.

Net Smelter Return Calculation

The metallurgical test work shows that a saleable copper concentrate could be obtained from the mineralized material, but difficulties were met in the samples of the 2021 campaign. However, it could be expected that more test work will demonstrate that the flotation parameters could be adjusted to improve the metallurgical performances. The grade of the cobalt concentrate could reach a value of near 1.5% but this seems to be the highest value that could be obtained. Based on the results, it could be stated that two concentrates with acceptable grades could be produced. However, the applied metal recoveries should be conservative considering the limited number of floatations test work.

The criteria used for the net smelter return calculation of the copper and cobalt concentrate are tabulated below. The recovery of copper and cobalt is considered as a conservative value while the grade is comparable to what was obtained in test work. The distance from the smelter is based on the nearest known smelter for copper concentrate and a projected smelter in the area for the cobalt, as described in section 5.3. The smelting cost is based on what is generally seen in the industry. No approach with the smelting plant has been done to confirm the availability or the smelting cost. Considering the level of the present study, this is an acceptable approach. The table also include the net smelter return value related to the average head grade of the block model.

Copper Net Smelter Return Calculation Criteria

Parameters	Unit	Value
Concentrate		
Copper grade	%	0.25
Copper recovery	%	85.0
Concentrate grade	%	28.0
Concentrate moisture	%	5.0
Economic		
Copper selling price	\$/t	8 800
Transport		
Truck transport cost	\$/t/km	0.15
Rail transport cost	\$/t/km	0.05
Distance to smelter by truck	km	600
Distance to smelter by rail	km	-
Smelting		
Treatment cost (by concentrate dry tons)	\$/t	200
Refining cost (per tonne of metal)	\$/t	5
Payable metal	%	98

Cobalt Net Smelter Return Calculation Criteria

Parameters	Unit	Value
Concentrate		
Cobalt grade	%	0.10
Cobalt recovery	%	85.0
Concentrate grade	%	1.5
Concentrate moisture	%	5.0
Economic		
Cobalt selling price	\$/t	66 250
Transport		
Truck transport cost	\$/t/km	0.15
Rail transport cost	\$/t/km	0.05
Distance to smelter by truck	km	200
Distance to smelter by rail	km	-
Smelting		
Treatment cost (by concentrate dry tons)	\$/t	200
Refining cost (per tonne of metal)	\$/t	5
Payable metal	%	95

Since the net smelter return must be calculated for each block of the model, because the value is related to the grade that is different from block to block, the criteria discussed above has been used to derive equations for calculation of the net smelter returns. The net smelter return calculations are also based on a recovery that is constant throughout the deposit, which is again an acceptable assumption considering the level of this study. The equations and the constant that are used in each equation are tabulated below. This equation has then been integrated in the block model for calculating the net smelter return of each block.

Copper Net Smelter Return Calculation Formula

NSR calculation formula		
CuHG (Copper Head Grade)	%	0.25
CuRe (Copper Recovery)	%	85.0
CuCG (Copper Concentrate Grade)	%	28.0
A		0.861910
B		2.947368
$NSR = CuHG * CuRe * (A - B / CuCG)$	\$/t	16.08

Cobalt Net Smelter Return Calculation Formula

NSR calculation formula		
CoHG (Cobalt Head Grade)	%	0.10
CoRe (Cobalt Recovery)	%	85.0
CoCG (Cobalt Concentrate Grade)	%	1.5
A		6.293275
B		2.315789
NSR = CoHG*CoRe*(A-B/CoCG)	\$/t	40.37

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimates

The updated mineral resource for the Iron Creek Project (the “2023 MRE” or “MRE”) was prepared by Martin Perron, P.Eng. and Marc R. Beauvais, P.Eng., of InnovExplo, using all available information. The mineral resources herein are not mineral reserves as they do not have demonstrated economic viability. The result of this study is individual mineral resource estimates for the Iron Creek project. The effective date of the 2023 MRE is January 27, 2023. The close-out date of Iron Creek Project database is December 15, 2022.

**2023 Mineral Resource Estimate of the Iron Creek Cobalt-Copper Project at \$87 net smelter return /t Cut-off
(Effective Date January 27, 2023)**

Iron Creek Project	Mineral Resources	Tonnes (t)	Co (%)	Cu (%)	Lbs of Co	Lbs of Cu	Rec Co (%)	Rec Cu (%)
	Indicated	4,451,000	0.19	0.73	18,364,000	71,535,000	85	85
	Inferred	1,231,000	0.08	1.34	2,068,000	36,485,000	85	85

Notes for the 2023 MRE

1. The effective date of the 2023 MRE is January 27, 2023.
2. The independent and qualified persons for the 2023 MRE are Martin Perron, P. Eng. and Marc R. Beauvais, P.Eng. all from InnovExplo Inc.
3. The 2023 MRE follows the S-K 1300.

4. These mineral resources are not mineral reserves, because they do not have demonstrated economic viability. The results are presented undiluted and are considered to have reasonable prospects of economic viability.
5. The estimate encompasses one large, mineralized envelope using the grade of the adjacent material when assayed or a value of zero when not assayed. Dilution zones encompassing all mineralized zones were created as part of the mineralized domain to reflect the dilution within the constraining shapes.
6. High-grade capping supported by statistical analysis was done on raw assay data before compositing and established on a per-metal basis, having a limiting value at 1% for cobalt and 10% for copper. Composites (1.5m) were calculated within the zones using the grade of the adjacent material when assayed or a value of zero when not assayed.
7. The estimate was completed using a sub-block model in Surpac 2022. A 4m x 4m x 4m parent block size was used.
8. Grade interpolation was obtained by Inverse Distance Squared (ID2) using hard boundaries.
9. A density value of 2.78 g/cm³ was assigned to the mineralized domain.
10. The mineral resource estimate is classified as Indicated and Inferred. The Inferred category is defined with a minimum of three (3) drill holes within the areas where the drill spacing shows reasonable geological and grade continuity at the maximum range of the modelled semi-variogram. The Indicated mineral resource category is defined with a minimum of three (3) drill holes within the areas where the drill spacing shows reasonable geological and grade continuity at half the range of the modelized semi-variogram.
11. The 2023 MRE is locally constrained within Deswik Stope Optimizer shapes using a minimal mining width of 2.0m for a potential underground LH. An NSR-based cut-off was calculated using the following parameters: mining cost = US\$55.00/t; processing cost = US\$22.00/t; G&A = US\$10.00/t. The cut-off should be re-evaluated in light of future prevailing market conditions (metal prices, mining costs etc.).
12. The number of metric tonnes was rounded to the nearest thousand, following the recommendations in S-K 1300 and any discrepancies in the totals are due to rounding effects. The metal contents are presented in pounds of in-situ metal rounded to the nearest hundred.
13. The independent and qualified persons for the 2023 MRE are not aware of any known environmental, permitting, legal, political, title-related, taxation, socio-political, or marketing issues that could materially affect the Mineral Resource Estimate.

The mineral resource area of the Iron Creek Project covers an area of a 1,652 m strike length and a 780 m width, and extends to a height of 852 m. The 2023 MRE is based on diamond drill holes drilled between 2017 and 2022 and a litho-structural model constructed in Leapfrog. The 2023 MRE was prepared using the Leapfrog Geo software v.2021.2.4 and with Surpac 2022. Surpac was used for the grade estimation and block modelling. Basic statistics, capping and validations were established using a combination of Surpac, Microsoft Excel and Snowden Supervisor v.8.13 (Supervisor).

The Qualified Persons are of the opinion that the Iron Creek Project 2023 MRE can be classified as Indicated and Inferred mineral resources, based on geological and grade-continuity, data density, search ellipse criteria, drill hole spacing and interpolation parameters. The requirement of reasonable prospects for eventual economical extraction has been met by: a) having a cut-off grade applied to the constraining shapes, b) using reasonable inputs for the potential long-hole mining method; and c) constraints consisting of mineable shapes for the underground scenarios.

The Qualified Persons consider the Iron Creek Project 2023 MRE to be reliable and based on quality data and geological knowledge. The estimate follows S-K 1300.

Economic Parameters and Cut-off Net Smelter Return

Cut-off net smelter return parameters were determined by Qualified Person Marc R. Beauvais, using the parameters tabulated below. The deposit is reported at a rounded cut-off of US\$87 net smelter return /t using the potentially Long-Hole mining method (LH). Long-Hole method was generated by the Deswik Stope Optimizer where general dip is greater or equal to 43 degrees.

Input Parameters Used to Calculate the Underground Cut-off Net Smelter Return for the Iron Creek Project

Input parameter	Value
LH minimal stope angle (°)	43
Global mining costs (US\$/t)	55
Processing & transport costs (US\$/t)	22
General and administration (G&A) costs (US\$/t)	10
Total net smelter return cut-off value (US\$/t)	87.00

The Qualified Person considers the selected cut-off value of US\$87.00 to be adequate based on the current knowledge of the Iron Creek Project and to be instrumental in outlining mineral resources with reasonable prospects for eventual economic extraction for an underground mining scenario.

For long-hole method, the DSO parameters used a standard length of 25.0m longitudinally, along the strike of the deposit, a 25.0m height, and a minimum width of 2.0m. The minimum shape measures 15.0m x 15.0m x 2.0m. The standard shape was optimized first. If it was not potentially economical, smaller stope shapes were optimized until it reached the minimum mining shape.

The use of those conceptual mining shapes as constraints to report mineral resource estimates demonstrate that the “reasonable prospects for eventual economic extraction” meet the criteria defined in the CIM MRRM Best Practice Guidelines of November 29, 2019.

Block Model Validation

Validation was done visually and statistically by the Qualified Persons to ensure that the final mineral resource block model is consistent with the primary data. First, the volume estimates for each code attributed by the mineralized zones were compared between the block model and the three-dimensional wireframe models. Additionally, block model grades, composite grades and assays were visually compared on sections, plans and longitudinal views for both densely and sparsely drilled areas. No significant differences were observed. A generally good match was noted in the grade distribution without excessive smoothing in the block model (compares the composites to the block grade). Comparison of the global mean of the block model for the two interpolation scenarios and the composite grades for the mineralized domain at zero cut-off for the Indicated and Inferred blocks did not reveal significant differences.

Comparison of the Mean Grades for Blocks and Composites

Mineralized Zone	Indicated and Inferred Blocks				
	Count	Grade (%)	Count	ID2 Model (%)	OK Model (%)
Co	16274	0.047	1676024	0.029	0.030
Cu	16258	0.124	1676024	0.096	0.095

The trend and local variation of the estimated inverse distance square (ID2) and ordinary kriging (OK) models were compared to the composite data using swath plots in three directions (North, East and Elevation) for the Indicated and Inferred blocks for cobalt and for copper. Cases in which the composite mean is higher than the block mean are commonly a consequence of clustered drilling patterns in high-grade areas. It is also noteworthy that the mean of the composites is independent of the classification.

The comparison between composite and block grade distribution and the overall validation did not identify significant issues.

Cut-off Net Smelter Return Sensitivity

The sensitivity of the Iron Creek Project 2023 mineral resource estimate to cut-off net smelter return is demonstrated below. The reader should be cautioned that the numbers provided should not be interpreted as a mineral resource statement. The reported quantities and grade at different cut-off grades are presented in-situ and for the sole purpose of demonstrating the sensitivity of the mineral resource model to the selection of a reporting cut-off net smelter return.

Sensitivity of the 2023 MRE to Different Net Smelter Return Cut-off values (Effective Date of January 27, 2023)

Net Smelter Return Cut-off (US\$)	Tonnes (t)	Co (%)	Cu (%)	Lbs of Co	Lbs of Cu
INDICATED MINERAL RESOURCES					
78.30	5,778,000	0.17	0.66	22,146,000	83,822,000
82.65	5,035,000	0.18	0.69	20,102,000	76,517,000
87.00	4,451,000	0.19	0.73	18,364,000	71,535,000
91.35	4,033,000	0.19	0.77	16,930,000	68,319,000
95.70	3,609,000	0.20	0.80	15,651,000	63,371,000
INFERRED MINERAL RESOURCES					
78.30	1,693,000	0.07	1.19	2,789,000	44,422,000
82.65	1,470,000	0.07	1.28	2,361,000	41,367,000
87.00	1,231,000	0.08	1.34	2,068,000	36,485,000
91.35	1,094,000	0.08	1.42	1,810,000	34,208,000
95.70	1,027,000	0.08	1.44	1,709,000	32,563,000

Based on all available information, the Qualified Persons are of the opinion that all issues relating to relevant technical and economic factors that are likely to influence the prospect of economic extraction can be resolved.

Mineral Reserve Estimates

No Mineral Reserves have been defined to date by the Company for the Iron Creek Deposit.

Recommendations

Based on the results of the 2023 MRE, the Authors of the 2024 Technical Report Summary recommend that the Iron Creek Project move to an advanced exploration phase and toward an initial economic study. A two-phase work program is recommended, where Phase 2 is conditional on positive results for Phase 1.

In Phase 1, the Authors recommend completing exploration work on the Iron Creek Project, updating the 2023 MRE and using the results of this updated MRE and internal studies as a basis for completing a Preliminary Economic Assessment (“PEA”) of the Iron Creek Project. In support of the PEA study, an updated S-K 1300 Technical Report Summary should be completed.

In Phase 2, the Authors recommend defining and completion of a Pre-Feasibility Study (“PFS”) in accordance with the PEA results and recommendations. In support of the PFS study, an updated S-K 1300 Technical Report Summary should be completed.

The costs to complete the Phase 1 and Phase 2 programs are estimated to be CAD\$8,410,000 (incl. 15% for contingencies) and CAD\$1,150,000 (including 15% for contingencies), respectively.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The management’s discussion and analysis of the Company for the year ended December 31, 2025 is included in this Annual Report in Exhibit 15.1, which is incorporated herein by reference. The management’s discussion and analysis of the Company for the year ended December 31, 2024 and a comparison of the 2024 results and other 2023 information is included in the Annual Report in Exhibit 15.2, which is incorporated herein by reference.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A Directors and Senior Management

The following table sets out, for each of our directors and executive officers as of the date of this Annual Report, the person's name, province or state, and country of residence, position with us, principal occupation and, if a director, the date on which the person became a director. Our directors are expected to hold office until our next annual general 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.

Directors and Executive Officers

Name and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since
Trent Mell Toronto, Ontario, Canada Age 56	President, Chief Executive Officer and Director	Current President & CEO of the Company	Mar. 14, 2017
David Stetson(1) Miramar Beach, Florida, USA Age: 69	Chairman	Retired Mining Executive	Aug. 22, 2025
John Pollesel(1)(2)(3)(4) Sudbury, Ontario, Canada Age 62	Lead Director	Retired Mining Executive	May 17, 2017
Alden Greenhouse(1)(2) (4) Toronto, Ontario, Canada Age 49	Director	Current Vice President, Critical & Strategic Minerals for Agnico Eagle Mines Ltd.	Feb. 25, 2025
Gerard Hueber(1) (3)(4) Alexandria, Virginia USA Age 66	Director	Principal, Hueber Maritime Associates, LLC	Oct. 15, 2025
Jody Thomas(1) (3) Victoria, BC, Canada Age: 62	Director	Retired National Security and Intelligence Advisor	Oct. 15, 2025
Susan Uthayakumar(1)(2) Miami, Florida, USA Age 54	Director	Current Chief Energy and Sustainability Officer at Prologis Inc.	Oct. 1, 2019
David Allen(5) Oakville Ontario, Canada Age 62	Interim Chief Financial Officer	Current Interim Chief Financial Officer, Advisor with Hive Advisory Inc, former CFO of TAAL Distributed Information Technologies Inc. from December 2020 to December 2023, Self-employed July 2019 to November 2020.	N/A
Michael Insulan Luxembourg Age 45	Vice President, Commercial	Current Vice-President, Commercial of the Company; formerly Senior Market Analyst at Eurasian Resources Group	N/A
Paolo Toscano Oakville, Ontario Canada Age 56	Vice President Projects and Engineering	Current Vice-President, Projects and Engineering; formerly Senior Vice-President Project Engineering and Construction at Marathon Gold (now Equinox Gold)	N/A
George Puvvada Markham, Ontario, Canada Age 59	Vice-President, M e t a l l u r g y a n d Technology	Current Vice-President, Metallurgy and Technology of the Company; formerly Technical Manager since 2020; previously employed with Northern Sun Mining	N/A
Heather Smiles Oakville, Ontario, Canada Age 40	Vice-President, Investor Relations and Corporate Development	Current Vice-President, Investor Relations and Corporate Development of the Company; formerly employed by Baffinland Iron Mines	N/A

Notes:

- (1) Independent Director
- (2) Member of the Audit Committee
- (3) Member of the Compensation, Governance and Nominating Committee
- (4) Member of Operations Committee
- (5) David Allen was appointed Interim Chief Financial Officer, effective February 28, 2026, following Marty Randall's resignation.

Changes to Our Directors and Senior Management

On February 4, 2026, the Company announced the resignation of its CFO Marty Rendall, effective February 28, 2026 to pursue another executive opportunity, and announced that David Allen, who previously served as Electra's CFO for 2024, would return as Interim CFO effective February 28, 2026, while a formal search for a permanent successor is underway.

C.L. "Butch" Otter did not stand for re-election at the October 15, 2025 special meeting of shareholders and, as a result, is no longer a director of the Company.

On October 15, 2025, Mark Trevisiol left the position as Vice-President, Project Development of the Company.

Biographies of Directors and Executive Officers

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Trent Mell – President, Chief Executive Officer, and Director

Trent Mell, Founder & CEO of Electra Battery Materials, leads Electra's mission to create a fully integrated, localized, and environmentally sustainable battery materials supply chain in North America. With over 25 years of international business experience, Trent has orchestrated 100+ transactions, from multimillion-dollar to over \$10 billion, securing over \$2 billion in capital. As a natural resources executive, he has extensive experience in capital markets, project development, operations and mineral processing with various companies, including Barrick Gold, Sherritt International, and North American Palladium. Trent is also a Board member for the Toronto French School and previously served on the Boards of Toronto Hydro-Electric System Limited and Boost Child & Youth Advocacy Centre. Trent holds an EMBA from the Kellogg School of Management and Schulich School of Business, a LL.M from Osgoode Hall as well as a B.A., B.C.L. and LL.B. from McGill University.

David Stetson – Chairman

David J. Stetson is a seasoned executive with over three decades of leadership experience in natural resources, finance, and corporate strategy. He has held senior roles across the energy and mining sectors, with deep expertise in restructuring, operational transformation, and governance. David most recently served as Chairman and CEO of Alpha Metallurgical Resources (NYSE: AMR), where he drove significant operational improvements, reduced debt by approximately \$800 million, and grew the company's market capitalization from US\$50 million to over US\$4 billion, positioning it as the largest metallurgical coal producer in the United States. He also served on the Board of Mallinckrodt Pharmaceuticals, chairing its Compliance and Corporate Governance Committee and supporting the company's restructuring and merger with Endo Pharmaceuticals. David holds a Bachelor of Science from Murray State University, a Juris Doctor from the University of Louisville, and an MBA from the University of Notre Dame.

John Pollesel – Lead Director

Mr. John Pollesel has over 35 years of experience in the mining and metals industry. Most recently he was Chief Executive Officer of Boreal Agrominerals Inc. and prior to this, he was Senior Vice President, Mining at Finning Canada. Mr. Pollesel previously served as Chief Operating Officer and Director of Base Metals Operations for Vale's North Atlantic Operations, where he was responsible for the largest underground mining and metallurgical operations in Canada. Prior to this, he was Vice President and General Manager for Vale's Ontario Operations. Mr. Pollesel also served as the Chief Financial Officer for Compania Minera Antamina in Peru, with executive management responsibilities for one of the largest copper-zinc mining and milling operations in the world. Mr. Pollesel holds an MBA from Laurentian University and is a FCPA.

Alden Greenhouse – Director

Alden Greenhouse has over 25 years of experience in mining and capital markets, currently holding the position of Vice President, Critical & Strategic Minerals for Agnico Eagle Mines Ltd. Prior to his current role Mr. Greenhouse held the position of Vice President Corporate Development and Business Strategy for Agnico Eagle, during which he was a key leader in the team that completed the US\$24B merger between Agnico Eagle Mines and Kirkland Lake Gold. Prior to joining Agnico Eagle in 2013, Mr. Greenhouse was the CFO of a junior mining company and before that worked in various roles at RBC Capital Markets' fixed income and currency trading floor. Mr. Greenhouse holds a Master of Science degree in Accounting and Finance from the London School of Economics and Political Science and an Honours Bachelor of Commerce from McMaster University. He also holds Certified Management Accountant (CMA - USA) and Chartered Financial Analyst (CFA) designations.

Gerard Hueber – Director

Gerard Hueber is a decorated naval leader and seasoned executive with decades of experience spanning the U.S. Navy and industry. Most recently, he was responsible for an \$8B portfolio while serving as the Vice President of Naval Power Requirements and Capabilities in Raytheon, an RTX business, which is the world's largest aerospace and defense company. Prior to joining the private sector, Hueber served in the United States Navy, with more than 30 years of distinguished military service and strategic leadership experience commanding at multiple levels. He continues to advise Fortune 500 companies and defense organizations on security strategy, risk management, and operational excellence. His global expertise in logistics, defense infrastructure, and international partnerships brings a valuable perspective to advancing North America's energy security and supply chain resilience. Gerard holds a Bachelor of Science from the United States Naval Academy and a Master of Arts in National Security and Strategic Studies from the U.S. Naval War College. He is also a Fellow of MIT's Seminar XXI on Foreign Politics, International Relations and National Interest.

Jody Thomas – Director

Jody Thomas is a distinguished public servant with decades of leadership across Canada's national security, defense, and governance sectors. She most recently served as National Security and Intelligence Advisor to the Prime Minister of Canada, guiding strategic decision-making at the highest levels of government. Prior to that role, Jody held senior positions including Deputy Minister of National Defence and Commissioner of the Canadian Coast Guard, where she led major organizational and operational reforms. Her experience in public administration, operational leadership, and risk management support Electra's strategic priorities across North America's critical minerals supply chain. A pioneer in Canadian defense history, Jody joined the naval reserves at the age of 17 and became one of the first woman to serve aboard a Canadian military vessel. She holds a Bachelor of Arts from Carleton University.

Susan Uthayakumar – Director

Ms. Uthayakumar is a business executive with 25 years of experience in finance and executive management. Ms. Uthayakumar is the current Chief Energy and Sustainability Officer at Prologis Inc. Susan Uthayakumar leads the Prologis' customer-focused sustainability and energy solutions business as Chief Energy and Sustainability Officer. In this capacity, she is responsible for evaluating and scaling both existing and emerging energy solutions across the Prologis platform. She also partners with Prologis' environmental stewardship, social responsibility and governance (ESG) team on strategy, progress, stakeholder engagement and related initiatives. Prior to joining Prologis, Susan was president of Schneider Electric's Sustainability Business Division. During her 16-year tenure with the company, she was instrumental in transforming Schneider Electric to a digital power and automation technology company by driving sustainability, efficiency and resiliency. Before that, she was CEO of Schneider Canada. Uthayakumar recently was recognized as a 2021 Environment Energy Leader 100 Honoree for successfully delivering climate mitigation action to enterprise customers. Previously, Susan led strategy and M&A projects globally with McCain Foods Limited, an international leader in the frozen food industry, and held various leadership positions with Deloitte, a global advisory firm.

David Allen – Interim Chief Financial Officer

David Allen is a seasoned finance executive, bringing more than 30 years of financial leadership across the manufacturing, natural resources, shipping, real estate, and financial services sectors. He has extensive experience in CFO and senior finance roles within complex international organizations and Fortune 250 Canadian companies. Prior to joining Electra, David held senior finance leadership positions with TAAL, Canada Goose, Anaergia Inc., and Algoma Central Corporation, where he played a key role in strengthening financial operations, supporting corporate growth, and driving strategic initiatives in dynamic and fast-paced environments. At Electra, David oversees all aspects of financial management, including advancing the financing package for the construction of North America's first cobalt sulfate refinery, supporting the company's strategy to build a secure North American battery materials supply chain. David is a Chartered Professional Accountant (CPA, CA) in the Province of Ontario.

Michael Insulan – Vice President, Commercial

Michael Insulan has nearly 20 years of experience across oil and gas, bulk commodities, base and minor metals. He has worked for Royal Dutch Shell, CRU, and Eurasian Resources Group. Prior to Electra, Michael was primarily focused on the cobalt market where he has built a reputation as an industry expert. As Vice President, Commercial, Michael has overall responsibility for marketing of the Company's refined cobalt sulfate production to electric vehicle (EV) manufacturers and battery cell makers. He will also be responsible for marketing recycled cobalt, nickel, lithium and other battery materials produced by Electra Battery Materials' Canadian refinery under a proposed expansion to refine black mass recovered from end-of-life lithium-ion batteries. Michael holds a PhD in Economics, focused on the extractive industries.

Paolo Toscano – Vice President Projects and Engineering

Paolo Toscano, P.Eng. is an engineering professional, bringing more than 30 years of experience in mining, metallurgy, and large-scale project execution. At Electra, Paolo oversees the construction and commissioning of North America's first cobalt sulfate refinery, with a focus on engineering excellence, operational efficiency, and on-time delivery of this first-of-its-kind facility. Throughout his career, Paolo has led multidisciplinary teams and delivered complex gold and base-metal projects across North America. Before joining Electra, he served as Senior Vice President of Project Engineering & Construction at Marathon Gold (now Equinox Gold), as well as holding senior leadership roles with Alamos Gold, Ausenco, New Gold, and SNC-Lavalin, managing projects from feasibility through commissioning. Paolo holds a Bachelor of Engineering in Metallurgy from McGill University and a Master of Applied Science in Materials Science from the University of Toronto. He is a licensed Professional Engineer (P.Eng.) in Ontario.

George Puvvada – Vice-President, Metallurgy and Technology

Dr. Puvvada is a highly qualified metallurgist with over 25 years of industrial metallurgical experience. Over his career, Dr. Puvvada built a reputation developing flowsheets for difficult ores and delivered projects for some of the world's largest mining companies, including Vale, Xstrata and Barrick Gold. As Electra Battery Materials Vice President, Metallurgy and Technology, Dr. Puvvada will be a key member of the senior leadership team tasked with executing on Electra refinery expansion and commissioning strategy and qualifying the Company's cobalt sulfate product for inclusion in Western automaker electric vehicle batteries. Prior to joining Electra, Dr. Puvvada was employed with Northern Sun Mining, overseeing all aspects of feed evaluation, metallurgical processing, lab supervision and project development. He previously spent several years as a metallurgist at the Peko Mine in Australia, testing, developing and piloting for the recovery of base and precious metals. Dr. Puvvada has also worked with some of the world's leading metallurgical and engineering firms, including SNC Lavalin, Tetra Tech, Ortech and SGS. Dr. Puvvada holds a Bachelor's Degree in Mineral Processing from Andhra University in India and a PhD in Extractive Metallurgy from the University of New South Wales in Australia.

