ELECTRIC ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDING MARCH 31, 2026

Table of Contents

Cautionary Note to Investors Concerning Forward-looking Statements

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, including without limitation statements regarding our expectations in respect of future financial position, business strategy, future production, future royalty acquisitions, reserve potential, exploration drilling, exploitation activities, events or developments that we expect to take place in the future, projected costs and plans and objectives. 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 include but are not limited to statements about our acquisition strategy and long-term objectives, acquisitions in our acquisition pipeline, industry trends, demand for commodities underlying our royalty portfolio and the mineral properties in which we have a royalty or other similar interest.

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; and
- impact of the conflicts in Ukraine and the Middle East on global economic conditions.

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 in this MD&A. 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.

Except where otherwise stated, the disclosure in this MD&A 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 of (or as specified in) the documents incorporated by reference herein, 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.

This MD&A includes market data and forecasts with respect to the battery metals and minerals, energy storage, automotive and clean energy markets. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases the Company relies on and refers to market data and certain industry forecasts that were obtained from third party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data and the voluntary nature of the data gathering process and other limitations and. As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

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.

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements (the "Financial Statements") of Electric Royalties Ltd. for the three months ended March 31, 2026, and its audited consolidated financial statements for the year ended December 31, 2025 and the related MD&A (the "Annual MD&A"), as publicly filed on SEDAR+ at www.sedarplus.ca.

The Financial Statements are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). All monetary amounts herein are expressed in Canadian Dollars ("$", "C$", or "CAD"), unless stated otherwise.

Other currencies mentioned include US dollars (US$) and Euros (€).

This MD&A is prepared as of May 26, 2026.

1.2 Overview

Electric Royalties Ltd. ("**Electric Royalties**", "**ELEC**" or the "**Company**") is a public company based in British Columbia, Canada, with common shares listed on the TSX Venture Exchange ("**TSXV**") under the trading symbol "ELEC" and on the OTCQB® Venture Market (the "**OTCQB**") in the United States under the symbol "ELECF".

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.

ELEC 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 recapitalise their balance sheets as well as existing royalties held by third parties (collectively hereinafter the "**Royalty Sellers**"). The Royalties acquired are described as follows:

> *Net smelter returns ("**NSR**") royalty*
>
> Net revenue (after smelting and refining costs) that the owner of a Project receives from the smelter or refinery for the mine's metal or mineral products less specified transportation and insurance costs and net smelter return royalties that are a set percentage of the net smelter return.
>
> *Gross revenue royalty ("**GRR**") or gross metal royalty ("**GMR**")*
>
> GRR or GMR entitles the royalty owner to a percentage of the gross revenue from the metals or minerals produced by a Project and sold.

Highlights

Electric Royalties' activities continue to be focused on expanding its exposure to the essential metals required for the world's transition to clean energy. The Company's portfolio of 43 royalty holdings is diversified across a range of metals in the clean energy space.

Cash Generating Royalties

Punitaqui Copper Mine

On December 4, 2024, Electric Royalties closed the acquisition of a 0.75% Gross Revenue Royalty (the "0.75% GRR") on the producing Punitaqui copper mine in Chile. A past producer, the mine re-initiated projection in 2024 and while ramping up, is also completing exploration and development activities (see discussion of drilling at Punitaqui under *Updates on Projects in Current Royalty Portfolio* below). Since the acquisition, the Company has received revenue of:

- US$21,661 ($31,000) based on mine sales during the year 2024;
- US$231,802 ($323,574) based on mine sales during the year 2025; and
- US$ 119,994 ($167,260) based on mine sales during the first quarter of 2026.

Updates on Projects in Current Royalty Portfolio

During the three months ended March 31, 2026, significant updates were announced for several projects in which the Company holds royalty interests. Highlights include:

- **Battery Mineral Resources Corp. (TSXV: BMR) ("BMR") announced:**

  Assay results from its 2024 underground exploration and in-fill drill program at the San Andres deposit area of the **Punitaqui Copper Mine** complex in Chile. According to BMR, the drilling confirmed the copper grades in the current geological model and better delineated the extent of the mineralization. Additionally, holes SAM-24-06 and SAM-24-07 encountered a fault offset of the lower shale; the area east of the fault represents a new target for future drilling.

  Drill holes SAM-24-06, 07, 08, 09, 10, 11 and 12 returned:

  - SAM-24-06: 2.9 meters (m) at 0.92% total copper (CuT) and 27.3 g/t (grams per tonne) silver (Ag) and 1.8 m at 2.76% CuT and 21.0 g/t Ag
  - SAM-24-07: 15.6 m grading 0.9% CuT and 15.0 g/t Ag
  - SAM-24-08: 5.1 m at 0.9% CuT and 3.4 g/t Ag
  - SAM-24-09: 9.8 m at 1.1% CuT and 13.2 g/t Ag
  - SAM-24-10: 19.8 m at 2.3% CuT and 26.4 g/t Ag
  - SAM-24-11: 21.9 m at 1.2% CuT and 15.4 g/t Ag
  - SAM-24-12: 12.0 m at 1.1% CuT and 20.7 g/t Ag and 10.2 m at 1.2% CuT and 12.7 g/t Ag

  Note: All intercepts reported as estimated true widths intervals.

  According to BMR, these drill results have been added to the three-dimensional geology and resource models that its mining engineers will use to update stope designs and optimize mining plans. The underground drilling program is focused on accessible targets within the existing Inferred Resource with the goal of upgrading the resource to a higher resource category and is also targeting areas adjacent to the Inferred Resource to potentially add new resources (BMR January 14, 2025).

BMR's current production target is 28,000 to 30,000 DMT of copper concentrates for 2026...

On July 28, 2025, BMR announced that Minera BMR SpA, its wholly-owned Chilean subsidiary, has received unanimous approval by all relevant environmental authorities of the Environmental Impact Statement that enables operations to continue for up to an additional ten years at the Los Mantos Copper Plant.

Electric Royalties is relying on the information provided by BMR and is unable to verify the reported drill information[1].

