

ELEMENTAL ROYALTIES ANNOUNCES Q2 2021 RESULTS

August 23, 2021 – Vancouver, BC: Elemental Royalties Corp. (“**Elemental**” or “the **Company**”) (TSX-V: ELE, OTCQX: ELEM) is pleased to announce its operating and financial results for the three and six months ended June 30, 2021. For complete details please refer to the Financial Statements and associated Management Discussion and Analysis for the three and six months ended June 30, 2021, available on SEDAR (www.sedar.com) or the Company’s website (www.elementalroyalties.com).

Frederick Bell, CEO of Elemental commented, *“The highlight of Q2 was the successful first gold pour at our cornerstone Karlawinda royalty in Australia. Completed on time and on budget, Karlawinda is a high-quality mine that materially de-risks the Company’s royalty portfolio with approximately 80% by NAV now coming from operating assets.*”

With active exploration programs underway across the portfolio, we look forward to continued organic resource growth and additional value being created for shareholders at no cost to the Company. We also remain engaged on a robust pipeline of royalty opportunities to complement the doubling of royalty revenue expected going into 2022.”

Asset Highlights

- Commissioning and first gold pour at cornerstone royalty Karlawinda with an expected life of mine annual production run rate of 110,000 – 125,000 gold ounces
- Wahgnion performing well and on track for 2021 production of 158,000 – 173,000 gold ounces. Over 9,500m of drilling completed, representing approximately 25% of the exploration budget and the program is expected to ramp up in H2 2021
- Amancaya maintained 2021 guidance of 45,000 to 50,000 gold equivalent ounces plus the sale of approximately 6,000 ounces of gold in bullion following disruptions in Q2 2021 primarily due to equipment availability
- First royalty revenue received from the new Tuart underground mine at Mount Pleasant, where Zijin Mining’s (SSE: 601899, HKG: 2899) fully owned subsidiary Norton Goldfields is undertaking development work
- Equinox Gold (TSX/NYSE-A: EQX) completed the acquisition of Premier Gold Mines, operator of the producing Mercedes mine where Elemental holds a 1% NSR royalty that will be paying from July 2022 following a time hurdle
- Future Metals (ASX: FME) completed the acquisition of the Panton PGM project where Elemental holds a 0.5% NSR royalty with a 10,000m drill program to commence in Q3 2021

Financial Highlights

- Revenue of US\$1.2 million generated from four royalties, with Karlawinda to start contributing from Q3
- 683 attributable gold equivalent ounces¹ sold in Q2 2021 and 1,323 attributable gold equivalent ounces¹ sold in H1 2021 at zero cash cost to the Company
- 2021 guidance of 4,000 to 4,400 gold equivalent ounces and US\$7.0 – 7.9 million remains unchanged, weighted towards H2 2021

- Adjusted EBITDA¹ of US\$0.6 million for Q2 2021 and US\$1.2 million for H1 2021
- Net loss of US\$1.2 million for Q2 2021 and US\$2.3 million for H1 2021
- Cash and cash equivalents of US\$6.2 million as of June 30, 2021

Outlook

Elemental maintains guidance of 4,000 to 4,400 attributable zero-cost gold equivalent ounces¹ in 2021 from its existing portfolio, weighted towards the second half of the year, with over 90% of expected revenue derived from gold.

Asset Updates

Karlawinda (2% NSR)

- Capricorn Metals (“Capricorn”) (ASX: CMM) announced that it poured first gold on June 30, 2021 at its wholly owned Karlawinda Gold Project in Western Australia
- Gold bars weighing 12.0 kg (386 ounces) were poured and gold production (including gold - in-circuit) for the first week of operations totalled 2,360 ounces
- Processing plant achieved laterite component of throughput guidance on a periodic basis with oxide/laterite blended feed in August to increase throughput rates
- Commissioning and optimisation of processing plant continuing to ramp up to guidance throughput rates on a steady state basis by end of Q3 2021 with results already showing encouraging early grade and recovery performance
- 600,000 tonnes of ore on ROM and further 1.2Mt of ore exposed in open pit. Grade control drilling completed on Bibra laterite zone validating reserve model
- Commencement of infill and near mine exploration drilling with a view to Reserve additions and the discovery of new Resources to provide mine life extensions

Wahgnion (1% NSR)

- Wahgnion produced 40,592 gold ounces in Q2 2021 and sold 47,704 gold ounces in Q2 2021
- Total tonnes and ore mined remained fairly consistent and materially above the original mine plan. Ore mined was sourced mainly from the Nogbele North and Nogbele South pits and supplemented with ore from the Fourkoura pit, where mining commenced earlier this year
- Well positioned to meet 2021 guidance, with the mine expected to produce 140,000 – 155,000 ounces in the post-Endeavour acquisition period commencing on 10 February 2021 for a total of 158,000 – 173,000 ounces in the year
- The 2021 exploration program, with a planned expenditure of approximately US\$12.0 million, will focus on the complex and stacked lodes at Nogbele North and Nogbele South deposits. These deposits account for more than half of the Measured and Indicated Resource with drilling targeting the continuation of mineralized structures between the Nogbele pits.
- Additionally, Endeavour is targeting continuation of the Fourkoura deposit and the Hillside prospect. On the exploration permits efforts will be focused on various attractive targets such as Kafina West and Korindougou

