ELECTRIC ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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
- the impact of COVID-19 or other pandemics;
- uncertainties regarding the conflict in the Ukraine;
- changes in the price of commodities that impact the value of royalty interests;
- changes in technology and future demand for commodities;
- the potential early termination of royalty agreements;
- our dependence on mine owners or operators for the calculation of royalty amounts and accurate reporting;
- the potential delay or failure of mine owners to pay royalty payments;
- royalty agreements and payments may not be honoured or made by the owners and operators of the mining properties underlying our royalty investments;
- rights of third parties that may impact our royalty investments;
- our ability to execute on our acquisition strategy for to acquire additional royalty interests;
- increased competition for royalty interests;
- the concentration of our royalty portfolio in the battery metals sector;

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

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

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

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

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

1.1 Date

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

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

This MD&A is prepared as of April 27, 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.

Recent Highlights

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

Subsequent to year end, in April 2023, Electric Royalties completed a transaction with Tartisan Nickel Corp. (CSE:TN, OTC:TTSRF, FSE:A2D) ("**Tartisan**" or "**TN**") to acquire a 0.5% GRR on certain mining claims, mining leases and mineral tenures comprising the wholly-owned Kenbridge Nickel Project in northwest Ontario, Canada (the "**Kenbridge Project**" or "**Kenbridge**") in exchange for $500,000 cash and 2,500,000 common shares of the Company ("**TN Transaction**"). The Company also has the right to acquire a further 0.5% GRR on the Kenbridge Project and an option to acquire a 1% GRR on the mining claims, mining leases and mineral tenures comprising the Kenbridge North Nickel Project, approximately 2.5 km north of the Kenbridge Nickel Deposit for additional considerations.

In January 2023, Electric Royalties closed the acquisition of 0.75% GRR on the producing Penouta tin-tantalum mine in Spain ("**Penouta**"), which is currently the largest tin-tantalum producer in Europe[1]. According to the agreement with Strategic Minerals Europe Corp. (NEO: SNTA, OTCQB: SNTAF) ("**Strategic Minerals**" or "**SNTA**"), in addition to the 0.75% GRR the Company will have an option for a period of 7 months from closing to acquire an additional 0.75% GRR on Penouta for additional consideration. The royalty rates will be reduced to 0.5%, respectively, once certain minimum royalty payments have been made.

Additional details on Kenbridge and Penouta can be found in 1.2.2 *Royalty Acquisitions Completed in 2023*.

Significant updates were announced in Q4 and after year-end by the operators of several projects on which the Company holds royalty interests. Highlights of the more advanced projects include:

- In March 2023, Sayona Mining Limited (ASX: SYA) ("**SYA**") reported:
  - Successful production of the first saleable spodumene (lithium) concentrate at its North American Lithium (NAL) operation in Québec, Canada. NAL's restart continues to proceed on schedule and within budget, with the first lithium shipment expected in July 2023 (SYA March 16, 2023 news release). SYA plans to combine mineralized material produced from the **Authier Lithium Project** (or "**Authier**", on which ELEC holds a royalty interest[2]) with mineralized material at the nearby NAL site, with a goal to facilitate improvement in plant performance and economics[3]. ELEC is relying on the information provided by SYA and is unable to verify the feasibility results; and
  - Authier has been submitted and accepted for environmental impact assessment and review. Under current plan with NAL, Authier no longer requires its own concentrator or tailings storage and with its daily output is below the 2,000-tonne (t) threshold, resulting in a considerably reduced environmental impact compared to its original submission (SYA February 17, 2023 news release).
- In March 2023, Metal Bank Limited (ASX: MBK) ("**MBK**") reported:

[1] Strategic Minerals Europe Corp. website https://www.strategicminerals.com/what-we-do/#penouta-mine
[2] Royalty held over part of the project area.
[3] Sayona Mining news release dated April 14, 2023 on NAL feasibility study.

  - An updated mineral resource estimate under the JORC Code for the **Millennium Copper-Cobalt Project**. Inferred Resources of 8.4 million tonnes at 0.09% Co, 0.29% Cu and 0.12 g/t gold or 1.23% Cu equivalent (CuEQ), representing a 42% tonnage increase and 14% grade increase from the 2016 resource estimate[4]. ELEC is relying on the information provided by MBK and is unable to verify the estimate; and
  - Project catalysts for the next 12 to 24 months include scoping and pre-feasibility studies to assess development potential and ESG criteria, further metallurgical and infill drilling to obtain sufficient bulk samples for advanced metallurgical and flowsheet work, geometallurgical domaining, and to increase confidence in the mineral resource, infill and extension drilling to test the exploration target, and collaboration with other critical minerals projects and research in the region to optimize project value (MBK March 21, 2023 news release).