- **Sayona Mining Limited (ASX: SYA) ("SYA") announced:**

  Along with Piedmont Lithium Inc. (NASDAQ & ASX: PLL), a definitive agreement had been signed to combine the two companies to create a leading lithium business (SYA November 19, 2024) and that the combined company will be known as Elevra Lithium with four Board nominees from each of Sayona and Piedmont. The merger is completed in August 2025.

  Sayona plans to integrate mineralized material from the Authier Lithium Project[4], on part of which Electric Royalties holds a 0.5% gross metal royalty, with its nearby North American Lithium (NAL) mine. NAL and Authier are currently part of Sayona Québec, 75% owned by Sayona and 25% by Piedmont.

  Electric Royalties is relying on the information provided by Sayona.

- **Manganese X Energy Corp. (TSXV: MN) ("MN") announced:**

  Updates on the **Battery Hill Manganese Project** in New Brunswick, Canada. MN initiated a drilling program in late 2024, with the goal of upgrade areas of inferred mineral resources to the measured and indicated mineral resource categories, specifically to identify areas of higher grade, near surface mineralization that could be mined in the early years of production to be included and optimized in the upcoming pre-feasibility study ("PFS"). The drill program will provide approximately 1,393 m of core for analysis. MN announced the results from the program and advised that a mineral resource estimate to support the PFS is underway (MN April 5, 2025).

  In November 2024, that it had shipped core samples to the TOMRA Ore Sorting Solutions laboratory in Germany for testwork. Positive results from Phase 1 of the study, led by ABH Engineering Inc., were reported in March, showing over 95% effectiveness in sorting valuable rocks from waste. The test program used a sample set grading 7.7% manganese. Based on the favourable preliminary results from Phase 1, a more extensive Phase 2 study is currently underway to assess the economic potential of the sorting technology being used (MN March 12, 2025).

  On August 12, 2025, Manganese X announced positive Phase 2 ore-sorting results, demonstrating an 80% increase in mill feed grade in its large-scale Battery Hill pilot program, managed by ABH Engineering. According to Manganese X, the 80% increase means that, after ore-sorting, the material sent to the mill contains 80% more manganese per tonne than the original mined material. The PFS for Battery Hill PFS commenced in December 2025 and is expected to be completed in Q4, 2026. Manganese X is having ongoing discussions with lead consultants regarding the integration of ore-sorting into the Battery Hill PFS program.

  Electric Royalties is relying on the information provided by Manganese X.

- **Green Technology Metals Limited (ASX: GT1) ("GT1") announced:**

Plans for a proposed lithium hydroxide monohydrate (LHM) conversion plant in Ontario – in partnership with battery manufacturer EcoPro Innovation – which will include two 13-ktpa EcoPro-standard hydrometallurgical trains, utilizing proven LHM module design from EcoPro's South Korean operations to ensure cost accuracy, design precision, and reduced commissioning risks. Pilot testwork is underway at EcoPro's South Korean facility to produce battery-grade lithium hydroxide from Seymour Lake material. A preferred site for the conversion facility has been identified in Thunder Bay, Ontario, which is undergoing detailed due diligence (GT1 February 5, 2025).

Metallurgical testwork results from a Dense-Media-Separation-only processing circuit support a 5.5% to 6.0% spodumene concentrate with low impurities, at industry-comparable recoveries. GT1 reported that the spodumene concentrate grade and lithium recovery achieved are consistent with previous testwork and comparable to some of the world's leading hard rock spodumene lithium projects (GT1 February 12, 2025).

A new preliminary economic assessment (PEA) has been completed for the Seymour Lake Project in Ontario, Canada as previously published technical studies in December 2023, described a plan for the combined development of the Seymour Lake Project and the Root Project (the latter of which Electric Royalties does not hold a royalty interest). The new 2025 PEA assesses Seymour Lake on a standalone basis, taking into account updated optimizations and mine development options, and changed lithium market conditions. According to Green Technology Metals, their current goals are to advance the planned feasibility study in 2026 and commence production in 2027 (GT1 February 21, 2025).

On July 24, 2025, Green Technology Metals Limited (ASX:GT1) ("Green Technology Metals") announced the discovery of significant rubidium mineralization at the Seymour Lake Project in Ontario, Canada. This follows a detailed review of historical exploration data and metallurgical test work, culminating in the establishment of an inaugural Rubidium Mineral Resource under JORC standards at the North Aubry deposit1. According to Green Technology Metals, this resource positions Seymour Lake among the most significant rubidium projects globally, distinguished by its scale, grade, and classification confidence relative to other reported rubidium resources.

Rubidium, a critical mineral in the United States, is vital for defense, quantum technologies, and advanced electronics supply chains.

On August 7, 2025, Green Technology Metals announced that it has successfully produced battery-grade lithium hydroxide from the Seymour Lake Project's spodumene bulk sample. This outcome – achieved with its partner EcoPro Innovation, a Korean battery materials producer – meets benchmarked end-user specifications. The results will be utilized in the Pre-Feasibility Study (PFS) for the proposed lithium conversion facility in Ontario.

On August 12, 2025, Green Technology Metals announced that the Ontario Ministry of Mines has granted two additional 21-year mining leases for the Seymour Lake Project, bringing the total number of required mining leases to three, which provides full coverage over the proposed lithium mine and concentrator infrastructure area. For a full update on the project permitting process, see Green Technology Metals' August 12, 2025 news release.

Electric Royalties is relying on the information provided by Green Technology Metals and is unable to verify the mineral resource estimate and metallurgical results..

- **Cerrado Gold Inc. (TSXV: CERT) ("CERT") announced:**

  Further positive metallurgical test results supporting the ability to produce high-purity iron concentrates at the Mont Sorcier Project near Chibougamau, Québec have been received. The metallurgical results will be used to determine the final flow sheet design for the feasibility study at Mont Sorcier which, according to Cerrado, is expected to be completed in Q2 2026 (CERT March 3, 2025).

On July 17, 2025, Cerrado announced that it has commenced an infill drill program to update sufficient resources to the Proven and Probable categories to support the ongoing Feasibility Study, with assay results pending.

Electric Royalties is relying on the information provided by Cerrado.

