

February 24, 2022

Mr. Trent Mell
President and Chief Executive Officer
Electra Battery Materials Corporation
401 Bay Street, 6th Floor
Toronto, ON M5H 2Y4
[Redacted – Personal Information]

Mr. David Stein
President and Chief Executive Officer
Kuya Silver Corporation
150 King Street West
Suite 203
Toronto, ON M5J 1J9
[Redacted – Personal Information]

Mr. David Lewis, Exploration Director
Kuya Silver Corporation
[Redacted – Personal Information]

Re: Swap of Various Mineral Claims and Interests as between RJK Explorations Ltd. and Cobalt Industries of Canada Inc.; Approval by Kuya Silver Corporation

We refer to certain mineral claims held by Cobalt Industries of Canada Inc. ("CIC"), a subsidiary of Electra Battery Materials Corporation (formerly known as First Cobalt Corp.), in the vicinity of the town of Cobalt in the Province of Ontario (the "Area"), being those claims identified and described in rows 2 through 54 of the spreadsheet in Schedule "A" annexed hereto (the "CIC Claims").

We also refer to the option that **RJK Explorations Ltd. ("RJK")** holds to earn a one hundred per cent (100%) interest in the mineral claims identified and described in rows 4, 6, 11-12, 14, 17, 22, 24-25, 28, and 32-74 of the spreadsheet in Schedule "A" annexed hereto (the "**RJK Optioned Claims**") free and clear of all liens, charges and encumbrances, pursuant to an amended and restated option agreement dated May 11, 2020 (the "**Amended and Restated Mineral Property Option Agreement**") between RJK, First Cobalt Corp., Cobalt Industries of Canada Inc., and Cobalt Camp Ontario Holdings Corp. ("**CCOHC**") that amended and restated the terms of the previous option agreement dated October 14, 2019.

We also refer to each of the fifty per cent (50%) interests in Initial Option Minerals (as that term is defined in the Amended and Restated Mineral Property Option Agreement) that RJK earned through the completion of diamond drill holes on the RJK Optioned Claims (each, an "**RJK Earned Interest**" and collectively, the "**RJK Earned Interests**")

pursuant to Section 1.2(a) of the Amended and Restated Mineral Property Option Agreement.

We also refer to the share purchase and option agreement dated as of February 26, 2021 among Kuya Silver Corporation ("**Kuya**"), First Cobalt Corp., CIC, and Cobaltech Mining Inc. ("**Cobaltech**"), (the "**Kuya-EBM Option Agreement**"), under which CIC granted to Kuya an option to acquire up to a seventy percent (70%) interest in certain mineral claims in the Area (collectively, the "**Kuya Optioned Claims**"), some of which are also RJK Optioned Claims.

We also refer to the joint venture between CIC and Kuya for the exploration and development of the Kuya Optioned Claims (the "**Silver Kings JV**"), which was created under, and is currently governed by, the Kuya-EBM Option Agreement, and in respect of which Kuya is currently the operator, with responsibility for financial management of the Silver Kings JV, among other things (the "**Operator**").

Each of RJK, EBM, CIC, CCOHC, Kuya, and Cobaltech is also referred to herein as a "**Party**", and collectively as, the "**Parties**".

This letter will serve to evidence a legally binding agreement (the "**Letter Agreement**") among RJK, EBM, CIC, CCOHC, Kuya, and Cobaltech with respect to RJK's relinquishment of the RJK Earned Interests and its option to acquire any interest in the RJK Optioned Claims, in exchange for CIC transferring to RJK the CIC Claims, on the following terms:

