ELECTRIC ROYALTIES SIGNS ASSET PURCHASE AGREEMENT TO ACQUIRE LITHIUM ROYALTY AND OPTION PORTFOLIO

VANCOUVER, BRITISH COLUMBIA – April 9, 2024 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) ("Electric Royalties" or the "Company") is pleased to announce that, further to the amended and restated letter of intent described in its March 6, 2024 news release (the "**LOI**"), the Company has entered into an Asset Purchase Agreement with 1544230 Ontario Inc., MK Exploration Services Inc., and Gravel Ridge Resources Ltd. (together, the "**Vendors**"), dated April 8, 2024, to acquire a portfolio of 18 royalty agreements and 32 lithium properties in Ontario, Canada, selected for their prospectivity after Company due diligence (the "**Transaction**").

31 of the 32 properties are currently being explored by third parties pursuant to option agreements and, to the extent that the applicable option payments (yielding the Company up to C$2.2 million) are made over the next two and a half years and the options are exercised, each of the properties would revert into royalty interests for Electric Royalties. Electric Royalties would retain its ownership interest in any properties that are not ultimately transferred to an optionee and would have the right to re-option, sell, or relinquish the released properties.

Transaction Terms

The Company will issue to the Vendors an aggregate of 2,250,000 common shares in the capital of the Company (the "**Consideration Shares**"), make a cash payment (the sum of C$1,875,000 less the (i) C$75,000 non-refundable exclusivity fee already paid; (ii) the amount of certain payments received by the Vendors under certain earn-in, option, royalty, or similar agreements on or after January 1, 2024; and (iii) 50% of any proceeds received by the Vendors for the sale of certain property interests described in the LOI on closing of the Transaction ("**Closing**").

Completion of the proposed Transaction is expected during April 2024 and remains subject to a number of conditions, including: the satisfactory completion of due diligence; the receipt of TSX Venture Exchange approval for the issuance of the Consideration Shares, the receipt of certain third party approvals with respect to certain royalties and lithium properties under option and the receipt of any other required regulatory or third party approvals.

Drawdown under Convertible Credit Facility

The Company has elected to draw down C$2,500,000 (the "**Drawdown**") under its C$10,000,000 amended and restated convertible credit facility with Gleason & Sons LLC (the "**Lender**") dated February 16, 2024 (the "**Credit Facility**") for working capital and to fund the cash payment of the Transaction and associated Transaction costs.

Loans drawn under the Credit Facility bear interest ("**Interest**") at a floating rate (United States Secured Overnight Financing Rate as published by the New York Federal Reserve ("**SOFR**") + 7%), with a maximum interest rate of 12.5%, with Interest payments capitalized into the principal amount and due at the maturity date (the "**Maturity Date**") of January 12, 2028. Prior to the Maturity Date, on at least 10 days' prior written notice to the Company and subject to all required TSX Venture Exchange approvals having been obtained, the Lender has the right to convert all or any portion of the outstanding principal amount of the Credit Facility and accrued and unpaid interest into the Company's common shares. Any outstanding principal amount with respect to a drawdown under the Credit Facility will be converted at a conversion price equal to the greater of: (i) C$0.50; (ii) a 100% premium above the 30-day volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange at the time of such drawdown; and (iii) the minimum price acceptable to the TSX Venture Exchange, per common share of the Company, subject to adjustment as provided in the convertible note evidencing such drawdown. Any accrued and unpaid interest may be converted at conversion price equal to the Market Price (as defined under the TSX Venture Exchange's Policy 1.1) at the time of settlement.

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. The Company received disinterested shareholder approval of the Credit Facility at the Company's special meeting of shareholders held on March 19, 2024 in accordance with MI 61-101.

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

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.

Upon completion of the Transaction, Electric Royalties has a growing portfolio of 40 royalties across the world and 32 lithium properties in Ontario, Canada. 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 toward a decarbonized global economy.

For further information, please contact:

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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, 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 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, 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 sedarplus.ca and at otcmarkets.com.