- **World Copper Ltd. (TSX.V: WCU) ("WCU") announced**:

  In February had entered into a binding letter agreement to sell its interest in the Zonia copper-oxide deposit in Arizona, USA, to an arm's length third-party (a European metals and mining investment manager with two decades of leadership in investing in and developing mining projects worldwide) in consideration for C$26.0 million in cash, payable in tranches. On May 6, 2025, WCU announced it had terminated the agreement.

  Subsequently, on July 23, 2025, World Copper and Plata Latina Minerals Corporation ("Plata") announced an arm's length definitive agreement for Plata to acquire the Zonia Project from World Copper by way of a court-approved plan of arrangement. Plata Latina will be renamed Edge Copper Corporation upon closing of the transaction.

  Plata's President and CEO, Letitia Wong, stated: "With Zonia located on private and patented lands, the permitting process is expected to be more efficient and streamlined, enhancing project development certainty. Under the leadership of our highly experienced project team – recognized for its success in advancing copper projects in Arizona – we look forward to moving Zonia toward construction in the near to medium term."

  The transaction was completed in October 2025, pursuant to a court-approved plan of arrangement, and Plata Latina Minerals Corporation was subsequently renamed Edge Copper Corporation. For additional details on the transaction, see Edge Copper's news release dated October 30, 2025.

  Electric Royalties is relying on the information provided by World Copper.

- **Buxton Resources Limited (ASX: BUX) ("BUX") announced:**

  An updated mineral resource estimate (MRE) under JORC standards for the Graphite Bull Project in Western Australia, that increases contained graphite by 345%. The mineral resource includes of 7.61 Mt @ 11.6% Total Graphitic Carbon ("TGC") in the indicated category and 13.1 Mt @ 10.4% TGC in the inferred category at a 7% TGC cut-off[1]. According to BUX, the updated MRE improves the tonnage, thickness, strike extent and geological confidence of the Graphite Bull Project, with numerous shallow drill targets remaining as exploration upside (BUX February 17, 2025).

  Downstream qualification testwork on Graphite Bull material is well underway with results

[1] Buxton Resources Limited news release titled "Graphite Bull Resource Expands 345%" dated February 17, 2025, JORC Code, 2012 Edition – Table 1. The Graphite Bull Mineral Resource is reported above the 200 m RL, which is approximately at a depth of 200 m below topographic surface. This is considered to be a reasonable depth to which conventional open pit mining will reach. The MRE is reported above a cut-off grade of 7% TGC, which is recommended by Buxton and based upon analyses of commodity prices, cost estimates for mining and processing, and assumptions regarding a breakeven TGC grade.

expected in July 2025. The testwork results, along with Buxton's updated MRE, will guide its plans for further work at Graphite Bull (BUX April 1, 2025).

On July 9, 2025, Buxton announced that BTR New Material Group ("BTR"), the world's largest anode manufacturer, successfully qualified ore from Graphite Bull for BTR's entire ore-to-anode production process. BTR confirmed this material meets its proprietary specifications for flake concentrate produced from ore via simple flotation, coated purified spheronized graphite ("CPSG"), compatibility with BTR's anode production methods and electrochemical performance standards, and that batteries fabricated using Graphite Bull CPSG meet BTR's customer requirements. According to Buxton, this qualification is significant, given BTR's market leadership and supply to major battery companies like CATL and Samsung.

Electric Royalties is relying on the information provided by Buxton and is unable to verify the reported resource estimate.

<u>Qualified Person's Statement</u>

Alan Roberts, a Certified Professional Geologist ("CPG") # 11260 by the American Institute of Professional Geologists, and a qualified person, who is not independent of Electric Royalties, has reviewed and approved the technical information contained in this Management's Discussion and Analysis.

1.2.2 Current Portfolio

The following is a tabulation of royalties currently held, listed in order of each project's stage of development.

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
2024	Punitaqui Mine	Copper	Producing	0.75% GRR	Battery Mineral Resources Corp./ Minera BMR SpA/ Minera Altos Del Punitaqui Ltda	Chile
2023	Penouta Mine	Tin	Production currently suspended	1.5% GRR[2]	Strategic Minerals Europe Corp.	Spain
2021	Middle Tennessee Zinc Mine	Zinc	Production temporarily suspended	Sliding Scale GMR above US$0.90/lb Zn price	Nyrstar / Trafigura	United States
2021	Graphmada	Graphite	Care & Maintenance	2.5% NSR	Greenwing Resources Limited	Madagascar
2020	Authier	Lithium	Advanced Stage	0.5% GMR [3]	Sayona Mining	Canada
2020	Bissett Creek	Graphite	Advanced Stage	1.5% GRR	Northern Graphite Corp.	Canada
2021	Seymour Lake	Lithium	Advanced Stage	1.5% NSR	Green Technology Metals	Canada

[2] Upon receiving $1,666,667 in royalty revenues, the royalty rate will be reduced to a 1.25% GRR. Upon payment of $3,333,334 in aggregate royalty revenues, the royalty rate will be reduced to a 1.0% GRR.

[3] Royalty held over part of the project.

Acquired	Project	Mineral	Stage	Royalty	Operator	Location
2023	Kenbridge	Nickel	Advanced Stage	0.5% GRR on Kenbridge & 1.0% GRR on Kenbridge North	Tartisan Nickel Corp.	Canada
2020	Battery Hill	Manganese	Advanced Stage	2% GMR	Manganese X Energy Corp.	Canada
2020	Mont Sorcier	Vanadium	Advanced Stage	1% GMR	Cerrado Gold Inc.	Canada
2022	Zonia	Copper	Advanced Exploration	0.5% GRR & option for 1% GRR on Zonia North[4]	World Copper Ltd.	United States
2021	Millennium Copper Cobalt	Copper	Advanced Exploration	0.5% GRR	Metal Bank Limited	Australia
2021	Cancet	Lithium	Advanced Exploration	1% NSR	MetalsTech / Winsome Resources	Canada
2021	Rana	Nickel	Advanced Exploration	1% NSR	Global Energy Metals Corp.	Norway
2021	Graphite Bull	Graphite	Advanced Exploration	0.75% GRR	Buxton Resources Limited	Australia
2022	Sleitat	Tin	Exploration	1% NSR	Cornish Metals Inc.	Alaska
2021	Mt. Dorothy	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.[5]	Australia
2021	Cobalt Ridge	Cobalt	Exploration	0.5% GRR	Global Energy Metals Corp.[7]	Australia
2020	Chubb	Lithium	Exploration	2% GMR	Burley Minerals Ltd.	Canada
2020	Bouvier	Lithium	Exploration	2% GMR	Mining Equities Pty. Ltd.	Canada
2020	Sayona West	Lithium	Exploration	0.5% GMR	Sayona Mining	Canada
2020	Sayona East	Lithium	Exploration	2% GMR	Sayona Mining	Canada
2021	Glassville	Manganese	Exploration	1% GRR	Globex Mining Enterprises Inc.	Canada
2024	OLP Property Portfolio[6]	Lithium	Early Stage Exploration	1-3% NSR[7]	Multiple	Canada