- In March 2023, Voyager Metals Inc. (TSXV: VONE) (“**VONE**”) reported it has entered into a definitive agreement with Cerrado Gold Inc. (TSXV: CERT) ("**Cerrado**") as part of a business combination. Upon closing, the combined company will continue trading under the name Cerrado Gold Inc (VONE March 7, 2023 news release). VONE also closed a private placement with a portion of the proceeds planned for advancing the feasibility study for the **Mont Sorcier Vanadium Project**, scheduled for completion by the end of 2023 (VONE March 15, 2023 news release). It is envisioned that cash flow generated by Cerrado’s operations could support ongoing development and future construction of the mine at Mont Sorcier.
- In February 2023, World Copper Ltd. (TSXV: WCU) (“**WCU**”) reported:
  - An updated mineral resource estimate for the Zonia copper-oxide deposit (at the “**Zonia Copper Project**”) including Indicated Resources of 75.7 million tons grading 0.30% total Cu containing 450.5 million pounds (lb) Cu, and Inferred Resources of 122.0 million tons grading 0.24% total Cu containing 575.4 million lb Cu[5]. WCU states the current resource is an increase from the estimate of historical resources (WCU February 23, 2023 news release).
- In March 2023, Manganese X Energy Corp. (TSXV: MN) (“**MN**”) reported it completed a 4,725-metre (m), 31-hole program pre-feasibility infill and step-out drilling program at the **Battery**

[4] MBK news release titled “Millennium delivers substantial Resource increase” dated March 21, 2023, Appendix 1: JORC Code 2012, Table 1. Total of open cut resources within RPEEE1 pit estimates reported above a cut-off grade of 0.4 CuEq% and underground resources below pit shells within RPEEE estimates reported above a cut-off grade of 1.00 CuEq%. CuEq based on Cu price (US$/lb) = $3.50; Co price (US$/lb) = $32.00; Au price (US$/oz) = $1,900; Cu recovery = 95.1%; Co recovery = 95.3%; Au recovery = 81.4%; Cu payability = 80%; Co payability = 80%; Au payability = 80%. Both JORC and CIM are CRIRSCO members hence adhere to international resource reporting standards and adopt a similar approach to resource definition and classification. Differences between the two codes do exist in the requirements for QP site visits, technical reports and use of resource categories.

[5] WCU news release titled “World Copper Updates & Expands Resource Estimate for the Zonia Copper Oxide Deposit, Arizona” dated February 23, 2023. The effective date of the Updated Resource Estimate is September 1, 2022. Mineral resources are reported using a variable total-copper cut-off (0.125% Cu for oxide and 0.13% Cu for transition). The cut-off grade for blocks was calculated based on the following assumptions: a long-term copper price of US$3.60/lb, assumed combined operating ore costs of US$6.25/ton (low grade re-handle, process, and general and administrative costs), refining & shipping costs of US$0.15/lb of copper, and copper metallurgical recoveries of 73% for blocks coded as oxide and 70% for blocks coded as transition. Mineral resources are captured within an optimized pit shell and meet the test of reasonable prospects for economic extraction by open pit. The optimization used the same mining costs of US$4.75/Ton mined and a 50º pit slope. A technical report is filed on the WCU profile at www.sedar.com.

Hill Manganese Project, designed to upgrade mineral resources in preparation for a pre-feasibility study (MN March 29, 2023 news release).

- In January 2023, Global Energy Metals Corporation (TSXV:GEMC) ("**GEMC**") announced it has entered into a transaction implementation agreement with Kingsrose Mining Limited ("Kingsrose") and Scandinavian Resource Holdings Pty Ltd for Kingsrose to make a staged investment into the underexplored Råna nickel-copper-cobalt project ("**Råna Nickel Project**"), as well as the formation of a joint venture for the development and operation of the project, committing to spend up to A$15 million in exploration expenditures to earn up to 75% in the joint venture over eight years. Kingsrose has also identified three priority prospects with a focus on exploration for high-grade Ni-Cu-Co sulphide mineralization (GEMC January 18, 2023 news release.)
- Northern Graphite Corporation (TSXV: NGC) ("**NGC**") reported:
    - It has entered into an agreement with the Department of Innovation and Development ("DID") for the Manicouagan/Baie-Comeau region of Québec, Canada, to evaluate sites for the construction of a planned 200,000-tonne-per-year battery anode material plant in Baie-Comeau's industrial port zone. NGC also entered into a non-binding letter of intent with Graphex Technologies LLC ("Graphex") to combine NGC's raw material supply capabilities with Graphex's downstream processing expertise to build plants that will provide an end-to-end mine to the battery Northern American supply chain (NGC January 10, 2023 news release). Graphex, NGC and the Quebec DID will participate in the site selection process (NGC January 12, 2023 news release); and
    - It is advancing the **Bissett Creek Graphite Project** in preparation for fundraising to finance its development. NGC is finalizing major permits, negotiating agreements with First Nations groups and completing the feasibility study with an initial production target of 40,000 tonnes per year (tpy) for phase 1 of operation (NGC states the ultimate production capacity is in the order of 100,000 tpy) (NGC November 9, 2022 news release).
- Green Technology Metals Limited (ASX:GT1) ("**GT1**")) reported:
    - Metallurgical test work on spodumene concentrate from Seymour Lake yielded high recoveries and showed potential for use of dense media separation as the primary recovery method; further work is planned to optimize lithium recoveries. A bulk sample permit was also approved by the Ontario Mines Department to extract approximately 99 t from the North Aubry pegmatite outcrop. The spodumene concentrate produced through the pilot work will be used as feed stock for the lithium hydroxide conversion program, all forming part of the ongoing feasibility study (GT1 December 22, 2022 news release); and
    - It now owns 100% of the Ontario Lithium Projects that include the **Seymour Lake Lithium Deposit** (GT1 November 7, 2022 news release), and announced the discovery of a new spodumene-bearing pegmatite, called Blue Bear, located approximately 500 m south-east of the Aubry Complex on the Pye West Limb, and sitting within the current mine permitting and baseline study boundary (GT1 November 8, 2022 news release).
    - ELEC is relying on GT1's drilling and metallurgical information and cannot verify the 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	0.75% GRR[6]	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 [7]	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[8]	World Copper Ltd.	United States
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.	Australia
2021	Cobalt Ridge	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.	Australia
2021	Graphite Bull	Graphite	Exploration	0.75% GRR	Buxton Resources Limited	Australia
2020	Chubb	Lithium	Exploration	2% GMR	Burley Minerals Ltd.	Canada

