

## ELEMENTAL ROYALTIES COMPLETES ACQUISITION OF PRECIOUS METAL ROYALTIES FROM SOUTH32

**February 9, 2021 – Vancouver, BC:** Elemental Royalties Corp. ("**Elemental**" or "the **Company**") (TSX-V: ELE, OTCQX: ELEM), a gold-focused royalty company providing investors with exposure to a growing portfolio of producing royalties, is pleased to announce that it has completed the acquisition of a portfolio of precious metal royalties from a wholly owned subsidiary of South32 Limited ("**South32**").

*"The acquisition is expected to provide significant additional cash flow to the Company" said Frederick Bell, CEO of Elemental. "Targeting first gold in Q2 2021, production from the Karlawinda mine is forecast to nearly double Elemental's royalty revenue, with continuing organic revenue growth in 2022 and 2023."*

As consideration for the transaction, Elemental made a cash payment of US\$40 million (the "**Cash Payment**") and issued 13,065,100 common shares to South32, representing approximately 19% of the issued and outstanding common shares of the Company.

The Cash Payment was funded in part through the proceeds of the previously announced "bought deal" private placement of an aggregate of 10,748,132 subscription receipts of the Company (the "**Subscription Receipts**") at a price of C\$1.50 per Subscription Receipt. Canaccord Genuity Corp acted as lead underwriter for the Offering, on behalf of a syndicate of underwriters including Haywood Securities Inc., Scotia Capital Inc. and Sprott Capital Partners LP. In connection with the transaction, Elemental also entered into an amended and restated credit agreement (the "**Sprott Facility**") with Sprott Private Resource Lending II (Collector), LP ("**Sprott**"). In connection with the Sprott Facility, Elemental issued 653,255 common shares to Sprott.

The escrow release conditions for the financing have been satisfied and the Subscription Receipts have converted into 10,748,132 common shares of Elemental ("**Common Shares**"). The Common Shares issued in exchange for the Subscription Receipts are subject to a four-month statutory hold period expiring April 16, 2021. Following conversion of the Subscription Receipts, Elemental has 68,991,221 Common Shares outstanding.

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

#### **Frederick Bell**

CEO and Director

For further information about the Company or this news release, please visit our website at [www.elementalroyalties.com](http://www.elementalroyalties.com) or by email at [info@elementalroyalties.com](mailto:info@elementalroyalties.com).

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

***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.***

### **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.

#### 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, 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.