ELECTRIC ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDING MARCH 31, 2023

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Cautionary Note to Investors Concerning Forward-looking Statements

This discussion includes certain statements that may be deemed "forward-looking information" or "forward-looking statements" (collectively referred to as "forward-looking statements"), which may not be based on historical fact, including without limitation statements regarding our expectations in respect of future financial position, business strategy, future production, future royalty acquisitions, reserve potential, exploration drilling, exploitation activities, events or developments that we expect to take place in the future, projected costs and plans and objectives. Often, but not always, forward-looking statements can be identified by the use of the words "believes", "may", "plan", "will", "estimate", "scheduled", "continue", "anticipates", "intends", "expects", and similar expressions. Forward-looking statements include but are not limited to statements about our acquisition strategy and long-term objectives, acquisitions in our acquisition pipeline, industry trends, demand for commodities underlying our royalty portfolio and the mineral properties in which we have a royalty or other similar interest.

Such statements reflect our management's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- our ability to acquire royalties on favourable terms or at all;
- the success or profitability of our royalty investments;
- our dependence on the owners and operators of the mining properties underlying our royalty investments;
- the impact of increased production costs on returns to royalty investors;
- our limited access to data and disclosure regarding exploration, development and operation of mining projects in which the Company has a royalty interest;
- uncertainty of exploration results on exploration properties in which the Company has a royalty interest;
- risks affecting mining properties and the mining industry generally, including:
  - natural disasters and other catastrophic events;
  - compliance with environmental laws and regulations by the battery minerals project owner or operator;
  - local public opposition, negative public or community response to battery mineral project exploration, development or operation;
  - delays and cost overruns in the design and construction of development stage projects;
  - permitting risk;
  - health, safety and environmental risks; and
  - insurance risk
- the impact of COVID-19 or other pandemics;
- uncertainties regarding the conflict in the Ukraine;
- changes in the price of commodities that impact the value of royalty interests;
- changes in technology and future demand for commodities;
- the potential early termination of royalty agreements;
- our dependence on mine owners or operators for the calculation of royalty amounts and accurate reporting;
- the potential delay or failure of mine owners to pay royalty payments;
- royalty agreements and payments may not be honoured or made by the owners and operators of the mining properties underlying our royalty investments;
- rights of third parties that may impact our royalty investments;
- our ability to execute on our acquisition strategy for to acquire additional royalty interests;
- increased competition for royalty interests;
- the concentration of our royalty portfolio in the battery metals sector;

- the liquidity of our royalty interests;
- our limited history of operations;
- availability of additional financing on favourable terms to continue future acquisitions of royalties or for working capital purposes;
- potential dilution to shareholders if we are unable to obtain financing on favourable terms;
- foreign exchange and interest rate risk;
- changes in legislation and regulations that impact the Company or the owners and operator of mining properties;
- income and other taxes in jurisdictions in which the Company operates;
- general economic and political conditions;
- potential legal proceedings;
- our dependence on key management and our ability to attract and retain qualified management and personnel;
- impact of the conflict in Ukraine on global economic conditions; and
- other risks described in the documents incorporated by reference in this MD&A, including the 2022 Annual Information Form ("2022 AIF").

These factors should be considered carefully and readers are cautioned not to place undue reliance on forward-looking statements. Readers are cautioned that the above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. Other risks are discussed under the heading "Risk Factors" in this MD&A and in the Company's 2022 AIF. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Except where otherwise stated, the disclosure in this MD&A relating to properties and operations on the properties in which the Company holds royalty interests is based on information publicly disclosed by the owner or operator of that property and information/data available in the public domain as at the date of (or as specified in) the documents incorporated by reference herein, as applicable, and none of this information has been independently verified by the Company. Specifically, as a royalty holder, the Company has limited, if any, access to properties included in its asset portfolio. Additionally, the Company may from time to time receive operating information from the owners and operators of the properties, which it is not permitted to disclose to the public. The Company is dependent on (i) the operators of the properties and their qualified persons to provide information to the Company or (ii) publicly available information, to prepare disclosure pertaining to properties and operations on the properties on which the Company holds royalty or other interests, and generally has limited or no ability to independently verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information is complete or accurate. Some information publicly reported by owners or operators may relate to a larger property than the area covered by the Company's royalty or other interest. The Company's royalty or other interests often cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of a property.

This MD&A includes market data and forecasts with respect to the battery metals and minerals, energy storage, automotive and clean energy markets. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases the Company relies on and refers to market data and certain industry forecasts that were obtained from third party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data and the voluntary nature of the data gathering process and other limitations and. As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

Any forward-looking statements contained in this discussion are made as of the date hereof and the Company does not undertake to update or revise them, except as may be required by applicable securities law.

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements (the "Financial Statements") of Electric Royalties Ltd. ("ELEC" or the "Company") for the three months ending March 31, 2023 and the audited financial Statements for the year ended December 31, 2022, as publicly filed on SEDAR at www.sedar.com.

The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts herein are expressed in Canadian Dollars ("$" or "CAD"), unless stated otherwise.

This MD&A is prepared as of May 29, 2023.

1.2 Overview

Electric Royalties Ltd. ("Electric Royalties", "ELEC" or the "Company") is a public company based in British Columbia, Canada, with common shares listed on the TSX Venture Exchange ("TSXV") under the trading symbol "ELEC" and on the OTCQB® Venture Market (the "OTCQB") in the United States under the symbol "ELECF".

