

# Electric Royalties Closes Penouta Tin-Tantalum Royalty Acquisition

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VANCOUVER, January 24, 2023 - [Electric Royalties Ltd.](#) (TSXV:ELEC)(OTCQB:ELECF) ("Electric Royalties" or the "Company") is pleased to announce the closing of the previously announced (see November 15, 2022 news release) acquisition of a 0.75% gross revenue royalty ("GRR") on the producing Penouta tin-tantalum mine in Spain (the "Project" or "Penouta") with Strategic Minerals Europe Corp. ("Strategic Minerals") (NEO: SNTA) (OTCQB: SNTAF) in exchange for a cash payment of C\$1,000,000 and 500,000 common shares of Electric Royalties. In addition, the Company has an option for a period of 7 months from closing to acquire an additional 0.75% GRR on Penouta in exchange for an additional cash payment of C\$1,250,000. The respective royalty rates will be reduced to 0.5% once certain minimum royalty payments have been made.

The acquisition marks the Company's first cash flow exposure to tin, a metal used to solder electrical components in electronics, renewables, electric vehicles, charging infrastructure and batteries, making it critical to the low-carbon and increasingly data-driven economy, as well as tantalum, used in the electronics, aerospace, chemical, metallurgical and nuclear industries.

The Penouta Mine is located in the north-western Spanish province of Ourense and is currently the largest tin and tantalum producer in all of Europe<sup>1</sup>. In January 2022, Strategic Minerals re-commenced open pit production of tin and tantalum, and in June 2022 received an exploitation permit to mine for 30 years, renewable for up to 75 years. Strategic Minerals recorded its highest monthly production levels of the year in September 2022 and plans to focus on expanding production. In September 2022, Strategic Minerals produced 80.2 tonnes of primary concentrate, comprised of 66.2 tonnes of cassiterite concentrate with a tin content of 70.2% and 14.0 tonnes of tantalite/columbite concentrate containing 25.5% tantalite and 24.8% columbite.

Penouta has a long potential mine life based on total measured and indicated resources of 76.3 million tonnes<sup>2</sup>. There are additional potential opportunities to add new revenue streams from high-grade feldspar and rare earths extraction from historical tailings.

The convertible credit facility (the "Credit Facility") referenced in the Company's January 19, 2023 news release, which was utilized in part to fund the cash portion of the payment to acquire the Penouta royalty, is a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Credit Facility is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company's common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of credit facility does not exceed 25% of the Company's market capitalization.

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

<sup>1</sup> Strategic Minerals Europe Corp. website <https://www.strategicminerals.com/what-we-do/#penouta-mine>

<sup>2</sup> Further information is available in a NI 43-101 technical report by SRK on the Strategic Minerals Europe Corp. profile at [www.sedar.com](http://www.sedar.com).

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 feed 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.

For further information, please contact:

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#### 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](http://www.sedar.com) and at [otcmarkets.com](http://otcmarkets.com).

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