

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement (the “Prospectus Supplement”), together with the short form base shelf prospectus dated November 26, 2020 to which it relates (the “Prospectus”), as amended, amended and restated, or supplemented, and each document incorporated by reference into this Prospectus Supplement and the Prospectus, as amended, amended and restated, or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this Prospectus Supplement and the Prospectus from documents filed with securities commissions or similar authorities in Canada and with the United States Securities and Exchange Commission (the “SEC”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Electra Battery Materials Corporation at 133 Richmond Street W, Suite 602, Toronto, Ontario M5H 2L3, telephone (416) 900-3891, and are also available electronically at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov).*

**PROSPECTUS SUPPLEMENT**  
**to the Short Form Base Shelf Prospectus dated November 26, 2020, as amended by Amendment No. 1**  
**to the Short Form Base Shelf Prospectus dated November 30, 2021**

New Issue

November 14, 2022



**ELECTRA BATTERY MATERIALS CORPORATION**

**2,621,300 Common Shares**

This Prospectus Supplement to the Base Shelf Prospectus of Electra Battery Materials Corporation (“**Electra**” or the “**Corporation**”) relates to: (i) 2,621,300 common shares of Electra (the “**Warrant Shares**”), issuable from time to time upon (a) the exercise of 2,345,000 common share purchase warrants (the “**Warrants**”) expected to be issued by the Corporation pursuant to the Unit Offering (defined below), (b) 138,150 common shares of Electra (the “**Broker Warrant Unit Shares**”) issuable upon the exercise of 138,150 Broker Warrant (as defined below) by the Agents (as defined below), and (c) 138,150 common shares of Electra (the “**Underlying Broker Warrant Shares**”) issuable upon the exercise of 138,150 Underlying Broker Warrants (as defined below) by the Agents; and (ii) such indeterminate number of additional Warrant Shares (the “**Anti-Dilution Warrant Shares**”) that may be issuable by reason of the anti-dilution provisions contained in the Warrant Indenture (as defined herein) (the “**Offering**”). See “*Plan of Distribution*”.

The Corporation filed a preliminary prospectus supplement dated November 8, 2022, as amended on November 9, 2022, and a final prospectus supplement dated November 9, 2022 to its Base Shelf Prospectus with the securities commission or similar regulatory authority in each of the provinces of Canada, other than Québec, and in connection therewith a preliminary prospectus supplement dated November 8, 2022, as amended on November 9, 2022, and a final prospectus supplement dated November 9, 2022 to its registration statement on Form F-10 with the SEC relating to the offering (the “**Unit Offering**”) by the Corporation to the public in Canada and the United States of units (“**Units**”), each Unit consisting of one common share of the Corporation (a “**Common Share**”) and one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Warrant Share at an exercise price of US\$3.10 per Warrant Share for a period of three years following the Closing Date (as defined herein), subject to adjustment in accordance with the terms of the Warrant Indenture. The exercise price of the Warrants was determined by negotiation between the Corporation and a syndicate of agents for the Unit Offering (the “**Agents**”) pursuant to an agency agreement between the Corporation and the Agents dated November 9, 2022 (the “**Agency Agreement**”). Pursuant to the Agency Agreement, as a portion of the Agents’ compensation in connection with the services rendered in the Offering, the Company has agreed to issue to the Agents 138,150 compensation warrants (the “**Broker Warrants**”).

exercisable to acquire 138,150 Units (the “**Broker Warrant Units**”), each Broker Warrant Unit consisting of one Common Share and one Warrant (the “**Underlying Broker Warrants**”).

This Prospectus Supplement is filed pursuant to (i) the Base Shelf Prospectus filed in the provinces of each of the provinces and territories of Canada and (ii) a base shelf prospectus filed as part of the Corporation’s registration statement on Form F-10 (File No. 333-264982) (as amended, the “**U.S. Registration Statement**”) filed with and declared effective by the SEC under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”).

All references to “Warrant Shares” in this Prospectus Supplement include the Broker Warrant Unit Shares, the Underlying Broker Warrant Shares and the Anti-Dilution Warrant Shares, as the context permits or requires.

The issued and outstanding common shares in the capital of the Corporation (the “**Common Shares**”) are listed and posted for trading on Tier 2 of the TSX Venture Exchange (“**TSXV**”) and Nasdaq Capital Market (“Nasdaq”) under the symbol “ELBM”. On November 11, 2022, the last trading day prior to the date of this Prospectus Supplement, the closing price per Common Share on the TSXV was \$3.21 and on Nasdaq was US\$2.47. An application has been made to list the Warrant Shares on the TSXV and notification of the Offering (including the issuance of the Warrant Shares upon exercise of the Warrants) has been provided to Nasdaq. Listing of the Warrant Shares will be subject to the Corporation fulfilling the respective listing requirements of the TSXV.

No Agent has been involved in the preparation of, or has performed any review of, this Prospectus Supplement or the accompanying Base Shelf Prospectus.

**Investing in the Warrant Shares is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. A prospective purchaser should therefore review this Prospectus Supplement and the Shelf Prospectus, as amended or supplemented, and the documents incorporated by reference herein and therein, as amended or supplemented, in their entirety and carefully consider the risk factors described or referenced under “Risk Factors” herein and in the Shelf Prospectus prior to investing in any Warrant Shares offered hereby.**

**Electra is permitted under a multijurisdictional disclosure system (“MJDS”) adopted by the securities regulatory authorities in Canada and the United States to prepare this Prospectus Supplement and the accompanying Shelf Prospectus in accordance with the disclosure requirements of Canada. Prospective investors in the United States should be aware that such requirements are different from those of the United States. Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are audited in accordance with Canadian generally accepted auditing standards and auditor independence standards, and thus may not be comparable to financial statements of United States companies.**

**Purchasers of the Warrant Shares should be aware that the acquisition, holding or disposition of the Warrant Shares may have tax consequences both in the United States and in Canada. Such consequences for purchasers who are resident in, or citizens of, the United States or who are resident in Canada may not be described fully herein. Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian or United States federal income tax laws to their particular circumstances, as well as any other provincial, state, foreign and other tax consequences of acquiring, holding or disposing of the Warrant Shares and related securities. See “Certain Canadian Federal Income Tax Considerations” and “Certain U.S. Federal Income Tax Considerations”.**

**Your ability to enforce civil liabilities under the U.S. federal securities laws may be affected adversely because Electra is organized under the laws of Canada, some of its officers and directors and some or all of the experts named in this Prospectus Supplement and the Shelf Prospectus are Canadian residents, and its assets are located outside of the United States.**

**NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR ANY STATE SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED THE SECURITIES OFFERED**

**HEREBY OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The Corporation is not making any offer of the Warrant Shares in any jurisdiction where the offer is not permitted by law.

Mr. C.L. “Butch” Otter, a director of the Corporation, and Steven J. Ristorcelli, C.P.G., P.G., Joseph Schlitt, MMSA QP, and Daniel Pace, a registered member of the Society for Mining, Metallurgy & Exploration and each a qualified person, reside outside of Canada. Mr. Otter has appointed Cassels Brock & Blackwell LLP, Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 as agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

The Corporation’s registered office is located at Suite 2400, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6. The Corporation’s corporate head office is located at 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3.

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This Prospectus Supplement describes the specific terms of the Offering and also adds to and updates certain information contained in the Shelf Prospectus and the documents incorporated by reference into the Shelf Prospectus. If the information varies between this Prospectus Supplement and the Shelf Prospectus, the information in this Prospectus Supplement supersedes the information in the Shelf Prospectus. The Shelf Prospectus and this Prospectus Supplement together comprise the Prospectus for the purposes of qualifying the securities offered pursuant to the Offering.

An investor should rely only on the information contained in this Prospectus Supplement and the Shelf Prospectus (including the documents incorporated by reference herein and therein) and is not entitled to rely on parts of the information contained in this Prospectus Supplement or the Shelf Prospectus (including the documents incorporated by reference herein or therein) to the exclusion of others. The Corporation and the Agents have not authorized anyone to provide investors with additional or different information. The Corporation and the Agents take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus Supplement. Information contained on, or otherwise accessed through, the Corporation's website shall not be deemed to be a part of this Prospectus Supplement and such information is not incorporated by reference herein.

The Corporation and the Agents are not offering to sell the Warrant Shares in any jurisdictions where the offer or sale of the Warrant Shares is not permitted. The information contained in this Prospectus Supplement (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus Supplement or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus Supplement or any sale of the Warrant Shares. The business, capital, financial condition, results of operations and prospects of the Corporation may have changed since those dates. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering.

The documents incorporated or deemed to be incorporated by reference herein or in the Prospectus contain meaningful and material information relating to the Corporation and readers of this Prospectus Supplement should review all information contained in this Prospectus Supplement, the Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein, as amended or supplemented.

This Prospectus Supplement, the Shelf Prospectus and the documents incorporated by reference therein are part of the U.S. Registration Statement. This Prospectus Supplement and the Shelf Prospectus do not contain all of the information set forth in the U.S. Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC, or the schedules or exhibits that are part of the U.S. Registration Statement. Investors in the United States should refer to the U.S. Registration Statement and the exhibits thereto for further information with respect to Electra and the Warrant Shares.

## **FINANCIAL INFORMATION AND CURRENCY**

The Corporation prepares its consolidated financial statements, incorporated by reference herein, in accordance with IFRS as issued by the International Accounting Standards Board which is incorporated within Part 1 of the CPA Canada Handbook – Accounting, and its consolidated financial statements are subject to Canadian generally accepted auditing standards and auditor independence standards. As a result, they may not be comparable to financial statements of United States companies.

All currency amounts in this Prospectus are expressed in Canadian dollars, unless otherwise indicated. References to dollars or "\$" or "C\$" are to Canadian dollars unless otherwise indicated. All references to "US\$" are to United States dollars. On November 11, 2022, the last trading day prior to the date of this Prospectus Supplement, the daily average exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = C\$1.3378.

Unless the context otherwise requires, all references in this Prospectus Supplement to the “Corporation” and “Electra” refer to the Corporation and its subsidiary entities on a consolidated basis.

## MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus Supplement is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Corporation has not independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

## NON-IFRS MEASURES

The financial results of the Corporation are prepared in accordance with IFRS. Additionally, the Corporation utilizes certain non-IFRS measures such as working capital and EBITDA. The Corporation believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the Shelf Prospectus contain “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation (collectively referred to herein as “**forward-looking information**” or “**forward-looking statements**”). Forward-looking statements are included to provide information about management’s current expectations and plans to allow investors and others a better understanding of the Corporation’s operating environment, business operations, and financial performance and condition.

