FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Elemental Altus Royalties Corp. (the "**Company**" or "**Elemental Altus**")
1020 - 800 West Pender
Vancouver, BC V6C 2V6

Item 2 **Date of Material Change**

December 1, 2022

Item 3 **News Release**

A news release in connection with the material change was issued on December 1, 2022 through Newsfile and filed under the Company's profile on SEDAR at www.sedar.com.

Item 4 **Summary of Material Change**

On December 1, 2022, the Company announced that it entered into an agreement with National Bank of Canada ("**NBC**") and Canadian Imperial Bank of Commerce ("**CIBC**") for a revolving credit facility which allows the Company to borrow up to US$40 million (the "**Revolving Facility**" or "**Facility**"), with an option to increase to US$50 million subject to satisfaction of certain conditions. Alongside the Facility, the Company announced the conversion into equity of approximately US$27,559,844 of debt (the "**Debt Conversion**") owed to La Mancha Investments S.à r.l. ("**La Mancha**"), a subsidiary of La Mancha Resource Fund SCSp (the "**Fund**"), and a non-brokered private placement (the "**Financing**") for up to US$5 million. The Company has drawn US$30 million under the Revolving Facility and repaid the outstanding loan owed to Sprott Private Resource Lending II (Collector), LP ("**Sprott**") in its entirety.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

Credit Facility

On December 1, 2022, Elemental Altus announced it entered into an agreement with NBC and CIBC for a US$40 million Facility, with an option to increase to US$50 million subject to certain conditions. The Facility has a term of 3 years that is extendable through mutual agreement between Elemental Altus, NBC and CIBC.

Depending on the Company's leverage ratio, the amounts drawn on the Facility are subject to interest at SOFR plus 2.50% - 3.75% per annum and the undrawn portion is subject to a standby fee of 0.56% - 0.84% per annum.

The Company has drawn down an initial US$30 million from the Facility, approximately US$25,274,442 of which was used to settle the outstanding loan principal together with any accrued and unpaid interest and fees owed to Sprott in its entirety.

Debt Conversion

On December 1, 2022, La Mancha, LMH Explorers S.à r.l ("**LMHE**"), Elemental Altus and Altus Strategies plc ("**Altus Strategies**") entered into a loan facility conversion and termination agreement (the "**Conversion Agreement**") pursuant to which La Mancha agreed to convert approximately US$27,559,844 of loan principal and accumulated interest (the "**Outstanding Balance**") into 28,959,797 common shares of Elemental Altus ("**Shares**") at a deemed price of C$1.28 per Share and a total value of approximately C$37,068,541 (being the Canadian dollar value of the Outstanding Balance (converted using an exchange rate of approximately C$1 =

US$0.7435 as at November 29, 2022), by way of a private placement (the "**Issuance**"), in full repayment of the aggregate Outstanding Balance under the loan made by La Mancha to Altus Strategies under the acquisition loan facility agreement dated August 17, 2021 (as amended, the "**Loan Agreement**") between LMHE, as lender (whose rights and obligations under the Loan Agreement were novated to La Mancha), and Altus Strategies, as borrower. All amounts owing by the Company to La Mancha have now been satisfied in full and the associated security released.

Prior to the completion of the Issuance, La Mancha and its joint actors owned or had control or direction over an aggregate of 31,721,881 Shares, representing approximately 21.44% of the then issued and outstanding Shares. Following completion of the Issuance, La Mancha and its joint actors beneficially own and have control and direction over an aggregate of 60,681,678 Shares, representing approximately 34.3% of the issued and outstanding Shares.

In addition, as La Mancha owned approximately 21.44% of the Shares prior to the Debt Conversion, the Debt Conversion constituted a related party transaction as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Debt Conversion was exempt from the formal valuation requirement of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101, and was exempt from the minority shareholder approval requirement of Section 5.6 of MI 61-101 pursuant to Subsection 5.7(1)(a) of MI 61- 101 as the fair market value of the Debt Conversion and the Shares issued as consideration therefor was not more than 25% of Elemental Altus' market capitalization. A material change report, as contemplated under MI 61-101, was not filed more than 21 days prior to closing as the Debt Conversion was not agreed upon until shortly prior to the closing.

