

Electric Royalties Acquires its First Cash-Flowing Royalty

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VANCOUVER, March 10, 2021 - [Electric Royalties Ltd.](#) (TSXV: ELEC) ("Electric Royalties" or the "Company") is pleased to announce that it has entered into an agreement with [Globex Mining Enterprises Inc.](#) (GMX-TSX, GLBXF-OTCQX International G1MN-Frankfurt) ("Globex") to acquire two royalties (the "Agreement"). The Middle Tennessee royalty ("MTM Royalty") is a sliding-scale, gross metal royalty on zinc production at the operating Middle Tennessee Mine ("MTM"), located in Smith County, Tennessee, United States, and operated by a subsidiary of Trafigura Group ("Trafigura"). The Company is also acquiring a 1% Gross Revenue Royalty ("GRR") on the Glassville manganese project, which is located in close proximity to the Battery Hill project in New Brunswick, Canada on which the Company holds an existing royalty. Total consideration for the acquisition is C\$13,000,000 in cash and the issuance of 14,500,000 common shares of the Company (the "Transaction"). In the event the price received by the operator of MTM averages above US\$2.00 per pound for 3 consecutive months, the Company will make an additional C\$1,000,000 cash payment to Globex.

Transaction Highlights

- The MTM royalty is the Company's first cash-flowing royalty, and results in Electric Royalties becoming the only royalty company solely focused on the battery metals sector.
- The MTM royalty has generated royalties of ~C\$4,700,000 since production re-started in Q2 2017 (source: <https://globexmining.com/globex-zinc-royalty.htm>).
- MTM has a first class owner and operator in Trafigura (US\$147 billion revenue in 2020, source: <https://www.trafigura.com/trafigura-in-brief/>).
- The Glassville royalty is strategically located near to the Company's existing Battery Hill manganese royalty in New Brunswick, Canada.

MTM Royalty

The MTM royalty is a sliding scale gross metals royalty, with no royalty payable if the zinc price is below US\$0.90 per pound, 1.0% between US\$0.90 and US\$1.10 and 1.4% at zinc prices above US\$1.10 per pound.

The Mid Tennessee Zinc Mines have been in intermittent operation for over 50 years and have produced over 2.7 billion pounds of zinc (<https://www.northernminer.com/news/sra-revives-mid-tennessee-zinc-complex/1000220368/>). Three underground mines make up the complex including Gordonsville, Elmwood and Cumberland. MTM is an operation with significant resources. The mine complex is owned by Trafigura and operated by Nyrstar, their integrated mining business unit that includes the Clarksville, Tennessee smelter complex.

More information on MTM can be found at

<https://www.nyrstar.com/cdn/88ae9585-d1d6-4df7-93b0-b0bb6aad9af9/2020-fact-sheet-middle-tennessee-30dec.pdf>

Transaction Financing and Closing

Within 10 business days of signature of the Agreement, the Company will make a non-refundable down payment of C\$2,000,000 in cash, offset against the total consideration payable on closing. Closing of the Transaction is expected to occur before the end of May 2021 and is subject to Electric Royalties completing a minimum funding of C\$10,000,000. Electric Royalties is currently evaluating funding alternatives including a combination of equity financing, debt financing or securing a strategic partner for the financing of the Transaction (which may result in the strategic partner directly acquiring a portion of the royalty). Closing of the Transaction will occur following satisfaction of raising the required financing, completion of due diligence and customary conditions including the approval of the TSX Venture Exchange as well as the execution of definitive transaction documents.

Brendan Yurik, CEO of Electric Royalties, stated: "This acquisition provides Electric Royalties with its first cash-flowing royalty. The project is located in a good jurisdiction, with a top-tier owner and operator in Trafigura and a long mine life. Zinc ma

well associated with the electric revolution, but has a key role to play in the decarbonization of the global economy and been several promising recent breakthroughs in zinc battery technologies and energy storage."

About Electric Royalties Ltd.

Electric Royalties is a royalty company established to take advantage of the demand for a wide range of commodities (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 in 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 and plans to focus predominantly on acquiring royalties on advanced stage operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk.

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 information regarding other companies based on previously disclosed public information and the Company is not responsible for the accuracy of that information, and that all information provided herein is subject to this FLI cautionary. This news release also includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company and these other companies and with 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 or 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, business plan, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities or those of 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 actual results, performance or achievements of the Company or these other companies to be materially different from actual 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; changes in market conditions; costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to raise sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the state of the 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 fluctuations; 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 regulatory 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.

SOURCE Electric Royalties Ltd.

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