Forward-looking statements include, but are not limited to, statements relating to the business and future activities of, and developments related to, the Corporation after the date of this Prospectus Supplement or the Shelf Prospectus, as applicable; expectations of the use by the Corporation of the net proceeds raised from the Offering, including as to achieving the related business objectives described herein; 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 circuits of the black mass recycling demonstration plant and the Refinery; entering into a definitive supply agreement with LG on the terms described in the Cobalt Supply Agreement the development of the Refinery; expectations of the timing, size and completion of the Offering and the listing of the Warrant Shares on the TSXV and Nasdaq; the results of any scoping study of an integrated nickel sulfide processing facility; planned exploration and development programs and expenditures and expected results of exploration; commercial agreements with respect to feedstock supply with Glencore (as defined in the Corporation’s annual information form for the fiscal year ended December 31, 2021 dated April 8, 2022 (the “**AIF**”) and other parties; timelines and milestones with respect to the Refinery (as defined herein); anticipated expenditures and programs at the Refinery, Iron Creek Project (as defined herein) and Cobalt Camp (as defined in the AIF); the impact of COVID-19 on the Corporation; the estimation of mineral resources; magnitude or quality of mineral deposits; anticipated advancement of mineral properties and programs; the Corporation’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 the Corporation; future development plans; 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.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Corporation at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Corporation'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; satisfaction of any conditions required to enter into a definitive agreement with LG on the terms described in the Cobalt Supply Agreement; general expectations with respect to the development of the Refinery (as defined herein), including commodity prices with respect to its development; the state of the electric vehicle ("EV") market; the future price of cobalt; anticipated costs of, and the Corporation's ability to fund, its operations; the availability of feedstock for Refinery operations; the Corporation's ability to carry on exploration and development activities; the timing and results of drilling programs; the discovery of additional mineral resources on the Corporation'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; operating and exploration expenditures; the Corporation's ability to operate in a safe, efficient and effective manner; the potential impact of natural disasters; the impact of COVID-19; and the Corporation's ability to obtain financing as and when required and on reasonable terms, including working capital financing needs to cover the Corporation's feedstock purchase cycle through to the sale of final cobalt sulfate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: risks associated with significant secured debt; failure to obtain required regulatory and stock exchange approvals with respect to the Offering; risks associated with the development of the Refinery; general economic conditions in Canada, the United States, Australia and globally; industry conditions, including the state of the EV market; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in the mining industry; changes in tax laws and incentive programs relating to the mining industry; the development of the COVID-19 global pandemic, and the other factors described herein under "Risk Factors", as well as in the Corporation's public filings available at [www.sedar.com](http://www.sedar.com).

The factors above are not an exhaustive list of the factors that may affect any of the Corporation's forward-looking statements. Although the Corporation believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See the section entitled "Risk Factors" below, the section entitled "Risk Factors" in the Shelf Prospectus, and the section entitled "Risk Factors" in the AIF incorporated by reference herein for additional risk factors that could cause results to differ materially from forward-looking statements.

The forward-looking information and statements contained in this Prospectus Supplement and the Shelf Prospectus represent the Corporation's views and expectations respectively as of the date of this Prospectus Supplement and the Shelf Prospectus, unless otherwise indicated in such documents, and forward-looking information and statements contained in the documents incorporated by reference herein and therein represent the Corporation's views and expectations as of the date of such documents, unless otherwise indicated in such documents. The Corporation disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Corporation's filings with Canadian securities regulatory agencies, which can be viewed online under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## **CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES**

This Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein, have been prepared in accordance with Canadian standards for the reporting of mineral resource and mineral reserve estimates, which differ from the previous and current standards of the United States securities laws. In particular, and without limiting the generality of the foregoing, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “inferred mineral resources”, “indicated mineral resources”, “measured mineral resources” and “mineral resources” used or referenced in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein are Canadian mineral disclosure terms as defined in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the “**CIM Definition Standards**”).

For United States reporting purposes, the SEC has adopted amendments to its disclosure rules (the “**SEC Modernization Rules**”) to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”). The SEC Modernization Rules more closely align the SEC’s disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Industry Guide 7 under the U.S. Securities Act. As a foreign private issuer that is eligible to file reports with the SEC pursuant to the MJDS, the Corporation is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, mineral reserve and mineral resource information contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein may not be comparable to similar information disclosed by United States companies.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources.” In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM Definition Standards that are required under NI 43-101. While the above terms are “substantially similar” to CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Corporation may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Corporation prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus Supplement and the Shelf Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at 133 Richmond Street West, Suite 602, Toronto, Ontario, M5H 2L3, telephone (416) 900-3891, and are also available electronically at [www.sedar.com](http://www.sedar.com) through the SEC’s Electronic Data Gathering and Retrieval System (“**EDGAR**”), at [www.sec.gov](http://www.sec.gov). The Corporation’s filings through SEDAR and EDGAR are not incorporated by reference in this Prospectus Supplement except as specifically set out herein.

This Prospectus Supplement is incorporated by reference into the Shelf Prospectus as of the date hereof and only for the purposes of the distribution of the Warrant Shares offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the Shelf Prospectus and reference should be made to the Shelf Prospectus for full details.

As of the date hereof, the following documents, filed by the Corporation with the securities commissions or similar authorities in certain of the provinces and territories of Canada are specifically incorporated by reference into, and

form an integral part of, the Shelf Prospectus as supplemented by this Prospectus Supplement, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus Supplement, the Shelf Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, as further described below:

1. the AIF;
2. the Corporation's audited consolidated financial statements for the years ended December 31, 2021 and 2020, and related notes thereto, together with the independent auditor's report thereon (the "**Annual Financial Statements**");
3. management's discussion and analysis for the year ended December 31, 2021;
4. the Corporation's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021, and related notes thereto (the "**Interim Financial Statements**");
5. management's discussion and analysis for the three and nine months ended September 30, 2022;
6. the material change report dated April 12, 2022 with respect to the consolidation of the Common Shares on the basis of 18 pre-consolidation Common Shares for one post-consolidation Common Share;
7. the material change report dated November 11, 2022 with respect to the announcement of the Unit Offering; and
8. the management information circular of the Corporation dated September 28, 2022, in connection with the annual general and special meeting of shareholders of the Corporation to be held on November 10, 2022.

Any document (other than confidential material change reports, if any) of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus Supplement and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference in the Shelf Prospectus for the purposes of the Offering. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Corporation and readers should review all information contained in this Prospectus Supplement, the Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein.

In addition, to the extent that any document or information incorporated by reference into this Prospectus Supplement is included in any report on Form 6-K, Form 40-F or Form 20-F (or any respective successor form) that is filed with or furnished to the SEC after the date of this Prospectus Supplement, such document or information shall be deemed to be incorporated by reference as an exhibit to the U.S. Registration Statement of which this Prospectus Supplement forms a part. In addition, the Corporation may incorporate by reference into this Prospectus Supplement, or the U.S. Registration Statement of which it forms a part, other information from documents that the Corporation will file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act, if and to the extent expressly provided therein.

**Any statement contained in this Prospectus Supplement, the Shelf Prospectus or in a document incorporated or deemed to be incorporated by reference herein or in the Shelf Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement and the Shelf Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Shelf Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not**

**misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus Supplement or the Shelf Prospectus, except as so modified or superseded.**

## **DOCUMENTS FILED AS PART OF THE U.S. REGISTRATION STATEMENT**

The following documents have been or will be (through post-effective amendment or incorporation by reference) filed with the SEC as part of the U.S. Registration Statement of which this Prospectus Supplement is a part insofar as required by the SEC's Form F-10:

- the documents listed under “*Documents Incorporated by Reference*” in this Prospectus;
- the Agency Agreement among the Corporation and the Agents;
- the Warrant Indenture described in this Prospectus Supplement;
- the consents of each expert or “qualified person” (for the purposes of NI 43-101) referred to in this Prospectus Supplement and the Shelf Prospectus under the heading “Interests of Experts”;
- the consent of Fasken Martineau DuMoulin LLP, the Corporation's Canadian counsel; and
- powers of attorney of the Corporation's directors and officers, as applicable.

## **THE CORPORATION**

The Corporation is in the business of battery materials refining and the acquisition and exploration of resource properties. The Corporation is focused on building a diversified portfolio of assets that are highly leveraged to the cobalt market with assets located primarily in North America, with the intent of providing a North American supply of battery materials. The Common Shares are listed on the TSXV and Nasdaq and trade under the symbol “ELBM” in each case. The Corporation has two significant North American assets:

- (i) a primary cobalt refinery located in Ontario, Canada (the “**Refinery**”); and
- (ii) the Iron Creek Project in Idaho, the Corporation's flagship mineral exploration project (the “**Iron Creek Project**”).

For further information regarding Electra, the Refinery and the Iron Creek Project, see the AIF and other documents incorporated by reference in this Prospectus Supplement available at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

### **Recent Developments**

#### *Commissioning of Demonstration Plant for Battery Materials Recycling*

On October 13, 2022, the Corporation announced the start of commissioning of its black mass recycling demonstration plant at its battery materials park located north of Toronto following the successful installation of material feed handling and lime delivery systems, two key circuits in Electra's hydrometallurgical process designed to recycle end of life lithium-ion battery materials.

Under the parameters of the black mass demonstration, Electra plans to process up to 75 tonnes of material in a batch mode. Using its lab tested process, Electra anticipates the recovery of high value elements found in lithium-ion batteries, including nickel, cobalt, lithium, manganese, copper, and graphite.

Electra also anticipates the full commissioning of all equipment and circuits of the black mass recycling demonstration in the fall of 2022 with the full commissioning of the cobalt sulfate refinery expected in the spring of 2023.

#### *LG Cobalt Supply Agreement*

On September 22, 2022, the Corporation announced a commitment on key commercial terms for a three-year agreement (the “**Cobalt Supply Agreement**”) to supply battery grade cobalt to LG Energy Solution (“**LGES**”), a leading global manufacturer of lithium-ion batteries for EVs. Subject to definitive agreements, the terms of the Cobalt

Supply Agreement provide that the Corporation will supply LGES with 7,000 tonnes of battery grade cobalt from 2023 to 2025 to be produced at the Refinery. Final legal documentation and signing of the definitive agreement is expected to be concluded by December 31, 2022.

In addition to the supply agreement, Electra and LGES have agreed to cooperate and explore ways to advance opportunities across North America's EV supply chain, including, but not limited to, securing sustainable sources of raw materials. Financial terms of the Cobalt Supply Agreement are subject to confidentiality restrictions.

#### *Highlights of Scoping Study on Integrated Material Facility*

On September 8, 2022, the Corporation announced the highlights of an engineering scoping study prepared by a global engineering firm related to development of an integrated facility that outlined a path to growing nickel, cobalt and manganese refining, recycling of battery black mass material, and precursor cathode active material ("pCAM") manufacturing using a hydrometallurgical flowsheet and leveraging the Corporation's emerging expertise and the Refinery.

The scoping study assessed the economics and carbon footprint of various nickel feed options to develop an integrated facility producing 10,000 tonnes per annum of battery grade nickel sulfate and nickel equivalent pCAM, components essential to production of EV batteries.

The scoping study examined the construction of a battery grade nickel sulfate refinery in Ontario by 2025-26, with three feed base loads: nickel sulfides, Class 1 nickel metal and ferro nickel, supplemented with recycled battery black mass and nickel-rich mixed hydroxide precipitate.

Commensurate with a scoping study, a number of general and untailed assumptions were used to assess the economics of the facility, with the outcomes and economic metrics having a margin of error of +50% / -30%.

Capital costs to build an integrated facility producing 10,000 tonnes per annum of nickel sulfate and nickel equivalent pCAM materials were anticipated to be between \$550 and \$650 million.

