



ELECTRIC ROYALTIES ACQUIRES FURTHER ROYALTY INTEREST ON BISSETT CREEK GRAPHITE PROJECT IN ONTARIO, CANADA

VANCOUVER, BRITISH COLUMBIA – September 27, 2023 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) (“Electric Royalties” or the “Company”) is pleased to announce that it has purchased an additional 0.5% Gross Revenue Royalty (“GRR”) on the Bissett Creek graphite project in Ontario, Canada (the “Project” or “Bissett Creek”), operated by Northern Graphite Corporation (TSXV: NGC) (“Northern Graphite”), in exchange for a cash payment of C\$950,000. Together with its existing 1% GRR on Bissett Creek, Electric Royalties now holds a 1.5% GRR on Bissett Creek.

In connection with the purchase of the additional GRR, the Company has entered into an amended and restated royalty agreement with Northern Graphite on September 27, 2023. Pursuant to the terms of the amended agreement, in addition to the GRR on future production, Northern Graphite will make a separate fixed royalty payment to Electric Royalties in the total amount of C\$200,000, payable in eight quarterly payments of C\$25,000 for the next two years.

Brendan Yurik, CEO of Electric Royalties, commented: **“The Bissett Creek Project stands out from its North American counterparts because it possesses a high proportion of large/XL flake, making it well-suited for lucrative markets such as micronized graphite, expandable graphite, and high-purity flake graphite, which command premium prices¹. Additionally, project operator Northern Graphite is working hard to establish the capability to manufacture anode material for the rapidly growing lithium-ion battery market, primarily driven by the surge in electric vehicles². In contrast to many other graphite deposits, virtually all production from Bissett Creek will meet the standards for “battery grade”.**

“We are pleased with how Northern Graphite has strategically advanced Bissett Creek towards production, particularly its progress on project permitting. Therefore we could not pass up the opportunity to secure an additional 0.5% GRR, bringing our cumulative royalty holding on Bissett Creek to 1.5% GRR.”

Bissett Creek Highlights

- The Bissett Creek Project is an advanced stage graphite deposit with excellent logistics located within 15 km of the Trans-Canada Highway between the cities of Ottawa and North Bay, Ontario, Canada.
- High-quality graphite, 90% of which is categorized as large and extra-large flake – the highest value graphite.
- Independent studies indicate that graphite concentrate from Bissett Creek is well-suited for the battery market³.
- Northern Graphite is targeting average production of approximately 42,000 tonnes per year at full capacity⁴.
- Major permits well advanced.

For more information about the Bisset Creek graphite project and royalty acquisition terms, please see Electric Royalties' news release dated July 16, 2020.

Completion of Drawdowns Under Convertible Credit Facility

Further to Electric Royalties' July 27, 2023 news release, the Company has completed the C\$1,400,000 drawdown under the C\$5,000,000 convertible credit facility (the "Drawdown") with Gleason & Sons LLC (the "Lender") to fund the cash payment to acquire an additional 0.75% GRR on Penouta (as described in the July 27, 2023 news release), and additional transaction costs associated with the Penouta and Kenbridge royalty acquisitions (see Electric Royalties' news release dated March 6, 2023 for further details on Kenbridge).

The Company has also completed an additional C\$1,050,000 drawdown (the "Additional Drawdown") under the credit facility with the Lender to fund the cash payment to acquire the additional 0.5% GRR on the Bissett Creek project, as well as its associated transaction costs. Conversion of the C\$1,050,000 loan amount advanced pursuant to the Additional Drawdown is subject to the approval of the TSX Venture Exchange and other customary conditions.

The Loan has a term of 3 years and bears interest ("Interest") at a floating rate (Secured Overnight Financing Rate (or "SOFR") + 7%), with a maximum interest rate of 12.5%, with Interest payments capitalized into the principal amount and due at the end of the Loan term. 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 C\$0.50; a 100% premium above the 30-day VWAP C\$0.46 of Company's shares on the TSX Venture Exchange (the "TSXV") at the advance; and the minimum price acceptable to the TSXV, per share; and (b) for Interest at the Market Price (as defined under Exchange policy 1.1) at the time of settlement, subject to the Market Price not being less than the Conversion Price without prior Exchange approval, per share. Disinterested shareholder approval will be required for Conversion that results in the Lender exceeding the TSX-V shareholding criteria.

The Credit Facility is a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Credit Facility is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company's common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of Credit Facility does not exceed 25% of the Company's market capitalization.

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 Industry Research Note – Graphite by SP Angel, Q2 2018 <https://www.tirupatigraphite.co.uk/images/sp-angel-graphite-research-note.pdf>

² <https://www.mining.com/web/graphite-deficit-starting-this-year-as-demand-for-ev-battery-anode-ingredient-exceeds-supply/>

³ Northern Graphite website <https://www.northerngraphite.com/project/bissett-creek-project/overview/>

⁴ Technical report titled "Northern Graphite Corporation, Bissett Creek Project, Preliminary Economic

Assessment" dated December 6, 2013

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, including two royalties that currently generate revenue. 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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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), nor any other regulatory body or securities exchange platform, accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements Regarding Forward-Looking Information and Other Company Information

This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company within the meaning of Canadian securities laws. This news release includes information regarding other companies and projects owned by such other companies in which the Company holds a royalty interest, based on previously disclosed public information disclosed by those companies and the Company is not responsible for the accuracy of that information, and that all information provided herein is subject to this Cautionary Statement Regarding Forward-Looking Information and Other Company Information. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events and may include statements regarding the financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities of the Company and the projects in which it holds royalty interests.

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

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