

## ELEMENTAL ROYALTIES NOTES ONGOING HIGH-GRADE DISCOVERIES AT KEY AMANCAYA ROYALTY, PROVIDES ASSET UPDATE

**May 26, 2021 – Vancouver, BC:** Elemental Royalties Corp. (“**Elemental**” or “the **Company**”) (TSX-V: ELE, OTCQX: ELEM) notes the recent announcement from Austral Gold Limited (“**Austral**”) (ASX: AGD, TSX-V: AGLD) that in the course of an ongoing delineation program at its Amancaya mine it has discovered another new mineralized zone.

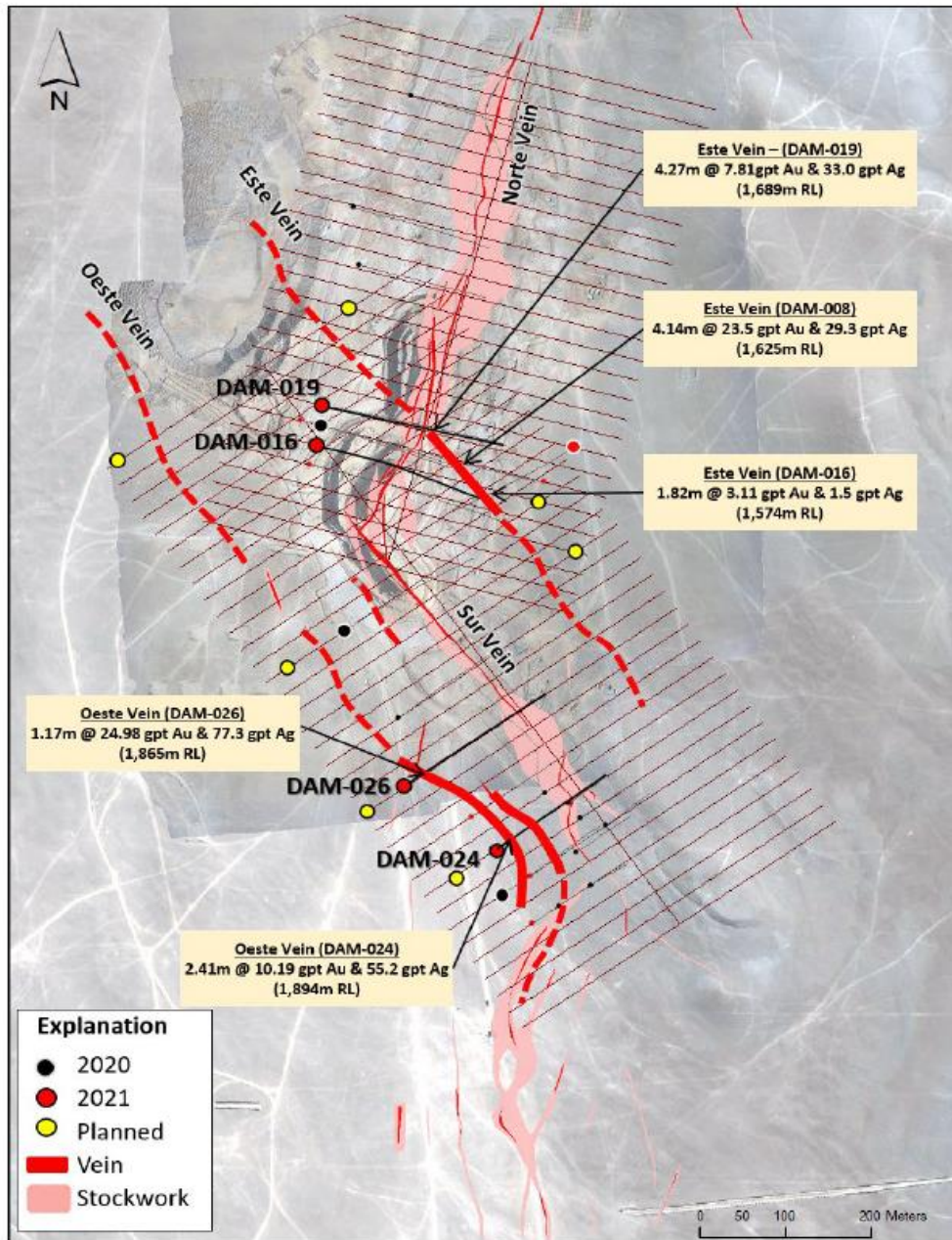
Elemental holds a 2.25% NSR royalty at Amancaya, which generated US\$1.9 million of revenue in 2020, and expects approximately 50,000 gold equivalent ounces sold in 2021<sup>1</sup>. Additionally, Elemental notes recent developments at its Karlawinda, Mercedes, and Panton royalties.

