ELECTRIC ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDING JUNE 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 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 and six months ending June 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 August 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 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

The Company received revenue from its 0.75% royalty interest in the Penouta tin-tantalum mine in Spain, currently the largest tin-tantalum producer in Europe[1]. According to Strategic Minerals Europe Corp. (NEO: SNTA, OTCQB: SNTAF) ("**Strategic Minerals**" or "**SNTA**"), mine production for the second quarter (period of April 1, 2023 to June 30, 2023) was 246 tonnes[2]. Of this, 206 tonnes of cassiterite concentrate was produced at a grade of 69.7% tin and 40 tonnes of tantalite/columbite concentrate at a grade of 24.7% tantalite and 26.4% columbite. The Company received revenue of C$46,214 (€31.964) based on Penouta Mine sales during the quarter.

In the first quarter, the Company received its first revenue from its royalty interest in Penouta. SNTA reported mine production for the full quarter of 121 tonnes, with 98 tonnes of cassiterite concentrate produced at a grade of 69.5% Sn and 23 tonnes of tantalum/niobium concentrate at a grade of 20.6% tantalite and 26.8% columbite. Production in the first quarter was impacted by a major overhaul of the main ball mill that is expected to increase in production by reducing maintenance downtime (SNTA May 15, 2023 release). The Company received revenue of C$24,442 (€16,277), based on Penouta Mine sales from January 24, 2023 when it completed its acquisition of the 0.75% GMR royalty (ELEC January 24, 2023 news release) to March 31, 2023.

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 second quarter was approximately C$206,000[3] (US$153,000). The Company is entitled to receive 25% of total revenue of 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 for the first quarter of 2023 was approximately C$288,000 (US$213,000) 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.

Acquisitions

In July 2023, Electric Royalties exercised an option to increase its existing 0.75% GRR on the producing Penouta mine by a further 0.75% in exchange for a cash payment of C$1,250,000, and now holds an aggregated 1.5% GRR.

Upon receipt by the Company of C$1,666,667 in aggregate royalty revenues from the GRR, the royalty rate will be reduced to 1.25%. Upon receipt by the Company of C$3,333,334 in aggregate royalty revenues from the GRR, the royalty rate will be reduced to 1.0%.

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

[1] SNTA website https://www.strategicminerals.com/what-we-do/#penouta-mine
[2] SNTA Q2 MDA, as filed at www.sedarplus.ca
[3] Exchange rate: C$1.35/US$1.00

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 also 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.

Updates on Projects in Current Royalty Portfolio

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

- **Sayona Mining Limited** (ASX: SYA) ("**SYA**") reported:
    - It had secured additional funding to accelerate the development of its Québec lithium resources, with the launch of a fully underwritten A$200 million placement at A$0.18 per share to investors. A total of A$65 million of this placement is expected to be allocated to capital expenditure on project infrastructure, assessment of downstream lithium chemical production options at Sayona's North American Lithium operation, as well as integration studies and the development of the nearby **Authier Lithium Project** on part of which Electric Royalties holds a 0.5% gross metal royalty. The balance of the funds will be allocated to Sayona's other projects (SYA May 26, 2023 release).
- **Manganese X Energy Corp**. (TSXV: MN) ("**MN**") reported:
    - Results from the remaining 26 holes from its planned 36-hole 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 (MN June 6, 2023 release). Drill highlights include:
    - 29.1 metres (m) of 14.4% manganese oxide (MnO) starting at 90.5 m in hole SF23-73; 80.3 m of 11.5% MnO including 32.2 m of 16.9% MnO starting at 7.8 m in hole SF23-76; 66.3 m of 11.2% MnO starting at 29.4 m, including 47.5 m of 20.4% MnO in hole SF23-80; and 73.6 m of 10.7% MnO starting at 67.5 m, including 29.1 m of 13.8% MnO in hole SF23-90.
    - The drilling has expanded overall mineralization with the discovery of two new zones, Sharpe Farm West Peripheral and Moody Hill Northwest, west of the main Battery Hill deposit and it is working on an updated mineral resource estimate incorporating results from the program.

      Electric Royalties is relying on the information provided by Manganese X and is unable to verify the reported drill data.
- **Cerrado Gold Inc.** (TSXV: CERT) ("**CERT**") announced:
    - Its acceptance of an Expression of Interest ("EOI") from the UK Export Credit Agency ("UKEF") to provide up to US$420 million of support for the **Mont Sorcier Iron and Vanadium Project** near Chibougamau, Quebec; the amount represents 70% of total capital expenditure, interest payable during construction, political risk insurance premium and other approved expenditures. UKEF's EOI is not a legally binding commitment and is subject to a series of standard project finance terms and due diligence (CERT July 5, 2023 release).
- **Buxton Resources Limited** (ASX: BUX) ("**BUX**") announced:
    - Completion of test work on the second bulk sample from the **Graphite Bull Project** in Western Australia. An overall total graphitic carbon (TGC) recovery of 92.09% was achieved

in a concentrate grading 96.72% TGC, a recovery higher than that achieved for the first bulk sample.