[4] Option to acquire a 1% GRR on Zonia North at any time during a period of 24 months from the date that World Copper publishes an initial technical report in respect of the Zonia Norte deposit which is prepared in accordance with National Instrument 43-101 and contains an estimate of Inferred Mineral Resources remains. The option would require a $3,000,000 cash investment to exercise.

[5] GEMC plans to divest of an 80% interest in the Mount Dorothy and Cobalt Ridge projects. For further details see ***Overview*** of Electric Royalties' 2023 Q2 MDA.

[6] 18 royalties

[7] Buyback provisions on 0.5-1.0% NSR on the royalties

1.2.3 Financings

Private Placements

The Company did not complete any financing activities during the three months ended March 31, 2026. The Company continued to fund operations through existing cash resources and other internal sources.

Convertible Loan Facility

In November 2022, the Company entered into a financing commitment for a $2 million convertible loan facility ("**Loan Facility**" or "**Loan**") with Gleason & Sons LLC (the "**Lender**"), which is controlled by a significant shareholder of the Company. The Loan has a three-year term, and as per the original terms of the Loan Facility, was subject to interest ("**Interest**") at 15%, with Interest payments capitalized into the principal amount and due at the end of the Loan term. 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.

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) conversion price (the "**Conversion Price**") for the Loan at the greater of $0.50; a 100% premium above the 30-day VWAP 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.

Disinterested shareholder approval will be required for conversion of the Loan that results in the Lender exceeding the TSXV shareholding criteria.

In January 2023 and April 2023, the Company elected to draw down $1,000,000 and $500,000, respectively, under the Loan Facility, and the proceeds for the two drawdowns were respectively used for the Penouta royalty acquisition and the Kenbridge royalty acquisition. The Conversion Prices for the two drawdowns were set at $0.62 and $0.71, respectively, representing the 30-day VWAP of the Company's common shares at the date each drawdown.

In July 2023, the Company announced that it had drawn down $1,400,000 under the Loan Facility to fund the cash payment to acquire the additional 0.75% GRR on Penouta pursuant to the Option, and additional transaction costs associated with the Penouta and Kenbridge royalty acquisitions.

In September 2023, the Company drew down $1,050,000 under the Loan Facility to fund the cash payment to acquire the additional 0.5% GRR on the Bissett Creek project, as well as its associated transaction costs. The Conversion Price for this drawdown was set at $0.50.

In November 2023, the Company drew down $500,000 under the Loan Facility for working capital. The Conversion Price for this drawdown was set at $0.50.

<u>The Company and the Lender agree to amend the Credit Facility</u>

In October 2023, the Company announced that it had signed a commitment letter with the Lender to increase the Company's existing convertible credit facility from $5 million to $10 million (the "**Loan Amendment**"). The Lender has also agreed to extend the Maturity Date of the loan from January 12, 2026 to January 12, 2028. All other terms remain the same other than increased security requirements.

The Loan Amendment is subject to completion of documentation, the approval of the TSX Venture Exchange and other customary closing conditions.

The amended credit facility will be secured by: (i) a portion of the Company's existing royalty portfolio (1.5% GRR on the Penouta Mine in Spain, 0.5% GRR on the Kenbridge Nickel Project in Canada, the sliding scale GMR on the Middle Tennessee Mine in the United States, 0.5% GMR on the Authier lithium project in Canada and 1.5% GRR on the Bissett Creek graphite project in Canada); and (ii) a lien against the Company's present and future rights in additional royalties acquired using funds advanced under the credit facility, if any.

The Credit Facility was considered to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") at the time the Credit Facility was agreed to. The Credit Facility was 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 did not exceed 25% of the Company's market capitalization.

Amended Credit Facility

The Company has signed an amended and restated convertible loan agreement (the "A&R Agreement") with Gleason & Sons LLC (the "Lender") 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. Gleason & Sons LLC is controlled by Stefan Gleason, a significant shareholder and board member of Electric Royalties.

Interest will accrue on the outstanding principal amount of the Credit Facility at a rate per annum equal to the lesser of (a) the secured overnight financing rate, as published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) from time to time, plus 7% per annum, and (b) 12.5% per annum. Such interest shall be calculated daily and compounded annually, payment of which may be deferred until maturity.

The maturity date of the A&R Agreement is January 12, 2028 (the "Maturity Date"), extended two years from the prior loan agreement. Under the terms of the A&R Agreement, no origination or draw fees are assessed. Furthermore, the Company has the right to repay all or any portion of the indebtedness, without incurring any prepayment fee, upon at least 15 days' prior written notice to the Lender.

Prior to the Maturity Date, on at least 10 days' prior written notice to the Company, the Lender has the right to convert all or any portion of the outstanding principal amount of the Credit Facility and accrued and unpaid interest into the Company's common shares, on the terms and conditions set out in the A&R Agreement. Any outstanding principal amount with respect to a drawdown under the Credit Facility will be converted at a conversion price equal to the greater of: (i) C$0.50; (ii) a 100% premium above the 30-day volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange at the time of such drawdown; and (iii) the minimum price acceptable to the TSX Venture Exchange, per common share of the Company, subject to adjustment as provided in the convertible note evidencing such drawdown. Any accrued and unpaid interest may be converted at conversion price equal to the Market Price (as defined under the TSX Venture Exchange's Policy 1.1) at the time of settlement.

