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These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This amended and restated offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

**Amended and Restated Offering Document under the Listed Issuer
Financing Exemption**

December 27, 2024



ELECTRIC ROYALTIES LTD.

(the “**Company**” or “**Electric Royalties**”)

SUMMARY OF OFFERING

What are we offering?

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| AMENDED AND RESTATED OFFERING DOCUMENT: | This amended and restated offering document dated December 27, 2024 replaces the offering document dated December 9, 2024 |
| OFFERING: | <p>Brokered private placement (the “Offering”) of units of Electric Royalties (the “Units”). Each Unit is comprised of one common share of the Company (“Common Share”) and one common share purchase warrant of the Company (“Warrant”). Each Warrant will entitle its holder to acquire one Common Share at a price of \$0.25 per Common Share for a period of 24 months from the Closing Date (as defined below). Additional terms and conditions of the Warrants will be set out in a warrant indenture by and between the Company and TSX Trust Company, as warrant agent, to be dated on or about the Closing Date, in a form and substance to be agreed upon by the Company and the Agents (as defined below), acting reasonably, a copy of which will be made available on SEDAR+ at www.sedarplus.ca under the Company’s profile.</p> <p>The Offering will be made pursuant to an agency agreement to be entered into among the Company, Canaccord Genuity Corp. and Red Cloud Securities Inc. (collectively, the “Agents”) on or before the Closing Date. The Agents have agreed to act as agents, on a “best-efforts” agency basis, in connection with the Offering.</p> |
| OFFERING AMOUNT: | Up to 22,222,223 Units for maximum gross proceeds of up to approximately C\$4,000,000. |

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| | The Offering is subject to the receipt by the Company of a minimum of \$1,500,000 in gross proceeds (the “ Minimum Offering Proceeds ”) from the Offering. In the event that the Minimum Offering Proceeds are not raised, the Offering pursuant to this amended and restated offering document may not proceed. |
| OFFERING PRICE: | \$0.18 per Unit (“ Offering Price ”). |
| CLOSING DATE: | The Offering is expected to close on or about January 9, 2025 (the “ Closing Date ”). The Offering is not expected to close in tranches. |
| EXCHANGE: | The Common Shares are listed on the TSX Venture Exchange (the “ TSXV ”) under the symbol “ELEC”. |
| LAST CLOSING PRICE: | The last closing price of the Common Shares on the TSXV on December 27, 2024, was \$0.17. |

Electric Royalties Ltd. is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions (“**NI 45-106**”). In connection with this Offering, the Company represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this amended and restated offering document, will not exceed \$5,000,000.
- The Company will not close this Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The Company will not allocate the available funds from this Offering to an acquisition, that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.

CURRENCY

Unless otherwise indicated, all references to “\$”, “C\$” or “dollars” in this amended and restated offering document refer to Canadian dollars, which is the Company’s functional currency.

GENERAL

Cautionary Statement Regarding Forward-Looking Information

This discussion includes certain statements that may be deemed “forward-looking information” or “forward-looking statements” (collectively referred to as “forward-looking statements”), which may not be based on historical fact. Often, but not always, forward-looking statements can be identified by the use of the words “believes”, “may”, “plan”, “will”, “estimate”, “scheduled”, “continue”, “anticipates”, “intends”, “expects”, and similar expressions. Forward-looking statements herein include but are not limited to statements about our acquisition strategy and long-term objectives; acquisitions in our acquisition pipeline; statements regarding Punitaqui and the 0.75% GRR (each as defined below); the Company’s ability to raise the Minimum Offering Proceeds; the Company’s expectations with respect to the use of the proceeds of the Offering and the use of the available funds following completion of the Offering; the Closing Date, and other terms of the Offering.

