

# Q1 Results & Progress

ONSHORING THE EV SUPPLY CHAIN

Electra Q1 Earnings Call Presentation

May 11, 2023

# Forward Looking Statements

All statements in this presentation other than statements of historical fact constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, and “forward-looking information” under similar Canadian legislation and are based on the reasonable expectations, estimates and projections of Electra Battery Materials Corporation as of the date of this presentation. Forward-looking statements and forward-looking information include, without limitation, possible events, trends and opportunities and statements, including with respect to the state of the cobalt market, global market conditions, the proposed development of the Electra Battery Materials Park, the processing of raw material feedstocks, the ability to secure financing, results of exploration activities, potential acquisitions, capital expenditures, successful development of assets, currency fluctuations, government policy and regulation and environmental regulation. In particular, forward-looking information included in this presentation includes, without limitation, the opportunity to restart the Electra refinery and targeted metrics. Generally, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, or variations of such words or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements and forward-looking information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include changes in supply and demand for cobalt, nickel and other battery raw materials, the results of metallurgical and engineering studies, changes in competitive pressures, timing and amount of capital expenditures, changes in capital markets, changes in exchange rates, unexpected geological or environmental conditions, changes in and the effects of, government legislation, taxation and regulations and political or economic developments, success in attracting officers for the future success of the Company’s business, success in obtaining any required additional financing to advance strategic priorities, and risks associated with obtaining necessary licenses or permits.

Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements and forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements and forward-looking information made in this presentation are qualified by these cautionary statements. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such statements will prove to be accurate, as actual results could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

Timelines used in this presentation are for the purpose of aiding management in the planning and implementation of the projects and are not based on a detailed assessment of project requirements. Consequently, the timelines are subject to material revision as subsequent technical reports and assessments are completed. Future phases of the project are contingent upon completion of preceding phases. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

Mark Trevisiol, P.Eng. and Dan Pace are Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Project (“NI 43-101”) and both are employed by Electra. They have reviewed and approved the technical content in this presentation.



# Today's presenters



Trent Mell  
CEO



Craig Cunningham  
CFO



Renata Cardoso  
VP Sustainability

# Q1 highlights

- Completed first plant-scale recycling of back mass material in North America
- Recovered and produced high-quality nickel/cobalt, graphite and lithium carbonate products
- Increased liquidity by US\$14M with convertible debt offering
- Sold non-core assets in Canadian cobalt belt
- Issued updated Mineral Resource Estimate for Iron Creek
- Released inaugural Sustainability Report

