ELECTRIC ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND NINE MONTHS ENDING SEPTEMBER 30, 2023

Table of Contents

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
- uncertainties regarding the conflicts in the Ukraine and the Middle East;
- 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 conflicts in Ukraine and the Middle East 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. for the three and nine months ending September 30, 2023 and the audited financial statements for the year ended December 31, 2022, as publicly filed on SEDAR+ at www.sedarplus.ca.

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 ("$", "C$", or "CAD"), unless stated otherwise.

Other currencies mentioned include US dollars (US$), Australian dollars (A$) and Euros (€).

This MD&A is prepared as of November 28, 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's transition to clean energy. The Company's portfolio of 22 royalty holdings is diversified across a range of mineral assets in the clean energy space. The Company is currently accruing revenue or income from two of its royalty interests.

Cash Generating Royalties

Penouta Tin Royalty

The Company received revenue from its royalty interest in the Penouta tin-tantalum mine in Spain. In July 2023, the Company increased its royalty interest in the mine from a 0.75% GRR to a 1.5% GRR.

Mine operator Strategic Minerals Europe Corp. (NEO: SNTA, OTCQB: SNTAF) ("**Strategic**" or "**SNTA**"), reported mine production for the third quarter (July 1, 2023 to September 30, 2023) of 209 tonnes, a 1% increase over Q3 2022. Of this, 174 tonnes of cassiterite concentrate was produced at a grade of 70.5% tin and 35 tonnes of tantalite/columbite concentrate at a grade of 26.1% tantalite and 26.2% columbite. The Company received revenue of $84,400[1] (€58,000) based on Penouta Mine sales during the third quarter.

Over the nine months in the year to date, SNTA has reported mine production 574 tonnes, a 32% increase over the same period of 2022, with 477 tonnes of cassiterite concentrate produced at a grade of 70% Sn and 97 tonnes of tantalum/niobium concentrate at grades of 24.1% tantalite and 25.3% columbite. The Company has received revenue of $155,000 (€106,000), based on Penouta Mine sales from January 24, 2023, when it completed the acquisition of its initial royalty, to September 30, 2023.

On October 20, 2023, Strategic announced that the Superior Court of Xustiza of Galicia ("**TSXG**") has decided to provisionally suspend the section C[2] permit for the Penouta Mine in Spain. Strategic is of the opinion that the suspension is based on inaccurate assertions that exploitation activities at Penouta are affecting irrigation and the immediate area. Strategic is exploring all available legal avenues to reverse the decision of TSXG and to expedite the reinstatement of the section C permit, including the initiation of an appeal to reverse the court decision, and advised that operations are permitted to continue while the appeal is in process.

On November 13, 2023, Strategic further reported that an appeal (the "**Appeal**") was filed on October 23, 2023. It also advised that "Since filing the Appeal, the local mining authority Xunta de Galicia has requested that the Company refrain from continuing conducting mineral exploitation operations at the Penouta Project until the Appeal is decided."

MTM Zinc Royalty

The Company also continued to receive distributions based on revenue from its royalty interest in the Middle Tennessee Mine in Tennessee, USA, held in a limited partnership ("MTM LP"). The Company owns a 25% economic interest in the MTM LP, with the remaining 75% interest held by Sprott Streaming (ELEC August 11, 2021 news release). Gross royalty on a 100% basis from the MTM Royalty during the third quarter was approximately $224,000[3] (US$165,000). The Company is entitled to receive 25% of total revenue from the MTM Royalty, net of a proportion of any expenses of the limited partnership that holds the MTM Royalty interest.

Gross royalty on a 100% basis from the MTM Royalty in the year to date in 2023 was approximately $700,000 (US$517,000) of which ELEC is entitled to receive 25%, net of a proportion of any expenses of the limited partnership that holds the MTM Royalty interest.