The Company's objective is to acquire a portfolio of long-term, stable, and diversified royalty streams from royalty sellers and to provide shareholders with capital appreciation and a growing, sustainable, long-term cash distribution over time. Its commodities of focus are nickel (Ni), copper (Cu), zinc (Zn), graphite (Cg), cobalt (Co), tin (Sn), lithium (Li), manganese (Mn) and vanadium (V); the Company also assesses opportunities to acquire royalties on projects in other commodities.

ELEC acquires revenue-based and net smelter return royalties on operating mines, mines under construction, development stage mining projects and exploration stage resource projects (collectively hereinafter "Projects") from Project operators looking to raise capital to develop or explore the Projects or to recapitalise their balance sheets as well as existing royalties held by third parties (collectively hereinafter the "Royalty Sellers"). The Royalties acquired are described as follows:

> *Net smelter returns ("NSR") royalty*
>
> Net revenue (after smelting and refining costs) that the owner of a Project receives from the smelter or refinery for the mine's metal or mineral products less specified transportation and insurance costs and net smelter return royalties that are a set percentage of the net smelter return.
>
> *Gross revenue royalty ("GRR") or gross metal royalty ("GMR")*
>
> GRR or GMR entitles the royalty owner to a percentage of the gross revenue from the metals or minerals produced by a Project and sold.

Highlights

Electric Royalties' activities continue to be focused on expanding its exposure to the essential metals required for the world to transition to clean energy. The Company's portfolio of royalty holdings is diversified across a range of mineral assets in the clean energy space and the Company is currently accruing revenue or income from two of its royalty interests.

Cash Generating Royalties

The Company received is first revenue from its royalty interest in the Penouta Mine in Spain for the period from the date of royalty acquisition (January 24, 2023) to March 31, 2023. According to Strategic Minerals Europe Corp. (NEO: SNTA, OTCQB: SNTAF) ("**Strategic Minerals**" or "**SNTA**"), mine production for the full quarter reached 121 tonnes; 98 tonnes of cassiterite concentrate was produced at a grade of 69.5% Sn content and 23 tonnes of tantalum/niobium concentrate at a grade of 20.6% tantalite and 26.8% columbite. A major overhaul of the main ball mill was completed over 21 days in February and March. The expected result is an increase in production by reducing maintenance downtime (see SNTA May 15, 2023 release). The Company received revenue of €16,277.27 (C$24,442), based on Penouta Mine sales from January 24, 2023 when ELEC completed its acquisition of the 0.75% GMR royalty (see ELEC January 24, 2023 news release) to March 31, 2023.

The Company also continues to receive its distributions based on revenue from its royalty interest in the Middle Tennessee Mine in Tennessee, USA, held in a limited partnership ("MTM LP") in which it owns a 25% economic interest with the remaining 75% interest held by Sprott Streaming (see ELEC August 11, 2021 news release). Gross royalty on a 100% basis from the MTM Royalty for the first quarter of 2023 was approximately C$288,000[1] (US$213,000). The Company is entitled to receive 25% of total revenue of the MTM Royalty, net of any expenses of the limited partnership that holds the MTM Royalty interest.

Acquisitions

In April 2023, Electric Royalties closed the acquisition of a 0.5% GRR on certain mining claims, mining leases and mineral tenures comprising the wholly-owned Kenbridge Nickel Project in northwest Ontario, Canada (the "**Kenbridge Project**" or "**Kenbridge**") from Tartisan Nickel Corp. (CSE:TN, OTC:TTSRF, FSE:A2D) ("Tartisan" or "TN"). The Company has the right to acquire a further 0.5% GRR on the Kenbridge Project and an option to acquire a 1% GRR on the mining claims, mining leases and mineral tenures comprising the Kenbridge North Nickel Project, approximately 2.5 km north of the Kenbridge Nickel Deposit for additional considerations.

In January 2023, Electric Royalties closed the acquisition of a 0.75% GRR on the producing Penouta tin-tantalum mine in Spain ("**Penouta**"), which is currently the largest tin-tantalum producer in Europe[2]. According to the agreement with Strategic Minerals, the Company also has the option for a period of 7 months from closing to acquire an additional 0.75% GRR on Penouta for additional consideration. The royalty rates will be reduced to 0.5%, respectively, once certain minimum royalty payments have been made.

Significant updates were recently announced for several other projects on which the Company holds royalty interests. Highlights from the more advanced projects include:

- **Strategic Minerals** reported:
    - Full-year and fourth quarter 2022 financial results. Highlights for the fourth quarter include primary concentrate production of 105 tonnes at the **Penouta Mine,** some 3.1 times the

[1] Exchange rate: C$1.35/US$1.00
[2] Strategic Minerals Europe Corp. website https://www.strategicminerals.com/what-we-do/#penouta-mine

production in the previous year. Sales reached 121 tonnes of concentrate and 80 tonnes of contained minerals, increasing 89% and 113%, respectively, compared to the same period in 2021 (SNTA March 30, 2023 release). Electric Royalties has received its first royalty payment.

- **Sayona Mining Limited** (ASX: SYA) (“**SYA**”) reported:
  - Results of its feasibility study (FS) that combines its Québec flagship North American Lithium (NAL) operation and nearby Authier Lithium Project, on part of which Electric Royalties holds a 0.5% GMR.
  - NAL has begun operations with more than 3,000 tonnes of saleable spodumene (lithium) concentrate as of March 31, 2023 (SYA April 14, 2023 release), and it is expected that Authier will begin to add to that production profile over the coming year.

