

## ELEMENTAL ROYALTIES ISSUES 2021 FINANCIAL RESULTS:

### RECORD ANNUAL REVENUE REINFORCES RECOMMENDATION TO REJECT THE HOSTILE BID

**March 31, 2022 – Vancouver, BC:** Elemental Royalties Corp. (“Elemental” or “the Company”) (TSX-V: ELE, OTCQX: ELEMF) today issued its audited financial results for the fourth quarter and full year ended December 31, 2021. The audited results confirm a strong increase in revenue previously disclosed on a preliminary basis on March 17, 2021.

For complete details please refer to the Financial Statements and associated Management’s Discussion and Analysis for the year ended December 31, 2021, available on SEDAR ([www.sedar.com](http://www.sedar.com)) or the Company’s website ([www.elementalroyalties.com](http://www.elementalroyalties.com)). All amounts are in U.S. dollars unless otherwise indicated.

#### Q4 2021 Financial Highlights

- Record revenue of \$2.3 million, a 59% increase on Q4 2020 and a 22% increase on Q3 2021
- Record total attributable gold equivalent ounces<sup>2</sup> of 1,294 ounces, a 66% increase on Q4 2020 and a 22% increase on Q3 2021
- Adjusted EBITDA<sup>1</sup> of \$0.8 million

#### FY 2021 Financial Highlights

- Record revenue of \$6.6 million, a 29% increase on 2020
- Record total attributable gold equivalent ounces<sup>2</sup> of 3,680 ounces, a 27% increase on 2020
- Adjusted EBITDA<sup>1</sup> of \$3.2 million
- Cash and cash equivalents of \$6.1 million as of December 31, 2021

Frederick Bell, CEO, commented: “2021 represents a fourth successive year of record revenue for Elemental and we continue to position the Company to create increasing and sustainable value for shareholders. Looking ahead, we have a continuing strong growth forecast from our existing portfolio and remain focused on completing additional accretive acquisitions to further expand and diversify our existing uncapped portfolio of producing royalties.”

#### 2022 Outlook

In 2022 Elemental expects 5,700 to 6,700 attributable gold equivalent ounces (“GEOs”)<sup>2</sup> from its existing portfolio, a gain of between 55% and 82% from 2021. The GEOs are weighted towards the second half of the year, with approximately 95% of expected revenue derived from gold and silver. At a US\$1,800 per ounce average received gold price, this guidance would achieve revenue of approximately US\$10 million to US\$12 million in 2022.

Elemental expects revenue growth in 2022 to come primarily from its new stream on the Ming mine in Newfoundland starting in Q2 2022, from the Mercedes Mine in Mexico starting in July 2022, and from a full year of production from the Karlawinda mine. Closing of the Ming transaction is expected to occur on or shortly after March 31, 2022.

#### With Increasing Revenue and Strong Growth Momentum, Elemental Reiterates Recommendation to REJECT the Hostile Bid

Elemental’s record revenue performance in 2021 and guidance for strong growth in 2022, as previously disclosed, reinforce the unanimous recommendation of a special committee of independent directors (the “Special Committee”) and Elemental’s Board of Directors (the “Board”) that the all-share hostile takeover bid from Gold Royalty Corp. (the “Hostile Bid”) is not in the best interests of the Company or its shareholders.

The Board's recommendation is further reinforced by the absence of detail in the disclosure of Gold Royalty Corp. for the quarter ended December 31, 2021. For example, Gold Royalty only provided a revenue contribution for one of its producing royalty interests, the Jerritt Canyon Mine's sliding scale per ton royalty. Gold Royalty explained that this source, which amounted to \$90,000 or approximately 16.9% of Gold Royalty's total revenue of \$533,000, was unilaterally terminated effective January 7, 2022 by the mine operator, and that Gold Royalty disputes the termination.

Notably, Gold Royalty's Management's Discussion and Analysis for the quarter provided no detailed table of revenue contributions from all of its royalty sources and provided no GEO disclosure whatsoever. Moreover, Gold Royalty neglected to issue a news release for the quarter with a summary of its results. The sparseness of Gold Royalty's quarterly disclosure should be a matter of concern to Elemental shareholders.

On guidance, Elemental reiterates that for the 2022 fiscal year Gold Royalty has provided no forward-looking GEO data, has disclosed that at least 44% of its total revenue will come not from royalties but rather from option and property payments, and has disclosed that royalty revenue will be in an unimpressive range of just US\$3 million to US\$3.5 million, with the high end requiring an aggressive gold price assumption of US\$2,000 per ounce. In comparison, the high end of Elemental's 2022 revenue guidance would be US\$13.4 million at the same aggressive gold price assumption.

Shareholders should also remember that Elemental has outperformed Gold Royalty on a trailing basis. Based on revenue disclosed by both companies for the quarter ended December 31, 2021, Elemental's revenue contribution to the pro forma combined company would have been 81% compared with just 19% for Gold Royalty. 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.

As previously disclosed, Elemental intends to continue business as usual and is actively pursuing new royalty and other opportunities. At the same time, the Board continues to review alternative strategic options that might represent more compelling value to the Company's shareholders than the Hostile Bid. Elemental cautions shareholders that there can be no certainty of a takeover or other change of control transaction involving the Company being completed.

The Board believes the Hostile Bid, which offers Elemental shareholders only 12% of the combined company's equity at an implied price lower than the announced Financing, significantly undervalues Elemental's business. The Board 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](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)

### **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

Corporate Inquiries:  
Dustin Zinger, Investor Relations Manager  
Corporate Website: [www.elementalroyalties.com](http://www.elementalroyalties.com)  
Direct: +1 (604) 653-9464  
Email: [dustin@elementalroyalties.com](mailto:dustin@elementalroyalties.com)

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

TSX.V: ELE | OTCQX: ELEM | ISIN: CA28619L1076

## 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.

## Notes

### 1. Non-IFRS Measures

The Company has included certain performance measures which are non-IFRS and 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. These non-IFRS measures do not have any standard meaning under IFRS and other companies may calculate measures differently.

Adjusted EBITDA excludes the effects of certain other income/expenses and unusual non-recurring items. Adjusted EBITDA is comprised of earnings before interest, taxes, depletion, share based compensation, and the non-cash portion of the listing expense. Management believes that this is a useful measure of the Company's performance because it adjusts for items which may not relate to underlying operating performance of the Company and/or are not necessarily indicative of future operating results.

### 2. Gold Equivalent Ounces

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 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.

*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.

Forward-looking statements and information include, but are not limited to, statements with respect to the future growth and development of the Company, the availability of alternative strategic options for the Company 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, 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.