



News for Immediate Release

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Electrovaya Announces Private Placement for Proceeds of up to \$700,000

Toronto, Ontario – May 16, 2018

Electrovaya Inc. (TSX: EFL) (OTCQX:EFLVF) (“**Electrovaya**”, or the “**Company**”) is pleased to announce that it intends to complete a non-brokered private placement offering of up to 4,666,667 units (the “**Units**”) at a price of \$0.15 per Unit for aggregate gross proceeds of up to \$700,000. Each Unit will consist of one common share of the Company (each, a “**Common Share**”) and one-half of one common share purchase warrant (each, a “**Unit Warrant**”). Each whole Unit Warrant will entitle the holder thereof to acquire one Common Share at a price of \$0.20 for a period of 36 months from the date of issuance. The private placement is expected to close on or about May 24, 2018.

The proceeds of the private placement will be used for general working capital purposes. The private placement is subject to the approval of the Toronto Stock Exchange.

It is expected that certain directors and officers of the Company will purchase Units in connection with the private placement. As such, the private placement constitutes a “related party transaction” for Electrovaya within the meaning of that term pursuant to Multilateral Instrument 61-101 of the Canadian Securities Administrators - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). MI 61-101 provides that related party transactions are, in the absence of an exemption therefrom, subject to the requirement to obtain a formal valuation for the subject matter of the related party transaction and minority shareholder approval of the related party transaction (which approval shall exclude any votes attached to Common Shares held by the participating related party). The Company is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 in respect of the private placement provided for in sections 5.5(a) and 5.7(1)(a) of MI 61-101 - *Fair Market Value Not More than 25% of Market Capitalization*.

Also pursuant to MI 61-101, the private placement is subject to enhanced disclosure, to be included in a material change report filed in connection therewith. The material change report will be filed less than 21 days prior to the expected closing of the private placement. Management of the Company believes this is reasonable and necessary in the circumstances, as it is important for the Company to receive the proceeds from the private placement in a timely manner.

For more information, please contact

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About Electroveya Inc.

Electroveya Inc. (TSX:EFL) (OTCQX:EFLVF) designs, develops and manufactures proprietary Lithium Ion Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Headquartered in Ontario, Canada, Electroveya is a technology focused company with extensive IP, supplying leading global customers.

To learn more about how Electroveya is powering mobility and energy storage, please explore www.electroveya.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, the completion of the private placement and the use of proceeds thereof, and can generally be identified by the use of words such as “may”, “will”, “could”, “should”, “would”, “likely”, “possible”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “objective” and “continue” (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: market conditions and demand for the Company’s securities; general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company’s most recent annual information form under the heading “Risk Factors” as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.