**Momentum of 2022 sustained into Q1**

# Sustainability Update



# Electra's commitment to ESG

## CORE VALUES



Respect for the planet  
and for future generations



Respect for  
our employees



Respect for the local  
communities

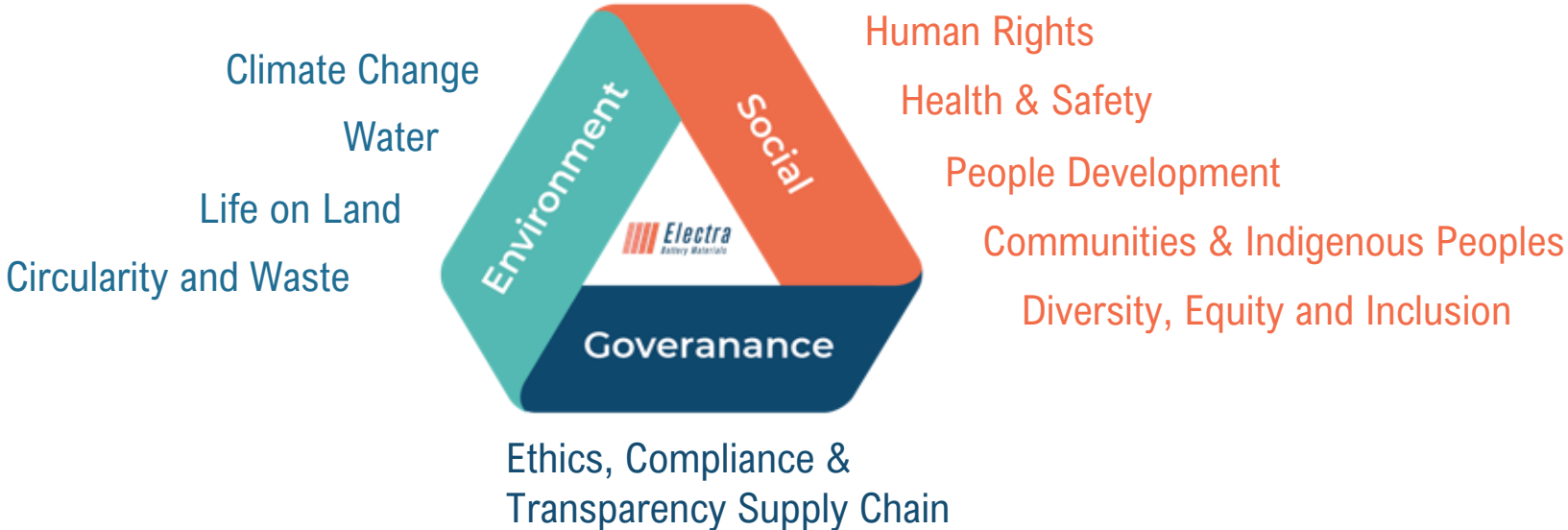


Respect for our  
shareholder

## MISSION

Provide **low-carbon**,  
**ethical** and **traceable** materials to the  
**global battery supply**  
**chain** while improving **people's lives**

# Electra's sustainability framework



**Framework helped to underpin ESG activities in 2022**

# Measuring ESG performance

Topic	Metric	2022	2022
Climate change	Scope 1 emissions (tCO <sub>2</sub> e)	118	311
	Scope 2 emissions (tCO <sub>2</sub> e)	8	1
	Total Scope 3 emissions (tCO <sub>2</sub> e)	1,382	1,228
Water	Total water withdrawn – Surface water (L)	1,935	834
People & Diversity	Total number of employees	48	19
	Percentage of women hired	20%	20%
Health & Safety	High-consequence work-related injuries	0	0

**Basis to achieve net-zero emissions by 2050**



# Q1 Financial Highlights

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Battery Materials



# Q1 liquidity position

- Balance sheet changes due to US\$51M convertible debt offering and timing of capital spend towards refinery project
- Q1's liquidity excludes C\$5.1M of expected government funding
- Payments against refinery project have reduced liquidity in Q2
- Efforts to raise capital will be accelerated with completion of re-baseline engineering report



**Cash management is a key priority**

# Convertible debt financing

- US\$51M principal amount of 8.99% secured convertible notes
- Repurchased US\$36M of outstanding notes at par value, plus accrued interest
- US\$2.48 conversion price
- 10.8M warrants exercisable over 5 years at a US\$2.48 conversion price
- Minimum cash balance reduced to US\$2M from US\$7.5M

**US\$15M**  
Gross proceeds

**Key to improved liquidity at end of quarter**

# Refinery project economics

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# Guidance update

Updated project costs:  
US\$115 to \$US125M

Completion of re-  
baseline report helps  
to de-risk project

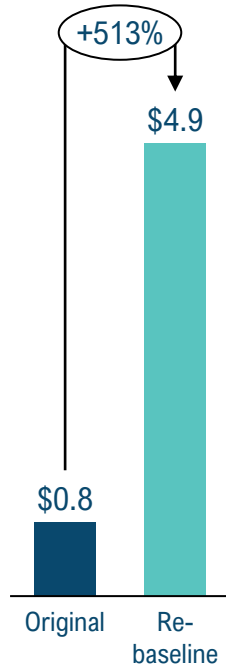
- Guidance withdrawn on Feb. 14, 2023
- Completed re-baseline engineering report on refinery project timelines and costs
- Report prepared by EPCM contractor
- Review underway by 3<sup>rd</sup> party-estimator
- Increased costs driven by inflation, expansion scope, equipment delays and supply chain disruptions

