

ELEMENTAL ROYALTIES ANNOUNCES Q1 2021 RESULTS

May 31, 2021 – Vancouver, BC: Elemental Royalties Corp. (“**Elemental**” or “the **Company**”) (TSX-V: ELE, OTCQX: ELEM) is pleased to announce its operating and financial results for the quarter ended March 31, 2021. For complete details please refer to the Financial Statements and associated Management Discussion and Analysis for the quarter ended March 31, 2021, available on SEDAR (www.sedar.com) or the Company’s website (www.elementalroyalties.com).

Frederick Bell, CEO of Elemental commented, *“We are pleased to build on a record-breaking 2020 with another quarter of consistent revenue generation. With the closing of the South32 acquisition in Q1, we have the strongest organic growth profile in the Company’s history with the near-term catalyst of first gold pour at the Karlawinda gold mine. This royalty alone will almost double the Company’s revenue with additional royalty revenue from the operating Mercedes mine contributing from mid-2022.*

Both the Wahgnion gold mine and the Mercedes mine have new operators from Q1 with Endeavour Mining, a top 10 gold producer globally, and Equinox Gold improving the quality of Elemental’s counterparties. With significant exploration investment across our producing royalties already underway, it highlights the quality of our portfolio, which remains a key differentiator.”

Corporate Highlights

- Completed the acquisition of a portfolio of gold royalties in Western Australia from South32 Limited
- Cornerstone royalty at Karlawinda on track for first gold pour in Q2
- Expanded the portfolio from 6 to 9 royalties and simultaneously increased average mine life, weighting to Tier 1 jurisdictions, counterparty quality and gold exposure
- Expanded Board with appointment of South32 Chief Development Officer Simon Collins

Financial Highlights

- Revenue of US\$1.1 million generated from existing royalties with production at Karlawinda to commence in Q2 and Amancaya revenue to rise following change to contractor mining
- 2021 guidance of US\$7-7.9 million remains unchanged, weighted towards H2 2021
- 641 attributable gold equivalent ounces¹ sold at zero cash cost to the Company
- Adjusted EBITDA¹ of US\$0.6 million
- Net loss of US\$1.1 million, driven by financing costs related to the South32 portfolio acquisition
- Cash and cash equivalents of US\$6.6 million as of March 31, 2021 prior to Q1 royalty revenue

Outlook

Elemental continues to expect 4,000 to 4,400 attributable zero-cost gold equivalent ounces¹ in 2021 from its existing portfolio, weighted towards the second half of the year, with over 90% of expected revenue derived from gold and silver.

Asset Updates

Karlawinda (2% NSR)

- 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.
- 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.

Wahgnion (1% NSR)

- Produced 43,000 ounces in Q1 2021
- Production was higher compared with Q4 2020 due to higher processed grades as recoveries and throughput remained consistent
- Endeavour Mining (TSX: EDV) completed the acquisition of Teranga Gold on February 10, 2021
- On track to meet guidance, with the mine expected to produce between 140-155 thousand ounces for the period February 10, 2021 to December 31, 2021
- The 2021 exploration program, with a planned expenditure of approximately US\$12.0 million, will focus on Nogbele North and Nogbele South deposits, targeting the continuation of mineralized structures between the Nogbele pits. Additionally, Endeavour is targeting continuation of the Fourkoura deposit and the Hillside target. On the exploration permits efforts will be focused on various attractive targets such as Kafina West and Korindougou.

Amancaya (2.25% NSR)

- Produced 4,600 ounces in Q1 2021 and 9.3koz of gold sales. Austral gold has a further approximately 1,500 ounces of refined gold in inventory
- Expected lower production due to the decision to outsource operations to contractor mining from the end of Q4 2020.
- By mid-April 2021 the contractor had achieved the planned production rates
- Further exploration results on drill out extensions to the Main Vein at Amancaya are starting to define two new veins parallel to, and on either side of the Main Vein
- New drilling on the 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)
- 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)

Mercedes (1% NSR)

- 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.

