



Electric Royalties Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2025 AND 2024

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

In accordance with National Instrument 51-102 subsection 4.3 (3), management of the Company advises that the Company's auditors have not performed a review of these interim financial statements.

Electric Royalties Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	3	\$ 714,659	\$ 28,082
Royalty revenue receivable		106,946	31,137
Prepaid expenses		121,669	30,355
Fixed royalty receivable	6	71,648	93,442
Income tax receivable		20,144	20,138
		1,035,066	203,154
Non-current Assets			
Mineral property and royalty interests	4	19,635,436	19,803,449
Investment in associate	5	83,738	90,051
Deferred financing cost		–	56,767
Right-of-use asset		7,371	9,075
		19,726,545	19,959,342
TOTAL ASSETS		\$ 20,761,611	\$ 20,162,496
EQUITY			
Share capital		\$ 26,712,740	\$ 24,867,635
Reserves		4,793,290	4,145,238
Accumulated deficit		(20,102,244)	(19,277,221)
		11,403,786	9,735,652
LIABILITIES			
Non-Current Liabilities			
Convertible loan	9	9,147,882	9,182,479
		9,147,882	9,182,479
Current Liabilities			
Lease liability		8,784	10,835
Accounts payable and accrued liabilities		201,159	1,233,530
		209,943	1,244,365
Total liabilities		9,357,825	10,426,844
TOTAL EQUITY AND LIABILITIES		\$ 20,761,611	\$ 20,162,496

Nature of operations (note 1)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

These Financial Statements were approved for issuance by the Audit and Risk Committee of the Company's Board of Directors on May 27, 2025 and are signed on the Company's behalf by the following:

/s/ Brendan Yurik

Brendan Yurik
Director

/s/ Craig Lindsay

Craig Lindsay
Director

Electric Royalties Ltd.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars, except for weighted average number of common shares)

	Note	Three months ended March 31,	
		2025	2024
Revenue from royalty interests		\$ 106,946	\$ -
Depletion of royalty interest	4	(60,739)	-
Gross profit		46,207	-
Operating Expenses			
Investor relations and shareholder communications		144,068	87,132
Salaries and benefits	10	102,047	116,158
Administration		112,966	100,048
Regulatory		38,254	29,482
Legal, tax, audit and audit related		26,254	212,826
Property investigations		34,844	24,272
Equity-settled share-based payments	8(a)	21,621	115,587
		(480,054)	(685,505)
Share of loss of associate	5	(6,321)	(18,319)
Impairment reversal – investment in MTM LP	5	-	58,384
Foreign exchange (loss) income		(1,316)	1,245
Interest income on cash and cash equivalents		7,440	4,407
Interest income on fixed royalty receivable	6	3,206	6,898
Finance expenses – convertible note	9	(393,944)	(183,884)
Gain on modification of convertible note	9	-	315,786
Finance expenses – lease liability		(241)	(439)
Net loss		\$ (825,023)	\$ (501,427)
Other comprehensive income			
Items that may be subsequently reclassified to net income			
Foreign exchange translation difference	5	742	134,112
Total other comprehensive income		742	134,112
Total comprehensive loss		\$ (824,281)	\$ (367,315)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		114,479,769	99,601,509

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Electric Royalties Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited – Expressed in Canadian Dollars, except for number of shares)