# Variances to original capital estimate\*

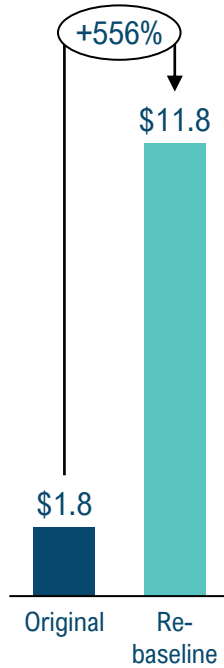
Dir. Labour & Materials



Freight



Const. Indirects



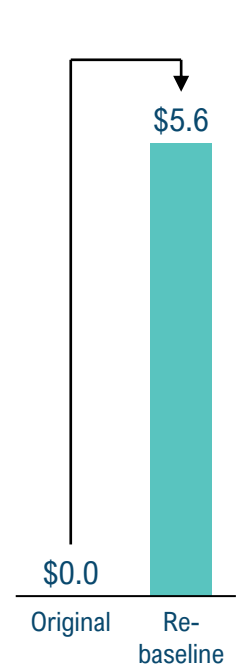
EPCM



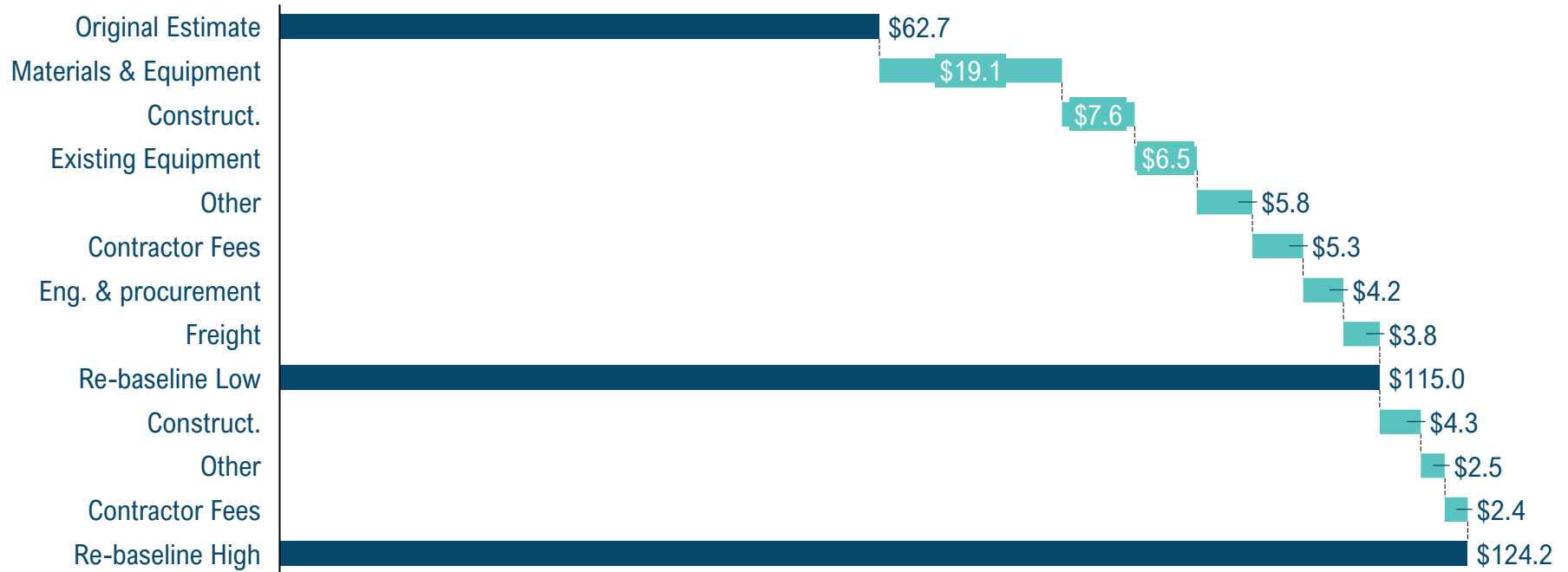
Owners' Costs



Fixed Fees



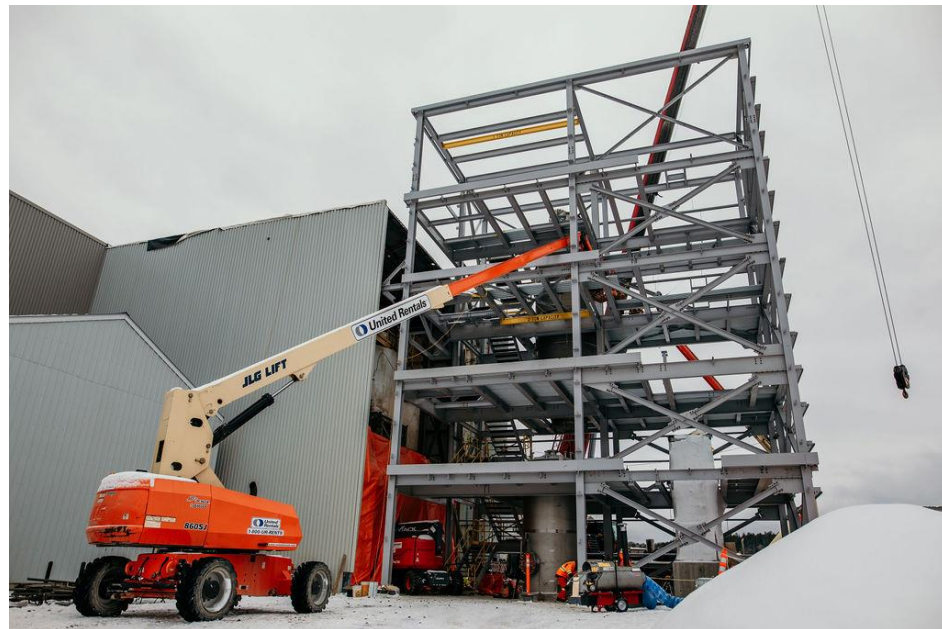
# Reconciliation of updated capital costs



**Increases driven by scope expansion, inflation and supply chain disruptions**

# Refinery project next steps

- Accelerate focus on project funding
- 3<sup>rd</sup> party-estimator to finalize report review
- Continue to receive long-lead items
- Limit capital expenditures
- Shift construction work to owners' team