Operating costs to produce 10,000 tonnes per annum of nickel sulfate and nickel equivalent pCAM materials on an integrated basis were anticipated to be between \$125 and \$133 million per year or between \$13,000 and \$13,600 per tonne of nickel sulfate produced (excluding byproduct credits), configured for NMC 811 EV battery chemistries.

Other key assumptions affecting the economics of the scoping study including an exchange rate of US\$1 to \$1.31, forward escalation or contingencies for future construction and operating costs were not considered, by-product values were excluded and sensitivities to changes in key inputs were not performed.

Greenhouse emissions from producing 10,000 tonnes per annum of nickel sulfate and pCAM materials configured for NMC 811 battery chemistries would range from 14,000 and 16,000 of tCO<sub>2</sub>e per year, resulting in a significantly less carbon intensive battery than benchmark values, due to the less energy intensive hydrometallurgical process and Ontario's clean electricity grid.

Key construction cost assumptions included that most inputs will be Canadian sourced apart from process equipment where approximately 50% will be sourced in Canada. Operating assumptions assumed more than 65% of costs are derived from reagents and consumables and more than \$16 million annually in labour costs.

The scoping study was conducted in partnership with the Government of Canada, the Government of Ontario, Glencore plc and Talon Metals. The consortium is collaborating on engineering, permitting, socio-economic and cost studies associated with the construction of a nickel sulfate plant as well as a pCAM plant adjacent to the Refinery. The Company believes this vision will result in the creation of an integrated, localized and environmentally sustainable battery materials park in Ontario for the electric vehicle market.

The study does not constitute a scoping 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. As a result, disclosure standards prescribed by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) are not applicable to the scientific and technical disclosure in the study. Any references to scoping study, prefeasibility study or feasibility study by Electra, in relation to the refinery development, are not the same as terms defined in the CIM Definition Standards for Mineral Resources and Mineral Reserves, and used in NI 43-101.

### Update Regarding Impact of COVID-19 on Operations

The Corporation’s business and the anticipated timing and cost of development work and applicable milestones have not been significantly impacted by COVID-19 to date. Work programs related to engineering, metallurgical testing and environmental permitting have continued on schedule and management functions have been able to continue effectively remotely.

The Corporation’s operations, financial condition, cash flows and financial performance have also not been significantly impacted by COVID-19 to date. As the Corporation is not yet operating any mine or facility, the Corporation has not yet had any production or operating cash flow.

Also as the Corporation does not yet operate a mine or facility, neither has COVID-19 had an impact on productivity and the timing or cost of work. The Corporation has proceeded with commercial discussions during the COVID-19 pandemic and facilitated site visits while following various COVID-19-related protocols.

Despite the limited effects of the COVID-19 pandemic on the Corporations’ business to date, the effects on the Corporation of the pandemic in the context of global spread, limited vaccine availability globally, and the development of virus variants, including variants that may be more contagious than existing variants, is unknowable. See “Risk Factors” in this Prospectus Supplement and in the AIF.

### Updates as to Uses of Proceeds from Recent Financings

The Corporation raised aggregate net proceeds of approximately US\$52.5 million pursuant to the concurrent offering of the Corporation’s existing 6.95% senior secured convertible notes due December 2026 (collectively, the “**Existing Notes**”) and a public offering of Common Shares completed in September 2021, and the issuance of a second tranche of Existing Notes pursuant to the exercise of an investor option completed in October 2021. The Corporation also has a continuous “at-the-market” offering of Common Shares (the “**ATM Offering**”) in place pursuant to an amended and restated Equity Distribution Agreement dated May 17, 2022 between the Corporation and CIBC World Markets Inc. and CIBC World Markets Corp., as placement agents in Canada and the United States. The Corporation intended to use the net proceeds from the ATM Offering, if any, for Refinery growth initiatives, exploration of the Iron Creek Project, and for general corporate purposes. The net proceeds from the ATM Offering were not determinable in light of the nature of the distribution. From May 17, 2022 to the date of this Prospectus Supplement, the Corporation has issued a total of 122,500 Common Shares on the TSXV at an average price of \$4.43 per Common Share and 131,970 Common Shares on Nasdaq at an average price of US\$3.19 under the ATM Offering, for gross proceeds of \$527,484.87 and US\$427,654.82.

A comparison of the proposed use of proceeds of the offering of Existing Notes and public offering completed in September 2021 to the actual use of proceeds is provided in the table below. As there was no certainty of the additional US\$7.5 million tranche of Existing Notes issued in October 2021 at the date the use of proceeds was disclosed, the use of proceeds did not contemplate the issuance of US\$7.5 million principal amount of additional Existing Notes.

Use of Proceeds	Approximate Amount (US\$)	Actual to Date (C\$)
<i>Refinery Advancement</i>		
Equipment, infrastructure and direct costs	\$37,106,451	\$30,792,414
Engineering and project management	\$5,000,000	\$9,636,778
<b>Total:</b>	\$42,106,451	\$40,429,192
<i>Refinery growth initiatives, Iron Creek &amp; Overheads</i>	-	\$10,089,000

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Corporation's authorized share capital consists of an unlimited number of Common Shares. As of November 11, 2022, there were 32,828,973 Common Shares issued and outstanding.

The Warrant Shares are Common Shares and therefore have all of the rights, privileges, restrictions and conditions of other Common Shares of the Corporation. Holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Corporation, 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 of the Corporation (the "**Board**") at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Corporation are entitled to receive on a pro-rata basis, the net assets of the Corporation 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 pre-emptive, subscription, redemption or conversion rights.

Assuming completion of the Offering, there will be an aggregate of 37,518,973 Common Shares issued and outstanding, including any Common Shares issuable upon exercise of any Warrant Shares.

## PLAN OF DISTRIBUTION

This Prospectus Supplement relates to: (i) 2,621,300 Warrant Shares issuable from time to time upon (a) the exercise of 2,345,000 Warrants expected to be issued by the Corporation pursuant to the Unit Offering, (b) 138,150 Broker Warrant Unit Shares issuable upon the exercise of 138,150 Broker Warrants by the Agents, and (c) 138,150 Underlying Broker Warrant Shares issuable upon the exercise of 138,150 Underlying Broker Warrants by the Agents; and (ii) such indeterminate number of additional Warrant Shares (the "**Anti-Dilution Warrant Shares**") that may be issuable by reason of the anti-dilution provisions contained in the indenture governing the Warrants (the "**Warrant Indenture**") to be entered into between the Corporation and the warrant agent thereunder, currently anticipated to be TSX Trust Company, at its principal offices in Toronto, Ontario (the "**Warrant Agent**"). Prior to the closing of the Offering, the Corporation may name any other agent with respect to the Warrants.

Each Warrant will entitle the holder to purchase one Warrant Share from the treasury of the Corporation at the price of US\$3.10 per Warrant Share until 5:00 p.m. (Toronto time) on the Expiry Date, subject to adjustment and in accordance with the terms and conditions set out in the Warrant Indenture, after which such Warrants will become null and void.

The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the executed Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants, which will be filed on SEDAR under the issuer profile of the Corporation at [www.sedar.com](http://www.sedar.com) and with the SEC at [www.sec.gov](http://www.sec.gov).

Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share upon payment of the Exercise Price for a period of three years following the Closing Date. The Exercise Price for the Warrants will be payable in Canadian dollars. However, if the Warrant Shares are not registered in the United States pursuant to an effective registration statement at the time of exercise of any Warrants, the warrant holder may exercise the Warrants on a "cashless" basis for a number of shares equal to the difference between the market price of the Common Shares and the in-the-money value of the Warrant.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and the Exercise Price per security upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exercisable or exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other

distribution (other than the issuance of Warrant Shares upon exercise of the Warrants or pursuant to the exercise, conversion or exchange of outstanding securities of the Corporation);

- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exercisable or exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, of Common Shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of Common Shares of shares of the Corporation of any class (other than Common Shares), rights, options or warrants to acquire Common Shares or securities exercisable or exchangeable for or convertible into Common Shares, evidence of indebtedness, or cash, securities or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities or other property issuable upon the exercise of the Warrants and/or the Exercise Price per security upon the occurrence of certain fundamental transactions, including:

- (a) the reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property;
- (b) the merger or consolidation of the Corporation with or into any other corporation or other entity in which the Corporation is not the surviving entity or the shareholders of the Corporation immediately prior to the merger or consolidation do not own, directly or indirectly, at least 50% of the voting power of the surviving entity immediately after such merger or consolidation;
- (c) a tender offer or exchange offer (whether by the Corporation or another person), where shareholders who tender shares representing more than 50% of the voting power of the Common Shares and the Corporation or such other person, as applicable, accepts such tender for payment;
- (d) a share purchase agreement or other business combination by the Corporation (including a reorganization, recapitalization, spin-off, merger or plan of arrangement) with another person whereby such other person acquires more than the 50% of the voting power of the Common Shares; or
- (e) the sale by the Corporation to another person of all or substantially all of its assets in one or a series of related transactions.

However, at the warrant holder’s option, in the event of a fundamental transaction set forth above, the Corporation or any successor company shall purchase the Warrants from the warrant holder by paying to the warrant holder an amount of cash equal to the Black Scholes Value (as defined in the Warrant Indenture) of the remaining unexercised portion of the Warrants on the date of the consummation of the fundamental transaction (subject to prior approval of the TSXV, if applicable, and whether the fundamental transaction is within the Corporation’s control).

No adjustment in the Exercise Price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the Exercise Price or the number of Warrant Shares issuable upon exercise of the Warrants.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or any other rights conferred upon a person as a result of being a holder of Common Shares. Holders of Warrants are entitled only to receive the Common Shares subject to the Warrants on satisfaction of the conditions provided in the warrant indenture or supplemental warrant indenture.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that is not prejudicial to the interests of the holders of Warrants as a group or the Warrant Agent, and providing for the issuance of additional Warrants. Any amendment or supplement to the Warrant Indenture that prejudicially affects the interests of the holders of Warrants as a group may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (a) passed at a meeting of the holders of Warrants at which there are at least two Warrant holders present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants (or, if such meeting is adjourned in accordance with the provisions of the Warrant Indenture as a result of not satisfying such quorum requirement, passed by the holders of Warrants present in person or represented by proxy at such adjourned meeting) and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting (or adjourned meeting, if applicable) and voted on the poll for such resolution, or (b) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

The Corporation will apply to list the Warrant Shares on the TSXV. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV. The Corporation has also notified Nasdaq regarding the issuance of the Warrant Shares in accordance with the Nasdaq rules.

The Corporation filed a preliminary prospectus supplement dated November 8, 2022, as amended on November 9, 2022, and a final prospectus supplement dated November 9, 2022 to its Base Shelf Prospectus with the securities commission or similar regulatory authority in each of the provinces of Canada, other than Québec, and in connection therewith a preliminary prospectus supplement dated November 8, 2022, as amended on November 9, 2022, and a final prospectus supplement dated November 9, 2022 to the U.S. Registration Statement relating to the Unit Offering by the Corporation to the public in Canada and the United States of Units, each Unit consisting of one Common Share of the Corporation and one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Warrant Share at an exercise price of US\$3.10 per Warrant Share for a period of three years following the Closing Date, subject to adjustment in accordance with the terms of the Warrant Indenture. The exercise price of the Warrants was determined by negotiation between the Corporation and the Agents.

