

# Q3 Results & Progress

ONSHORING THE EV SUPPLY CHAIN

Electra Q3 Earnings Call Presentation

November 10, 2022



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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



Mark Trevisiol  
VP Project  
Development



Craig Cunningham  
CFO

# Q3 highlights

- 3-year supply agreement with LG Energy Solution
- Continued progress with commissioning of refinery
- Preparation for black mass recycling demonstration plant
- Confirmation of new cobalt mineralization zone in Idaho Cobalt Belt
- Release of nickel sulfate scoping study
- Benefits agreement signed with Métis Nation of Ontario

**Q3 marked by considerable progress and execution against strategy**

# Supply agreement with LG Energy Solution



- 3-year strategic supply agreement
- 7,000 tonnes of battery grade cobalt
- From 2023 through 2025
- Represents 60% of refinery output during term
- Value of agreement is approximately \$400M\*
- Agreement will generate \$70M in revenue\*

**Marks Electra's first commercial agreement in the EV supply chain**



# Building North America's first cobalt sulfate refinery

 **Electra**



90% of all brownfield  
equipment  
recommissioned

Zero lost time incidents

## Progress at refinery continues

- 90% of brownfield equipment recommissioned
- 90% of all procurement completed
- 90% of detailed engineering completed
- 75% of solvent extraction plant constructed
- Owners' team now at 27 personnel
- Developing a culture of employee health & safety
- Commercial and operational readiness launched

# Equipment recommissioning



# Solvent extraction plant in Q2



# Solvent extraction plant in Q3



# Cell installation

# Guidance for cobalt sulfate refinery

- Project costs anticipated at US\$76-\$80M
- Project completion expected in spring 2023
- Revenue to be capitalized against costs until commercialization is reached