[1] Exchange rate: C$1.45/€1.00
[2] Section C permit for exploration, investigation or mining concession - metals or industrial minerals
[3] Exchange rate: C$1.36/US$1.00

On October 31, 2023, Nyrstar, the operating subsidiary of Trafigura – owner of the MTM mine - announced that production operations at MTM will be temporarily paused on November 30, 2023, due to weakened market conditions and inflationary impacts on input costs and operating margins. Operations will resume as soon as economically viable.

During this temporary pause in production operations, Nyrstar plans to conduct exploration drilling to define additional zinc, germanium, and gallium resources to position it to increase the supply to its Clarksville smelter upon completion of a planned investment to enable on-site recovery of germanium and gallium. Once operations resume, Nyrstar plans for MTM to supply diversified critical minerals to the U.S. market.

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

Acquisitions

Lithium Portfolio

Subsequent to quarter end, Electric Royalties announced that it had signed a Letter of Intent ("**LOI**") with Perry English, Michael Kilbourne, 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (together, the "**Vendors**"), dated November 3, 2023, to acquire an ownership interest in a portfolio of 126 lithium properties in Eastern Canada (the "**Transaction**"). Of the properties in the Transaction, 101 are currently being explored by third parties pursuant to option agreements and, to the extent such properties are successfully explored and developed, have the potential to result in royalties payable to Electric Royalties by the optionee of the applicable properties.

Further details on the properties and transaction terms are provided below in section 1.2.1 *Acquisitions in Progress*.

Increase Royalty on Bissett Creek Graphite Project

In September 2023, the Company purchased an additional 0.5% GRR on the Bissett Creek graphite project ("**Bissett Creek Project**") in Ontario, Canada, operated by Northern Graphite Corporation in exchange for a cash payment of $950,000. Electric Royalties now holds a 1.5% GRR on the project. Further details on the Bissett Creek Project are provided under ***Updates*** below, and in the Company's Management Discussion and Analysis for Q1 and Q2 2023 and its 2022 Annual Information Form filed on www.sedarplus.ca.

Updates on Projects in Current Royalty Portfolio

Significant updates were recently announced for several other projects in which the Company holds royalty interests. Highlights include:

- **Cerrado Gold Inc.** (TSXV: CERT) ("**CERT**") announced:
    - Its acceptance of an Expression of Interest from the UK Export Credit Agency to provide up to US$420 million of support for the **Mont Sorcier Iron and Vanadium Project** near Chibougamau, Québec. The US$420 million represents 70% of the Mont Sorcier Project's total capital expenditure, interest payable during construction, political risk insurance premium and other approved expenditures.
    - In September, commenced a tender process, and in October announced selection of an international bank to act as the Mandated Lead Arranger (MLA). The institutions selected have extensive experience in ECA financing, a longstanding relationship with UKEF and

presented competitive terms for the financing. Review of the formal engagement letter with the bank is currently underway (CERT September 5, 2023 and October 18, 2023 releases).

- **Northern Graphite Corporation** (TSXV: NGC) ("**NGC**") commented:
  - On the potential impacts of China's decision, as the world's largest producer of graphite, a key component of batteries for electric vehicles, to impose controls on some exports of graphite. NGC stated that China's export controls "would make it even more critical for automakers to lock in graphite supplies outside of China as shortages are already looming amid growing demand from the auto sector."

