

FORM 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares of Elemental Altus Royalties Corp. (“**Elemental**”)

The address of the head office of Elemental is:

800 West Pender Street, Suite 1020
Vancouver, British Columbia
V6C 2V6

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

La Mancha Investments S.à r.l. (“**La Mancha**”)

The address of La Mancha is:

31-33 Avenue Pasteur, L-2311, Luxembourg
Grand Duchy of Luxembourg

La Mancha, incorporated in Luxembourg, is a private investment company focused on opportunities primarily in the precious metals and battery metals mining sector.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 1, 2022, La Mancha, LMH Explorers S.à r.l. (“**LMHE**”), Elemental and Altus Strategies PLC (“**Altus**”) entered into a loan facility conversion and termination agreement (the “**Conversion and Termination Agreement**”) pursuant to which Elemental issued to La Mancha an aggregate of 28,959,797 common shares in the capital of Elemental (“**Common Shares**”), having a deemed price of C\$1.28 per Common Share, by way of a private placement (the “**Issuance**”), in full repayment of the aggregate principal and interest outstanding (the “**Outstanding Balance**”) under the loan made by La Mancha to Altus in the amount of US\$29 million under the acquisition loan facility agreement dated August 17, 2021 (as amended by letter agreement dated February 12, 2022 and by second letter agreement dated May 14, 2022, the “**Loan Agreement**”) between LMHE, as lender (whose rights and obligations

under the Loan Agreement were novated to La Mancha pursuant to a deed of novation dated November 9, 2022), and Altus, as borrower.

Upon repayment of the Outstanding Balance, La Mancha, LMHE, Elemental and Altus terminated the Loan Agreement and various agreements entered into in connection therewith.

2.3 State the names of any joint actors.

La Mancha and LMHE are wholly-owned subsidiaries of La Mancha Fund SCSp (the “**Fund**”), a special limited partnership existing under the laws of Luxembourg. The Fund’s general partner is La Mancha Capital Management GP S.à r.l. (the “**General Partner**”), a corporation existing under the laws of Luxembourg, which has delegated investment management including voting and dispositive discretion over Fund’s investments to NS Partners Europe S.A. (formerly Notz, Stucki Europe S.A.) (“**NS**”), a corporation existing under the laws of Luxembourg, which has further delegated the portfolio management of the fund to G10 Capital Limited (“**G10**”), a corporation existing under the laws of England and Wales. G10 Capital Limited is authorised and regulated by the Financial Conduct Authority in the U.K.

LMHE, the Fund and the General Partner are deemed to be joint actors of La Mancha under applicable Canadian securities laws.

The Fund’s registered address is 31-33 Avenue Pasteur, L-2311, Luxembourg. The General Partner’s registered address is 31-33, Avenue Pasteur, L-2311, Luxembourg.

In addition, under a delegation of authority by the General Partner, G10 Capital Ltd. will exercise control and direction over the Common Shares that will be beneficially owned by La Mancha.

The General Partner’s principal business address is 31-33, Avenue Pasteur, L-2311, Luxembourg.

NS’s principal address is 11 boulevard de la Foire, L-1528, Luxembourg.

G10’s principal business address is 4th Floor, 3 More London Riverside, London, SE1 2AQ.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

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 Common Shares, representing approximately 21.44% of the then issued and outstanding Common 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 Common Shares, representing approximately 34.3% of the issued and outstanding Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

As a result of the Issuance, La Mancha acquired an aggregate of 28,959,797 Common Shares.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal

amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

La Mancha acquired 28,959,797 Common Shares, at a deemed price of C\$1.28 per Common Share and a total value of approximately C\$37,068,541 (being the C\$ value of the Outstanding Balance of US\$27,559,844, converted using a C\$:US\$ exchange rate of approximately C\$1 = US\$0.7435 as at November 29, 2022), by way of a private placement, in full repayment of the Outstanding Balance.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See Item 4.1 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

La Mancha acquired an aggregate of 28,959,797 Common Shares in full repayment of the Outstanding Balance. La Mancha holds Common Shares for investment purposes. In the future, La Mancha may, from time to time, increase or decrease its investment in Elemental through market transactions, private arrangements, treasury issuances or otherwise, including pursuant to, and subject to, the terms of the Investor Rights Agreement (as defined below).

