



ELECTRIC ROYALTIES SIGNS LETTER OF INTENT TO ACQUIRE PORTFOLIO OF 126 LITHIUM PROPERTIES IN EASTERN CANADA

VANCOUVER, BRITISH COLUMBIA – November 6, 2023 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) (“Electric Royalties” or the “Company”) is pleased to announce that the Company has entered into a Letter of Intent with Perry English, Michael Kilbourne, 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (together, the “Vendors”), dated November 3, 2023, to acquire a portfolio of 126 lithium properties in Eastern Canada (the “Transaction”).

Brendan Yurik, CEO of Electric Royalties, commented: **“This proposed acquisition comprises a land package of 126 properties totalling over 1,000,000 acres of highly-prospective lithium prospects in Eastern Canada – a region that could be the center of clean energy metals production for decades to come. Of these 126 properties, 101 have been optioned to various companies under a royalty prospect-generation model, whereby exploration companies make cash payments to the royalty prospector. This generates near-term cash flow while maintaining long-term upside via royalties on those assets.**

“This acquisition covers lithium properties in Eastern Canada and could not come at a better time – the U.S. is experiencing an electric vehicle (EV) battery boom, with a record US\$82 billion of investment announced to build 96 EV, electric battery, and battery recycling plants across the country¹. The lithium properties of Eastern Canada are strategically located in close proximity to the U.S. battery belt that stretches from the northeast to the southeast of the country². Canadian-sourced lithium is expected to play an important role in the EV battery supply chain, especially since the U.S. Inflation Reduction Act incentivizes lithium sourced from Canada.

“We anticipate that this acquisition will bolster our cash generation over the next three years, as 101 properties are under option agreements with third parties with option payments of approximately C\$6 million scheduled over that period. Thanks to the recently announced enlarged credit facility commitment from Gleason & Sons LLC, the family office of our largest shareholder Stefan Gleason, Electric Royalties is well positioned to seize the potential opportunity to significantly grow the size of our royalty portfolio.”

Overview of Lithium Portfolio

The portfolio consists of 126 lithium properties in Eastern Canada, primarily in the province of Ontario. 101 properties are currently being explored by third parties pursuant to option agreements and, to the extent such properties are successfully explored and developed, have the potential to result in royalties payable to Electric Royalties by the optionee of the applicable properties. The Company anticipates that the portfolio of properties will yield option payments to the Company of approximately C\$1.4 million in 2024, C\$2 million in 2025, and C\$2.7 million in 2026, for a total of approximately C\$6 million over the next three years, subject to the optioned properties remaining optioned.

Electric Royalties would retain its ownership interest in any properties that are not ultimately transferred

to an optionee.

The properties cover prospective land on the same geological trends of, and surrounding major lithium discoveries in Ontario. Six of 24 developed lithium prospects in Ontario with reported reserves or resources are located in the vicinity of these properties³. Several of these properties are adjacent to Green Technology Metals' Seymour Lake Lithium Project (on which Electric Royalties holds a 1.5% net smelter royalty interest) that hosts the Aubry deposits. The Seymour Lake Lithium Project is road-accessible year-round and is envisioned as a central processing facility with the potential to add production from other deposits in the area. Green Technology Metals is currently pursuing a vertically integrated strategy with multiple mine and processing hubs supplying a central lithium conversion facility that would be built in Thunder Bay, Ontario⁴.

Several other properties in the portfolio flank Frontier Lithium's PAK and Spark projects. PAK contains North America's highest-grade lithium resource and is the second largest known resource in North America by size⁵.

Currently, Canada hosts the sixth-highest lithium reserves of any country, yet 2022 production totaled an estimated 500 tonnes – an amount dwarfed by global lithium powerhouses such as Chile and Australia⁶. The underdeveloped hard-rock lithium deposits in Canada are hosted in pegmatites containing a lithium-bearing mineral known as spodumene. Lithium hosted in spodumene provides producers with greater flexibility as it can be processed into either lithium hydroxide (mainly used in high-density electric vehicle (EV) batteries) or lithium carbonate⁷. It also offers faster processing times and is higher quality than lithium extracted from brine as spodumene typically contains higher lithium content⁷. Spodumene-bearing pegmatites are often hosted in metavolcanic or metasedimentary rocks adjacent to granitic intrusions⁸. Many of the world's largest occurrences are found in Archean or Paleoproterozoic orogens – geological environments underlying approximately two-thirds of Ontario⁹.

Proposed Transaction Terms

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

Acquisition terms:

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

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

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

¹ <https://twitter.com/SecGranholm/status/1625294427592830976>

² <https://electrek.co/2022/10/13/us-ev-battery-belt/>

³ <https://mndm.maps.arcgis.com/apps/webappviewer/index.html?id=66ee0efe4d3c4816963737dbdb890708>

⁴ Green Technology Metals news release dated October 9, 2023

⁵ Frontier Lithium news release dated September 25, 2023

⁶ <https://www.cbc.ca/news/climate/lithium-in-the-world-1.6841339>

⁷ <https://elements.visualcapitalist.com/visualizing-the-worlds-largest-lithium-producers/>

⁸ USGS Mineral-Deposit Model for Lithium-Cesium- Tantalum Pegmatites; Scientific Investigations Report 2010–5070–O; By Dwight C. Bradley, Andrew D. McCauley, and Lisa M. Stillings

⁹ <https://www.ontario.ca/page/about-ontario>

About Electric Royalties Ltd.

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

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

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

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to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events and may include statements regarding the financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities of the Company and the properties in which it holds interests.

While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or these properties to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the mining industry generally, the Covid-19 pandemic, recent market volatility, income tax and regulatory matters; the ability of the Company or the owners of these properties to implement their business strategies including expansion plans; the optioned properties remaining under option; the optionees making option payments as and when due under the relevant option agreements; the lithium properties not being successfully explored and developed; competition; currency and interest rate fluctuations, and the other risks.

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