    NGC also stated graphite from **Bissett Creek**, together with the Company's Lac des Iles mine in Quebec, is planned to supply a 200,000-tonne-per-year battery anode material processing facility in Baie-Comeau, Quebec. The facility is forecast to begin supplying battery makers with first-phase production in 2026 (NGC September 27, 2023 and October 23, 2023 releases).
- **Manganese X Energy Corp.** (TSXV: MN) ("**MN**") reported:
  - Its first high-purity 99.95% manganese sulphate monohydrate ("**HPMSM**") samples produced from a bulk sample from the **Battery Hill Manganese Project** in New Brunswick, Canada, are ready for distribution to various electric vehicle original equipment manufacturers (EV OEMs) and EV cell manufacturers. The samples are earmarked for comprehensive testing to ensure compliance with EV battery standards. The HPMSM samples were generated as part of the processing flowsheet optimization phase during MN's ongoing pilot plant project led by metallurgical research company Kemetco Research Inc. in British Columbia, Canada (MN September 28, 2023 release).
  - Filing of a non-provisional (final) U.S. Patent protection on its manganese purification technology of processing manganese carbonate ore into EV-compliant HPMSM. The patent application involves an in-depth review of the purification technology from the U.S. Patent and Trademark Office, providing full patent protection after acceptance, as well as permitting MN to licence its technology (MN October 5, 2023 release).
- **Buxton Resources Limited** (ASX: BUX) ("**BUX**") announced:
  - Results of a loupe electromagnetic survey at the **Graphite Bull Project** in Western Australia have identified numerous conductive zones, indicating the potential for additional resources at shallow depths amenable to open-pit mining. An exploration and resource definition drill program is planned, subject to expanded heritage clearance surveys currently scheduled for early November (BUX October 23, 2023 release).

    Electric Royalties is relying on the information provided by BUX and is unable to verify the reported survey data.
- **Green Technology Metals Limited** (ASX: GT1) ("**GT1**") announced:
  - Commencement of a 7,736-metre (m) diamond drill program at the **Seymour Lake Lithium Project** in Ontario, Canada, focused on infill drilling with the goal to upgrade the resource at the North and South Aubry deposits. The program is planned to run until December 2023.

    GT1 has successfully renewed the exploration agreement with Whitesand First Nation, solidifying support for exploration activities at Seymour Lake. This agreement also sets the stage for further discussions regarding an Impact Benefit Agreement, marking a significant step forward in the ongoing collaboration with its First Nation partners (GT1 October 6, 2023 release).

Electric Royalties is relying on the information provided by GT1 and is unable to verify the reported information.

- **Global Energy Metals Corporation** (TSXV: GEMC) ("**GEMC**") and its strategic partner Kingsvale Mining announced:
  - Analytical results from the first two diamond drill holes at the Bruvann prospect, **Råna Nickel Project**, Norway. Massive sulphide nickel-copper-cobalt mineralization was intersected in hole 23BRU001, which extends the mineralization 20 m southwest and on strike from a historical massive sulphide drill intercept. This intersection is located within 70 m of the inferred position of historical underground workings. A broad zone of disseminated sulphide mineralization was intersected in hole 23BRU003. Diamond drilling continues to test a number of targets identified by recent geophysical and geological studies (GEMC September 5, 2023 release).
  - Drilling intersected massive sulphide nickel-copper-cobalt mineralization in two holes over an interpreted strike length of 150 m, within a previously undrilled area which is open along strike and down dip. Andrew Tunningley, Kingsrose's Head of Exploration, stated: "The discovery of a new high-grade, relatively shallow nickel-copper sulphide zone in our first holes at Rånbogen is consistent with our view that the wider Råna intrusion has substantial potential to host significant mineralization outside of the historical mine." There are several additional targets in the Rånbogen prospect area still to drill test.

    The companies also reported that drill results from a hole at the Bruvann prospect suggest that mineralization is open to the west along strike and down plunge, with potential for discovery of additional massive sulphide zones adjacent to the intrusion sidewalls or as offset bodies within the footwall host rocks (GEMC October 23, 2023 release).