	Note	Share Capital (note 7)		Share-based	Share purchase	Conversion	Foreign currency	Accumulated	Total equity
		Number of	Amount	payment	warrant	option	translation		
		shares		reserve	reserve	reserve	reserve	deficit	
				8(a)	8(b)	9	8(c)		
Balance at January 1, 2024		96,601,509	\$ 23,588,230	\$ 1,094,600	\$ 1,068,592	\$ 412,000	\$ 272,059	\$ (12,915,600)	\$ 13,519,881
Net loss		-	-	-	-	-	-	(501,427)	(501,427)
Other comprehensive income		-	-	-	-	-	134,112	-	134,112
Total comprehensive loss		-	-	-	-	-	134,112	(501,427)	(367,315)
Equity-settled share-based payments	8(a)	-	-	-	115,587	-	-	-	115,587
Balance at March 31, 2024		96,601,509	\$ 23,588,230	\$ 1,094,600	\$ 1,184,179	\$ 412,000	\$ 406,171	\$ (13,417,027)	\$ 13,268,153
Balance at January 1, 2025		102,884,017	\$ 24,867,635	\$ 1,421,998	\$ 1,068,592	\$ 922,270	\$ 732,378	\$ (19,277,221)	\$ 9,735,652
Net loss		-	-	-	-	-	-	(825,023)	(825,023)
Other comprehensive income		-	-	-	-	-	742	-	742
Total comprehensive loss		-	-	-	-	-	742	(825,023)	(824,281)
Shares issued pursuant to the 2025-Private Placement	7(b)	13,914,902	1,845,105	-	139,149	-	-	-	1,984,254
Broker warrants issued pursuant to the 2025-Private Placement	7(b)	-	-	-	58,000	-	-	-	58,000
Conversion of accrued interest on the convertible loan into the Company's Common Shares	9	-	-	-	-	428,540	-	-	428,540
Equity-settled share-based payments	8(a)	-	-	21,621	-	-	-	-	21,621
Balance at March 31, 2025		116,798,919	\$ 26,712,740	\$ 1,443,619	\$ 1,265,741	\$ 1,350,810	\$ 733,120	\$ (20,102,244)	\$ 11,403,786

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Electric Royalties Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2025	2024
Operating activities			
Net loss		\$ (825,023)	\$ (501,427)
Adjustments for:			
Depletion of royalty interest		60,739	-
Depreciation of right-of-use asset		1,704	1,704
Equity-settled share-based payments	8(a)	21,621	115,587
Share of loss of associate	5	6,321	18,319
Impairment - investment in MTM LP		-	(58,384)
Finance expenses – convertible note	9	393,944	183,884
Gain on modification of convertible note	9	-	(315,786)
Finance expenses – lease liability		241	439
Interest income on cash and cash equivalents		(7,440)	(4,407)
Interest income on fixed royalty receivable	6	(3,206)	(6,898)
Changes in working capital items			
Prepaid expenses		(91,314)	(4,526)
Royalty revenue receivable		(75,809)	9,664
Accounts payable and accrued liabilities		(525,603)	320,042
Cash used in operating activities		(1,043,825)	(241,789)
Investing activities			
Acquisition of mineral royalty interests, including transaction costs	4,6	(450,000)	(56,102)
Option payments	4	108,000	-
Fixed royalty receivable	6	25,000	25,000
Interest received		7,440	4,407
Cash used in investing activities		(309,560)	(26,695)
Financing activities			
Proceeds from the 2025-Private Placement	7(b)	2,042,254	-
Lease payments		(2,292)	(2,190)
Cash provided by (used in) financing activities		2,039,962	(2,190)
Change in cash and cash equivalents		686,577	(270,674)
Effects of exchange rate fluctuations on cash held		-	1,564
Cash and cash equivalents, opening balance		28,082	442,522
Cash and cash equivalents, closing balance		\$ 714,659	\$ 173,412

Supplemental cash flow information (note 3)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1 . NATURE AND CONTINUANCE OF OPERATIONS

Electric Royalties Ltd., (“ELEC” or the “Company”) is a public company whose common shares are listed on the TSX Venture Exchange (“TSXV”), under the trading symbol “ELEC”. The Company’s common shares trade on the OTCQB Venture Market under the symbol “ELECTF”. The Company was incorporated on September 16, 2016 under the laws of the Province of British Columbia, Canada. The address of the Company’s corporate office is 14th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company is focused predominantly on acquiring royalty interests in operating mines as well as advanced stage mineral projects, located in jurisdictions with low geopolitical risk, to build a diversified portfolio of royalty interests in significant mineral deposits (resources and/or reserves) of a wide range of commodities, including lithium, vanadium, manganese, tin, graphite, cobalt, nickel, and copper, that will benefit from the drive to electrification (cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications) and the rising demand for critical minerals.

These condensed consolidated interim financial statements (the “Financial Statements”) are comprised of the Company and its subsidiary (wholly-owned) – Electric Royalties (USA) Inc. (“ELEC-US”) – (together referred to as the “Company” or the “Group”) and are prepared for the three months ended March 31, 2025 and 2024.