Heather Smiles – Vice-President, Investor Relations and Corporate Development

Ms. Smiles is a seasoned Investor Relations professional with nearly 15 years' experience in investor relations, capital markets, strategic planning, and communications. Ms. Smiles has previously worked with global metals and mining companies including Electra, Baffinland Iron Mines, and Golden Star Resources. She has a proven track record working with boards, executive teams and operations, analyzing business situations to develop and implement practical investor and stakeholder programs and strategies Ms. Smiles is responsible for building and maintaining a strategic investor relations program, advancing corporate development and strategic initiatives, supporting government relations efforts, and contributing to the advancement of the Company's vision of becoming the leading North American refinery for electric vehicle battery materials. Heather previously served as Director, Investor Relations for Electra until 2019.

Frank Santaguida – Lead Geoscientist

Frank Santaguida is the Lead Geoscientist, bringing over 30 years of international experience in both industry and research. A professional geoscientist, he has worked across diverse geological environments, specializing in the exploration of base and precious metal deposits. Throughout his career, Frank has designed and led exploration programs using multidisciplinary geological data and has held senior technical and management roles with major mining companies, including Glencore and First Quantum Minerals Ltd. His work has focused on identifying new business opportunities and advancing global exploration initiatives for both major and junior mining companies. In addition to his industry experience, Frank has co-published academic papers and co-supervised graduate student theses aimed at improving mineral exploration practices. He holds a Bachelor's degree Geological and Earth Sciences/Geosciences from University of Waterloo and a Ph.D. in Geological and Earth Sciences/Geosciences from Carleton University.

6.B. Compensation

Compensation of Directors

The Company recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the Company's financial resources. The following table sets out certain information respecting the compensation paid to directors who were not NEOs (as defined below) for the financial year ended December 31, 2025. For the purposes of this report, "NEO", or "named executive officer", includes the Company's Chief Executive Officer, Chief Financial Officer and its three (3) other most highly compensated executive officers.

Mr. Mell was a director and a NEO during the year ended December 31, 2025. Any compensation received by him in his capacity as a director of the Company is reflected in the Management Compensation Table in this Annual Report.

Director Compensation Table

The following table sets forth compensation paid and accrued to directors in the financial year ending December 31, 2025, and who were not also officers, employees, or NEOs of the Company.

Name and principal position	Year	Fees earned (\$)	Share based Awards (\$)	Option based Awards ⁽¹⁾ (\$)	Non-equity incentive compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
John Pollesel ⁽²⁾ , Lead Director	2025	45,000	128,444	Nil	Nil	Nil	Nil	173,444
C.L. "Butch" Otter ⁽³⁾ , Director	2025	34,038	Nil	Nil	Nil	Nil	Nil	34,038
Susan Uthayakumar ⁽⁴⁾ , Director	2025	Nil	103,819	Nil	Nil	Nil	Nil	103,819
David Stetson ⁽⁵⁾ , Chairman	2025	Nil	104,607	Nil	Nil	Nil	Nil	104,607
Alden Greenhouse ⁽⁶⁾ , Audit Committee Chair	2025	19,024	76,830	Nil	Nil	Nil	Nil	95,854
Gerard Hueber ⁽⁷⁾ , Operations Committee Chair	2025	Nil	60,085	Nil	Nil	Nil	Nil	60,085
Jody Thomas ⁽⁸⁾ , Director	2025	4,231	60,085	Nil	Nil	Nil	Nil	64,316

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) John Pollesel was appointed as a director of the Company on May 17, 2017 and was granted 65,200 DSUs in 2025.
- (3) C.L. "Butch" Otter was appointed as a director of the Company on February 21, 2019 and did not stand for re-election at the October 15, 2025 special meeting of shareholders.
- (4) Susan Uthayakumar was appointed as a director of the Company on October 1, 2019 and was granted 52,700 DSUs in 2025.
- (5) David Stetson was appointed as a director of the Company on August 22, 2025 and was granted 53,100 DSUs in 2025.
- (6) Alden Greenhouse was appointed as a director of the Company on February 25, 2025 and was granted 39,000 DSUs in 2025.
- (7) Gerard Hueber was appointed as a director of the Company on October 15, 2025 and was granted 30,500 DSUs in 2025.
- (8) Jody Thomas was appointed as a director of the Company on October 15, 2025 and was granted 30,500 DSUs in 2025.

Management Compensation Table

The following table sets out certain information respecting the compensation paid for the financial year ended December 31, 2025 to officers of the Company:

Name and principal position	Year	Salary (\$)	Share based Awards (\$)	Option based Awards(1) (2) (\$)	Non-equity incentive compensation (\$) (f)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans(3) (f1)	Long-term incentive plans (f2)			
Trent Mell President and Chief Executive Officer	2025	453,366	Nil	1,189,665	895,000	Nil	Nil	Nil	2,538,031
Marty Rendall Chief Financial Officer(4)	2025	314,077	Nil	856,624	Nil	Nil	Nil	Nil	1,170,701
David Allen(4) Interim Chief Financial Officer	2025	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Trevisiol(7) Vice President, Project Development	2025	206,253	Nil	Nil	Nil	Nil	Nil	Nil	206,253
Michael Insulan(5) Vice President Commercial	2025	275,000	342,780	Nil	60,000	Nil	Nil	Nil	677,780
Heather Smiles Vice President, Investor Relations and Corporate Development(6)	2025	191,346	Nil	396,555	60,000	Nil	Nil	Nil	647,901
George Puvvada Vice President, Metallurgy & Technology	2025	176,628	Nil	442,532	60,000	Nil	Nil	Nil	679,160
Paolo Toscano Vice President, Projects & Engineering	2025	26,664	Nil	554,602	Nil	Nil	Nil	Nil	581,266

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) This column includes the grant date fair value of all Options granted by the Company to the NEOs during the indicated year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with IFRS 2 Share-based Payment and were estimated using the Black-Scholes option pricing model. The Black-Scholes options pricing model has been used to determine grant date fair value due to its wide acceptance across the industry as an option valuation model, and because it is the same model the Company uses to value options for financial reporting purposes.
- (3) Management bonuses were paid based on achieving certain corporate objectives for the applicable years. In 2023, following the decision to pause construction of the Company's Refinery, Electra faced significant financial uncertainty and required substantial additional capital to preserve its assets and advance the project toward completion. During this period, the Company also faced heightened retention risk with respect to key leadership, as evidenced by the departure of four members of the senior leadership team, and remaining members of the leadership team agreeing to temporary salary reductions.

To address these circumstances, the Board approved a one-time, performance-based incentive arrangement for the Chief Executive Officer designed both to retain leadership continuity and to align incentives with the successful recapitalization of the Company.

Under this arrangement, a cash award would be payable only upon the successful execution of a comprehensive financing plan sufficient to enable the continuation of the Refinery project. This objective was considered highly challenging given market conditions, the Company's lack of operating revenue, and broader capital market constraints.

Over the subsequent three-year period, the Company completed a series of financing transactions totaling approximately US\$82 million for the Refinery and general corporate purposes. These efforts preserved the Company's core assets, enabled the restart of construction activities, and positioned the Refinery project for completion.

The cash award of \$895,000 reflects the achievement of this pre-established, Board-approved milestone and is non-recurring in nature.

- (4) David Allen resigned as the Chief Financial Officer on December 31, 2024, and was replaced by Marty Rendall who was appointed the Chief Financial Officer on January 1, 2025. Marty Rendall subsequently resigned from the Company on February 28, 2026 and was replaced by David Allen who currently serves as Interim Chief Financial Officer.
- (5) Michael Insulan became a NEO in 2021 when he joined the Company.
- (6) Ms. Smiles became a NEO following the fiscal year ended December 31, 2023.
- (7) On October 15, 2025, Mark Trevisiol left the position of Vice-President, Project Development of the Company.

6.C. Board Practices

Employment, Consulting and Directors' Service Contracts

Trent Mell – Chief Executive Officer

On February 15, 2017, Trent Mell entered into an employment agreement with the Company (the "**Mell Agreement**") and was subsequently appointed as President and Chief Executive Officer of the Company on March 2, 2017. Mr. Mell is currently paid an annual base salary of \$475,000 and may earn an annual discretionary bonus of up to 100% of base salary, contingent upon achieving corporate objectives agreed upon with the Board.

David Allen – Interim Chief Financial Officer

On February 4, 2026, the Company entered into an engagement letter with Hive Advisory Inc. (“**Hive**”) for Hive to provide financial outsourcing services to the Company (the “**Allen Agreement**”). Pursuant to the Allen Agreement, David Allen was appointed as Chief Financial Officer of the Company effective February 28, 2026 and performs all related services as a consultant. Pursuant to the Allen Agreement, Hive issues monthly invoices to Electra based on the number of hours worked during the period.

Marty Rendall – Former Chief Financial Officer

On December 17, 2024, Marty Rendall entered into an employment agreement with the Company (the “**Rendall Agreement**”) and was appointed as Chief Financial Officer of the Company on January 1, 2025. During the fiscal year ended December 31, 2025, Mr. Rendall was paid a salary of \$314,077 and earned a discretionary bonus of \$57,600 paid in options, representing 18% of his base salary, which was contingent upon achieving certain agreed corporate objectives which were achieved. Mr. Rendall resigned effective February 28, 2026.

Michael Insulan – Vice President, Commercial

On December 23, 2020, Michael Insulan entered into an agreement with the Company (the “**Insulan Agreement**”), and was subsequently appointed as Vice-President, Commercial. Mr. Insulan is currently paid an annual base salary of \$285,000 and may earn an annual discretionary bonus at a target of 40% of his base salary, contingent upon achieving corporate objectives to be agreed upon with the Board and CEO.

Mark Trevisiol – Former Vice President, Project Development

On July 23, 2020, Mark Trevisiol entered into an agreement with the Company (the “**Trevisiol Agreement**”), and was subsequently appointed as Vice-President, Projects. During the fiscal year ended December 31, 2025, Mr. Trevisiol was paid a salary of \$206,253.

Heather Smiles – Vice President, Investor Relations and Corporate Development

On January 15, 2024, Heather Smiles entered into an agreement with the Company (the “**Smiles Agreement**”), and was appointed as Vice President, Investor Relations and Corporate Development. Ms. Smiles is currently paid an annual base salary of \$200,000 and may earn an annual discretionary bonus at a target of 35% of her base salary, contingent upon achieving corporate objectives to be agreed upon with the Board and CEO.

George Puvvada – Vice President, Metallurgy and Technology

On February 12, 2024, George Puvvada entered into an agreement with the Company (the “**Puvvada Agreement**”), and was appointed as Vice President, Metallurgy and Technology. Mr. Puvvada is currently paid an annual base salary of \$220,000 and may earn an annual discretionary bonus at a target of 35% of his base salary, contingent upon achieving corporate objectives to be agreed upon with the Board and CEO.

Paolo Toscano – Vice President, Projects and Engineering

On October 29, 2025, Paolo Toscano entered into an agreement with the Company (the “**Toscano Agreement**”), and was appointed as Vice President, Projects and Engineering. Mr. Toscano is currently paid an annual base salary of \$315,000 and may earn an annual discretionary bonus at a target of 100% of his base salary, contingent upon achieving corporate objectives to be agreed upon with the Board and CEO.

Termination and Change of Control Benefits

In accordance with the terms of the Mell Agreement, the Company may terminate the executive at any time without further obligation by providing notice based on the length of employment of each executive. Mr. Mell would be entitled to receive a payment equivalent to 24 months’ salary and bonus in the event the agreement is terminated without cause. The Company has also entered into a change of control agreement with Mr. Mell, pursuant to which Mr. Mell would be entitled to payments equivalent to the above in the event he is terminated within 12 months of a change of control event. A change of control event is defined as another party acquiring a controlling position in the Common Shares of the Company. Upon any of the termination or change of control payments noted above, there are no associated conditions for the terminated officers such as non-compete clauses. Mr. Mell must continue to adhere to his confidentiality requirements under the Company’s existing policies.

There are no change of control provisions under the Allen Agreement. The Allen Agreement terminates on May 31, 2026, unless otherwise extended.

In January 2023, the Insulan Agreement was amended to include a change of control agreements pursuant to which Mr. Insulan would be entitled to payments equivalent 12 months' salary in the event the agreement is terminated without cause.

The Trevisiol Agreement was also amended in January 2023 to include a change of control agreements pursuant to which Mr. Trevisiol would be entitled to payments equivalent 18 months' salary and bonus in the event the agreement is terminated without cause.

The Smiles Agreement includes a change of control agreements pursuant to which Ms. Smiles would be entitled to payments equivalent 12 months' salary and bonus in the event the agreement is terminated without cause.

The following table discloses the estimated amounts payable to our current officers for the fiscal year ended December 31, 2025 under a termination or change of control. Unless otherwise stated, amounts disclosed in the table below assume that the officers' termination of employment and/or change of control occurred on December 31, 2025.

NEO	Payment due upon Termination (\$)	Payment due upon Change of Control (\$)
Trent Mell	1,900,000	1,900,000
David Allen	Nil	Nil
Michael Insulan	213,750	285,000
Heather Smiles	100,000	270,000
George Puvvada	55,000	Nil
Paolo Toscano	26,250	Nil

Audit Committee

Charter of the Audit Committee

The full text of the current Terms of Reference for the Audit Committee is attached as Exhibit 15.3 to this Annual Report.

Composition of the Audit Committee

The Company's Audit Committee consists of three directors, all of whom are independent pursuant to Nasdaq's independence standards. They are also all financially literate, including within the meaning of NI 52-110. The members of the Audit Committee are Alden Greenhouse (Chair), Susan Uthayakumar and John Pollesel.

Relevant Education and Experience

The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Alden Greenhouse (Committee Chair) – Mr. Greenhouse has over 25 years of experience in mining and capital markets, currently holding the position of Vice President, Critical & Strategic Minerals for Agnico Eagle. Mr. Greenhouse holds a Master of Science degree in Accounting and Finance from the London School of Economics and Political Science and an Honours Bachelor of Commerce from McMaster University. He also holds designations as a Certified Management Accountant (CMA - USA) and a Chartered Financial Analyst (CFA).

Susan Uthayakumar – Ms. Uthayakumar has 25 years of experience in finance and executive management. Ms. Uthayakumar is the current Chief Energy and Sustainability Officer at Prologis Inc. Prior to joining Prologis, Ms. Uthayakumar was with Schneider Electric for 16 years, a global leader in energy management and automation. Ms. Uthayakumar is a CA and CPA and holds an Executive MBA from the Kellogg School of Management as well as a Bachelor of Arts and a Master of Accounting from the University of Waterloo.

John Pollesel – Mr. Pollesel has over 35 years of experience in the mining industry and has held senior management roles with several publicly listed companies. Mr. Pollesel holds an HBA and MBA from the University of Waterloo and Laurentian University, respectively. He is a FCPA and FCMA.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The policy and procedures relating to the pre-approval of non-audit services provided to the Company are described in the Terms of Reference for the Audit Committee attached as Exhibit 15.3 to this Annual Report.

The Compensation, Governance, and Nominating Committee

Charter of the Compensation, Governance, and Nominating Committee

The full text of the current Terms of Reference for the Compensation, Governance, and Nominating Committee is attached as Exhibit 15.4 to this Annual Report.

Description of the Compensation, Governance, and Nominating Committee

The Compensation, Governance, and Nominating Committee (the "**CGN Committee**") has been created to assist the Board in fulfilling its responsibility for developing and recommending corporate governance principles applicable to the Company and overseeing qualified individuals in Board and management positions. The CGN Committee also makes recommendations to the Board concerning executive compensation matters. The CGN Committee is responsible for the review and assessment of the compensation arrangements for the Company's NEOs. The Board (exclusive of the CEO, who is also a member of the Board) approves executive compensation.

The CGN Committee rely on their experience and background in the mining and finance sectors, both as senior executives and as members of the boards of directors of other public companies and works with the Management to make executive compensation decisions in the best interests of the Company. In assessing individual executive compensation, the CGN Committee, with input from Management, considers the compensation of the individual's peers in comparable industries, the individual's experience, performance and historical compensation and the overall performance of the Company. The CGN Committee meets as required throughout the year in person or by telephone.

There are two (2) scheduled meetings each year – one at year-end to determine review compensation, including performance incentive entitlements, and another meeting to review long-term incentive grants for Board and management under the Company's 2022 Amended and Restated LTIP. The assessments and determinations made at these two (2) meetings relate to the overall executive compensation package provided to NEOs. The CGN Committee also meets on an ad hoc basis throughout the year to review matters outside of the normal compensation review process.

Composition of the CGN Committee

The CGN Committee is currently comprised of Messrs. John Pollesel (Chair), Gerard Hueber and Jody Thomas, all of whom are independent.

Relevant Experience

All members of the CGN Committee have direct experience relevant to their responsibilities concerning executive compensation. The members of the CGN Committee rely on their individual experiences as current or previous executives/directors of reporting issuers. These experiences and the skills derived therefrom allow the members to appropriately make decisions on the suitability of the Company's compensation policies and practices.

Operations Committee

Charter of the Operations Committee

The full text of the current charter for the Operations Committee of the Board (the "**Operations Committee**") is attached as Exhibit 15.5 to this Annual Report.

Description of the Operations Committee

The Operations Committee has been created to assist the Board in fulfilling its obligations relating to technical, health and safety, and ESG matters. The Operations Committee meets at such frequency throughout the year as is required to carry out its duties and responsibilities. The members of the Operations Committee may make periodic site visits, as considered, in order to become familiar with the nature of the operations of the Company, and to review relevant objectives, procedures and performance with respect to technical, health, safety, and ESG matters. Absent extraordinary circumstances, a minimum of one annual meeting of the Operations Committee is held at one (or more) of the Company's property assets.

Technical Matters

The Operations Committee, among other things, reviews and approves the Company's mandates and policies relating to all technical matters; provides technical oversight in connection with the Company's exploration, development and operational activities; reviews with management the mid- to long-term technical risks and opportunities associated with the Company's business; reviews the technical and budget issues associated with projects, acquisitions and dispositions; and reviews technical reports prepared for the Company on material properties.

Health and Safety Matters

The Operations Committee oversees the Company's mandates and policies relating to all health and safety matters, ensures that the Company provides adequate training opportunities, instruction and equipment to its employees, and reviews, monitors and reports to the Board on the results of any material safety, health, environment or sustainability incident at any of the Company's operations. The Operations Committee periodically reviews and reports to the Board on the safety, health, environment and sustainability risks associated with the Company's operations and the procedures and plans designed to manage and mitigate those risks.

ESG Matters

The Operations Committee reviews management reports on operational and project-related aspects of all sustainability, environmental and social matters, including project timelines, budgets, current project status and all other related operational matters. The Operations Committee also ensures that management has in place appropriate operational procedures that would minimize adverse effects on operations should social and environmental violations or incidents occur, and assists management with respect to the Company's interactions with local communities.

Composition of the Operations Committee

The Operations Committee is currently comprised of Messrs. Gerard Hueber (Chair), John Pollesel and Alden Greenhouse, all of whom are independent.

6.D. Employees

As of December 31, 2025, the Company had 24 staff members (22 employees located in Canada and 2 employees located in Europe) made up of full-time employees (19) and contractors (5).

6.E. Share Ownership

The following table indicates information as of March 27, 2026 (unless otherwise noted), regarding the beneficial ownership of our Common Shares for (i) each individual who served as an executive officer and/or director during the fiscal year ended December 31, 2025, individually and as a group, and (ii) each person known by the Company to beneficially own more than 5% of our outstanding Common Shares.

Unless otherwise indicated in the footnotes to the table, and subject to community property laws where applicable, the following persons have sole voting and investment control with respect to the shares beneficially owned by them. In accordance with SEC rules, if a person has a right to acquire beneficial ownership of any Common Shares on or within 60 days of March 27, 2026, upon conversion or exercise of outstanding securities or otherwise, the shares are deemed beneficially owned by that person and are deemed to be outstanding solely for the purpose of determining the percentage of our shares that person beneficially owns. These shares are not included in the computations of percentage ownership for any other person. As of March 26, 2026, we had 43 record holders of our Common Shares, with 19 record holders in Canada, representing 6.4% of our outstanding Common Shares, and 18 record holders in the United States, representing 10.01% of our outstanding Common Shares.

Except as otherwise indicated, the address of each of the persons in this table is 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned
5% and Greater Shareholders:		
O'Connor Alternative Investments, LLC(1)	10,413,759	9.9%
Highbridge Capital Management LLC(2)	9,291,272	9.9%
Whitebox Advisors LLC(3)	9,271,572	9.9%
Directors and Executive Officers:		
Trent Mell	191,165	0.2 %
David Stetson	390,121	0.4%
John Pollesel	26,250	*0%
Gerard Hueber	66,666	0.1%
C.L. "Butch" Otter	292	*0%
Susan Uthayakumar	19,011	*0%
Alden Greenhouse	5,000	*0%
Jody Thomas	Nil	*0%
Marty Rendall	31,249	*0%
David Allen	Nil	*0%
Michael Insulan	32,397	*0%
Mark Trevisiol	34,079	*0%
George Puvvada	10,082	*0%
Heather Smiles	15,062	*0%
Paolo Toscano	Nil	*0%
All executive officers and directors as a group (15 persons)(4)	821,374	0.8%

Notes:

* Indicates beneficial ownership of less than 1%.

(1) According to information provided by the shareholder, Nineteen77 Global Multi-Strategy Alpha Master Limited ("Nineteen77") holds (i) 8,962,596 Common Shares and (ii) 12,429,327 Common Shares issuable upon the exercise of warrants. The warrants are subject to a blocker which prevents the holder from exercising the warrants to the extent that, upon such exercise or conversion, the holder would beneficially own in excess of 9.9% of Common Shares outstanding as a result of the exercise or conversion. As a result of such limitation, an aggregate of 10,978,164 of the Common Shares underlying the warrants held by Nineteen77 may not be exercised as of the date hereof and have been excluded from the table. O'Connor Alternative Investments, LLC ("O'Connor"), as investment manager to Nineteen77, may be deemed to beneficially own, and to have voting and dispositive power over, such securities. O'Connor is an indirect wholly owned subsidiary of Cantor Fitzgerald, L.P., which may also be deemed to beneficially own such securities. The address of O'Connor is 110 E. 59th Street, New York, New York, 10022.

- (2) According to the Schedule 13G filed with the SEC on October 24, 2025, Highbridge Capital Management LLC (“**Highbridge**”) is the direct owner of (i) 9,291,272 Common Shares and (ii) warrants to purchase 23,539,577 Common Shares. The warrants are subject to a blocker which prevents the holder from exercising the warrants to the extent that, upon such exercise or conversion, the holder would beneficially own in excess of 9.9% of Common Shares outstanding as a result of the exercise or conversion. As of the date of the Schedule 13G, Highbridge is deemed to beneficially own 9.9% of Common Shares outstanding. The address of Highbridge is 277 Park Avenue, 23rd Floor, New York, New York 10172.
- (3) According to the Schedule 13G filed with the SEC on October 24, 2025, each of Whitebox Advisors LLC (“**WA**”) and Whitebox General Partner LLC (“**WGP**”) is deemed to be the beneficial owner of 9,271,572 Common Shares, as a result of WA's clients' ownership of 9,271,572 Common Shares. WA's clients also own (i) 28,884,464 warrants to purchase Common Shares at an exercise price of \$1.25 per Common Share (the “**October 2025 Warrants**”) and (ii) 21,920,001 Pre-Funded Warrants (together with the October 2025 Warrants, the “**Warrants**”), with each of (i) and (ii) subject to the Beneficial Ownership Limitations (defined below). Warrants are subject to a blocker which prevents the holder from exercising Warrants to the extent that, upon such exercise, the holder would beneficially own in excess of 9.9% of Common Shares outstanding as a result of the exercise (the “**Beneficial Ownership Limitations**”). Accordingly, the table excludes an aggregate of 50,808,465 Common Shares obtainable upon the exercise of the Warrants owned by WA's clients, which are subject to the Beneficial Ownership Limitations. The address of WA is 3033 Excelsior Boulevard, Suite 500, Minneapolis, MN 55416.
- (4) Includes all directors, nominees, and executive officers during the fiscal year ended December 31, 2025.

2022 Amended and Restated LTIP

The purpose of the 2022 Long-Term Incentive Plan dated as of November 10, 2022, as amended and restated (the “**2022 Amended and Restated LTIP**”) is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the 2022 Amended and Restated LTIP with those of the Company and its shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the 2022 Amended and Restated LTIP is designed to allow the Board to grant Awards (as defined below) to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company. Historically, the Company has made use of long-term incentive grants as an alternative to cash bonuses and salary increases as a means of conserving capital, rewarding performance, retaining personnel and aligning behavior with shareholder interests.

An “Award” means an option (“Option”), performance share unit (“PSU”), restricted share unit (“RSU”) and deferred share unit (“DSU”) granted under the 2022 Amended and Restated LTIP.

The following table summarizes the key provisions of the 2022 Amended and Restated LTIP as of December 31, 2025. Defined terms used below not otherwise defined herein shall have the meaning set out in the 2022 Amended and Restated LTIP, as amended and restated.