    Electric Royalties is relying on the information provided by GEMC and is unable to verify the reported drill data.
- **Winsome Resources Limited** (ASX: WR1) **("WR1")** announced:
  - Approximately $30 million has been raised via a flow-through share placement to ramp-up exploration activities at its projects, including expedited follow-up drilling at priority targets at the **Cancet Lithium Project** in Québec, Canada (WR1 October 9, 2023 release).
  - New areas of outcrop have been identified and sampled at Cancet, with results pending. Winsome has built up a substantial dataset from drilling, mapping and geophysical surveys over the last three field seasons and a detailed targeting exercise is planned to map out the next phase of exploration at Cancet (WR1 October 19, 2023 release).
- **Burley Minerals Ltd.** (ASX: BUR) ("**BUR**") announced:
  - Recommencement of its latest drill program at the **Chubb Lithium Project** in Québec, Canada, comprising 3,000 to 4,000 m of diamond drilling. This program follows BUR's inaugural drill program which commenced in April 2023, culminating in the completion of 14 holes. The new drill program will continue to test for extensions to the Chubb Central Main

Dyke both along strike and at depth, and also test for spodumene in mapped parallel pegmatite dykes BUR August 29, 2023 release).

- Commencement of an initial metallurgical test work program at the Chubb Project to gather indications of spodumene recovery and spodumene beneficiation through typical spodumene processing circuits. The tests, conducted by SGS Laboratories in Québec, are expected to take up to four months to complete (BUR September 12, 2023 release).
- Completion of geological mapping, field pXRF1[4] mineral geochemical vectors and geophysical surveys. The mapping and field mineral vectors determined that outcropping pegmatites at Chubb North target show fertility indicators consistent with lithium-cesium-tantalum pegmatites – opening a large, undrilled area at Chubb North. BUR has identified six targets and received approvals for drilling (BUR September 20, 2023 release). This preliminary drill program is designed to develop an understanding of the pegmatites' structures while confirming pathfinder and spodumene mineralization. Additionally, a geophysics survey identified potential structural targets to the northeast and south of the mineralized zone at Chubb Central which may represent emplacement sites for lithium-cesium-tantalum pegmatites. A drill program to test these anomalies is being planned. These areas represent a potential extension of the mineralized zone of more than 400 m to the south and a potential duplication of the mineralized zone, striking more than 1 km, to the east (BUR October 4, 2023 release).

  Electric Royalties is relying on the information provided by BUR and is unable to verify the reported mapping and survey data.

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	1.5% GRR[5]	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 [6]	Sayona Mining	Canada
2020	Bissett Creek	Graphite	Advanced Stage	1.5% GRR	Northern Graphite Corp.	Canada
2022	Zonia	Copper	Advanced Stage	0.5% GRR & options to add 0.5% GRR on	World Copper Ltd.	United States

[4] Portable X-ray fluorescence analyzers used to determine the elemental composition of materials.
[5] Upon receiving $1,666,667 in royalty revenues, the royalty rate will be reduced to a 1.25% GRR. Upon payment of $3,333,334 in aggregate royalty revenues, the royalty rate will be reduced to a 1.0% GRR.
[6] Royalty held over part of the project.

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
				Zonia & 1% GRR on Zonia North[7]		
2023	Kenbridge	Nickel	Advanced Stage	0.5% GRR & options to add 0.5% GRR on Kenbridge & 1.0% GRR on Kenbridge North	Tartisan Nickel Corp.	Canada
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.[8]	Australia
2021	Cobalt Ridge	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.[7]	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 www.sedarplus.ca.

[7] Option expiry: Zonia November 2023; Zonia North option at any time during a period of 24 months from the date that World Copper publishes an initial technical report in respect of the Zonia Norte deposit which is prepared in accordance with National Instrument 43-101 and contains an estimate of Inferred Mineral Resources. Both options require a $3,000,000 cash investment to exercise.

[8] GEMC plans to divest of an 80% interest in the Mount Dorothy and Cobalt Ridge projects. For further details see ***Overview*** of Electric Royalties' Q2 MDA.

1.2.1 Acquisitions in Progress

Lithium Property Portfolio

As described in the Overview, the Company has entered into a LOI with the Vendors, dated November 3, 2023, regarding the Transaction to acquire a portfolio of 126 lithium properties in eastern Canada.

The Company made a $75,000 cash payment to the Vendor in consideration for entering into an exclusivity period ending March 28, 2024, in order to perform due diligence on the portfolio of lithium properties.