These Financial Statements are prepared on the basis that the Company will continue as a going concern which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. During the three months ended March 31, 2025, the Company recorded a net loss of \$825,023 (for the three months ended March 31, 2024: \$501,427). Historically, the Company’s primary sources of funding included proceeds from the issuance of common shares of the Company, convertible debt, royalty revenue, and distributions from MTM LP (note 5).

Any change in the commitment or timing of debt and equity funding from existing or new shareholders of the Company, and alternative capital providers may require the Company to curtail its business development activities or seek alternative sources of funding. As such, there is material uncertainty that casts significant doubt on the Company’s ability to continue as a going concern. Management has concluded that presentation as a going concern is appropriate in these Financial Statements based on the Company’s current financial position and its plans for the next 12 months.

2 . MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Statement of compliance*

These Financial Statements have been prepared on a going concern basis in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). These Financial Statements do not include all of the information and footnotes required by IFRS Accounting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These Financial Statements should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended December 31, 2024. Results for the current reporting period are not necessarily indicative of future results.

Accounting policies applied herein are the same as those applied in the Company’s consolidated financial statements as at and for the year ended December 31, 2024.

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) Significant accounting estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

There was no change in the use of estimates and judgments during the current period as compared to those described in Note 2 in the Company's consolidated financial statements for the year ended December 31, 2024.

(c) Operating segments

The Company operates as a single operating and reporting segment and these Financial Statements should be read as a whole for the results of this single reporting segment. During the three months end March 31, 2025, the Company's revenue from royalty interests was entirely derived from Chile (three months ended March 31, 2024 - no revenue was recorded). The Company's mineral royalty interests and deferred transaction costs, and investment in an associate are located in the following locations:

	March 31, 2025	December 31, 2024
Mineral royalty interests and deferred transaction costs		
Canada	\$ 8,746,035	\$ 8,854,035
United States of America	2,737,838	2,737,112
Chile	3,578,842	3,639,581
Southern hemisphere (Australia and Madagascar)	3,658,048	3,658,048
Norway	914,673	914,673
Investment in associate		
United States of America	83,738	90,051
Total	\$ 19,719,174	\$ 19,893,500

3 . CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024
Components of cash and cash equivalent:		
Cash held in business accounts		
Denominated in Canadian Dollars	\$ 705,975	\$ 20,398
Denominated in US Dollars	8,684	7,684
Total	\$ 714,659	\$ 28,082

Supplemental cash flow information

	Note	Three months ended March 31,	
		2025	2024
Non-cash investing and financing activities			
Value of common shares issued for settlement of interest on convertible loan		\$ 428,540	\$ -
Value of agent warrants issued pursuant to the 2025-Private Placement	7(b)	58,000	-

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

4 . MINERAL PROPERTY AND ROYALTY INTERESTS

At March 31, 2025, the Company held the following property/royalty interests, including gross revenue royalty (“GRR”), gross metal royalty (“GMR”), and net smelter returns (“NSR”) royalty:

Project	Note	Location	Royalty Interest
Bissett Creek Graphite Royalty		Ontario, Canada	1.5 % GRR
Globex Royalties			
Authier Lithium Project (core claim)		Quebec, Canada	0.5 % GMR
Authier Lithium Project (Sayona West)		Quebec, Canada	0.5 % GMR
Authier Lithium Project (Sayona East)		Quebec, Canada	2.0 % GMR
Mont Sorcier Project – vanadium portion		New Brunswick, Canada	1.0 % GMR
Battery Hill Manganese Project		Quebec, Canada	2.0 % GMR
Chubb Lithium Project		Quebec, Canada	2.0 % GMR
Bouvier Lithium Project		Quebec, Canada	2.0 % GMR
Global Royalties			
Millennium Copper Cobalt Project		Queensland, Australia	0.5 % GRR
Mt. Dorothy Cobalt Project		Queensland, Australia	0.5 % GRR
Cobalt Ridge Cobalt Project		Queensland, Australia	0.5 % GRR
Seymour Lake Lithium Royalty		Ontario, Canada	1.5 % NSR
Glassville Manganese Royalty		New Brunswick, Canada	1.0 % GRR
Vox Graphite Royalties			
Graphmada Graphite Project		Madagascar	2.5 % NSR
Graphite Bull Project		Western Australia	0.75 % GRR
Cancet Lithium Royalty		Quebec, Canada	1.0 % NSR
Rana Nickel Royalty		Northern Norway	1.0 % NSR
Sleitat Tin-Silver Royalty		Alaska, United States	1.0 % NSR
Zonia Copper Royalty		Alaska, United States	0.5% GRR
Penouta Tin-Tantalum Royalty		Ourense, Spain	1.5% GRR, subject to reduction
Kenbridge Nickel Royalty		Ontario, Canada	0.5% GRR
Lithium royalty and option portfolio		Ontario, Canada	1-3% NSR
Punitaqui royalty		Chile	0.75% GRR, subject to buyback

