



ELECTRIC ROYALTIES ANNOUNCES FILING OF PRELIMINARY ECONOMIC ASSESSMENT FOR MONT SORCIER MAGNETITE IRON AND VANADIUM PROJECT

VANCOUVER, BRITISH COLUMBIA – September 12, 2022 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) (“Electric Royalties” or the “Company”) is pleased to announce that Voyager Metals Inc. (TSXV: VONE) (“Voyager”) has filed a Preliminary Economic Assessment (“PEA”) of the Mont Sorcier iron and vanadium project (“Mont Sorcier”) located near Chibougamau, Quebec, Canada, on SEDAR.

Electric Royalties holds a 1% gross metal royalty on vanadium production at Mont Sorcier, which is projected to have a 21-year operating mine life. If the anticipated project is placed in production as set out in the PEA, the Company estimates that for the life of mine, average annual royalty revenues of US\$750,000 to US\$1.5 million per year, based on the US\$15 to US\$30 per tonne vanadium credits forecast in the PEA, may be payable.

Brendan Yurik, CEO of Electric Royalties, commented: *“We are pleased with the results of the PEA that forecasts robust economics based on the Indicated Resources of Mont Sorcier’s North Zone only. This leaves significant upside potential from the conversion of Inferred Resources in the future. The project is well positioned to leverage the production of premium high-grade magnetite iron concentrate with valuable vanadium credits. Further, the advantageous infrastructure may help to shorten the development timeline. We look forward to additional favourable news from Voyager as it continues work on the feasibility study expected in Q1 2023 to bring Mont Sorcier to a formal development decision.”*

Highlights of the PEA (all dollar values are in US dollars unless otherwise stated)¹:

- An after-tax NPV at 8% discount rate of \$1.6 billion and IRR of 43%
- Potential 21-year life of mine (“LOM”), with positive after-tax cash flow commencing in year 1 of operation
- Annual average EBITDA of \$348 million and average annual free cash flow of \$235 million over LOM
- Annual production targeted at approximately 5.0 million tonnes of high grade, low impurity, iron concentrate grading approximately 65% iron with 0.52% vanadium pentoxide (“V₂O₅”) per tonne of concentrate
- Total operating costs of \$66 per tonne of concentrate over LOM (freight to China included)
- Initial Capex estimated at \$574 million includes \$118 million contingency
- Payback period under 2 years
- 21-year LOM uses fraction of total resources
- Open-pit mining operation with a LOM strip ratio less than 0.9:1
- There is potential to enhance the value of the overall project through future upgrading of the North Zone Inferred Resource and the potential mining of the South Zone Indicated and Inferred

Resources that would be expected to improve the economics by potentially increasing the overall life-of-mine or open up the potential for future expansion in production capacity

Iron and Vanadium Pricing Market Study

Voyager commissioned an Independent Market Pricing Study in 2019 to determine the potential value of the vanadium-rich iron product produced by Mont Sorcier, given the lack of available quoted market index prices. The study reviewed main iron index price forecasts as well as estimates of the applicable vanadium credits. The study reviewed a value-in-use methodology based upon a review of the grade and concentrate chemistry from Mont Sorcier relative to other similar iron products. The study concluded that the concentrate from Mont Sorcier should receive a \$15 per tonne premium to the Platts 65 price iron index for the contained vanadium credits (based on a net attributable value using a long-term V₂O₅ price of \$7.25 per pound).

Mont Sorcier Concentrate Pricing

Mont Sorcier iron and vanadium concentrate is a high grade, low impurity product. The silica level is slightly lower than that of the Platts 65 benchmark, however due to low alumina and phosphorus content, it is considered a high purity iron and vanadium concentrate. This should attract improved pricing providing that customers (steel plants) that will benefit from the absence of these elements are targeted. The fine particle size may result in a customer discount depending on the market; however, the magnetite content (and decreased sintering/pelletizing costs) could partially or completely offset the possible penalty. Based on the various market studies and analyst forecasts for iron ore fines and high iron grade (65%) of Mont Sorcier concentrate and vanadium credits, a long-term price of \$135 per tonne of concentrate (with freight to China) was selected for use in the PEA.

Project Summary

Mont Sorcier is located approximately 18 km east of Chibougamau, Quebec, in a region with a long history of mining and established infrastructure to support future development. Mont Sorcier has access to all season roads, low-cost provincial hydropower and is within 50 km of rail connection to two all season, ocean-going ports. The railway runs approximately 370 km to the Port of Saguenay which is currently underutilized and can provide sufficient capacity for the project needs.

The PEA is preliminary in nature and includes Mineral Resources that are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

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

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 20 royalties, including one royalty that currently generates 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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¹ Technical report titled "NI 43-101 Technical Report Preliminary Economic Assessment (PEA) for the Mont Sorcier Project – Quebec, Canada" with an effective date of September 8, 2022, available under Voyager Metals Inc.'s profile on Sedar.com. The PEA for Mont Sorcier has been conducted based upon the Mineral Resource Estimate completed by InnovExplo and filed by Voyager on July 22, 2022, using only the Indicated Resource in the North Zone. The PEA forecasts a robust economic assessment for Mont Sorcier based upon a traditional open pit mining scenario with magnetic separation processing and a reverse flotation circuit to produce approximately 5.0 million tonnes per annum of low sulphur, vanadium rich iron concentrates, with low levels of impurities. Based on test work to date, this material is amenable for blast furnace use in either China or Europe. The Mineral Resource Estimate follows current CIM Definition Standards. The Mineral Resource Estimate is locally pit-constrained for potential open-pit extraction method with a bedrock slope angle of 50° and an overburden slope angle of 30°. It is reported at a rounded cut-off grade of 2.30 % Weight Recovery. The cut-off grade was calculated for the concentrate using the following parameters: royalty = 3%; mining cost = CA\$3.30; mining overburden cost = CA\$2.45; processing cost = CA\$3.62; G&A = CA\$0.75; selling costs = CA\$58.36; Fe price = CA\$190/t; USD:CAD exchange rate = 1.3; and mill recovery = 100% (concentrate). The cut-off grades should be re-evaluated considering future prevailing market conditions (metal prices, exchange rates, mining costs etc.).

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 otcmarkets.com.