	2023
Contained cobalt production	1,800 - 2,100 tonnes
EBITDA <sup>1</sup>	C\$9.5 - \$10.5M

**Production ramp up to 5,000 tonnes of contained cobalt expected in 2024**

# Black mass recycling update



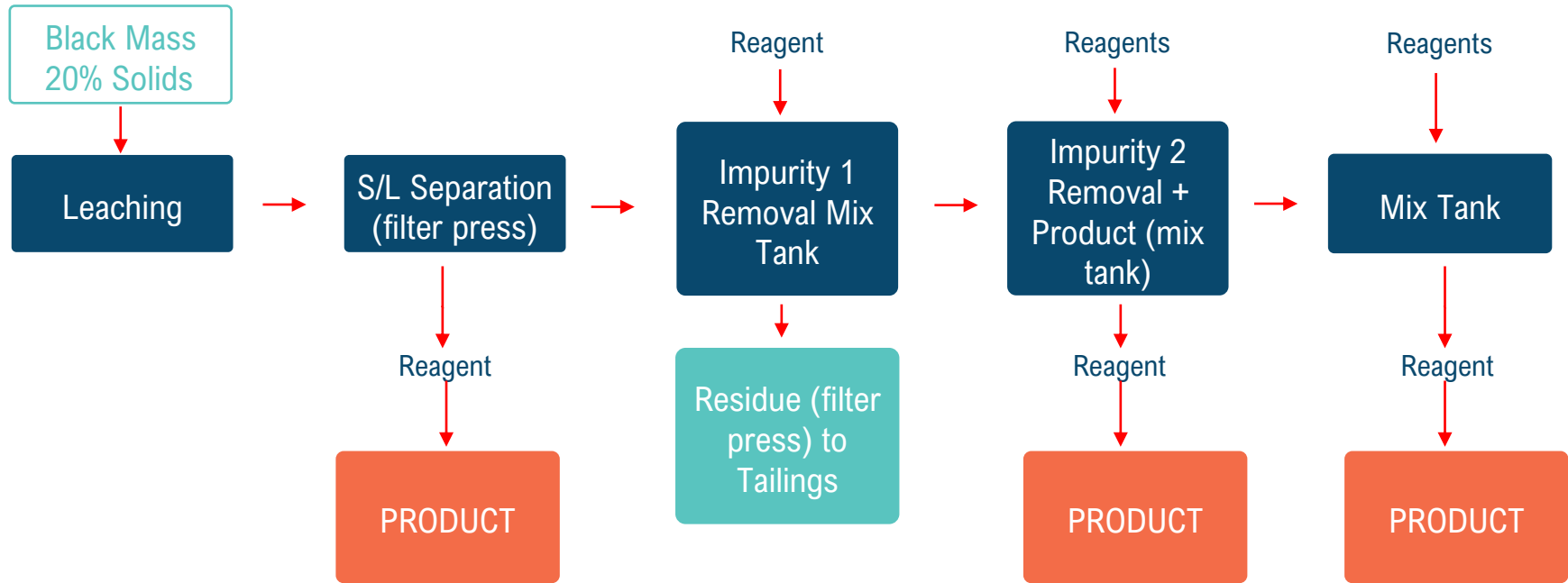
# Launch anticipated in coming weeks

- Process up to 75 tonnes in a batch mode
- Blend material at refinery
- Apply hydrometallurgical process previously tested
- Recovery of high value metals for resale anticipated
  - Nickel, cobalt, lithium, copper, and graphite
- Critical success factors of demonstration plant
  - Effectiveness of process
  - Recovery rates



**Success of demonstration plant will pave wave for commercialization**

# High level black mass process flow



**Process recovers nickel, cobalt, graphite, copper and lithium**



# Repulping system re-commissioned





Material handling  
equipment commissioned

# Q3 Financial Highlights



# Q3 financial results



- Balance sheet changes driven by \$18.8M in refinery investments
- Other costs included \$1.3M for exploration and development at Iron Creek and \$1.6M in interest payments
- Cash position is exclusive of \$6.7 million of government funding expected and \$16.8M of available funding through ATM program

**Cash management is a key priority**

# Financing initiative launched

- US\$5.5M marketed offering of units
- Each units to include 1 share and 1 warrant to purchase 1 share
- Proceeds to be fund commissioning of cobalt sulfate refinery
- Close expected on our about November 15
- Other funding options are under consideration

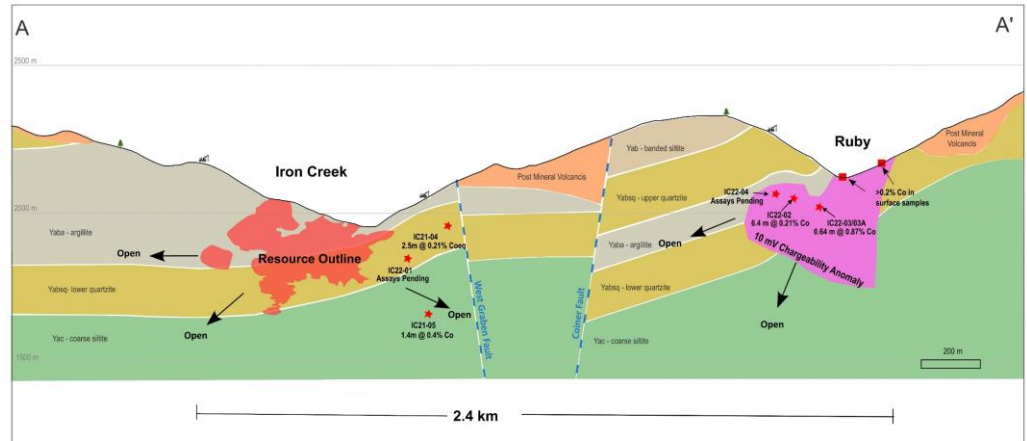
**Balance sheet strength remains a key priority**