The Credit Facility will be 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, and 2% Gross Metal Royalty on the Battery Hill manganese project in Canada) (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 interest in favour of the Lender.

The A&R Agreement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The A&R Agreement is exempt from the formal valuation requirements 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.

At a special meeting of shareholders held on March 19, 2024, the following resolutions were passed:

1. The approval of the Amended and Restated Convertible Loan Agreement dated February 16, 2024, as a "related party transaction" in accordance with Multilateral Instrument 61-101- Protection of Minority Holders In Special Transactions.
2. The approval of the Amended and Restated Convertible Loan Agreement and the potential issuance of Common Shares upon the conversion of any principal amount outstanding and accrued and unpaid interest pursuant to the Amended and Restated Convertible Loan Agreement on the basis that the transaction is the first private placement with Stefan Gleason since he became a "Control Person" of the Company.

On April 9, 2024, the Company announced it had elected to draw down C$2,500,000 under its C$10,000,000 amended and restated convertible credit facility with the Lender dated February 16, 2024, for working capital and to fund the cash payment of the Transaction and associated Transaction costs related to the acquisition of the Lithium Portfolio in Ontario.

In May 2024, the Lender elected to convert $578,176 of interest accrued on the Convertible Loan under the A&R Loan Agreement into 2,753,220 common shares of the Company at a conversion price of $0.21 per share. In September 2024, the Lender elected to convert $217,479 of interest accrued on the Convertible Loan under the A&R Loan Agreement into 1,279,288 common shares of the Company at a conversion price of $0.17 per share.

Cash advances	Advance date	Conversion price	Gross proceeds
First advance	January 18, 2023	$ 0.62	$ 1,000,000
Second advance	April 19, 2023	0.71	500,000
Third advance	July 26, 2023	0.63	1,400,000
Fourth advance	September 26, 2023	0.50	1,050,000
Fifth advance	October 19, 2023	0.50	500,000
Sixth advance	April 10, 2024	0.50	2,500,000
Seventh advance	November 26, 2024	0.50	3,050,000
Total			$ 10,000,000

On November 26, 2024, the Company announced it had elected to draw down C$3,050,000 (the "November 2024 drawdown") under its C$10,000,000 amended and restated convertible credit facility with the Lender dated February 16, 2024 to partially fund the cash payment for the acquisition of a 0.75% Gross Revenue Royalty on the producing Punitaqui copper mine ("Punitaqui GRR") in Chile.

The Company granted the Lender security in the Punitaqui GRR and its 1% Gross Metal Royalty on vanadium production from the Mont Sorcier Project in Québec, in each case in accordance with the Credit Facility and associated security agreement.

On February 21, 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.

On August 18, 2025, the Lender elected to convert $536,500 of accrued interest on the Convertible Loan under the A&R Loan Agreement into 3,700,000 common shares of the Company at a conversion price of $0.145 per share. The shares were issued in January 2026.

In December 2025, the Lender elected to convert $420,000 of accrued interest on the Convertible Loan under the A&R Loan Agreement, into 3,000,000 common shares of the Company at a conversion price of $0.14 per share. The issuance of the Conversion Shares has not been completed as at the reporting date.

1.2.4 Market Trends

The demand for commodities, such as lithium, cobalt, graphite, vanadium, manganese, nickel, copper and zinc, used in clean energy technologies is forecast to increase as countries across the globe move toward clean energy technologies. The metal prices provided herein are only indicative and are intended to present overall trends, as opposed to actual prices, which vary materially based on several factors, such as metal grade, place of delivery, etc.

Prices in Q1 2026 have been quite strong despite uncertain global economic conditions.

Copper (Cu)	The average price for copper in 2020 was US$2.80/lb. In 2021, copper prices increased except for some volatility in June and again in October, then stabilized for the remainder of the year. Prices increased in early 2022, stabilized until late April, decreased from mid-June to mid-July, and were variable until February 2023 when they increased. Prices have been variable to decreasing in 2023 to October, increased slightly to late February 2024, and was variable for the rest of the year. Prices were increasing in early 2025, then dropped in late March in response to uncertain global economic conditions but bounced back quite strongly throughout the rest of the year. In Q1 2026 copper prices were holding steady around US$5.75/lb which is more than double copper prices in 2020 and a very strong price environment.
Zinc (Zn)	Zinc prices decreased in early 2020 but trended upward for the remainder of the year. Other than some volatility in February and October, prices in 2021 were steady, then began to increase in Q4 2021. In 2022, prices continued to increase to late April, decreased from August to October, then stabilized; the average annual price increased. Prices in 2023 and in 2024 were variable. In 2025, prices decreased, particularly in late March in response to uncertain global economic conditions but then bounced back strongly. Zinc prices were quite strong throughout most of Q1 2026 touching around US$3400/t and up around US$400/t year over year from Q1 2025.

