



ELECTRIC ROYALTIES PROVIDES UPDATE ON PROPOSED ACQUISITION OF MILLION-ACRE LITHIUM OPTION AND LAND PACKAGE IN EASTERN CANADA

VANCOUVER, BRITISH COLUMBIA – February 14, 2024 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) (“Electric Royalties” or the “Company”) is pleased to provide an update on the proposed transaction to acquire a portfolio of 126 lithium properties (the “**Ontario Lithium Projects**” or the “**OLP**”) in Eastern Canada (the “**Transaction**”). For an overview on the lithium properties and proposed transaction terms, please see Electric Royalties’ news release dated November 6, 2023.

Brendan Yurik, CEO of Electric Royalties, commented: “**We are progressing our due diligence on the OLP, an opportunity to participate in one of the most exciting early-stage exploration areas in North America, at a time when Canadian-sourced lithium is increasingly prized for shortening supply chains for U.S. battery plants.**”

Lithium Outlook, Lithium Development in Ontario and Overview of Selected Projects in the OLP

The shift to clean energy systems is forecast to drive a significant increase in the demand for battery metals, and this is particularly true in the case of lithium. Lithium is a key component in current and anticipated battery chemistries. According to the International Energy Agency (IEA)’s Sustainable Development Scenario (SDS), clean energy technologies will ultimately account for 90% of the demand for lithium, which could result in a 40-fold increase in demand by 2040¹.

New sources of lithium will need to be developed and, equally important, new processing facilities will need to be built to meet long-term demand. Finding new lithium deposits in proximity to where the metal is processed into products suitable for battery production is imperative to secure supply chains. Complex supply chains and foreign sources of supply increase the risk of exposure to physical disruption and trade restrictions, while increasing the carbon footprint of the process.

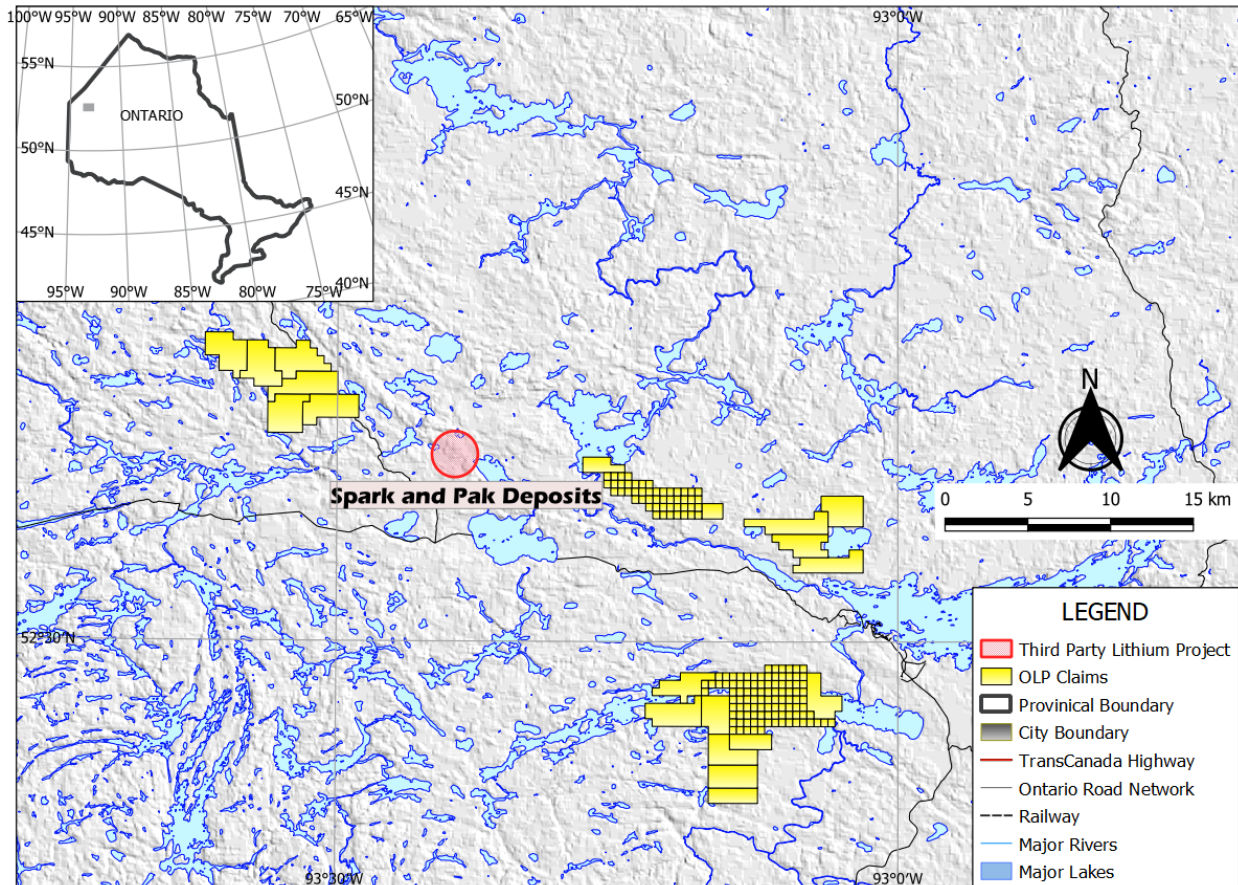
Ontario is a province with a deep-rooted mining tradition, abundant clean hydroelectric and nuclear power, and a skilled mining workforce. The permitting environment in Ontario is rigorous, fair, and process-based, and both the federal and provincial governments are supportive of battery metal projects as shown in their recent investments and initiatives^{2,3}.

