

Electra Announces Commercial Agreements with Glencore

TORONTO, ON – (December 30, 2021) – **Electra Battery Materials Corporation (TSX-V: ELBM; OTCQX: FTSSF)** (the "Company" or "Electra") today announced it has signed a five-year cobalt tolling contract and amended the previous concluded five-year cobalt hydroxide feed purchase agreement with Glencore. The Company intends to produce a traceable, low carbon battery grade cobalt product for the electric vehicle market and the parties will market the Canadian-made cobalt sulfate as a premium brand product that is sustainably mined and refined with renewable hydroelectric power.

HIGHLIGHTS

- First production of battery grade cobalt sulfate is anticipated in Q4 2022, with an annual production target of 5,000 tonnes of cobalt, subsequently increasing to nameplate capacity of 6,500 per year
- Glencore will have an option to toll approximately 1,000 tonnes of contained cobalt at Electra's refinery and Electra will have an option to purchase an additional undisclosed quantity of cobalt hydroxide feed material from Glencore, each on an annual basis for a five-year term for refining at Electra's Canadian refinery. The feed purchase agreement largely reflects the original cobalt hydroxide purchase agreement and is for the remaining quantities from the original contract that are not part of the tolling arrangement
- A third-party life cycle assessment supports the view that Electra's refinery will have the lowest carbon footprint in the global automotive supply chain, resulting in the world's most sustainable cobalt for the electric vehicle market
- As part of its commitment to sustainable production, Electra intends to join the Fair Cobalt Alliance and adopt the Cobalt Institute's Cobalt Industry Responsible Assessment Framework
- To date, Electra has concluded feed supply contracts with Glencore and IXM SA for a total for 4,500 tonnes of contained cobalt per year for a five-year term

"Today's announcement is a validation of our strategy by the world's largest cobalt miner," said Trent Mell, CEO. "We are very pleased to partner with Glencore as a means to establish our cobalt sulfate product as a premium brand in the EV market due to its traceability and low carbon footprint."

Glencore will use its extensive network to market Electra's premium cobalt sulfate globally. Electra's cobalt feedstock is sourced only from the world's highest quality cobalt mines and the Refinery has strong ESG credentials compared to its peers. Both Glencore and Electra expect the battery-grade cobalt sulfate produced at the Canadian refinery to command a premium above normal market prices. The collaborative approach will help to properly position Electra's cobalt sulfate in the market.

The Company previously concluded a five-year cobalt hydroxide feed purchase agreement with Glencore, which has been amended to reflect the terms of the deal announced today. The tolling agreement will provide Glencore with the option to toll approximately 1,000 tonnes

of contained cobalt through the Refinery on an annual basis. The parties have agreed to a tolling fee for the duration of the contract. Feed material will be provided from Glencore's KCC mining operation. If exercised each year, the quantity of cobalt tolled with Glencore will represent 20% of the initial 5,000 tonnes per annum (tpa) production of the refinery, and 15% of the expanded 6,500 tpa production rate.

The feed purchase agreement largely reflects the original cobalt hydroxide purchase agreement and is for the remaining quantities from the original contract that are not part of the tolling arrangement. The purchase price for this cobalt hydroxide will continue to be linked to the prevailing market price of cobalt hydroxide. All quantities under this cobalt hydroxide purchase agreement will now be at the sole option of Electra annually, giving the Company enhanced flexibility to manage its feed sources. All conditions precedent included in the original contract have been removed.

Glencore has been a strong supporter of Electra for a number of years, funding the initial engineering studies on the refinery and providing technical input to the Company. Electra is pleased to continue working with Glencore as the refinery comes online in Q4 2022. The commercial contracts noted above are the only existing corporate relationships with Glencore at present, as Glencore does not hold any debt or common shares of Electra and thus does not have an ownership interest in the Company.

Approval of 2021 Long-Term Incentive Plan

On December 2, 2021 at the Company's annual general and special meeting of shareholders (the "Meeting"), disinterested shareholders of the Company approved amendments to the Company's long-term incentive plan (the "2021 LTIP"). The 2021 LTIP increases the number of Options, PSUs, RSUs and DSUs from 18,000,000 Options to 25,500,000 Options; from 4,000,000 PSUs to 5,000,000 PSUs; from 2,000,000 RSUs to 4,500,000 RSUs; and from 4,000,000 DSUs to 7,000,000 DSUs, such that the maximum number of Common Shares to be reserved for issuance under the 2021 LTIP be increased from 28,000,000 Common Shares to 42,000,000 Common Shares. This represents approximately 7.9% of the current issued and outstanding Common Shares, with the increase in total Common Shares reserved for issuance driven by the increase in the Company's employee base as it has grown into a development stage.

The 2021 LTIP also clarifies termination and blackout provisions to better align with the requirements of the TSXV. The 2021 LTIP remains subject to the TSXV's final approval. Further information on the 2021 LTIP, including a copy thereof, can be found in the Company's management information circular prepared in connection with the Meeting and available on SEDAR at www.sedar.com.

About Electra Battery Materials

Electra is building North America's only fully integrated, localized and environmentally sustainable battery materials park. Leveraging the Company's own mining assets and business partners, the Electra Battery Materials Park will host cobalt and nickel sulfate production plants, a large-scale lithium-ion battery recycling facility, and battery precursor materials production, which will serve both North American and global customers. Electra also owns the advanced exploration-stage Iron Creek cobalt-copper project in Idaho, USA. Electra Battery Materials is an integral part of the North American battery supply chain, providing low-carbon, sustainable and traceable raw materials for the region's fast growing electric vehicle industry..

On behalf of Electra Battery Materials Corporation.

Trent Mell
Chief Executive Officer

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