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

[7] Royalty held over part of the project.

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

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
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 royalties can be found in its 2022 Annual Information Form.

1.2.2 Royalty Acquisitions Completed During/Subsequent to Quarter End

Kenbridge Nickel Project

In April 2023, the Company completed acquisition of a 0.5% GRR on certain mining claims, mining leases and mineral tenures comprising the wholly-owned Kenbridge Project by issuing $500,000 in cash and 2,500,000 common shares. The Company has the right, for a period of 18 months after closing of the TN transaction, to acquire a further 0.5% GRR on the Kenbridge Project for $1,750,000 cash consideration. In addition, the Company has an option to acquire a 1% GRR on the Kenbridge North Project for $1,000,000 cash, at any time during a period of 24 months from the date that TN publishes an initial technical report in respect of the Kenbridge North Project which is prepared in accordance with National Instrument 43-101 and contains an estimate of Inferred Mineral Resources. The TN transaction noted herein is subject to completion of due diligence, approval of the TSX Venture Exchange and other customary conditions.

Project Highlights

- Located in a politically stable and mining-friendly region (New Gold's producing Rainy River gold mine is located approximately 80 km to the south), with access to an all-season road.
- The project has a 622-m three compartment shaft and has never been mined.
- Mineral Resource estimate[9] completed by P&E Mining Consultants Inc. at an NSR cut-off of $100/t includes:
  - Measured and Indicated Mineral Resources of 3.445 million tonnes (Mt) at 0.97% Ni, 0.52% Cu and 0.013% Co, containing 74 million pounds (Mlb) of Ni, 39.1 Mlb of Cu and 1.0 Mlb of Co; and
  - Inferred Mineral Resources of 1.014 Mt at 1.47% Ni, 0.67% Cu and 0.011% Co, containing 32.7 Mlb of Ni, 14.9 Mlb of Cu and 0.2 Mlb of Co.
- Preliminary Economic Assessment ("PEA") forecasts the following:
  - Nine-year mine plan based on a 1,500-tpd underground mining and processing operation. The mine plan mines the potentially extractable tonnage of Measured, Indicated and Inferred Mineral Resources which assumes overall dilution of 47% (18%

[9] Technical report titled "Preliminary Economic Assessment of the Kenbridge Nickel Project, Kenora, Ontario" with an effective date of July 6, 2022, available under Tartisan Nickel Corp.'s profile on Sedar.com. The Mineral Resource Estimate is based on US$ metal prices of $8.25/lb Ni, $4.00/lb Cu, $26/lb Co. The US$:CDN$ exchange rate used was 0.76. The NSR estimate uses flotation recoveries of 75% for Ni, 77% for Cu, 40% for Co and smelter payables of 92% for Ni, 96% for Cu, 50% for Co. Mineral Resources were determined to be potentially extractable with the longhole mining method based on an underground mining cost of $77/t mined, processing of $19/t and G&A costs of $4/t.

    internal dilution from stope designs plus 29% external dilution) and a 94% mine recovery factor.
  - Life-of-mine revenues from net smelter returns of $837 million.
  - Life-of-mine operating costs of $292 million.
  - After-tax net present value using a 5% discount rate of $109 million and after-tax internal rate of return of 20%.
- TN progressing environmental baseline studies as part of its permitting and mining approval process towards its plan to commence Ni-Cu production in approximately three years[103].
- TN continues to develop positive relationships with the surrounding First Nations communities through its First Nations consulting partner Talon Resources and Community Development Inc.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable them to be classified as Mineral Reserves. There is no certainty that the results of the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Project Overview

The Kenbridge Project is located in northwestern Ontario, approximately 70 km southeast of the city of Kenora, and 50 km east of the township of Sioux Narrows by highway. Access to the property is via 23 km of road from Sioux Narrows. The project is located in an area of historical and recent mine development, the most notable of which is New Gold's Rainy River gold mine (see Figure 1).