Acquisition Terms:

- The Company will issue an aggregate of 3,000,000 common shares in the capital of the Company (the "**Consideration Shares**") and make a cash payment (the sum of $3,000,000 less the (i) exclusivity fee and (ii) the amount of certain payments received by the Vendors under any earn-in, option, royalty or similar agreement on or after January 1, 2024) on closing of the Transaction ("**Closing**");
- Make a cash payment of $750,000 on the 12-month anniversary of the Closing; and
- Make a cash payment of $750,000 on the 18-month anniversary of the Closing.

Completion of the proposed Transaction remains subject to a number of conditions, including: the satisfactory completion of due diligence; board approval; the receipt of any required regulatory approvals; and the negotiation of definitive documentation.

The properties in the Lithium Property Portfolio cover prospective land on the same geological trends of, and surrounding, major lithium discoveries in Ontario. Six of 24 developed lithium prospects in Ontario with reported reserves or resources are located in the vicinity of these properties[9]. Several of these properties are adjacent to GT1's Seymour Lake Lithium Project (on which Electric Royalties holds a 1.5% NSR) that hosts the Aubry deposits. The Seymour Lake Lithium Project is road-accessible year-round and is envisioned as a central processing facility with the potential to add production from other deposits in the area. Green Technology Metals is currently pursuing a vertically integrated strategy with multiple mine and processing hubs supplying a central lithium conversion facility that would be built in Thunder Bay, Ontario[10].

Several other properties in the portfolio flank Frontier Lithium's PAK and Spark projects. PAK contains North America's highest-grade lithium resource and is the second largest known resource in North America by size[11].

Currently, Canada hosts the sixth-highest lithium reserves of any country, yet 2022 production totaled an estimated 500 tonnes – an amount dwarfed by global lithium powerhouses such as Chile and Australia[12]. The underdeveloped hard-rock lithium deposits in Canada are hosted in pegmatites containing a lithium-bearing mineral known as spodumene. Lithium hosted in spodumene provides producers with greater flexibility as it can be processed into either lithium hydroxide (mainly used in high-density electric vehicle batteries) or lithium carbonate[13]. It also offers faster processing times and is higher quality than lithium extracted from brine as spodumene typically contains higher

[9] https://mndm.maps.arcgis.com/apps/webappviewer/index.html?id=66ee0efe4d3c4816963737dbdb890708
[10] GT1 news release dated October 9, 2023
[11] Frontier Lithium news release dated September 25, 2023
[12] https://www.cbc.ca/news/climate/lithium-in-the-world-1.6841339
[13] https://elements.visualcapitalist.com/visualizing-the-worlds-largest-lithium-producers/

lithium content[14]. Spodumene-bearing pegmatites are often hosted in metavolcanic or metasedimentary rocks adjacent to granitic intrusions[15]. Many of the world's largest occurrences are found in Archean or Paleoproterozoic orogens – geological environments underlying approximately two-thirds of Ontario[16].

Qualified Person's Statement

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.

Disinterested shareholder approval will be required for conversion of the Loan that results in the Lender exceeding the TSXV shareholding criteria.

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, respectively, representing the 30-day VWAP of the Company's common shares at the date each drawdown.

In July 2023, the Company announced that it had drawn down $1,400,000 under the Loan Facility to fund the cash payment to acquire the additional 0.75% GRR on Penouta pursuant to the Option, and additional transaction costs associated with the Penouta and Kenbridge royalty acquisitions.

In September 2023, the Company drew down $1,050,000 under the Loan Facility to fund the cash

[14] ibid
[15] USGS Mineral-Deposit Model for Lithium-Cesium- Tantalum Pegmatites; Scientific Investigations Report 2010–5070–O; By Dwight C. Bradley, Andrew D. McCauley, and Lisa M. Stillings
[16] https://www.ontario.ca/page/about-ontario

payment to acquire the additional 0.5% GRR on the Bissett Creek project, as well as its associated transaction costs. The Conversion Price for this drawdown was set at $0.50.