1. CIC agrees to transfer to RJK all of CIC's right, title, and interest in the CIC Claims on the terms and conditions set out herein, including but not limited to the following:
 - (a) each of the Parties has executed this Letter Agreement;
 - (b) each of RJK and CIC has given each of the other Parties notice that no regulatory approval is required in connection with the transactions contemplated herein, except such as have been obtained;
 - (c) RJK gives notice to CIC that RJK is satisfied, in its sole and unfettered discretion, with its due diligence in respect of the CIC Claims; and
 - (d) CIC gives notice to RJK that it is satisfied, in its unfettered discretion, with its due diligence in respect of the RJK Optioned Claims and the RJK Earned Interests.
2. Effective as at the completion of the transactions contemplated by this Letter Agreement (the "**Closing**"), RJK permanently and irrevocably (i) relinquishes all of its right, title, and interest, free and clear of all liens, charges, and encumbrances, in and to the RJK Optioned Claims and the RJK Earned Interests, and (ii) releases the other Parties and their respective affiliates from claims or

liability of any kind based on the contention that RJK continues to have any interest in or to the RJK Optioned Claims, including but not limited to the RJK Earned Interests. Further, all of the Parties agree that at Closing, the Amended and Restated Mineral Property Option Agreement shall terminate and be of no further force or effect.

- (a) Effective from and after Closing, RJK grants to CIC a two percent (2.0%) Net Smelter Return Royalty on the commercial production of precious and base metals from any Property (the “**NSR Royalty**”). One half (1%) of the NSR Royalty, in respect of any Property, may be purchased by RJK through a cash payment of \$500,000 to CIC, and the balance of the NSR Royalty in respect of such Property may be purchased through a further cash payment of \$1,000,000. For the avoidance of doubt, the purchase prices for the NSR Royalty set out in this paragraph (a) apply to each Property.
- (b) Effective from and after Closing, RJK grants to CIC a two percent (2%) gross overriding royalty on the commercial production of diamonds from any Property (the “**GORR**”). One half (1%) of the GORR, in respect of any Property, may be purchased by RJK through a cash payment of \$500,000 to CIC, and the balance of the GORR in respect of such Property may be purchased through a further cash payment of \$1,000,000. For the avoidance of doubt, the purchase prices for the GORR set out in this paragraph (b) apply to each Property.
- (c) Any amounts payable in relation to the NSR Royalty or the GORR (including any buyout by RJK) (“**Royalty Amounts**”) shall be paid by RJK to Kuya, in accordance with any written instructions provided by Kuya, for as long as Kuya remains the Operator. Kuya shall notify RJK promptly if it ceases to be the Operator, and in that case, RJK shall pay all subsequent Royalty Amounts directly to CIC. CIC and Kuya agree that, for as long as the Silver Kings JV exists, all Royalty Amounts shall be shared between CIC and Kuya in proportion to their respective interests in the Silver Kings JV at the time of such payment, in accordance with the agreement that governs the Silver Kings JV.
- (d) From and after the start of any commercial production from any Property, RJK shall, within the first three months of each calendar year, (i) deliver a notice to CIC and Kuya indicating the Royalty Amounts in respect of the preceding calendar year, and (ii) pay the Royalty Amounts in accordance with paragraphs (a), (b), and (c) above.
- (e) For the purpose of this Section 2, “**Property**” means a group of contiguous CIC Claims to which a particular number applies, as set out in the spreadsheet in Schedule “A” annexed hereto. Each CIC Claim forms

part of the Property that corresponds to the number set out under the heading “Property” in the spreadsheet.