    Electric Royalties is relying on the information provided by SYA and is unable to verify the feasibility results.
- **Manganese X Energy Corp**. (TSXV: MN) (“**MN**”) reported:
  - Results of the first 10 of 35 holes of its infill and expansion drilling designed to upgrade existing inferred resources to the measured and indicated categories in support of the upcoming pre-feasibility study (“**PFS**”) of the **Battery Hill Project** in New Brunswick, Canada. Drill highlights include 84 meters (m) of 12.8% manganese oxide (“**MnO**”) starting at surface, including 78 m of 13% MnO in hole SF22-66; 4 m of 11.2% MnO starting at 8 m, including 71.4 m of 11.4% MnO in hole SF22-65; and 8 m of 14.6% MnO starting from 4.2 m, including 31.8 m of 19% MnO in hole SF22-631. The current drill program is a key part of preparing for the PFS, in addition to environmental, community and geotechnical studies that will commence in the next few months. The PFS is key to the decision making and forward planning of the mine permitting process.
  - MN’s pilot plant project at Kemetco Research Inc. in Richmond, British Columbia, is well underway, with high purity EV-compliant manganese sulfate monohydrate products expected to be sent to interested parties in the EV battery sector in the coming weeks to initiate the validation process (MN March 29, 2023 release).
- **Buxton Resources Limited** (ASX: BUX) (“**BUX**”) announced:
  - Remaining results from its 1,000-m drill program at the Graphite Bull Project in Western Australia to test the strike length of potential graphite mineralization interpreted from ground electromagnetic modelling. BUX has intersected graphite mineralization on strike from the existing resource and a newly identified near-surface graphitic zone to the south (BUX on April 19, 2023 release).

    BUX has also commenced baseline biological surveys to support environmental assessments and approvals.
  - Bulk processing of core by ALS Metallurgy, supervised by consultants Battery Limits, is now complete and the >10 kg bulk flake concentrate sample has been sent to ProGraphite GmbH in south-eastern Germany for downstream testwork. Results are expected from mid-June to August. Processing of a second bulk sample to yield a second batch of flake concentrate has begun by Independent Metallurgical Operations in Perth, targeting completion by end of June. A second independent facility, Dorfner Anzaplan GmbH in central Germany, has been contracted for more extensive downstream testwork for the second bulk sample from August

to November. The dual-streaming testwork evaluates multiple process options and pre-empts some work required as part of any future feasibility study (BUX May 1, 2023 release).

Electric Royalties is relying on the information provided by BUX and is unable to verify the reported drill information.

- **Green Technology Metals Limited** (ASX: **GT1**) provided updates:
  - **GT1** is working towards a feasibility study and is targeting production as soon as 2025 for **Seymour Lake** in Ontario, Canada. Exploration to date on the Aubry deposits has focused on increasing tonnes and increasing confidence levels of material for feeding into a centralized concentrator. Milestones include the formal submission of project definition to the Ontario Minister of Mines to initiate the permitting process, ongoing baseline environmental assessments, the appointment of a Vice President of Communities to lead Indigenous engagement and agreement negotiations, and the transfer of a 99-tonne lithium-cesium-tantalum pegmatite bulk sample from the Aubry deposit to a test facility to be concentrated to proposed offtake specifications and used for the inaugural lithium hydroxide piloting work.

    Electric Royalties is relying on the information provided by GTI and is unable to verify the reported information.

The following is a tabulation of royalties currently held, listed in order of each project's stage of development.

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
2023	Penouta Mine	Tin	Producing	0.75% GRR[3]	Strategic Minerals Europe Corp.	Spain
2021	Middle Tennessee Zinc Mine	Zinc	Producing	Sliding Scale GMR above US$0.90/lb Zn price	Nyrstar / Trafigura	United States
2021	Graphmada	Graphite	Care & Maintenance	2.5% NSR	Greenwing Resources Limited	Madagascar
2020	Authier	Lithium	Engineering Studies	0.5% GMR [4]	Sayona Mining	Canada
2020	Bissett Creek	Graphite	Advanced Stage	1% GRR	Northern Graphite Corp.	Canada
2022	Zonia	Copper	Advanced Stage	0.5% GRR & options to add 0.5% GRR on Zonia & 1% GRR on Zonia North[5]	World Copper Ltd.	United States
2023	Kenbridge	Nickel	Advanced Stage	0.5% GRR & options to add 0.5% GRR on Kenbridge &	Tartisan Nickel Corp.	Canada

[3] Upon receiving C$1,666,667 in royalty revenues from the 0.75% GRR, the royalty rate will be reduced to a 0.5% GRR. ELEC will also have the option for a period of 7 months to acquire an additional 0.75% Option GRR in exchange for C$1,250,000 cash. Assuming exercise of the option, upon payment of C$1,667,666 in royalty revenues from the 0.75% Option GRR, the Option GRR rate will be reduced to 0.5%.

[4] Royalty held over part of the project.

