

## ELEMENTAL ROYALTIES WARNS SHAREHOLDERS REGARDING GOLD ROYALTY'S MISLEADING OVERSTATEMENT OF THE VALUE OF GOLD ROYALTY'S HOSTILE BID

**April 12, 2022 – Vancouver, BC:** Elemental Royalties Corp. (“Elemental” or “the Company”) (TSX-V: ELE, OTCQX: ELEM) today commented on a misleading overstatement by Gold Royalty Corp. (“Gold Royalty”) about the value of Gold Royalty’s hostile takeover bid for Elemental (the “Hostile Bid”) and on Gold Royalty’s unfounded criticism of Elemental’s recently completed C\$14 million private placement financing (the “Financing”).

Elemental reminds shareholders that the Hostile Bid involves a share exchange, not cash. Therefore, the value of the Hostile Bid is directly tied to Gold Royalty’s share price performance, which has declined significantly since Gold Royalty’s announcement of its intention to make the Hostile Bid. It is highly misleading for Gold Royalty to pretend otherwise, as it has attempted to do in a news release and letter to Elemental shareholders on March 30, 2022, and in Gold Royalty’s Notice of Change and Variation of its Offer to Purchase dated April 11, 2022 (collectively, the “Gold Royalty Documents”).

The Financing involved the issuance of Elemental shares at a price of C\$1.51 per share. This represented a premium of approximately 15% to the value of the Hostile Bid, which was C\$1.31 based on the price of Gold Royalty shares at the close of trading on March 16, 2022, the last close prior to the announcement of the Financing.

On March 30, 2022, Gold Royalty falsely contended that the Financing was at a price below the value of the Hostile Bid. This claim is supported only by Gold Royalty citing the inflated and illusory “unaffected” price under the Hostile Bid of C\$1.78 per Elemental share offered by Gold Royalty approximately three months earlier, when Gold Royalty announced its Hostile Bid intention on December 20, 2021.

The unaffected price is not relevant to Elemental shareholders given material developments since then, including disclosure by both companies of acquisitions, operational and financial results, and 2022 guidance.

It appears that Gold Royalty is hoping Elemental shareholders will ignore the decline in the value and the market price of Gold Royalty’s shares since December 20, 2021. Gold Royalty does not disclose in the Gold Royalty Documents the current implied price under the Hostile Bid, which is well below C\$1.78 per Elemental share. Accordingly, Elemental warns its shareholders to be aware of and carefully consider the deteriorated share price performance of Gold Royalty since the Hostile Bid, a risk factor identified by Elemental in its recommendation that Elemental shareholders reject Gold Royalty’s Hostile Bid. That recommendation has not changed.

### **Board Still Believes the Hostile Bid Undervalues Elemental**

Elemental’s Board continues to believe that the Hostile Bid, which offers Elemental shareholders only 14% of the combined company’s equity at an implied price that is *lower* than the announced Financing, and significantly undervalues Elemental’s business. The Board continues to unanimously and unequivocally recommend that Elemental shareholders **REJECT** the Hostile Bid and **NOT TENDER** their shares.

The Board's determination followed careful consideration, including advice from its financial and legal advisors, and the recommendation of the Special Committee. Furthermore, as previously disclosed by the Company, a majority of Elemental shareholders have communicated to the Company that they do not intend to accept the Hostile Bid.

A Directors' Circular providing the full details of the Board's recommendation, including the reasons to **REJECT** the Hostile Bid, is available on the Company's website at <https://www.elementalroyalties.com>, and at [www.sedar.com](http://www.sedar.com).

Elemental shareholders who have questions can contact Morrow Sodali, the information agent, at 1- 888-777-2158 or by e-mail at [inquiries@morrrowsodali.com](mailto:inquiries@morrrowsodali.com).

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This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### **Advisors**

The Company has engaged Canaccord Genuity Corp. as its sole financial advisor and Fasken Martineau DuMoulin LLP as legal advisor to the Company and its Board. Longview Communications and Public Affairs is engaged as communications advisor to the Company. Morrow Sodali is acting as information agent and strategic advisor to Elemental.

#### **On behalf of Elemental Royalties Corp.**

##### **Frederick Bell**

CEO and Director

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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.

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.

## 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 (including negative and grammatical variations).

Forward-looking statements and information include, but are not limited to; the Ming Mine, statements related to the availability of alternative strategic options alternatives for the Company or the Company continuing business as usual, and whether such options represent greater value to Elemental's shareholders; and whether any takeover or change of control transaction involving the Company will occur and/or be completed and as to the timing thereof.. 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, labour 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.