Eligible Participants	For all Awards, any director, officer, employee or consultant of the Company or any subsidiary of the Company who is eligible to receive Awards under the 2022 Amended and Restated LTIP.
Types of Awards	Options, PSUs, RSUs and DSUs.
Number of Securities Issued and Issuable	The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under the 2022 Amended and Restated LTIP, together with all other established security-based compensation arrangements of the Company, shall be not more than 3,150,000 Common Shares. In addition to the foregoing, assuming the LTIP Resolution obtains shareholder approval: <ul style="list-style-type: none"> • up to a maximum of 125,000 Common Shares may be reserved for issuance upon conversion of RSUs; • up to a maximum of 125,000 Common Shares may be reserved for issuance upon conversion of PSUs; • up to a maximum of 400,000 Common Shares may be reserved for issuance upon conversion of DSUs; and • to a maximum of 2,500,000 Commons Shares may be reserved for up issuance upon the exercise of Options.
Plan Limits	When combined with all of the Company’s other previously established security-based compensation arrangements, including the limitation imposed on the maximum number of Common Shares which may be issued pursuant to the exercise or redemption and settlement of DSUs, PSUs, RSUs and Options set out above, the 2022 Amended and Restated LTIP shall not result in the grant: <ul style="list-style-type: none"> • to any one person in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 5% of the issued and outstanding Common Shares, calculated at the date of grant, unless the Company has obtained the requisite disinterested shareholder approval to the grant; • to any one consultant in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares, calculated at the date of grant; • of Options in any 12-month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares, calculated at the date of grant; or • of RSUs, PSUs or DSUs to persons employed or engaged by the Company to perform Investor Relations Activities.
Definition of Market Price	“Market Price” at any date in respect of the Common Shares is the closing trading price of such Common Shares on the TSXV on the last trading day immediately before the date on which the Market Price is determined. In the event that the Common Shares are not then listed and posted for trading on a TSXV, the Market Price is the fair market value of such Common Shares as determined by the Board in its sole discretion.
Assignability	An Award may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant’s representatives.
Amending Procedures	The Board may at any time or from time to time, in its sole and absolute discretion and without shareholder approval, amend, suspend, terminate or discontinue the 2022 Amended and Restated LTIP and may amend the terms and conditions of any Awards granted thereunder, provided that no amendment may materially and adversely affect any Award previously granted to a participant without the consent of the participant. Provided that any amendments made to the 2022 Amended and Restated LTIP shall be made following TSXV requirements. By way of example, amendments that do not require shareholder approval and that are within the authority of the Board include but are not limited to: <ul style="list-style-type: none"> • Amendments of a “housekeeping nature”; • Any amendment for the purpose of curing any ambiguity, error or omission in the 2022 Amended and Restated LTIP or to correct or supplement any provision of the 2022 Amended and Restated LTIP that is inconsistent with any other provision of the 2022 Amended and Restated LTIP; • An amendment which is necessary to comply with applicable law or the requirements of any stock exchange on which the shares are listed; • Amendments respecting administration and eligibility for participation under the 2022 Amended and Restated LTIP; • Changes to the terms and conditions on which Awards may be or have been granted pursuant to the 2022 Amended and Restated LTIP, including changes to the vesting provisions and terms of any Awards; • Any amendment which alters, extends or accelerates the terms of vesting applicable to any Award; • Changes to the termination provisions of an Award or the 2022 Amended and Restated LTIP which do not entail an extension beyond the original fixed term. <p>Notwithstanding the foregoing, shareholder approval shall be required for the following amendments (unless such an amendment is prohibited by TSXV requirements in which case such amendment cannot be made):</p> <ul style="list-style-type: none"> • Reducing the exercise price of Options, or cancelling and reissuing any Options to in effect reduce the exercise price; • Extending (i) the term of an Option beyond its original expiry date, or (ii) the date on which a PSU, RSU or DSU will be forfeited or terminated per its terms, other than in circumstances involving a blackout period; and • Increasing the fixed maximum number of shares reserved for issuance under the 2022 Amended and Restated LTIP; • Permitting Awards granted under the 2022 Amended and Restated LTIP to be transferable or assignable other than for estate settlement purposes; • Amending the definition of “Eligible Person” to permit the introduction or reintroduction of participants on a discretionary basis; and • Revising any shareholder approval requirements needed under the 2022 Amended and Restated LTIP.

Financial Assistance	The Company does not provide financial assistance to participants under the 2022 Amended and Restated LTIP.		
Other	<p>In the event of a change in control, the Board has the right, but not the obligation, to permit each participant to exercise all of the participant's outstanding Options and to settle all of the participant's outstanding PSUs, RSUs and DSUs, subject to any required approval of the TSXV and subject to completion of the change in control, and has the discretion to accelerate vesting.</p> <p>The 2022 Amended and Restated LTIP further provides that if the expiry date or vesting date of Options is during a blackout period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten trading days following the end of the blackout period, subject to certain requirements of the TSXV as set out in the 2022 Amended and Restated LTIP. In the case of PSUs, RSUs and DSUs, any settlement that is effected during a blackout period shall be in the form of a cash payment.</p>		
Description of Awards			
A. Options			
Stock Option Terms and Exercise Price	The exercise price, vesting, expiry date and other terms and conditions of the Options are determined by the Board. The exercise price shall in no event be lower than the Market Price of the shares at the date of grant, less any allowable discounts.		
Term	Options are for a fixed term and exercisable as determined by the Board, provided that no Option shall have a term exceeding ten years.		
Vesting	All Options granted under the 2022 Amended and Restated LTIP are subject to such vesting requirements as may be imposed by the Board, with all Options issued to consultants performing Investor Relations Activities vesting in stages over at least 12 months with no more than 1/4 of the Options vesting in any three-month period.		
Exercise of Option	The participant may exercise Options by payment of the exercise price per Common Share subject to each Option.		
Circumstances Involving Cessation of Entitlement to Participate	Reasons for Termination	Vesting	Expiry of Vested Options
	Death	Unvested Options automatically vest as of the date of death	Options expire on the earlier date of the Option and one year following the date of death
	Disability	Options continue to vest following the terms of the Option until the date that is one year following the date of disability	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of disability
	Retirement	Options continue to vest following the terms of the Option until the date that is one year following the date of retirement	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of retirement

	Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited	Options expire on the earlier of the scheduled expiry date of the Option and three months following the date of resignation Options granted to Persons engaged primarily to provide Investor Relations Activities expire on the earlier of the scheduled expiry date of the Option and 30 days following the date of resignation
	Termination without Cause / Constructive Dismissal (No Change in Control)	Unvested Options granted prior to the Original LTIP Date automatically vest as of the Termination Date Unvested Options granted from and after the Original LTIP Date continue to vest following the terms of the Option until the date that is one year following the Termination Date	Options expire on the earlier of the scheduled expiry date of the Option and one year following the Termination Date
	Change in Control	Options granted before the Original LTIP Date shall vest and become immediately exercisable, subject to any required approvals of the TSXV Options from and after the Original LTIP Date do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> • the successor fails to continue or assume the obligations under the 2022 Amended and Restated LTIP or fails to provide for a substitute Award, or • if the Option is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control, subject to any required approvals of the TSXV	Options expire on the scheduled expiry date of the Option
	Termination with Cause	Options granted prior to the Original LTIP Date that are unvested as of the Termination Date automatically terminate and shall be forfeited Options granted from and after the Original LTIP Date, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited	Vested Options granted prior to the Original LTIP Date shall expire on the earlier of the scheduled expiry date of the option and three months following the Termination Date Options granted from and after the Original LTIP Date, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited

B. Performance Share Units		
PSU Terms	A PSU is a notional security but, unlike other equity-based incentives, vesting is contingent upon achieving certain performance criteria, thus ensuring greater alignment with the long-term interests of shareholders. The terms applicable to PSUs under the 2022 Amended and Restated LTIP (including the performance cycle, performance criteria for vesting and whether dividend equivalents will be credited to a participant's PSU account) are determined by the Board at the time of the grant.	
Vesting	PSUs do not vest, and cannot be paid out (settled), until the completion of the performance cycle. For Canadian taxpayers, the performance cycle shall in no case end later than December 31 of the calendar year that is three years after the grant date.	
Settlement	At the grant date, the Board shall stipulate whether the PSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the PSUs in the holders' account.	
C. Restricted Share Units		
RSU Terms	An RSU is a notional security that entitles the recipient to receive cash or shares at the end of a vesting period. The terms applicable to RSUs under the 2022 Amended and Restated LTIP (including the vesting schedule and whether dividend equivalents will be credited to a participant's RSU account) are determined by the Board at the time of the grant.	
Credit to RSU Account	As dividends are declared, additional RSUs may be credited to RSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.	
Vesting	RSUs vest upon lapse of the applicable restricted period. For employees, vesting generally occurs in three equal instalments on the first three anniversaries of the grant date. For directors, one-third of the Award may be immediately vesting, with the balance vesting equally over the first two anniversaries of the grant date.	
Settlement	At the grant date, the Board shall stipulate whether the RSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the RSUs in the holders' account.	
D. Deferred Share Units		
DSU Terms	A DSU is a notional security that entitles the recipient to receive cash or shares upon resignation from the Board (in the case of directors) or at the end of employment. The terms applicable to DSUs under the 2022 Amended and Restated LTIP (including whether dividend equivalents will be credited to a participant's DSU account) are determined by the Board at the time of the grant. Typically, DSUs have been granted (i) as a component of a director's annual retainer, or (ii) as a component of an officer's annual incentive grant. The deferral feature strengthens alignment with the long-term interests of shareholders.	
Credit to DSU Account	As dividends are declared, additional DSUs may be credited to DSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.	
Vesting	DSUs are fully vested upon grant.	
Settlement	DSUs may only be settled after the date on which the holder ceases to be a director, officer or employee of the Company. At the grant date, the Board shall stipulate whether the DSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the DSUs in the holders' account.	
E. PSUs, RSUs and DSUs		
Circumstances Involving Cessation of Entitlement to Participate	Reasons for Termination	Treatment of Awards
	Death	Outstanding Awards that were vested on or before the date of death shall be settled as of the date of death. Outstanding Awards that were not vested on or before the date of death shall vest immediately and be settled as of the date of death, prorated to reflect (i) in the case of RSUs and DSUs, the actual period between the grant date and date of death, and (ii) in the case of PSUs, the actual period between the commencement of the performance cycle and the date of death, based on the participant's performance for the applicable performance period(s) up to the date of death. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of death.

	Disability	In the case of RSUs and DSUs, outstanding Awards as of the date of disability shall continue to vest for a period no longer than one year of the date of disability and be set with their terms. In the case of PSUs, outstanding PSUs as of date the of disability shall vest and be settled following their terms based on the participant's performance for the applicable performance period(s) up to the date of the disability. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of disability.
	Retirement	Outstanding Awards that were vested on or before the date of retirement shall be settled as of the date of retirement. Outstanding Awards that would have vested on the next vesting date following the date of retirement shall be settled as of the earlier of such vesting date and the date that is one year from the date of retirement. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of retirement.
	Resignation	Outstanding Awards that were vested on or before the date of resignation shall be settled as of the date of resignation, after which time the Awards shall in all respects terminate.
	Termination without Cause / Constructive Dismissal (No Change in Control)	Outstanding Awards that were vested on or before the Termination Date shall be settled as of the Termination Date. Outstanding Awards that would have vested on the next vesting date following the Termination Date (in the case of PSUs, prorated to reflect the actual period between the commencement of the performance cycle and the Termination Date, based on the participant's performance for the applicable performance period(s) up to the Termination Date), shall be settled as of the earlier of such vesting date and the date that is one year from the Termination Date. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the Termination Date.
	Change in Control	Awards do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> • the successor fails to continue or assume the obligations under the 2022 Amended and Restated LTIP or fails to provide for a substitute Award, or • if the Award is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control.
	Termination with Cause	Outstanding Awards (whether vested or unvested) shall automatically terminate on the Termination Date and be forfeited.

Any Common Shares subject to an Award which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future Awards under the 2022 Amended and Restated LTIP and any Common Shares subject to an Award that is settled in cash and not Common Shares shall again be available for future Awards under the 2022 Amended and Restated LTIP.

Employee Share Purchase Plan

The Employee Share Purchase Plan for the Company (the "**ESP Plan**") provides eligible employees of the Company and certain of the Company's designated affiliates, who wish to participate in the ESP Plan (each, an "**ESP Plan Participant**"), with a cost-efficient vehicle to acquire Common Shares and participate in the equity of the Company through payroll deductions, for: (i) advancing the interests of the Company through the motivation, attraction and retention of employees and officers of the Company and its designated affiliates in a competitive labor market; and (ii) aligning the interests of the employees of the Company with those of shareholders through a culture of ownership and involvement.

The following are the key provisions of the ESP Plan.

- A maximum of 250,000 Common Shares are reserved for issuance under the ESP Plan, provided, however, that the number of Common Shares reserved for issuance under the ESP Plan and under all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 20% of the number of Common Shares then issued and outstanding. In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made in the number of Common Shares available under the ESP Plan.
- The Common Shares issuable under the ESP Plan are subject to several restrictions:
 - the aggregate number of Common Shares issuable at any time to insiders under the ESP Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
 - within any one-year period, the Company shall not issue to Insiders under the ESP Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis; and
 - within any one-year period, the Company shall not issue to any one Person (and companies wholly-owned by that Person) under the ESP Plan and all other security-based compensation arrangements of the Company and its Subsidiaries, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis.
- Any eligible employee may elect to participate in the ESP Plan and contribute money (the “**Employee Contribution**”) to the ESP Plan in any calendar quarter by delivering to the Company a completed and executed “Enrolment and Contribution Election Form” authorizing the Company to deduct the Employee Contribution from the ESP Plan Participant’s Base Annual Salary (as defined in the ESP Plan) in equal instalments beginning in the first quarterly period in which the eligible employee enrolls in the ESP Plan. Such direction will remain effective until: (i) the ESP Plan Participant’s employment is terminated (as described more fully below), (ii) the ESP Plan Participant’s Retirement (as defined in the ESP Plan), (iii) the ESP Plan Participant elects to withdraw from the ESP Plan by delivering a completed and executed “Withdrawal Form”, or (iv) the Board terminates or suspends the ESP Plan, whichever is earlier.
- The Employee Contribution, as determined by the ESP Plan Participant, shall be a minimum of 1% and must not exceed 10% of the ESP Plan Participant’s Base Annual Salary (before deductions). The Employee Contribution may be changed by the ESP Plan Participant once each calendar year by delivering a completed and executed “Contribution Adjustment Form” to the Company.
- For each quarterly period during a calendar year, the Company will credit (or notionally credit) each ESP Plan Participant’s account (each, an “**ESP Account**”) with an amount equal to 100% of the amount of the Employee Contribution (the “**Company Contribution**”).
- The Company will credit an ESP Plan Participant’s ESP Account with notional grants of Common Shares for each quarterly period in an amount equal to the quotient obtained when (i) the aggregate contribution then held by the Company in trust for an ESP Plan Participant at the end of each quarterly period, is divided by (ii) the “Market Value” of the Common Shares as at the end of each quarterly period. Appropriate adjustments to ESP Account notional credits will be made in the event of changes in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise. For purposes of the ESP Plan, “Market Value” means, on any date, the volume weighted average price of the Common Shares traded on the TSXV for the five (5) consecutive trading days prior to such date or, if the Common Shares are not then listed on the TSXV, on such other stock exchange as determined for that purpose by the Board (or such other committee of the directors appointed to administer the ESP Plan) in its discretion.

- Additional notional Common Shares are credited to an ESP Account in respect of the existing notional Common Shares then credited whenever cash or other dividends are paid on the Common Shares. Additional notional Common Shares credited on this basis are an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such ESP Plan Participant if the notional Common Shares then credited to the ESP Account of such ESP Plan Participant as at the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as at the date on which the dividend is paid on the Common Shares.
- An ESP Plan Participant is only entitled to receive Common Shares upon the notional Common Shares recorded in his or her ESP Account becoming vested. Notional Common Shares credited to the ESP Plan Participant's ESP Account vest as follows:
 - In respect of the Employee Contribution, notional Common Shares will vest immediately upon the earlier of (i) a Change of Control (as defined in the ESP Plan) of the Company, (ii) the Retirement of the ESP Plan Participant, (iii) the commencement of the total disability of the ESP Plan Participant, (iv) the death of the ESP Plan Participant, and (v) December 31st of any calendar year.
 - In respect of the Company Contribution, notional Common Shares vest on the terms set in the sole discretion of the Board (or such other committee of the directors appointed to administer the ESP Plan). However, if the Board (or such other committee) has not specified the vesting terms of a particular issuance of Common Shares credited to the "ESP Account" of an ESP Plan Participant, such Common Shares shall vest immediately upon the earlier of (i) a Change of Control of the Company, (ii) the Retirement of the ESP Plan Participant, (iii) the commencement of the total disability of the ESP Plan Participant, (iv) the death of the ESP Plan Participant, and (v) December 31st of any calendar year, provided that such ESP Plan Participant has not (a) been terminated by the Company or a designated affiliate (with or without cause), or (b) ceased employment with the Company or a designated affiliate as a result of resignation or some other reason other than Retirement ("**Termination**" or "**Terminated**") before December 31st of such calendar year.
 - If an ESP Plan Participant is terminated before the notional Common Shares credited to his or her ESP Account becoming vested, the amount of the Company Contribution shall be credited (or notionally credited) back to the Company.
- To settle notional Common Shares, the Company, in its sole discretion, shall either:
 - within ten (10) days from the end of each calendar year, issue for the account of each ESP Plan Participant, fully paid and non-assessable Common Shares equal to the number of notional Common Shares credited to the ESP Account of such ESP Plan Participant as of December 31st of such calendar year;
 - within ten (10) days from the end of each calendar year, purchase or arrange for the purchase on the market, on behalf of each ESP Plan Participant, such number of Common Shares equal to the number of notional Common Shares credited to the ESP Account of such ESP Plan Participant as of December 31st of such calendar year; or
 - within ten (10) days from the end of each calendar year, settle notional Common Shares by some combination of issuing and purchasing in accordance with the above.
- Common Shares issued to ESP Plan Participants under the ESP Plan may be made subject to any holding period as deemed appropriate or as required under applicable securities laws.
- In the event of the Termination of an ESP Plan Participant, the ESP Plan Participant shall automatically cease to be entitled to participate in the ESP Plan.
- The Board (or such other committee of the directors appointed to administer the ESP Plan) may from time to time amend, suspend or terminate (and re-instate) the ESP Plan in whole or in part without approval of the Shareholders of the Company, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSXV.

- The Board has broad discretion to amend the ESP Plan without seeking the approval of shareholders, including, without limitation, amendments to the ESP Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty. However, the Company may not make the following amendments to the ESP Plan without the approval of shareholders and the TSXV: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual; (ii) an amendment to increase the maximum number of Common Shares issuable under the ESP Plan; and (iii) an amendment to an amending provision within the ESP Plan.
- Except as otherwise may be expressly provided for under the ESP Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of an ESP Plan Participant under the ESP Plan is assignable or transferable.

6.F. Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders

See Item 6.E. above.

7.B. Related Party Transactions

Except as otherwise set out herein, there are no material interests, direct or indirect, of any director, executive officer, person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction during the fiscal year ended December 31, 2025 or during the current financial year, as of March 27, 2026, which has materially affected or is reasonably expected to materially affect the Company.

7.C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. Consolidated Statements and Other Financial Information

The audited consolidated financial statements for the years ended December 31, 2025, 2024 and 2023 can be found under “Item 18. Financial Statements”.

The financial statements as required under Item 17. “Financial Statements” are attached hereto and found immediately following the text of this Annual Report. The audit report of MNP LLP, independent registered public accounting firm, is included herein immediately preceding the consolidated financial statements.

Legal Proceedings

The Company is not currently subject to any legal or arbitration proceeding, including those relating to bankruptcy, receivership or similar proceedings and those involving any third party, which may have, or have had in the recent past, significant effects on the Company’s financial position or profitability.

Dividend Policy

The Company has never paid cash dividends on the Common Shares and does not currently expect to pay cash dividends in the future in favor of utilizing cash to support the development of the Company’s business. In addition, the October 2025 Credit Agreement restricts our ability to pay dividends while the October 2025 Term Loan is outstanding, subject to limited exceptions. Any future determination relating to the Company’s dividend policy will be made at the discretion of the Company’s 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.

8.B. Significant Changes

We are not aware of any significant change that has occurred since December 31, 2025, the date of the audited consolidated financial statements included in this Annual Report, and that has not been disclosed elsewhere in this Annual Report.

ITEM 9. THE OFFER AND LISTING.

9.A. Offer and Listing Details

The Common Shares are listed and posted for trading on each of the TSXV and Nasdaq under the trading symbol “ELBM”.

9.B. Plan of Distribution

Not applicable.

9.C. Markets

A discussion of all stock exchanges and other regulated markets on which our securities are listed is provided under “Item 9.A. Offer and Listing Details.”

9.D. Selling Shareholders

Not applicable.

9.E. Dilution

Not applicable.

9.F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. Share Capital

Not applicable.

10.B. Memorandum and Articles of Association

Articles

The Company was continued under the CBCA on September 4, 2018. The corporation number is 1095406-3.

By articles of amendment dated December 6, 2021, the Company changed its name from First Cobalt Corp. to Electra Battery Materials Corporation.

On April 13, 2022, the Company completed the Consolidation on the basis of one (1) post-Consolidation Common Share for every eighteen (18) pre-Consolidation Common Shares.

By articles of amendment dated December 31, 2024, the Company completed the Reverse Split of the issued and outstanding Common shares of the Company at a ratio of one (1) post-Reverse Split Common Share for four (4) pre-Reverse Split Common Shares of the Company.

The following special provisions shall be applicable to the Company:

Without limiting the powers of the Company as set forth in the CBCA, the Company, if authorized by the Board, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the Board considers appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on other such terms as the Board considers appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, hypothecate, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company, including property that is movable or immovable, corporeal or incorporeal.

The powers conferred above shall be deemed to include the powers conferred on a corporation by Division VII of the Act Respecting the Special Powers of Legal Persons being chapter P-16 of the Revised Statutes of Quebec.

The Board may from time to time delegate to a director, a committee of directors or an officer of the Company any or all of the powers conferred on the Board as set out above, to such extent and in such manner as the Board shall determine at the time of such delegation.

Between annual general meetings of the Company, the Board may appoint one or more additional directors to serve until the next annual general meeting but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual general meeting.

Bylaws

At the Annual and Special Meeting of shareholders held on June 26, 2018, shareholders approved a resolution to amend the Company's previously approved by-laws effective upon the Company's continuance as a federal company under the CBCA (the "**Bylaws**").

Neither the Articles nor the Bylaws limit the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body. The Bylaws provide that directors shall receive such fees and expenses as the Board shall from time to time prescribe (Bylaws, section 5.6).

The annual meeting of the shareholders shall be held at such date, time and place, if any, as shall be determined by the Board and stated in the notice of the meeting for the transaction of such business as may properly come before the meeting (Bylaws, section 3.2).

Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the CBCA. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting (Bylaws, section 3.3).

The Board is permitted to fix a record date for any meeting of the shareholders that is between 21 and 60 days prior to such meeting or as otherwise prescribed by applicable laws (Bylaws, section 3.4).

Each director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal.

Common Shares

Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the Act. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

As of the date hereof, our authorized share capital consists of an unlimited number of Common Shares, of which 103,585,805 are issued and outstanding. In addition, we have 3,385,227 Common Shares issuable pursuant to outstanding stock options, 406,598 DSU's, 26,405,657 pre-funded warrants and 104,219,599 issuable upon the exercise of outstanding warrants.

Holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Company, to attend and to cast one vote per share at such meetings. Holders of Common Shares are also entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro-rata basis, the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority. The Common Shares do not carry any preemptive, subscription, redemption, or conversion rights.

10.C. Material Contracts

We have not entered into any material contract within the two years prior to the date of this Annual Report, other than contracts entered into in the ordinary course of business, or as otherwise described herein in “*Item 4.A. History and Development of the Company*”, “*Item 4.B. Business Overview*”, “*Item 5.B. Operating and Financial Review and Prospects*”, “*Item 6.C. Board Practices*” and “*Item 7.B. Related Party Transactions*”, which descriptions are incorporated by reference in this Item 10.C.

10.D. Exchange Controls

There are currently no government laws, decrees, regulations or other legislation of Canada or the United States that restrict the export or import of capital (including the availability of cash and cash equivalents) or that affect the remittance of dividends, distributions, interest or other payments to non-residents of Canada or the United States holding our Common Shares. Any remittances of dividends to United States residents and to other non-residents are, however, subject to withholding tax. See “Taxation” below.

10.E. Taxation

Material U.S. Federal Income Tax Considerations for U.S. Holders .

The following discussion summarizes the anticipated U.S. federal income tax considerations generally applicable to a U.S. Holder (as defined below) of the ownership and disposition of the Common Shares. This discussion addresses only holders who acquire and hold Common Shares as “capital assets” (generally, assets held for investment purposes).

This summary is based on the Code, U.S. Treasury regulations, administrative pronouncements and rulings of the United States Internal Revenue Service (the “**IRS**”), and the US Treaty, all as in effect on the date hereof, and all of which may be repealed, revoked or modified (possibly with retroactive effect) so as to result in U.S. federal income tax consequences different from those discussed below. This summary does not describe any state, local or non-U.S. tax law considerations, or any aspect of U.S. federal tax law other than income taxation (e.g., alternative minimum tax, the 3.8% Medicare tax on certain net investment income, or estate or gift tax). Except as specifically set forth below, this summary does not discuss applicable income tax reporting requirements. U.S. Holders should consult their own tax advisers regarding such matters.

No ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the ownership or disposition of the Common Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the discussion set forth in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and U.S. courts could disagree with one or more of the positions taken in this summary.

This summary does not purport to address all U.S. federal income tax consequences that may be relevant to a U.S. Holder as a result of the ownership and disposition of the Common Shares, nor does it take into account the specific circumstances of any particular holder, some of which may be subject to special tax rules, including, but not limited to, tax exempt organizations, partnerships and other pass-through entities and their owners, banks or other financial institutions, insurance companies, regulated investment companies, real estate investment trusts, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, persons that hold the Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale or other similar arrangements, persons that acquired the Common Shares in connection with the exercise of employee share options or otherwise as compensation for services, persons that are resident or ordinarily resident in or have permanent establishment in a jurisdiction outside the United States, dealers in securities or foreign currencies, traders in securities electing to mark to market, U.S. persons whose functional currency (as defined in the Code) is not the U.S. dollar, U.S. expatriates, or persons that own directly, indirectly or by application of the constructive ownership rules of the Code 10% or more of the Company’s shares by voting power or by value.

As used herein, a “U.S. Holder” is a beneficial owner of the Common Shares who, for U.S. federal income tax purposes, is: (1) an individual who is a citizen or resident of the United States; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate whose income is subject to U.S. federal income tax regardless of its source, or (4) a trust (A) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (B) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Common Shares, the tax treatment of a partner in or owner of the partnership or other entity or arrangement will generally depend upon the status of the partner or owner and the activities of the entity. Prospective investors who are partners in partnerships (or other entities or arrangements treated as partnerships for U.S. federal income tax purposes) that are beneficial owners of the Common Shares are urged to consult their own tax advisors regarding the tax consequences of the ownership and disposition of the Common Shares.

This summary is of a general nature only and is not intended to be tax advice to any prospective investor, and no representation with respect to the tax consequences to any particular investor is made. *Prospective investors are urged to consult their own tax advisors regarding the application of federal income tax laws to their particular circumstances, as well as any state, provincial, local, non-U.S. and other tax consequences of investing in the Common Shares and acquiring, holding or disposing of the Common Shares.*

Passive Foreign Investment Company Rules

A foreign corporation will generally be considered a PFIC for any taxable year in which (1) 75% or more of its gross income is “passive income” under the PFIC rules or (2) 50% or more of the average quarterly value of its assets produce (or are held for the production of) “passive income.” In general, “passive income” includes dividends, interest, certain rents and royalties and certain gains, including the excess of gains over losses from certain commodities transactions. Net gains from commodities transactions are generally treated as passive income unless such gains are active business gains from the sale of commodities and “substantially all” of the corporation’s commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business. Moreover, for purposes of determining if the foreign corporation is a PFIC, if the foreign corporation owns, directly or indirectly, at least 25%, by value, of the shares of another corporation, it will be treated as if it directly holds its proportionate share of the assets and receives directly its proportionate share of the income of such other corporation. If a corporation is treated as a PFIC with respect to a U.S. Holder for any taxable year, the corporation will continue to be treated as a PFIC with respect to that U.S. Holder in all succeeding taxable years, regardless of whether the corporation continues to meet the PFIC requirements in such years, unless certain elections are made.