It is a condition of closing of the Unit Offering that the Corporation has filed with the SEC this Prospectus Supplement registering the offering of the Warrant Shares issuable from time to time upon the exercise of the Warrants.

This Prospectus Supplement registers the offering of the securities to which it relates under the U.S. Securities Act in accordance with the MJDS. This Prospectus Supplement does not qualify in any of the provinces or territories of Canada the distribution of the Warrant Shares to which it relates.

The Warrant Shares to which this Prospectus Supplement relates will be sold directly by the Corporation to holders of Warrants upon any exercise of such Warrants. No underwriters, dealers or agents will be involved in these sales.

The Common Shares are listed on the TSXV and Nasdaq under the symbol “ELBM”. An application has been made to list the Warrant Shares on the TSXV and notification of the Offering (including the issuance of the Warrant Shares upon exercise of the Warrants) has been provided to Nasdaq. Listing of the Warrant Shares will be subject to the Corporation fulfilling the respective listing requirements of the TSXV.

There is no assurance as to how many of the Warrants will be exercised, and accordingly, there is no assurance as to how many Warrant Shares will be issued pursuant to this Prospectus Supplement, if any. No party has any obligation to purchase any Warrant Shares qualified by this Prospectus Supplement.

### **CONSOLIDATED CAPITALIZATION**

There have not been any material changes in the share and loan capital of the Corporation, on a consolidated basis, since September 30, 2022.

After giving effect to both the Offering (assuming all Warrants are exercised prior to the Expiry Date) and the Unit Offering, there will be an aggregate of 37,518,973 Common Shares issued and outstanding (not including any Common Shares issuable upon exercise of any Broker Warrants), US\$36,000,000 million principal amount of Existing Notes outstanding, and 140,700 Broker Warrants exercisable for Units.

### **USE OF PROCEEDS**

The Corporation will receive all proceeds of the full exercise price of US\$3.10 per Warrant Share upon issuance of the Warrant Shares upon any exercise of the Warrants from time to time. Assuming that all of the Warrants are exercised prior to 5:00 p.m. (Toronto time) on the Expiry Date for cash and that no adjustment based on anti-dilution provisions contained in the Warrant Indenture has taken place, the proceeds to the Corporation will be \$7,269,500. There is no assurance as to how many Warrants will be exercised, if any. Accordingly, there is no assurance as to how many Warrant Shares will be issued pursuant to this Prospectus Supplement, if any, or the proceeds of such Offering.

It is currently anticipated that the Corporation will use any proceeds from the Offering for the advancement of the Refinery and for general corporate purposes.

### **Working Capital**

As of June 30, 2022, the Corporation had approximately \$40,711,000 in cash and approximately \$34,523,000 in working capital. As of the date of this Prospectus Supplement, the Corporation had approximately \$15,148,000 in cash and approximately \$15,500,000 in working capital. Other than as disclosed in the Interim Financial Statements, the Corporation does not have any current non-contingent resources with which to fund operations.

### **Negative Cash Flows**

The Corporation generates no operating revenue from the exploration activities on its property interests and therefore has negative cash flow from operating activities. To the extent that the Corporation has negative cash flows in future periods in excess of the net proceeds of the Offering, it may need to deploy a portion of net proceeds from the Offering to fund such negative cash flow.

While the Corporation currently anticipates that it will use the net proceeds of the Offering as set forth above, the Corporation may re-allocate the net proceeds of the Offering from time to time, giving consideration to its strategy relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time. Overall, management of the Corporation will have broad discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure, and pending their use, the Corporation may invest the net proceeds of the Offering in a manner that does not produce income or that loses value. See “Risk Factors”.

### **Business Objectives & Milestones**

The Corporation is working towards restarting the Refinery as the first phase in a multi-phase strategy to create North America’s only integrated battery materials park. The Refinery is in construction and has begun commissioning and is expected to commence operations in the spring of 2023.

To meet growing customer demand, the Corporation is also evaluating a second refinery in the province of Québec by 2025-26, which could source cobalt from the Iron Creek Project.

The Corporation is also developing black mass battery recycling capabilities to recover lithium, nickel, cobalt, graphite, and copper. A demonstration plant is expected to be commissioned in the fall of 2022 to validate the Corporation's proprietary flow sheet, with commercialization anticipated in 2023-24.

Electra's other growth opportunities include the construction of a battery grade nickel refinery and a manganese refinery, to establish a fully integrated battery materials park with a third-party cathode pCAM manufacturer.

More detailed information regarding the business of the Corporation can be found in the Shelf Prospectus, the AIF and other documents incorporated by reference herein and therein, as supplemented by the disclosure herein. See "Documents Incorporated by Reference".

Readers are strongly encouraged to carefully read all of the risk factors contained herein and in the Shelf Prospectus, the AIF and other documents incorporated or deemed to be incorporated by reference herein or therein. The Corporation's business, financial condition, results of operations, cash flows and prospects are subject to the risks and uncertainties described therein and to additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that the Corporation currently deems to be immaterial.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") that generally apply to a purchaser who acquires Warrant Shares as beneficial owner pursuant to the Offering and who, at all relevant times and for purposes of the Tax Act: (i) will acquire and hold the Warrant Shares as capital property, (ii) deals at arm's length with the Corporation and the Agents, and (iii) and is not affiliated with the Corporation or the Agents (a "**Holder**"). Generally, Warrant Shares will be considered to be capital property to a Holder, provided the Holder does not acquire or hold Warrant Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act, (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" for purposes of the Tax Act; (iv) that has made a functional currency reporting election under section 261 of the Tax Act to report its "Canadian tax results" as defined in the Tax Act in a currency other than Canadian currency; (v) that has entered into, or will enter into, a "derivative forward agreement" or "synthetic disposition arrangement" (each as defined in the Tax Act) with respect to the Warrant Shares; or (vi) that receives dividends on Warrant Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act). This summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Warrant Shares. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may apply to a Holder that is a corporation resident in Canada, and is or becomes (or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of the Warrant Shares, controlled by a non-resident person or a group of persons comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts that do not deal with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences exercising their Warrants and of purchasing Warrant Shares pursuant to the Offering.

This summary is based on the current provisions of the Tax Act and the Regulations in force on the date hereof, all specific proposals to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Prospectus Supplement (the "**Proposed Amendments**") and the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form proposed.

However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or in the administrative practices or assessing policies of the CRA, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this summary.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Warrant Shares. The following description of income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.**

#### *Currency Conversion*

For purposes of the Tax Act, all relevant amounts relating to the acquisition, holding or disposition of the Warrant Shares (including adjusted cost base, proceeds of disposition, and dividends, if any) must generally be expressed in Canadian dollars. Accordingly, amounts denominated in U.S. dollars must be converted into Canadian dollars generally based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

#### *Exercise of Warrants*

A Holder will not realize a gain or loss upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the Exercise Price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares of the Corporation (if any) held as capital property, by the Holder, immediately before the exercise of the Warrant.

#### **Taxation of Resident Holders**

The following portion of this summary only applies to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). A Resident Holder whose Warrant Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Warrant Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

#### *Dividends*

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the Warrant Shares during such taxation year. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules that apply in respect of "taxable dividends" received from "taxable Canadian corporations" (as such terms are defined in the Tax Act). An enhanced gross-up and dividend tax credit will be available to individuals in respect of any dividends designated, by the Corporation, as "eligible dividends" in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

Dividends received or deemed to be received on the Warrant Shares by a Resident Holder that is a corporation will be included in computing its income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax

advisors having regard to their own circumstances.

A Resident Holder that is a “private corporation” as defined in the Tax Act or a “subject corporation” as defined in subsection 186(3) of the Tax Act may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Warrant Shares to the extent that such dividends are deductible in computing the Resident Holder’s taxable income for the taxation year. Such Resident Holders should consult their own tax advisors in this regard.

#### *Disposition of Warrant Shares*

A Resident Holder who disposes, or is deemed to dispose, of a Warrant Share (other than on a disposition to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) generally will realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount, if any, by which the proceeds of disposition are greater (or are less) than the aggregate of the adjusted cost base to the Resident Holder of such Warrant Shares immediately before the disposition or deemed disposition and any reasonable costs of disposition. The taxation of capital gains and losses is generally described below under the heading “Capital Gains and Capital Losses”.

#### *Capital Gains and Capital Losses*

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition or deemed disposition of a Warrant Share may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on such shares, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Warrant Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. The Proposed Amendments announced by the Minister of Finance on April 7, 2022 and contained in draft legislation dated August 9, 2022 propose to extend this additional tax and refund mechanism in respect of “aggregate investment income” to “substantive CCPCs” as defined in such Proposed Amendments. Such Resident Holders should consult their own tax advisors.

#### *Alternative Minimum Tax*

Generally, a Resident Holder that is an individual (and certain trusts) that receives or is deemed to have received taxable dividends on the Warrant Shares or realizes a capital gain on the disposition or deemed disposition of the Warrant Shares may be liable for alternative minimum tax under the Tax Act. Resident holders should consult their own tax advisors with respect to the application of alternative minimum tax. The April 7, 2022 federal budget announced an intention to revise the minimum tax rules but no draft legislation has been released to date.

#### **Taxation of Non-Resident Holders**

The following portion of this summary only applies to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times: (i) is not resident and is not deemed to be resident

in Canada, and (ii) does not use or hold Warrants or Warrant Shares in the course of a business carried on or deemed to be carried on in Canada (“**Non-Resident Holders**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

#### *Dividends*

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Warrant Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, unless such rate is reduced by the terms of an applicable income tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial owner of the dividends, and is fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally reduced to 15% of the gross amount of the dividends. The rate of withholding tax is further reduced to 5% if the beneficial owner of such dividend is a U.S. Holder that is a company that owns at least 10% of the voting stock of the Corporation. Non-Resident Holders should consult their own tax advisors regarding the application of the Treaty or any other tax treaty.

#### *Disposition of Warrant Shares*

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Warrant Share unless the Warrant Share constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Provided that the Warrant Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSXV and Nasdaq), at the time of disposition, the Warrant Shares generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period ending at that time, (i) 25% or more of the issued shares of any class or series of the capital stock of the Corporation were owned by, or belonged to, any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length (for purposes of the Tax Act), and (c) partnerships in which the Non-Resident Holder, or a person described in (b), holds a membership interest directly, or indirectly through one or more partnerships; and (ii) more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, the Warrant Shares may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain other circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Warrant Shares constitute “taxable Canadian property” in their own particular circumstances.

In the event that a Warrant Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention, the income tax consequences discussed above for Resident Holders under “Taxation of Resident Holders – Disposition of Warrant Shares” and “Taxation of Resident Holders – Capital Gains and Capital Losses” will generally apply to the Non-Resident Holder. Non-Resident Holders whose Warrant Shares are taxable Canadian property should consult their own tax advisors.