Access to sustainable power, abundant water, and skilled personnel makes mine development and permitting easier, and it is one of the compelling reasons for Electric Royalties’ interest in the OLP acquisition. The properties cover a collective area of over 1 million acres and are adjacent to some of the most prominent lithium exploration and development plays in North America.

One of the most advanced and high-grade lithium projects in Ontario is Frontier Lithium’s (“Frontier”) PAK and Spark deposits on which a positive pre-feasibility study was recently announced⁴. Further, Frontier has recently received a grant from the Ontario government to advance its understanding of the processing of lithium into battery metal products. Electric Royalties’ proposed OLP acquisition includes two large

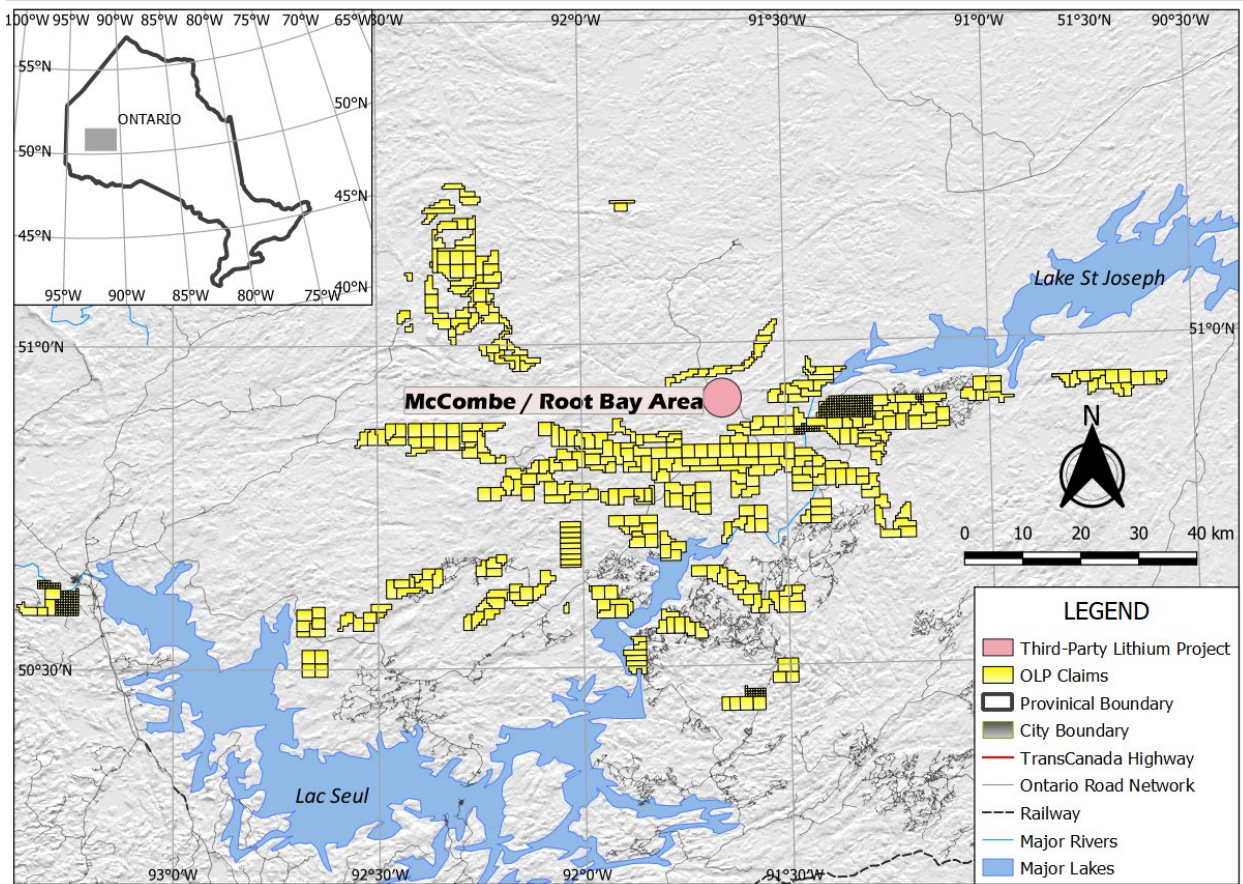
unexplored, optioned claim groupings located less than 10 kilometres from the Frontier projects and adjacent to terrane hosting geologically favourable two-mica granitic rocks (see Figure 1).