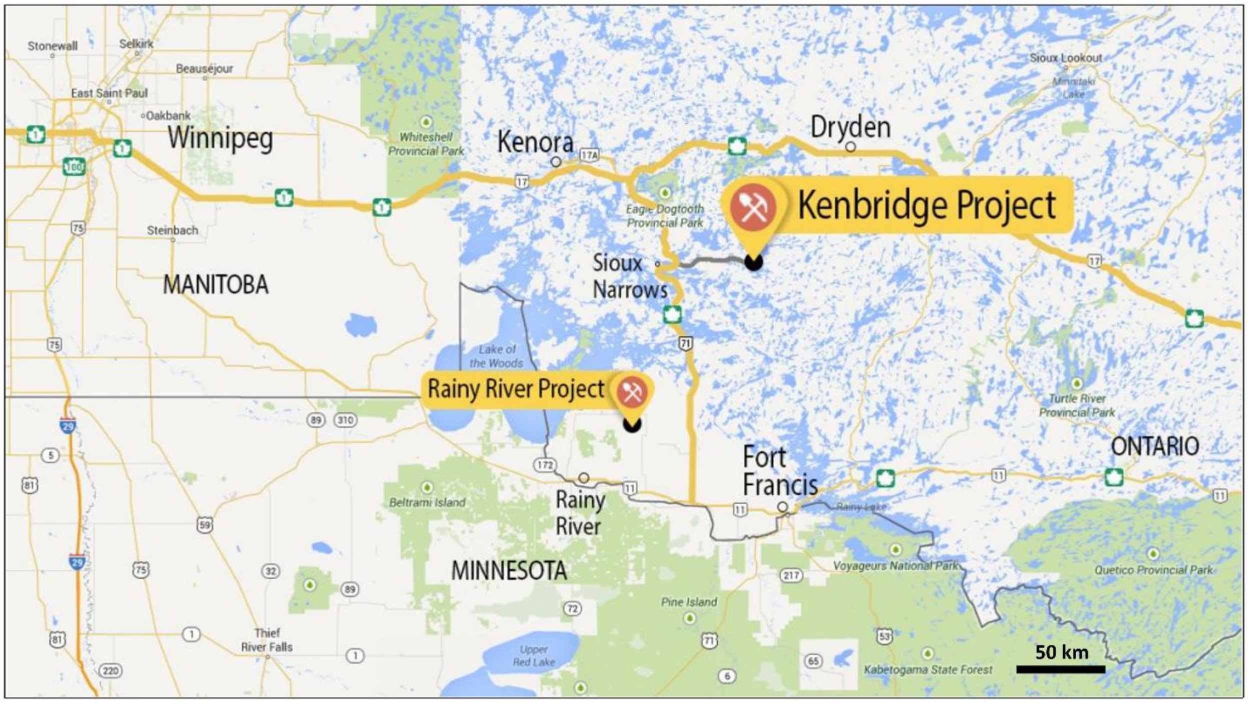
As of March 2, 2023, the Kenbridge Property is covered by patented and unpatented mining claims covering a total area of approximately 41 km^2.

Geology

The Kenbridge Deposit is an Archean-aged deposit hosted in gabbro and gabbro breccia. Mineralization (pyrrhotite, pentlandite, chalcopyrite ± pyrite) occurs within massive to net-textured and disseminated sulphide zones, primarily in gabbro breccia with smaller amounts in gabbro and talc schist. Ni grades within the deposit are proportional to the total amount of sulphide, with rare massive sulphide zones exhibiting the highest grades. Mineralization undergoes rapid changes in thickness and grades. At least three sub-parallel mineralized zones were intersected in drilling and range in thickness from 2.6 to 17.1 m. Kenbridge is classified as a gabbro-related Ni sulphide deposit.

[10] Tartisan news release dated February 10, 2023.

Figure 1: Location map of the Kenbridge Project. Source: Tartisan Nickel Corp.



Exploration

The deposit has been explored by a number of major and junior mining companies since 1936. There have been numerous drill programs and metallurgical programs and, in 1952, a 622-m shaft was installed and two levels developed at 107 m and 152 m below the surface (see Figure 2).

Since 1937, 667 surface and underground holes totalling 99,741 m have been completed on the property. These holes defined a zone with surface dimensions of approximately 250 m by 60 m extending approximately 900 m to depth.

Deep drilling suggests further potential of the deposit at depth although this portion of the deposit is not well defined.