Based on the Company’s income and assets for the year ended December 31, 2025, the Company believes that it was not treated as a PFIC for the preceding taxable year. Whether the Company will be treated as a PFIC for U.S. federal income tax purposes for the current taxable year or any future taxable year is a factual determination that must be made annually after the close of each taxable year and depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and on the composition of the Company’s income and assets and the value of its assets from time to time. Therefore, there can be no assurance that the Company was not classified as a PFIC for the year ending December 31, 2025 or will not be a PFIC for the current or any future taxable year. If the Company is classified as a PFIC, a U.S. Holder that does not make any of the elections described below would be required to report any gain on the disposition of the Common Shares as ordinary income, rather than as capital gain, and to compute the tax liability on the gain and any “Excess Distribution” (as defined below) received in respect of Common Shares as if such items had been earned ratably over each day in the U.S. Holder’s holding period (or a portion thereof) for Common Shares. The amounts allocated to the taxable year during which the gain is realized or distribution is made, and to any taxable years in such U.S. Holder’s holding period that are before the first taxable year in which the Company is treated as a PFIC with respect to the U.S. Holder, would be included in the U.S. Holder’s gross income as ordinary income for the taxable year of the gain or distribution. The amount allocated to each other taxable year would be taxed as ordinary income in the taxable year during which the gain is realized or distribution is made at the highest tax rate in effect for the U.S. Holder in that other taxable year and would be subject to an interest charge as if the income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of Common Shares as security for a loan may be treated as a taxable disposition of Common Shares. An “Excess Distribution” is the amount by which distributions during a taxable year in respect of a Common Share exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder’s holding period for Common Shares).

Certain additional adverse tax rules will apply to a U.S. Holder for any taxable year in which the Company is treated as a PFIC with respect to such U.S. Holder and any of the Company's subsidiaries is also treated as a PFIC (a "**Subsidiary PFIC**"). In such a case, the U.S. Holder will generally be deemed to own its proportionate interest (by value) in any Subsidiary PFIC and be subject to the PFIC rules described above with respect to the Subsidiary PFIC regardless of such U.S. Holder's percentage ownership in us.

The adverse tax consequences described above may be mitigated if a U.S. Holder makes a timely "qualified electing fund" election ("**QEF Election**"), with respect to its interest in the PFIC. Consequently, if the Company is classified as a PFIC, it may be advantageous for a U.S. Holder to elect to treat us as a "qualified electing fund" with respect to such U.S. Holder in the first year in which it holds Common Shares. If a U.S. Holder makes a timely QEF Election with respect to the Company, provided that the necessary information is provided by the Company, the electing U.S. Holder would be required in each taxable year that the Company is considered a PFIC to include in gross income (i) as ordinary income, the U.S. Holder's pro rata share of the ordinary earnings of the Company and (ii) as capital gain, the U.S. Holder's pro rata share of the net capital gain (if any) of the Company, whether or not the ordinary earnings or net capital gain are distributed. An electing U.S. Holder's basis in Common Shares will be increased to reflect the amount of any taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in Common Shares and will not be taxed again as distributions to the U.S. Holder.

A QEF Election made with respect to the Company will not apply to any Subsidiary PFIC; a QEF Election must be made separately for each Subsidiary PFIC (in which case the treatment described above would apply to such Subsidiary PFIC). If a U.S. Holder makes a timely QEF Election with respect to a Subsidiary PFIC, it would be required in each taxable year to include in gross income its pro rata share of the ordinary earnings and net capital gain of such Subsidiary PFIC, but may not receive a distribution of such income. Such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge (which would not be deductible for U.S. federal income tax purposes if the U.S. Holder were an individual).

The U.S. federal income tax on any gain from the disposition of Common Shares or from the receipt of Excess Distributions may be greater than the tax if a timely QEF Election is made. For any taxable year in which the Company determines that it was likely a PFIC, the Company intends to make available to U.S. Holders, upon request and in accordance with applicable procedures, a "PFIC Annual Information Statement" for such taxable year with respect to the Company and, if applicable, any Subsidiary PFIC in which it owns more than 50% of such subsidiary's total aggregate voting power. The "PFIC Annual Information Statement" may be used by U.S. Holders for purposes of complying with the reporting requirements applicable to a QEF election with respect to the Company and, if applicable, any Subsidiary PFIC.

Alternatively, if the Company was to be classified as a PFIC, a U.S. Holder could also avoid certain of the rules described above by making a mark-to-market election (a "**Mark-to-Market Election**"), instead of a QEF Election, provided Common Shares are treated as regularly traded on a qualified exchange or other market within the meaning of the applicable U.S. Treasury Regulations. However, a U.S. Holder will not be permitted to make a Mark-to-Market Election with respect to a Subsidiary PFIC. U.S. Holders should consult their own tax advisers regarding the potential availability and consequences of a Mark-to-Market Election, as well as the advisability of making a protective QEF Election in case the Company is classified as a PFIC in any taxable year.

During any taxable year in which the Company or any Subsidiary PFIC is treated as a PFIC with respect to a U.S. Holder, that U.S. Holder generally must file IRS Form 8621. U.S. Holders should consult their own tax advisers concerning annual filing requirements.

Distributions on Common Shares

In general, subject to the PFIC rules discussed above, the gross amount of any distribution received by a U.S. Holder with respect to the Common Shares (including amounts withheld to pay Canadian withholding taxes) will be included in the gross income of the U.S. Holder as a dividend to the extent attributable to the Company's current and accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not expect to maintain calculations of the Company's earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that a distribution will generally be treated as a dividend for U.S. federal income tax purposes.

The amount of any distributions paid in Canadian dollars will equal the U.S. dollar value of such distributions determined by reference to the exchange rate on the day they are received by the U.S. Holder (with the value of such distributions computed before any reduction for any Canadian withholding tax), regardless of whether the payment is in fact converted into U.S. dollars at that time. A U.S. Holder will have a tax basis in Canadian dollars equal to their U.S. dollar value on the date of receipt. If the Canadian dollars received are converted into U.S. dollars on the date of receipt, the U.S. Holder will generally not be required to recognize foreign currency gain or loss in respect of the distribution. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder may recognize foreign currency gain or loss on a subsequent conversion or other disposition of the Canadian dollars. Such gain or loss generally will be treated as U.S. source ordinary income or loss.

Subject to applicable limitations and provided the Company is eligible for the benefits of the US Treaty or the Common Shares are readily tradable on a United States securities market, dividends paid by the Company to non-corporate US Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company is not classified as a PFIC in the tax year of distribution or in the preceding tax year. Any amount of distributions treated as dividends generally will not be eligible for the dividends received deduction available to certain corporate U.S. Holders in respect of dividends received from U.S. corporations.

Distributions to a U.S. Holder with respect to the Common Shares may be subject to Canadian non-resident withholding tax. Any Canadian withholding tax paid will not reduce the amount treated as received by the U.S. Holder for U.S. federal income tax purposes. However, subject to a number of complex limitations imposed by U.S. law, a U.S. Holder may be eligible to receive a foreign tax credit for the Canadian withholding tax. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends generally will constitute "passive category income." The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances. U.S. Holders who do not elect to claim a foreign tax credit may be able to claim an ordinary income tax deduction for Canadian income tax withheld, but only for a taxable year in which the U.S. Holder elects to do so with respect to all non-U.S. income taxes paid or accrued in such taxable year.

Sale, Exchange or Other Taxable Disposition of Common Shares

Subject to the PFIC rules discussed above, upon a sale, exchange or other taxable disposition of the Common Shares, a U.S. Holder will generally recognize a capital gain or loss equal to the difference between the amount realized on such sale, exchange or other taxable disposition and the adjusted tax basis of such Common Shares. If any foreign tax is imposed on the sale, exchange or other disposition of the Common Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the disposition before deduction of the tax. A U.S. Holder's initial tax basis in the Common Shares generally will equal the cost of such Common Shares. Such gain or loss will be a long-term capital gain or loss if the Common Shares have been held for more than one year and will be short-term gain or loss if the holding period is equal to or less than one year. Such gain or loss generally will be considered U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gains of certain non-corporate U.S. Holders are eligible for reduced rates of taxation. For both corporate and non-corporate U.S. Holders, limitations apply to the deductibility of capital losses.

Information Reporting and Backup Withholding

In general, dividends paid to a U.S. Holder in respect of the Common Shares and the proceeds received by a U.S. Holder from the sale, exchange or other disposition of the Common Shares within the United States or through certain U.S.-related financial intermediaries will be subject to U.S. information reporting rules, unless a U.S. Holder is a corporation or other exempt recipient and properly establishes such exemption. Backup withholding may apply to such payments if a U.S. Holder does not establish an exemption from backup withholding and fails to provide a correct taxpayer identification number and make any other required certifications.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

In addition, U.S. Holders should be aware of reporting requirements with respect to the holding of certain foreign financial assets, including stock of foreign issuers which is not held in an account maintained by certain financial institutions, if the aggregate value of all of such assets exceeds the appropriate reporting threshold applicable to the U.S. Holder. U.S. Holders must attach a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their return for each year in which they hold the Common Shares. U.S. Holders should also be aware that if the Company were a PFIC, they would generally be required to file IRS Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, during any taxable year in which such U.S. Holder recognizes gain or receives an excess distribution or with respect to which the U.S. Holder has made certain elections. U.S. Holders are urged to consult their own tax advisors regarding the application of the information reporting rules to the Common Shares and their particular situations.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF THE COMMON SHARES. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN COMMON SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

10.F. Dividends and Paying Agents

Not applicable.

10.G. Statement by Experts

Not applicable.

10.H. Documents on Display

Documents concerning our company referred to in this Annual Report may be viewed by appointment during normal business hours at our registered and records office at 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3. Further, we file reports under Canadian regulatory requirements on SEDAR+; you may access our reports filed on SEDAR by accessing their website at www.sedarplus.ca. The Company is subject to the informational requirements of the Exchange Act, and files reports, Annual Reports and other information with the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Company's reports, Annual Reports and other information can be inspected on the SEC's website.

10.I. Subsidiary Information

Not applicable.

10.J. Annual Report to Security Holders

If we are required to furnish an annual report to security holders on Form 6-K, we will submit such annual report in electronic format in accordance with the EDGAR Filer Manual.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Corporation’s activities expose it to a variety of financial risks: liquidity risk, credit risk, and market risk (including foreign currency risk and interest rate risk).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Per Note 1, the Company does not have sufficient financial resources necessary to complete the construction and final commissioning of the Refinery and the Company is going through a planning and budgeting process to update the capital estimates and completion schedule associated with the Refinery. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, considering its current cash position and potential funding sources. Although the Company has historically been successful in obtaining financing in the past, there can be no assurances that the Company will be able to obtain adequate financing in the future. This represents a material uncertainty that casts substantial doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include the adjustments to the amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

The following are the contractual maturities of financial liabilities as at December 31, 2025 and December 31, 2024:

	As at December 31, 2025		
	< 1 Year	Between 1 – 2 Years	>2 Years
Accounts payable and accrued liabilities	\$ 5,817	\$ —	\$ —
Long-term government loan payable	36	36	5,125
Term loan	—	—	38,920
Lease payable	128	43	—
Deferred government grant	642	—	—
Total	\$ 6,623	\$ 79	\$ 44,045

	As at December 31, 2024		
	< 1 Year	Between 1 – 2 Years	>2 Years
Accounts payable and accrued liabilities	\$ 3,579	\$ —	\$ —
Long-term government loan payable	36	1,615	8,519
Convertible notes payable ¹	8,057	8,012	99,071
Lease payable	125	128	43
Total	\$ 11,797	\$ 9,755	\$ 107,633

¹ Amounts are based on contractual maturities of 2028 Notes and assumption that it would remain outstanding until maturity. Per Note 13, previously existing debt was cancelled and replaced with 2028 Notes on February 13, 2023.

For 2024 and 2023 the Company assumed the notes will remain outstanding until maturity. If noteholders convert prior to maturity, they would be entitled to a make-whole interest payment upon conversion. This payment cannot exceed the remaining coupon payments owing and thus the tables above present all interest payments to maturity, which represents the maximum possible cash outflow to the Company.

The contractual liabilities relating to government loan payable assumes that repayment would began on June 30, 2028 in 19 equal quarterly instalments.

Fair Value

The Company's financial instruments consisted of cash and cash equivalents, restricted cash, a term loan pursuant to the October 2025 Credit Agreement, long-term government loan payable, warrants liability, and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, restricted cash, prepaid expenses and deposits, receivables and accounts payable and accrued liability approximate their carrying values because of their current nature. The fair value of long-term government loan payables are estimated as \$5,196 (December 31, 2024 - \$7,824) utilizing a discounted cash flow calculation based on cash interest and principal payments and an interest rate of 16.0% (December 31, 2024 –ranging from 7.0% to 17.1%) which would expected to be achieved on a standard debt arrangement.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents and restricted cash which are being held in with major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's receivables primarily consist of HST refund due from Canada Revenue Agency and reimbursement to be received from NRCan and DoD, hence there is no significant credit risk on receivables.

As at December 31, 2025, the Company's maximum exposure to credit was the carrying value of cash and cash equivalents, restricted cash, and receivables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, prepayments, accounts payable and accrued liabilities, derivative financial liabilities on warrants and its long-term debts that are denominated in US Dollars. The Company has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. The following table indicates the foreign currency exchange risk on monetary financial instruments as at December 2025 and 2024 converted to Canadian Dollars:

	As at December 31, 2025
	USD denominated expressed in CAD
Cash and cash equivalents	\$ 25,019
Accounts payable and accrued liabilities	(641)
Term loan	(38,168)
Royalty	(2,338)
Total	<u>\$ (16,128)</u>

	As at December 31, 2024
	USD denominated expressed in CAD
Cash and cash equivalents	\$ 3,391
Accounts payable and accrued liabilities	(478)
Interest accrual	(2,799)
Long-term convertible notes payable	(63,963)
Royalty	(1,283)
Total	<u>\$ (65,132)</u>

During the year ended December 31, 2025, the Company recognized a gain of \$1,159 on foreign exchange (December 31, 2024 – loss of \$4,338). Based on the above exposures as at December 31, 2025, a 10% depreciation or appreciation of the US Dollar against the Canadian Dollar would result in a \$1,232 decrease or increase in the Company's net income before tax (2024 - \$6,149).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company currently does not have any financial instruments that are linked to LIBOR, SOFR, or any form of a floating market interest rate. Therefore, changes in the market interest rate does not have an impact on the Company as at December 31, 2025.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. Debt Securities

Not applicable.

12.B. Warrants and Rights

Not applicable.

12.C. Other Securities

Not applicable.

12.D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as such term is defined in Rule 13a 15(e) and Rule 15d 15(e) under the Exchange Act) was carried out by the Company's principal executive officer (the "CEO") and principal financial officer (the "CFO"). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based upon their evaluation, the Company's CEO and CFO concluded that, during the fiscal year ended December 31, 2025, the Company's disclosure controls and procedures were effective and appropriately designed as of September 30, 2025.

Management Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") (as such term is defined in Rule 13a 15(f) and Rule 15d 15(f) under the Exchange Act) and has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In designing and evaluating the Company's ICFR, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its reasonable judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company's ICFR as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of progress made strengthening ICFR during 2024 and 2025, management no longer feels there are significant deficiencies in its internal controls over financial reporting. Previous deficiencies noted by management have been ameliorated during 2024 and 2025, including during the quarter ended September 30, 2025 and for the year-ended December 31, 2025.

Management noted improvement in the following areas where significant deficiencies existed in the past:

- Control Environment
 - The Company has added trained financial reporting and accounting personnel with appropriate skills and knowledge regarding the design, implementation, and operation of internal controls over financing reporting. The team is in the process of implementing and improving processes and procedures to identify, monitor and improve ICFR and DCP.
- Procurement, Payment and Receiving Processes

The Company has improved reporting and receiving processes to ensure adherence to the Company's policies at the Refinery.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with securities regulatory authorities are recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company's management to ensure timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer, along with Management, have evaluated and concluded that the Company's disclosure controls and procedures were effective and appropriately designed as at September 30, 2025 and for the year-ended December 31, 2025.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believes that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

Attestation Report of Independent Auditor

In accordance with the JOBS Act enacted on April 5, 2012, the Company qualifies as an "emerging growth company," which entitles the Company to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs. Specifically, the JOBS Act defers the requirement to have the Company's independent auditor assess the Company's internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act. As such, the Company is exempted from the requirement to include an auditor attestation report in this Annual Report for so long as the Company remains an EGC, which may be for as long as five years following its initial registration in the United States.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Audit Committee, which consists exclusively of independent directors in accordance with Nasdaq listing requirements, is comprised of Alden Greenhouse (Chair), Susan Uthayakumar and John Pollesel. The Board of Directors has determined that each member meets the independence requirements for directors, including the heightened independence standards for members of the audit committee under Rule 10A-3 under the Exchange Act. The Board has determined that Alden Greenhouse is "financially literate" within the meaning of Nasdaq listing requirements and an "audit committee financial expert" as defined by Rule 10A-3 under the Exchange Act. For a description of the education and experience of each member of the Audit Committee, see "Item 6A. Directors, Senior Management and Employees."

ITEM 16B. CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics, attached hereto as Exhibit 11.1, applicable to all of its directors, officers and employees, including its CEO and CFO, which is a "code of ethics" as defined under Item 16B of Form 20-F. The Code of Business Conduct and Ethics sets out the fundamental values and standards of behavior that the Company expects from our directors, officers and employees with respect to all aspects of its business.

If the Company amends or grants any waiver of the Code of Business Conduct and Ethics, whether explicit or implicit, to a director or executive officer, it will be promptly disclosed as required by any applicable law or applicable rules and guidelines of any stock exchange on which the securities of the Company are listed. During the year ended December 31, 2025, the Company did not waive or implicitly waive any provision of the Code with respect to any of the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

The full text of the Code of Business Conduct and Ethics is posted on the Company's website at www.electrabmc.com. The information on or accessible through the website is not part of and is not incorporated by reference into this Annual Report, and the inclusion of the website address in this Annual Report is only for reference. A copy of our Code of Business Conduct and Ethics may also be obtained, without charge, upon a written request addressed to our office at 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3.

The Audit Committee is responsible for reviewing and evaluating the Code of Business Conduct and Ethics periodically and will recommend any necessary or appropriate changes thereto to the Board for consideration. The Audit Committee will also assist the Board of Directors with the monitoring of compliance with the Code of Business Conduct and Ethics.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit fees are as follows.

Fees in Canadian dollars	December 31, 2025	December 31, 2024
Audit fees(1)	\$ 582,120	\$ 675,105
Audit-related fees(2)	\$ 77,305	Nil
Tax fees(3)	Nil	Nil
All other fees(4)	\$ 47,518	\$ 12,500
Total	\$ 706,943	\$ 687,605

Notes:

- (1) The aggregate fees billed for audit services, including fees relating to the review of quarterly financial statements, and statutory audits of the Company’s subsidiaries.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not disclosed in the “Audit Fees” row.
- (3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
- (4) “All other fees” means the aggregate fees incurred in each of the fiscal years listed for the professional tax services rendered by the Company’s principal accounting firm other than services reported under “Audit fees,” “Audit-related fees” and “Tax fees”.

The policy of the Company’s Audit Committee is to pre-approve all audit and non-audit services provided by MNP LLP, its current independent registered public accounting firm, including audit services, audit-related services, and other services as described above. Pursuant to this policy, the Audit Committee pre-approved all of the services provided to us by MNP during the year ended December 31, 2025.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE COMPANY AND AFFILIATED PURCHASERS

Not Applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not Applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Registrant is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act and its common shares are listed on Nasdaq. Nasdaq Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practices in lieu of certain requirements in the Nasdaq Listing Rules. A foreign private issuer that follows home country practices in lieu of certain corporate governance provisions of the Nasdaq Listing Rules must disclose each Nasdaq corporate governance requirement that it does not follow and include a brief statement of the home country practice the issuer follows in lieu of the Nasdaq corporate governance requirement(s), either on its website or in its annual filings with the Commission. A description of the significant ways in which the Registrant’s corporate governance practices differ from those followed by domestic companies pursuant to the applicable Nasdaq Listing Rules is disclosed on the Registrant’s website at www.electrabmc.com under “About/Corporate Governance/Nasdaq Corporate Governance Disclosure”.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and listing standards applicable to us. Our Insider Trading Policy has been filed as Exhibit 11.2 to this Annual Report.

ITEM 16K. CYBERSECURITY

The Company has developed and implemented cybersecurity risk management measures intended to protect the confidentiality, integrity, and availability of its critical systems and information. The Company's cybersecurity risk management measures are integrated into its overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

The cybersecurity risk management measures set out the foundation of the process for assessing, identifying and managing material risks from cybersecurity threats and provide guidance for response plans when facing cybersecurity threats. The Company has not engaged assessors or other third parties in connection with such processes.

There can be no assurance that the Company's cybersecurity risk management measures and processes, including its policies, controls or procedures, will be fully implemented, complied with or effective in protecting the Company's systems and information. The Company has not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected the Company, including its operations, business strategy, results of operations, or financial condition. The Company faces risks from cybersecurity threats that, if realized, are reasonably likely to materially affect it, including the Company's operations, business strategy, results of operations, or financial condition. Many of the laws and regulations regarding cybersecurity, information security, privacy and data protection applicable to the Company are subject to change and uncertain interpretation, and any failure or perceived failure to comply with such laws and regulations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm the business of the Company.

Cybersecurity Governance

The Board has general oversight power over cybersecurity issues and has delegated daily supervision responsibility to the Company's IT department. The IT department, consisting of personnel with relevant expertise in cybersecurity management, oversees the implementation of the Company's cybersecurity risk management measures. The IT department supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources; and alerts and reports produced by security tools deployed in the IT environment. The IT department is led by Carmelo Andrews, IT Manager, who has more than 20 years in cybersecurity and technology matters. Mr. Andrews or other appropriate personnel with knowledge of the Company's cybersecurity and information security programs reports to the Board concerning cybersecurity threats and measures taken by the Company to mitigate and reduce such threats and would report on any material cybersecurity incidents.

PART III

ITEM 17: FINANCIAL STATEMENTS

Refer to Item 18. Financial Statements.

ITEM 18: FINANCIAL STATEMENTS

Financial Statements Filed as Part of this Annual Report:

Audited Annual Financial Statements as at December 31, 2023, 2024 and 2025:

[Independent Auditor's Report of MNP LLP, dated March 27, 2026 \(PCAOB ID: 1930\);](#)

[Consolidated Statements of Financial Position for the years ended December 31, 2025 and 2024;](#)

[Consolidated Statements of Comprehensive Income \(Loss\) for the years ended December 31, 2025, 2024 and 2023;](#)

[Consolidated Statements of Changes in Shareholder Equity \(Deficiency\) for the years ended December 31, 2025, 2024 and 2023;](#)

[Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023;](#)

[Notes to the Consolidated Financial Statements.](#)

ITEM 19. EXHIBITS

The following Exhibits are being filed as part of this Annual Report, or are incorporated by reference where indicated:

Exhibit Number	Description
1.1	Certificate of Continuance, First Cobalt Corp., dated September 4, 2018 (incorporated herein by reference to exhibit 1.1 to the Company's Form 20-F filed on May 16, 2024)
1.2	Certificate of Amendment to the Articles of Incorporation of Electra Battery Materials Corporation, dated December 6, 2021 (incorporated herein by reference to exhibit 4.2 to the Company's Form S-8 (File No. 333-264589) filed with the SEC on April 29, 2022)
1.3	Certificate of Amendment to the Articles of Incorporation of Electra Battery Materials Corporation dated November 17, 2022 (incorporated herein by reference to exhibit 1.3 to the Company's Form 20-F filed on May 16, 2024)
1.4	Certificate of Amendment to the Articles of Incorporation of Electra Battery Materials Corporation dated December 31, 2024 (incorporated herein by reference to exhibit 1.4 to the Company's Form 20-F filed on April 24, 2025)
1.5	By Laws of Electra Battery Materials Corporation (incorporated herein by reference to exhibit 4.3 to the Company's Form S-8 (File No. 333-264589) filed on April 29, 2022)
2.1	Description of Securities (incorporated herein by reference to exhibit 2.1 to the Company's Form 20-F filed on May 16, 2024)
2.2	Warrant Indenture by and between Electra Battery Materials Corporation and TSX Trust Company, dated November 15, 2022 (incorporated herein by reference to exhibit 99.1 to the Company's Form 6-K filed on November 15, 2022)
2.3	Warrant Indenture by and between Electra Battery Materials Corporation and TSX Trust Company, dated February 13, 2023 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K furnished on February 14, 2023)
2.4	First Supplemental Warrant Indenture by and between Electra Battery Materials Corporation and TSX Trust Company, dated January 12, 2024 (incorporated herein by reference to exhibit 2.4 to the Company's Form 20-F filed on April 24, 2025)
2.5	Second Supplemental Warrant Indenture by and between Electra Battery Materials Corporation and TSX Trust Company, dated November 27, 2024 (incorporated herein by reference to exhibit 2.5 to the Company's Form 20-F filed on April 24, 2025)
2.6	Indenture, dated as of February 13, 2023, for Convertible Senior Secured Notes due 2028, by and between, Electra Battery Materials Corporation, the Guarantors Party thereto, and GLAS Trust Company LLC, as Trustee and Collateral Trustee (incorporated herein by reference to exhibit 99.1 to the Company's Form 6-K furnished on February 14, 2023)
2.7	Supplemental Indenture, dated as of November 27, 2024, for Convertible Senior Secured Notes due 2028, by and between, Electra Battery Materials Corporation, the Guarantors Party thereto, and GLAS Trust Company LLC, as Trustee and Collateral Trustee (incorporated herein by reference to exhibit 2.7 to the Company's Form 20-F filed on April 24, 2025)
2.8	Limited Waiver, dated as of February 27, 2024, by and among Electra Battery Materials Corporation, certain Holders of the Company's Convertible Senior Secured Notes due 2028, and GLAS Trust Company, LLC, as Trustee for the Holders (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K furnished on February 28, 2024)
2.9	Limited Waiver, dated as of August 14, 2024, by and among Electra Battery Materials Corporation, certain Holders of the Company's Convertible Senior Secured Notes due 2028, and GLAS Trust Company, LLC, as Trustee for the Holders (incorporated herein by reference to exhibit 2.9 to the Company's Form 20-F filed on April 24, 2025)
2.10	Limited Waiver, dated as of November 27, 2024, by and among Electra Battery Materials Corporation, certain Holders of the Company's Convertible Senior Secured Notes due 2028, and GLAS Trust Company, LLC, as Trustee for the Holders (incorporated herein by reference to exhibit 2.10 to the Company's Form 20-F filed on April 24, 2025)
2.11	Warrant Indenture, dated as of November 27, 2024, by and between Electra Battery Materials Corporation and TSX Trust Company (incorporated herein by reference to exhibit 2.11 to the Company's Form 20-F filed on April 24, 2025)
2.12	Equity Subscription Agreement, entered into on November 25, 2024, by and among Electra Battery Materials Corporation and the Subscriber named thereto (incorporated herein by reference to exhibit 2.12 to the Company's Form 20-F filed on April 24, 2025)
2.13	Convertible Note Subscription Agreement, entered into on November 25, 2024, by and among Electra Battery Materials Corporation and the Subscriber named thereto (incorporated herein by reference to exhibit 2.13 to the Company's Form 20-F filed on April 24, 2025)