Figure 1: Map showing claim groups comprising the OLP, and Frontier Lithium’s Spark and PAK deposits.



One of the most exciting new lithium exploration stories in Ontario is the emerging Root Bay project being advanced by Green Technology Metals. Drilling programs completed in the last year and a half resulted in the announcement of a 9.4 million-tonne (Mt) indicated resource grading 1.3% lithium oxide (Li_2O) for Root Bay and a 4.5 Mt inferred resource grading 1.01% Li_2O for the associated McCombe deposit, at a 0.2% Li_2O cut-off, reported under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (or “the JORC Code”)⁵. The OLP includes numerous claims in this area, staked prior to the Root Bay discovery. Many of these claims are on or near to the subprovince terrane boundary, host numerous tourmaline occurrences and are on or near the Root Bay pluton⁶ – all of which are key exploration indicators of lithium-bearing pegmatites. One such claim in the OLP, the Surge Property, was optioned to Xplore Resources Ltd. and is located less than 2 kilometres from the Root Bay deposit⁷. Another claim group in the OLP, the Harrison Road Property was sampled by the Ontario Geological Survey (OGS)⁸, and returned anomalous lithium values in lake sediments; hence, it is considered to be prospective (see Figure 2).

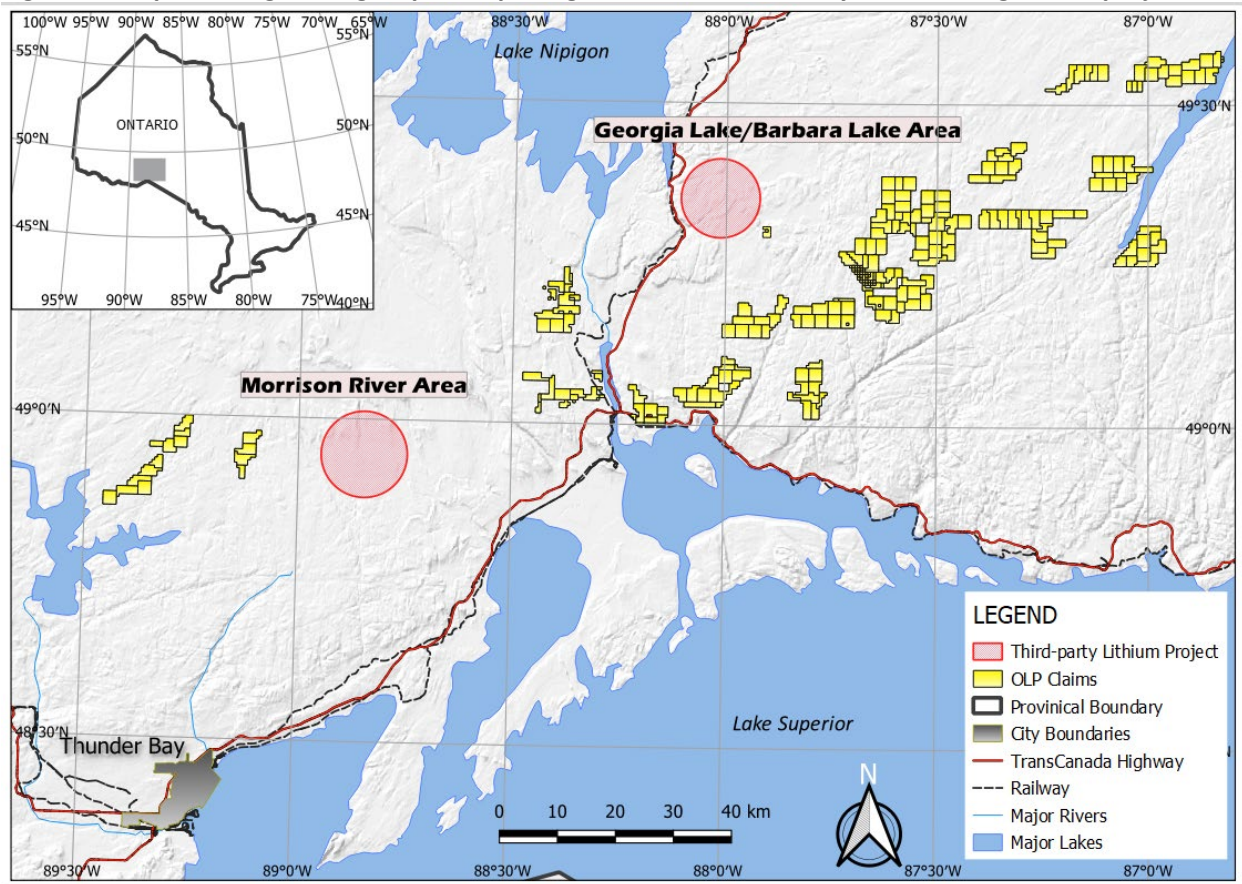
Figure 2: Map showing OLP claim extents in the Root Bay area.



