



ELECTRIC ROYALTIES PROVIDES DEVELOPMENT UPDATE ON NINE ROYALTIES IN PORTFOLIO

VANCOUVER, BRITISH COLUMBIA – February 1, 2023 – Electric Royalties Ltd. (TSXV: ELEC) (OTCQB: ELECF) ("Electric Royalties" or the "Company") is pleased to provide an asset update on its current royalty portfolio.

Brendan Yurik, CEO of Electric Royalties, commented: **"It's a great start to 2023 with nine royalty asset updates setting the stage for an exciting year for Electric Royalties' shareholders. With the recent acquisition of a royalty on the Penouta tin-tantalum mine, our second cash-flowing royalty, we are eager for the Authier lithium project to enter production – planned for later this year – which has the potential to become our first lithium cash-flowing royalty. In addition, our lithium portfolio continues to advance with positive metallurgy results at Seymour Lake and approval for a bulk sample in the near future, construction of a full-time camp at Cancet and a new partner to take Bouvier forward in 2023. Lithium prices remain consistently strong with Australian producers raising their spodumene prices to US\$6,300 per tonne in December 2022¹ which bodes very well for the value of our lithium royalty portfolio.**

"Beyond lithium, we've had several more good pieces of news across the rest of the portfolio, including:

- **A new partner committing to take forward the past producing Râna nickel mine through a JV structure that would see them commit C\$15 million into the project. We're very keen to see exploration take place on the project.**
- **The successful conclusion of the three-phase 2022 exploration program at the Millennium copper-cobalt project with the JV partner Metal Bank continuing its earn-in as the project moves forward in 2023.**
- **Promising metallurgy results at the high-grade Graphite Bull project in Australia with results achieving 98.1% total graphitic content and a planned infill drill program to take place in the near term.**
- **Exciting developments from Northern Graphite, the operator of our Bissett Creek graphite royalty property, as it entered into an agreement with the Québec Department of Innovation and Development to evaluate sites for a 200,000-tonne-per-year battery anode plant near the port of Baie-Comeau. A battery anode plant in this area would be well situated to receive feedstock from Bissett Creek. In the original 2012 feasibility study, Bissett Creek was only forecast to produce approximately 20,000 tonnes of concentrate per year with a preliminary economic assessment (PEA) expansion case in 2013 showcasing approximately 38,000 tonnes per year. However, recent plans disclosed by the company indicate it is exploring a 100,000-tonne-per-year production case by 2025² which would be in line with feedstock requirements from such a joint venture.**
- **Ongoing work at the Battery Hill manganese project towards a pre-feasibility study (PFS) and drilling underway to upgrade Inferred resources from the PEA so that they can be included in the PFS. The PEA³ showcased a 47-year mine life with average annual revenues of US\$177**

million based on a base case US\$2,900 per tonne price for battery-grade, high-purity manganese sulfate, of which Electric Royalties will have the right to 2% of those gross revenues. The PEA is preliminary in nature; it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary economic assessment will be realized.

“2023 has just begun, and we expect it to be an excellent year for Electric Royalties shareholders with many more milestones targeted by project operators, along with an active deal pipeline of opportunities to add to our growing portfolio of 21 clean energy metal royalties.”

Highlights since the Company’s previous update on December 1, 2022:

- **Authier Lithium Project (0.5% Gross Metal Royalty)** – On January 16, 2023, Sayona Mining Limited (ASX: SYA) (“Sayona”) announced that engineering and construction of the concentrator neared 90% for the restart of the North American Lithium (NAL) operation in Québec, Canada. Sayona received the final permit for NAL’s restart in mid December 2022, ahead of the planned recommencement of production in the first quarter of 2023.

Sayona plans to combine mineralized material produced from Authier with mineralized material at the nearby NAL site by mid 2023, with a goal to facilitate improvement in plant performance and economics⁴. A pre-feasibility study for NAL integrates Authier, on which Electric Royalties holds a 0.5% gross metal royalty, with the NAL operation into Sayona’s Abitibi Lithium Hub.

Sayona’s progress is encouraging, as part of an overall trend of investment in lithium production and infrastructure. Approximately US\$300 billion of investment has been committed to lithium-ion battery gigafactories in the last four years, including US\$131 billion alone in 2022, related in part, to the U.S. Inflation Reduction Act, according to analysts at Benchmark Mineral Intelligence⁵.