Lithium (Li)	In December 2020, Fastmarkets assessed the lithium hydroxide monohydrate (minimum 56.5% $LiOH_2O$, battery grade) spot price at US$9.00/kg, both on a CIF China, Japan and Korea basis. The spot price increased significantly from June 2021 to late March 2022, and the average price increased overall in 2022. Prices were variable in 2023 and decreased markedly in the latter part of the year. Prices were stable in 2024 to mid-April when they decreased until October. Prices increased from October 2024 to January 2025, were stable to March and then slowly began to rise. In Q1 2026 lithium carbonate prices shot up steeply from around US$11,000/t to over US$17,800/t and ended the quarter around the top end of the range.
Graphite (Cg)	Graphite prices are determined based on direct negotiations between buyers and sellers and, as there is no spot or futures market for graphite, prices are provided by companies such as Benchmark Mineral Intelligence and Fastmarkets based on periodic surveys of buyers and sellers. Graphite prices are categorized by flake size and purity, i.e. large flake (+80 mesh) and particularly XL flake (+50 mesh) and 94% plus carbon varieties command premium pricing. The graphite price traded in a range of US$472/t to US$561/t in 2021 to September, then increased to December. Prices in 2022 were largely stable to mid-March, then were variable to July, when they stabilized; the average annual price increased in 2022. Prices increased to February 2023, when they decreased, then stabilized until early 2024. In 2024, prices decreased overall and the average annual price decreased from that in 2023. Prices in 2025 were generally stable and in Q1 2026 have begun to pick up due to batteries, industrial applications and electric vehicle demand rising. A recent price in the US is around US$856/MT.
Cobalt (Co)	The average reference price for standard grade cobalt in 2020 was US$15.58/lb, according to Fastmarkets MB. The spot price increased from June 2021 to March 2022, stabilized, then decreased from mid-May to mid-August, stabilized to February 2023, then decreased to September 2023, stabilized, then dropped in December 2023. Prices in 2024 decreased to August, then were stable until March 2025, and then prices were stable until Q4 2025 when they shot up from around US$33,000/t to over US$56,000/t. In Q1 2026 prices remained very flat at the top end of that price range.
Manganese (Mn)	The average manganese price (CIF China 44%) in 2020 was US$4.60/dmtu (dry metric tonne units) from an average of US$5.60/dmtu in 2019. Manganese prices were variable in 2021 to July then increased. In 2022 prices were stable until mid-March when they increased substantially, then stabilized again in mid-April before decreasing from June 2022 to early 2023. Prices increased in February 2023, then stabilized to April, then in the latter part of 2023. Prices decreased from November 2023 to January 2024, then stabilized for a few months before increasing from April to August 2024 but decreased through the end of the year. Prices were increasing in 2025 to March but and remained mostly flat throughout the rest of the year. In Q1 2026 manganese prices rose modestly from around US$5/mtu to US$5.50/mtu.
Vanadium (V)	In 2020, the prices for V_2O_5 averaged US$6.47/lb. Prices in 2021 were increasing to October when they dropped, then were largely stable to February 2022 when they increased substantially to early March. Although decreasing later in the year, the average annual price increased in 2022. Prices had largely increased in 2023 to April, decreased in May and June, then stabilized, but decreased from September 2023 to December, increased in January 2024, were variable in 2024 and decreased later in the year. Prices increased in 2025 to April and then stabilized. In Q1 2026 vanadium prices were quite strong going from about US$4.20/lb to end the quarter around US$6.00/lb.

Nickel (Ni)

Average LME price of nickel in 2020 was US$6.25/lb. Nickel prices were increasing in the first quarter of 2021, then dropped in March, and have been increasing overall since June 2021. Prices were stable in early 2022, spiked in mid to late March, decreased from April to mid-July, then were variable to increase to February 2023; prices decreased in May 2023 and were variable and decreased in November. Prices varied only slightly from December 2023 to February 2024, then were stable until October 2024 when they decreased. Prices were stable until late March 2025, when they decreased significantly, then increased in April, and then stabilized for the rest of the year. In Q1 2026 nickel prices rose sharply from around US$16,000/t to close the quarter out over US$17,800/t.

Tin (Sn)

During 2020, the average tin price was US$7.71/lb. Tin prices increased in 2021 and in 2022 to mid-March, were variable to November 2022. Prices in 2023 increased significantly in January and February and decreased a similar amount to mid-March, then were variable to increasing, decreased in August 2023. Prices were variable in late 2023 and in 2024. In 2025, prices were increasing to late March when they decreased and then slowly increased throughout the rest of the year. In Q1 2026 tin prices initially spiked from around US$40,000/t to a peak of around US$58,000/t before closing out the quarter around US$44,000/t for a modest 10% price increase.

Average annual prices for 2020 to 2025, and the average prices so far in 2026 are shown in the table below:

	Cu US$/lb	Zn US$/lb	Li US$/kg	Cg US$/t	Co US$/lb	Mn US$/dmtu	V US$/lb	Ni US$/lb	Sn US$/t
2020	2.80	1.03	9.52	461	15.58	4.60	6.47	6.25	7.71
2021	4.22	1.36	16.22	528	23.70	5.36	8.15	5.36	14.73
2022	3.99	1.58	71.61	673	31.64	6.47	9.23	11.59	14.18
2023	3.84	1.20	44.67	548	18.19	4.99	7.50	9.77	11.76
2024	4.15	1.26	10.12	364	16.71	4.91	5.42	7.62	13.69
2025	4.24	1.30	9.00	313	21.0	4.95	5.02	6.90	14.54
2026 (to March 31, 2026)	5.75	1.47	20.5	780	25	5.25	5.69	7.89	14.74

Sources: Trading Economics, Vanadiumprice.com, Jupiter Mines and Fast Markets. .

- Copper, nickel, tin and zinc are LME official cash price
- Cobalt is min 99.8% fob US warehouse (US$/lb)
- Manganese is 44-46 % CIF China
- Graphite is 94% min ex-works China excl. VAT US$/t
- Lithium is min 56.5% fob China
- Vanadium is 98% V_2O_5 fob China (US$/lb)

1.3 Selected Annual Information

Not required.

1.4 Summary and Discussion of Quarterly Results

The following information is derived from the Company's accompanying Financial Statements of the Company prepared in accordance with IFRS as issued by the IASB effective for the respective reporting periods of the Company, and are expressed in Canadian dollars, rounded to nearest thousands.