In November 2023, the Company drew down $500,000 under the Loan Facility for working capital. The Conversion Price for this drawdown was set at $0.50.

The Maturity Date of all cash drawn under the Loan Facility is January 2026.

<u>The Company and the Lender agree to amend the Credit Facility</u>

In October 2023, the Company announced that it had signed a commitment letter with the Lender to increase the Company's existing convertible credit facility from $5 million to $10 million (the "**Loan Amendment**"). The Lender has also agreed to extend the Maturity Date of the loan from January 12, 2026 to January 12, 2028. All other terms remain the same other than increased security requirements.

The Loan Amendment is subject to completion of documentation, the approval of the TSX Venture Exchange and other customary closing conditions.

The amended credit facility will be secured by: (i) a portion of the Company's existing royalty portfolio (1.5% GRR on the Penouta Mine in Spain, 0.5% GRR on the Kenbridge Nickel Project in Canada, the sliding scale GMR on the Middle Tennessee Mine in the United States, 0.5% GMR on the Authier lithium project in Canada and 1.5% GRR on the Bissett Creek graphite project in Canada); and (ii) a lien against the Company's present and future rights in additional royalties acquired using funds advanced under the credit facility, if any.

The Credit Facility was considered to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") at the time the Credit Facility was agreed to. The Credit Facility was exempt from the valuation requirement 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 and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of Credit Facility did not exceed 25% of the Company's market capitalization.

As of the date of this MD&A, the undrawn balance available to the Company under the original $5.0 million Loan Facility is $550,000.

2022 Base Shelf Prospectus and $3.45 Million Marketed Offering

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.

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.

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 improved in late 2022. Prices have been more variable in 2023, and some have decreased because of 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 in 2023 have been variable but have increased since June. A recent closing price is US$1.16/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 the average price increased overall in 2022. Prices have been more variable in 2023 and have decreased since July. A recent price is US$21.50/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. Prices increased to February 2023, but have decreased since that time. A recent price is $459/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, then decreased to September 2023, but have stabilized since that time. A recent price is approximately US$18.00/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, then stabilized, but have decreased since April 2023. A recent closing price is approximately US$4.55/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, decreased in May and June, then stabilized, but have decreased since September. A recent closing price is US$5.40/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 have been variable to decreasing in 2023 to October but have increased since that time. A recent closing price of copper is US$3.76/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 decreased in May 2023 and were variable to September, and have decreased since that time. Recent closing price of nickel is US$7.20/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 and decreased a similar amount to mid-March, then were variable to increasing, decreased in August and have been variable since that time. A recent LME cash price of US$10.66/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)	1.21	47.13	553	18.20	5.06	7.68	3.85	9.96	11.83

Sources: Lithium, graphite and cobalt prices for 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 of the Company prepared in accordance with IFRS as issued by the IASB effective for the respective reporting periods of the Company, and are expressed in Canadian dollars, rounded to nearest thousands.

Quarter ended	Revenue	Net Loss	Basic and diluted loss per share	Weighted average number of common shares outstanding
September 30, 2023	$ 84,000	$ 398,000	$ 0.00	96,601,509
June 30, 2023	$ 46,000	$ 419,000	$ 0.00	95,887,223
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

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/Q3	The Company completed the acquisition of an additional 0.75% GRR on the Penouta mine, and an additional 0.5% GRR on the Bisset Creek project. The Company drew down an aggregate amount of $2,450,000 against the Loan Facility to fund these acquisitions. Following the acquisition of the additional royalty interest in the Penouta mine, gross royalty revenue increased to $84,000. The following section of this MD&A provides a detailed analysis of the Company's operating result for this quarter.
2023/Q2	The Company completed the acquisition of the Kenbridge royalty interest in this quarter, and, to fund the cash consideration, the Company drew down $500,000 against the Loan Facility. During the quarter ended June 30, 2023, recorded revenue from its Penouta Tin-Tantalum Royalty in the amount of $46,000. The increase in net loss in this quarter, compared to the quarter ended March 31, 2023, was mainly due to the timing of expenses relating to the Company's annual financial reporting, including the audit related costs.
2023/Q1	During the quarter ended March 31, 2023, recorded its first revenue ($24,000) from its Penouta Tin-Tantalum Royalty. The Penouta royalty acquisition was funded using the proceeds from the first drawdown on the Loan Facility, and accordingly the Company recorded $35,000 in finance expenses.