Based on metallurgical results to date and 2023 drill results, BUX is preparing for a 5,000-m drill program to be completed by the end of July. The work will mainly focus on extending the known resource (BUX May 17, 2023 release).

- BUX also reported results of early downstream testing of the first bulk concentrate sample yielded 99.97% TGC purity and very low critical contaminant values, bettering industry benchmarks. Electrochemical testwork results are expected from ProGraphite in about eight weeks' time. The second bulk concentrate sample is enroute to Dorfner Anzaplan for more extensive testwork, with first results from that work expected in November (BUX August 5, 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) ("**GT1**") announced:
  - It is working towards a feasibility study for the **Seymour Lake Project** in Ontario, Canada. During the quarter, GT1 announced it had closed a A$20 million strategic investment and offtake term sheet with LG Energy Solution, with funds to be used to further develop the Seymour Lake Project through exploration and feasibility stage (GT1 June 15, 2023 release).
  - It plans to recommence a 6,000-m diamond drilling program in Q4 2023, primarily focused on infill drilling to upgrade the resource at the North and South Aubry deposits and continue infrastructure drilling in support of the preliminary economic assessment. Following the initial drilling program at Seymour Lake, exploration drilling will recommence over new priority target areas generated during this field season (GT1 June 26, 2023).

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

- **Global Energy Metals Corporation** (TSXV: GEMC) ("**GEMC**") announced:
  - A 5,000-m drill program by partner Kingsrose Mining Limited (ASX: KRM) ("**KRM**") has commenced at the **Råna Nickel-Copper-Cobalt Project,** targeting zones of potential massive sulphide nickel-copper-cobalt mineralization interpreted from ongoing mapping and geophysical surveys. The conductive zones identified in geophysical surveys have the potential to host along strike and down dip extensions to mineralization in the Bruvann Mine area within the Råna Project, with collection and interpretation of both ground-based and airborne magnetotelluric (MT) and electromagnetic (EM) data underway for the purpose of generating additional drill targets (GEMC July 6, 2023 release).
  - Four conductive bodies were identified from the MT survey at the Rånbogen area; three of which are coincident with mineralized massive to disseminated sulphide rock chip samples at surface; all are hosted within, or at the base of, the Råna intrusion, and spatially associated with peridotite and pyroxenite units. KRM considers these targets highly prospective, in that limited historical drilling intercepted broad zones of disseminated mineralization near surface and higher grade, narrow sub-intervals associated with massive sulphide. A follow-up EM survey combined with attempted downhole EM of historical holes is currently in progress to further define conductive zones prior to drill testing. Drilling at Bruvann is underway and will transition to a helicopter-portable rig in early August to allow drilling at Rånbogen to commence (GEMC August 8, 2023 release).

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

- GEMC also reported that it entered into an agreement with Mulga Minerals Pty Ltd. ("Mulga") and Mt Dockerell Mining Pty Ltd. ("MDM"), 100%-owned subsidiaries of Hammer Metals Limited (ASX: HML), to divest an 80% interest in the **Mount Dorothy** and **Cobalt Ridge** copper-cobalt projects located in Mount Isa, Queensland, Australia. Mulga and MDM will incur all costs associated with project advancement including exploration, maintenance and holding costs up until completion of a pre-feasibility study (GEMC July 5, 2023 release).

- **Burley Minerals Ltd.** (ASX: BUR) ("**BUR**") announced:
  - Assay results from four holes of its inaugural 14-hole drill program targeting spodumene-pegmatites at the **Chubb Project** in Québec, Canada. The results support visual observations of spodumene, a key lithium mineral, within the pegmatites of the Main Dyke – one of a number of pegmatite targets. Spodumene was observed in other unassayed drill holes and surface mapping, suggesting mineralization could extend both to the southeast of the current drilling area and at greater depths (BUR June 6, 2023 and July 3, 2023 releases).
  - BUR is well-funded to continue exploration after recently completing a C$3 million capital raise to fund exploration activities on its Canadian lithium projects (BUR July 10, 2023).

  Electric Royalties is relying on the information provided by BUR and is unable to verify the reported drill 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[4]	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 [5]	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[6]	World Copper Ltd.	United States

[4] Upon receiving C$1,666,667 in royalty revenues, the royalty rate will be reduced to a 1.25% GRR. Upon payment of C$3,333,334 in aggregate royalty revenues, the royalty rate will be reduced to a 1.0% GRR.
[5] Royalty held over part of the project.
[6] 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

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
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.[7]	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 SEDAR+.

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.

Instrument 43-101 and contains an estimate of Inferred Mineral Resources. Both options require a C$3,000,000 cash investment to exercise.

[7] GEMC plans to divest of an 80% interest in the Mount Dorothy and Cobalt Ridge projects. For further details see Overview.

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, 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.

As of the date of this MD&A, the undrawn balance under the Loan Facility was $2,100,000.

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.