Quarter ended	Revenue	Net Loss	Basic and diluted loss per share	Weighted average number of common shares outstanding
March 31, 2026	$ 167,260	$ 489,305	$ (0.00)	129,911,703
December 31, 2025	$ 70,000	$ 7,150,000	$ (0.05)	121,401,863
September 30, 2025	$ 73,000	$ 598,000	$ 0.00	119,973,292
June 30, 2025	$ 73,000	$ 809,000	$ 0.01	119,973,292
March 31, 2025	$ 107,000	$ 825,000	$ 0.01	114,479,769
December 31, 2024	$ 31,000	$ 4,168,000	$ 0.04	102,884,017
September 30, 2024	$ –	$ 792,000	$ 0.01	101,688,161
June 30, 2024	$ –	$ 901,000	$ 0.01	98,624,089
March 31, 2024	$ –	$ 501,000	$ 0.01	96,601,509

Trends relating to the Company's operating results	
Revenue and Income	Since its inception in 2020, the Company has built a portfolio of mineral royalty interests. To date, the Company has (direct and indirect) royalty interests in three operating mines, namely: Mid Tennessee Mine ("MTM"); Penouta Mine; and Punitaqui Mine. However, during the year ended December 31, 2024, and to the date of this MD&A, the operations at the Mid Tennessee and Penouta mines remained suspended. The Company recognizes royalty revenue when the relevant commodities were transferred to the end customer by the operator of the royalty property. The Company's royalty revenue varies directly with the underlying commodity sales. The Company accounts for its interest in MTM LP, which holds the MTM Royalty, using the equity method of accounting, whereby the net income or loss of MTM LP is recorded as a separate line item in the Company's consolidated statement of comprehensive loss. The Company's income or loss from MTM LP varies primarily with its share of royalty revenue from the MTM Royalty. The Company's income or loss from MTM LP also varies with its share of MTM LP's expenses, which are usually higher in the first two quarters of each year, due to the timing of expenses relating to tax and annual audit.

Trends relating to the Company's operating results	
Operating expenses	Certain expenses, such as salaries and benefits, and administration expenses, are incurred evenly throughout the Company's fiscal year, while other expenses are driven by the underlying corporate and business development activities. Investor relations and shareholder communication expenses are mostly discretionary, and their timing is dependent upon various engagements and events relating to the Company's investor outreach. Salaries and benefit expenses only include directors' fees and compensation of the Company's chief executive officer. Historically, the Company has not engaged or hired full-time employees and experts, other than its chief executive officer. Instead, the Company sources all necessary technical, geological, corporate communications, accounting, regulatory compliance, and administrative services from certain service providers as required by the Company on a non-exclusive basis. These expenses are mainly classified, depending upon the nature of services received, as administration expenses and property investigation expenses in the Company's consolidated statements of comprehensive loss. The Company records all direct external costs, including legal and due diligence costs, relating to royalty acquisitions as part of the royalty interest asset. All internal costs, including property investigation and due diligence costs, with respect to the Company's potential royalty acquisitions are recorded as property investigation expenses within operating expenses. Equity-settled share-based payment expense varies with grant of share-based awards, and the pattern of their vesting.

Fiscal quarter	Discussions and analysis
2026/Q1	In this quarter, the Company recorded $167,260 in royalty revenue from Punitaqui Royalty. The following section of this MD&A provides a detailed analysis of the Company's operating results for this quarter.
2025/Q4	In this quarter, the Company recorded $70,000 in royalty revenue from Punitaqui Royalty. The Company granted stock options to its certain consultants that led to an increase in share-based compensation expenses during the quarter. In 2025/Q4, the Company performed an impairment assessment of its mineral property and royalty interests. The assessment considered indicators of impairment including, but not limited to, delays of exploration activities, changes in planned future work programs, and contractual or economic factors affecting the expected timing and probability of future cash flows. The Company recognized an aggregate impairment loss of $6,010,655 relating to certain mineral property and royalty interests. The impairment was primarily driven by delays in exploration activities and the absence of near-term planned work programs for certain assets, and revised expectations regarding the timing and recoverability of cash flows from certain time-limited royalty interests, where projected cash inflows are no longer expected to be realized prior to the expiry of the underlying agreements. The carrying amounts of the affected assets were written down to their respective estimated recoverable amounts, determined based on fair value less costs of disposal and/or value in use,

	as applicable. The impairment loss is recorded within impairment expense in the Consolidated Statements of Comprehensive Loss.
2025/Q3	In this quarter, the Company recorded $73,000 in royalty revenue from Punitaqui Royalty.
2025/Q2	In this quarter, the Company recorded $73,000 in royalty revenue from Punitaqui Royalty. The Company also conducted a review of its operational costs as well as the contributions of its primary administrative support provider and found opportunities to optimize both activities and expenses. Accordingly, the Company reduced personnel expenses in connection with its board and CFO, and it also completed a transition to a new administrative support provider.
2025/Q1	In this quarter, the Company recorded $107,000 in royalty revenue from Punitaqui Royalty.
2024/Q4	In this quarter, the Company closed the acquisition of Punitaqui Royalty for a purchase price of $3,500,000 and recorded $31,000 in royalty revenue from this royalty. In 2024/Q4, the Company drew down $3,050,000 against the Credit Facility to partially fund the acquisition of Punitaqui Royalty. The remaining purchase price of $450,000 for Punitaqui Royalty was paid after the end of the reporting period in January 2025. In 2024/Q4, the Company recorded impairment losses of $3.1 million and $0.4 million on its interests in the MTM LP and the Lithium Property Portfolio, respectively.
2024/Q3	There were no investing or financing transactions closed during this quarter. The net loss recorded during the quarter was mainly due to operating and financing expenses for the quarter. No revenue was recorded during this quarter.
2024/Q2	The Company completed the acquisition of the Lithium Royalty and Option Portfolio in this quarter. The Company did not record any royalty revenue from the Penouta royalty in this quarter, as the mining operation at the Penouta Mine remained provisionally suspended due to the suspension of the section C permit. The Company drew down an additional sum of $2.5 million against the Loan Facility in April 2024, and the Lender elected to convert $578,176 in interest accrued on the Convertible Loan under the A&R Loan Agreement into 2,753,220 common shares of the Company at a conversion price of $0.21 per share. The increase in net loss in Q2 2024, compared to the net loss in Q1 2024, was mainly due to an increase in finance expense following the aforementioned drawdown against the Loan Facility. Additionally, in Q1 2024, the net loss was lower due to the gain on modification to the Loan Facility.

1.5 Results of Operations

During the three months ending March 31, 2026, the Company recorded $167,260 (2025 - $107,000) in royalty revenue from the Punitaqui Royalty.