Note: For the Company's Interest in the Middle Tennessee Mine Zinc Royalty, refer to Note 5.

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Continuity of the Company's mineral property and royalty interests is as follows:

	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Mineral royalty interest	Deferred transaction cost	Total	Mineral royalty interest	Deferred transaction cost	Total
Cost						
Beginning balance	\$ 22,666,384	\$ -	\$ 22,666,384	\$ 16,797,094	\$ 16,505	\$ 16,813,599
Additions during the period	-	-	-	-	56,102	56,102
Cost recoveries	(108,000)	-	(108,000)	-	-	-
Ending balance	\$ 22,558,384	\$ -	\$ 22,558,384	\$ 16,797,094	\$ 72,607	\$ 16,869,701
Accumulated depletion and impairment loss						
Beginning balance	\$ 3,062,836	\$ -	\$ 3,062,836	\$ 2,663,822	\$ -	\$ 2,663,822
Charge for the period	60,739	-	60,739	-	-	-
Ending balance	\$ (3,123,575)	\$ -	\$ (3,123,575)	\$ (2,663,822)	\$ -	\$ (2,663,822)
Foreign currency translation difference						
Beginning balance	\$ 199,901	\$ -	\$ 199,901	\$ 224	\$ -	\$ 224
Movement for the period	726	-	726	47,781	-	47,781
Ending balance	\$ 200,627	\$ -	\$ 200,627	\$ 48,005	\$ -	\$ 48,005
Ending balance	\$ 19,635,436	\$ -	\$ 19,635,436	\$ 14,181,277	\$ 72,607	\$ 14,253,884

5 . INVESTMENT IN ASSOCIATE

In August 2021, the Company's wholly-owned subsidiary, Electric Royalties (USA) Inc., acquired a 25% interest in a limited partnership ("MTM LP"), which completed the acquisition of the Middle Tennessee Mine royalty ("MTM Royalty"). The Company's interest in the MTM LP entitles it to receive distributions of 25% of the MTM LP's revenue after deduction of the Company's proportionate share of MTM LP's operating expenses.

The MTM Royalty is a sliding-scale gross metal royalty on the Middle Tennessee Mine complex in Tennessee that varies with the zinc price: no royalty is payable if the zinc price is below US\$0.90 per pound, a 1.0% royalty is paid at zinc prices between US\$0.90 and US\$1.10 and a 1.4% royalty is paid at zinc prices above US\$1.10 per pound.

	Three months ended March 31,	
	2025	2024
Beginning balance	\$ 90,051	\$ 3,017,903
ELEC's share of net (loss) income of associate	(6,321)	(18,319)
Reversal of impairment	-	58,384
Currency translation adjustments	8	84,386
Carrying amount at the end of the period	\$ 83,738	\$ 3,142,354

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Summarized financial information for the Company's investment in associate, on a 100% basis and reflecting adjustments made by the Company, including adjustments for differences in accounting policies is as follows:

	March 31,	Three months ended	
		March 31,	March 31,
		2025	2024
Royalty revenue	\$	-	\$ -
Depletion of royalty interest		-	-
Revenue, net of depletion		-	-
Administration expenses		(25,284)	(73,276)
Net (loss) income	\$	(25,284)	\$ (73,276)
Company's share of loss of associate (i)	\$	(6,321)	\$ (18,319)

At March 31, 2025 and December 31, 2024, MTM LP's only non-current asset was the MTM Royalty interest, and it had no significant amount of liabilities.