# Exploration update



# New target zone identified at Ruby

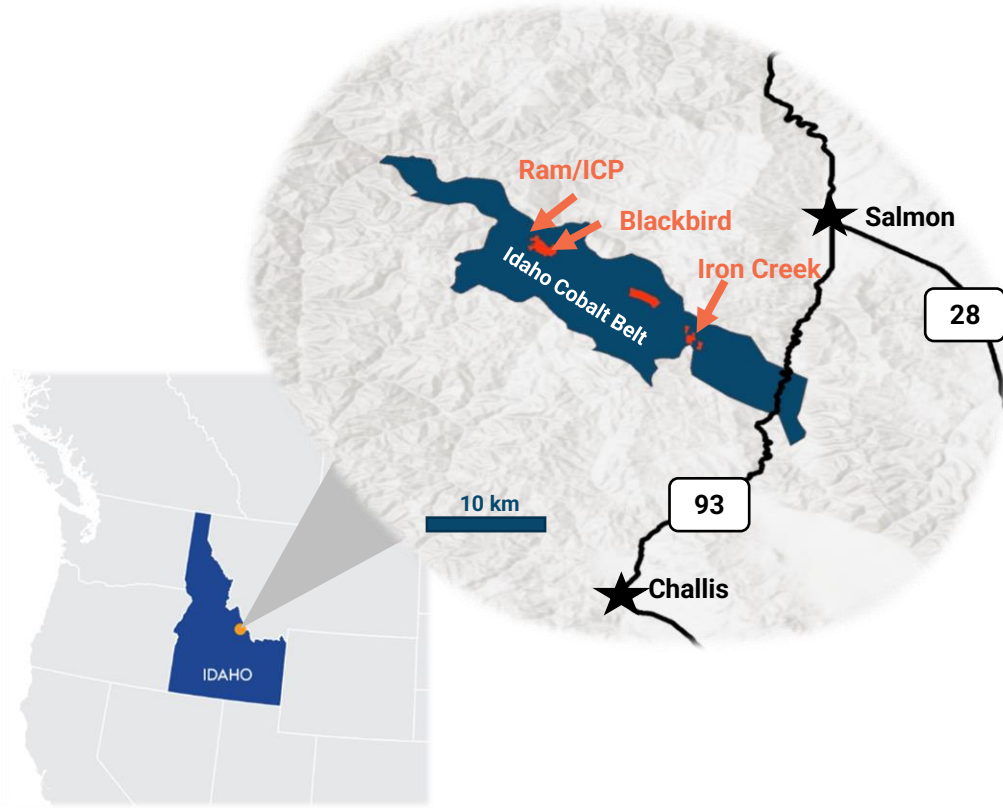
- Defined strong and open-ended anomaly
- Located 1.5 km southeast of Iron Creek
- Drilling intercepted::
  - 6.4 m @ 0.21% Co in IC22-02 from 307.5 to 313.9 m
  - 0.64 m @ 0.87% Co in IC22-03A from 364.3 to 364.9 m
- Assay results support undertaking additional drilling to determine full size and depth
- Additional drilling is planned to the west



Mineralization at Iron Creek and Ruby support additional exploration in region

# Idaho Cobalt Belt

- America's best opportunity to onshore cobalt supply and reduce reliance on China
- High grade deposits amenable to underground mining with a minimal environmental footprint
- 53Mlbs of Cu and 14 Mlbs of Co produced historically
- Electra's prospects and targets in the 80km x 20km belt have had minimal modern exploration



**Largest unmined cobalt resource in the U.S\***

# Outlook & near-term milestones





## Market outlook

US\$7,500 EV tax credit

27.1% CAGR in EV  
sales through 2026

- Inflation Reduction Act provides favorable backdrop
- Outlook for cobalt and nickel prices is positive
- Annual EV sales expected to grow to 27M by 2030
- Market developments driving customer demand

Trends point to onshoring the EV supply chain

# Near-term milestones

- Fall – Recycling demonstration plant
- Fall – Sustainability Report
- Spring 2023 – Commissioning of cobalt refinery
- Summer 2023 – Cash flow from cobalt sales
- Summer 2023 – Exploration program at Ruby
- H2 2023 – Bécancour prefeasibility study



**Multiple catalysts for value creation**



Questions?



# Electra Battery Materials

NASDAQ: ELBM

TSX-V: ELBM

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