During the three months ended March 31, 2026, the Company recorded a net loss of $489,305, compared to a net loss of $825,000 for the three months ended March 31, 2025. The difference in net loss for the current period compared to the prior period was mainly attributable to the net effect of the following:

- a decrease in operating expenses in the current period, as further discussed below; and

- a decrease in finance expenses to $340,338 (2025 - $393,944) recorded in the current period primarily reflecting the interest expense on the Loan Facility.
- An increase in royalty revenue from the Punitaqui Royalty.

The following tables provide a comparison of the Company's operating expenses:

Operating Expenses	Three months ended March 31, 2026	2025	Increase/ (decrease)	Change
Bank charges and interest	290	0	290	n/a
Investor relations and shareholder communications	57,009	144,068	(87,059)	-60%
Salaries and benefits	91,101	102,047	(10,946)	-11%
Administration	23,872	112,966	(89,094)	-79%
Regulatory	20,673	38,254	(17,581)	-46%
Legal, tax, audit and audit related	20,000	26,254	(6,254)	-24%
Property investigations	–	34,844	(34,844)	-100%
Equity-settled share-based payments	13,508	21,621	(8,113)	-38%
Total	226,453	480,054	(253,601)	-53%

Salaries and benefit expense, representing directors' fees and executive compensation, decreased during the period ended March 31, 2026, primarily due to a reduction in the size of the Company's Board of Directors following the Company's Annual General Meeting held in March 2025.

Administration expenses decreased during the current period primarily due to reduced administrative support costs.

Legal, tax, audit and audit-related expenses were lower during the current period due to the timing of work performed by the Company's auditors during the period ended March 31, 2026, compared to the prior period.

Share-based payment expenses varied in accordance with the underlying vesting terms of the Company's equity compensation arrangements.

1.6 Liquidity

At March 31, 2026, the Company had a cash balance of $714,510 (December 31, 2025 – $839,534) and working capital of $782,498 (December 31, 2025 – $827,180).

During the three months ended March 31, 2026, the Company used $125,024 of cash in operating activities, compared to $1,043,825 in the prior year period. The decrease was primarily due to changes in working capital items, including higher settlement of accrued liabilities in the prior year period compared to the current period.

During the three months ended March 31, 2026, there were no significant investing activities. During the prior year period, the Company used $309,560 cash in investing activities, which primarily reflected the remaining payment for the Punitaqui Royalty acquisition, partially offset by royalty and option payments received.

During the three months ended March 31, 2026, there were no significant financing activities. During the prior year period, the Company's financing activities was $2,039,962, which mainly includes the proceeds from the Private Placement.

Further development of the Company's business will require additional funding from a combination of the Company's shareholders, or alternative capital providers, and debt financing. As the royalty interests currently owned, directly or indirectly by the Company to date are mainly in their development stage, the Company's revenue or cash flows from such royalty interest are not sufficient, compared to its corporate and business development expenditures. To date, the Company has mainly relied on proceeds from equity financing to fund its expenditure, and to maintain liquidity.

Any change in the commitment or timing of debt and equity funding from existing or new shareholders of the Company, or alternative capital providers, may require the Company to curtail its planned 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 the Financial Statements.

At March 31, 2026, except for the Loan maturing in 2028, the Company did not have any material long-term lease obligations, purchase obligations, or any other long-term obligations.

1.7 Capital Resources

The Company has no lines of credit or other sources of financing which have been arranged but not yet utilized.

Further advancement of the Company's business strategies and operations will require additional funding. The Company intends to pursue additional funding through equity and debt financing.

Although management has a reasonable expectation that it can continue to raise funds, there can be no assurance to that effect.

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

This disclosure can be found in the accompanying Financial Statements of the Company, with additional details provided below.

The Company's related party transactions are comprised of remuneration for the following key management personnel ("KMP") that have the authority and responsibility for planning, directing and controlling the activities of the Company:

Name	Position(s) Held at the Company
Craig Lindsay	Director
Robert Schafer	Director
Stefan Gleason	Director
Brendan Yurik	Director, Chief Executive Officer
Robert Scott	Chief Financial Officer

Transactions with the Company's key management personnel were as follows:

		Three months ended December 31,		Increase/	
		2025	2024	(decrease)	Change
Short-term employment benefits (1)	$	97,622	108,208	(10,586)	-10%
Consulting fees		27,210	–	27,210	100%
Share-based payments (2)		236,102	49,538	186,564	377%
Total	$	360,934	157,746	203,188	129%

(1) Short-term employment benefits include salaries and benefits of the Company's chief executive officer and directors' fees. The decrease in short-term employment benefits was mainly due to the reduction in the size of the Company's Board of directors following the Company's Annual General Meeting held in March 2025.

(2) The share-based payment expense relates to the stock options, DSU and RSU granted in 2025 and 2024 by the Company to its directors and officers and varied in line with the applicable vesting conditions.

Refer to 1.2.2 *Financings* for details of the loan facility provided by Gleason & Sons LLC, which is controlled by Mr. Gleason.

1.10 Fourth Quarter

Not required.

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

This disclosure can be found in the accompanying Financial Statements of the Company.

1.13 Changes in Accounting Policies including Initial Adoption

There was no change in accounting policies during the current year.

1.14 Financial Instruments and Other Instruments

The Company's financial assets mainly comprise cash held in business accounts with a high-credit quality financial institution and are available on demand by the Company as and when required.

The Company's liquidity position is discussed in Section 1.6 Liquidity.

1.15 Other MD&A Requirements

1.15.1 Additional disclosure for venture issuers without significant revenue

See section 1.5 "Results of Operations".

1.15.2 Disclosure of Outstanding Share Data

The capital structure of the Company as of the date of this MD&A, is as follows:

	Number
Common shares issued and outstanding	131,166,147
Share purchase options	4,450,000
Share purchase warrants	14,836,259
Restricted share units (RSUs)	150,000
Deferred share units (DSUs)	1,000,000

1.15.3 Internal controls over financial reporting and disclosure controls

Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

1.15.4 Risk Factors

The required disclosure is provided in the "Risk Factors" section of the Company's Annual MD&A as publicly filed on SEDAR+ at www.sedarplus.ca.