Electric Royalties Signs LOI to Acquire 2 Graphite Royalties From Vox Royalty

VANCOUVER, BC, May 18, 2021 /CNW/ - **Electric Royalties Ltd.** (TSXV: ELEC) **("Electric Royalties" or the "Company")** is pleased to announce that it has entered into a non-binding letter of intent with Vox Royalty Corp. (TSXV: VOX) ("Vox") to acquire a portfolio of two graphite royalties from Vox. The portfolio consists of a 2.5% gross concentrate sales royalty on graphite production at the Graphmada Graphite Mining Complex ("Graphmada"), located in Madagascar and operated by ASX-listed Bass Metals Ltd ("Bass Metals"), and a 0.75% Gross Revenue Royalty on the Yalbra Graphite Project ("Yalbra"), located in Western Australia with an established high-grade graphite resource. Total consideration for the acquisition is C$2,850,000 in shares of Electric Royalties and a C$50,000 cash non-refundable exclusivity payment.

Transaction Highlights

- Exposure to near-term graphite production at Graphmada:
    - existing process plant capable of producing 6,000 tpa of large flake graphite concentrate;
    - in operation for 20 continuous months producing concentrates comprised of more than 43% large to jumbo flake graphite but currently on temporary care and maintenance due to in-country Covid restrictions; and
    - currently the subject of a drilling campaign and mining studies to increase future mine production through organic growth and plant upgrades.
- Exposure to a high-grade graphite resource in Western Australia with exploration upside at Yalbra.

The Graphmada royalty is capped at the earlier of A$5 million royalty revenues and December 31, 2028.

Ongoing partnership with Vox Royalty Corp:

- Vox is a high growth precious metals royalty and streaming company with a portfolio of 50 royalties and streams spanning nine jurisdictions; and
- Owns a proprietary database of over 7,000 royalties that has enabled an industry-leading growth rate through the completion of over 20 transactions and the acquisition of 45 royalties since January 2019.

Closing of the acquisition is conditional upon completion of due diligence and customary conditions including the approval of the TSX Venture Exchange and the execution of definitive transaction documentation.

Brendan Yurik, CEO of Electric Royalties, commented: *"We are excited to partner with Vox Royalty Corp. through this initial transaction which provides Electric Royalties with another near-term cash flowing royalty opportunity at Graphmada and we look forward to working with the Vox team to acquire additional battery metal royalties moving forward."*

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 & 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 feed the electric revolution.

Electric Royalties has a portfolio of 12 royalties with 4 additional royalties currently under contract, subject to completion. Electric Royalties plans to focus predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk.

About Vox Royalty Corp.

Vox is a growth precious metals royalty and streaming company with a portfolio of 50 royalties and streams spanning nine jurisdictions. The Company was established in 2014 and has since built unique intellectual property, a technically focused transactional team and a global sourcing network which has allowed Vox to become the fastest growing company in the royalty sector. Since the beginning of 2019, Vox has announced over 20 separate transactions to acquire over 45 royalties.

Further information on Vox can be found at www.voxroyalty.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) 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 and these other companies and within the meaning of Canadian securities laws. 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 or results or those of these other companies and may include statements regarding the Company's 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 or those of these other companies.

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 other companies 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 any of these other companies to implement its 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 and those of these other companies, or equivalent public filings 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.

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