

ELEMENTAL ROYALTIES ANNOUNCES 53% INCREASE IN REVENUE FOR Q4 2021

Results Reinforce Recommendation to REJECT the Hostile Bid

February 22, 2022 – Vancouver, BC: Elemental Royalties Corp. (“Elemental” or “the Company”) (TSX-V: ELE, OTCQX: ELEM) today announced preliminary revenue¹ of approximately US\$2.3 million for the fourth quarter of 2021, up approximately 53% from US\$1.5 million a year earlier.

The preliminary revenue is a quarterly record for Elemental and is based on sales volume of approximately 1,300 attributable gold equivalent ounces² (“GEOs”) from royalty contracts for the fourth quarter of 2021, up approximately 67% from 778 GEOs a year earlier.

For the full year 2021, Elemental’s preliminary revenue is a record of approximately US\$6.6 million, up approximately 29% from US\$5.1 million a year earlier and the fourth successive year of record revenue for the Company. The full year preliminary revenue is based on sales volume of approximately 3,700 GEOs, up approximately 28% from 2,889 GEOs a year earlier.

Preliminary revenue and GEOs are subject to audit and therefore might change. These results should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2021 when publicly disclosed.

2021 Highlights

- 2021 GEOs was near the upper end of Elemental’s updated guidance of 3,400 to 3,800 GEOs
- 2021 preliminary revenue exceeded the mid-point of updated guidance, which was a range of US\$6.1 to US\$6.8 million based on the above GEO guidance and an assumed US\$1,800 per ounce average received gold price
- Elemental completed the acquisition of a portfolio of precious metal royalties from a wholly owned subsidiary of South32 Limited
- Capricorn Metals (ASX: CMM) declared steady state operations at the Karlawinda mine, on time and on budget. Capricorn noted that Karlawinda is on track to achieve guidance of 110,000 to 120,000 ounces for the year ending June 30, 2022 that included commissioning. Elemental has a 2% net smelter return royalty on Karlawinda, a cash flow-producing asset
- Endeavour Mining (LSE/TSX: EDV) announced that it has established a target of discovering, by 2025, between 1.5 million and 2.0 million ounces of Indicated Resources at the Wahgnion mine with an exploration budget of US\$9 million allocated for 2022. Elemental has a 1% net smelter return royalty on Wahgnion, a cash flow-producing asset
- Austral Gold (ASX: AGD, TSXV: AGLD) announced it discovered exciting new vein and breccia hosted gold mineralisation outside of the previously defined main vein and engaged SLR Consulting (Canada) Ltd to update the Mineral Resource and Mineral Reserve estimates at its Guanaco-Amancaya mine complex. Austral expects the updated report to be completed and filed during Q1 2022. Elemental has a 2.25% net smelter return royalty on Amancaya, a cash flow-producing asset
- The commencement of high-grade gold production from the Tuart underground mine at Mount Pleasant, where Zijin Mining’s (HKG: 2899) fully owned subsidiary Norton Goldfields runs the Paddington Operation in Western Australia. Elemental has a 5% net profits interest or a royalty of AU\$10/ounce on Mount Pleasant, a cash flow-producing asset
- A major drilling campaign was launched at the 2.2 million ounce PGE Panton project in Western Australia. Panton is a cornerstone asset for recently listed Future Metals NL (ASX: FME), who quickly announced the discovery of low-grade open pit potential mineralization immediately

adjacent to the existing high-grade reefs. Elemental has a 0.5% net smelter return royalty on Panton, a feasibility-stage asset

2022 Outlook

Elemental is currently finalizing 2022 guidance from information provided by its operating partners and will release this in due course. Elemental expects to significantly increase guidance compared to 2021, predominantly attributable to a full year of commercial production at the Karlawinda mine, compared with less than half a year in 2021; and the start of royalty revenue from the Mercedes mine, currently scheduled for the second half of 2022.

Latest Quarterly Results Reinforce Recommendation to REJECT the Hostile Bid

The latest quarterly results reinforce a unanimous recommendation of a special committee of independent directors and the Elemental Board of Directors that the all-share hostile takeover bid from Gold Royalty Corp. is not in the best interests of the Company or its shareholders.

Elemental's preliminary revenue of US\$2.3 million for the quarter ended December 31, 2021 is more than four times greater than Gold Royalty's recently disclosed revenue of US\$533,000 for the same period. On that basis, Elemental would contribute 81% of the revenue to the combined company but Elemental shareholders would receive only 12% of the equity, which is grossly inadequate.

This revenue comparison supersedes Elemental's January 2022 analysis, which was based on pro forma data provided by Gold Royalty for the trailing 12 months ended September 30, 2021, and which indicated that Elemental would contribute 62% of the revenue to the combined company in return for 12% of the equity. Even on that basis, the Hostile Bid was completely inadequate.

Elemental believes that the December 31, 2021 quarter comparison is especially important because it will be the last disclosed quarter for both companies prior to the scheduled expiry of the Hostile Bid on April 27, 2022.

The Board believes the Hostile Bid significantly undervalues Elemental's business and unanimously and unequivocally recommends that 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, 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.

Elemental shareholders who have questions can contact Morrow Sodali, the information agent, at 1- 888-777-2158 or by e-mail at inquiries@morrowsodali.com

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

Investor Inquiries:

Frederick Bell, CEO and Director
Direct: +44 (0) 7554 872 794
Email: frederick@elementalroyalties.com

John Robins, Director
Direct: +1 (604) 657 6226

Media Inquiries:

Longview Communications and Public Affairs
Alan Bayless, Vancouver: (604) 417-9645, abayless@longviewcomms.ca
Andy Lloyd, Toronto: (416) 402-5029, alloyd@longviewcomms.ca

Elemental is a proud member of Discovery Group. For more information please visit:
www.discoverygroup.ca or contact 604-653-9464.
TSXV: ELE | OTCQX: ELEM | ISIN: CA28619L1076

About Elemental Royalties

Elemental is a gold-focused royalty company listed on the TSX Venture Exchange (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. For additional technical and scientific information in respect of the Karlawinda royalty, please refer to the Company's technical report titled "NI 43-101 Technical Report Karlawinda Gold Project, Western Australia, Australia" dated December 31, 2020 with an effective date of December 21, 2020, a copy of which is available under the Company's profile at www.sedar.com.

Non-IFRS Measures

¹ *These figures have not been audited and are subject to change. As the Company has not yet finished its year-end annual close procedures, and the audit of the Company's 2021 financial statements is not complete, the anticipated financial information presented in this press release is preliminary, subject to final year-end closing adjustments, and may change materially. The information presented above has not been audited by the Company's independent accountants, should not be considered a substitute for audited financial statements, and should not be regarded as a representation by the Company as to the actual financial results. Financial forecasts herein constitute future-oriented financial information and are subject to the same risks and uncertainties as described below under the heading "Cautionary note regarding forward-looking statements".*

² *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, or GEO, 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 maybe subject to uncertainty. There can be no assurance that such information is complete or accurate.

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, statements with respect to the Company recommendation to shareholders regarding Gold Royalty’s unsolicited, conditional all-share Offer; production at Karlawinda; Austral Gold’s update the Mineral Resource and Mineral Reserve estimates and the timing thereof; the commencement of gold production from the Tuart underground mine at Mount Pleasant; royalty revenue from the Mercedes mine, and the timing thereof; the Company’s increased guidance compared to 2021 and the sources of such increases; the availability of alternative strategic options for the Company and whether such options represent greater value to Elemental’s shareholders; 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.