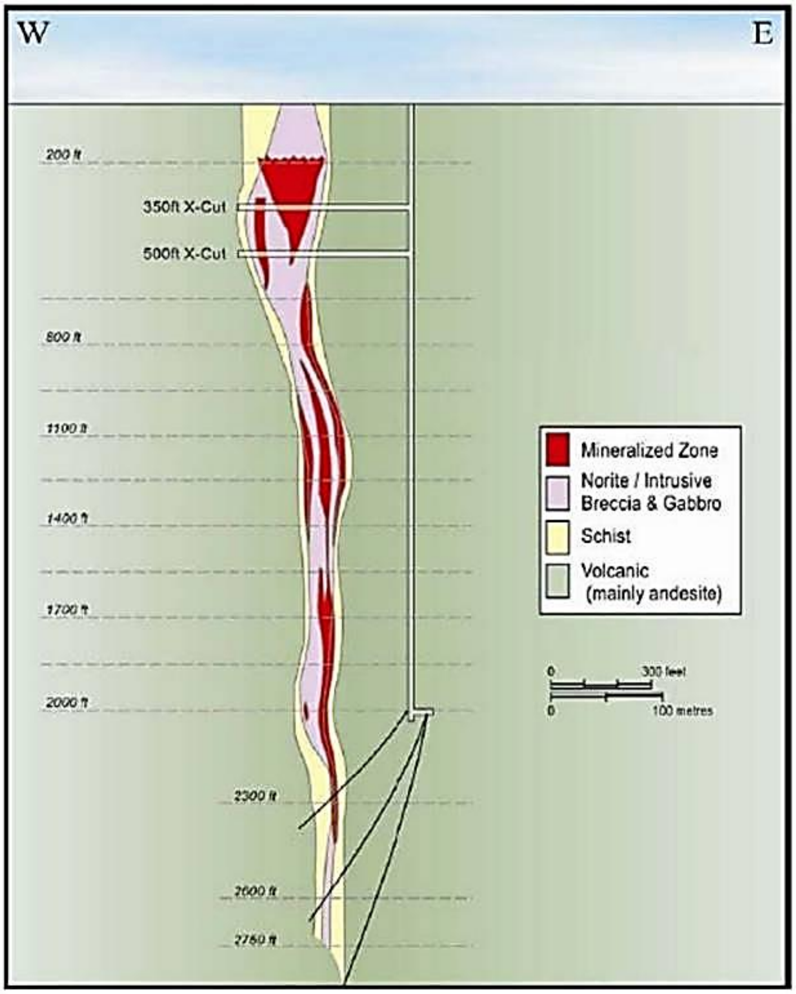
Besides the Kenbridge Deposit, there are several untested exploration targets on the property, such as the Kenbridge North target that has similar geophysical characteristics to the Kenbridge Deposit.

Mining and Processing

The PEA describes an underground development scenario and envisages a total of 4.52 Mt of process plant feed over a nine-year mine life, with an average metal content of 0.81% Ni, 0.40% Cu and 0.01% Co. It is expected to operate at a daily rate of 1,500 tpd, for a nominal production rate of approximately 528 thousand tpy.

The existing shaft extends to a depth of approximately 625 m from surface with 13 shaft stations cut approximately every 46 m. The plan would be to rehabilitate, expand, and refit the shaft with a new hoist and headframe to support mining in the upper areas above the shaft bottom, and later hoist material excavated from areas below the extent of the shaft.

Figure 2: Cross section showing mineralized zones, existing shaft and depth potential.
Source: Tartisan Nickel Corp.



Mining areas from below the extent of the shaft will be accessed via a ramp from the lowest shaft station, with material being trucked to the bottom of the shaft for crushing and final hoisting to surface. This method of access was chosen to minimize lead time to mining and maximize scheduling flexibility, in addition to minimizing transportation costs of broken rock.

Xstrata Process Support test results on a bulk concentrate suggest that at feed grades in line with the current PEA mine plan, a 24% Cu concentrate at 89% Cu recovery and a 15% Ni concentrate at 80% Ni recovery could be anticipated.

A conventional crush-grind-float approach has been selected for beneficiation and processing at Kenbridge. Separate Ni and Cu concentrates are expected to be produced at site and trucked to smelters in Sudbury (for Ni) and Rouyn (for Cu). A portion of the tails would be thickened and used as backfill underground.

Socioeconomic, Environmental and Permitting

Consultation with First Nations has been ongoing since 2008. An exploration agreement with six local First Nations formalizes employment and business opportunities on the project.

TN has retained Knight Piésold Consulting and Blue Heron Environmental to undertake environmental baseline studies in 2022 to support the various permitting and approvals processes for the project.

Penouta Tin-Tantalum Royalty

In January 2023, the Company announced the closing of an agreement with Strategic Minerals[11] to acquire a 0.75% GRR on the producing Penouta tin-tantalum mine in Spain. Electric Royalties is acquiring the 0.75% GRR on the Penouta tin-tantalum mine for a total consideration of $1,000,000 cash and 500,000 common shares of the Company. Upon receiving $1,666,667 in royalty revenues from the 0.75% GRR, the royalty rate will be reduced to a 0.5% GRR. Electric Royalties will also have the option for a period of 7 months to acquire the 0.75% Option GRR in exchange for $1,250,000 cash. Assuming exercise of the option, upon payment of $1,667,666 in royalty revenues from the 0.75% Option GRR, the Option GRR rate will be reduced to 0.5%.