Such statements reflect our management's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- our ability to acquire royalties on favourable terms or at all;
- the success or profitability of our royalty investments;
- our dependence on the owners and operators of the mining properties underlying our royalty investments;
- the impact of increased production costs on returns to royalty investors;
- our limited access to data and disclosure regarding exploration, development and operation of mining projects in which the Company has a royalty interest;
- uncertainty of exploration results on exploration properties in which the Company has a royalty interest;
- risks affecting mining properties and the mining industry generally, including:
 - natural disasters and other catastrophic events;
 - compliance with environmental laws and regulations by the battery minerals project owner or operator;
 - local public opposition, negative public or community response to battery mineral project exploration, development or operation;
 - delays and cost overruns in the design and construction of development stage projects;
 - permitting risk;
 - health, safety and environmental risks; and
 - insurance risk
- changes in the price of commodities that impact the value of royalty interests;
- changes in technology and future demand for commodities;
- the potential early termination of royalty agreements;
- our dependence on mine owners or operators for the calculation of royalty amounts and accurate reporting;
- the potential delay or failure of mine owners to pay royalty payments;
- royalty agreements and payments may not be honoured or made by the owners and operators of the mining properties underlying our royalty investments;
- rights of third parties that may impact our royalty investments;
- our ability to execute on our acquisition strategy for to acquire additional royalty interests;
- increased competition for royalty interests;
- the concentration of our royalty portfolio in the battery metals sector;
- the liquidity of our royalty interests;
- our limited history of operations;
- availability of additional financing on favourable terms to continue future acquisitions of royalties or for working capital purposes;
- potential dilution to shareholders if we are unable to obtain financing on favourable terms;
- foreign exchange and interest rate risk;
- changes in legislation and regulations that impact the Company or the owners and operator of mining properties;
- income and other taxes in jurisdictions in which the Company operates;
- general economic and political conditions;
- potential legal proceedings;
- our dependence on key management and our ability to attract and retain qualified management and personnel;
- impact of the conflicts in Ukraine and the Middle East on global economic conditions; and
- risk inherent to completion of the Offering on the terms disclosed herein.

These factors should be considered carefully and readers are cautioned not to place undue reliance on forward-looking statements. Readers are cautioned that the above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. Other risks are discussed under the heading “Risk Factors” in section 1.15.4 of the Company’s Management’s Discussion and Analysis for the quarter ended September 30, 2024. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Any forward-looking statements contained in this discussion are made as of the date hereof and the Company does not undertake to update or revise them, except as may be required by applicable securities law.

Cautionary Statement Regarding Third-Party Information

Except where otherwise stated, the disclosure relating to properties and operations on the properties in which the Company holds royalty interests is based on information publicly disclosed by the owner or operator of that property and information/data available in the public domain as at the date thereof, as applicable, and none of this information has been independently verified by the Company. Specifically, as a royalty holder, the Company has limited, if any, access to properties included in its asset portfolio. Additionally, the Company may from time to time receive operating information from the owners and operators of the properties, which it is not permitted to disclose to the public. The Company is dependent on (i) the operators of the properties and their qualified persons to provide information to the Company or (ii) publicly available information, to prepare disclosure pertaining to properties and operations on the properties on which the Company holds royalty or other interests, and generally has limited or no ability to independently verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information is complete or accurate. Some information publicly reported by owners or operators may relate to a larger property than the area covered by the Company’s royalty or other interest. The Company’s royalty or other interests often cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of a property.

Scientific and Technical Information

The scientific and technical information contained in this amended and restated offering document relating to the Company’s mineral properties has been reviewed and approved by David Gaunt, P.Geo., a technical advisor to the Company, and a “qualified person” within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects (“**NI 43-101**”) who is not independent of the Company.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Overview

The Company is a royalty company established to take advantage of the demand for a wide range of commodities 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.

The Company’s objective is to acquire a portfolio of long-term, stable, and diversified royalty streams from royalty sellers and to provide shareholders with capital appreciation and a growing, sustainable, long-term cash distribution over time. Its commodities of focus are lithium (Li), copper (Cu), zinc (Zn), graphite (Cg),

cobalt (Co), tin (Sn), nickel (Ni), manganese (Mn) and vanadium (V); the Company also assesses opportunities to acquire royalties on projects in other commodities.

The Company acquires revenue-based and net smelter return royalties on operating mines, mines under construction, development stage mining projects and exploration stage resource projects (collectively hereinafter “**Projects**”) from Project operators looking to raise capital to develop or explore the Projects or to recapitalize their balance sheets as well as existing royalties held by third parties. Electric Royalties has a growing portfolio of 41 royalties in lithium, vanadium, manganese, tin, graphite, cobalt, nickel, zinc and copper across the world.