6 . FIXED ROYALTY RECEIVABLE

In September 2023, the Company acquired a 0.5% GRR, in addition to its existing 1.0% GRR (note 4), on the Bissett Creek graphite project in Ontario, Canada, operated by Northern Graphite Corporation ("Northern Graphite"), in exchange for a cash payment of \$950,000 (the "Aggregate Consideration"). Concurrently to the acquisition of the additional royalty interest in Bissett Creek, the Company also entered into an amended and restated royalty (the "A&R Bissett Creek Agreement") agreement with Northern Graphite. Pursuant to the terms of the amended agreement, in addition to the GRR on future production, Northern Graphite will make a separate fixed royalty payment (the "Fixed Royalty") to the Company in the total amount of \$200,000, payable in eight quarterly payments of \$25,000 over a two year period. The Fixed Royalty has been recognized as a financial instrument, and was recorded at its fair value upon initial recognition. The difference between the Aggregate Consideration and the initial fair value of the Fixed Royalty was recorded in mineral royalty interests.

The following is a continuity of the Fixed Royalty receivable, which is carried at amortized cost in these Financial Statements:

	Three months ended		Year ended
	March 31, 2025	March 31, 2025	December 31, 2024
Beginning balance	\$	93,442	\$ 171,035
Accretion for the period		3,206	22,407
Payments received		(25,000)	(100,000)
	\$	71,648	\$ 93,442

7 . SHARE CAPITAL

(a) Authorized share capital

The authorized share capital of the Company was comprised of an unlimited number of common shares without par value ("Common Shares"). All issued shares are fully paid.

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) Brokered Private Placement And Concurrent Non-Brokered Private Placement (together, the "2025-Private Placement")

In January 2025, the Company closed a brokered private placement (the "Offering"). An aggregate of 12,248,235 units of the Company ("Units") were sold under the Offering at a price of \$0.18 per Unit (the "Issue Price") for gross proceeds of \$2,204,682. Canaccord Genuity Corp. and Red Cloud Securities Inc. (collectively, the "Agents") acted as agents in connection with the Offering.

In addition, the Company closed a non-brokered private placement (the "Concurrent Financing" and together with the Offering, the "Private Placements") with Globex Mining Enterprises Inc. of 1,666,667 additional Units of the Company (the "Additional Units" and together with the Units, the "Offered Units") at a price of \$0.18 per Additional Unit for additional gross proceeds of \$300,000. The Company raised aggregate gross proceeds of \$2,504,682 from the Private Placements.

Each Offered Unit is comprised of one common share of the Company (each, a "Common Share") and one common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company (each, a "Warrant Share") at an exercise price of \$0.25 per Warrant Share for a period of 2 years following the closing of the Private Placements.

The Agents received an aggregate cash commission equal to \$122,828 and an aggregate of 682,377 warrants of the Company (the "Broker Warrants"). Each Broker Warrant will be exercisable to acquire one Common Share at an exercise price of C\$0.18 at any time on or before January 15, 2027. The Broker Warrants and Common Shares underlying the Broker Warrants are subject to a four-month hold period pursuant to Canadian securities laws.

The gross proceeds from the Offering was allocated to shares and warrants using the residual value method, whereby the aggregate gross proceeds is first allocated to share capital to the extent of the fair value of the common shares issued, which fair value is determined with reference to their market value. Any excess of the gross proceeds over the fair value of the common shares is allocated to the warrants and is recorded as share warrants reserve. The fair value of the Company's common shares at the timing of the closing was \$0.17 per share; accordingly, the residual value assigned to each warrant that constitutes each Unit was \$0.01.

The Compensation Warrants were recorded at their grant date fair value of \$0.09 per warrant, which fair value was determined using the Black-Scholes Option Valuation method and the following input: a) market price of \$0.17 per common share; b) risk-free annual interest rate of 3.0%; c) time to expiration of 2 years; d) expected stock price volatility of 95%; and e) expected annual dividend yield of nil.