### Austral Defining Two New Veins at the Amancaya Mine

- Austral have released further exploration results as they drill out extensions to the Main Vein at Amancaya. Results continue to define mineralisation to potentially extend the Resource Estimate of the system mined to date at shallower levels, with highlights that include:
  - 1.24m @ 7.46g/t from 217.8m (DAM016)
  - 1.58m @ 6.08g/t from 231.1m (DAM019)
  - 1.89m @ 5.41g/t from 309.4m (DAM025)
- More significantly, Austral are starting to define two new veins parallel to, and on either side of the Main Vein (see Figure below). The first of these to the northeast of the Main Vein was first reported in January in DAM008, with results of 30m @ 4.04g/t including 4.14m @ 23.5g/t.
- New drilling on this earlier discovered ‘East Vein’ has returned the following intersections:
  - 1.82m @ 3.11g/t from 377.5m (DAM016)
  - 4.27m @ 7.81g/t from 249.8m (DAM019)
- Notably, DAM016 also intersected a total of more than 25m of intermittently mineralised material below the intersection noted above. This thick zone is consistent with the 30m mineralised breccia zone in January’s DAM008 about 50m away, which provides further encouragement for larger volumes of lower grade mineralised material.
- With the recent drilling, the East Vein is also now determined to have a NW trend, parallel to the southern portion of the Main Vein, and so will be expected to intersect the north-south trending northern portion below the current mine development; and, so is likely to be easily accessible from the existing and planned workings of the adjacent Main Vein.
- Another new vein, the ‘West Vein’, has been discovered through drilling on the other side of the mine workings with the following results:
  - 2.41m @ 10.2g/t from 20.3m (DAM024)
  - 1.17m @ 25.0g/t from 52.6m (DAM026)
- The West Vein also trends NW, parallel to the southern portion of the Main Vein; and is enticing with such shallow intersections of higher grades for possible initial open pit extraction; and for the untested potential below. Surface mapping also appears to show the vein and breccia system returning to a north south direction, to the south of the recent West Vein drilling, perhaps presenting a further exploration target.
- A further drilling program is planned to test both new veins and their relationship to the Main Vein mineralisation.

Richard Evans, Elemental’s Senior Vice President, Technical, said: *“It is still early in testing of the new mineralisation at Amancaya but this discovery significantly increases both the complexity of the system and the volume of potentially mineralised material in the immediate vicinity of the existing mine workings. The new veins are interpreted by Austral to occur in a large volume of brecciated material on both sides of the Main Vein, with indications now of the Amancaya Mine being centred on a significant dilatant jog in the structure.”*

### Amancaya Mine - 2021 Plan View Map



### Karlawinda Construction on Track

Capricorn Metals (“Capricorn”) (ASX: CMM) announced that concreting and civil earthworks have been completed at the processing plant, the ball mill has been delivered to site, the majority of processing equipment and steelwork has been delivered, construction of the Tailings Storage Facility is underway, and mining has commenced in the Bibra open pit.

Development costs are in line with budget, with the available funding balance including a 29% contingency allowance. First gold production continues to be expected in Q2 2021.

Elemental acquired an uncapped 2% NSR royalty from South32 in February 2021.

Capricorn has also commenced a near pit exploration program, targeting the conversion of Inferred Resources to Indicated immediately to the west of the current A\$1,600 Bibra pit, to support potential pit expansions and production increases.

### **Equinox Acquires Mercedes Mine**

On December 16, 2020 Equinox Gold (TSX/NYSE-A: EQX) and Premier Gold Mines announced that the companies had entered into a definitive agreement whereby Equinox Gold would acquire all of the outstanding shares of Premier. The acquisition was completed on April 7, 2021 and the combined entity has a market capitalisation of approximately US\$2.7 billion.

The focus at Mercedes is currently on the promising, fast-evolving Diluvio/Lupita/San Martin system while also implementing continued exploration, underground development, and mill maintenance programs with the intention of returning to full annual production of approximately 80,000 to 90,000 ounces. Equinox have guided gold production at Mercedes of 30,000 to 35,000 ounces from April 7, 2021 to December 31, 2021.

Elemental acquired an existing uncapped 1% NSR royalty on Mercedes in 2018. Royalty revenue is due to Elemental after the earlier of: (a) the date on which 450,000 ounces of gold equivalent have been produced after July 28, 2016 or (b) the sixth anniversary of that date (July 28, 2022). Elemental expects that as a result of the COVID-19 stoppages, the start of royalty payments are likely to be payable from July 28, 2022.

### **Red Emperor Resources Acquires Panton Project**

Red Emperor Resources NL ("Red Emperor") (ASX/AIM: RMP) announced that it intends to acquire Great Northern Palladium Pty Ltd ("GNP") the private company which owns 80% of the Panton project, and holds an option over the remaining 20%.

Concurrent to the acquisition, Red Emperor intends to complete a A\$10 million equity fundraising, providing a strong financial position to advance the Panton PGM project.

Panton has a Measured and Indicated JORC Resource of 12.2Mt @ 2.46g/t Pd, 2.25g/t Pt, 0.3g/t Au, 0.26% Ni, 0.07% Cu for 963koz Pd and 878koz Pt; and an Inferred JORC Resource of 2.2Mt @ 2.0g/t Pd, 1.9g/t Pt, 0.3g/t Au, 0.31% Ni, 0.11% Cu, for 139koz Pd and 129koz Pt<sup>2</sup>.

Red Emperor are building a strong team, with former Stillwater Mining Company Managing Director Mick McMullen to be appointed as a strategic adviser and experienced company director, Justin Tremain, to join the Board; and engaging a geologist who worked on the original Mineral Resource Estimate delineation drilling.

Elemental acquired an existing uncapped 0.5% NSR royalty on Panton in 2017.

### **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.

### **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.

**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.**

<sup>1</sup> *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.*

<sup>2</sup> *Panoramic Resources Ltd.'s ASX announcements dated September 30, 2015, titled "Mineral Resources and Ore Reserves at June 30, 2015", The ASX announcement is prepared in accordance with the JORC Code and is available on Panoramic's website at <https://panoramicresources.com/asx-announcements/>.*

### **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, 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.