Kwale (0.25% Gross Royalty)

- Base produced 84,000 tonnes of ilmenite, 19,500 tonnes of rutile and 7,400 tonnes of zircon, and sold 97,000 tonnes of ilmenite, 26,000 tonnes of rutile, and 6,600 tonnes of zircon in Q1
- Grades were higher than expected due to mine path and better reconciliation to the resource model in certain areas
- Global pigment producers have indicated that the strong recovery in demand over the past two quarters has continued through the March quarter, more than offsetting the usual seasonal weakness experienced by the pigment industry at this time of year. The demand recovery for zircon gathered pace through the quarter as ceramic plants in Europe operated at full capacity and Chinese consumption of zircon accelerated on the back of strong economic conditions

Laverton (2% Gross Revenue Royalty)

- Focus Minerals released an Initial Pre-Feasibility Study ("PFS") across only 21% of Focus' Mineral Resource base with substantial potential for resource growth at Elemental's Beasley Creek deposit, which remains open along strike and where additional infill drilling may lead to an upgrade of shallow existing Inferred Resources
- Focus recently announced JORC 20121 compliant maiden Ore Reserves of 546koz of gold, of which 238koz of gold is from the higher-grade Beasley Creek, Beasley Creek South and Wedge Deposits covered by Elemental's royalty
- New strong intersections at Beasley Creek South to be included in second-phase PFS already underway
- A number of other deposits with JORC 2004 resources with grades of 2g/t or greater, many of which are within Elemental's royalty area, are to be updated to JORC 2012 compliance before inclusion in the second-phase PFS

Mount Pleasant (5% NPI or A\$10/oz Royalty)

- Elemental notes an announcement by a mining contractor that initial underground development is underway on the Tuart orebody, covered by Elemental's royalty at Zijin's Mount Pleasant Operations

- Tuart has a historical JORC 2012 compliant Indicated Resource of 212koz of gold at 1.8g/t and Inferred Resource of 232koz of gold at 3.8g/t² on both conceptual underground and open pit mineralisation

Panton (0.5% NSR)

- 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 with the acquisition, Red Emperor intends to complete a A\$10 million equity fundraising with former Stillwater Mining Company Managing Director Mick McMullen to be appointed as a strategic adviser and Justin Tremain as a director alongside a geologist who worked on the original Mineral Resource Estimate delineation drilling.
- 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 Pt2.

Western Queen (A\$6 to A\$20/oz Royalty)

- During Q1 2021, Rumble Resources announced that the final Phase 3 resource drilling results at the Western Queen deposit had been completed
- Rumble intercepted multiple high-grade gold shoots intercepted 100m below the current Western Queen South Open Pit. Drill hole WQRC188 returned:
 - 5m @ 38.76g/t from 193m
 - 17 @ 5.7g/t from 221m
- Rumble expect to finalise database completion and associated resource estimated work for the multiple resource zones in Q2 2021

On behalf of Elemental Royalties Corp.

Frederick Bell

CEO and Director

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

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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.

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.

² The Tuart deposit in Elemental's Mt Pleasant royalty area has been assigned a historical resource estimate on both conceptual underground and open pit mineralisation on the basis of Norton Gold Fields Limited's announcement dated February 3, 2015, titled "January 2015 Mineral Resource & Ore Reserve update". The estimate was prepared by Norton Goldfields Ltd (ASX: NGF) in accordance with the JORC Code 2012 for the situation at Dec 31, 2014, and is available on the ASX website at: <https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01596085>.

Elemental believes that the resources disclosed are fundamentally reliable but they should not be relied on as a current resource estimate, and no qualified person of Elemental has done sufficient work to classify the above estimate as current Mineral Resources. Elemental is not treating the historical estimate as current Mineral Resources or Mineral Reserves and it is unknown how much of the historical resource will be economic under the proposed mine plan. Elemental understands that there has been no production from the area since the historical resource estimate was published

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.