**Timeline to complete project is subject to additional capital**

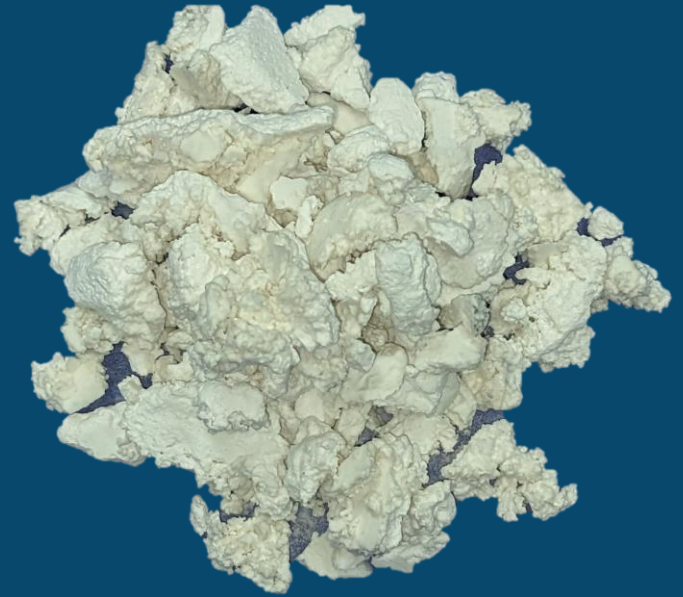


# Black mass scoping study



# Context for black mass scoping study

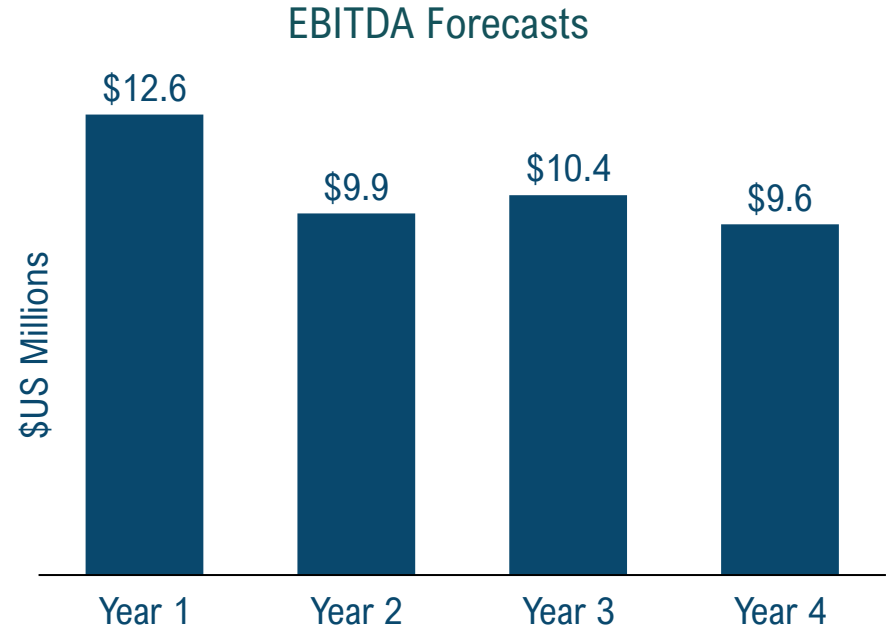
- Trial results have been extremely positive
- Lithium-carbonate production is a potential game changer
- Strong interest in trial results from various stakeholders
- Outlook for black mass recycling is favourable
- Signed MOU with Three Fires Group to form JV



**Urgency to assess the economic potential of recycling**

# Highlights of black mass scoping study

- Capital spend: US\$6M
- Internal rate of return: 127%
- Payback: 1 to 2 years
- 2,500 tonnes of processed material /YR



**Low capital intensity with a high rate of return**

# Next steps with black mass trial

- First commercial delivery anticipated in Q2
- Ongoing refinement of hydrometallurgical process
- Discussions with potential battery supply chain partners
- Evaluate success of trial results
- Determine path to commercialization



**Trial results to date have exceeded expectations**

# Outlook



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A close-up photograph of an electric vehicle's charging port. The port is a circular, silver-colored opening on the side of a dark-colored car. A black charging cable with a bright orange connector is plugged into the port. The background is slightly blurred, showing other vehicles and a parking lot setting. The image is partially overlaid by a teal-colored graphic element on the left side.

# Near-term milestones

- Q2 – Launch of strategic review process
- Q2 – Shipment of products to customers
- Q2 – Delivery of key equipment to refinery
- H2 2023 – Bécancour prefeasibility study



**Multiple catalysts for value creation**



Questions?



# Electra Battery Materials

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TSX-V: ELBM

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