Rock Tech Lithium’s Georgia Lake Project is also one of the more advanced integrated lithium development projects in Ontario. Rock Tech Lithium is, reportedly, pursuing a vertically integrated strategy which not only includes development of the Georgia Lake deposit, but also the construction of a lithium processing plant. The plan is to build a facility that is capable of processing material from various sources and is adaptable to the region’s growing lithium industry⁹. There is tremendous exploration potential in the Georgia Lake area as it has been described as the largest concentration of rare-element mineralization in the Superior Province of Ontario¹⁰. Other companies have reported interesting results from work in the Georgia Lake district. Tearlach Resources recently announced the results of channel sampling which ranged from 1.56% Li₂O over 3 meters to 4.04% Li₂O over 0.7 meters in channel samples on their property¹¹.

The OLP includes the largest land position in the Georgia Lake lithium district (see Figure 3). One of the properties is 20 kilometres east of the Rock Tech pegmatites. The Arrel Lithium Property is underlain by a muscovite-bearing peraluminous granite and is in contact with metasediments which make excellent hosts for pegmatites.

Figure 3: Map showing claim groups comprising the OLP in the vicinity of the Georgia Lake projects.



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://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>
2. <https://www.newswire.ca/news-releases/frontier-lithium-receives-funding-from-government-of-ontario-for-lithium-processing-research-842905858.html>
3. <https://www.canada.ca/en/natural-resources-canada/news/2023/11/government-of-canada-launches-15-billion-critical-minerals-infrastructure-fund.html>
4. NI 43-101 Technical Report Pre-Feasibility Study for the PAK Project, effective date May 31, 2023, filed under Frontier Lithium's profile at sedarplus.ca
5. Green Technology Metals news release dated October 17, 2023
6. OGS Open File Report 6099; F.W. Breaks, J.B. Selway and A.G. Tindle; 2003
7. <https://www.xploreresources.com/surge>
8. <https://www.geologyontario.mndm.gov.on.ca/mndmfiles/pub/data/records/LakeGeochemON.html>
9. <https://www.rocktechlithium.com/news/rock-tech-and-the-bmi-group-red-rock-indian-band-partner-to-analyse-lithium-processing-site>
10. Breaks, F.W., Selway, J.B. and Tindle, A.G. 2008. The Georgia Lake rare-element pegmatite field and related S-type, peraluminous granites, Quetico Subprovince, north-central Ontario; Ontario Geological Survey, Open File Report 6199, 176p
11. <https://www.accesswire.com/viewarticle.aspx?id=810467&token=82fito391y0i58fueufi>

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 toward a decarbonized global economy.

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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 [sedarplus.ca](https://www.sedarplus.ca) and at otcm Markets.com.