3. Kuya acknowledges and accepts the transactions contemplated by this Letter Agreement and agrees that, upon Closing, it shall permanently and irrevocably relinquish all rights that it holds to the CIC Claims pursuant to the Kuya-EBM Option Agreement. Kuya, EBM, CIC, and Cobaltech agree that (i) this Letter Agreement constitutes an amendment to the Kuya-EBM Option Agreement, with effect as of the Closing, for the limited purpose of removing the CIC Claims from the list of Kuya Optioned Claims in Schedule B to the Kuya-EBM Option Agreement, and (ii) except as expressly provided in this Letter Agreement, all of the terms and conditions of the Kuya-EBM Option Agreement shall remain in full force and effect.
4. The Closing shall take place on a virtual basis, using electronic means, on March 3, 2022 or such later date as the Parties may agree in writing; provided, however, that if the Closing has not taken place by March 31, 2022, this Letter Agreement shall terminate on that date. At the time of Closing:
 - (a) CIC shall deliver to RJK and Kuya evidence of transfer of the CIC Claims to RJK using the Mining Lands Administration System for the Province of Ontario (“**MLAS**”); and
 - (b) RJK shall deliver to CIC and Kuya confirmation in writing that it has accepted the transfer of the CIC Claims in MLAS.
5. Each Party represents and warrants to the other Parties that:
 - (a) it has the requisite power and authority to enter into this Letter Agreement and to perform its obligations hereunder;
 - (b) it has all of the necessary power to own the mineral claims and hold the interests that it is described as owning or holding in this Letter Agreement, and is registered as required and in good standing with respect to the filing of returns under the laws of all jurisdictions in which the failure to so register or file would have a material adverse effect on any ownership interest or other interest in respect of mineral claims that it is described as having in this Letter Agreement;
 - (c) the execution and delivery of this Letter Agreement, and the performance and consummation of the transactions contemplated hereby, do not and will not result in a default under any agreement or instrument to which it is a party to and by which it is bound;
 - (d) this Letter Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Party

enforceable against it in accordance with its terms, and all third-party consents and regulatory and governmental approvals required to be obtained by such Party in respect of this Letter Agreement, and the transactions contemplated thereby, have been obtained; and

- (e) it is not party to any actions, suits or proceedings that could materially affect its business or financial condition with respect to the CIC Claims, the RJK Optioned Claims, or the RJK Earned Interests, and to its best knowledge no such actions, suits or proceedings are contemplated or have been threatened.
6. CIC represents and warrants to RJK that:
- (a) it is the legal and beneficial owner of the entire 100% right, title and interest in and to the CIC Claims, free and clear of all liens, mortgages, charges, pledges, security interests, encumbrances, equities or claims created by, through or under CIC (other than the rights of Kuya in respect of the Kuya Optioned Claims), and such rights, titles and interests of CIC are in good standing and in accordance with and pursuant to applicable laws;
 - (b) it is not and will not be on Closing a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
 - (c) it is registered with MLAS and has an active MLAS account.
7. RJK represents and warrants to EBM that:
- (a) except for the royalty granted to EBM pursuant to the Amended and Restated Mineral Property Option Agreement, it has not caused any liens, mortgages, charges, pledges, security interests, encumbrances, equities or claims to be created on the RJK Optioned Claims or the RJK Earned Interests;
 - (b) RJK is not and will not be on the Closing a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
 - (c) it is registered with MLAS and has an active MLAS account.
8. When used herein, “notice” means a communication from one Party to another Party of an action taken or declared that affects the rights of any Party or all Parties under this Letter Agreement. Any notice which may be or is required to be given under the terms of this Letter Agreement shall be in writing, using the contact details set out in this Section 8, and shall be effective:
- (a) when personally delivered upon any Party at the address designated by it for such service; or

- (b) in the case of any notice sent by email, immediately upon the sender receiving confirmation that the intended recipient has received the relevant email; or
- (c) five (5) business days after the same shall have been deposited in the mail properly addressed, certified or registered with return receipt requested and postage prepaid, unless at the time of such posting or within five (5) working days thereafter, any strike, labour dispute or similar disruption of mail service shall occur, in which event such notice shall not be valid.