2.14	Indenture, dated as of November 27, 2024, for 12.00% Convertible Senior Secured Notes due 2027, by and among Electra Batter Materials Corporation, the Guarantors Party thereto, and GLAS Trust Company, LLC, as Trustee and Collateral Trustee (incorporated herein by reference to exhibit 2.14 to the Company's Form 20-F filed on April 24, 2025)
2.17	Form of Promissory Note, dated as of August 22, 2025 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K furnished on August 25, 2025)
2.18	Warrant Indenture, dated as of October 22, 2025, by and between Electra Battery Materials Corporation and TSX Trust Company (incorporated herein by reference to exhibit 99.5 to the Company's Form 6-K furnished on October 24, 2025)
2.19	Form of Pre-Funded Common Price Purchase Warrant, dated as of October 22, 2025 (incorporated herein by reference to exhibit 99.6 to the Company's Form 6-K furnished on October 24, 2025)
4.1	At-The-Market Offering Agreement, dated as of June 26, 2025, by and between Electra Battery Materials Corporation and H.C. Wainwright & Co., LLC (incorporated herein by reference to exhibit 99.1 to the Company's Form 6-K furnished on December 23, 2025)
4.2	Transaction Support Agreement, dated August 21, 2025, by and among Electra Battery Materials Corporation and certain Holders of the Company's Convertible Senior Secured Notes due 2027 and the Company's Convertible Senior Secured Notes due 2028 (incorporated herein by reference to exhibit 99.1 to the Company's Form 6-K furnished on August 25, 2025)
4.3	Amendment No. 1 to Transaction Support Agreement, dated August 21, 2025, as amended September 17, 2025 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K furnished on September 18, 2025)
4.4	Amendment No. 2 to Transaction Support Agreement, dated August 21, 2025, as amended October 21, 2025 (incorporated herein by reference to exhibit 99.1 to the Company's Form 6-K furnished on October 24, 2025)
4.5	Exchange Agreement, dated as of October 22, 2025 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K furnished on October 24, 2025)
4.6	Amended and Restated Cobalt Royalty Agreement, dated as of October 22, 2025 (incorporated herein by reference to exhibit 99.3 to the Company's Form 6-K furnished on October 24, 2025)
4.7	Registration Rights Agreement, dated as of October 22, 2025 (incorporated herein by reference to exhibit 99.4 to the Company's Form 6-K furnished on October 24, 2025)
4.8	Credit and Guaranty Agreement, dated as of October 22, 2025 (incorporated herein by reference to exhibit 99.7 to the Company's Form 6-K furnished on October 24, 2025)
4.9	Form of Warrants to Purchase Common Shares regarding the 2025 Offering (incorporated by reference to exhibit 4.11 to the Registration Statement on Form F-3 filed on November 25, 2025)
8.1	Subsidiaries of the Company (incorporated herein by reference to exhibit 8.1 to the Company's Form 20-F filed May 16, 2024)
11.1	Code of Business Conduct and Ethics (incorporated herein by reference to exhibit 11.1 to the Company's Form 20-F filed May 16, 2024)
11.2	Insider Trading Policy (incorporated herein by reference to exhibit 11.2 to the Company's Form 20-F filed April 24, 2025)
12.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
12.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
13.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Management Discussion and Analysis of the Company for the year ended December 31, 2025 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K filed March 27, 2026)
15.2	Management Discussion and Analysis of the Company for the year ended December 31, 2024 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K filed March 31, 2025)
15.3	Audit Committee Charter (incorporated herein by reference to exhibit 15.3 to the Company's Form 20-F filed April 24, 2025)
15.4	Compensation, Governance and Nominating Committee Charter (incorporated herein by reference to exhibit 15.4 to the Company's Form 20-F filed May 16, 2024)
15.5*	Operations Committee Charter
15.6	SK1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA, effective January 27, 2023 (incorporated herein by reference to exhibit 15.5 to the Company's Form 20-F filed May 16, 2024)
15.7	NI 43-101 Technical Report and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA, effective January 27, 2023 (incorporated herein by reference to exhibit 99.2 to the Company's Form 6-K filed March 13, 2023)
15.8*	Consent of independent registered public accounting firm, MNP LLP, Chartered Professional Accountants (PCAOB ID: 1930)
15.9*	Consent of Norda Stelo Inc. (formerly Innovexplo Inc.)
15.10*	Consent of Martin Perron, P.Eng.
15.11*	Consent of Marc R. Beauvais, P.Eng.
15.12*	Consent of Eric Kinnan, P.Geo
15.13*	Consent of Soutex Inc.
15.14*	Consent of Pierre Roy, P.Eng.
97.1	Clawback Policy (incorporated herein by reference to exhibit 97.1 to the Company's Form 20-F filed May 16, 2024)
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Linkbase Document
101.AL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within Inline XBRL document)

* Filed herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Electra Battery Materials Corporation

/s/ Trent Mell

By: Trent Mell

Title: President & Chief Executive Officer

Date: March 27, 2026



ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

Report of Management's Accountability

The accompanying audited consolidated financial statements of Electra Battery Materials Corporation were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for significant accounting judgements and estimates and for the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has implemented appropriate processes to support management representations that it has exercised reasonable diligence that the consolidated financial statements fairly present, in all material respects, the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements to ensure the Company fulfills its financial reporting responsibilities. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management Directors. The Audit Committee reviews the consolidated financial statements, management's discussion and analysis and the external auditors' report; examines the fees and expenses for audit services; and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the consolidated financial statements for issuance. MNP LLP, the external auditors, have full and free access to the Audit Committee.

/s/ "Trent Mell"
President and Chief Executive Officer

/s/ "David Allen"
Chief Financial Officer

March 27, 2026



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Electra Battery Materials Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Electra Battery Materials Corporation (the “Company”) as at December 31, 2025 and 2024 and the related consolidated statements of loss and other comprehensive loss, shareholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and the results of its consolidated operations and its consolidated cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 of the consolidated financial statements, the Company has suffered recurring operating losses and negative cash flows from operations which raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

MNP LLP
1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

March 27, 2026
Toronto, Ontario

We have served as the Company's auditor since 2023.

MNP LLP
1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9

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ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 AND 2024

(expressed in thousands of Canadian dollars)

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 39,024	\$ 3,717
Marketable securities (Note 8)	-	12
Prepaid expenses and deposits	812	672
Receivables (Note 5)	666	1,310
	40,502	5,711
Non-Current Assets		
Exploration and evaluation assets (Note 7)	88,776	93,200
Property, plant and equipment (Note 6)	55,078	51,189
Capital long-term prepayments (Note 6)	-	139
Long-term restricted cash	1,208	1,208
Total Assets	\$ 185,564	\$ 151,447
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 5,817	\$ 3,579
Accrued interest	-	2,799
Convertible notes payable (Note 11)	-	63,963
Warrants (Note 11)	-	1,582
US warrants (Note 14 and 17 (c))	81,658	-
Lease liability (Note 15)	55	50
Deferred government grant (Note 10)	642	-
	88,172	71,973
Non-Current Liabilities		
Term loan (Note 13)	38,168	-
Government loan payable (Note 10)	5,196	7,824
Government grants (Note 10)	3,124	3,124
Royalty (Note 12)	2,338	1,283
Lease liability (Note 15)	27	83
Asset retirement obligations (Note 9)	2,289	2,842
Total Liabilities	\$ 139,314	\$ 87,129
Shareholders' Equity		
Common shares (Note 16)	419,966	307,723
Reserve (Note 16)	33,143	26,848
Accumulated other comprehensive income	1,498	4,639
Deficit	(408,357)	(274,892)
Total Shareholders' Equity	\$ 46,250	\$ 64,318
Total Liabilities and Shareholders' Equity	\$ 185,564	\$ 151,447
Going Concern (Note 1)		
Commitments and Contingencies (Note 24)		
Subsequent events (Note 27)		

Approved on behalf of the Board of Directors and authorized for issue on March 27, 2026

/s/ Alden Greenhouse

/s/ Trent Mell

Alden Greenhouse, Director

Trent Mell, Director

See accompanying notes to consolidated financial statements.

ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(expressed in thousands of Canadian dollars)

	For the years ended December 31,		
	2025	2024	2023
Operating expenses			
General and administrative	\$ 3,071	\$ 2,902	\$ 2,395
Consulting and professional fees	5,103	3,782	4,659
Exploration and evaluation expenditures	255	442	700
Investor relations and marketing	622	811	633
Salaries and benefits	6,513	4,318	3,775
Share-based payments (Note 17)	1,453	1,739	1,821
Operating loss:	17,017	13,994	13,983
Other			
Unrealized gain (loss) on marketable securities (Note 8)	4	41	(253)
(Loss) gain on financial derivative liability – Convertible Notes (Note 11)	(10,354)	(4,493)	6,683
Changes in fair value of US warrants (Note 14 and 17 (c))	74,410	7	1,243
Loss on extinguishment of 2028 and 2027 Notes (Note 11)	(168,183)	-	-
Impairment	-	-	(51,884)
Other non-operating loss (Note 19)	(12,325)	(11,008)	(6,472)
Net loss	\$ (133,465)	\$ (29,447)	\$ (64,666)
Other comprehensive income (loss):			
Fair value adjustment of 2028 Notes and 2027 Notes due to own credit risk	1,283	(1,342)	-
Foreign currency translation gain (loss)	(4,424)	7,538	(2,082)
Net loss and other comprehensive loss	\$ (136,606)	\$ (23,251)	\$ (66,748)
Basic and diluted loss per share (Note 20)	\$ (4.16)	\$ (2.07)	\$ (5.96)
Weighted average number of common shares outstanding - Basic and diluted (Note 20)	32,104,582	14,256,263	10,857,737

See accompanying notes to consolidated financial statements.

ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(expressed in thousands of Canadian dollars)

	Common Shares			Reserves	Accumulated Other Compre- hensive Income (Loss)	Deficit	Total
	Number of shares	Amount					
Balance – January 1, 2025	14,809,197	\$ 307,723	\$ 26,848	\$ 4,639	\$ (274,892)	\$ 64,318	
Other comprehensive earnings for the period	-	-	-	(3,141)	-	(3,141)	
Net loss for the period	-	-	-	-	(133,465)	(133,465)	
Share-based payment expense	-	-	1,453	-	-	1,453	
Directors' fees paid in deferred share units	-	-	254	-	-	254	
Exercise of warrants (Note 16)	2,481,786	13,925	-	-	-	13,925	
Exercise of broker warrants, restricted share units and stock options (Note 16)	107,860	287	(125)	-	-	162	
April private placement, net of transaction costs of \$338 (Note 16)	3,125,000	3,421	109	-	-	3,530	
October private placement, net of transaction costs of \$5,078 (Note 16)	46,000,000	24,642	4,604	-	-	29,246	
Exercise of pre-funded warrants	5,330,000	7,302	-	-	-	7,302	
Shares issued on settlement of 2028 and 2027 Notes (Note 11)	27,128,396	62,666	-	-	-	62,666	
Balance – December 31, 2025	98,982,239	\$ 419,966	\$ 33,143	\$ 1,498	\$ (408,357)	\$ 46,250	
Balance – January 1, 2024	13,962,832	\$ 304,721	\$ 25,579	\$ (1,557)	\$ (245,445)	\$ 83,298	
Other comprehensive earnings for the period	-	-	-	6,196	-	6,196	
Net loss for the period	-	-	-	-	(29,447)	(29,447)	
Share-based payment expense	-	-	1,739	-	-	1,739	
Directors' fees paid in deferred share units	-	-	29	-	-	29	
Proceeds from issuance of shares, net of transaction costs (Note 16)	443,225	1,221	-	-	-	1,221	
Warrants issued in connection with 2027 Notes, net of transaction costs (Note 17)	-	-	605	-	-	605	
Performance based incentive payment (Note 17)	41,314	134	-	-	-	134	
Exercise of restricted and performance share units (Note 17)	151,066	1,104	(1,104)	-	-	-	
Settlement of interest on 2028 Notes (Notes 11 and 17)	210,760	543	-	-	-	543	
Balance – December 31, 2024	14,809,197	\$ 307,723	\$ 26,848	\$ 4,639	\$ (274,892)	\$ 64,318	

ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(expressed in thousands of Canadian dollars)

	Common Shares			Reserves	Accumulated Other Comprehen-sive Income (Loss)	Deficit	Total
	Number of shares	Amount					
Balance – January 1, 2023	8,796,494	\$ 288,871	\$ 17,892	\$ 525	\$ (180,779)	\$ 126,509	
Other comprehensive loss for the period	-	-	-	(2,082)	-	(2,082)	
Net loss for the period	-	-	-	-	(64,666)	(64,666)	
Share-based payment expense	-	-	1,226	-	-	1,226	
Directors' fees paid in deferred share units	-	-	595	-	-	595	
Exercise of warrants, options, deferred share units, performance share units and restricted share units	763	17	(17)	-	-	-	
Proceeds from issuance of shares, net of transaction costs	4,886,364	14,077	5,883	-	-	19,960	
Settlement transaction costs on 2028 Notes	19,375	240	-	-	-	240	
Convertible notes conversion	92,136	998	-	-	-	998	
Settlement of interest on 2028 Notes (Note 11)	165,200	795	-	-	-	795	
2022 Private Placement transaction costs	-	(284)	-	-	-	(284)	
Settlement of easement	2,500	7	-	-	-	7	
Balance – December 31, 2023	13,962,832	\$ 304,721	\$ 25,579	\$ (1,557)	\$ (245,445)	\$ 83,298	

See accompanying notes to consolidated financial statements.

ELECTRA BATTERY MATERIALS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(expressed in thousands of Canadian dollars)

	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Operating activities			
Net loss	\$ (133,465)	\$ (29,447)	\$ (64,666)
Adjustments for items not affecting cash:			
Share-based payments	1,707	1,768	1,821
Change in fair value of marketable securities	(4)	(41)	253
Realized gain on marketable securities	(1)	(306)	(90)
Depreciation (Note 6)	96	65	56
Accretion (Notes 9, 10 and 12, 13)	995	1,008	-
Interest expense on 2028 and 2027 Notes (Note 19)	8,766	6,731	4,805
Changes in fair value of convertible 2028 Notes and 2027 Notes (Note 11)	12,118	4,356	-
Changes in fair value of convertible 2026 Notes	-	-	5,076
Loss on extinguishment of 2026 Notes and recognition of 2028 Notes	-	-	18,727
Interest expense on term loan (Note 13))	824	-	-
Loss on extinguishment of 2028 and 2027 Notes (Note 11 and 14)	168,183	-	-
Cancellation of 2028 Warrants (Note 11)	(1,764)	137	(30,758)
Settlement of transaction costs on 2028 Notes	-	-	(240)
Impairment charge	-	-	51,884
Gain on extinguishment of government loans (Note 19)	(3,311)	-	-
Loss on extinguishment of royalty (Note 12)	1,023	-	-
Changes in fair value of US warrants (Note 14 and 19)	(74,410)	(7)	(1,243)
Performance based incentive payment	-	134	-
Unrealized loss on foreign exchange	(1,822)	4,272	696
Broker warrants issued in the New Equity Offering recorded in profit or loss	1,772	-	-
Other	-	-	15
	\$ (19,293)	\$ (11,330)	\$ (13,664)
Changes in working capital:			
Increase (decrease) in receivables	644	(229)	1,848
Increase in prepaid expenses and other assets	(140)	(204)	247
(Decrease) increase in accounts payable and accrued liabilities	2,238	(5,249)	(11,477)
Increase in deferred government loan	641	-	-
Cash used in operating activities	\$ (15,910)	\$ (17,012)	\$ (23,046)
Investing activities			
Payment (transfer) to / from restricted cash	-	888	(1,158)
Proceeds from sale of marketable securities (Note 8)	17	930	816
Exploration and evaluation expenditures	-	(36)	-
Additions to property, plant and equipment (Note 6)	(4,492)	(519)	(13,705)
Cash provided in investing activities	\$ (4,475)	\$ 1,263	\$ (14,047)
Financing activities			
Proceeds from issuance of shares, net transaction cost of \$Nil (2024 - \$180 and 2023 - \$1,582)	-	1,221	19,960
Transaction costs private placement 2022	-	-	(284)
Proceeds from non-brokered April private placement, net of transaction costs \$338 (Note 16)	4,679	-	-
Proceeds from government loans 2024 - net of repayments of \$45 (Note 10)	(27)	5,222	250
Proceeds from bridge loan (Note 11)	2,784	-	-
Repayment of bridge loan (Note 11)	(2,784)	-	-
Proceeds from October Private placement, net of cash transaction costs of \$2,246 (Note 16)	46,071	-	-
Proceeds from exercise of warrants and stock options(Note 14)	5,022	-	-
Proceeds from 2027 Notes, net of transaction costs of \$722 (Note 11)	-	5,498	-
Proceeds from 2028 Notes	-	-	68,049
Repayment of 2026 Notes	-	-	(48,036)
Settlement of transaction costs on 2028 Notes	-	-	(2,100)
Exercise of Convertible Notes	-	-	397
Interest settlement of 2026 Notes	-	-	(1,656)
Payment of lease liability, net of interest	(50)	(42)	(43)
Cash provided by financing activities	\$ 55,695	\$ 11,899	\$ 36,537
Change in cash during the period	35,310	(3,850)	(556)
Effect of exchange rates	(3)	7	164
Cash, beginning of the period	3,717	7,560	7,952
Cash, end of period	\$ 39,024	\$ 3,717	\$ 7,560

See accompanying notes to consolidated financial statements.

1. Nature of Operations

Electra Battery Materials Corporation (the “Company”, “Electra”) was incorporated on July 13, 2011 under the Business Corporations Act of British Columbia (the “Act”). On September 4, 2018, the Company filed a Certificate of Continuance into Canada and adopted Articles of Continuance as a Federal Company under the Canada Business Corporations Act (the “CBCA”). On December 6, 2021, the Company changed its corporate name from First Cobalt Corp. to Electra Battery Materials Corporation. The Company is in the business of producing battery materials for the electric vehicle supply chain. The Company is currently in the process of building a refinery focused on the supply of cobalt, nickel and recycled battery materials.

Electra is a public company which is listed on the Toronto Venture Stock Exchange (“TSXV”) (under the symbol ELBM) and on the NASDAQ (under the symbol ELBM). The Company’s registered office is 40 Temperance Street, Suite 3200, Bay Adelaide Centre – North Tower, Toronto, Ontario, Canada M5H 0B4 and the corporate head office is located at 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3.

On December 31, 2024, the Company completed a share consolidation on the basis of one new post-consolidation common share for every four (4) pre-consolidation common shares. All prior share capital information has been presented based on this ratio.

The Company is focused on building a North American integrated battery materials facility for the electric vehicle supply chain. The Company is in the process of constructing its expanded hydrometallurgical cobalt refinery (the “Refinery”) in Ontario, Canada, assessing the various optimizations and modular growth scenarios for a recycled battery material (known as black mass) program, and exploring and developing its mineral properties.

Going Concern Basis of Accounting

The accompanying audited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the foreseeable future, and, as such, the consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The Company has recurring net operating losses and negative cash flows from operations. As of December 31, 2025 and December 31, 2024, the Company had an accumulated deficit of \$408,357 and \$274,892, respectively. The Company’s recurring losses from operations and negative cash flows raise substantial doubt about the Company’s ability to continue as a going concern. The global economy, including the financial and credit markets, have experienced volatility and disruptions, including fluctuating inflation rates and interest rates, foreign currency impacts, declines in consumer confidence, and declines in economic growth. Additionally, the Company suspended construction of the Refinery in 2023 due to lack of sufficient funding in the wake of supply chain disruptions. These factors point to uncertainty about economic stability, and the severity and duration of these conditions on our business cannot be accurately predicted, and the Company cannot assure that it will remain in compliance with the financial covenants contained within its credit facilities. Management monitors recent developments in relation to global tariffs and does not anticipate material impacts on the financial position of the Company.

(expressed in thousands of Canadian dollars)

In order to continue its operations, the Company must achieve profitable operations and/or obtain additional equity or debt financing. Until the Company achieves profitability, management plans to fund its operations and capital expenditures with cash on hand, borrowings, and issuance of capital stock. Until the Company generates revenue at a level to support its cost structure, the Company expects to continue to incur significant operating losses and net cash outflows from operating activities.

The Company is actively pursuing various alternatives including government grants and loans, strategic partnerships, equity and debt financing to increase its liquidity and capital resources. During 2024, a government loan from Federal Economic Development Agency for Northern Ontario ("FedNor") was received in the amount of \$5,267. On August 19, 2024, the Company was awarded US\$20,000 in funding by the U.S. Department of Defense ("DoD") for the construction of the Refinery funded on a reimbursement basis. The award was made pursuant to Title III of the Defense Production Act (DPA) to expand domestic production capability. On November 27, 2024, the Company completed a private placement of US\$1,000 as detailed in Note 16 (b). On November 27, 2024, the Company issued secured convertible notes in the principal amount of US\$4,000 as detailed in Note 11. During the year ended December 31, 2025, the Company completed private placements and raised US\$38,000 in gross proceeds from issuance of common shares and warrants, as detailed in Note 11 and completed restructuring transaction with its 2028 and 2027 noteholders (See Note 16).

Although the Company has historically been successful in obtaining financing in the past, there can be no assurances that the Company will be able to obtain adequate financing in the future. These consolidated financial statements do not include the adjustments to the amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2. Material Accounting Policies and Basis of Preparation

Basis of Preparation and Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standard Board.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss ("FVTPL"). All amounts on the consolidated financial statements are presented in thousands of Canadian dollars, except share and per share amounts, and otherwise noted.

Functional Currency

The functional currency of the Company and its controlled entities are measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its subsidiaries is Canadian dollars, except for Australia entities which have a functional currency of Australian Dollars and United States entities which have a functional currency of US Dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the costs of assets as they are regarded as an adjustment to interest costs on those currency borrowings.
- Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation are recognized in other comprehensive income or loss.

The assets and liabilities of entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the end of the financial reporting period;
- Income, expenses, and cash flows are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity as accumulated other comprehensive income or loss.

During 2023, the Company considered primary and secondary indicators in determining functional currency including the currency in which funds from financing activities were generated, the Company re-evaluated the functional currency of its US subsidiaries and determined that a change in their functional currency from Canadian dollars to US Dollars was appropriate. Accordingly, the Company recorded a translation adjustment in 2023, to reflect the impact of translating the Company's US Dollar assets and liabilities into Canadian Dollars (the presentation currency) at the opening spot rate for the year. The change in functional currency for these subsidiaries was applied prospectively.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

(expressed in thousands of Canadian dollars)

The following active subsidiaries have been consolidated for all dates presented within these financial statements:

Subsidiary	Ownership	Location	Status
Cobalt One Pty.	100%	Australia	Active
Cobalt Camp Refinery Ltd.	100%	Canada	Active
US Cobalt Inc. ("USCO")	100%	Canada	Active
1086370 BC Ltd.	100%	Canada	Active
Idaho Cobalt Company	100%	United States	Active

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

Restricted Cash

Long-term restricted cash relates to amounts on deposit as financial assurance for the refinery closure plan.

Marketable Securities

Marketable securities represent shares held in a publicly traded company. Marketable securities held by the Company are held for trading purposes and are classified as financial asset measured at FVTPL. At each reporting date, the Company marks-to-market the value of the marketable securities based on quoted market prices; therefore, these financial assets are classified as Level 1 on the fair value hierarchy.

Any profit or loss arising from the sale of these securities, or the revaluation at reporting dates, is recorded to the consolidated statement of income (loss) and other comprehensive income (loss). As the marketable securities are held for trading purposes and not as part of a strategic investment, they are expected to be liquidated within a twelve-month period and are classified as a current asset on the statement of financial position.

Financial Instruments

Cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities, and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

The Company recognizes all financial assets initially at fair value and classifies them into one of the following measurement categories: FVTPL, fair value through other comprehensive income or amortized cost, as appropriate.

Financial liabilities are initially recognized at fair value and classified as either FVTPL or amortized cost, as appropriate.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired.

The Company had made the following classification of its financial instruments:

Financial assets or liabilities, accrued interest and lease liability	Measurement Category
Cash and cash equivalents	Amortized Cost
Restricted cash	Amortized Cost
Receivables	Amortized Cost
Marketable securities	FVTPL
Account payable and accrued liabilities	Amortized Cost
Convertible notes payable	FVTPL
Term loan	Amortized Cost
Government loan payable	Amortized Cost
US Warrants	FVTPL
Royalty	Amortized Cost

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

Exploration and Evaluation Assets

The acquisition costs of mineral property interests have been capitalized as exploration and evaluation assets within the Company’s financial statements. Subsequent exploration and evaluation costs are expensed until the property to which they relate has demonstrated technical feasibility and commercial viability, after which costs are capitalized.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements. When a partial sale of a mineral property occurs, if control is lost the asset is derecognized and there is a resultant gain or loss recorded to profit and loss in the period the transaction takes place. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are derecognized, with any gain or loss included in profit or loss in the period the transaction takes place.

Management reviews its mineral property interests at each reporting period for indicators of impairment taking into consideration whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property’s value; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future and management’s assessment of likely proceeds from the disposition of the property. If a property’s carrying value exceeds its recoverable amount through either not being recoverable, being abandoned, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written down to their recoverable amount.

Should a project be put into production, the costs of acquisition will be amortized using the units-of-production method over the life of the project based on estimated economic reserves.

Property, Plant and Equipment

Plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs related to the acquisition or construction of the qualifying assets.

Depreciation of plant and equipment commences when the asset is in the condition and location necessary for it to operate in the manner intended by management. Plant and equipment assets are depreciated using the straight-line method over the estimated useful life of the asset. Where an item of plant and equipment comprises of major components with different useful lives, the components are accounted for as separate items of plant and equipment. Depreciation is recognized in the consolidated statement of loss and comprehensive loss upon commercial production having been achieved.

At the date of these consolidated financial statements no plant and equipment assets are in use, except for vehicles which are depreciated over five years. The Company will assess the useful lives of the assets once they are put into use.

Development costs associated with bringing the Company's Refinery to the location and condition necessary for it to be capable of operating in its intended manner are capitalized as property, plant and equipment costs.

Capital Long-Term Prepayments

For major equipment items where milestone payments are made during the manufacturing process, these costs are initially recorded as capital long-term prepayments. Once the piece of equipment is delivered to the Refinery site, the associated cost is then reclassified to property, plant and equipment costs.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date.