**THE FOREGOING SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES THAT MAY BE RELEVANT TO PARTICULAR HOLDERS OF WARRANT SHARES AND IS NOT TAX OR LEGAL ADVICE. HOLDERS OF WARRANT SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, HOLDING AND DISPOSING OF WARRANT SHARES.**

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Subject to the limitations and qualifications stated herein, this discussion sets forth material U.S. federal income tax considerations relating to the ownership and disposition of Warrant Shares by U.S. Holders (as defined below) received upon exercise of the Warrants. The discussion is based on the *Internal Revenue Code of 1986*, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, and the Treaty, all as currently in effect and all subject to change at any time, possibly with retroactive effect. This summary applies only to U.S. Holders. This discussion of a U.S. Holder’s tax consequences addresses only those persons that acquire Warrant Shares pursuant to the exercise of the Warrants and hold such Warrant Shares as capital assets (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, including state and local tax consequences, estate and gift tax consequences, alternative minimum tax consequences, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies, and certain other financial institutions;
- U.S. expatriates and certain former citizens or long-term residents of the United States; dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Warrant Shares as part of a hedging transaction, “straddle,” wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to Warrant Shares;
- persons required to accelerate the recognition of any item of gross income with respect to the Warrant Shares as a result of such income being recognized on an applicable financial statement;
- persons whose “functional currency” for U.S. federal income tax purposes is not the U.S. dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or government organizations;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- regulated investment companies or real estate investment trusts;
- persons who acquired the Warrant Shares pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons holding the Warrant Shares in connection with a trade or business, permanent establishment, or fixed base outside the United States; and
- persons who own (directly or through attribution) 10% or more (by vote or value) of the outstanding Warrant Shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Warrant Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Warrant Shares and partners in such partnerships are encouraged to consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of Warrant Shares.

A “U.S. Holder” is a holder who, for U.S. federal income tax purposes, is a beneficial owner of Warrant Shares and is:

- an individual who is a citizen or individual resident of United States;

- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source;
- a trust if (a) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect to be treated as a U.S. person under applicable U.S. Treasury Regulations.

PERSONS CONSIDERING AN INVESTMENT IN WARRANT SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE WARRANT SHARES, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE AND LOCAL TAX LAWS.

### **Passive Foreign Investment Company Rules**

If the Corporation is classified as a passive foreign investment company (a “**PFIC**”) in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (which generally includes dividends, interest, rents or royalties (other than certain rents or royalties earned in the conduct of an active business) and investment gain) (the “income test”); or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (the “asset test”).

The Corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation, the equity of which it owns, directly or indirectly, 25% or more (by value).

The determination as to whether a foreign corporation is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of the income, expenses and assets of the foreign corporation from time to time and the nature of the activities performed by its officers and employees. Based on the composition of the Corporation’s income and the value of its assets, the Corporation believes that it may have been classified as a PFIC for prior taxable years and may continue to be classified as a PFIC for the current taxable year, but the Corporation expects that it may cease being classified as a PFIC once it begins to generate cash flow from operations. The Corporation’s status as a PFIC in any taxable year, however, requires a factual determination that can only be made annually after the close of each taxable year. Therefore, there can be no assurance as to whether the Corporation will be classified as a PFIC for the current taxable year or for any future taxable year. If the Corporation is classified as a PFIC in any year during which a U.S. Holder holds the Warrant Shares, the Corporation generally will continue to be treated as a PFIC as to such U.S. Holder in all succeeding years, regardless of whether the Corporation continues to meet the income or asset test discussed above.

If the Corporation is classified as a PFIC in any year with respect to which a U.S. Holder owns the Warrant Shares, the Corporation will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the Warrant Shares, regardless of whether the Corporation continues to meet the tests described above unless the Corporation ceases to be a PFIC and either (a) the U.S. Holder has made a “deemed sale” election under the PFIC rules or (b) for the period immediately preceding the Corporation’s ceasing to be a PFIC the Warrant Shares were subject to a mark-to-market election. If the “deemed sale” election is made, a U.S. Holder will be deemed to have sold the Warrant Shares the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as the Corporation

does not become a PFIC in a subsequent taxable year, the U.S. Holder's Warrant Shares with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. Holder receives from the Corporation or any gain from an actual sale or other disposition of the Warrant Shares. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if the Corporation ceases to be a PFIC and such election becomes available.

For each taxable year the Corporation is treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any "excess distribution" such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including, under certain circumstances, a pledge) of Warrant Shares, unless (i) such U.S. Holder makes a qualified electing fund election (a "**QEF Election**") or (ii) the Warrant Shares constitute "marketable" securities, and such U.S. Holder makes a mark-to-market election as discussed below. Absent the making of a QEF Election or a mark-to-market election, distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the Warrant Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder's holding period for the Warrant Shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Corporation became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Warrant Shares cannot be treated as capital, even if a U.S. Holder holds the Warrant Shares as capital assets.

Certain additional tax rules will apply to a U.S. Holder for any taxable year in which the Corporation is treated as a PFIC with respect to such U.S. Holder and any of the Corporation'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.

If a U.S. Holder makes an effective QEF Election, the U.S. Holder will be required to include in gross income each year, whether or not the Corporation makes distributions, as capital gains, such U.S. Holder's pro rata share of the Corporation's net capital gains and, as ordinary income, such U.S. Holder's pro rata share of the Corporation's earnings in excess of the Corporation's net capital gains. For any taxable year in which the Corporation determines that it was likely a PFIC, the Corporation 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 Corporation 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 Corporation and, if applicable, any Subsidiary PFIC. If a U.S. Holder that exercises Warrants properly makes a QEF Election with respect to the newly acquired Warrant Shares, the QEF Election will apply to the newly acquired Warrant Shares. Notwithstanding the foregoing, the adverse tax consequences relating to PFIC status, adjusted to take into account the current income inclusions resulting from the QEF Election, will continue to apply with respect to such newly acquired Warrant Shares (which generally will be deemed to have a holding period for purposes of the PFIC rules that includes the period the U.S. Holder held the Warrants) for the pre-QEF Election period, unless the U.S. Holder makes a purging election under the PFIC rules. Under one type of purging election, the U.S. Holder will be deemed to have sold its Warrant Shares at their fair market value and any gain recognized on such deemed sale will be treated as an excess distribution, as described above. As a result of this election, the U.S. Holder will have additional basis (to the extent of any gain recognized on the deemed sale) and, solely for purposes of the PFIC rules, a new holding period in the

Warrant Shares acquired upon the exercise of the Warrants. A QEF Election made with respect to the Corporation 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). U.S. Holders are urged to consult their own tax advisor regarding the manner and consequences of making a QEF election.

U.S. Holders also can avoid the interest charge on excess distributions or gain relating to the Warrant Shares by making a mark-to-market election with respect to the Warrant Shares, provided that the Warrant Shares are “marketable.” Warrant Shares will be marketable if they are “regularly traded” on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the Warrant Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. The Corporation expects that the Warrant Shares will constitute “marketable stock” for purposes of the PFIC rules. Each U.S. Holder should consult its tax advisor as to the whether a mark-to-market election is available or advisable with respect to the Warrant Shares.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Warrant Shares at the close of the taxable year over the U.S. Holder’s adjusted tax basis in the Warrant Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder’s adjusted basis in the Warrant Shares over the fair market value of the Warrant Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the Warrant Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the Internal Revenue Service (the “IRS”), unless the Warrant Shares cease to be marketable.

A U.S. Holder will not be permitted to make a Mark-to-Market Election with respect to a Subsidiary PFIC. As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to the Warrant Shares, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any Subsidiary PFIC.

U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS TO DETERMINE WHETHER ANY OF THESE ELECTIONS WOULD BE AVAILABLE AND IF SO, WHAT THE CONSEQUENCES OF THE ALTERNATIVE TREATMENTS WOULD BE IN THEIR PARTICULAR CIRCUMSTANCES.

Each U.S. shareholder of a PFIC is required to file a Form 8621, *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund* containing such information as the United States Treasury Department (the “U.S. Treasury”) may require. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

THE CORPORATION STRONGLY URGES YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE IMPACT OF THE CORPORATION’S PFIC STATUS ON YOUR INVESTMENT IN THE WARRANT SHARES AS WELL AS THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE WARRANT SHARES.

### **Cash Dividends and Other Distributions**

Subject to the discussion under “Passive Foreign Investment Company Rules” above, to the extent there are any distributions made with respect to the Warrant Shares, a U.S. Holder generally will be required to include in its gross income distributions received with respect to its Warrant Shares (including the amount of Canadian taxes withheld, if any) as dividend income, but only to the extent that the distribution is paid out of the Corporation’s current or accumulated earnings and profits (computed using U.S. federal income tax principles), with the excess treated first as

a non-taxable return of capital to the extent of the holder's adjusted tax basis in its Warrant Shares and, thereafter, as capital gain recognized on a sale or exchange on the day actually or constructively received by the holder (as described below under "Sale or Disposition of Warrant Shares"). There can be no assurance that the Corporation will maintain calculations of the Corporation's earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution with respect to the Warrant Shares will constitute ordinary dividend income. Dividends paid on the Warrant Shares will not be eligible for the dividends received deduction allowed to U.S. corporations.

Dividends paid to a non-corporate U.S. Holder by a "qualified foreign corporation" may be subject to reduced rates of taxation if certain holding period and other requirements are met. A qualified foreign corporation generally includes a foreign corporation if (i) its Warrant Shares are readily tradable on an established securities market in the United States or it is eligible for benefits under a comprehensive U.S. income tax treaty that includes an exchange of information program and which the U.S. Treasury has determined is satisfactory for these purposes and (ii) if such foreign corporation is not a PFIC (as discussed above) for either the taxable year in which the dividend is paid or the preceding taxable year. The Warrant Shares are readily tradable on the Nasdaq, an established securities market in the United States, and the Corporation may be eligible for the benefits of the Treaty. Accordingly, subject to the PFIC rules discussed above, a non-corporate U.S. Holder may qualify for the reduced rate on dividends so long as the applicable holding period requirements are met. U.S. Holders should consult their own tax advisors regarding the availability of the reduced tax rate on dividends in light of their particular circumstances.

Distributions paid in a currency other than U.S. dollars will be included in a U.S. Holder's gross income in a U.S. dollar amount based on the spot exchange rate in effect on the date of actual or constructive receipt, whether or not the payment is converted into U.S. dollars at that time. The U.S. Holder will have a tax basis in such currency equal to such U.S. dollar amount, and any gain or loss recognized upon a subsequent sale or conversion of the foreign currency for a different U.S. dollar amount will generally be U.S. source ordinary income or loss. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should generally not be required to recognize foreign currency gain or loss in respect of the dividend income.

If a U.S. Holder is subject to Canadian withholding taxes (at the rate applicable to such U.S. Holder) with respect to dividends paid on the Warrant Shares, such U.S. Holder may be entitled to receive either a deduction or a foreign tax credit for such Canadian taxes paid. Complex limitations apply to the foreign tax credit. Dividends paid by the Corporation generally will constitute "foreign source" income and generally will be categorized as "passive category income." Because the foreign tax credit rules are complex, each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

### **Sale or Disposition of Warrant Shares**

A U.S. Holder generally will recognize gain or loss on the taxable sale or exchange of the Warrant Shares in an amount equal to the difference between the U.S. dollar amount realized on such sale or exchange (determined in the case of the Warrant Shares sold or exchanged for currencies other than U.S. dollars by reference to the spot exchange rate in effect on the date of the sale or exchange or, if the Warrant Shares sold or exchanged are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, which election must be applied consistently from year to year and cannot be changed without the consent of the IRS, the spot exchange rate in effect on the settlement date) and the U.S. Holder's adjusted tax basis in the Warrant Shares determined in U.S. dollars. The initial tax basis of the Warrant Shares to a U.S. Holder will be the U.S. Holder's U.S. dollar purchase price for the Warrant Shares (determined by reference to the spot exchange rate in effect on the date of the purchase, or if the Warrant Shares purchased are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, which election must be applied consistently from year to year and cannot be changed without the consent of the IRS, the spot exchange rate in effect on the settlement date). An accrual basis U.S. Holder that does not make the special election will recognize exchange gain or loss to the extent attributable to the difference between the exchange rates on the sale date and the settlement date, and such exchange gain or loss generally will constitute ordinary income or loss.