Pursuant to the terms of the Investor Rights Agreement, LMHE, an affiliate of La Mancha, has Board Nomination Rights (as defined and described below), pursuant to which it has the right to nominate La Mancha Nominees (as defined below) to the board of directors of Elemental (the "Board").

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or

investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

La Mancha, as borrower, is a party to a credit agreement dated November 24, 2022 (the “**Credit Agreement**”) with, *inter alios*, Citibank N.A., Bank of Montreal, ICBC Standard Bank Plc, Standard Chartered Bank, United Arab Emirates Branch and Natixis, as original lenders (the “**Lenders**”), the Bank of New York Mellon, London Branch, as facility agent, and BNY Mellon Corporate Trustee Services Limited, as security agent (the “**Security Agent**”). Pursuant to the terms of, and to secure its obligations under, the Credit Agreement, La Mancha has pledged 31,721,881 Common Shares in favour of the Security Agent and may in the future pledge additional Common Shares to the Security Agent, including the Common Shares issued to it pursuant to the Issuance. Upon the occurrence of certain events that are customary, the Lenders may exercise their rights to require La Mancha, or any successors, assignees or transferees, to prepay the loan proceeds or post additional collateral, and the Lenders may exercise their rights to foreclose on, and dispose of, the Pledged Shares and other collateral, in each case, in accordance with the terms of the Credit Agreement.

Concurrently with the closing of the Issuance (the “**Closing**”), LMHE and Elemental entered into an investor rights agreement (the “**Investor Rights Agreement**”), the material terms of which are summarized below.

Anti-dilution Right and Top-up Right

Elemental has agreed to grant LMHE customary anti-dilution rights in respect of any subsequent issuance by Elemental of Common Shares or other voting or equity shares of Elemental (“**Voting Shares**”) or securities convertible into Voting Shares or entitling the holder thereof to acquire Voting Shares (collectively, “**Convertible Securities**”), as further described in the Investor Rights Agreement and subject to certain exceptions (collectively, the “**Anti-dilution Right**”).

Elemental shall give notice to LMHE, within 30 days following the end of each fiscal year, of the number of Voting Shares issued during such fiscal year that are (a) granted to directors, officers, employees or consultants of Elemental or its subsidiaries in accordance with the terms of Elemental’s security-based compensation arrangements approved by the shareholders of Elemental from time to time (collectively, “**Incentive Securities**”); (b) issued pursuant to the exercise of Incentive Securities; or (c) issued pursuant to the exercise of Convertible Securities outstanding as of the date of the Investor Rights Agreement (collectively, “**Top-Up Voting Shares**”). LMHE shall have a right (the “**Top-Up Right**”), upon receipt of such notice, to subscribe for, on a private placement basis, such number of Voting Shares as will enable LMHE and its affiliates to maintain their ownership interest in the Voting Shares that it would have had if Elemental had not issued such Top-Up Voting Shares.

The Anti-dilution Right and Top-Up Right shall terminate and be of no further force or effect after any time LMHE and its affiliates cease to have an ownership interest in the Voting Shares of at least 15%.

Nomination Rights

From and after the Closing date, LMHE has the right (the “**Board Nomination Rights**”) to designate a number of individuals which is proportionate to LMHE’s and its affiliates’ ownership interest in the Voting Shares, rounded down to the nearest whole number, to be nominated for election to serve as directors of Elemental at each meeting of the shareholders of Elemental at which directors of Elemental are to be elected (each a “**La Mancha Nominee**”).

LMHE’s minimum entitlement to representation on the Board shall be: (i) if LMHE’s and its affiliates’ ownership interest in the Voting Shares is 25% or more at the relevant time, two La Mancha Nominees; and (ii) if LMHE and its affiliates’ ownership interest in the Voting Shares is 15% or more, but less than 25%, at the relevant time, one La Mancha Nominee.

As of the Closing date, the Board consists of eight directors, one of whom is a La Mancha Nominee.

The Board Nomination Rights shall be terminated if LMHE and its affiliates’ ownership interest in the Voting Shares falls below 15%, provided, however, that such right will be reinstated if, prior to the next shareholders’ meeting of Elemental at which directors are to be elected which takes place after LMHE and its affiliates’ ownership interest in the Voting Shares falls below 15%, LMHE and its affiliates increase their ownership interest in the Voting Shares to at least 15%.