8 . RESERVES

(a) Equity-settled share-based payment arrangements

The number and weighted-average exercise prices of share options were as follows:

Continuity of options	Three months ended March 31, 2025		Three months ended March 31, 2024	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding – beginning balance	8,281,000	\$ 0.32	6,325,000	\$ 0.36
Options granted	-	\$ -	2,506,000	\$ 0.22
Options expired	(200,000)	\$ (0.34)	(200,000)	\$ (0.28)
Options outstanding – ending balance	8,081,000	\$ 0.32	8,631,000	\$ 0.32
Options exercisable – ending balance	8,081,000	\$ 0.33	6,893,668	\$ 0.34

Electric Royalties Ltd.

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The fair value of the Company's share options has been measured using the Black-Scholes option pricing model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The fair value of the options granted during the three months ended March 31, 2024 was determined as \$0.14 per option, using the following weighted average inputs: risk-free interest rate of 3.60%; expected volatility of 86%; underlying market price of \$0.22 per share; time to expiry of 4.45 years; and dividend yield of nil%.

The following table summarizes information on the options outstanding:

Remaining contractual life of the Company's common share purchase options:	March 31, 2025		December 31, 2024	
	Number of	Weighted average remaining contractual life	Number of	Weighted average remaining contractual life
Exercise price	Options	(years)	Options	(years)
\$0.220	2,506,000	3.43	2,506,000	3.68
\$0.290	2,575,000	0.29	2,575,000	0.54
\$0.340	-	-	200,000	0.24
\$0.415	3,000,000	1.54	3,000,000	1.79
	8,081,000	1.73	8,281,000	1.94

(b) Share purchase warrants

The number, exercise prices and expiration dates of the Company's share purchase warrants were as follows:

Warrants issued pursuant to:	Note	Exercise price (\$)	Expiration	Three months ended March 31, 2025		
				Number of warrants		
				Beginning	Issued/ (Expired)	Ending
Investment in associate (i)		0.60	August 2025	5,348,970	-	5,348,970
Glassville Royalty (i)		0.60	August 2025	151,030	-	151,030
Public offering of May 2022		0.45	May 2025	11,500,000	-	11,500,000
2025-Private Placement	7(b)	0.25	January 2027	-	13,914,902	13,914,902
Agent warrants	7(b)	0.18	January 2027	-	682,377	682,377
				17,000,000	14,597,279	31,597,279

Warrants issued pursuant to:	Exercise price (\$)	Expiration	Three months ended March 31, 2024		
			Number of warrants		
			Beginning	Issued/ (Expired)	Ending
Investment in associate (i)	0.60	August 2025	5,348,970	-	5,348,970
Glassville Royalty (i)	0.60	August 2025	151,030	-	151,030
Public offering of May 2022	0.45	May 2025	11,500,000	-	11,500,000
Finders' fees	0.30	May 2024	805,000	-	805,000
			17,805,000	-	17,805,000

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(i) Warrants issued pursuant to acquisition of investment in associate (note 5) and the Glassville Royalty (note 4)

In the event the Company's share price trades above \$1.00 per share for 10 consecutive days after year 2, 50% of these warrants expire within 30 days of such date; and in the event the Company's share price trades above \$1.50 per share for 10 consecutive days after year 3, all warrants expire within 30 days of such date.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations into Canadian Dollars.

9 . CONVERTIBLE LOAN

In November 2022, the Company entered into a convertible loan facility (the "Loan Facility" or "Convertible Loan") with a significant shareholder (the "Lender") of the Company, which agreement was amended in April 2023, as further described below. The Loan Facility was initially for \$2 million with a three-year term, and was subject to interest at 15% per annum, with interest to be accrued and payable at the end of the loan term. There is no commitment fee payable on the Loan Facility.

In April 2023, the Company and the Lender entered into an agreement to increase the Loan Facility from \$2 million to \$5 million. The Lender also agreed to modify the interest rate to a lower, floating rate (Secured Overnight Financing Rate (or "SOFR") + 7%), with a maximum interest rate of 12.5% p.a., as compared to the original rate of 15% p.a. All other terms remain the same. The Company concluded that this was a non-substantive loan modification, and it recorded a modification gain of \$61,000 during the year ended December 31, 2023 as a credit to finance expenses.