[5] Option expiry: Zonia November 2023; addition option to earn royalty adjacent claims described herein

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
				1.0% GRR on Kenbridge North		
2020	Battery Hill	Manganese	Advanced Exploration	2% GMR	Manganese X Energy Corp.	Canada
2020	Mont Sorcier	Vanadium	Advanced Exploration	1% GMR	Voyageur Metals Inc.	Canada
2021	Millennium Copper Cobalt	Copper	Advanced Exploration	0.5% GRR	Metal Bank Limited	Australia
2021	Seymour Lake	Lithium	Advanced Exploration	1.5% NSR	Green Technology Metals	Canada
2021	Cancet	Lithium	Advanced Exploration	1% NSR	MetalsTech / Winsome Resources	Canada
2021	Rana	Nickel	Advanced Exploration	1% NSR	Global Energy Metals Corp.	Norway
2022	Sleitat	Tin	Exploration	1% NSR	Cornish Metals Inc.	Alaska
2021	Mt. Dorothy	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.	Australia
2021	Cobalt Ridge	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.	Australia
2021	Graphite Bull	Graphite	Exploration	0.75% GRR	Buxton Resources Limited	Australia
2020	Chubb	Lithium	Exploration	2% GMR	Burley Minerals Ltd.	Canada
2020	Bouvier	Lithium	Exploration	2% GMR	Mining Equities Pty. Ltd.	Canada
2020	Sayona West	Lithium	Exploration	0.5% GMR	Sayona Mining	Canada
2020	Sayona East	Lithium	Exploration	2% GMR	Sayona Mining	Canada
2021	Glassville	Manganese	Exploration	1% GRR	Globex Mining Enterprises Inc.	Canada

Additional details on the Company's royalty interests can be found in the Company's 2022 Annual Information Form which is filed on SEDAR.

<u>Qualified Person's Statement</u>

David Gaunt, P.Geo., a qualified person who is not independent of Electric Royalties, has reviewed and approved the technical information in this Management Discussion and Analysis.

1.2.2 Financings

Convertible Loan Facility

In November 2022, the Company entered into a financing commitment for a $2 million convertible loan facility ("**Loan Facility**" or "**Loan**") with Gleason & Sons LLC (the "**Lender**"), which is controlled by a significant shareholder of the Company. The Loan has a three-year term, and as per the original terms of the Loan Facility, was subject to interest ("**Interest**") at 15%, with Interest payments capitalized into the principal amount and due at the end of the Loan term. In April 2023, the Company and the Lender entered into an agreement to increase the Loan Facility from $2 million to $5 million. The Lender also agreed to modify the interest rate to a lower, floating rate (Secured Overnight

Financing Rate (or "SOFR") + 7%), with a maximum interest rate of 12.5% p.a., as compared to the original rate of 15% p.a. All other terms remain the same.

At the discretion of the Lender, after six months from the initial drawdown date, the Loan plus accrued Interest is convertible into common shares of Electric Royalties as follows: (a) conversion price (the "**Conversion Price**") for the Loan at the greater of $0.50; a 100% premium above the 30-day VWAP of Company's shares on the TSX Venture Exchange (the "TSXV") at the advance; and the minimum price acceptable to the TSXV, per share; and (b) for Interest at the Market Price (as defined under Exchange policy 1.1) at the time of settlement, subject to the Market Price not being less than the Conversion Price without prior Exchange approval, per share.

In January 2023 and April 2023, the Company elected to draw down $1,000,000 and $500,000, respectively, under the Loan Facility, and the proceeds for the two drawdowns were respectively used for the Penouta royalty acquisition and the Kenbridge royalty acquisition. The Conversion Prices for the two drawdowns were set at $0.62 and $0.71, representing the 30-day VWAP of the Company's common shares at the date each drawdown, respectively.

2022 Base Shelf Prospectus

In February 2022, the Company received a receipt for a final short form base shelf prospectus (the "Prospectus") filed with the securities regulatory authorities in each of the Provinces of Canada, other than Quebec. The Prospectus was filed to provide the Company with financial flexibility and efficient access to Canadian capital markets to pursue its growth initiatives, which include the acquisition of additional royalties. The Prospectus is valid for a 25-month period during which time the Company will be permitted to offer up to $100 million of common shares, warrants, subscription receipts, debt securities, or any combination thereof, including in the form of units.

May 2022 $3.45 Million Marketed Offering

On May 12, 2022, the Company announced the closing of a marketed public offering (the "Offering"), and issued 11,500,000 Units of the Company at a price of $0.30 per Unit for aggregate gross proceeds of $3.45 million, including 1,500,000 Units issued at the Offering Price for gross proceeds of $450,000 in connection with the full exercise of an over-allotment option granted to Canaccord Genuity Corp. acted as the lead agent and sole bookrunner of the Offering, with PI Financial Corp. and Research Capital Corporation also acting as agents (collectively, the "Agents").

Each Unit consists of one common share in the capital of the Company (each a "Common Share"), and one common share purchase warrant (each a "2022 Warrant"). Each 2022 Warrant will be exercisable into one Common Share (each a "Warrant Share") at an exercise price of $0.45 per Warrant Share for a period of 36 months following the closing of the Offering.

In connection with the Offering, the Agents received an aggregate cash commission equal to 7% of the gross proceeds of the Offering. The Agents also received, as additional compensation, non-transferable compensation warrants exercisable to purchase up to 805,000 Common Shares each at the Offering Price, subject to adjustments in certain circumstances, for a period of 24 months following the closing of the Offering.

The Offering was conducted pursuant to a prospectus supplement dated May 5, 2022 (the "Prospectus Supplement") to the Company's short form base shelf prospectus dated February 28, 2022, filed with the securities commissions and other similar regulatory authorities in each of the provinces of Canada, except Quebec.