Additionally, from and after the Closing date, for so long as LMHE has the Board Nomination Rights, LMHE shall be entitled to have one La Mancha Nominee on each committee of the Board.

Registration Rights

Provided that LMHE and its affiliates’ ownership interest in the Voting Shares is at least 15%, Elemental has agreed to grant LMHE and its affiliates the right to demand that Elemental file a prospectus under Canadian securities laws, within 45 days of receiving a written request to this effect from LMHE, qualifying for distribution in Canada all or any portion of the Voting Shares or Convertible Securities listed for trading on a recognized stock exchange (“**Eligible Convertible Securities**”) held by LMHE and its affiliates (a “**Demand Registration**”).

Subject to the terms of the Investor Rights Agreement, Elemental will not be required to effect more than one Demand Registration in any consecutive 12-month period, or to effect a Demand Registration within 90 days of the closing of a prior Demand Registration or within 90 days of the date on which either: (i) a final receipt or an equivalent document is issued in respect of a prospectus (other than a short-form base shelf prospectus) by or on behalf of each of the applicable Canadian securities authorities in respect of a prospectus qualifying a distribution of Voting Shares or Eligible Convertible Securities by Elemental; or (ii) a prospectus supplement qualifying a distribution of Voting Shares or Eligible Convertible Securities by Elemental is filed in respect of a short-form base shelf prospectus. Additionally, Elemental is not required to effect a Demand Registration unless the aggregate value of the securities to be qualified exceeds C\$10 million.

Piggy-back Registration

If Elemental proposes to file a preliminary prospectus or prospectus supplement under Canadian securities laws for the public distribution of Voting Shares or Eligible Convertible Securities, LMHE has the right to request that Elemental include all or some of the Voting Shares or Eligible Convertible Securities held by LMHE and/or its affiliates in such distribution.

Restrictions on Dispositions

Subject to certain customary exceptions and as further described in the Investor Rights Agreement, LMHE shall not, and shall cause its affiliates not to, sell, transfer or otherwise dispose, directly or indirectly, all or any portion of the Voting Shares or Convertible Securities beneficially owned by LMHE or its affiliates until the earlier of (i) one year following the Closing date and (ii) such time as the ownership interest of LMHE and its affiliates in the Voting Shares is less than 15% (the “**Restricted Period**”), without the prior written consent of Elemental.

Following the end of the Restricted Period, there shall be no restriction on any sale, transfer or other disposition of Voting Shares or Convertible Securities owned by LMHE or its affiliates, provided, however, that in the case of a sale through the facilities of any stock exchange at a time when the ownership interest of LMHE and its affiliates in the Voting Shares is at least 15%, LMHE shall dispose of such Voting Shares or Convertible Securities in a manner that does not disrupt orderly trading in such securities.

Standstill

Subject to certain customary exceptions and as further described in the Investor Rights Agreement, until the earlier of (i) two years following the Closing date and (ii) such time as the ownership interest of LMHE and its affiliates in the Voting Shares is less than 15% (the “**Standstill Period**”), neither LMHE nor its affiliates shall in any manner, directly or indirectly, alone or jointly or in concert with any other person, without the prior written consent of Elemental, effect, seek, offer or propose, or in any way assist or advise any other person to effect, seek, offer or propose, by any means whatsoever, in each case whether publicly or otherwise: (a) any acquisition (an “**Acquisition**”) of any Voting Shares or Convertible Securities or rights or options to acquire any Voting Shares or Convertible Securities if, following any such acquisition, the Percentage Holding (as defined below) would be more than 40%; (b) any merger, amalgamation, arrangement, reorganization or other business combination (a “**Business Combination**”) involving Elemental or any of its affiliates or any of their assets; (c) any take-over bid, exchange offer, tender offer or similar transaction (a “**Take-over Bid**”) for any securities of Elemental and/or any of its affiliates if, following the completion of any such bid, offer or transaction, the Percentage Holding would be more than 40%; (d) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to Elemental or any of its affiliates or any of their assets; (e) to “solicit”, or participate or join with any person (other than Elemental) in the “solicitation” of, any “proxies” (as such terms are defined in the *Securities Act* (British Columbia)) to vote or advise any person with voting of any voting securities or voting rights of Elemental or initiate any shareholder proposal in respect of Elemental; (f) to form, join, or in any way participate in a group to attempt to influence the conduct of the holders of Voting Shares or take any other action to seek to control or influence the Board, management or policies of Elemental or to obtain representation on the Board except in accordance with the Board Nomination

Rights; (g) to enter into any arrangements with respect to, or act as a financing source for, any of the foregoing actions; or (h) to publicly disclose any consideration, intention, plan or arrangement to do anything that LMHE and its affiliates are restricted from doing by any of the foregoing.