In February 2024, the Company and the Lender signed an amended and restated convertible loan agreement (the "A&R Loan Agreement"), among other things, to increase the Company's existing convertible loan facility from \$5,000,000 to \$10,000,000, subject to certain conditions set out in the A&R Loan Agreement and to extend the maturity date of the Convertible Loan by two years to January 12, 2028. The Company concluded that the amendments to the Loan Facility pursuant to the A&R Loan Agreement was a non-substantive loan modification, and it recorded a modification gain of \$315,786 during the three months ended March 31, 2024.

At the discretion of the Lender, after six months from the initial drawdown date, the Convertible Loan plus accrued interest is convertible into common shares of the Company as follows: (a) the conversion price (the "Conversion Price") for the principal sum of the Convertible Loan is set at the date of each advance at a 100% premium above the 30-day VWAP of Company's shares, subject to a minimum conversion price of \$0.50 per share; and (b) subject to prior approval of the TSX Venture Exchange, the conversion price for accrued interest is the market price at the time of settlement. The conversion price is fixed for each individual advance and applicable solely to that advance.

Under the A&R Loan Agreement, at March 31, 2025, the convertible loan facility is secured by: (i) a portion of the Company's existing royalty portfolio (1.5% Gross Revenue Royalty on the Penouta mine in Spain, 0.5% Gross Revenue Royalty on the Kenbridge nickel project in Canada, Gross Revenue Royalties on the Authier lithium project in Canada, 1.5% Gross Revenue Royalty on the Bissett Creek graphite project in Canada, 0.5% Gross Revenue Royalty on the Zonia copper project in the United States, 2.5% Net Smelter Royalty on the Graphmada mine in Madagascar, 2% Gross Metal Royalty on the Battery Hill manganese project in Canada, 1% Gross Metal Royalty on vanadium production from the Mont Sorcier Project in Québec, and 0.75% Gross Revenue Royalty on the producing Punitaqui copper mine in Chile) (collectively, the "Secured Royalties"); and (ii) collateral assignments of the receivables and proceeds of each Secured Royalty. Moreover, under the terms of the A&R Loan Agreement and the Canadian Security Agreement, any royalty interests and other personal property acquired subsequently by the Company using proceeds from the Loan Facility or otherwise charged in favour of the Lender will also form part of the collateral and be subject to a first priority security

Electric Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

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interest in favour of the Lender.

In February 2025, the Lender elected to convert \$428,540 in interest accrued on the Convertible Loan under the A&R Loan Agreement into 3,174,373 common shares of the Company at a conversion price of \$0.135 per share. After receiving necessary regulatory approval for this conversion, the Company issued 3,174,373 of its common shares to the Lender in April 2025. At March 31, 2025, pending the regulatory approval for issuance of common shares, the Company recorded the amount of accrued interest (\$428,540) within equity as Conversion Option Reserve.

Continuity of the carrying amount of the Convertible Loan is as follows:

	Three months ended March 31, 2025	Year ended December 31, 2024
Beginning balance	\$ 9,182,479	\$ 4,338,522
Aggregate fair value of cash advances upon initial recognition	-	4,851,000
Finance expenses – convertible note		
Interest for the period	283,034	824,288
Debt accretion for the period	110,909	280,110
Gain on loan modifications	-	(315,786)
	393,943	788,612
Conversion of accrued interest into the Company's common shares	(428,540)	(795,655)
Carrying amount at the end of the period	\$ 9,147,882	\$ 9,182,479

10 . RELATED PARTY TRANSACTIONS

The Lender of the Loan Facility is a significant shareholder of the Company that beneficially holds over 25% of the Company's issued and outstanding common shares (note 9).

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company and include the chief executive officer and directors of the Company. Transactions with the Company's key management personnel were as follows:

	Three months to March 31,	
	2025	2024
Short-term employment benefits(i)	\$ 102,047	\$ 116,158
Share-based payments	21,868	89,021
Total	\$ 123,915	\$ 205,179

(i) Includes executive salaries and directors' fees relating to the Company's key management personnel.