- **Battery Hill Manganese Project (2.0% Gross Metal Royalty)** – Manganese X Energy Corp. (TSXV: MN) (“Manganese X”) announced on January 25, 2023 that it is approaching the midway point of the pre-feasibility infill and step-out drilling program at the Battery Hill manganese project in New Brunswick, Canada. An aggregate of 16 NQ diamond drill holes totaling 2,208 meters have been completed of the planned 4,725-meter, 31-hole program. The goal of the drill program is to infill and expand the Measured and Indicated resources in preparation for the pre-feasibility study by upgrading the Inferred category resource included in the Preliminary Economic Assessment mine plan.
- **Råna Nickel-Copper-Cobalt Project (1.0% Net Smelter Royalty)** – Global Energy Metals Corporation (TSXV: GEMC) (“Global Energy Metals”) announced on January 18, 2023 that it has entered into a transaction implementation agreement with Kingsrose Mining Limited (“Kingsrose”) and Scandinavian Resource Holdings Pty Ltd (“Scandinavian Resource”) for Kingsrose to make a staged investment into the underexplored Råna nickel-copper-cobalt project in Norway, as well as the formation of a joint venture for the development and operation of the project. Kingsrose has committed to spend up to A\$15 million in exploration expenditures to earn up to 75% in the joint venture over eight years. Kingsrose has identified three priority prospects with a focus on exploration for high-grade nickel-copper-cobalt sulphide mineralization.

Completion of the transaction is expected in four stages, with each completion and payment and/or

issuance of consideration subject to terms set out in Global Energy Metals' January 18 news release.

- **Seymour Lake Lithium Project (1.5% Net Smelter Royalty)** – On December 22, 2022, Green Technology Metals Limited (ASX: GT1) (“Green Technology Metals”) reported that metallurgical test work on spodumene concentrate from the Seymour Lake lithium project in Ontario, Canada, yielded high spodumene concentrate recoveries. The result shows the potential to use dense media separation as the primary recovery method. Further work continues to optimize lithium recoveries at the project.

The Seymour Lake bulk sample permit has been approved by the Ontario Mines Department with sampling in January 2023 to extract approximately 99 tonnes from the North Aubry pegmatite outcrop within the Seymour Lake project. The spodumene concentrate produced through the pilot work will be used as feedstock for the lithium hydroxide conversion program, all forming part of the ongoing feasibility study.

Electric Royalties is relying on the information provided by Green Technology Metals and is unable to verify the reported metallurgical results.

- **Graphite Bull (formerly Yalbra) Graphite Project (2.5% Net Smelter Royalty)** – Buxton Resources Limited (ASX: BUX) (“Buxton”) announced on January 10, 2023 that a moving loop electromagnetic (MLEM) survey has commenced to identify drill targets adjacent to the known resource at the Graphite Bull graphite project in Western Australia.

The Wajarri Yamaji Aboriginal Corporation and Archaeological Excavations Pty Ltd have completed a heritage survey at Graphite Bull. The survey will enable final planning and commencement of exploration and infill drilling planned in Q1 2023.

On January 23, 2023, Buxton reported breakthrough metallurgical results with concentrate grades of up to 98.1% total graphitic carbon (TGC) achieved by conventional flotation processing. Results to date, all from one master sample, focused on demonstrating high-grade concentrate production from Graphite Bull material. The flotation test work is ongoing, with final results expected in March.

The commercial market preference for graphite concentrate is above 94% TGC, prior to any chemical or thermal purification. These early flotation test results enable Buxton to accelerate bulk sample processing and production of more than 8 kg of concentrate. This material will be used in downstream tests, scheduled for Q2 2023, to evaluate the suitability of the concentrates as feed for purified spherical graphite production and lithium-ion battery anodes.

Electric Royalties is relying on the information provided by Buxton and is unable to verify the reported metallurgical results.

- **Millennium Copper-Cobalt Project (0.5% Gross Revenue Royalty)** – Metal Bank Limited (ASX: MBK) (“Metal Bank”) announced on December 5, 2022 the completion of the three-phase 2022 exploration program at the Millennium cobalt-copper-gold project in Queensland, Australia, thereby satisfying its stage one earn-in obligations under the joint venture agreement with Global Energy Metals. Furthermore, Metal Bank has elected to acquire a 51% joint venture interest in the Millennium project and its assets.

