



ELECTRIC ROYALTIES CLOSES ACQUISITION OF BISSETT CREEK GRAPHITE ROYALTY

VANCOUVER, BRITISH COLUMBIA – July 16, 2020 – Electric Royalties Ltd. (TSXV: ELEC) (“Electric Royalties” or the “Company”) is pleased to announce the closing of the acquisition of a royalty over the Bissett Creek graphite project (“**Bissett Creek Project**”) from Northern Graphite Corporation (“**Northern Graphite**”).

Bissett Creek Royalty (“Bissett Creek Royalty”)

The Bissett Creek Royalty is a 1% Gross Revenue Royalty (“**GRR**”) over all revenues received or receivable by Northern Graphite in connection with graphite flotation concentrate produced from the Bissett Creek graphite project. The royalty will be based on pricing for 94% Cg concentrates and will not apply to the premiums received for higher purities or value-added products. Electric Royalties acquired the Bissett Creek Royalty in exchange for 2,000,000 shares and C\$500,000 cash.

Bissett Creek Royalty Option

Electric Royalty has a call option, exercisable at any time for a period of two years from July 15, 2020, to acquire a further 0.5% GRR on the Bissett Creek Project by paying C\$750,000 to Northern Graphite, of which up to 25% can be paid in shares, valued at the preceding 5-day volume weighted closing price of Electric Royalties shares on the TSX-V. The additional 0.5% GRR will become part of the Bissett Creek Royalty.

Northern Graphite Buy Back Option

Northern Graphite has the option, exercisable at any time after 12 months from July 15, 2020, to buy back a 0.5% GRR on the Bissett Creek Project by either paying (i) C\$1,500,000 cash, or (ii) returning the original 2,000,000 shares. If the buy-back option is exercised, 0.5% shall be deducted from the Bissett Creek Royalty.

The Bissett Creek Project

The Bissett Creek Project is an advanced stage graphite deposit with excellent logistics located within 15 km of the Trans-Canada Highway near Deep River, Ontario. A sizeable portion of the graphite from the deposit occurs in larger flake sizes which command a price premium in the market. Bissett Creek is a near surface deposit, which will be mined by open pit methods at a very low strip ratio. The current life of the mine is 21 years with an average annual production rate of 33,200 tonnes of graphite concentrate¹. The deposit also contains significant measured and indicated resources which are not included in the mine plan presently, inferred resources which

¹ Based on a 2013 Preliminary Economic Assessment (PEA) using a weighted average concentrate price of US\$1,800/t and a CDN/US dollar exchange rate of 1.05. More information is available in the PEA technical report dated December 2013 filed on the Northern Graphite profile at www.sedar.com.

could potentially be upgraded, and the deposit has not yet been closed off by drilling - all of which create the potential to expand production or extend the mine life. Processing of mill feed coming from the pit is expected to be straightforward with no technological issues. In-pit material will be drilled, blasted and trucked to the mill, where it will go through a conventional crushing, grinding and flotation process. The objective is not only to produce a high-grade graphite concentrate, but also to preserve the large size of the graphite flakes to maximize the value of the concentrate. This information is based on technical work programs reported in a Preliminary Economic Assessment study that is preliminary in nature and, as such, there is no certainty that the projections will be realized.

The Ontario Ministry of Energy, Northern Development and Mines has approved Northern Graphite's Mine Closure Plan ("MCP") which authorizes Northern Graphite to build and operate the mine. Due to a number of design and operational improvements made to enhance project economics and to the passage of time, Northern Graphite is now required to file an amendment to the MCP. Northern Graphite is also in the very advanced stages of finalizing a number of other authorizations and permits including the Ministry of Natural Resources and Forestry's provincial Class Environmental Assessment which relates to the construction and upgrade of crown roads and water crossings and harvesting of crown timber, a Permit to Take Water under the *Ontario Water Resources Act* and authorizations under the *Lakes and Rivers Improvement Act* and the *Endangered Species Act*.

The Company also announces that it has granted 2,175,000 five year stock options to certain insiders of the Company and 426,000 options to Mars Investor Relations, which options expiry on the earlier of one month after termination of the investor relations agreement or 36 months, who will be providing, among other things, investor relations services to the Company. The options have been granted under the terms of the Company's stock option plan at an exercise price of \$0.29 per share.

David Gaunt, PGeo., a qualified person who is not independent of Electric Royalties has reviewed and approved the technical information in this release.

For further details on Electric Royalties, please visit www.electricroyalties.com or contact us at (604) 639-9200 or send us an email at info@electricroyalties.com.

On Behalf of the Board of Directors

Brendan Yurik
Chief Executive Officer

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 & copper) that will benefit from the drive toward electrification (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 portfolio of 8 royalties, with a further 5 royalties under binding letters of intent, closing subject to fulfillment of conditions including regulatory approvals. Electric Royalties plans to focus predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk.

For further information, please contact:

Investor Contact:

Mars Advisors

www.marsinvestorrelations.com

Media Contact:

Electric Royalties Ltd.

Talia Beckett

Tel: (778) 374-2000

Talia.beckett@electricroyalties.com

www.electricroyalties.com

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Cautionary Statements Regarding Forward-Looking Information

This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company and within 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. 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 or results and may include statements regarding the Company's 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.

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 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 to implement its 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 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.