Concurrently with closing of the Debt Conversion, LMHE and Elemental Altus entered into an Investor Rights Agreement ("**Rights Agreement**") that includes, among other things:

- The right for LMHE to nominate a number of directors proportionate to its and its affiliates' ownership interest in the Shares or other voting shares or equity shares of Elemental Altus ("**Voting Shares**"), rounded down to the nearest whole number, which as of the date hereof is the right to nominate two directors to Elemental Altus's Board;
- Anti-dilution and top-up rights allowing LMHE and its affiliates to maintain their ownership interest in the Voting Shares for so long as LMHE and its affiliates' ownership interest in the Voting Shares is at least 15%;
- A two-year standstill period and a one-year restriction on dispositions period, subject to customary exceptions, and certain provisions to ensure the orderly disposition of any Voting Shares or securities convertible into Voting Shares held by LMHE and its affiliates representing more than 10% of Elemental Altus' then outstanding Voting Shares; and
- Customary demand registration and piggy-back registration rights in favour of LMHE and its affiliates, provided that LMHE and its affiliates' ownership interest in the Voting Shares is at least 15%.

Equity Fundraise

The Company will also conduct the Financing in the form of a non-brokered private placement of up to 5,250,000 Shares at a price of C$1.28 per Share (the "**Issue Price**") for gross proceeds to Elemental Altus of up to approximately US$5 million. The net proceeds of the Financing will be used to fund prospective royalty acquisitions and for general working capital purposes.

Directors and officers of Elemental Altus have committed to participate in the Financing and on completion of the Financing, Elemental Altus expects to have approximately 182,165,013 Shares issued and outstanding.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**"), the Shares will be offered for sale to purchasers resident in Canada (other than Quebec) and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the "**Listed Issuer Financing Exemption**"). Because the Financing is being completed pursuant to the Listed Issuer Financing Exemption, the securities issued in the Financing will not be subject to a hold period pursuant to applicable Canadian securities laws, subject to any hold period imposed on insiders by the TSX Venture Exchange.

There is an offering document related to the Financing that can be accessed under the Company's profile at www.sedar.com and on the Company's website at www.elementalaltus.com. Prospective investors should read this offering document before making an investment decision.

The Financing is expected to close on or about December 14, 2022 and is subject to customary approvals including approval of the TSX-V as well as various closing conditions.

5.2 Disclosure for Restructuring Transactions

Not Applicable

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable

Item 7 Omitted Information

Not Applicable

Item 8 Executive Officer

Frederick Bell
Chief Executive Officer
+44 (0) 7554 872 794

Item 9 Date of Report

December 9, 2022

Notice Regarding Forward-Looking Statements and Information

This material change report 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 the ongoing relationship with La Mancha, La Mancha's future investments in the Company, fulfilling closing conditions in connection to the Financing including TSX-V approval, the net proceeds of the Financing being used to fund prospective royalty acquisitions and for general working capital purposes, the Company's directors and officers commitment to invest in the Financing, the date in which the Financing is expected to close, the amount of shares that the Company expects to have issued and outstanding upon completion of the Financing, the future growth, development and focus of the Company, and the acquisition of new royalties and streams. 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 Altus to control or predict, that may cause Elemental Altus' 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 impact of general business and economic conditions, the absence of control over the mining operations from which Elemental Altus will receive royalties, 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 Altus' 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. For a discussion of important factors which could cause actual results to differ from forward-looking statements, refer to the annual information form of Elemental Altus for the year ended 31 December 2021. Elemental Altus undertakes no obligation to update forward-looking statements and information except as required by applicable law. Such forward-looking statements and information represents management's best judgment based on information currently available. No forward-looking statement or information 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.