“Percentage Holding” means the percentage obtained by dividing (i) the aggregate number of Voting Shares held LMHE and its affiliates at such time and Voting Shares into which Convertible Securities held by LMHE and its affiliates at such time are or may be convertible by (ii) the aggregate number of outstanding Voting Shares at such time and Voting Shares into which outstanding Convertible Securities at such time are or may be convertible.

Termination of Restrictions on Disposition and Standstill

The aforementioned restrictions on disposition and standstill obligations shall cease to be of any force or effect as and from the date of public announcement of or public disclosure of commencement of:

- (a) a take-over bid, which if completed would result in the acquisition of 50% or more of the Voting Shares by any person or group of persons (other than LMHE and its affiliates) (a **“Bid Transaction”**) that the Board has determined is, on the basis of the identity of the bidder and the value of consideration offered, reasonably likely to be consummated in accordance with its terms; or
- (b) any merger, amalgamation, arrangement, asset purchase and sale or other business combination transaction or other extraordinary transaction involving or relating to Elemental or any of its affiliates, which if completed would result in (A) any class of outstanding voting securities of Elemental being converted into cash or securities of another person or entity resulting in shareholders holding less than 50% of the equity securities of the resulting entity, or (B) all or substantially all of Elemental’s assets (on a consolidated basis) being sold to any person, entity or group (other than LMHE or any of its affiliates) (a **“Business Combination Transaction”**),

until the earlier of the completion, or termination or abandonment, of the Bid Transaction or Business Combination Transaction, provided that if LMHE has commenced an Acquisition, a Business Combination or a Take-over Bid, it shall be entitled to continue such acts notwithstanding the termination or abandonment of the Bid Transaction or Business Combination Transaction.

Additionally, the aforementioned restrictions on disposition and standstill obligations shall cease to be of any force or effect as and from the date a Competitor (as defined below) purchases or agrees to purchase any Voting Shares or Convertible Securities directly from Elemental, unless the acquisition of such Voting Shares or Convertible Securities, calculated as at the date of the agreement with Elemental to acquire such Voting Shares or Convertible Securities, would, if completed, result in the Competitor and its affiliates and their joint actors beneficially owning, together with any Voting Shares and Convertible Securities already owned by the Competitor and its affiliates and their joint actors, less than 10% of the outstanding Voting Shares.

“Competitor” means any person that is primarily engaged in the business of: (a) acquiring from the owners of exploration stage mining projects, development stage mining projects or

operating mines the right to (i) purchase metal streams by reference to the metals mined at such projects or mines or (ii) receive a portion of the revenue generated by such projects or mines in the form of royalty payments; and (b) managing the portfolio of metals streams and royalties referred to in clause (a) above; and who would reasonably be expected to compete with Elemental for acquisition or purchase of assets in the nature of those described in clause (a) above.

Termination of the Investor Rights Agreement

The Investor Rights Agreement shall terminate, and all rights and obligations thereunder shall cease, (a) following a period of sixty days from the date that the ownership interest of LMHE and its affiliates in the Voting Shares is less than 15%, but provided that Elemental shall have provided notice to LMHE within five days following the date upon which Elemental has been made aware that such ownership interest has ceased to be at least 15% and LMHE and its affiliates have not come to again hold an ownership interest in the Voting Shares equal to at least 15% during such sixty-day period; or (b) on the date on which LMHE is dissolved, liquidated or wound up, or LMHE takes any action to acknowledge the insolvency of LMHE, as applicable, or to consent to the appointment by a secured creditor of a receiver or person acting in a similar capacity or takes advantage of any bankruptcy or insolvency legislation.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 1, 2022

LA MANCHA INVESTMENTS S.À R.L.

Per: (signed) Michael Raine

Name: Michael Raine

Title: Class A Manager