The Company intends to use the net proceeds from the Offering for funding potential future acquisitions of royalties and other interests, targeting commodities that enable the clean energy transition, such as lithium, vanadium, manganese, tin, graphite, cobalt, nickel, zinc and copper, as well as for working capital and general corporate purposes, as further described in the Prospectus Supplement.

July 2021 $2 Million Private Placement

In July 2021, the Company closed a private placement consisting of 5,000,000 Units of the Company issued for gross proceeds of $2,000,000.

Each Unit is comprised of one common share (a "Share") of the Company plus one common share purchase warrant (a "2021 Warrant"). Each 2021 Warrant can be exercised for a 2-year period from the Closing Date at $0.60 per 2021 Warrant for one Share. In connection with the private placement, Electric Royalties paid cash fees of $67,200. In addition, Electric Royalties issued brokers' warrants entitling the holders to acquire up to an aggregate of 93,000 Shares of Electric Royalties at a price of $0.60 per Share for a period of 12 months from closing.

Proceeds will be used to fund royalty acquisitions as well as for general corporate working capital purposes.

1.2.3 Market Trends

The demand for commodities, such as lithium, cobalt, graphite, vanadium, manganese, nickel, copper and zinc, used in clean energy technologies is forecast to increase as countries across the globe move toward clean energy technologies. The metal prices provided herein are only indicative and are intended to present overall trends, as opposed to actual prices, which vary materially based on several factors, such as metal grade, place of delivery, etc.

Trends for the Company's currently targeted commodities are summarized below. The price of Cu, Zn, C, V, Ni and Sn decreased in late April 2022 related to economic slowdown in China related to COVID restrictions but improved in late 2022. Some have decreased in early 2023 because of lingering uncertainty about global economic conditions and speed of the energy transition.

Zinc (Zn)	Zinc prices decreased in early 2020 but trended upward for the remainder of the year. Other than some volatility in February and October, prices in 2021 were steady, then began to increase in Q4 2021. Prices continued to increase to late April 2022, decreased from August to October, then stabilized and the average annual price increased in 2022. Prices have been variable to decreasing in 2023. A recent closing price is US$1.05/lb.
Lithium (Li)	In December 2020, Fastmarkets assessed the lithium hydroxide monohydrate (minimum 56.5% $LiOH_2O$, battery grade) spot price at US$9.00/kg, both on a CIF China, Japan and Korea basis. The spot price increased significantly from June 2021 to late March 2022, and overall in 2022, then decreased in early 2023 but has increased somewhat in May. A recent price is US$45/kg.

Graphite (Cg)	Graphite prices are determined based on direct negotiations between buyers and sellers and, as there is no spot or futures market for graphite, prices are provided by companies such as Benchmark Mineral Intelligence and Fastmarkets based on periodic surveys of buyers and sellers. Graphite prices are categorized by flake size and purity, i.e. large flake (+80 mesh) and particularly XL flake (+50 mesh) and 94% plus carbon varieties command premium pricing. The graphite price traded in a range of US$472/t to US$561/t in 2021 to September 2021, increased to December. Prices in 2022 were largely stable to mid-March 2022, then variable to July 2022, after which they stabilized to late in the year. The average annual price increased in 2022, and prices continued to increase to February 2023, but they have decreased since that time. A recent price is $583/t.
Cobalt (Co)	The average reference price for standard grade cobalt in 2020 was US$15.58/lb, according to Fastmarkets MB. The spot price increased from June 2021 to March 2022, stabilized, then decreased from mid-May to mid-August, stabilized to February 2023 when they decreased. Prices have largely been stable since that time but decreased in late May. A recent price is approximately US$16.37/lb.
Manganese (Mn)	The average manganese price (CIF China 44%) in 2020 was US$4.60/dmtu (dry metric tonne units) from an average of US$5.60/dmtu in 2019. Manganese prices were variable in 2021 to July then increased. In 2022 prices were stable until mid-March when they increased substantially, then stabilized again in mid-April before decreasing from June 2022 to early 2023. Prices increased in February 2023, and have decreased slightly since that time. A recent closing price is approximately US$5.25/dmtu.
Vanadium (V)	In 2020, the prices for V_2O_5 averaged US$6.47/lb. Prices in 2021 were increasing to October when they dropped, then were largely stable to February 2022 when they increased substantially to early March. Although decreasing later in the year, the average annual price increased in 2022. Prices had largely increased in 2023 to April then decreased until May and have stabilized since that time. A recent closing price is US$7.35/lb.
Copper (Cu)	The average price for copper in 2020 was US$2.80/lb. In 2021, copper prices increased except for some volatility in June and again in October, then stabilized for the remainder of the year. Prices increased in early 2022, stabilized until late April, decreased from mid-June to mid-July, and were variable until February 2023 when they increased. Prices were variable to mid-April and have decreased since that time. A recent closing price of copper is US$3.67/lb.
Nickel (Ni)	Average LME price of nickel in 2020 was US$6.25/lb. Nickel prices were increasing in the first quarter of 2021, then dropped in March, and have been increasing overall since June 2021. Prices were stable in early 2022, spiked in mid to late March, decreased from April to mid-July, then were variable to increasing to February 2023. Prices have been variable to decreasing since that time. Recent closing price of nickel is US$9.72/lb.
Tin (Sn)	During 2020, average tin price was US$7.71/lb. Tin prices increased in 2021 and in 2022 to mid-March, were variable to November 2022. Prices in 2023 increased significantly in January and February, then decreased a similar amount to mid-March, but have been fairly stable since that time. A recent LME cash price of US$11.33/lb.