2022/Q4	During the quarter ended December 31, 2022, the Company secured the convertible loan facility (*1.2.2 Financings*) to fund future royalty acquisitions. There were no other significant corporate activities during this quarter. Accordingly, the Company's operating expenses and net loss decreased significantly during this quarter.
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 September 30, 2023 (the "Current Quarter"), the Company recorded a net loss of $398,000, compared to a net loss of $522,000 for the three months ended September 30, 2022 (the "Prior Year Quarter"). During the nine months ended September 30, 2023 (the "Current Period"), the Company recorded a net loss of $1,142,000, compared to a net loss of $1,641,000 for the nine months ended September 30, 2022 (the "Prior Period"). The decrease in net loss for the Current Quarter and for the Current Period, compared to the Prior Year Quarter and Prior Period, respectively, resulted mainly from a decrease in operating expenses, as the Company endeavored to conserve its cash, while expanding its portfolio of revenue-based mineral royalties.

Unless stated otherwise, the following discussions and analysis relating to the Current Period also apply to the Current Quarter.

Revenue and depletion	Three months ended September 30, 2023	Three months ended September 30, 2022	Increase/ (decrease)	Change
Revenue from royalty interests	$ 84,417	$ –	$ 84,417	N/A
Depletion of royalty interest	(22,200)	–	(22,200)	N/A
	$ 62,217	$ –	$ 62,217	N/A

Revenue and depletion	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Increase/ (decrease)	Change
Revenue from royalty interests	$ 155,073	$ –	$ 155,073	N/A
Depletion of royalty interest	(38,100)	–	(38,100)	N/A
	$ 116,973	$ –	$ 116,973	N/A

See Section *1.2 Overview* for discussions regarding the underlying results of operations of the Penouta mine.

The Company's share, under the equity method of accounting, of revenue and expenses of MTM LP are summarized below:

	Quarter ended							
ELEC's share of MTM LP's revenue and expenses	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**Dec 31, 2022**	**Sep 30, 2022**	**Jun 30, 2022**	**Mar 31, 2022**	**Dec 31, 2021**
Royalty revenue (25%)	$ 55,932	$ 50,915	$ 67,985	$ 96,506	$ 102,051	$ 118,269	$ 153,427	$ 143,515
Depletion (25%)	(28,535)	(30,003)	(15,554)	(58,830)	(58,831)	(56,548)	(55,962)	(30,209)
Depletion adjustment	–	–	–	71,370	–	–	–	–
	27,397	20,912	52,431	109,046	43,220	61,721	97,465	113,306
Expenses	(62,635)	(31,943)	(88,528)	(35,495)	(22,663)	(59,326)	(18,845)	(25,119)
Net (loss)/income	$ (35,238)	$ (11,031)	$ (36,097)	$ 73,551	$ 20,557	$ 2,395	$ 78,620	$ 88,187

The Company's share (25%) of royalty revenue of MTM LP decreased during the Current Period due to a decrease in underlying sales revenue of the mine (lower zinc price). The Company's share of MTM LP's expenses varies with to the timing of certain expenses relating to tax and audit.