The ROU asset is initially measured at cost, which comprises of initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and any estimated costs to dismantle or restore the underlying asset, less any lease incentives received. ROU asset is subsequently depreciated using straight-line method over the lease term, or useful life of the underlying asset if a purchase option is expected to be exercised. ROU asset is presented as part of property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and subsequently measured at amortized cost using the effective interest rate method.

Lease payments for short-term leases with a term of 12 months or less, leases of low-value assets, as well as leases with variable lease payments are recognized as an expense over the term of such leases.

Borrowing Costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalized as property, plant and equipment up to the date when the qualifying asset is ready for its intended use. Capitalization of borrowing costs is suspended during extended periods when active development of a qualifying asset is ceased.

Majority of the proceeds from the convertible notes and the government grant are being utilized for the construction and expansion of the Refinery, which given its construction timeline of over a year, is a qualifying asset under IAS 23 Borrowing Costs. Construction of the Refinery has not resumed during 2025 and 2024 and no borrowing costs have been capitalized during the year ended December 31, 2025 and 2024.

Impairment

(i) Financial assets

For financial assets measured at amortized cost, the impairment model under IFRS 9, Financial Instruments ("IFRS 9"), reflects expected credit losses. The Company recognizes loss allowances for expected credit losses and changes in those expected credit losses. At each reporting date, financial assets carried at amortized cost are assessed to determine whether they are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

(ii) Non-financial assets

Non-financial assets are evaluated at each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

Previously recognized impairment losses are evaluated at each reporting period for indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of that asset, and an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(expressed in thousands of Canadian dollars)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on the fair value of goods or services received.

Warrants classified as equity

Warrants classified as equity are recorded at fair value as of the date of issuance on the Company's consolidated statement of financial position and no further adjustments to their valuation are made.

Warrants classified as liabilities

Warrants classified as derivative liabilities and other derivative financial instruments require separate accounting as liabilities are recorded on the Company's consolidated statement of financial position at their fair value on the date of issuance and will be revalued on each subsequent balance sheet date until such instruments are exercised or expire, with any changes in the fair value between reporting periods recorded as fair value gain or loss in the consolidated statements of loss and comprehensive loss. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for expected volatility, expected life, yield, and risk-free interest rate.

Share-based Payment Transactions

The Company has a long-term incentive plan that provides for the granting of options, deferred share units ("DSUs"), restricted share units ("RSUs") and performance share units ("PSUs") to officers, directors, consultants and related company employees to acquire shares of the Company.

(i) Stock options

The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in reserves as the options vest. Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of either the vesting date, or the date the goods or services are received. On vesting, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital.

(ii) Deferred, restricted and performance share units

Deferred Share Units ("DSUs"), Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") are classified as equity settled share-based payments and are measured at fair value on the grant date. The expense for DSUs, RSUs and PSUs, to be redeemed in shares, is recognized over the vesting period, or using management's best estimate when contractual provisions restrict vesting until completion of certain performance conditions, with a charge as an expense and a corresponding increase in reserves as the instrument vests. Upon exercise of any DSUs, RSUs, and PSUs, the grant date fair value of the instrument is transferred to share capital.

(expressed in thousands of Canadian dollars)

Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such obligation is recognized as an asset retirement obligation. The estimated costs arising from the future decommissioning of plant and other site preparation work, discounted to their net present value where material, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pretax rate that reflect the time value of money and risks specific to the liability, are used to calculate the net present value. Costs are charged against profit or loss over the economic life of the related asset, through amortization of the asset retirement obligation using either the unit-of-production or the straight-line method. The related liability is adjusted at each period end with changes related to the unwinding of the discount rate accounted for in profit or loss and changes related to the current market-based discount rate or the amount or timing of the underlying cash flows needed to settle the obligation accounted for as an adjustment to the related rehabilitation asset.

Income Taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Income / Loss per share

The Company presents basic and diluted income/loss per share ("LPS") data for its common shares. Basic LPS is calculated by dividing the income/loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted LPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all dilutive potential common shares related to outstanding stock options and warrants issued by the Company. In a period of losses, the warrants, options and non-vested RSUs, PSUs and DSUs are excluded for the determination of dilutive net loss per share because their effect is anti-dilutive.

Operating Segments

The Company's Chief Operating Decision Maker reviews operating results and assesses performance for the Refinery and Exploration and Evaluation activities on a separate basis, and therefore, the Refinery and Exploration and Evaluation assets both meet the definition of a segment. Upon the decision to move into the full development stage of the Refinery, this business unit is likely to earn revenue and incur expenses that are separate and discrete from the rest of the Company. The Company's operating segments are as follows:

- Refinery
- Exploration and Evaluation
- Corporate and Other

Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities and include directors and key management of the Company and its parent. A transaction is a related party transaction when there is a transfer of resources, services or obligations between related parties.

Government Loans

The Company received funding from the Federal Government of Canada in the form of non-interest-bearing loans. The Company records the present value of these loans, assuming a market rate of interest, as a liability in accordance with *IFRS 9 Financial Instruments*. The difference between the funding received and the present value of the loan is the benefit provided by the below market interest rate and is recorded as government grant liability. This is amortized to income over the life of the Refinery asset to which the funding related to.

The funding from the Federal Government of Canada is received as a proportion of construction costs incurred.

Government Grant / Award

Governmental grants are accounted for in accordance with IAS 20, Accounting for Governmental Grants. Governmental grants are recognised when they are received or receivable and when there is reasonable assurance that the Company will comply with any conditions attached to the grant.

The Company received funding from the Ontario Government and US Department of Defense in the form of a non-repayable grant. Grant income is recognized only when there is reasonable assurance that the Company has complied with the conditions attaching to the grant and that reimbursement will be received. Amounts received in advance, if any, are recorded as deferred government grants. Government grants will be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Government grants related to assets shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Convertible Notes Payable

Convertible notes payable are financial instruments which contain a separate financial liability and equity instrument. These financial instruments are accounted for separately dependent on the nature of their components. The identification of such components embedded within a convertible notes payable requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. The convertible notes are considered to contain embedded derivatives. The embedded derivatives were measured at fair value upon initial recognition and separated from the debt component of the notes. The debt component of the notes is measured at residual value upon initial recognition. Subsequent to initial recognition, the embedded derivative components are re-measured at fair value at each reporting date while the debt components are accreted to the face value of the note using the effective interest rate through periodic charges to finance expense over the term of the note. The Company elected to measure the convertible notes payable at fair value as a whole instrument ("FVO"), therefore the convertible notes payable are measured at FVTPL at their entirety. To the extent there are changes to the terms of outstanding loans, these changes may be recorded as a modification or an extinguishment. A substantial change in the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows at the original effective interest rate under the new terms is at least 10% different from the discounted present value of the cash flows at the original financial liability. For a modification that does not result in de-recognition, a gain or loss will be recognized in profit or loss for the difference between the original contractual cash flows and the modified cash flows discounted at the original interest rate. For a modification that results in de-recognition, a gain or loss will be recognized in profit or loss for the difference between the carrying amount of the financial liability extinguished and the fair value of the modified financial liability.

3. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standard Board requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Judgments and estimates that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

- *Refinery Asset*
The net carrying value of the Refinery asset is reviewed regularly for conditions that suggest potential indications of impairment. The review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the technological, market, economic or legal environment in which the entity operates; and internal indicators that the economic performance of the asset will be worse than expected.
- *Exploration and Evaluation Assets*
The net carrying value of each mineral property is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future and management's assessment of likely proceeds from the disposition of the property.

- *Convertible Note and Financial Derivative Liability*
The Convertible Note and Financial Derivative Liability comprising of US dollar denominated warrants involve significant estimation. The fair value determined at inception and is reviewed and adjusted on a quarterly basis or when conversions take place. Factors considered in the fair value of the financial derivative liability are risk free rate, the Company's share price, equity volatility, and credit spread.
- *Asset Retirement Obligation*
Management's determination of the Company's asset retirement obligation is based on the reclamation and closure activities it anticipates as being required, the additional contingent mitigation measures it identifies as potentially being required and its assessment of the likelihood of such contingent measures being required, and its estimate of the probable costs and timing of such activities and measures. Significant estimations must be made when determining such reclamation and closure activities and measures required or potentially required.
- *Share-based Payments*
Valuation of stock-based compensation and warrants requires management to make estimates regarding the inputs for option pricing models, such as the expected life of the option, the volatility of the Company's stock price, the vesting period of the option and the risk-free interest rate are used. Actual results could differ from those estimates. The estimates are considered for each new grant of stock options, RSUs, DSUs and PSUs.
- *Royalty Liability*
The royalty liability requires management to make estimates regarding the inputs for future royalty cash payments, such as the timing of revenues, the amount of revenues and the effective interest rate. Actual results could differ from those estimates.

4. New Accounting Standards Issued

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2025, and have not been early adopted in preparing these consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The standard must be applied retrospectively with restatement of comparative information. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18. The Company expects the standard will primarily affect the presentation and disclosure of information within the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income. These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted and the amendments are to be applied retrospectively. The Company is currently evaluating the impact these amendments may have on its consolidated financial statements and related disclosures.

(expressed in thousands of Canadian dollars)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's consolidated financial statements.

5. Receivables

	December 31, 2025		December 31, 2024	
GST receivables	\$	505	\$	494
Grant receivables		146		570
Other		15		246
	\$	666	\$	1,310

6. Property, Plant and Equipment and Capital Long-Term Prepayments

Cost	Property, Plant and Equipment		Construction in Progress		Right-of-use Assets		Total
January 1, 2024	\$	5,989	\$	45,074	\$	301	\$ 51,364
Reclassification		1,334		(1,334)		-	-
Additions during the period		133		386		-	519
Transfers to capital long-term prepayments		-		(139)		-	(139)
Asset retirement obligation - Change in estimate		(384)		-		-	(384)
Balance December 31, 2024	\$	7,072	\$	43,987	\$	301	\$ 51,360
Additions during the period		364		4,128		-	4,492
Transfers to capital long-term prepayments		-		139		-	139
Asset retirement obligation - Change in estimate		(646)		-		-	(646)
Balance December 31, 2025	\$	6,790	\$	48,254	\$	301	\$ 55,345
Accumulated Depreciation							
January 1, 2024	\$	10	\$	-	\$	96	\$ 106
Change for the period		-		-		65	65
Balance December 31, 2024	\$	10	\$	-	\$	161	\$ 171
Change for the period		38		-		58	96
Balance December 31, 2025	\$	48	\$	-	\$	219	\$ 267
Net Book Value							
Balance December 31, 2024	\$	7,062	\$	43,987	\$	140	\$ 51,189
Balance December 31, 2025	\$	6,742	\$	48,254	\$	82	\$ 55,078

(expressed in thousands of Canadian dollars)

Majority of the Company’s property, plant, and equipment assets relate to the Refinery located near Temiskaming Shores, Ontario, Canada. The DoD retains title to certain construction in progress assets (Note 10) the remaining property, plant and equipment and construction in progress are pledged as security for the term loan (Note 13).

7. Exploration and Evaluation Assets

	Balance			Balance December		Balance December	
	January 1, 2024	Foreign Exchange	Acquisition cost	31, 2024	Foreign Exchange	31, 2025	
Idaho, USA	\$ 85,634	\$ 7,530	\$ 36	\$ 93,200	\$ (4,424)	\$ 88,776	

All of the Iron Creek mineral properties are pledged as security for the term loan. Upon successful commissioning of the Refinery, the Iron Creek mineral properties will be released from the term loan security package.

Certain claims relating to the Iron Creek properties were acquired by the Company against earn-in and option agreements entered with the original owners of such claims. These agreements provide a working interest in the property to the Company, upon making certain milestone payments and/or incurring certain expenditures on the property. The claims are also subject to future net smelter royalty (“NSR”) payments.

8. Marketable Securities

There were no marketable securities at December 31, 2025 (December 31, 2024 - \$12). Shares are marked-to-market at the end of each quarter resulting in an unrealized gain of \$4 being recorded during the year ended December 31, 2025 (for the year ended December 31, 2024 – unrealized gain of \$41). During the year ended December 31, 2025, the Company sold marketable securities for proceeds of \$17 from sale of 48,219 shares, (for the year ended December 31, 2024 proceeds were \$930 from sale of 2,332,000 shares) and realized gain of \$1 (the year ended December 31, 2024 – gain of \$306).

9. Asset Retirement Obligation

As at December 31, 2025, the estimated cost of closure is \$3,381. The Company maintains a surety bond for \$3,450 as financial assurance based on the October 2021 closure plan.

The full estimated closure cost in the latest closure plan incorporated a number of new disturbances that have yet to take place, such as new roadways, new chemicals on site, and a new tailings area. The latest closure plan also included cost updates relating to remediating disturbances that existed at December 31, 2025. The following assumptions were used to calculate the asset retirement obligation:

(expressed in thousands of Canadian dollars)

- Discounted cash flows of \$2,289 (December 31, 2024 - \$2,842)
- Closure activities date in year 2073 (December 31, 2024 – 2073)
- Risk-free discount rate of 3.84% (December 31, 2024 – 3.33%)
- Long-term inflation rate of 3.0% (December 31, 2024 – 3.0%)

The continuity of the asset retirement obligation at December 31, 2025 and December 31, 2024 are as follows:

	December 31,		December 31,	
	2025		2024	
Balance at January 1,	\$	2,842	\$	3,126
Change in estimate from discounting and estimate of costs		(646)		(384)
Accretion		93		100
Balance	\$	2,289	\$	2,842

10. Long-Term Government Loan Payable, Grants and Awards

On November 24, 2020, the Company entered into a contribution agreement with the Ministry of Economic Development and Official Languages as represented by the Federal Economic Development Agency for Northern Ontario (“FedNor”) for up to \$5,000 financing related to the recommissioning and expansion of the Refinery in Ontario. The contribution was in the form of debt bearing a 0% interest rate and funded in proportion to certain Refinery construction activities. The Company received approval for an additional \$5,000 funding under the agreement on December 27, 2023, which was fully received during the year ended December 31, 2024.

Once construction is completed, the cumulative balance borrowed will be repaid in 19 equal quarterly instalments. The loan was discounted using a market rate between 7.0% and 17.1% with the resulting difference between the amortized cost and cash proceeds recognized as Government Grant. The FedNor loan required completion of the construction on or before June 30, 2025. On July 14, 2025, the completion of construction required by FedNor was extended to June 30, 2027 and governmental loans repayment commencement date was changed from June 2026 to June 2028.

The Company accounted for the extension of the repayment commencement date as an extinguishment of the original financial liability and recognized a new financial liability for the new extended loans. The extinguishment of original loans and recognition of amended loans resulted in a gain on extinguishment of \$3,311, which has been recognized in Other non-operating loss in the statement of loss and other comprehensive loss. The fair value of the amended loan was estimated using fair market interest rate of 16%.

On June 10, 2024, the Company received \$5,000 in contribution funding from Natural Resources Canada (“NRCan”) to support the development of its proprietary battery materials recycling technology.

On August 19, 2024, the Company was awarded US\$20,000 by the U.S. Department of Defense (“DoD”). The award was made pursuant to Title III of the Defense Production Act (“DPA”) to expand domestic production capability.

(expressed in thousands of Canadian dollars)

Reimbursement received from DoD as at December 31, 2025 totals \$642 (2024 - \$Nil). Once the conditions of the agreement are met the deferred government grant will be derecognized against the corresponding assets.

On March 21, 2025, the Company was provided with a non-binding letter of intent from the Canadian Federal government in the amount of \$20,000. While the discussions between the parties are ongoing, there is no guarantee or assurance that a final agreement will be reached and/or funding will be provided to the Company.

The following table sets out the balances of Government Loan and Government Grant received at December 31, 2025 and December 31, 2024:

	Government Loan		Government Grant		Total
Balance at January 1, 2024	\$	4,299	\$	849	\$ 5,148
FedNor loan – February 2024		2,267		-	2,267
FedNor Loan – April 2024		2,000		-	2,000
FedNor Loan (Nickel Study) - Payment		(45)		-	(45)
FedNor Loan – August 2024		1,000		-	1,000
Allocation to government grant		(2,275)		2,275	-
Accretion		578		-	578
Balance at December 31, 2024	\$	7,824	\$	3,124	\$ 10,948
FedNor Loan (Nickel Study) - Payment		(27)		-	(27)
Accretion		368		-	368
Extinguishment of government loans		(8,017)		-	(8,017)
Recognition of new government loans due to extension of repayment commencement date		4,706		-	4,706
Accretion		342		-	342
Balance at December 31, 2025	\$	5,196	\$	3,124	\$ 8,320

11. Convertible Note Arrangement and Royalty

On February 13, 2023, the Company completed subscription agreements with certain institutional investors in the United States with respect to \$68,049 (US\$51,000) principal amount of 8.99% senior secured notes due February 2028 (“2028 Notes”). The investors in the offering also received an aggregate of 2,699,014 warrants to purchase common shares (“2028 Warrants”) in the Company. The 2028 Warrants were exercisable for five years at an exercisable price US\$9.92, subject to certain adjustments. The investors also received a royalty of: (i) 0.6% on “Operating Revenue” from the sale of all cobalt produced from the Refinery payable in the first twelve months following a defined threshold of commercial production, where Operating Revenue consists of revenue from the Refinery less certain permitted deductions; and (ii) 0.6% on all revenue from sales of cobalt generated from the Refinery in the second to fifth years following the commencement of commercial production. Royalty payments under the royalty agreements were subject to a cumulative cap of US\$6,000.

In January 2024, the terms of the 2028 Warrants were amended and the exercise price of US\$9.92 was re-priced to \$4.00. On November 27, 2024, in conjunction with the issuance of the 2027 Notes discussed below, the exercise price was amended from \$4.00 to \$3.40.

In addition, the 2028 Warrants included a revised acceleration clause such that their term will be reduced to thirty days in the event the closing price of the common shares on the TSXV exceeds \$3.40 by twenty percent or more for ten consecutive trading days, with the reduced term beginning seven calendar days after such 10 consecutive trading-day period. Upon the occurrence of an acceleration event, noteholders of the 2028 Warrants could have exercised the 2028 Warrants on a cashless basis, based on the value of the 2028 Warrants at the time of exercise.

On March 21, 2024, the Company satisfied \$543 (US\$401) of interest through the issuance of 210,760 common shares to certain noteholders

The 2028 Notes were secured by a first priority security interest (subject to customary permitted liens) in substantially all of the Company's assets, and the assets and/or equity of the secured guarantors. The 2028 Notes were subject to customary events of default and basic positive and negative covenants. The Company was required to maintain a reportable minimum liquidity balance of US\$2,000 under the terms of the 2028 Notes. The 2028 Notes were convertible at the discretion of the noteholders and as such were classified as a current liability.

On November 27, 2024, the Company issued additional 2028 Notes to the noteholders, in the principal amount of \$9,157 (US\$6,521), as payment-in-kind for all outstanding accrued interest owing on the 2028 Notes through to August 15, 2024. The additional 2028 Notes carry the same payment conversion terms as the balance of the 2028 Notes and were issued pursuant to a supplement to the indenture dated February 13, 2023, entered into between the Company and the 2028 Notes noteholders.

On November 27, 2024, the Company closed a financing transaction (the "2027 Notes") with the holders of the 2028 Notes for gross proceeds of \$5,615 (US\$4,000). In connection with closing, 460,405 common shares were issued for gross proceeds of \$1,401 at US\$2.172 per share. The 2027 Notes were issued together with 1,136,364 detachable common share purchase warrants ("2027 Warrants") entitling the noteholders to acquire an equivalent number of common shares at a price of \$4.00 per share until November 26, 2026. The 2027 Warrants were issued as replacement for warrants previously issued through an equity financing which took place on August 23, 2023 with an exercise price of \$6.84. The same number of warrants were cancelled and re-issued as part of the 2027 Notes. The 2027 Warrants met the fixed for fixed criteria and were classified as equity. The total proceeds were allocated between convertible notes and warrants using relative fair value on the issuance date. The fair value of the 2027 Warrants on issuance date was estimated using the Black-Scholes Option Pricing Model approach with the following inputs: a risk-free rate of 3.20% per year, an expected life of 2 years, expected volatility based on historical prices of 70.00%, no expected dividends and a share price of \$2.72.

The 2027 Notes rank *pari passu* to the 2028 Notes, bore interest at a rate of 12.0% per annum, payable quarterly in cash, and mature on November 12, 2027. The 2027 Notes were also guaranteed by substantially all of the Company's subsidiaries and were secured on a first lien basis by substantially all of the assets of the Company and its subsidiaries. The initial conversion rate of the 2027 Notes was 240,211 common shares per US\$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately US\$2.4978 per common share) subject to certain adjustments set forth in the 2027 Notes. The conversion price was subject to adjustments on the provision of the subscription agreements. The Company was required to maintain a reportable minimum liquidity balance of US\$2,000 under the terms of the 2027 Notes.

On March 5, 2025, the Company entered into an agreement to defer interest relating to all outstanding 2028 Notes and 2027 Notes (collectively referred to as the "Notes") until February 15, 2027. 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 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.

(expressed in thousands of Canadian dollars)

On October 22, 2025, the noteholders of 2028 and 2027 Notes and the Company entered into exchange agreements (each, an “Exchange Agreement”) and collectively, (the “Exchange Agreements”) pursuant to which each of the noteholders exchanged 60% of the aggregate principal amount of the 2028 and 2027 Notes beneficially owned or held by each of the noteholders (the “Equitized Notes”), plus the aggregate amount of all accrued and unpaid interest to but excluding October 9, 2025, for Units at a price of US\$0.75 per Unit (the “Equity Exchange”). The Company issued 55,041,712 New Equity Offering Units which included 55,041,712 New Equity Offering Warrants, 23,306,055 common shares and 31,735,657 Pre-Funded Warrants (as defined below). During the year ended December 31, 2025, 5,330,000 Pre-Funded Warrants were exercised for nominal consideration.

Concurrently with the completion of the Equity Exchange, the Company completed an offering (such offering, the “New Equity Offering”) of 46,000,000 units, each consisting of one common share and one warrant to purchase one common share (such warrants, the “New Equity Offering Warrants”), at a price of US\$0.75 per unit (such units, the “New Equity Offering Units”). Each New Equity Offering Warrants entitling the holder thereof to purchase one common share at a price of US\$1.25 for a period commencing on the date that is 60 days following the completion of the offering until October 22, 2028.

In accordance with the Exchange Agreements, noteholders of 2028 and 2027 Notes exchanged 40% of the aggregate principal amount of the 2028 and 2027 Notes (the “Rolled Notes”) for (i) an aggregate principal amount of term loans pursuant to the New Term Loan Agreement (the “Term Loan”) equal to the sum of (x) the aggregate principal amount of such noteholder’s Rolled Notes, (y) the aggregate amount of all accrued and unpaid interest with respect to such Rolled Notes to but excluding the closing date and (z) the aggregate amount of all accrued and unpaid interest on such noteholder’s Equitized Notes from and including October 9, 2025 to but excluding the closing date, and (ii) a number of the company’s common shares equal to (x) 12.5% of the sum of (1) the aggregate principal amount of such noteholder’s Rolled Notes and (2) the aggregate amount of all accrued and unpaid interest on such Rolled Notes to but excluding October 9, 2025 divided by (y) US\$0.90 (the “Debt Exchange”). Based on the amount of Rolled Notes held by the noteholders, a total of 3,822,341 common shares were issued in the Debt Exchange.

To the extent that the exchange of Equitized Notes and Rolled Notes would result in any noteholder beneficially owning common shares in excess 9.9% of the number of common shares outstanding immediately after giving effect of the transactions detailed above, such holder shall receive one or more pre-funded warrants (the “Pre-Funded Warrants”). The aggregate exercise price of the Pre-Funded Warrant, except for a nominal exercise price of US\$0.000001 per share, was pre-funded to the Company and, consequently, no additional consideration (other than the nominal exercise price of US\$0.000001 per share) shall be required to be paid by the holder to affect any exercise of the Pre-Funded Warrants. The Pre-Funded Warrants can be exercised from the issuance date until these Pre-Funded Warrants are exercised in full. The Pre-Funded Warrants may also be exercised, in whole or in part, at such time by means of “cashless exercise”, and accordingly, were classified as a financial liability on the consolidated statements of financial position and measured at FVTPL. The fair value of the Pre-Funded Warrants was based on the Company’s share price as at the corresponding valuation date.

Concurrently with the completion of the Equity Exchange and the Debt Exchange, the previous warrants issued to the noteholders of the 2028 Notes and 2027 Notes were cancelled. Additionally, the Company entered into amended royalty agreements with the noteholders amending the royalty agreements thereby (i) extending the terms the royalty payable on revenues from five years following the commencement of commercial production to seven years following the commencement of commercial production and (ii) raising the aggregate cap from US\$6,000 to US\$10,000.

The Company accounted for the Equity Exchange and the Debt Exchange as an extinguishment of the 2028 Notes and 2027 Notes.

The New Equity Offering Warrants issued in Equity Exchange did not meet the fixed for fixed criteria as their exercise price is denominated in a currency different than the Company's functional currency and were classified as a financial liability on the consolidated statements of financial position and measured at FVTPL. The New Equity Offering Warrants were measured at \$79,562 and \$28,410 on the Extinguishment Date and December 31, 2025, respectively, using Black-Scholes option pricing model with the following main assumptions: share price \$2.31 and \$1.11, volatility 87.0% and 90.0%, risk free rate 2.39% and 2.81% on the Extinguishment Date and December 31, 2025, respectively.

The Pre-Funded Warrants did not meet the fixed for fixed criteria due to a cashless exercise option and were classified as a financial liability on the consolidated statements of financial position and measured at FVTPL. The fair value of the Pre-Funded Warrants is the same as the Company's share price as at the corresponding valuation date. The Pre-Funded Warrants were measured at \$73,309 and \$29,309 on the Extinguishment Date and December 31, 2025, respectively.

The Term Loan was measured at fair value on the Extinguishment Date and subsequently classified and measured at amortized cost, Note 13. The fair value of the Term Loan on the Extinguishment date was estimated at \$37,258 using the valuation model and 12.8% fair market interest rate.

The 2028 Notes and 2027 Notes were measured at fair value on the Extinguishment date using the finite difference valuation method with the following key assumptions:

- Risk free rate at October 22, 2025 of 3.509% (December 31, 2024 – 4.393%) based on the US dollar zero curve;
- Equity volatility at October 22, 2025 of 105% (December 31, 2024 – 63%) based on an assessment of the Company's historical volatility and the estimated maximum a third-party investor would be willing to pay for;
- An Electra share price at October 22, 2025 of US\$1.66 (December 31, 2024 - US\$1.807) reflecting the quoted market price; and
- A credit spread at October 22, 2025 of 27.4% (December 31, 2024 – 26.3%).