Amancaya (2.25% NSR)

- Production at Amancaya during Q2 2021 has improved after the completion of outsourcing to a new underground mining contractor at Amancaya. A total of 8,351 gold equivalent ounces were produced during the quarter with 6,856 gold equivalent ounces sold and approximately 2,000 gold ounces in inventory awaiting sale
- Austral announced consistent monthly improvements at the Guanaco-Amancaya mine complex and expect production to gradually increase to achieve annual guidance of 45,000-50,000 gold equivalent ounces
- Amancaya has seen a continued focus on exploration and organic growth with a clear plan to extend the mine life resulting in the discovery two new veins in the immediate vicinity of the Amancaya mine workings. Highlights from the second round of drilling on these veins reported in May 2021 include:
 - 2.41 meters @ 10.19 g/t gold and 55 g/t silver (DAM-024)
 - 1.17 meters @ 24.98 g/t gold and 77 g/t silver (DAM-026)
 - 4.27 meters @ 7.81 g/t gold and 33 g/t silver (DAM-019)
 - 1.8 meters @ 3.1 g/t gold and 1.5 g/t silver (DAM-016)
- Further drilling is planned on these veins in H2 2021

Mercedes (1% NSR)

- On April 7, 2021 Equinox Gold (TSX/NYSE-A: EQX) completed the acquisition of Premier Gold Mines to create a mid-tier gold miner with 7 operating assets
- Royalty revenue is due to Elemental after the earlier of: (a) the date on which 450,000 ounces of gold equivalent have been produced after July 28, 2016 or (b) the sixth anniversary of that date (July 28, 2022). Elemental expects that as a result of the COVID-19 stoppages, the start of royalty payments are likely to be payable from July 28, 2022, rather than the 450,000 ounce production hurdle
- The focus at Mercedes is currently on the promising, fast-evolving Diluvio/Lupita/San Martin system while also implementing continued exploration, underground development, and mill maintenance programs with the intention of returning to full annual production of approximately 80,000 to 90,000 ounces
- Equinox have guided gold production at Mercedes of 30,000 to 35,000 ounces for the period post-acquisition on April 7, 2021 to December 31, 2021

Laverton (2% Gross Revenue Royalty)

- On April 20, 2021, Focus Minerals released a Stage 1 Pre-Feasibility Study ("PFS") for restarting the Barnicoat Mill across only 21% of Focus' Mineral Resource base with substantial potential for resource growth at Elemental's Beasley Creek deposits, which remain open along strike and where additional infill drilling may lead to an upgrade of the existing higher grade, shallow Inferred Resources. Recent results from Beasley Creek and Beasley Creek South included:
 - 16 meters @ 3.62 g/t gold (21BSDD002)
 - 11 meters @ 2.27 g/t gold (21BSDD003)
 - 9 meters @ 2.57 g/t gold (21BSRC019)
 - 9 meters @ 2.32 g/t gold (21BSDD006)
 - 7 meters @ 2.84 g/t gold (21BSDD005)

- 4 meters @ 4.88 g/t gold (21BSDD005)
- Geotechnical, metallurgical and hydrogeological studies are being advanced with the objective of increasing grade and tonnage of ore feed from Beasley Creek for the Stage 2 Laverton PFS
- Resource update for Beasley Creek expected in the December 2021 quarter

Kwale (0.25% Gross Royalty)

- In Q2 2021, Base Resources (ASX: BSE) produced 88,735 tonnes of ilmenite, 20,116 tonnes of rutile and 7,511 tonnes of zircon, selling 93,959 tonnes of ilmenite, 24,597 tonnes of rutile, and 8,388 tonnes of zircon
- Mining operations continued according to plan on the South Dune orebody with mined tonnage increasing slightly
- Global pigment demand continued to strengthen through the quarter as Chinese pigment producers continued to operate at near capacity output levels while western pigment producers have now returned to full production following a gradual ramp up since the COVID-19 related production cuts in late 2020

Mount Pleasant (5% NPI or A\$10/oz Royalty)

- Initial underground development is underway on the Tuart orebody, one of the material resources covered by Elemental's royalty at Norton Goldfields' Mount Pleasant Operations
- Tuart has a historical JORC 2012 compliant Indicated Resource of 212,000 ounces of gold at 1.8 g/t and Inferred Resource of 232,000 ounces of gold at 3.8 g/t² on both conceptual underground and open pit mineralisation

Panton (0.5% NSR)

