

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Electric Royalties Ltd. (the “**Company**”)
15th Floor, 1040 West Georgia Street
Vancouver, B.C.
V6E 4H1, Canada

Item 2 Date of Material Changes

July 16, 2020

Item 3 News Release

The news release was issued and disseminated on July 16, 2020 on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) (www.sedar.com).

Item 4 Summary of Material Changes

On July 16, 2020, the Company announced the closing of the acquisition of a 1% gross revenue royalty (“**GRR**”) over the Bissett Creek graphite project located in Ontario (the “**Bissett Creek Project**”) from Northern Graphite Corporation (“**Northern Graphite**”) for \$500,000 in cash and 2,000,000 shares of the Company.

Item 5 Full Description of Material Changes:

On July 16, 2020, the Company announced the closing of the acquisition of a 1% GRR over the Bissett Creek Project (the “**Bissett Creek Royalty**”) from Northern Graphite for \$500,000 in cash and 2,000,000 shares of the Company. The closing was pursuant to the letter agreement between Northern Graphite and the Company’s subsidiary Electric Royalties (Canada) Ltd. (then known as Electric Royalties Ltd.) dated March 18, 2020 and the Royalty Purchase Agreement between Northern Graphite and the Company dated July 10, 2020.

The Bissett Creek Royalty is over all revenues received or receivable by Northern Graphite in connection with graphite flotation concentrate produced from the Bissett Creek Project. The royalty will be based on pricing for 94% Cg concentrates and will not apply to the premiums received for higher purities or value-added products.

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

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

Item 6 Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact Brendan Yurik, Chief Executive Officer at brendan.yurik@electricroyalties.com or by telephone at +1 (604) 364-3540.

Item 9 Date of Report

July 22, 2020