Subject to the discussion under "Passive Foreign Investment Company Rules" above, such gain or loss will be capital gain or loss and will be long-term gain or loss if the Warrant Shares have been held for more than one year. Under current law, long-term capital gains of non-corporate U.S. Holders generally are eligible for reduced rates of taxation.

The deductibility of capital losses is subject to limitations. Capital gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. U.S. Holders are encouraged to consult their own tax advisors regarding the availability of the U.S. foreign tax credit in their particular circumstances.

### **Additional Tax on Passive Income**

U.S. Holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold. A U.S. Holder's "net investment income" generally includes, among other things, dividends and net gains from disposition of property (other than property held in the ordinary course of the conduct of a trade or business). Accordingly, dividends on and capital gain from the sale, exchange or other taxable disposition of the Warrant Shares may be subject to this additional tax. U.S. Holders are urged to consult their own tax advisors regarding the additional tax on passive income.

### **Information Reporting and Backup Withholding**

In general, dividends paid to a U.S. Holder in respect of the Warrant Shares and the proceeds received by a U.S. Holder from the sale, exchange or other disposition of the Warrant 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 U.S.\$50,000. 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 Warrant Shares. U.S. Holders are urged to consult their own tax advisors regarding the application of the information reporting rules to the Warrant Shares and their particular situations.

**EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN WARRANT SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.**

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Fasken Martineau DuMoulin LLP, Canadian counsel to the Corporation, based on the current provisions of the Tax Act and the Regulations thereunder, in force as of the date hereof, Warrant Shares, acquired pursuant to the Offering, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as "**Registered Plans**") or deferred profit sharing plan ("**DPSP**"), each as defined in the Tax Act, at the time of the acquisition of such Warrant Shares, provided that at such time the Warrant Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSXV and Nasdaq) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Warrant Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Warrant Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection

207.01(4) of the Tax Act) in the Corporation. In addition, the Warrant Shares will generally not be a “prohibited investment” if such securities are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for the Registered Plan.

Based on Proposed Amendments contained in draft legislation in Bill C-32 released on November 4, 2022 to implement tax measures applicable for first home savings accounts (referred to as “FHSAs”), FHSAs would be subject to the rules described above for Registered Plans for purposes of the Tax Act (such amendments are referred to as the “FHSA Amendments”). In particular, pursuant to the FHSA Amendments, it is expected that the Warrant Shares will be qualified investments for a FHSA provided the conditions discussed above in relation to Registered Plans are satisfied. In addition, the rules in respect of “prohibited investments” are also proposed to apply to FHSAs and the holders thereof. The FHSA Amendments are proposed to come into force on April 1, 2023.

**Prospective purchasers who intend to hold Warrant Shares in a Registered Plan or DPSP should consult their own tax advisors regarding their particular circumstances.**

### PRIOR SALES

The following tables set forth details regarding issuances of Common Shares and issuances of securities convertible into or exchangeable, redeemable or exercisable for Common Shares by the Corporation during the 12-month period before the date of this Prospectus Supplement up to November 11, 2022.

#### Corporation Securities Issuances

Date	Type of Security Issued	Issuance/Exercise/Conversion Price per Security	Number of Securities
October 17, 2022	Common Shares <sup>(2)</sup>	US\$2.9019	6,550
October 14, 2022	Common Shares <sup>(2)</sup>	US\$2.9803	3,400
October 13, 2022	Common Shares <sup>(2)</sup>	US\$2.9595	3,900
October 12, 2022	Common Shares <sup>(2)</sup>	US\$2.9708	2,900
October 12, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$4.2057	3,000
October 11, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$4.2868	3,100
October 10, 2022	Common Shares <sup>(2)</sup>	US\$3.0965	1,120
October 10, 2022	Common Shares <sup>(2)</sup>	US\$2.9911	2,500
October 7, 2022	Common Shares <sup>(2)</sup>	US\$3.1259	3,200
October 7, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$4.2392	4,600
October 6, 2022	Common Shares <sup>(2)</sup>	US\$3.1184	7,100
October 6, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$3.9522	900
October 5, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$3.9078	6,000
October 4, 2022	Common Shares <sup>(2)</sup>	US\$2.8286	5,200
October 4, 2022	Common Shares <sup>(2)</sup>	US\$2.812	500
October 4, 2022	Common Shares <sup>(2)</sup>	C\$4.0187	5,700
October 3, 2022	Common Shares <sup>(2)</sup>	US\$2.8868	4,400
October 3, 2022 <sup>(6)</sup>	Common Shares <sup>(2)</sup>	C\$4.0394	3,400
October 3, 2022	Common Shares <sup>(2)</sup>	C\$4.0384	5,000
September 30, 2022	Common Shares <sup>(2)</sup>	US\$2.9229	4,900
September 30, 2022	Common Shares <sup>(2)</sup>	C\$4.0344	9,900

<b>Date</b>	<b>Type of Security Issued</b>	<b>Issuance/Exercise/Conversion Price per Security</b>	<b>Number of Securities</b>
October 17, 2022	Common Shares <sup>(2)</sup>	US\$2.9019	6,550
October 14, 2022	Common Shares <sup>(2)</sup>	US\$2.9803	3,400
October 13, 2022	Common Shares <sup>(2)</sup>	US\$2.9595	3,900
October 12, 2022	Common Shares <sup>(2)</sup>	US\$2.9708	2,900
September 29, 2022	Common Shares <sup>(2)</sup>	US\$2.9326	5,925
September 29, 2022	Common Shares <sup>(2)</sup>	C\$4.1129	12,600
September 28, 2022	Common Shares <sup>(2)</sup>	C\$4.1447	3,600
September 28, 2022	Common Shares <sup>(2)</sup>	US\$2.9299	6,900
September 27, 2022	Common Shares <sup>(2)</sup>	C\$4.3435	3,100
September 27, 2022	Common Shares <sup>(2)</sup>	US\$3.0443	18,801
September 6, 2022	Common Shares <sup>(2)</sup>	C\$4.4303	1,500
September 6, 2022	Common Shares <sup>(2)</sup>	US\$3.2269	3,800
September 2, 2022	Common Shares <sup>(2)</sup>	C\$4.4047	1,500
September 2, 2022	Common Shares <sup>(2)</sup>	US\$3.3236	2,925
September 1, 2022	Common Shares <sup>(2)</sup>	C\$4.4275	1,800
September 1, 2022	Common Shares <sup>(2)</sup>	US\$3.3644	1,400
August 31, 2022	Common Shares <sup>(2)</sup>	C\$4.4661	1,400
August 31, 2022	Common Shares <sup>(2)</sup>	US\$3.4150	1,000
August 30, 2022	Common Shares <sup>(2)</sup>	C\$4.4902	2,300
August 30, 2022	Common Shares <sup>(2)</sup>	US\$3.3996	1,303
August 29, 2022	Common Shares <sup>(2)</sup>	C\$4.5073	2,600
August 29, 2022	Common Shares <sup>(2)</sup>	US\$3.4646	1,546
August 26, 2022	Common Shares <sup>(2)</sup>	C\$4.6392	1,900
August 26, 2022	Common Shares <sup>(2)</sup>	US\$3.4604	1,700
August 25, 2022	Common Shares <sup>(2)</sup>	C\$4.5292	1,800
August 25, 2022	Common Shares <sup>(2)</sup>	US\$3.4453	2,900
August 24, 2022	Common Shares <sup>(2)</sup>	C\$4.4598	6,000
August 24, 2022	Common Shares <sup>(2)</sup>	US\$3.5848	2,100
August 23, 2022	Common Shares <sup>(2)</sup>	C\$4.5708	5,200
August 23, 2022	Common Shares <sup>(2)</sup>	US\$3.5274	1,200
August 22, 2022	Common Shares <sup>(2)</sup>	C\$4.8241	2,800
August 22, 2022	Common Shares <sup>(2)</sup>	US\$3.4150	1,600
August 19, 2022	Common Shares <sup>(2)</sup>	C\$4.9900	100
August 19, 2022	Common Shares <sup>(2)</sup>	US\$3.5383	2,200
August 18, 2022	Common Shares <sup>(2)</sup>	C\$4.9050	600
August 18, 2022	Common Shares <sup>(2)</sup>	US\$3.7588	31,100
June 10, 2022	Common Shares <sup>(2)</sup>	C\$4.9400	1,900
June 9, 2022	Common Shares <sup>(2)</sup>	C\$4.9232	3,100

<b>Date</b>	<b>Type of Security Issued</b>	<b>Issuance/Exercise/Conversion Price per Security</b>	<b>Number of Securities</b>
October 17, 2022	Common Shares <sup>(2)</sup>	US\$2.9019	6,550
October 14, 2022	Common Shares <sup>(2)</sup>	US\$2.9803	3,400
October 13, 2022	Common Shares <sup>(2)</sup>	US\$2.9595	3,900
October 12, 2022	Common Shares <sup>(2)</sup>	US\$2.9708	2,900
June 8, 2022	Common Shares <sup>(2)</sup>	C\$4.9200	100
June 6, 2022	Common Shares <sup>(2)</sup>	C\$4.2057	3,000
June 3, 2022	Common Shares <sup>(2)</sup>	C\$4.2868	3,100
June 1, 2022	Common Shares <sup>(2)</sup>	C\$5.0028	1,800
May 31, 2022	Common Shares <sup>(2)</sup>	C\$5.0204	2,500
May 24, 2022	Common Shares <sup>(2)</sup>	C\$5.0015	5,300
May 13, 2022	Common Shares <sup>(2)</sup>	C\$5.52	25,200
May 10, 2022	Common Shares <sup>(2)</sup>	C\$5.21	1,400
May 9, 2022	Common Shares <sup>(2)</sup>	C\$5.26	14,600
May 6, 2022	Common Shares <sup>(2)</sup>	C\$5.31	12,100
May 5, 2022	Common Shares <sup>(2)</sup>	C\$5.32	10,000
May 4, 2022	Common Shares <sup>(2)</sup>	C\$5.51	21,400
May 3, 2022	Common Shares <sup>(2)</sup>	C\$6.21	31,000
May 2, 2022	Common Shares <sup>(2)</sup>	C\$5.71	13,700
May 2, 2022	Common Shares <sup>(3)</sup>	C\$5.58	338,187
April 29, 2022	Common Shares <sup>(4)</sup>	C\$2.52	23,141
April 29, 2022	Common Shares <sup>(4)</sup>	C\$5.71	19,600
April 28, 2022	Common Shares <sup>(2)</sup>	C\$5.93	33,300
April 27, 2022	Common Shares <sup>(2)</sup>	C\$5.92	14,500
April 26, 2022	Common Shares <sup>(2)</sup>	C\$5.65	8,900
April 25, 2022	Common Shares <sup>(2)</sup>	C\$5.76	17,400
April 22, 2022	Common Shares <sup>(2)</sup>	C\$5.91	8,600
April 21, 2022	Common Shares <sup>(2)</sup>	C\$6.41	10,900
April 20, 2022	Common Shares <sup>(3)</sup>	C\$5.58	225,458
April 20, 2022	Common Shares <sup>(2)</sup>	C\$6.34	19,500
April 19, 2022	Common Shares <sup>(4)</sup>	C\$2.52	99,274
April 19, 2022	Common Shares <sup>(2)</sup>	C\$5.91	9,800
April 18, 2022	Common Shares <sup>(2)</sup>	C\$5.70	18,300
April 11, 2022	Options <sup>(1)</sup>	C\$5.76	19,444
April 11, 2022	Performance Share Units <sup>(1)</sup>	C\$5.76	18,056
April 11, 2022	Deferred Stock Units <sup>(1)</sup>	C\$5.76	35,553
April 11, 2022	Restricted Stock Units <sup>(1)</sup>	C\$5.76	11,389
April 5, 2022	Common Shares <sup>(3)</sup>	C\$5.58	112,729
April 1, 2022	Common Shares <sup>(2)</sup>	C\$5.22	5,000

