

Elemental Royalties Adopts Shareholder Rights Plan

Vancouver, British Columbia--(Newsfile Corp. - December 31, 2021) - Elemental Royalties Corp. (TSXV: ELE) (OTCQX: ELEMF) ("**Elemental**" or "the **Company**") today announced that the board of directors of the Company (the "Board") has approved the entering into and adoption of a shareholder rights plan agreement (the "Rights Plan") by the Company.

The Rights Plan is being adopted to ensure that, in the event of a take-over bid, all shareholders of the Company ("Shareholders") will be treated fairly and will not be subject to abusive or coercive take-over strategies. Further, the Rights Plan is not intended to prevent or interfere with any action with respect to the Company that the Board determines to be in the best interests of Shareholders. The Rights Plan is similar to plans recently adopted by other Canadian companies and approved by their respective shareholders.

The Rights Plan has been adopted in connection with the announcement by Gold Royalty Corp. ("Gold Royalty") of its intention to make an unsolicited all-share offer valuing Elemental at C\$1.78 per share to acquire all of the issued and outstanding shares of the Company (the "Shares"). The Company previously announced that it intends to recommend that Shareholders reject the unsolicited all-share take-over bid by Gold Royalty, if and when the bid is commenced, assuming it is on the terms described in Gold Royalty's intention announcement.

In connection with the adoption of the Rights Plan, the Board authorized the issuance of one Share purchase right (a "Right") in respect of each Share outstanding as of the close of business on December 30, 2021 (and each Share issued thereafter, subject to the limitations set out in the Rights Plan). No separate certificates will be issued for the Rights unless an event triggering the exercise of the Rights occurs.

The Rights will become exercisable only when a person (an "Acquiring Person"), together with its affiliates, associates and joint actors, acquires or attempts to acquire beneficial ownership of 20% or more of the outstanding Shares without complying with the "Permitted Bid" provisions of the Rights Plan or without approval of the Board. Should such an acquisition occur or be announced, each Right would, upon exercise, entitle the holder thereof (other than the Acquiring Person and its affiliates, associates and joint actors) to purchase Shares at a 50% discount to the market price at the time. The Rights Plan provides that the Rights are redeemable by the Company in certain circumstances.

The Rights Plan is effective immediately but is subject to ratification by Shareholders at the 2022 annual meeting of Shareholders expected to be held in June, 2022. If the Rights Plan is not ratified by Shareholders at the 2022 annual meeting of Shareholders, the Rights Plan will terminate and all rights issued thereunder will be cancelled. The Rights Plan is also subject to approval of the TSX Venture Exchange (the "TSX-V"). A copy of the Rights Plan will be filed under the Company's profile on SEDAR at www.sedar.com.

On behalf of Elemental Royalties Corp.

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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.

TSXV: ELE | OTCQX: ELEMFM | 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.

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 (including negative and grammatical variations).

Forward-looking statements and information include, but are not limited to, statements with respect to the Rights becoming exercisable, TSX-V approval of the Rights Plan and Shareholder ratification of the Rights Plan, and the Company's intention to recommend that Shareholders reject an unsolicited all-share take-over bid by Gold Royalty when and if such bid is commenced. 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.



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