Penouta Mine

The Penouta Mine is located in the Province of Ourense, northwest Spain. The project has been mined since Roman times, with small underground workings following mineralized quartz veins within the leucogranite. The mine was operated by a previous owner between 1976 and 1982, extracting cassiterite and tantalum mineralization by open pit methods.

In January 2022, open pit production of tin and tantalum re-commenced and, in June 2022 received an exploitation permit to mine for 30 years, renewable for up to 75 years. There is good potential for a long mine life based on the current mineral resources (see Table 1).

Table 1: Pit-constrained SRK Mineral Resource Statement
for the Penouta tin-tantalum hard rock deposit, effective date March 5, 2021[12]

Category	Tonnes (Mt)	Grade				Metal	
		Ta_2O_5 Eq (ppm)	Tin (ppm)	Tantalum (ppm)	Ta_2O_5 (ppm)	Tin (kt)	Tantalum (kt)
Measured	7.6	184	600	85	103	4.6	0.6
Indicated	68.6	145	426	72	88	29.2	4.9
Total Measured & Indicated	**76.3**	**149**	**443**	**73**	**89**	**33.8**	**5.6**
Inferred	57	129	389	62	76	22	4

Notes:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. All figures are rounded to reflect the relative accuracy of the estimate; numbers may not add up due to rounding.
3. The standard adopted in respect of the reporting of Mineral Resources for the Project is in accordance with the

[11] Strategic Minerals is a "reporting issuer" under applicable securities legislation in the provinces of British Columbia, Alberta and Ontario.

[12] Further information is available in a NI 43-101 technical report by SRK on the Strategic Minerals profile at www.sedar.com

terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves (CIM Code).

4. SRK reasonably expects portions of the Penouta deposit to be amenable to open pit mining methods. Open pit Mineral Resources are constrained to within a Whittle optimized pit and reported based on a Ta_2O_5Eq Resource cut-off which considers processing costs and G&A costs totalling US$7.79/t. Pit slope angles were set to 45 degrees.
5. Resources are reported at an open pit cut-off grade of 60 ppm Ta_2O_5Eq.
6. Cut-off grades are based on a price of US$178/kg and recoveries of 75% for Ta_2O_5, and US$24/kg and recoveries of 75% for tin.
7. It is reasonably expected, but not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
8. Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

In September 2022, the mineral concentrate was comprised of 66.2 t of cassiterite grading 70.2% tin and 14 t tantalite/columbite grading 25.5% and 24.8%, respectively (see Table 2).

Table 2: Penouta Mine production, Q2 2021 to September 2022[13].

	Q2 2021	Q2 2022	July 2022	August 2022	Sept 2022
Total Concentrate (tonnes)	107	181	63.1	63.0	80.2
Cassiterite conc (tonnes)	80	153	54.8	53.1	66.2
Tin %	63.7	71.2	70.6	70.8	70.2
Tantalite / Columbite conc (tonnes)	27	28	8.3	9.9	14.0
Tantalite (%)	15.5	23.0	22.3	25.5	25.5
Columbite (%)	16.7	25.0	24.7	26.8	24.8

Corporate

In April 2023, Stefan Gleason, a significant shareholder in the Company was appointed as a Board Observer. In this role, he will be invited to attend and participate in board meetings and be granted access to all information provided to the board, but he will not have any voting rights.

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

[13] Compiled from Strategic Minerals Q2 2022 financial statements and news release October 19, 2022, filed at www.sedar.com.

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) for the Loan at the greater of $0.50; a 100% premium above the 30-day VWAP ($0.62) 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. The proceeds from the first advance were used for the acquisition of the producing Penouta royalty, and the proceeds from the second advance will be used for additional royalty acquisition(s).

2022 Base Shelf Prospectus

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

May 2022 $3.45 Million Marketed Offering

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

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

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

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

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

July 2021 $2 Million Private Placement

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

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

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

1.2.3 Market Trends

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

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

Zinc (Zn)	Zinc prices decreased in early 2020 but trended upward for the remainder of the year. Other than some volatility in February and October, prices in 2021 were steady, then began to increase in Q4 2021. Prices continued to increase to late April 2022, decreased from August to October, then stabilized and the average annual price increased in 2022. Prices have been variable to decreasing in 2023. A recent closing price is US$1.19/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 but has decreased in 2023. A recent price is US$39/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. The increase in prices extended to February 2023, but they have decreased since that time. A recent price is $588/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 through February 2023, and have decreased since that time. A recent closing price is US$18.25/lb.
Manganese (Mn)	The average manganese price (CIF China 44%) in 2020 was US$4.60/dmtu (dry metric tonne units) from an average of US$5.60/dmtu in 2019. Manganese prices were variable in 2021 to July then increased. In 2022 prices were stable until mid-March when they increased substantially, then stabilized again in mid-April before decreasing from June 2022 to early 2023. Prices increased in February 2023, and have decreased slightly since that time. A recent closing price is approximately US$5.45/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 but have decreased since that time. A recent closing price is US$7.80/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 other than an increase in February 2023, have been variable, since that time. A recent closing price of copper is US$3.89/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. After a decrease in February and March 2023, prices increased in April. Recent closing price of nickel is US$10.71/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 increased to February 2023, then decreased to mid-March but have increased since that time. A recent LME cash price of US$11.61/lb.