Punitaqui 0.75% GRR Acquisition

Electric Royalties has entered into a definitive agreement dated November 22, 2024 with subsidiaries of Battery Mineral Resources Corp. (“**BMR**”), being Minera BMR SpA (“**Minera BMR**”) and Minera Altos Del Punitaqui Limitada, to acquire a 0.75% Gross Revenue Royalty (the “**0.75% GRR**”) on the producing Punitaqui copper mine in Chile (“**Punitaqui**”) in exchange for a cash payment of C\$3,500,000 (the “**Transaction**”). C\$3,050,000 of the purchase price for the 0.75% GRR was paid on closing of the Transaction on December 3, 2024, and the remaining C\$450,000 is payable by January 17, 2025. The Vendors have the right to buy back 0.375% GRR of the 0.75% GRR for a cash payment of USD\$1,500,000 once the Vendors have made royalty payments to the Company in excess of C\$4,000,000.

Punitaqui is located 120 kilometers south of La Serena city and the port of Coquimbo, Chile. A past producer for some 10 years to 2010, Punitaqui has full mine infrastructure, existing mineral resources in four deposits - San Andres, Cinabrio, Cinabrio Norte, and Dalmacia, and additional resource potential. The Punitaqui mine was restarted in May 2024 and is currently producing copper concentrate from processing mineral feed from Punitaqui deposits, supply from third-party mines and also copper smelting by-products (slags) supplied by an external party. Mining activities to establish access to the mineralized zones at Cinabrio, San Andres and Cinabrio Norte continue to ramp up with stockpiling of fresh mineralized material at the mill. The timeline from first fresh mineralized material through the mill is expected to take approximately nine months.

For more information on the 0.75% GRR and Punitaqui, refer to: (i) the Company’s news release dated November 22, 2024, as filed on the Company’s profile on SEDAR+ at www.sedarplus.ca; and (ii) the technical report titled “*Technical Report on Punitaqui Copper Complex Coquimbo, Chile*” dated as of September 30, 2022 with an effective date of August 16, 2022, as filed on BMR’s profile on SEDAR+ at www.sedarplus.ca.

Recent developments

There are no material recent developments in respect of the Company that have not been disclosed in this amended and restated offering document or in any other document filed by the Company in the 12 months preceding the date of this amended and restated offering document.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this amended and restated offering document or in any other document filed by the Company in the 12 months preceding the date of this amended and restated offering document.

There can be no guarantee that the Company will be successful in raising the minimum amount under the Offering.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use approximately C\$450,000 of the available funds after completion of the Offering to partially fund the acquisition of the 0.75% GRR.

The Company also intends to use the following amounts of the available funds for working capital and general corporate purposes after completion of the Offering and the repayment of certain debts:

- approximately C\$345,000 if the Minimum Offering Proceeds are raised; and
- approximately C\$2,630,000 if 100% of the Offering is completed.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

In order for the Company to comply with Section 5A.2(i) of NI 45-106 and ensure it has available funds to meet its business objectives and liquidity requirements for 12 months following the Closing Date, the Offering is subject to the receipt by the Company of the Minimum Offering Proceeds representing approximately \$1,500,000 from the Offering. In the event that the Minimum Offering Proceeds are not raised, the Offering pursuant to this offering document may not proceed.

| | | Assuming minimum Offering only | Assuming 100% of the Offering |
|---|--|--------------------------------|-------------------------------|
| A | Amount to be raised by this Offering | C\$1,500,000 | C\$4,000,000 |
| B | Selling commissions and fees | C\$105,000 | C\$280,000 |
| C | Estimated Offering costs (e.g., legal, accounting, audit) ⁽¹⁾ | C\$100,000 | C\$140,000 |
| D | Net proceeds of Offering: D = A – (B+C) | C\$1,295,000 | C\$3,580,000 |
| E | Working capital as at most recent month end (deficiency) | -C\$500,000 | -C\$500,000 |
| F | Additional sources of funding | C\$0 | C\$0 |
| G | Total available funds: G = D+E+F | C\$795,000 | C\$3,080,000 |

Note:

- (1) Assumes the maximum Cash Fee (as defined below) is paid to the Agents, with no reduced fees relating to President's List Purchasers.