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 were variable to decreasing until June 2023, but have stabilized since that time. A recent closing price is US$1.08/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 have stabilized since May. A recent price is US$35.50/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, and prices continued to increase to February 2023, but have decreased since that time. A recent price is $467/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 until June 2023 but have increased since that time. A recent price is approximately US$19.45/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$4.70/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 but have stabilized since that time. A recent closing price is US$7.40/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. A recent closing price of copper is US$3.80/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 have been variable since that time. Recent closing price of nickel is US$9.47/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 but have decreased in August. A recent LME cash price of US$11.46/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)	1.24	54.43	593	18.39	5.22	8.23	3.91	10.59	12.05

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
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
September 30, 2021	$ –	$ 684,000	$ 0.01	65,726,618

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/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. The following section of this MD&A provides a detailed analysis of the Company's operating result for this quarter.
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 June 30, 2023 (the "Current Quarter"), the Company recorded a net loss of $419,000, compared to a net loss of $665,000 for the three months ended June 30, 2022 (the "Prior Year Quarter"). During the six months ended June 30, 2023 (the "Current Period"), the Company recorded a net loss of $744,000, compared to a net loss of $1,119,000 for the six months ended June 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 June 30,		Increase/	
	2023	2022	(decrease)	Change
Revenue from royalty interests	$ 46,214	$ –	$ 46,214	N/A
Depletion of royalty interest	(10,300)	–	(10,300)	N/A
	$ 35,914	$ –	$ 35,914	N/A

Revenue and depletion	Six months ended June 30,		Increase/	
	2023	2022	(decrease)	Change
Revenue from royalty interests	$ 70,656	$ –	$ 70,656	N/A
Depletion of royalty interest	(15,900)	–	(15,900)	N/A
	$ 54,756	$ –	$ 54,756	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:

ELEC's share of MTM LP's revenue and expenses	Quarter ended Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Royalty revenue (25%)	$ 50,915	$ 67,985	$ 96,506	$102,051	$118,269	$153,427	$143,515	$ 74,500
Depletion (25%)	(30,003)	(15,554)	(58,830)	(58,831)	(56,548)	(55,962)	(30,209)	(40,333)
Depletion adjustment	–	–	71,370	–	–	–	–	–
	20,912	52,431	109,046	43,220	61,721	97,465	113,306	34,167
Expenses (50%)	(31,943)	(88,528)	(35,495)	(22,663)	(59,326)	(18,845)	(25,119)	(161,000)
Net income/(loss)	$ (11,031)	$(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 first and second quarters of the current year 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. 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:

Operating Expenses	Three months ended June 30, 2023	2022	Increase/ (decrease)	Change
Investor relations and shareholder communications	$ 38,753	$ 174,253	$ (135,500)	(78%)
Salaries and benefits	101,145	99,239	1,906	2%
Administration	129,109	121,630	7,479	6%
Regulatory	30,052	25,039	5,013	20%
Legal, tax, audit and audit related	115,226	133,264	(18,038)	(14%)
Property investigations	8,007	21,791	(13,784)	(63%)
Equity-settled share-based payments	–	68,000	(68,000)	(100%)
Total	$ 422,292	$ 643,216	$ (220,924)	(34%)

Operating Expenses	Six months ended June 30, 2023	2022	Increase/ (decrease)	Change
Investor relations and shareholder communications	$ 82,059	$ 257,787	$ (175,728)	(68%)
Salaries and benefits	203,915	202,136	1,779	1%
Administration	228,081	215,033	13,048	6%
Regulatory	52,998	40,614	12,384	30%
Legal, tax, audit and audit related	147,452	157,523	(10,071)	(6%)
Property investigations	15,370	51,291	(35,921)	(70%)
Equity-settled share-based payments	–	227,000	(227,000)	(100%)
Total	$ 729,875	$ 1,151,384	$ (421,509)	(37%)

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.

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*).

Share-based payment expense was higher in the Prior Period due 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 June 30, 2023, the Company had a cash balance of $267,000 (December 31, 2022 – $1,237,000) and working capital of $361,000 (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:

	Six months ended June 30,	
	2023	2022
Cash used in operating activities	$ (834,000)	$ (1,066,000)
Cash used in investing activities	(1,629,000)	(182,000)
Cash provided by financing activities	1,496,000	2,825,000
(Decrease) increase in cash and cash equivalents	$ (967,000)	$ 1,577,000

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 Penouta royalty acquisition and the Kenbridge royalty acquisition completed 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 and the Sleitat 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 $1.5 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 these Financial Statements based on the Company's current financial position, and its plans for its 2023 fiscal year.

At June 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 June 30, 2023	Three months ended June 30, 2022	Increase/ (decrease)	Change
Short-term employment benefits (1)	$ 101,145	$ 99,239	$ 1,906	2%
Share-based payments relating to stock options (2)	–	59,000	(59,000)	(100%)
Total	$ 101,145	$ 158,239	$ (57,094)	(36%)

	Six months ended June 30, 2023	2022	Increase/ (decrease)	Change
Short-term employment benefits (1)	$ 203,915	$ 202,136	$ 1,779	1%
Share-based payments relating to stock options (2)	–	135,000	(135,000)	(100%)
Total	$ 203,915	$ 337,136	$ (133,221)	(40%)

(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

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

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.