Average annual prices for 2020 to 2022, and the average prices so far in 2023 are shown in the table below:

	Zn US$/lb	**Li US$/kg**	**Cg US$/t**	**Co US$/lb**	**Mn US$/dmtu**	**V US$/lb**	**Cu US$/lb**	**Ni US$/lb**	**Sn US$/t**
2020	1.03	9.52	461	15.58	4.60	6.47	2.80	6.25	7.71
2021	1.36	16.22	528	23.70	5.36	8.15	4.22	5.36	14.73
2022	1.58	71.61	673	31.64	6.47	9.23	3.99	11.59	14.18
2023 (to the date of this MDA)	1.34	62.61	645	18.45	5.43	8.94	3.98	11.30	11.83

Sources: Lithium, graphite and cobalt prices for 2018-2020 are from Fastmarkets. All other prices shown are from Argus Metals.

- Copper, nickel, tin and zinc are LME official cash price
- Cobalt is min 99.8% fob US warehouse (US$/lb)
- Manganese is 44-46 % CIF China
- Graphite is 94% min ex-works China excl. VAT US$/t
- Lithium is min 56.5% fob China
- Vanadium is 98% V_2O_5 fob China (US$/lb)

1.3 Selected Annual Information

Not required.

1.4 Summary and Discussion of Quarterly Results

The following information is derived from the Company's accompanying Financial Statements the Company prepared in accordance with IFRS as issued by the IASB effective for the respective reporting years of the Company, and are expressed in Canadian dollars.

Quarter ended	Revenue	Net Loss	Basic and diluted loss per share	Weighted average number of common shares outstanding
March 31, 2023	$ 24,000	$ 325,000	$ 0.00	93,968,176
December 31, 2022	$ –	$ 282,000	$ 0.00	93,601,509
September 30, 2022	$ –	$ 522,000	$ 0.01	92,210,205
June 30, 2022	$ –	$ 665,000	$ 0.01	85,667,443
March 31, 2022	$ –	$ 454,000	$ 0.01	78,523,731
December 31, 2021	$ –	$ 790,000	$ 0.01	76,644,987
September 30, 2021	$ –	$ 684,000	$ 0.01	65,726,618
June 30, 2021	$ –	$ 450,000	$ 0.01	52,405,101

Trends relating to the Company's operating results	
Revenue and Income	Since its inception in 2020, the Company has built a portfolio of mineral royalty interests. As of the date hereof, the Company has (direct and indirect) royalty interests in two operating mines. The Company revenue from the Penouta Tin-Tantalum Royalty is recognized when the relevant commodity is transferred to the end customer by the operator of the royalty property. The Company's royalty revenue varies directly with underlying commodity sales. The Company accounts for its interest in MTM LP, which holds the MTM Royalty, using the equity method of accounting, whereby the net income or loss of MTM LP is recorded as a separate line item in the Company's consolidated statement of comprehensive loss. The Company's income or loss from MTM LP varies primarily with its share of royalty revenue from the MTM Royalty. The Company's income or loss from MTM LP also varies with its share of MTM LP's expenses, which are usually higher in the first two quarters of each year, due to the timing of expenses relating to tax and annual audit. A summary of the operating results, including royalty revenue, of MTM LP is presented in the following section (see *"1.5 Results of Operations"*).

Trends relating to the Company's operating results	
Operating expenses	Certain expenses, such as salaries and benefits, and administration expenses, are incurred evenly throughout the Company's fiscal year, while other expenses are driven by the underlying corporate and business development activities. Investor relations and shareholder communication expenses are mostly discretionary, and their timing is dependent upon various engagements and events relating to the Company's investor outreach. Salaries and benefit expenses only include directors' fees and compensation of the Company's chief executive officer. Historically, the Company has not engaged or hired full-time employees and experts, other than its chief executive officer. Instead, the Company sources, from certain service providers, all necessary technical, geological, corporate communications, accounting, regulatory compliance, and administrative services, on a non-exclusive basis and as required by the Company. These expenses are mainly classified, depending upon the nature of services received, as administration expenses and property investigation expenses in the Company's consolidated statements of comprehensive loss. The Company records all direct external costs, including legal and due diligence costs, relating to royalty acquisitions as part of the royalty interest asset. All internal costs, including property investigation and due diligence costs, with respect to the Company's potential royalty acquisitions are recorded as property investigation expense within operating expenses. Equity-settled share-based payment expense varies with grant of share-based awards, and the pattern of their vesting.

Fiscal quarter	Discussions and analysis
2023/Q1	During the quarter ended March 31, 2023, recorded its first revenue ($24,000) from its Penouta Tin-Tantalum Royalty, which was acquired in January 2023 – see section "1.2 Overview" for details. The Penouta royalty acquisition was funded using the proceeding the first drawdown on the Loan Facility, and accordingly the Company recorded $35,000 in finance expenses. The following section of this MD&A provides a detailed analysis of the Company's operating result for this quarter.
2022/Q4	During the quarter ended December 31, 2022, secured the convertible loan facility (*1.2.2 Financings*) to fund future royalty acquisitions. There were no other significant corporate activities during this quarter. Additional details regarding the Company's operating results for this quarter are provided herein (refer to the following section)
2022/Q3	During the quarter ended September 30, 2022, the Company completed the acquisition of the Zonia Copper Royalty.
2022/Q2	During the quarter ended June 30, 2022, the Company completed the acquisition of the Sleitat Tin Royalty and completed its public offering. The increase in net loss during the second quarter of 2022 was mainly due to timing of certain expenses, such as, audit and audit related expenses, and certain Investor relations and shareholders communication expenses.