Metal Bank developed the three-phase program for Millennium to confirm the exploration target for the project, and future resource expansion and development potential. The second phase of the exploration program was completed in September 2022 and successfully identified cobalt mineralization outside the existing central resource area. All results from 2022 drilling will be reviewed in detail, and resource upgrade work will then commence.

Electric Royalties is relying on the information provided by Metal Bank and is unable to verify the reported drill data.

- **Bissett Creek Graphite Project (1.0% Gross Revenue Royalty)** – On December 21, 2022, Northern Graphite Corporation (TSXV: NGC) (“Northern Graphite”) announced that it has entered into a non-binding letter of intent with Graphex Technologies LLC (“Graphex”), a global leader in the production of the anode material used in electric vehicles and lithium-ion batteries, with the intent of combining Northern Graphite’s raw material supply capabilities with Graphex’s downstream processing expertise to build plants that will provide an end-to-end Northern American supply chain from the graphite mine to the battery.

Graphex and Northern Graphite plan to negotiate the terms of a joint venture to jointly produce coated spherical graphite anode material for the EV/battery market. Northern Graphite will provide the joint venture with security of raw material supply (graphite concentrate), and it is contemplated that Graphex will license and/or contribute all the technology, plans and expertise for building and operating the plant(s).

On January 10, 2023, Northern Graphite announced that it has entered into an agreement with the Department of Innovation and Development for the Manicouagan/Baie-Comeau region of Québec, Canada, to evaluate sites for the construction of a planned 200,000-tonne-per-year battery anode material plant in the industrial port zone of Baie-Comeau. The plant would be one of the largest in the world and would convert graphite concentrate from Northern Graphite’s mines, as well as other producers, into anode material to supply existing and planned lithium-ion battery manufacturing plants throughout North America. The Manicouagan/Baie-Comeau region presents uniquely advantageous infrastructure and operating conditions for the joint venture to achieve its objectives, including ample renewable energy (hydro power), a deep sea international port, and a favourable political environment. Northern Graphite subsequently announced on January 12, 2023 that Graphex will also participate in the site selection process alongside the company and the Department of Innovation and Development.

- **Cancet Lithium Project (1.0% Net Smelter Royalty)** – Winsome Resources Limited (ASX: WR1) (“Winsome”) announced on December 12, 2022 that it has acquired a camp to house workers close to the Cancet lithium project in Québec, Canada, to increase its local capabilities and resourcing in advance of the ramp up of exploration drilling this year. A drill core logging and cutting facility will also be established at the new camp.
- **Bouvier Lithium Project (2.0% Gross Metal Royalty)** – Newfoundland Discovery Corp. (CSE: NEWD) (“Newfoundland Discovery”) announced on December 8, 2022, further to its news release on November 2, 2022, that it has entered into a definitive agreement whereby Mining Equities Pty Ltd., an Australian company, has the right to acquire a 100% interest in the Bouvier property, consisting of mineral claims comprising approximately 0.85 km², located in Québec, Canada.

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.marketindex.com.au/news/pilbara-minerals-lifts-lithium-spodumene-offtake-prices-to-ususd6-300>

² Northern Graphite news release dated January 12, 2023

³ Technical report titled "NI 43-101 Technical Report on the Preliminary Economic Assessment of the Battery Hill Manganese Project, Woodstock, New Brunswick, Canada" with an effective date of May 12, 2022, available under Manganese X Energy Corp.'s profile on Sedar.com. The Mineral Resource (MR) within the mine plan includes Measured MR of 5.90 Mt grading 7.65% Mn, Indicated MR of 6.37 Mt grading 7.26% Mn and Inferred MR of 4.73 Mt grading 8.26% Mn at 3.3% Mn cut-off. Input assumptions to the pit shells that constrain the MR estimate include an HPMSM price of US\$2,900/t, mine operating cost of \$7.43/t, process operating cost of \$110/t, G&A cost of \$7.60/t, stockpile reclaim cost of \$1.46/t, closure cost of \$3.00/t, selling cost of US\$65/t, process recovery of 78%, a gross metal royalty of 3% applied to the HPMSM produced, and a pit slope of 45°.

⁴ Sayona Mining news release dated May 23, 2022

⁵ <https://www.moneymorning.com.au/20230111/lithium-prices-could-remain-high-in-2023.html>

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 21 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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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.