The mailing and email addresses for such notices shall be as follows:

To EBM:	Mr. Trent Mell Chief Executive Officer Electra Battery Materials Corporation 401 Bay Street, 6 th Floor Toronto, ON M5H 2Y4 <i>[Redacted – Personal Information]</i>
To CIC:	Mr. Trent Mell Chief Executive Officer Electra Battery Materials Corporation 401 Bay Street, 6 th Floor Toronto, ON M5H 2Y4 <i>[Redacted – Personal Information]</i>
To CCOHC:	Mr. Trent Mell Chief Executive Officer Electra Battery Materials Corporation 401 Bay Street, 6 th Floor Toronto, ON M5H 2Y4 <i>[Redacted – Personal Information]</i>
To RJK:	Mr. Glenn C. Kasner President and Chief Executive Officer Box 1053 Kirkland Lake Ontario, P2N 3L1 <i>[Redacted – Personal Information]</i>
To Kuya:	Mr. David Stein President and Chief Executive Officer Kuya Silver Corporation 150 King Street West, Suite 203 Toronto, ON M5J 1J9 <i>[Redacted – Personal Information]</i>
To Cobaltech:	Mr. David Stein President and Chief Executive Officer Kuya Silver Corporation 150 King Street West, Suite 203 Toronto, ON M5J 1J9 <i>[Redacted – Personal Information]</i>

Any Party may change the address for such notice by giving the other Parties notice of such change in accordance with the foregoing.

9. The covenants, assumptions of liability and the indemnifications provided for in this Letter Agreement and in any agreement, document or instrument delivered pursuant hereto, shall survive the Closing.
10. This Letter Agreement shall be interpreted and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and shall be treated in all respects as an Ontario contract.
11. This Letter Agreement (including Schedule "A" annexed hereto) contains the entire understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof; provided, however, that this Section 11 shall not affect the validity or enforceability of the Kuya-EBM Option Agreement or any other agreement for the governance of the Silver Kings JV, except for the limited purpose set out in Section 3 above. Neither CIC nor RJK shall be entitled to any payment or other consideration in respect of the transactions contemplated by this Letter Agreement other than as expressly set out herein. This Letter Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the Parties.
12. Schedule "A" annexed hereto contains a spreadsheet and a map. The map is intended to be a visual representation of certain information in the spreadsheet. In the event of any conflict or inconsistency between the spreadsheet and the map (including any text contained in the map), the spreadsheet shall take precedence to the extent required to resolve such conflict or inconsistency.
13. This Letter Agreement may not be assigned without the express written consent of each Party hereto.
14. Each Party shall execute such deeds, documents and give such further assurances as are necessary or appropriate in connection with its obligations under this Letter Agreement. Further, each of CIC and RJK shall use commercially reasonable efforts to do all acts and things necessary to assist the other Party and its directors, officers, employees, and authorized agents and representatives to complete the transfer of the CIC Claims.

Please indicate your agreement to the foregoing by signing and dating, where indicated, the enclosed copy of this Letter Agreement and returning it to RJK. This Letter Agreement shall take effect as of the date first shown above following execution by all of the Parties hereto. Any Party may execute and deliver a pdf copy of this Letter Agreement by email transmission to the other Parties, using the email addresses set out in Section 8 above, and all such emailed pdf copies shall be considered to be originals.

RJK EXPLORATIONS LTD.

(signed) "Glenn C. Kasner"

Glenn C. Kasner

Title: President and Chief Executive Officer

I have authority to bind RJK.

ELECTRA BATTERY MATERIALS CORPORATION

(signed) "Trent Mell"

Trent Mell

Title: Chief Executive Officer

I have authority to bind EBM.

COBALT INDUSTRIES OF CANADA INC.

(signed) "Trent Mell"

Trent Mell

Title:

I have authority to bind CIC.

COBALT CAMP ONTARIO HOLDINGS CORP.

(signed) "Trent Mell"

Trent Mell

Title:

I have authority to bind CCOHC.

KUYA SILVER CORPORATION

(signed) "David Stein"

David Stein

Title: President and Chief Executive Officer

I have authority to bind Kuya.

COBALTECH MINING INC.

(signed) "David Stein"

David Stein

Title: Director

I have authority to bind Cobaltech.

SCHEDULE “A”

[Redacted – Commercially Sensitive Information]