2022/Q1	During the quarter ended March 31, 2022, the Company completed the acquisition of the Rana Nickel Royalty and completed the filing of its final short form base shelf prospectus (the "Base Shelf Prospectus"). The decrease in net loss during the first quarter of 2022 was mainly due to the Company's share of income MTM LP.
2021	During fiscal year 2021, the Company completed various royalty interest acquisitions and also filed its preliminary short form base shelf prospectus (the "Preliminary Prospectus"). Moreover, the Company announced in September 2021 that its common shares commenced trading on the OTCQB® Venture Market (the "OTCQB") in the United States under the symbol "ELECF". The increase in net loss during the quarter ended September 30, 2021, as the Company recorded its share of the initial setup expenses with respect to MTM LP. The increase in net loss during the quarter ended December 31, 2021, was mainly due to share-based payment expenses with respected to share options grant by the Company to its directors, officers, employees, and consultants in October 2021.

1.5 Results of Operations

During the three months ended March 31, 2023 (the "Current Quarter"), the Company recorded a net loss of $325,000, compared to a net loss of $454,000 for the three months ended March 31, 2022 (the "Prior Year Quarter"). The decrease in net loss for the Current Quarter, compared to the Prior Year Quarter, was mainly due to a decrease in operating expenses, as well as due to the first revenue recorded by the Company from the Penouta Tin-Tantalum Royalty, as further discussed below.

	Three months ended March 31,		Increase/	
	2023	2022	(decrease)	Change
Revenue from royalty interests	$ 24,442	$ –	$ 24,442	N/A
Depletion of royalty interest	(5,600)	–	(5,600)	N/A
Total	$ 18,842	$ –	$ 18,842	N/A

As described in section "*1.2 Overview*", the Company's first royalty revenue from the Penouta Royaly, as recorded in the Current Quarter, was characterized by the following:

a) royalty revenue for the quarter was calculated from January 24, 2023 (the date of underlying royalty acquisition) to March 31, 2023; and
b) after the acquisition date of the Penouta Royalty and before March 31, 2023, the Penouta mine experienced stoppage of its mining operations for several weeks due to a scheduled major overhaul of the main ball mill.

The Company's share of income and expenses of MTM LP are summarized below:

	Quarter ended						
ELEC's share of MTM LP's revenue and expenses	**Mar 31, 2023**	**Dec 31, 2022**	**Sep 30, 2022**	**Jun 30, 2022**	**Mar 31, 2022**	**Dec 31, 2021**	**Sep 30, 2021**
Royalty revenue (25%)	$ 67,985	$ 96,506	$102,051	$118,269	$153,427	$143,515	$ 74,500
Depletion (25%)	(15,554)	(58,830)	(58,831)	(56,548)	(55,962)	(30,209)	(40,333)
Depletion adjustment	–	71,370	–	–	–	–	–
	52,431	109,046	43,220	61,721	97,465	113,306	34,167
Expenses (50%)	(88,528)	(35,495)	(22,663)	(59,326)	(18,845)	(25,119)	(161,000)
Net income/(loss)	$(36,097)	$ 73,551	$ 20,557	$ 2,395	$ 78,620	$ 88,187	$(126,833)

The Company's share (25%) of royalty revenue of MTM LP decreased in the Current Quarter due to a decrease in underlying sales revenue of the mine during the quarter. The Company's share of MTM LP's expenses increased in the Current Quarter due to the timing of certain expenses relating to tax and audit. Net loss for the quarter ended September 30, 2021 was mainly attributable to the Company's share of initial setup expenses of MTM LP.

The following table provides a comparison of the Company's operating expenses for the Current Quarter and the Prior Year Quarter:

	Three months ended March 31, 2023	2022	Increase/ (decrease)	Change
Operating Expenses				
Investor relations and shareholder communications	$ 43,306	$ 83,534	$ (40,228)	(48%)
Salaries and benefits	102,770	102,897	(127)	(0%)
Administration	98,972	93,403	5,569	6%
Regulatory	22,946	15,575	7,371	47%
Legal, tax, audit and audit related	32,226	24,259	7,967	33%
Property investigations - geology, resource modelling, metallurgy & engineering	7,363	29,500	(22,137)	(75%)
Equity-settled share-based payments	–	159,000	(159,000)	(100%)
Total	$ 307,583	$ 508,168	$ (200,585)	(39%)

Historically, the Company has relied primarily on funds raised through issuance of its equity to fund its working capital requirements. In the Current Quarter, to conserve its current cash resources, the Company reduced its investor relations and shareholders communication expenses.

In the Current Quarter, there was no significant change in the salaries and benefit expenses, which represent directors' fees and executive compensation.

Administration expenses, regulatory expenses and legal, tax, audit and audit related expenses increased in the Current Quarter, compared to the Prior Year Quarter, due to timing of certain expenses.

