

# Electric Royalties Announces C\$500,000 Drawdown Under Convertible Credit Facility

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VANCOUVER, April 21, 2023 - [Electric Royalties Ltd.](#) (TSXV:ELEC)(OTCQB:ELECF) ("Electric Royalties" or the "Company") is pleased to announce, further to its April 20, 2023 press release, that it has elected to draw down C\$500,000 (the "Loan") under the C\$5,000,000 convertible credit facility with Gleason & Sons LLC (the "Lender"), which is controlled by a significant shareholder.

The Loan has a term of 3 years and bears interest ("Interest") at a floating rate (Secured Overnight Financing Rate (or "SOFR") + 7%), with a maximum interest rate of 12.5%, with Interest payments capitalized into the principal amount and due at the end of the Loan term. At the discretion of the Lender, after six months from the initial drawdown date, the Loan plus accrued Interest is convertible into common shares of Electric Royalties as follows: (a) for the Loan at the greater of C\$0.50; a 100% premium above the 30-day VWAP (C\$0.71) of Company's shares on the TSX Venture Exchange (the "TSXV") at the advance; and the minimum price acceptable to the TSXV, per share; and (b) for Interest at the Market Price (as defined under Exchange policy 1.1) at the time of settlement, subject to the Market Price not being less than the Conversion Price without prior Exchange approval, per share. The Lender will not be able to hold more than 19.99% of the issued and outstanding shares of the Company unless disinterested shareholder approval has been obtained. The funds will be used for the acquisition of the Kenbridge nickel royalty. The Loan is subject to the approval of the TSXV and other customary closing conditions.

The Credit Facility 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.

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.

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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