

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares of Electric Royalties Ltd. (“**Electric Royalties**”). The registered office address of Electric Royalties is 14th Floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Globex Mining Enterprises Inc. (“**Globex**”)
89 Belsize Drive
Toronto, Ontario M4S 1L3

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On August 11, 2021, Globex acquired: (i) 8,752,860 common shares of Electric Royalties (“**ELEC Shares**”) and 5,348,970 common share purchase warrants of Electric Royalties (“**ELEC Warrants**”) pursuant to a Royalty Purchase and Sale Agreement dated as of August 6, 2021 between Globex and Electric Royalties, and (ii) 247,140 ELEC Shares and 151,030 ELEC Warrants pursuant to a Royalty Purchase Agreement dated as of August 6, 2021 between Globex and Electric Royalties, representing a total of 9,000,000 ELEC Shares and 5,500,000 ELEC Warrants (collectively, the “**Transactions**”).

Each of the ELEC Warrants entitles Globex to acquire one additional ELEC Share at a price of \$0.60 for a period of four years, subject to certain conditions.

2.3 State the names of any joint actors.

None.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Immediately prior to the closing of the Transactions, Globex held 3,000,000 ELEC Shares, representing 5.23% of the 57,405,101 issued and outstanding ELEC Shares.

Pursuant to the Transactions, Globex acquired 9,000,000 ELEC Shares. As a result, Globex holds 12,000,000 ELEC Shares, representing 18.07% of the 66,405,101 issued and outstanding ELEC Shares.

Globex also acquired 5,500,000 ELEC Warrants pursuant to the Transactions. Assuming the exercise of the ELEC Warrants, Globex would hold 17,500,000 ELEC Shares, representing 24.34% of the ELEC Shares that would then be issued and outstanding.

Globex may not exercise any portion of the ELEC Warrants if the exercise of such portion of the ELEC Warrants will result in Globex having beneficial ownership of, or exercising direction or control over, 20% or more of the issued and outstanding ELEC Shares except to the extent that the shareholders of Electric Royalties (on a disinterested basis, excluding any ELEC Shares held by Globex) have approved the issuance of such ELEC Shares in conformity with the policies of the TSX Venture Exchange. Electric Royalties has undertaken to use commercially-reasonable efforts to obtain approval from its shareholders for the issuance to Globex of ELEC Shares upon the exercise of ELEC Warrants if such approval is required pursuant to the policies of the TSX Venture Exchange in order for Globex to exercise the ELEC Warrants in full. In that regard, Electric Royalties has undertaken to present such matter to its shareholders at its next annual meeting of shareholders, to the extent that such approval is still required.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Globex acquired ownership of 9,000,000 ELEC Shares and 5,500,000 ELEC Warrants pursuant to the Transactions.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately prior to the closing of the Transactions, Globex held 3,000,000 ELEC Shares, representing 5.23% of the 57,405,101 issued and outstanding ELEC Shares.

Immediately following the closing of the Transactions, Globex holds 12,000,000 ELEC Shares, representing 18.07% of the issued and outstanding ELEC Shares.

Immediately following the closing of the Transactions, Globex also holds 5,500,000 ELEC Warrants. Assuming the exercise of the 5,500,000 ELEC Warrants, Globex would hold 17,500,000 ELEC Shares, representing 24.34% of the ELEC Shares that would then be issued and outstanding.

See 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See 3.4.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The 9,000,000 ELEC Shares were issued by Electric Royalties at a deemed price of \$0.315 per share, representing a total deemed price of \$2,835,000.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

The 8,752,860 ELEC Shares and 5,348,970 ELEC Warrants referred to above were issued by Electric Royalties pursuant to a Royalty Purchase and Sale Agreement dated as of August 6, 2021 between Globex and Electric Royalties under which Globex sold its Mid-Tennessee Zinc Mine royalty to an assignee of Electric Royalties, and the 247,140 ELEC Shares and 151,030 ELEC Warrants referred to above were issued by Electric Royalties pursuant to a Royalty Purchase Agreement dated as of August 6, 2021 between Globex and Electric Royalties under which Globex sold a 1% Gross Metal Royalty on its 100%-owned Glassville, New Brunswick manganese exploration property to Electric Royalties.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See 4.2.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.

For investment purposes.

Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

In accordance with applicable securities laws, Globex may, from time to time and at any time, acquire additional shares and/or other equity, debt or other securities or instruments (collectively, "Securities") of Electric Royalties in the open market or otherwise, and

reserves the right to dispose of any or all of its Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of Electric Royalties and other relevant factors.

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable.

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

Not applicable.

- (j) a solicitation of proxies from securityholders;**

Not applicable.

- (k) an action similar to any of those enumerated above.**

Not applicable.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The undersigned, as the acquiror, certifies that the statements made in this report are true and complete in every respect.

August 11, 2021
Date

(signed) Jack Stoch
Signature

Globex Mining Enterprises Inc., per Jack Stoch, President and Chief Executive Officer
Name