- Future Metals NL (ASX: FME) acquired Great Northern Palladium Pty Ltd ("GNP"), which owned 80% of the Panton project, and subsequently exercised an option over the remaining 20%
- A 10,000m diamond drilling program is expected to commence in Q3 2021
- Specialist PGM metallurgical consultant appointed to review historical flotation test work, confirms metallurgical recoveries for of 81.4% 3PGM (platinum, palladium and gold) recovery to a low mass pull (2.5%) concentrate grading 271 g/t 3PGM
- Panton has a Measured and Indicated JORC (2012) Resource of 12.2Mt @ 2.46g/t Pd, 2.25g/t Pt, 0.3g/t Au, 0.26% Ni, 0.07% Cu for 963,000 ounces Pd and 878,000 ounces Pt; and an Inferred JORC Resource of 2.2Mt @ 2.0g/t Pd, 1.9g/t Pt, 0.3g/t Au, 0.31% Ni, 0.11% Cu, for 139,000 ounces Pd and 129,000 ounces Pt³

Western Queen (A\$6 to A\$20/oz Royalty)

- Rumble has completed and announced three phases of over 30,000m of Diamond Core, RC and AC drilling
- Database compilation and associated resource estimation work for the multiple resource zones has commenced and is expected during Q3 2021

On behalf of Elemental Royalties Corp.

Frederick Bell

CEO and Director

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Elemental is a proud member of Discovery Group. For more information please visit: www.discoverygroup.ca or contact 604-653-9464.

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About Elemental Royalties

Elemental is a gold-focused royalty company listed on the TSX-V in Canada and provides investors with lower risk precious metals exposure through a portfolio of nine high-quality royalties. This enables investors to benefit from ongoing royalty revenue, future exploration upside and low operating costs. Elemental's experienced team seeks to secure royalties in advanced precious metals projects, run by established operators, from its pipeline of identified opportunities.

Qualified Person

Richard Evans, FAusIMM, is Senior Vice President Technical for Elemental, and a qualified person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical disclosure contained in this press release.

Neither the TSX-V nor its Regulation Service Provider (as that term is defined in the policies of the TSX-V.) accepts responsibility for the adequacy or accuracy of this press release.

¹ Elemental has included certain performance measures in this press release that do not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS). The Company's royalty revenue is converted to an attributable gold equivalent ounce basis by dividing the royalty revenue received in a period by the average gold price for the same respective period. The presentation of this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. The production forecast was derived using information that is available in the public domain as at the date hereof, which included guidance and estimates prepared and issued by management of the operators of the mining operations in which Elemental holds an interest. The production forecast is sensitive to the performance and operating status of the underlying mines. None of the information has been independently verified by Elemental and may be subject to uncertainty. There can be no assurance that such information is complete or accurate.

² The Tuart deposit in Elemental's Mt Pleasant royalty area has been assigned a historical resource estimate on both conceptual underground and open pit mineralisation on the basis of Norton Gold Fields Limited's announcement dated February 3, 2015, titled "January 2015 Mineral Resource & Ore Reserve update". The estimate was prepared by Norton Goldfields Ltd (ASX: NGF) in accordance with the JORC Code 2012 for the situation at Dec 31, 2014, and is available on the ASX website at: <https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01596085>.

Elemental believes that the resources disclosed are fundamentally reliable but they should not be relied

on as a current resource estimate, and no qualified person of Elemental has done sufficient work to classify the above estimate as current Mineral Resources. Elemental is not treating the historical estimate as current Mineral Resources or Mineral Reserves and it is unknown how much of the historical resource will be economic under the proposed mine plan. Elemental understands that there has been no production from the area since the historical resource estimate was published

³ *Panoramic Resources Ltd.'s ASX announcements dated September 30, 2015, titled "Mineral Resources and Ore Reserves at June 30, 2015", The ASX announcement is prepared in accordance with the JORC Code and is available on Panoramic's website at <https://panoramicresources.com/asx-announcements/>.*

Cautionary note regarding forward-looking statements

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology.

Forward-looking statements and information include, but are not limited to, statements with respect to the future growth and development of the Company. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Elemental to control or predict, that may cause Elemental's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to: the requirement for regulatory approvals and third party consents, the impact of general business and economic conditions, the absence of control over the mining operations from which Elemental will receive royalties, including risks related to international operations, government relations and environmental regulation, the inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting exploration data; the potential for delays in exploration or development activities; the geology, grade and continuity of mineral deposits; the impact of the COVID-19 pandemic; the possibility that future exploration, development or mining results will not be consistent with Elemental's expectations; accidents, equipment breakdowns, title matters, labor disputes or other unanticipated difficulties or interruptions in operations; fluctuating metal prices; unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; currency fluctuations; regulatory restrictions, including environmental regulatory restrictions; liability, competition, loss of key employees and other related risks and uncertainties. Elemental undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.