Average annual prices for 2020 to 2022, and the average prices so far in 2023 for 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)	1.39	67.69	655	18.90	5.47	9.33	4.04	11.58	11.88

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

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

1.3 Selected Annual Information

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

	FY 2022	FY 2021	FY 2020
Revenue	$ –	$ –	$ –
Total loss	$ 1,923,000	$ 2,302,000	$ 2,640,000
Basic and diluted loss per share attributable to owners of the parent	$0.02	$0.04	$0.08
Weighted average number of common shares outstanding	87,554,933	61,262,222	33,001,330
Total assets	$ 18,408,000	$ 15,537,000	$ 5,215,000
Total non-current financial liabilities;	$ –	$ –	$ –

See *1.5 Results of Operations* below for an analysis of 'total loss attributable to owners of the parent as presented in the table above.

Total assets of the Company increased in FY 2022 and FY 2021 due to cash raised through equity financings, as discussed herein, and common shares issued pursuant to various acquisitions of royalty interests.

1.4 Summary and Discussion of Quarterly Results

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

Quarter ended	Revenue(1)	Net Loss	Basic and diluted loss per share	Weighted average number of common shares outstanding
December 31, 2022(2)	$ –	$ 282,000	$ 0.00	93,601,509
September 30, 2022(3)	$ –	$ 522,000	$ 0.01	92,210,205
June 30, 2022(4)	$ –	$ 665,000	$ 0.01	85,667,443
March 31, 2022(5)	$ –	$ 454,000	$ 0.01	78,523,731
December 31, 2021(6)	$ –	$ 790,000	$ 0.01	76,644,987
September 30, 2021(6)	$ –	$ 684,000	$ 0.01	65,726,618
June 30, 2021	$ –	$ 450,000	$ 0.01	52,405,101
March 31, 2021	$ –	$ 378,000	$ 0.01	49,929,545

(1) 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 statement of comprehensive loss. A summary of the operating results, including royalty revenue, of MTM LP is presented in the following section (see 1.5 Results of Operations). As of December 31, 2022, and since its inception, the Company has not recorded any revenue from its royalty interests owned directly by the Company.

(2) During the quarter ended December 31, 2022, secured the convertible loan facility (*1.2.2 Financings*) to fund future royalty acquisitions. There were no other significant corporate activities during this quarter.

Additional details regarding the Company's operating results for this quarter are provided herein (refer to the following section)

(3) During the quarter ended September 30, 2022, the Company completed the acquisition of the Zonia Copper Royalty.

(4) 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.

(5) 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.

(6) 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 three months ended December 31, 2022 (the "Current Quarter"), the Company recorded a net loss of $282,000, compared to a net loss of $790,000 for the three months ended December 31, 2021 (the "Prior Year Quarter").

During year ended December 31, 2022 (the "Current Year"), the Company recorded a net loss of $1,923,000, compared to a net loss of $2,302,000 for the year ended December 31, 2021 (the "Prior Year").

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

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

	Three months ended December 31, 2022	Three months ended December 31, 2021	Increase/ (decrease)	Change
Operating Expenses				
Investor relations and shareholder communications	$ 151,951	$ 140,814	$ 11,137	8%
Salaries and benefits	95,094	93,327	1,767	2%
Administration	94,981	101,268	(6,287)	(6%)
Regulatory	26,520	11,692	14,828	127%
Legal, tax, audit and audit related	19,238	66,019	(46,781)	(71%)
Property investigations - geology, resource modelling, metallurgy & engineering	6,311	97,599	(91,288)	(94%)
Equity-settled share-based payments	7,600	338,000	(330,400)	(98%)
Total	$ 401,695	$ 848,719	$ (447,024)	(53%)

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

	Year ended December 31, 2022	2021	Increase/ (decrease)	Change
Operating Expenses				
Investor relations and shareholder communications	$ 637,717	$ 475,532	$ 162,185	34%
Salaries and benefits	394,079	328,851	65,228	20%
Administration	392,357	366,271	26,086	7%
Regulatory	91,630	103,354	(11,724)	(11%)
Legal, tax, audit and audit related	227,089	201,173	25,916	13%
Property investigations - geology, resource modelling, metallurgy & engineering	75,293	279,151	(203,858)	(73%)
Equity-settled share-based payments	291,600	500,000	(208,400)	(42%)
Total	$ 2,109,765	$ 2,254,332	$ (144,567)	(6%)

Investor relations and shareholders communication expenses were higher during the Current Year, as the Company retained services of certain consulting groups to assist with shareholders communication, investor relations and coverage of the Company's news releases.