During the Current Quarter, property investigation expenses were lower, compared to the Prior Year Quarter, which change is consistent with the Company's royalty acquisition activities discussed herein (see 1.2 *Overview*).

Share-based payment expense was higher in the Prior Year Quarter due to the grant of share purchase options in October 2021, the fair value of which options were partially amortized in the Prior Year Quarter, due to the vesting pattern of such options.

1.6 Liquidity

At March 31, 2023, the Company had a cash balance of $781,000 (December 31, 2022 – $1,237,000) and working capital of $791,000 (December 31, 2022 – $1,166,000).

A summary of sources and uses of cash during the Current Quarter, compared to the Prior Year Quarter, as follows:

	Three months ended March 31,	
	2023	2022
Cash used in operating activities	$ (365,000)	$ (564,000)
Cash used in investing activities	(1,088,000)	(118,000)
Cash provided by (used in) financing activities	998,000	(2,000)
Decrease in cash and cash equivalents	$ (455,000)	$ (684,000)

The decrease in cash used in the Company's operating activities during the Current Quarter, compared to the Prior Year Quarter, is consistent with the decrease in net loss in the Current Quarter, compared to net loss in the Prior Year Quarter.

Cash used in investing activities during the Current Quarter represents the cash consideration paid and transactions costs (mainly legal costs) incurred in relation to the Penouta royalty acquisition completed during the quarter. During the Current Quarter, the Company's financing cash flow mainly relates to the cash advance of $1.0 million received against the Loan Facility, which amount was partially offset by payments under the office lease. During the Prior Year Quarter, cash used in investing activities pertained to the acquisition of the Rana Royalty.

Further development of the Company's business will require additional funding from a combination of the Company's shareholders, or alternative capital providers, and debt financing. As the royalty interests currently owned, directly or indirectly by the Company to date are mainly in their development stage, the Company's revenue or cash flows from such royalty interest are not sufficient, compared to its corporate and business development expenditures. To date, the Company has mainly relied on proceeds from equity financing to fund its expenditures, and to maintain liquidity. In November 2022, the Company secured a convertible loan facility, as subsequently amended, with a three-year term (*1.2.2 Financings*) to fund additional royalty acquisitions.

Any change in the commitment or timing of debt and equity funding from existing or new shareholders of the Company, or alternative capital providers, may require the Company to curtail its planned business development activities or seek alternative sources of funding. As such, there is material uncertainty that casts significant doubt on the Company's ability to continue as a going concern. Management has concluded that presentation as a going concern is appropriate in these Financial Statements based on the Company's current financial position, and its plans for its 2023 fiscal year.

At March 31, 2023, except for an office lease expiring April 2026 and the Loan due in January 2026, the Company did not have any material long-term lease obligations, purchase obligations, or any other long-term obligations.

1.7 Capital Resources

Other than the undrawn balance on the Loan Facility (*1.2.2 Financings*), the Company has no lines of credit or other sources of financing which have been arranged but not yet utilized.

Further advancement of the Company's business strategies and operations will require additional funding. The Company intends to pursue additional funding through equity and debt financing.

Although management has a reasonable expectation that it can continue to raise funds, there can be no assurance to that effect.

1.8 Off-Balance Sheet Arrangements

None

1.9 Transactions with Related Parties

This disclosure can be found in the accompanying Financial Statements of the Company, with additional details provided below.

The Company's related party transactions are comprised of remuneration for the following key management personnel ("KMP") that have the authority and responsibility for planning, directing and controlling the activities of the Company:

Name	Position(s) Held at the Company
Craig Lindsay	Director
Robert Schafer	Director
Marchand Snyman	Director, Chairman
Brendan Yurik	Director, Chief Executive Officer

Transactions with the Company's key management personnel were as follows:

	Three months ended March 31, 2023	2022	Increase/ (decrease)	Change
Short-term employment benefits (1)	$ 102,770	$ 102,897	$ (127)	(0%)
Share-based payments relating to stock options (2)	–	159,000	(159,000)	(100%)
Total	$ 102,770	$ 261,897	$ (159,127)	(61%)

(1) Short-term employment benefits include salaries and benefits of the Company's chief executive officer and directors' fees.

(2) The share-based payment expense in the Prior Year Quarter was due to amortization of the fair value of 2,450,000 options granted by the Company to its directors and officers in October 2021.

1.10 Fourth Quarter

Not required.

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

This disclosure can be found in the accompanying Financial Statements of the Company.

1.13 Changes in Accounting Policies including Initial Adoption

This disclosure can be found in the accompanying Financial Statements of the Company.

1.14 Financial Instruments and Other Instruments

The Company’s financial assets mainly comprise cash held in business accounts with a high-credit quality financial institution and are available on demand by the Company as and when required.

The Company’s liquidity position is discussed in Section 1.6 Liquidity.

1.15 Other MD&A Requirements

1.15.1 Additional disclosure for venture issuers without significant revenue

See section 1.5 “Results of Operations”.

1.15.2 Disclosure of Outstanding Share Data

The capital structure of the Company as of the date of this MD&A, is as follows:

	Number
Common shares issued and outstanding	96,601,509
Share purchase options	7,197,500
Share purchase warrants	22,805,000

1.15.3 Internal controls over financial reporting and disclosure controls

Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

1.15.4 Risk Factors

The required disclosure is provided in the "Risk Factors" section of the Company's Annual Information Form for the year ended December 31, 2022 as publicly filed on SEDAR at www.sedar.com.