ELECTRIC ROYALTIES ANNOUNCES AGREEMENT TO INCREASE CONVERTIBLE CREDIT FACILITY FROM C$5 MILLION TO C$10 MILLION ON FAVOURABLE TERMS

VANCOUVER, BRITISH COLUMBIA – February 20, 2024 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) ("**Electric Royalties**" or the "**Company**") is pleased to announce, further to its news releases on October 19, 2023 and April 20, 2023, that it has signed an amended and restated convertible loan agreement (the "**A&R Agreement**") with Gleason & Sons LLC (the "**Lender**") dated February 16, 2024 to increase the Company's existing convertible credit facility (the "**Credit Facility**") from C$5,000,000 to C$10,000,000, subject to certain conditions set out in the A&R Agreement. Gleason & Sons LLC is controlled by Stefan Gleason, a significant shareholder and board member of Electric Royalties.

Interest will accrue on the outstanding principal amount of the Credit Facility at a rate per annum equal to the lesser of (a) the secured overnight financing rate, as published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) from time to time, plus 7% per annum, and (b) 12.5% per annum. Such interest shall be calculated daily and compounded annually, payment of which may be deferred until maturity.

The maturity date of the A&R Agreement is January 12, 2028 (the "**Maturity Date**"), extended two years from the prior loan agreement. Under the terms of the A&R Agreement, no origination or draw fees are assessed. Furthermore, the Company has the right to repay all or any portion of the indebtedness, without incurring any prepayment fee, upon at least 15 days' prior written notice to the Lender.

Prior to the Maturity Date, on at least 10 days' prior written notice to the Company and subject to all required TSX Venture Exchange approvals having been obtained, the Lender has the right to convert all or any portion of the outstanding principal amount of the Credit Facility and accrued and unpaid interest into the Company's common shares, on the terms and conditions set out in the A&R Agreement. Any outstanding principal amount with respect to a drawdown under the Credit Facility will be converted at a conversion price equal to the greater of: (i) C$0.50; (ii) a 100% premium above the 30-day volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange at the time of such drawdown; and (iii) the minimum price acceptable to the TSX Venture Exchange, per common share of the Company, subject to adjustment as provided in the convertible note evidencing such drawdown. Any accrued and unpaid interest may be converted at conversion price equal to the Market Price (as defined under the TSX Venture Exchange's Policy 1.1) at the time of settlement.

The Credit Facility will be secured by: (i) a portion of the Company's existing royalty portfolio (1.5% Gross Revenue Royalty on the Penouta mine in Spain, 0.5% Gross Revenue Royalty on the Kenbridge nickel project in Canada, Gross Revenue Royalties on the Authier lithium project in Canada, 1.5% Gross Revenue Royalty on the Bissett Creek graphite project in Canada, 0.5% Gross Revenue Royalty on the Zonia copper project in the United States, 2.5% Net Smelter Royalty on the Graphmada mine in Madagascar, and 2% Gross Metal Royalty on the Battery Hill manganese project in Canada) (collectively, the "**Secured**

Royalties"); and (ii) collateral assignments of the receivables and proceeds of each Secured Royalty.

The A&R Agreement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The A&R Agreement is exempt from the formal valuation requirements of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company's common shares are not listed on a specified market. The Company is seeking disinterested shareholder approval of the A&R Agreement at the Company's special meeting of shareholders to be held on March 19, 2024 in accordance with MI 61-101 (the "**61-101 Approval**").

The aggregate drawdowns under the Credit Facility are limited to C$5 million until the 61-101 Approval is obtained, along with disinterested shareholder affirmation of Gleason's status as a "control person". As of the date of the press release, $4,450,000 has been advanced under the Credit Facility.

About Electric Royalties Ltd.
Electric Royalties is a royalty company established to take advantage of the demand for a wide range of commodities (lithium, vanadium, manganese, tin, graphite, cobalt, nickel, zinc and copper) that will benefit from the drive toward electrification of a variety of consumer products: cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications.

Electric vehicle sales, battery production capacity and renewable energy generation are slated to increase significantly over the next several years and with it, the demand for these targeted commodities. This creates a unique opportunity to invest in and acquire royalties over the mines and projects that will supply the materials needed to fuel the electric revolution.

Electric Royalties has a growing portfolio of 22 royalties. The Company is focused predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk, which offers investors exposure to the clean energy transition via the underlying commodities required to rebuild the global infrastructure over the next several decades toward a decarbonized global economy.

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Cautionary Statements Regarding Forward-Looking Information and Other Company Information
This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company within the meaning of Canadian securities laws. This news release includes information regarding other companies and projects owned by such other companies in which the Company holds a royalty interest, based on previously disclosed public information disclosed by those companies and the Company is not responsible for the accuracy of that information,

and that all information provided herein is subject to this Cautionary Statement Regarding Forward-Looking Information and Other Company Information. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events and may include statements regarding the financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities of the Company and the projects in which it holds royalty interests.

While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or these projects to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the mining industry generally, recent market volatility, income tax and regulatory matters; the ability of the Company or the owners of these projects to implement their business strategies including expansion plans; competition; currency and interest rate fluctuations, and the other risks.

The reader is referred to the Company's most recent filings on SEDAR as well as other information filed with the OTC Markets for a more complete discussion of all applicable risk factors and their potential effects, copies of which may be accessed through the Company's profile page at sedarplus.ca and at otcmarkets.com.