In October 2021, the Company increased directors' fees and executive compensation that led to an increase in salaries and benefit expenses in the Current Year due to a full-year impact of the increase.

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 direct costs relating to the Public Offering are recorded as share issuance costs within equity. The filing of the Base Shelf Prospectus as well as the Public Offering led to an increase in administrative support costs during the Current Year. The filing of the Base Shelf Prospectus, in all Canadian provinces, except for Quebec, led to an increase in annual fees, included in regulatory expenses.

Legal, tax, audit and audit related expenses increased in the Current Year due to an increase in the base audit fees and overall change in the size and complexity of the Company's transactions, and due to increased tax compliance requirements in relation to its US subsidiary incorporated during the prior year.

All internal property investigation and due diligence costs with respect to the Company's potential royalty acquisitions are recorded as property investigation expense within operating expenses. During the Current Year, the property investigation expense were lower, compared to the Prior Year, which change is consistent with the Company's royalty acquisition activities discussed herein (see 1.2 *Overview*).

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

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

	Quarter ended					
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
ELEC's share (25%) of MTM LP's revenue	$ 96,505	$ 102,052	$ 118,269	$ 153,427	$ 143,515	$ 74,500
Depletion of royalty interest	(58,830)	(58,830)	(56,548)	(55,962)	(30,209)	(40,333)
Depletion adjustment	71,370	–	–	–	–	–
	$ 109,045	43,221	61,721	97,465	113,307	34,167
ELEC's share (50%) of MTM LP's expenses	(35,495)	(22,662)	(59,326)	(18,845)	(25,119)	(161,000)
ELEC's share of MTM LP's net income/(loss)	$ 73,549	$ 20,559	$ 2,395	$ 78,620	$ 88,188	$(126,833)

The Company's share of revenue of MTM LP decreased in the Current Quarter mainly due to a decrease in underlying revenue during the quarter.

1.6 Liquidity

At December 31, 2022, the Company had a cash balance of $1,237,000 (December 31, 2021 – $2,102,000) and working capital of $1,166,000 (December 31, 2021 – $1,828,000).

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

	Year ended December 31,	
	2022	2021
Cash used in operating activities	$ (2,039,000)	$ (1,498,000)
Cash used in investing activities	(1,644,000)	(1,015,000)
Cash provided by financing activities	2,818,000	2,030,000
Decrease in cash and cash equivalents	$ (865,000)	$ (483,000)

Cash used in investing activities during the years ended December, 2022 and 2021, as presented in the table above, represent cash considerations paid and transactions (legal) costs incurred in relation to various royalty acquisitions and interest in MTM LP completed during the years. Net cash used in investing activities during the Current Year partially offset by cash distributions ($271,000) received from MTM LP.

During the year ended December 31 2022, the Company received net proceeds of $2.8 million from the Public Offering, compared to net proceeds of $1.9 million from a private placement during the prior Year.

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 and as amended in April 2023, the Company secured a convertible loan facility 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 2023 fiscal year.

At December 31, 2022, the Company did not have any material long-term lease obligations, purchase obligations, or any other long-term obligations, except for an office lease with a five year term.

The Company's financial liabilities are comprised of the following:

December 31, 2022			Contractual Cash Flows		
	Carrying Amount	Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Lease liability	$ 25,316	$ 29,448	$ 8,793	$ 18,239	$ 2,416
Accounts payable	130,327	130,327	130,327	–	–
	$ 155,643	$ 159,775	$ 139,120	$ 18,239	$ 2,416

1.7 Capital Resources

Other than 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 December 31,				Increase/	
		2022		2021	(decrease)	Change
Short-term employment benefits (1)	$	95,094	$	93,327	$ 1,767	2%
Share-based payments relating to stock options (2)		113,000		305,000	(192,000)	(63%)
Total	$	208,094	$	398,327	$ (190,233)	(48%)

	Year ended December 31,				Increase/	
		2022		2021	(decrease)	Change
Short-term employment benefits (1)	$	394,079	$	328,851	$ 65,228	20%
Share-based payments relating to stock options (2)		248,000		357,000	(109,000)	(31%)
Total	$	642,079	$	685,851	$ (43,772)	(6%)

(1) Short-term employment benefits include salaries and benefits of the Company's chief executive officer and directors' fees. The Company increased directors' fees and executive compensation in October 2021 that led to the increase in short-term employment benefits for the Current Year, compared to the Prior Year.

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

1.10 Fourth Quarter

The Company's operating results for the quarters ended December 31, 2022 and 2021 are discussed under (see "1.5 *Results of Operations*").

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

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

1.13 Changes in Accounting Policies including Initial Adoption

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

1.14 Financial Instruments and Other Instruments

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

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

1.15 Other MD&A Requirements

1.15.1 Additional disclosure for venture issuers without significant revenue

See section 1.5 "Results of Operations".

1.15.2 Disclosure of Outstanding Share Data

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

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

1.15.3 Internal controls over financial reporting and disclosure controls

Internal Controls over Financial Reporting

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

Disclosure Controls and Procedures

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

1.15.4 Risk Factors

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