(expressed in thousands of Canadian dollars)

The following table sets out the details of the Company's 2028 Notes and 2027 Notes as of the Extinguishment date and December 31, 2024:

2028 and 2027 Notes	Convertible Notes Payable
Balance at January 1, 2024	\$ 40,101
Initial recognition at fair value	4,921
Revaluation to fair value	4,356
Capitalized interest	9,157
Revaluation to fair value due to own credit risk	1,342
Foreign exchange loss	4,086
Balance at December 31, 2024	\$ 63,963
Revaluation to fair value	12,118
Revaluation to fair value due to own credit risk	(1,293)
Foreign exchange loss	(1,741)
Balance at October 22, 2025	73,047
Accrued Interest settled under Equity Exchange and Debt Exchange	11,565
Fair value of common shares issued under Equity Exchange and Debt Exchange	(62,666)
New Equity Offering Warrants	(79,562)
Term Loan	(37,258)
Pre-funded Warrants	(73,309)
Loss on extinguishment of 2028 and 2027 Notes	(168,183)

The loss on extinguishment amounting to \$168,183 was presented as loss on extinguishment of 2028 and 2027 Notes, in the consolidated statement of loss and other comprehensive loss.

To support operations during the restructuring process, the noteholders provided \$2,784 (US\$2,000) in short-term bridge debt in the form of a 90-day Bridge loan with an annual interest rate of 12.0%. On October 22, 2025, the Company repaid the Bridge Loan for an aggregate of \$2,856, inclusive of interest.

12. Royalty

On October 22, 2025, the Company entered into amended and restated royalty agreements resulting in an extinguishment of previous royalty liability. The fair value of the amended Royalty was estimated at October 22, 2025 using a discounted cash flow model. The key inputs included the market interest rate of 11.125% and cash flows estimates of future operating and gross revenues. The loss on extinguishment amounting to \$1,023 was included in other non-operating income (expense) in the consolidated statement of loss and other comprehensive loss.

(expressed in thousands of Canadian dollars)

	December 31,		December 31,
	2025		2024
Balance at January 1,	\$ 1,283	\$	858
Foreign exchange	(37)		95
Accretion	58		330
Extinguishment of royalty	(1,304)		-
Foreign exchange	(37)		-
Recognition of new royalty due to amendment	2,327		-
Accretion	48		-
Balance at December 31	\$ 2,338	\$	1,283

13. Term Loan

The Term Loan issued in Debt Exchange (Note 11) has a principal amount of \$38,902 (US\$27,795) and matures on October 22, 2028.

The Term Loan bears interest on the unpaid principal amount at 8.99% per annum if paid by cash with payment every quarter.

The Company may elect to have, with respect to interest accrued on and to each interest payment date, all interest on the Term Loan being added to the outstanding principal amount of the Term Loan at a rate equal to 11.125% per annum (such capitalized interest, "PIK Interest"). All such PIK Interest shall thereafter constitute principal and bear interest on the terms of the Term Loan. The Term Loan is secured by a first priority security interest (subject to customary permitted liens) in substantially all of the Company's assets.

The Term Loan is subject to customary events of default and basic positive and negative covenants. The Company is required to maintain a minimum liquidity balance of US\$15,000 until it secures signed, binding commitments from the Government of Canada and from the Government of Ontario, after which the requirement is US\$2,000. The Term Loan was measured at fair value on the Extinguishment Date and was subsequently classified and measured at amortized cost (Note 13). The fair value of the Term Loan on the Extinguishment date was estimated at \$37,258 based on the finite difference valuation model, which included 12.8% market interest rate.

The Term Loan is accreted through the term of the Term Loan using effective interest rate of 12.8%. During the year ended December 31, 2025, the Company recorded \$824 of interest and \$86 accretion expenses (December 31, 2024- \$Nil).

14. US Warrants

2026 Warrants

On April 3 and April 14, 2025, the Company issued 3,125,000 ("2026 Warrants") to subscribers in a non-brokered private placement (Note 16). The warrant exercise price is denominated in US dollars, a currency different than the Company's functional currency. Therefore, the warrants were classified as a financial liability in the consolidated statements of financial position. The fair value of the warrants was estimated using the Black Scholes Option Pricing Model using the following main inputs: volatility of 85% on issuance date, 61.79% - 121.59% on exercise dates, and 125.0% - 127.6% on December 31, 2025, share price of \$1.38 - \$1.50 on issuance date, \$1.37 - \$6.55 on exercise dates, and \$1.11 on December 31, 2025 and risk free rate of 2.40% - 2.58% on issuance date, 2.38% - 2.48% on exercise date, and 2.55% December 31, 2025 respectively.

The table below presents changes in 2026 Warrants during the year ended December 31, 2025:

	Number of warrants	Fair value \$
Balance at December 31, 2024	-	-
Issued	3,125,000	1,150
Changes in fair value	-	8,112
Exercised	(2,481,786)	(9,066)
Balance at December 31, 2025	643,214	196

The changes in fair value amounting to \$8,112 was included in changes in fair value of US warrants in the consolidated statement of loss and other comprehensive loss.

Pre-Funded Warrants

The table below presents changes in Pre-Funded Warrants during the year ended December 31, 2025:

	Number of warrants	Fair value \$
Balance at December 31, 2024	-	-
Issued	31,735,657	73,309
Changes in fair value	-	(36,698)
Exercised	(5,330,000)	(7,302)
Balance at December 31, 2025	26,405,657	29,309

The changes in fair value amounting to \$(36,698) was included in changes in fair value of US warrants in the consolidated statement of loss and other comprehensive loss.

New Equity Offering Warrants

The table below presents changes in New Equity Offering Warrants during the year ended December 31, 2025:

	Number of warrants	Fair value \$
Balance at December 31, 2024	-	-
Issued in Equity Exchange	55,041,712	79,562
Issued in New Equity Offering	46,000,000	18,597
Change in fair value	-	(46,006)
Balance at December 31, 2025	101,041,712	52,153

The changes in fair value amounting to \$(46,006) was included in changes in fair value of US warrants in the consolidated statement of loss and other comprehensive loss.

2028 Warrants

The table below presents changes in 2028 Warrants during the year ended December 31, 2025:

On October 22, 2025, the Company cancelled the previously issued 2028 Warrants as part of the Exchange Agreement transaction.

	Number of warrants	Fair value \$
Balance at December 31, 2024	2,699,014	1,582
Changes in fair value	-	182
Cancelled	(2,699,014)	(1,764)
Balance at December 31, 2025	-	-

The changes in fair value amounting to \$182 was included in changes in fair value of US warrants in the consolidated statement of loss and other comprehensive loss.

15. Lease liabilities

	December 31,		December 31,	
	2025		2024	
Balance at January 1	\$	132	\$	175
Lease interest		9		13
Lease repayment		(59)		(55)
Balance at December 31	\$	82	\$	133
Less – Current portion		(55)		(50)
Balance at December 31 – Long-term portion	\$	27	\$	83

16. Shareholder’s Equity

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2025, the Company had 98,982,239 (December 31, 2024 – 14,809,197) common shares outstanding.

b) Issued Share Capital

During the year ended December 31, 2025, the Company issued common shares as follows:

- The Company exercised 5,330,000 Pre-Funded Warrants for a nominal exercise price (Note 11). The exercised Pre-Funded Warrants were measured at \$7,302 on the exercise date which was recognized in share capital in the consolidated statements of shareholders’ equity.
- The Company exercised 2,481,786 2026 Warrants for total proceeds of \$4,894. The exercised 2026 Warrants were measured at \$9,066 on the exercise date which was recognized in share capital in the consolidated statements of shareholders’ equity.
- The Company exercised 65,544 broker warrants for total proceeds of \$103. The exercised 2026 Warrants were measured at \$42 on the exercise date which was recognized in share capital in the consolidated statements of shareholders’ equity.
- The Company issued 26,975 and 15,340 common shares for the exercise of restricted shares and stock options for total proceeds of \$39.

On April 14, 2025, the Company closed the first (occurring on April 3, 2025) and second tranches of its non-brokered private placement, raising aggregate gross proceeds of US\$3,500 (\$4,908). An aggregate of 3,125,000 units (each, a “Unit”) were issued at a price of US\$1.12 per Unit under the private placement. Each Unit consists of one common share in the capital of the Company and one transferable common share purchase warrant (“2026 Warrants”), with each warrant entitling the holder to purchase one common share of the Company at a price of US\$1.40 at any time for a period of eighteen (18) months following the issue date. In connection with the closing of the Offering, the Company incurred aggregate finders’ fees of \$338, including \$109 representing the value of 183,333 non-transferable finders’ warrants. Each finders’ warrant is exercisable to acquire one common share of the Company at an exercise price of US\$1.12 until October 14, 2026. Finders’ warrants were measured at \$109 using the Black-Scholes option pricing model with the following main assumptions: share price \$1.50, volatility 85.0%, risk free rate 2.58%.

The gross proceeds were allocated between common shares and 2026 Warrants, based on relative fair values and 2026 Warrants were allocated \$1,150 on initial recognition. The residual balance of \$3,759 was then allocated to the equity component (common shares issued). The transaction costs of \$447 were allocated proportionately between the 2026 Warrants and the common shares. Transaction costs allocated to the common shares were accounted for as a deduction from equity of \$338.

- Concurrently with the completion of the Equity Exchange, the Company completed New Equity Offering of 46,000,000 New Equity Offering Units, each consisting of one common share and one New Equity Offering Warrants to purchase one common share at a price of US\$0.75 per New Equity Offering Unit. Each New Equity Offering Warrants or the 2028 Warrants entitling the holder thereof to purchase one common share at a price of US\$1.25 for a period commencing on the date that is 60 days following the completion of the offering until October 22, 2028, Note 11.

The Company incurred an aggregate cash commission of US\$1,851 to the agents of the New Equity Offering. The Company also issued an aggregate of 2,416,884 non-transferable warrants to purchase common shares to the agents (the "Broker Warrants"). Each Broker Warrant entitles the holder to acquire one Common Share at US\$0.75 per share, at any time on or before the date that is 36 months following the closing date of the New Equity Offering. Broker warrants were measured at \$4,604 using the Black-Schols option pricing model with the following main assumptions: share price \$2.31, volatility 124.31%, risk free rate 2.39%.

The gross proceeds were allocated between common shares and New Equity Offering Warrants, based on relative fair values and New Equity Offering Warrants were allocated \$18,597 on initial recognition. The residual balance of \$29,720 was then allocated to the equity component (common shares issued). The transaction costs of \$8,240 were allocated proportionately between the New Equity Offering Warrants and common shares. Transaction costs allocated to the equity component were accounted for as a deduction from equity of \$5,078.

During the year ended December 31, 2024, the Company issued common shares as follows:

- On February 27, 2024, the Company settled a total of \$134 of earned performance-based incentive cash payments to certain non-officer employees by issuing a total of 41,314 common shares at a market price of \$3.24 per share to these individuals. The expense was recorded in salaries and benefits.
- On March 21, 2024, the Company issued an aggregate of 210,760 common shares at a market issue price of \$2.5756 per common share in satisfaction of a portion of the interest payable to certain of the holders of US\$51,000 principal amount of 8.99% senior secured convertible notes.

(expressed in thousands of Canadian dollars)

- On November 27, 2024, the Company closed a financing transaction with the holders of the 2027 Notes for gross proceeds of US\$5,000 and issued 443,225 common shares and 1,136,364 detachable common share purchase warrants, valued at \$1,221 (net of transaction costs of \$180 and \$694 (net of transaction costs of \$89), respectively (see Note 11).
- During the year ended December 31, 2024, the Company issued 18,568 common shares for the exercise of deferred share units, 130,414 common shares for the exercise of restricted share units and 2,083 for the exercise of performance share units.

17. Share Based Payments

The Company adopted a long-term incentive plan (“LTIP”) on December 20, 2024, whereby it can grant stock options, restricted share units (“RSUs”), Deferred Share Units (“DSUs”), and Performance Share Units (“PSUs”) to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the LTIP is 3,150,000.

In 2024, the Company was approved to implement an employee share purchase plan (“ESPP”) to provide its employees an incentive to promote performance and growth potential over the long-term. The Company has reserved 250,000 common shares that can be issued under the ESPP.

The grant date fair value is determined using the Black-Scholes Option Pricing Model and this value is recognized as an expense over the vesting period. DSUs generally vest in one year but cannot be exercised until the holder ceases to be a Director or Officer of Electra. DSUs are valued based on the market price of the Company’s common shares on the grant date. PSUs generally vest over 18 – 24 months if certain performance metrics have been achieved. They are valued based on the market price of the Company’s shares on the grant date and this value is expensed over the vesting period. RSUs generally vest over 12 – 36 months. They are valued based on the market price of the Company’s shares on the grant date and this value is expensed over the vesting period.

a) *Stock Options*

During the year ended December 31, 2025:

- On October 29, 2025, upon approval by shareholders at the annual general meeting on June 24, 2025, Electra issued 2,669,000 incentive stock options, 179,000 RSUs, and 271,000 DSUs to certain directors, officers, employees, and contractors. The stock options are exercisable for three years at \$1.97 and will vest in two equal tranches, on the first and second anniversary of the grant date. The fair value of the options at the date of the grant was \$3,835 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 2.36% per year, an expected life of 3 years, expected volatility based on historical prices of 125%, no expected dividends and a share price of \$1.97.
- The RSUs will vest in two equal tranches on the first and second anniversaries of the grant date and may be settled in cash or shares at the discretion of the Company. The DSUs will be settled in shares when the holder ceases to serve as a director.

(expressed in thousands of Canadian dollars)

- During the year ended December 31, 2025, 15,340 stock options were exercised for total proceeds of \$39.
- On January 1, 2025, the Company granted 125,000 stock options at an exercise price of \$2.60 that will vest in two equal tranches on the first and second anniversaries of the grant date. The fair value of the options at the date of the grant was \$190 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 2.87% per year, an expected life of 3 years, expected volatility based on historical prices in the range of 90.0%, no expected dividends and a share price of \$2.60.

During the year ended December 31, 2024:

- On January 15, 2024, the Company granted 25,000 stock options at an exercise price of \$2.00 that will vest in three equal tranches on the first, second and third anniversaries of the grant date. The fair value of the options at the date of the grant was \$29 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 4.15% per year, an expected life of 3 years, expected volatility based on historical prices of 87%, no expected dividends and a share price of \$2.00.
- On February 12, 2024, the Company granted 753,923 incentive stock options and 26,235 RSUs to certain directors, officers, employees and contractors of the Company. The RSUs will vest on the first anniversary of the grant date and will be settled in cash or common shares at the discretion of the Company. The stock options are exercisable for four years at \$3.24 and will vest in two equal tranches, on the first and second anniversary of the grant date. The fair value of the options at the date of the grant was \$1,377 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 4.15% per year, an expected life of 4 years, expected volatility based on historical prices of 85%, no expected dividends and a share price of \$3.24.
- On August 28, 2024, the Company granted 250,000 incentive stock options to consultants for services to be rendered. The stock options are exercisable for three years at \$3.28 and will vest in four equal quarterly tranches. The fair value of the options at the date of the grant was \$418 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 3.31% per year, an expected life of 2 years, expected volatility based on historical prices of 94%, no expected dividends and a share price of \$3.28.
- On September 9, 2024, the Company granted 33,891 DSUs to certain directors of the Company. The DSUs will vest on the first anniversary of the grant date and will be settled in cash or common shares at the discretion of the Company.

The changes in incentive stock options outstanding are summarized as follows:

	Exercise price	Number of shares issued or issuable on exercise	
Balance at January 1, 2024	\$	14.00	193,142
Granted		3.22	1,028,923
Expired		10.02	(34,953)
Forfeited / Cancelled		12.91	(16,749)
Balance at December 31, 2024	\$	4.61	1,170,363
Granted		2.00	2,794,000
Expired		12.94	(21,297)
Exercised (Share price at \$2.31)		2.57	(15,340)
Forfeited / Cancelled		1.97	(16,000)
Balance at December 31, 2025	\$	2.72	3,911,726

Incentive stock options outstanding and exercisable (vested) at December 31, 2025 are summarized as follows:

Exercise price	Options Outstanding				Options Exercisable	
	Number of shares issuable on exercise	Weighted average remaining life (Years)	Weighted average exercise price	Number of shares issuable on exercise	Weighted average exercise price	
\$ 1.97	2,653,000	2.83	\$ 1.97	-	\$ 1.97	
2.00	16,667	2.04	2.00	-	2.00	
2.60	125,000	2.00	2.60	-	2.60	
3.24	746,916	2.12	3.24	369,955	3.24	
3.28	250,000	1.66	3.28	250,000	3.28	
9.60	56,423	1.19	9.60	37,616	9.60	
12.84	15,000	1.86	12.84	15,000	12.84	
21.60	41,428	1.05	21.60	41,428	21.60	
24.84	7,292	0.29	24.84	7,292	24.84	
Total	3,911,726	2.52	\$ 2.72	721,291	\$ 5.06	

During the year ended December 31, 2025, the Company expensed \$1,412 (the year ended December 31, 2024 - \$1,212 and for the year ended December 31, 2023 - \$513) for options valued at share prices \$1.94 to \$24.84 as shared-based payment expense.

Incentive stock options outstanding and exercisable (vested) at December 31, 2024 are summarized as follows:

Exercise price	Options Outstanding				Options Exercisable	
	Number of shares issuable on exercise	Weighted average remaining life (Years)	Weighted average exercise price	Number of shares issuable on exercise	Weighted average exercise price	
\$ 2.00	25,000	3.04	\$ 2.00	-	\$ 2.00	
3.24	753,923	3.12	3.24	-	3.24	
3.28	250,000	2.66	3.28	62,500	3.28	
9.60	56,425	2.19	9.60	18,808	9.60	
10.08	10,185	0.52	10.08	10,185	10.08	
10.44	6,944	0.66	10.44	6,944	10.44	
12.84	15,000	2.87	12.84	10,000	12.84	
21.60	44,205	2.05	21.60	29,470	21.60	
24.84	7,292	1.29	24.84	7,292	24.84	
29.16	1,389	0.13	29.16	1,389	29.16	
Total	1,170,363	2.88	\$ 4.61	146,588	\$ 10.56	

During the year ended December 31, 2024, the Company expensed \$1,212 (the year ended December 31, 2023 - \$513) for options valued at share prices \$2.00 to \$24.84, as share-based payment expense.

(b) DSUs, RSUs and PSUs

During the year ended December 31, 2025, the Company has expensed \$254 (the year ended December 31, 2024 - \$218 and for the year ended December 31, 2023 - \$586) for DSUs, \$ Nil (the year ended December 31, 2024 - \$Nil and for the year ended December 31, 2023 - \$79) for PSUs, and \$41 (the year ended December 31, 2024 - \$338 and for the year ended December 31, 2023 - \$641) for RSUs as shared-based payment expense.

Deferred Shares Units

The Company's DSUs outstanding at December 31, 2025 and December 31, 2024 were as follows:

Number of Units	December 31, 2025	December 31, 2024
Balance at January 1,	157,085	154,041
Granted	271,000	33,891
Exercised	-	(18,568)
Expired	-	(12,279)
Balance	428,085	157,085

Restricted Share Units

The Company's RSUs outstanding at December 31, 2025 and December 31, 2024 were as follows:

Number of Units	December 31, 2025	December 31, 2024
Balance at January 1,	26,975	133,288
Granted	179,000	26,235
Exercised	(26,975)	(130,414)
Forfeited / Cancelled	-	(2,134)
Balance	179,000	26,975

Performance Share Units

The Company's PSUs outstanding at December 31, 2025 and December 31, 2024 were as follows:

Number of Units	December 31, 2025	December 31, 2024
Balance at January 1,	-	8,507
Exercised	-	(2,083)
Expired / Cancelled	-	(6,424)
Balance	-	-

18. Income Tax

Income tax reconciliation

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations for the years ended December 31, 2025, 2024 and 2023:

	December 31, 2025	December 31, 2024	December 31, 2023
(Loss) income before income taxes	\$ (133,465)	\$ (29,447)	\$ (64,666)
Statutory tax rate	26.5%	26.5%	26.5%
Expected expense (recovery) at statutory rate	(35,368)	(7,804)	(17,136)
Tax rate difference	(1)	(3)	(1)
Share based compensation	328	461	-
Permanent differences	(79)	918	107
Fair value adjustment of USD Warrants	(19,767)	-	-
Net change in benefits previously not recognized	12,713	8,815	17,699
Share issuance costs	(1,412)	(48)	(515)
Book to filing adjustments	1,970	227	(170)
Other comprehensive income (loss)	341	(355)	-
Loss on debt restructuring not recognized	41,468	-	-
Foreign exchange	(199)	(2,385)	-
Other	6	174	16
Income tax expense (recovery)	\$ -	\$ -	\$ -

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	December 31, 2025	December 31, 2024
<i>Deferred tax liabilities:</i>		
Government loan and grant	\$ (543)	\$ -
Convertible notes payable	\$ -	\$ (4,619)
	\$ (543)	\$ (4,619)
<i>Deferred tax assets:</i>		
Non-capital loss	\$ 543	\$ 4,619
	543	4,619
Deferred income tax assets / (liabilities)	\$ -	\$ -

Deferred taxes are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The group has unrecognized tax attributes, notes below, that are available to offset against future taxable income. However, as these tax attributes related to entities that have a history of losses, these deductible temporary differences are not recognized and are as follows:

	December 31, 2025	December 31, 2024
Non-capital loss carry-forwards	\$ 103,660	\$ 75,830
Exploration and evaluation properties	19,796	21,459
Property, Plant and Equipment	39,379	43,299
Capital loss carry forward	31,271	27,994
Other	35,911	14,253
Total unrecognized temporary differences	\$ 230,017	\$ 182,835

The capital loss of \$31,271 (December 31, 2024 - \$27,994) can be carried forward indefinitely and can only be realized against future capital gains.

The Company has the following unrecognized non-capital loss carryforwards of approximately \$99,275 (December 31, 2024 – \$72,286) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Year	December 31, 2025		December 31, 2024	
2036	\$	3,231	\$	-
2037		1,172		33
2038		7,457		384
2039		1,457		1,532
2040		7,150		3,621
2041		14,863		15,094
2042		15,189		15,554
2043		22,889		23,513
2044		9,875		12,555
2045		15,992		-
Total	\$	99,275	\$	72,286

The Company also has non-capital loss carryforwards of \$650 and \$3,735 to apply against future year income tax in Australia and the United States, respectively. The majority of these carry forward losses do not expire.

19. Other Non-Operating Income (Expense)

The Company's Other Non-Operating Income (Expense) comprises the following for the years ended December 31, 2025, 2024 and 2023:

	For the years ended December 31		
	2025	2024	2023
Foreign exchange gain (loss)	\$ 1,159	\$ (4,338)	\$ 1,485
Interest expense	(10,731)	(7,274)	(8,147)
Realized gain on marketable securities	1	306	90
Transaction costs	(5,232)	-	-
Gain on extinguishment governmental loans (Note 10)	3,311	-	-
Loss on extinguishment of royalty (Note 12)	(1,023)	-	-
Other non-operating income (expense)	190	298	100
	\$ (12,325)	\$ (11,008)	\$ (6,472)

(expressed in thousands of Canadian dollars)

20. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the years ended December 31, 2025, 2024 and 2023:

	For the years ended December 31,		
	2025	2024	2023
Numerator			
Net loss for the period – basic and diluted	\$ (133,465)	\$ (29,447)	\$ (64,666)
Gain on financial derivative liability	-	-	(6,683)
Net loss for the year ended – diluted			(71,349)
Denominator			
Basic and Diluted – weighted average number of shares outstanding	32,104,582	14,256,263	10,857,737
Loss Per Share – Basic	\$ (4.16)	\$ (2.07)	\$ (5.96)
Loss Per Share – Diluted	\$ (4.16)	\$ (2.07)	\$ (5.96)

Conversion option, share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding for the years ended December 31, 2025, 2024 and 2023 as the warrants and stock options were anti-dilutive.

21. Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Per Note 1, the Company does not have sufficient financial resources necessary to complete the construction and final commissioning of the Refinery and the Company is going through a planning and budgeting process to update the capital estimates and completion schedule associated with the Refinery. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, considering its current cash position and potential funding sources.

The following are the contractual maturities of financial liabilities as at December 31, 2025, and December 31, 2024:

	As at December 31, 2025		
	< 1 Year	Between 1 – 2 Years	>2 Years
Accounts payable and accrued liabilities	\$ 5,817	\$ -	\$ -
Long-term government loan payable	36	36	5,125
Term loan	-	-	38,920
Lease payable	128	43	-
Short-term deferred government grant	642	-	-
Total	\$ 6,623	\$ 79	\$ 44,045

(expressed in thousands of Canadian dollars)

	As at December 31, 2024			
		< 1 Year	Between 1 – 2 Years	>2 Years
Accounts payable and accrued liabilities	\$	3,579	\$ -	\$ -
Long-term government loan payable		36	1,615	8,519
Convertible notes payable ¹		8,057	8,012	99,071
Lease payable		125	128	43
Total	\$	11,797	\$ 9,755	\$ 107,633

¹ Amounts are based on contractual maturities of 2028 Notes and assumption that it would remain outstanding until maturity. Per Note 11, 2026 Notes were cancelled and replaced with 2028 Notes on February 13, 2023.

For 2024 the Company assumed the notes will remain outstanding until maturity. If noteholders convert prior to maturity, they would be entitled to a make-whole interest payment upon conversion. This payment cannot exceed the remaining coupon payments owing and thus the tables above present all interest payments to maturity, which represents the maximum possible cash outflow to the Company.

Fair Value

The Company's financial instruments consisted of cash and cash equivalents, restricted cash, receivables, marketable securities, convertible notes payable, long-term government loan payable, warrants liability, and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, restricted cash, and deposits, receivables and accounts payable and accrued liability approximate their carrying values because of their current nature. The fair value of long-term government loan payables are estimated as \$5,196 (December 31, 2024 - \$7,824) utilizing a discounted cash flow calculation based on cash interest and principal payments and an interest rate of 16.0% (December 31, 2024 – ranging from 7.0% to 17.1%) which would be expected to be achieved on a standard debt arrangement.

The contractual liabilities relating to government loan payable assumes that repayment began on June 30, 2028 in 19 equal instalments

Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents and restricted cash which are being held in with major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's receivables primarily consist of HST refund due from Canada Revenue Agency and reimbursement to be received from NRCan and DoD, hence there is no significant credit risk on receivables.

As at December 31, 2025, the Company's maximum exposure to credit was the carrying value of cash and cash equivalents, restricted cash, and receivables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, prepayments, accounts payable and accrued liabilities, derivative financial liabilities on warrants and its long-term debts that are denominated in US Dollars. The Company has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

(expressed in thousands of Canadian dollars)

The following table indicates the foreign currency exchange risk on monetary financial instruments as at December 2025 and 2024 converted to Canadian Dollars:

	As at December 31, 2025
	USD denominated expressed in CAD
Cash and cash equivalents	\$ 25,019
Accounts payable and accrued liabilities	(641)
Term loan	(38,168)
Royalty	(2,338)
Total	\$ (16,128)

	As at December 31, 2024
	USD denominated expressed in CAD
Cash and cash equivalents	\$ 3,391
Accounts payable and accrued liabilities	(478)
Interest accrual	(2,799)
Long-term convertible notes payable	(63,963)
Royalty	(1,283)
Total	\$ (65,132)

During the year ended December 31, 2025, the Company recognized a gain of \$1,159 (December 31, 2024 – loss of \$4,338) on foreign exchange. Based on the above exposures as at December 31, 2025, a 10% depreciation or appreciation of the US Dollar against the Canadian Dollar would result in a \$1,232 decrease or increase in the Company’s net income before tax (December 31, 2023 - \$6,149).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. Company currently does not have any financial instruments that are linked to LIBOR, SOFR, or any form of a floating market interest rate. Therefore, changes in the market interest rate does not have an impact on the Company as at December 31, 2025.