<b>Date</b>	<b>Type of Security Issued</b>	<b>Issuance/Exercise/Conversion Price per Security</b>	<b>Number of Securities</b>
October 17, 2022	Common Shares <sup>(2)</sup>	US\$2.9019	6,550
October 14, 2022	Common Shares <sup>(2)</sup>	US\$2.9803	3,400
October 13, 2022	Common Shares <sup>(2)</sup>	US\$2.9595	3,900
October 12, 2022	Common Shares <sup>(2)</sup>	US\$2.9708	2,900
March 31, 2022	Common Shares <sup>(2)</sup>	C\$5.40	6,389
March 30, 2022	Common Shares <sup>(2)</sup>	C\$5.40	4,011
March 29, 2022	Common Shares <sup>(2)</sup>	C\$5.40	4,011
March 29, 2022	Common Shares <sup>(2)</sup>	C\$2.70	3,704
March 28, 2022	Common Shares <sup>(2)</sup>	C\$5.40	5,306
March 25, 2022	Common Shares <sup>(2)</sup>	C\$5.40	10,417
March 24, 2022	Common Shares <sup>(2)</sup>	C\$5.40	13,889
March 23, 2022	Common Shares <sup>(2)</sup>	C\$5.22	7,250
March 22, 2022	Common Shares <sup>(2)</sup>	C\$5.22	4,083
March 21, 2022	Common Shares <sup>(2)</sup>	C\$5.22	5,417
March 18, 2022	Common Shares <sup>(2)</sup>	C\$5.22	3,667
March 17, 2022	Common Shares <sup>(2)</sup>	C\$5.22	5,194
March 16, 2022	Common Shares <sup>(2)</sup>	C\$5.40	3,139
March 15, 2022	Common Shares <sup>(2)</sup>	C\$5.40	4,861
March 14, 2022	Common Shares <sup>(2)</sup>	C\$5.40	2,056
March 11, 2022	Common Shares <sup>(2)</sup>	C\$5.40	3,750
March 10, 2022	Common Shares <sup>(2)</sup>	C\$5.40	16,750
March 9, 2022	Common Shares <sup>(2)</sup>	C\$5.22	7,778
March 8, 2022	Common Shares <sup>(3)</sup>	C\$5.58	112,729
March 8, 2022	Common Shares <sup>(2)</sup>	C\$5.40	5,694
March 7, 2022	Common Shares <sup>(2)</sup>	C\$5.40	5,972
March 4, 2022	Common Shares <sup>(2)</sup>	C\$5.40	8,267
March 3, 2022	Common Shares <sup>(2)</sup>	C\$5.22	5,572
March 2, 2022	Common Shares <sup>(2)</sup>	C\$5.22	6,500
March 1, 2022	Common Shares <sup>(2)</sup>	C\$5.22	556
February 22, 2022	Common Shares <sup>(2)</sup>	C\$5.22	111
February 18, 2022	Common Shares <sup>(2)</sup>	C\$5.40	2,917
February 17, 2022	Common Shares <sup>(2)</sup>	C\$5.22	417
January 22, 2022	Common Shares <sup>(2)</sup>	C\$5.58	3,000
January 21, 2022	Common Shares <sup>(2)</sup>	C\$5.58	83
January 19, 2022	Options <sup>(1)</sup>	C\$5.40	222,274
January 11, 2022	Common Shares <sup>(4)</sup>	C\$2.52	926
December 9, 2021	Common Shares <sup>(3)</sup>	C\$5.58	112,729
December 7, 2021	Common Shares <sup>(3)</sup>	C\$5.58	112,729

<b>Date</b>	<b>Type of Security Issued</b>	<b>Issuance/Exercise/Conversion Price per Security</b>	<b>Number of Securities</b>
October 17, 2022	Common Shares <sup>(2)</sup>	US\$2.9019	6,550
October 14, 2022	Common Shares <sup>(2)</sup>	US\$2.9803	3,400
October 13, 2022	Common Shares <sup>(2)</sup>	US\$2.9595	3,900
October 12, 2022	Common Shares <sup>(2)</sup>	US\$2.9708	2,900
December 1, 2021	Common Shares <sup>(5)</sup>	C\$2.52	19,444
November 30, 2021	Common Shares <sup>(3)</sup>	C\$5.58	112,729
November 19, 2021	Common Shares <sup>(3)</sup>	C\$5.58	225,458
November 11, 2021	Common Shares <sup>(3)</sup>	C\$5.58	225,458

**Notes:**

- (1) Issued as annual grant to directors, officers, employees and advisors.
- (2) Issued pursuant to a continuous at-the-market offering pursuant to an amended and restated equity distribution agreement dated May 17, 2022 between the Corporation, CIBC World Markets Inc. and CIBC World Markets Corp.
- (3) Issued pursuant to the conversion of outstanding convertible notes.
- (4) Issued pursuant to the exercise of restricted stock units.
- (5) Issued pursuant to the exercise of options.
- (6) Reflects trade date rather than settlement date.

**TRADING PRICE AND VOLUME**

The Common Shares are listed and posted for trading on each of the TSXV and Nasdaq under the symbol “ELBM”. The following table sets forth the reported intraday high and low prices and trading volumes of the Common Shares on TSXV on a monthly basis for the 12-month period prior to the date of this Prospectus Supplement (Source: TSXV).

<b>Period</b>	<b>High Trading Price</b>	<b>Low Trading Price</b>	<b>Volume</b>
November 2021	\$7.65	\$5.22	2,380,716
December 2021	\$6.48	\$5.31	756,187
January 2022	\$5.76	\$4.59	797,085
February 2022	\$5.40	\$4.68	498,115
March 2022	\$5.58	\$5.04	836,841
April 2022	\$6.98	\$5.22	2,065,818
May 2022	\$5.88	\$4.40	1,591,148
June 2022	\$5.05	\$3.56	743,778
July 2022	\$5.50	\$3.27	798,212
August 2022	\$5.67	\$4.30	857,043
September 2022	\$5.29	\$3.80	869,670
October 2022	\$4.37	\$3.80	441,200
November 1–11, 2022	\$4.10	\$3.14	691,256

The following table sets forth the reported intraday high and low prices and the trading volume for the Common Shares on Nasdaq for the 12-month period prior to the date of this Prospectus Supplement. (Source: Nasdaq)

<b>Period</b>	<b>High Trading Price</b>	<b>Low Trading Price</b>	<b>Volume</b>
November 2021	US\$6.55	US\$4.25	1,354,459
December 2021	US\$5.30	US\$4.12	369,308
January 2022	US\$4.93	US\$3.60	654,913
February 2022	US\$4.32	US\$3.62	425,296
March 2022	US\$4.73	US\$3.95	529,082
April 2022	US\$5.58	US\$4.07	3,283,876
May 2022	US\$4.65	US\$3.33	3,678,288
June 2022	US\$4.02	US\$2.69	1,077,639
July 2022	US\$4.39	US\$2.54	1,167,675
August 2022	US\$4.50	US\$3.30	1,172,622
September 2022	US\$4.05	US\$2.75	2,939,344
October 2022	US\$3.21	US\$2.80	754,358
November 1–11, 2022	US\$3.09	US\$2.32	1,283,239

On November 11, 2022, the last trading day prior to the date of this Prospectus Supplement, the closing price per Common Share on TSXV was \$3.21 and on Nasdaq was US\$2.47.

## **RISK FACTORS**

An investment in securities of the Corporation including the Warrant Shares offered hereby is subject to certain risks, which should be carefully considered by prospective purchasers before purchasing such securities. In addition to information set out or incorporated by reference in this Prospectus Supplement and the Shelf Prospectus currently and from time to time, investors should carefully consider the risk factors indicated below. Any one of such risk factors could materially adversely affect the Corporation’s business, prospects, financial condition, results of operations, cash flows and/or an investment in the Warrant Shares and could cause actual events to differ materially from those described in forward-looking information and statements relating to the Corporation set out or incorporated by reference in this Prospectus Supplement and the Shelf Prospectus. Additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that the Corporation currently deems to be immaterial could have a material adverse effect on the Corporation’s business, prospects, financial condition, results of operations, cash flows and/or an investment in the Warrant Shares. The Corporation cannot provide any assurances that it will successfully address any or all of these risks. Purchasers should carefully consider the risks described under the heading “Risk Factors” in the Shelf Prospectus and in the AIF. See “Documents Incorporated by Reference”.

### **The Corporation may not be able to meet Debt Service Obligations.**

In the absence of conversion of the principal amount under the Existing Notes, the Corporation will be required to repay such principal amount to the holders of Existing Notes in full upon maturity, or earlier upon the occurrence of certain events. The debt is secured by substantially all of the Corporations’ material assets. The Company expects to use the net proceeds of the Offering to, among other things, construct the expanded Refinery, and that the debt will be serviced and repaid through cash flows generated from Refinery operations. In the event the Refinery is not constructed or sufficient cash flow from operations is not generated to repay the interest or principal obligations under the Existing Notes, there is a risk that the Corporation may not have sufficient available funds to meet its debt obligations and that the assets pledged to the trustee engaged for the benefit of the holders of Existing Notes may be transferred to such trustee.

There are many factors beyond the Corporation’s control that could cause the Corporation to not be able to generate sufficient cash to service its indebtedness, including the Existing Notes, and meet its other ongoing liquidity needs, and the Corporation may be forced to take other actions to satisfy its obligations under the Existing Notes, which may not be successful.

**The Cobalt Supply Agreement is not a definitive agreement for the provision of cobalt to LG for cash.**

The Cobalt Supply Agreement is 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 LG 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 Corporation's control. If a definitive agreement is not entered into with respect to cobalt supply with LG on the terms described in the Cobalt Supply Agreement, or on terms different than those expressed therein, the Corporation 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 Corporation and on the value of Common Shares.