At December 31, 2023, the Company had working capital of \$443,000. At November 30, 2024, the Company had a working capital deficiency of approximately \$500,000, representing a decline of \$943,000, mainly due to the following reasons:

- the loss of revenue from its royalty interests in Mid Tennessee Mine and Penouta Mine, as these mines suspended their operations in the last quarter of 2023;
- cash used in legal and other transaction costs with respect to various royalty acquisitions completed during the eleven months to November 30, 2024; and
- cash used in the Company operating activities, mainly pertaining to its general and administrative expenses, during the eleven months to November 30, 2024.

How will we use the available funds?

| Description of intended use of available funds listed in order of priority | Assuming minimum Offering only | Assuming 100% of the Offering |
|--|--------------------------------|-------------------------------|
| Remaining C\$450,000 payable in respect of the 0.75% GRR on Punitaqui | C\$450,000 | C\$450,000 |

| | | |
|---|------------|--------------|
| Working capital and general corporate purposes ⁽¹⁾ | C\$345,000 | C\$2,630,000 |
| Total: Equal to G in the available funds in item 8 | C\$795,000 | C\$3,080,000 |

Note:

- (1) Working capital and general corporate purposes is expected to include salaries, professional fees and general and administration expenditures, net of cash expected to be received by the Company during the period against its royalty and property option agreements. Such amount is after the addressing the working capital deficiency noted Row "E" in the table above.

The above noted allocation of capital and anticipated timing represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Company intends to spend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. The Company has not yet generated positive cash flows from its operating activities, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to, and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

On February 20, 2024, the Company announced that it had signed an amended and restated convertible loan agreement (the "**A&R Agreement**") with Gleason & Sons LLC dated February 16, 2024 to increase the Company's existing convertible credit facility from C\$5,000,000 to C\$10,000,000, subject to certain conditions set out in the A&R Agreement.

On May 1, 2024, the Company announced that it had completed a \$2,500,000 drawdown under the A&R Agreement to fund the cash payment of the acquisition of a portfolio of 18 royalty agreements and 32 lithium properties in Ontario, Canada and for working capital.

On November 26, 2024, the Company announced it had elected to draw down C\$3,050,000 under the A&R Agreement to partially fund the cash payment the Transaction.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

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|-------------------------|--|
| Agents: | Canaccord Genuity Corp. and Red Cloud Securities Inc. |
| Cash Commission: | Cash fee (the " Cash Fee ") equal to 7.0% of the gross proceeds of the Offering, except in respect of sales to certain President's List Purchasers agreed to between the Company and the Agents (such cash fee shall be reduced to 3.5%). |
| Broker Warrants: | Broker warrants (the " Broker Warrants ") equal to 7.0% of the number of Units sold, except in respect of sales to certain President's List Purchasers agreed to between the Company and the Agents (such cash fee shall be reduced to 3.5%). Each Broker Warrant shall entitle the holder thereof to |

| | |
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| | acquire one Common Share at the Offering Price for a period of 2 years from the Closing Date. |
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Do the Agents have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to the Agents, as such terms are defined in National Instrument 33-105 Underwriting Conflicts.

PURCHASERS’ RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this amended and restated offering document, you have a right

- a) to rescind your purchase of these securities with the Company, or**
- b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access the Company’s continuous disclosure filings on SEDAR+ at www.sedarplus.com under the Company’s profile.

For further information regarding the Company, visit our website at: <https://www.electricroyalties.com/>.

Investors should read this amended and restated offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of Units.

CERTIFICATE OF THE COMPANY

This amended and restated offering document, together with any document filed under Canadian securities legislation on or after December 27, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

December 27, 2024

(s) Brendan Yurik

Brendan Yurik, Chief Executive Officer & Director

(s) Luqman Khan

Luqman Khan, Chief Financial Officer