22. Management of Capital

The Company's objectives when managing capital are to ensure it has sufficient cash available to support its future Refinery expansion and exploration activities; and ensure compliance with debt covenants under the convertible notes arrangement.

The Company manages its capital structure, consisting of cash and cash equivalents, share capital and debt (convertible notes and loans), and will make adjustments depending on the funds available to the Company for its future Refinery expansion and exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. Other than the minimum liquidity balance covenant under the convertible note arrangement, the Company is not subject to externally imposed capital requirements. The convertible notes arrangement does not impose any quantitative ratio covenants on the Company in the course of the normal construction and operation of its current assets.

23. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and Liabilities Measured at Fair Value

The Company's fair values of financial assets and liabilities were as follows:

December 31, 2025	Classification		Level 1	Level 3	Total Fair Value
	Fair value through profit or loss	Amortized cost			
<i>Assets:</i>					
Cash and cash equivalents	\$ -	\$ 39,024	\$ -	\$ -	\$ 39,024
Restricted cash	-	1,208	-	-	1,208
Receivables	-	666	-	-	666
	\$ -	\$ 40,898	\$ -	\$ -	\$ 40,898
<i>Liabilities:</i>					
Accounts payable and accrued liabilities	\$ -	\$ 5,817	\$ -	\$ -	\$ 5,817
Short-term deferred government grant	-	642	-	-	642
Long-term government loan payable	-	5,196	-	-	5,196
Term loan	-	38,168	-	-	38,168
US Warrants	81,658	-	-	81,658	81,658
Royalty	-	2,338	-	-	2,338
	\$ 81,658	\$ 52,161	\$ -	\$ 81,658	\$ 133,819

December 31, 2024	Classification		Level 1	Level 3	Total Fair Value
	Fair value through profit or loss	Amortized cost			
<i>Assets:</i>					
Cash and cash equivalents	\$ -	\$ 3,717	\$ -	\$ -	\$ 3,717
Restricted cash	-	1,208	-	-	1,208
Receivables	-	1,310	-	-	1,310
Marketable securities	12	-	12	-	12
	\$ 12	\$ 6,235	\$ 12	\$ -	\$ 6,247
<i>Liabilities:</i>					
Accounts payable and accrued liabilities	\$ -	\$ 3,579	\$ -	\$ -	\$ 3,579
Accrued interest	-	2,799	-	-	2,799
Long-term government loan payable	-	7,824	-	-	7,824
Convertible Notes payable ¹	63,963	-	-	63,963	63,963
Warrants - Convertible Notes payable ¹	1,582	-	-	1,582	1,582
Royalty	-	1,283	-	-	1,283
	\$ 65,545	\$ 15,485	\$ -	\$ 65,545	\$ 81,030

Valuation techniques

A) Royalty

The fair value of the Royalty has been estimated at inception using a discounted cash flow model. The key inputs in the valuation include the effective interest rate of 11.125% and cash flows estimates of future operating and gross revenues. As there are significant unobservable inputs used in the valuation, the Royalty is included in Level 3. A 3% increase or decrease in the effective interest rate would be an increase of \$1,862 (December 31, 2024 - \$250) or a decrease of \$928 (December 31, 2024 - \$213) to the fair value of the royalty.

B) Other Financial Derivative Liability (2026 Warrants, 2028 Warrants and New Offering Warrants)

The Company uses the Black-Scholes Option Pricing Model. The key inputs in the valuation include risk-free rates and equity volatility. As there are significant unobservable inputs used in the valuation, the financial derivative liability is included in Level 3.

The Company used an equity volatility of 127% for the 2026 Warrants. If the Company used an equity volatility that was higher or lower by 10%, the potential effect would be an increase of \$25 or a decrease of \$25 to the fair value of the embedded derivative.

The Company used an equity volatility of 90% for the 2028 Warrants (New Equity Offering Warrants). If the Company used an equity volatility that was higher or lower by 10%, the potential effect would be an increase of \$2,910 or a decrease of \$3,079 to the fair value of the embedded derivative.

The Company used an equity volatility of 90% for the Restructuring Warrants. If the Company used an equity volatility that was higher or lower by 10%, the potential effect would be an increase of \$3,481 or a decrease of \$3,584 to the fair value of the embedded derivative.

24. Commitments and Contingencies

From time to time, the Company and/or its subsidiaries may become defendants in legal actions and the Company intends to defend itself vigorously against all legal claims. Electra is not aware of any unrecorded claims against the Company that could reasonably be expected to have a materially adverse impact on the Company's consolidated financial position, results of operations or the ability to carry on any of its business activities.

As at December 31, 2025, the Company's commitments relate to purchase and services commitments for work programs relating to Refinery expansion and payments under financing arrangements. The Company had the following commitments as at December 31, 2025.

(expressed in thousands of Canadian dollars)

	2026		2027		2028		2029		Thereafter		Total	
Purchase commitments	\$	7,572	\$	-	\$	-	\$	-	\$	-	7,572	
Term loan		-		-		50,822		-		-	50,822	
Government loan payments		36		36		1,615		2,141		6,342	10,170	
Lease payments		128		43		-		-		-	171	
Royalty payments ¹		-		-		229		529		3,681	4,439	
	\$	7,736	\$	79	\$	52,666	\$	2,670	\$	10,023	\$	73,174

¹ Royalty payments are estimated amounts associated with the royalty agreements entered with the debt holders as part of the term loan. The estimated amounts and timing are subject to changes in cobalt sulfate prices, timing of completion of the refinery, reaching commercial operations and timing and amounts of sales.

25. Segmented Information

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer. The CODM reviews the results of Company's refinery business and exploration and evaluation activities as discrete business units, separate from the rest of the Company's activities which are reviewed on an aggregate basis.

The Company's exploration and evaluation activities are located in Idaho, USA, with its head office function in Canada. All of the Company's capital assets, including property and equipment, and exploration and evaluation assets are located in Canada and USA, respectively.

ELECTRA BATTERY MATERIALS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(expressed in thousands of Canadian dollars)

(a) Segmented operating results for the year ended December 31, 2025 and 2024:

For the year ended December 31, 2025	Refinery	Exploration and Evaluation	Corporate and Other	Total
Operating expenses				
Consulting and professional fees	\$ 632	\$ 28	\$ 4,443	\$ 5,103
Exploration and evaluation expenditures	-	255	-	255
General and administrative	1,329	19	1,723	3,071
Investor relations and marketing	-	-	622	622
Salaries and benefits	1,911	-	4,602	6,513
Share-based payments	-	-	1,453	1,453
Operating loss	\$ 3,872	\$ 302	\$ 12,843	\$ 17,017
Unrealized gain on marketable securities	-	-	4	4
Loss on financial derivative liability - Convertible Notes	-	-	(10,354)	(10,354)
Changes in US Warrants	-	-	74,410	74,410
Loss on extinguishment of 2028 and 2027 Notes and recognition of term loan	-	-	(168,183)	(168,183)
Other non-operating loss	-	-	(12,325)	(12,325)
Loss before taxes	\$ (3,872)	\$ (302)	\$ (129,291)	\$ (133,465)

For the year ended December 31, 2024	Refinery	Exploration and Evaluation	Corporate and Other	Total
Operating expenses				
Consulting and professional fees	\$ 270	\$ -	\$ 3,512	\$ 3,782
Exploration and evaluation expenditures	-	442	-	442
General and administrative and travel	804	-	2,098	2,902
Investor relations and marketing	-	-	811	811
Salaries and benefits	1,547	-	2,771	4,318
Share-based payments	-	-	1,739	1,739
Operating loss	\$ 2,621	\$ 442	\$ 10,931	\$ 13,994
Unrealized gain on marketable securities	-	-	41	41
(Loss) on financial derivative liability - Convertible Notes	-	-	(4,493)	(4,493)
Changes in US Warrants	-	-	7	7
Other non-operating loss	-	-	(11,008)	(11,008)
Loss before taxes	\$ 2,621	\$ 442	\$ 26,384	\$ 29,447

For the year ended December 31, 2023	Refinery	Exploration and Evaluation	Corporate and Other	Total
Operating expenses				
Consulting and professional fees	\$ 69	\$ 78	\$ 4,512	\$ 4,659
Exploration and evaluation expenditures	-	700	-	700
General and administrative and travel	156	3	2,236	2,395
Investor relations and marketing	-	-	633	633
Salaries and benefits	1,783	-	1,992	3,775
Share-based payments	-	-	1,821	1,821
Operating loss	\$ 2,008	\$ 781	\$ 11,194	\$ 13,983
Unrealized loss on marketable securities	-	-	(253)	(253)
Gain on financial derivative liability - Convertible Notes	-	-	6,683	6,683
Changes in US Warrants	-	-	1,243	1,243
Other non-operating expenses	-	-	(6,472)	(6,472)
Impairment	(51,884)	-	-	(51,884)
Loss before taxes	\$ 53,892	\$ 781	\$ 9,993	\$ 64,666

(b) Segmented assets and liabilities as at December 31, 2025 and December 31, 2024:

	Total Assets		Total Liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Refinery	\$ 56,443	\$ 52,434	\$ 12,493	\$ 3,707
Exploration and Evaluation ¹	88,884	93,276	53	87
Corporate and Other	40,237	5,737	126,768	83,335
	\$ 185,564	\$ 151,447	\$ 139,314	\$ 87,129

¹ Total non-current assets comprising of exploration and evaluation assets in the amount of \$88,776 (December 31, 2024 - \$93,200) are located in Idaho, USA. All other assets are located in Canada.

26. Related Party Transactions

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common. The Company paid and/or accrued during the years ended December 31, 2025 and 2024, the following fees to management personnel and directors.

	For the years ended December 31,		
	2025	2024	2023
Management	\$ 4,130	\$ 2,067	\$ 2,194
Directors' fees	230	175	158
	\$ 4,360	\$ 2,242	\$ 2,352

During the years ended December 31, 2025, the Company had share-based payments made to management and directors of \$1,340 (for the year ended December 31, 2024 - \$1,422 and December 31, 2023 - \$1,258).

As at December 31, 2025, the accrued liabilities balance for related parties was \$1,582 (December 31, 2024 - \$161), which relates mainly to compensation accruals.

27. Subsequent Events

- (a) Subsequent to year end, the Company issued 4,734,605 common shares at a weighted average price of \$1.38 for gross proceeds of approximately \$6,535 under its At The Market Offering Agreement ("ATM"). The transaction costs associated with these issuances were \$295. On February 20, 2026, the Company upsized the ATM program to US\$25,000, providing additional financial flexibility to fund working capital and expenditures related to refinery commissioning. The TSXV approval is conditional to the Company fulfilling TSXV requirements in relation to the distribution and sale of common shares.
- (b) On March 16, 2026, the Company received a notice ("Notice") from The Nasdaq Stock Market LLC ("Nasdaq") stating that the Company is not in compliance with the minimum bid price requirement ("Minimum Bid Requirement") of US\$1.00 per share under Nasdaq's Listing Rule 5550(a)(2) based upon the closing bid price of the Company's common shares for the 30 consecutive business days prior to the date of the Notice.

The Notice has no immediate effect on the listing or trading of the Company's common shares on the Nasdaq, and the Company's operations are not affected by the receipt of the Notice. Under Nasdaq Listing Rule 5810(c)(3)(A), the Company has 180 calendar days from the date of the Notice, or until September 14, 2026, to regain compliance with the Minimum Bid Requirement, during which time the Company's common shares will continue to trade on Nasdaq.

If at any time before September 14, 2026, the bid price of the common shares closes at or above US\$1.00 per share for a minimum of 10 consecutive business days, the Company will regain compliance with the Minimum Bid Requirement. If the Company does not regain compliance with the Minimum Bid Requirement by September 14, 2026, the Company may be eligible, upon satisfaction of certain Nasdaq listing requirements, for an additional period of 180 calendar days to regain compliance.

The Company will closely monitor the situation and is considering various strategies to regain compliance with the Minimum Bid Requirement under Nasdaq's Listing Rules.

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Trent Mell, certify that:

1. I have reviewed this annual report on Form 20-F of Electra Battery Materials Corporation
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 27, 2026

/s/ "Trent Mell"

Name: Trent Mell
Title: Chief Executive Officer
(principal executive officer)

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Allen, certify that:

1. I have reviewed this annual report on Form 20-F of Electra Battery Materials Corporation
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 27, 2026

/s/ "David Allen"

Name: David Allen
Title: Chief Financial Officer
(principal financial officer)

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, as the Chief Executive Officer of Electra Battery Materials Corporation certifies that, to the best of his knowledge and belief, the annual report on Form 20-F for the fiscal year ended December 31, 2025, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the annual report on Form 20-F for the fiscal year ended December 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of Electra Battery Material Corporation at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 27, 2026

/s/ "Trent Mell"

Trent Mell

Chief Executive Officer
(principal executive officer)

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, as the Chief Financial Officer of Electra Battery Materials Corporation certifies that, to the best of his knowledge and belief, the annual report on Form 20-F for the fiscal year ended December 31, 2025, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the annual report on Form 20-F for the fiscal year ended December 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of Electra Battery Material Corporation at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 27, 2026

/s/ "David Allen"

David Allen

Chief Financial Officer

(principal financial officer)



ELECTRA BATTERY MATERIALS CORPORATION

OPERATIONS COMMITTEE CHARTER

Adopted March 26, 2024

(Revised: October 15, 2025/Last Reviewed: January 28, 2026)

This Operations Committee Charter (this “**Charter**”) has been adopted by the Board of Directors (the “**Board**”) of Electra Battery Materials Corporation (the “**Company**”) and sets forth the purpose, composition, authority and responsibility of the Operations Committee (the “**Committee**”) of the Board.

I. PURPOSE AND AUTHORITY

The purpose of the Committee is to assist the Board with its obligations relating to technical, health and safety and environmental, social and governance (“**ESG**”) matters.

II. ACCESS TO INFORMATION AND AUTHORITY

In performing its duties and responsibilities, the Committee shall have the authority to:

- meet with and seek any information it requires from employees, officers, directors, advisors to the Company or external parties;
- investigate any matter relating to the Company’s technical, health and safety or ESG practices, or anything else within its scope of responsibility;
- obtain full access to all Company books, records, facilities and personnel; and
- at its sole discretion and at the Company’s expense, retain and set the compensation for outside legal or other advisors, as necessary to assist in the performance of its duties and responsibilities.

The Company will provide appropriate resources, as determined by the Committee, for compensation to any advisors that the Committee chooses to engage and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in performing its duties.

III. COMPOSITION AND MEETINGS

The Board shall elect annually, from among its members, the Committee, which shall be composed of two or more directors as determined by the Board.

The Committee members shall have adequate and sufficient experience with technical operations, health, safety, and ESG practices and applicable legislation. At least one member of the Committee shall be independent within the meaning of National Instrument 52-110 – *Audit Committees*.

The Board may remove members of the Committee at any time, with or without cause. The Chair of the Committee (the “**Chair**”) shall be designated by the Board; *provided* that if the Board does not so designate a Chair, the Committee shall choose one of its members to be its Chair by majority vote. The Chair shall have the duties and responsibilities set out in Section VII.

The Committee will meet at such frequency throughout the year as is required to carry out its duties and responsibilities. The Committee and the Chair may invite any director, executive, employee or such other person or external advisor as it deems appropriate to attend and participate in any portion of any Committee meeting and may exclude from all or any portion of its meetings any person it deems appropriate in order to perform its responsibilities.

Unless otherwise determined from time to time by resolution of the Board, a majority of members of the Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting at which the Chair is absent, the chair of the meeting shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Committee, except where only two members are present, in which case any question shall be decided unanimously. Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Company, or such other delegate as the Chair may appoint, shall be the secretary of the Committee. The Committee will maintain written minutes of its meetings and copies of written consents. The Committee shall report regularly to the Board.

IV. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

In addition to such other duties as may from time to time be expressly assigned to the Committee by the Board, the Committee shall have the following responsibilities and duties:

Technical

- Reviewing and approving the Company’s mandates and policies relating to all technical matters;
- Providing technical oversight in connection with the Company’s exploration, development and operational activities;
- Reviewing with management the mid to long-term technical risks and opportunities associated with its business and ensuring that the Board is made aware of these risks and/or opportunities;
- Discussing with management, and reporting to the Board as appropriate, any exploration, geological, mining, metallurgical and other technical issues of significance that may require the attention of the Board;
- In cooperation with management, assessing the availability of the technical skills within the Company, or available to the Company, and advising the Board on whether training or other means are necessary or desirable to supplement the skill base of the Company;

- Reviewing the technical and budget issues associated with projects, acquisitions and/or dispositions with respect to their potential impacts on the Company, and reporting such to the Board;
- Reviewing the annual operating report of management and the Company's performance;
- Reviewing technical reports prepared for the Company under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* on properties material to the Company;
- Reviewing plans for the construction of new operations or material expansions of existing operations, and reporting to the Board;
- Reviewing commercial arrangements for engineering, procurement and construction management activities planned for the development of material projects, and reporting to the Board;
- Reviewing with management the technical development and review of major active projects of the Company; and
- Consulting with management, as requested from time to time, on corporate development initiatives.

Health and Safety

- Overseeing the Company's mandates and policies relating to all health and safety matters;
- Ensuring that the Company provides adequate training opportunities, instruction and equipment to its employees and promotes regulatory awareness to enable work in a manner that is safe for the workers and their colleagues;
- Reviewing, monitoring and reporting to the Board on the results of any material safety, health, environment or sustainability incident at any of the Company's operations;
- Periodically reviewing and reporting to the Board on the safety, health, environment and sustainability risks associated with the Company's operations, and the procedures and plans designed to manage and mitigate those risks;
- Reviewing reports on the nature and extent of the compliance or any non-compliance of the Company with the occupational health and safety policies, standards, accountabilities and programs of the Company and occupational health and safety legislation applicable to the Company, monitoring the correction of any deficiencies and reporting to the Board on the status of such matters; and
- Reviewing such other occupational health and safety matters as the Committee considers advisable or the Board may specifically direct the Committee to review or consider.

ESG – Operational and Project-Related Matters

- Reviewing management reports on operational and project-related aspects of all sustainability, environmental and social matters, including project timelines, budgets, current project status, and all other related operational matters;
- Reviewing with management the Company’s operations and project-related matters relative to sustainability issues, and make recommendations to the Board as the Committee determines appropriate;
- Reviewing the results of any sustainability and environmental audits and report on same to the Board;
- Ensuring that management has in place appropriate operational procedures that would minimize adverse effects on operations should social and environmental violations or incidents occur;
- Assisting management with respect to the Company’s interactions with local communities;
- Ensuring that local communities are engaged and informed from the earliest timeframe possible regarding the activities of the Company that could potentially impact such communities;
- Reviewing with management the following items as they relate to the operational and project-related aspects of social, sustainability and environmental matters:
 - (a) the Company’s policies with respect to operational risk assessment and risk management;
 - (b) the steps management has taken to monitor and control environmental risk exposures; and
 - (c) the effect of relevant regulatory initiatives and trends; and
- Advising the Board regularly of significant developments in the course of performing the above duties.

Other Responsibilities

- The members of the Committee should make periodic site visits, as considered appropriate, in order to become familiar with the nature of the operations of the Company, and to review relevant objectives, procedures and performance with respect to technical, health, safety, and ESG matters. Absent extraordinary circumstances, a minimum of one annual meeting of the Committee shall be held at one (or more) of the Company’s property assets.

Individual members of the Committee or any members of the Board who visit the Company sites may conduct ad hoc inspections and provide reports to the Committee for consideration;

- The Committee should review and assess the adequacy of this mandate from time to time, at least once annually, and submit any proposed amendments to the Board for consideration;
- The Committee should perform any other activities consistent with this mandate and applicable laws as the Committee or the Board considers advisable.

V. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may, in its sole discretion, retain or obtain the advice of a consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any consultant, legal counsel or other adviser retained by the Committee, the expense of which shall be borne by the Company. The Committee may select a consultant, legal counsel or other adviser to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:

- the provision of other services to the Company by the person that employs the consultant, legal counsel or other adviser;
- the amount of fees received from the Company by the person that employs the consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the consultant, legal counsel or other adviser;
- the policies and procedures of the person that employs the consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the consultant, legal counsel or other adviser with a member of the Committee;
- any shares of the Company owned by the consultant, legal counsel or other adviser; and
- any business or personal relationship of the consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment with respect to any consultant, legal counsel or other adviser that provides advice to the Committee, other than: (i) in-house legal counsel; and (ii) any consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the consultant, and about which the consultant does not provide advice.

Nothing herein requires a consultant, legal counsel or other advisor to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a consultant, legal counsel or other advisor. The Committee may select or receive advice from any consultant, legal counsel or other advisor it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Nothing herein shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the consultant, legal counsel or other advisor to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

VI. DELEGATION OF AUTHORITY

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, (i) except as set forth in clause (ii), that no subcommittee shall consist of fewer than two members; and (ii) that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

VII. RESPONSIBILITIES AND DUTIES OF THE CHAIR

The Chair shall have the responsibilities and duties set out in the Position Description for the Chair of the Technical & Sustainability Committee attached as Appendix "A" hereto.

VIII. LIMITATION ON COMMITTEE'S DUTIES

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgment. Members of the Committee are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information and, on the accuracy, and completeness of the information provided.

Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter

is not intended to change or interpret the constating documents of the Company or any federal, provincial, state or exchange law, regulation or rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws, regulations and rules. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders, competitors, employees or other persons, or to any other liability whatsoever.

Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.

IX. EVALUATION OF COMMITTEE

The Committee shall, on an annual basis, review and evaluate its performance. In conducting this review, the Committee shall address such matters that the Committee considers relevant to its performance and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The review and evaluation shall be conducted in such a manner as the Committee deems appropriate.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its review and evaluation, including any recommended changes to this Charter and any recommended changes to the Company's or the Board's policies or procedures, as it deems necessary or appropriate.

APPENDIX A

POSITION DESCRIPTION FOR THE CHAIR OF THE OPERATIONS COMMITTEE

Adopted March 26, 2024 / Last Reviewed: January 28, 2026

The board of directors (the “**Board**”) of Electra Battery Materials Corporation (the “**Company**”) shall select one of the members of the Board to be appointed as Chair (the “**Chair**”) of the Operations Committee (the “**Committee**”). In the discretion of the Board, the Chair shall be a member of the Board who meets the criteria for independence established by National Instrument 52-110 – *Audit Committees* adopted by the Canadian securities administrators and by applicable United States securities laws and exchange requirements.

I. DUTIES AND RESPONSIBILITIES OF THE CHAIR

- (a) Providing leadership to enable the Committee to effectively perform its duties and responsibilities as described in the charter of the Committee, and as may otherwise be appropriate.
- (b) Chairing meetings of the Committee and encouraging a free and open discussion.
- (c) Assisting the Committee and the individual members of the Committee in understanding and discharging their respective duties and responsibilities.
- (d) Ensuring the Committee meets as necessary or appropriate to fulfill its mandate.
- (e) Establishing the agendas for meetings of the Committee and overseeing the preparation of briefing materials for meetings in consultation with the other members of the Committee and the Chair of the Board, as appropriate.
- (f) Facilitating open communication with the senior executives of the Company to ensure that the Committee receives appropriate and timely information, materials and reports from senior executives and its advisors, if any, to permit the Committee to effectively discharge its duties and responsibilities.
- (g) Retaining, in consultation with the chair of the Board and as appropriate, expert consultants on behalf of the Committee.
- (h) Overseeing the assessment of the performance of the Committee.
- (i) Reporting to the Board, where appropriate, on matters reviewed and, on any decisions or recommendations made by the Committee.
- (j) Performing such other duties as may be requested by the Board from time to time.



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in the Form 20-F of our auditor's report dated March 27, 2026, relating to the consolidated financial statements of Electra Battery Materials Corporation (the "Company") consisting of the consolidated statements of financial position as at December 31, 2025 and 2024 and the related consolidated statements of loss and other comprehensive loss, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2025, as filed with the United States Securities and Exchange Commission.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

March 27, 2026
Toronto, Canada

MNP LLP
1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9

1.877.251.2922 T: 416.596.1711 F: 416.596.7894

CONSENT OF NORDA STELO GÉOLOGIE
(formerly InnovExplo Inc.)

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

NORDA STELO GÉOLOGIE
(formerly Innovexplo Inc.)

By: /s/ "Olivier Turcotte"
Name: Olivier Turcotte
Title: Chief Operating Officer

Date: March 27, 2026

CONSENT OF MARTIN PERRON

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

/s/ "Martin Perron"

MARTIN PERRON

Director – Centre of Excellence Geology

Date: March 27, 2026

CONSENT OF MARC R. BEAUVAIS

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

/s/ "Marc R. Beauvais"

MARC R. BEAUVAIS, P. Eng.
Principal Engineer

Date: March 27, 2026

CONSENT OF ERIC KINNAN

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

/s/ "Eric Kinnan"

ERIC KINNAN

Principal Geologist

Date: March 27, 2026

CONSENT OF SOUTEX INC.

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

SOUTEX INC.

By: /s/ "Elisabeth Reid"
Name: Elisabeth Reid
Title: Chief Executive Officer

Date: March 27, 2026

CONSENT OF PIERRE ROY

The undersigned hereby consents to (1) the use of the undersigned's name in connection with, and the technical and scientific information derived from, (a) the technical report 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, and effective January 27, 2023 (the "**43-101 Technical Report**") and (b) the technical report summary, titled, "SK-1300 Technical Report Summary and Mineral Resource Estimate for the Iron Creek Cobalt-Copper Property, Lemhi County, Idaho, USA," effective January 27, 2023 (the "**1300 Technical Report Summary**"), incorporated by reference into or included as an exhibit to the Annual Report on Form 20-F of Electra Battery Materials Corporation for its fiscal year ended December 31, 2025 (the "**Form 20-F**"), being filed with the United States Securities and Exchange Commission and any amendments thereto, and incorporated by reference into the registration statements on Form S-8 (File No. 333-264589), Form F-3, as amended (File No. 333-288364), and Form F-3, as amended (File No. 333-291766) (collectively, the "**Registration Statements**"), and (2) all other references to the undersigned included or incorporated by reference in the Form 20-F and the Registration Statements and to the inclusion and incorporation by reference of the information derived from the 43-101 Technical Report and the 1300 Technical Report Summary in the Form 20-F and the Registration Statements.

/s/ "Pierre Roy"

PIERRE ROY

Principal Engineer

Date: March 27, 2026