**Financing required for the development of the Refinery may not be available on acceptable terms or at all, and may cause substantial dilution to shareholders.**

The Corporation's Refinery advancement will require additional external financing. 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 Corporation. Furthermore, if the Corporation raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing when needed could result in the Corporation 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.

**An investment in our equity securities will not provide a guaranteed return on investment.**

There can be no assurance regarding the amount of income to be generated by the Corporation and there can be no guarantee that an investment in the Corporation will earn any positive return in the short term, long term, or at all. The Warrant Shares are equity securities of the Corporation and are not fixed income securities. Unlike fixed income securities, there is no obligation of the Corporation to distribute to shareholders a fixed amount or any amount at all, or to return the initial purchase price of the Warrant Shares at any time in the future. The market value of the Warrant Shares may deteriorate if the Corporation is unable to generate sufficient positive returns, and for macroeconomic and other factors that are outside the Corporation's control. That deterioration may be significant. An investment in the Warrant Shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

**Completion of the Offering is Subject to Conditions**

The completion of the Offering remains subject to satisfaction of a number of conditions, including approval by the TSXV. There can be no certainty that the Offering will be completed.

**We are currently in a challenging environment with respect to macroeconomic risks and global instability.**

Political and economic instability (including the Russian invasion of Ukraine), global or regional adverse conditions, such as pandemics or other disease outbreaks (including the COVID-19 global outbreak) or natural disasters, currency exchange rates, trade tariff developments, transport availability and cost, including import-related taxes, transport security, inflation and other factors are beyond the Corporation's control. The macroeconomic environment remains challenging and the Corporation's results of operations could be materially affected by such macroeconomic conditions. As an example, the COVID-19 global outbreak and efforts to contain it may have an impact on the Corporation's business. The Corporation has implemented various safety measures onsite to ensure the safety of its employees and contractors. The Corporation continues to monitor the situation and the impact the virus may have on its projects. Should the virus spread, travel bans remain in place or should one of the Corporation's team members or consultants become infected, the Corporation's ability to advance its projects may be impacted. Similarly, the Corporation's ability to obtain financing and the ability of the Corporation's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus. The overall global uncertainty related to COVID-19 may present other challenges that are not known at the current time, such as supply chain interruptions, potential delays in the procurement process, or alterations of business plans by the Corporation's strategic partners.

**Resource exploration and development is a speculative business and involves a high degree of risk.**

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 Corporation's mineral properties. There is no certainty that the expenditures to be made by the Corporation 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 Corporation will be affected by numerous factors beyond the control of the Corporation including, but not limited to, the COVID-19 pandemic. 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 Corporation not receiving an adequate return on invested capital.

**There is no assurance that the technical capabilities of the Refinery will be as we anticipate.**

The Corporation's strategic priority is the advancement of the Refinery, with significant metallurgical test work planned and a pilot plant work at third party facilities anticipated. There is no assurance that the outcomes of this test work and the results of the pilot plant work will be positive and that the Refinery will have the capabilities to produce specific end products. Furthermore, no assurance can be given that operating the Refinery will be economically viable. The Corporation 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 Corporation is pre-operational company which currently has negative operating cash flow.**

The Corporation 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 Corporation 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 Corporation expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project.

**There can be no assurance that capital requirements will be obtained in the amount required or on terms satisfactory to the Corporation.**

Historically, the Corporation's capital requirements have been primarily funded through the sale of Common Shares and the issuance of the Existing 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 Corporation's assets, customer arrangements, ongoing exploration at the Corporation'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 Corporation. Based on the amount of funding raised, the Corporation's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

**Management will have broad discretion in the use of proceeds of the Offering.**

Management will have broad discretion concerning the use of the net proceeds from the Offering and the timing of their expenditures. Depending on various factors, the intended use of net proceeds from the Offering may change. As a result, an investor will be relying on the judgment of management for the application of the net proceeds from the Offering. Management may use the net proceeds from the Offering in ways that an investor may not consider desirable if they believe it would be in the best interests of the Corporation to do so and could spend the proceeds in ways that do not improve the Corporation's results of operations or enhance the value of the Common Shares. The results and the effectiveness of the application of proceeds from the Offering are uncertain. If the proceeds are not applied effectively, the Corporation's business, financial condition, results of operations or prospects may suffer. Pending their use, the Corporation may invest the net proceeds from the Offering in a manner that does not produce income or that loses value.

**Our Common Shares are subject to various factors that have historically made share prices volatile.**

Capital and securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the Corporation's financial performance or prospects include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. There can be no assurance that continued fluctuations in mineral or commodity prices will not occur. As a result of any of these factors, the market price of the Common Shares at any given time may not accurately reflect the long-term value of an investment in the Warrant Shares.

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

**Future sales of our Common Shares in the market by the Corporation or shareholders may depress the market price of our Common Shares.**

Sales of a substantial number of Common Shares or other equity-related securities in the public markets by the Corporation or its significant shareholders could depress the market price of the Common Shares and impair the Corporation's ability to raise capital through the sale of additional equity securities. The Corporation 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. If the Corporation raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment.

**Investors may be subject to additional dilution with future securities issuances by the Corporation.**

The Corporation may issue additional securities in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Corporation have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares may be issued by the Corporation on the exercise of options under the Corporation's stock option plan and other equity compensation plans, and upon the exercise of outstanding warrants.

**Given the speculative nature of an investment in the Warrant Shares, investors may face the loss of their entire investment.**

An investment in the Warrant Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Corporation.

**There may not be an active liquid market for the Common Shares.**

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSXV, Nasdaq or otherwise. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

**U.S. investors may find it difficult to enforce U.S. judgments against the Corporation.**

The Corporation is incorporated under the laws of Ontario, Canada and the majority of the Corporation's directors and officers are not residents of the United States. Because all or a substantial portion of the Corporation's assets and the assets of these persons are located outside of the United States, it may be difficult for U.S. investors to effect service of process within the United States upon the Corporation or upon such persons who are not residents of the United States, or to realize in the United States upon judgments of U.S. courts predicated upon civil liabilities under U.S. securities laws. A judgment of a U.S. court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian

court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. There is substantial doubt whether an original action could be brought successfully in Canada against any of such persons or the Corporation predicated solely upon such civil liabilities.

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

U.S. investors should be aware that they could be subject to certain adverse U.S. federal income tax consequences in the event that the Corporation is classified as a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes. The determination of whether the Corporation is a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of the Corporation’s income, expenses and assets from time to time and the nature of the activities performed by the Corporation’s officers and employees. The Corporation may be a PFIC in one or more prior tax years, in the current tax year and in subsequent tax years. Prospective investors should carefully read the discussion above under the heading “Certain U.S. Federal Income Tax Considerations” for more information and consult their own tax advisors regarding the likelihood and consequences of the Corporation 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.

### **LEGAL MATTERS**

Certain legal matters relating to the Offering will be passed upon on behalf of the Corporation by Fasken Martineau DuMoulin LLP, Canadian counsel to the Corporation. As of the date hereof, Fasken Martineau DuMoulin LLP, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation.

Certain legal matters relating to United States law will be passed upon on behalf of the Corporation by Troutman Pepper Hamilton Sanders LLP.

### **INTERESTS OF EXPERTS**

All scientific and technical information in this Prospectus Supplement, including that under the heading “Use of Proceeds”, has been reviewed and approved by Daniel Pace, a registered member of the Society for Mining, Metallurgy & Exploration and the Principal Geologist at Electra, who is a qualified person under National Instrument 43-101. As of the date hereof, Mr. Pace has beneficial ownership of less than one percent of the outstanding securities of the Corporation.

### **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, located in Toronto, Ontario. KPMG has advised the Corporation that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Corporation under all relevant United States professional and regulatory standards.

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office located in Toronto, Ontario.

### **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC the U.S. Registration Statement on Form F-10 (File No. 333-264982) under the U.S. Securities Act with respect to the Warrant Shares offered under this Prospectus Supplement. This Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein, which form a part of the U.S. Registration Statement, do not contain all of the information set forth in the U.S. Registration Statement, certain parts of which are contained in the exhibits to the U.S. Registration Statement as

permitted by the rules and regulations of the SEC. Information omitted from this Prospectus Supplement or the Shelf Prospectus but contained in the U.S. Registration Statement is available on EDGAR under the Corporation's profile at [www.sec.gov](http://www.sec.gov). Reference is also made to the U.S. Registration Statement and the exhibits thereto for further information with respect to Electra, the Offering and the Warrant Shares. Statements contained in this Prospectus Supplement as to the contents of certain documents are not necessarily complete and, in each instance, reference is made to the copy of the document filed as an exhibit to the U.S. Registration Statement. Each such statement is qualified in its entirety by such reference.

We are required to file with the various securities commissions or similar authorities in each of the applicable provinces and territories of Canada, annual and quarterly reports, material change reports and other information. We are also an SEC registrant subject to the informational requirements of the U.S. Exchange Act and, accordingly, file with, or furnish to, the SEC certain reports and other information. Under the MJDS adopted by the United States and Canada, these reports and other information (including financial information) may be prepared in accordance with the disclosure requirements of Canada, which differ from those of the United States. We are exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser or any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

### **ENFORCEABILITY OF CIVIL LIABILITIES**

The Corporation is incorporated under, and governed by, the laws of Canada. Many of its officers and directors and experts named in this Prospectus Supplement and the Base Shelf Prospectus are resident outside of the United States, and a majority of their assets, and the assets of Electra, are located outside the United States. As a result, it may be difficult for U.S. investors to effect service of process within the United States upon those directors, officers or experts who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of such directors, officers or experts under U.S. federal securities laws. There is doubt as to whether Canadian courts would enforce the civil liability claims brought under United States federal securities laws in original actions and/or enforce claims for punitive damages. A final judgment for a liquidated sum in favor of a private litigant granted by a United States court and predicated solely upon civil liability under United States federal securities laws would, subject to certain exceptions identified in the law of individual provinces of Canada, likely be enforceable in Canada if the United States court in which the judgment was obtained had a basis for jurisdiction in the matter that would be recognized by the domestic Canadian court for the same purposes. There is a significant risk that a given Canadian court may not have jurisdiction or may decline jurisdiction over a claim based

solely upon United States federal securities law on application of the conflict of laws principles of the province in Canada in which the claim is brought.

Electra has filed with the SEC, concurrently with the filing of its U.S. Registration Statement of which this Prospectus Supplement and the Shelf Prospectus form a part, an appointment of agent for service of process on Form F-X. Under the Form F-X, Electra appointed C T Corporation System as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against or involving Electra in a U.S. court arising out of or related to or concerning the Offering of Warrant Shares under the U.S. Registration Statement. However, it may be difficult for United States investors to effect service of process within the United States upon those officers or directors who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States predicated upon the Corporation's civil liability and the civil liability of such officers or directors under United States federal securities laws or the securities or "blue sky" laws of any state within the United States.

**CERTIFICATE OF THE CORPORATION**

Dated: November 14, 2022

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces of Canada, other than Québec.

*“Trent Mell”*

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Trent Mell  
President, Chief Executive Officer and Director

*“Craig Cunningham”*

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Craig Cunningham  
Chief Financial Officer

On behalf of the Board of Directors

*“John Pollesel”*

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John Pollesel  
Director

*“Garett Macdonald”*

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Garett Macdonald  
Director