

ELEMENTAL EXPECTS 40% INCREASE IN SUCCESSIVE QUARTERLY REVENUE FROM FLAGSHIP ROYALTY ON KARLAWINDA MINE

January 20, 2022 – Vancouver, BC: Elemental Royalties Corp. (“**Elemental**” or “the Company”) (TSX-V: ELE, OTCQX: ELEMF) today announced that it expects an approximate 40% increase in successive quarterly revenue from production at the Karlawinda Gold Mine in Australia (“Karlawinda”), Elemental’s flagship royalty asset.

Revenue from Karlawinda, one of six Elemental royalties on producing assets, is estimated at US\$1.1 million for the quarter ended December 31, 2021, up approximately 40% from US\$0.8 million in the quarter ended September 30, 2021, which was Karlawinda’s first quarter of commercial production and sales.

Elemental’s anticipated revenue from Karlawinda is based on the recently disclosed December 2021 quarterly report from Capricorn Metals Ltd. (“**Capricorn**”) (ASX: CMM), owner and operator of the mine. Capricorn announced steady-state operations at Karlawinda after initiating commercial production in the quarter ended September 30, 2021.

Karlawinda’s gold production for the quarter ended December 31, 2021 was 30,316 ounces, up approximately 25% from 24,329 ounces in the prior quarter. Gold sales totaled 30,835 ounces, up approximately 40% from 21,964 ounces in the prior quarter. Karlawinda had a further 1,020 ounces of gold on hand at the end of the December 31, 2021 quarter. Elemental has a 2% uncapped net smelter return royalty on Karlawinda’s gold sales.

Elemental expects to disclose in February a trading update for the fourth quarter and year ended December 31, 2021. These results will include revenue from its royalty on Karlawinda and on Elemental’s other producing royalties.

Other Karlawinda Highlights

- Low cash costs¹ of US\$607 per ounce and all in sustaining costs¹ of US\$756 per ounce
- Ore stocks doubled to 38,000 ounces in the December quarter and mining volumes are expected to increase in the March 2022 quarter with a third mining fleet now onsite
- Commissioning of additional two carbon-in-leach (“CIL”) tanks completed in December quarter expected to have further positive impact on recoveries, which are already in line with expectations at 91.3%
- Near mine exploration underway with early success highlighting:
 - Potential to extend Southern Corridor Deposit from results to-date along with further drilling
 - Muirfield Prospect as potential new satellite project, follow-up drilling planned
 - Results to be included in next resource and reserve update

“The first quarter of steady state production clearly establishes Karlawinda as a low-cost gold mine in tier 1 Western Australia and early exploration success hints at the long-term potential,” said Frederick Bell, CEO of Elemental. *“While already running at guidance production rates after only 2 quarters, the addition of a third mining fleet and commissioning of two additional CIL tanks highlight the potential for the mine to outperform.”*

REJECT the Hostile Bid

As previously disclosed, the Board of Directors of Elemental, following input from its financial and legal advisors, announced its intention to recommend that shareholders **REJECT** the unsolicited all-share takeover bid from Gold Royalty, as proposed by Gold Royalty in its December 20, 2021 news release.

Elemental believes its valuable Karlawinda royalty is one of many strong reasons for shareholders to reject the hostile takeover bid from Gold Royalty Corp. The estimated Karlawinda revenue of US\$1.1 million for the quarter ended December 31, 2021 is equivalent to nearly six times the total revenue of US\$191,991 disclosed by Gold Royalty for its entire fiscal year ended September 30, 2021. As noted above, Elemental also has five other royalties on producing assets.

The Board is preparing a Directors' Circular with a full response to Gold Royalty's hostile bid. The Directors' Circular will be disclosed in due course. Elemental continues to advise shareholders to **TAKE NO ACTION** with regard to the Hostile Bid.

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

On behalf of Elemental Royalties Corp.

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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 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 maybe subject to uncertainty. There can be no assurance that such information is complete or accurate. Elemental has used an exchange rate for conversion of Australian dollars (A\$) into U.S. dollars of US\$1.00 = A\$1.38.

Information regarding Karlawinda

This press release includes information relating to Karlawinda. This information was derived from information publicly disclosed by Capricorn, the owner of Karlawinda. The Company has not independently verified, and does not assume any responsibility for, the accuracy or completeness of the information regarding Karlawinda contained in any such documents disclosed by Capricorn.

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 increase in successive quarterly revenue from production at the Karlawinda; the timing of the Company’s a trading update for the fourth quarter and year ended December 31, 2021; the increase in mining volumes at Karlawinda and the timing of such increase; the impact of the CIL tanks on recoveries at Karlawinda; the Company recommendation to shareholders regarding Gold Royalty’s unsolicited, conditional all-share Offer; the availability of new royalty and other opportunities and the timing thereof; 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, including assumptions regarding the continuation of mining operations at Karlawinda and the results of those operations and as to the mining operations at Karlawinda operating in accordance with disclosed parameters. 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; potential liability; the impact of competition; the 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.