The following tables provide a comparison of the Company's operating expenses:

Operating Expenses	Three months ended September 30, 2023	Three months ended September 30, 2022	Increase/ (decrease)	Change
Investor relations and shareholder communications	$ 55,744	$ 227,979	$ (172,235)	(76%)
Salaries and benefits	102,179	96,849	5,330	6%
Administration	93,848	82,343	11,505	14%
Regulatory	33,214	24,496	8,718	36%
Legal, tax, audit and audit related	31,086	50,328	(19,242)	(38%)
Property investigations	4,686	17,691	(13,005)	(74%)
Equity-settled share-based payments	–	57,000	(57,000)	(100%)
Total	$ 320,757	$ 556,686	$ (235,929)	(42%)

Operating Expenses	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Increase/ (decrease)	Change
Investor relations and shareholder communications	$ 137,803	$ 485,766	$ (347,963)	(72%)
Salaries and benefits	306,094	298,985	7,109	2%
Administration	321,929	297,376	24,553	8%
Regulatory	86,212	65,110	21,102	32%
Legal, tax, audit and audit related	178,538	207,851	(29,313)	(14%)
Property investigations	20,056	68,982	(48,926)	(71%)
Equity-settled share-based payments	–	284,000	(284,000)	(100%)
Total	$ 1,050,632	$ 1,708,070	$ (657,438)	(38%)

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

In the Current Period, 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 varied in the Current Period, compared to the Prior Period, due to timing of certain expenses and underlying corporate activities.

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

No share-based payment expenses were recorded in the Current Period. Share-based payment expense in the Prior Period pertained to the grant of share purchase options in October 2021, the fair value of which options were partially amortized in the Prior Period, due to the vesting pattern of such options.

1.6 Liquidity

At September 30, 2023, the Company had a cash balance of $186,000 (December 31, 2022 – $1,237,000) and working capital of $398,000 (December 31, 2022 – $1,166,000).

After the end of the Current Period, in October 2023, the Company announced that it had elected to draw down $500,000 under the Loan Facility for working capital.

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

	Nine months ended September 30,	
	2023	2022
Cash used in operating activities	$ (1,147,000)	$ (1,652,000)
Cash used in investing activities	(3,849,000)	(1,723,000)
Cash provided by financing activities	3,944,000	2,823,000
Decrease in cash and cash equivalents	$ (1,052,000)	$ (552,000)

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

Cash used in investing activities during the Current Period represents mainly the cash considerations paid and transactions costs (mainly legal costs) incurred with respect to the acquisition of the Penouta royalty, the Kenbridge royalty, and the additional royalty interest in the Bisset Creek project during the period. During the Prior Period, cash used in investing activities mainly represents a net effect of cash used for the acquisition of the Rana Royalty, the Sleitat Royalty, and the Zonia Copper Royalty and the cash distribution received from MTM LP.

During the Current Period, the Company's financing cash flow mainly relates to the cash advances for an aggregate amount of $3.95 million received against the Loan Facility. For the Prior Period, the Company's financing cash flow was mainly from the Public Offering.

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 the Financial Statements.

At September 30, 2023, except for an office lease expiring in 2026 and the Loan due in 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 September 30,		Increase/	
	2023	2022	(decrease)	Change
Short-term employment benefits (1)	$ 102,179	$ 96,849	$ 5,330	6%
Share-based payments relating to stock options (2)	–	59,000	(59,000)	(100%)
Total	$ 102,179	$ 155,849	$ (53,670)	(34%)

	Nine months ended September 30,		Increase/	
	2023	2022	(decrease)	Change
Short-term employment benefits (1)	$ 306,094	$ 298,985	$ 7,109	2%
Share-based payments relating to stock options (2)	–	135,000	(135,000)	(100%)
Total	$ 306,094	$ 433,985	$ (127,891)	(29%)

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

(2) The share-based payment expenses in the Prior Year Quarter as well as in the Prior Period were 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

Except for the Loan Amendment (1.2.2 Financings) and the LOI relating to the lithium portfolio (1.2.1 Acquisitions in Progress), 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	6,325,500
Share purchase warrants	17,805,000
Shares to be issued upon conversion of the Loan	6,639,351

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.sedarplus.ca.