

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

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.*

Designation of securities: This report relates to common shares (“**Shares**”) of Elemental Royalties Corp. (“**ELEMENTAL**”).

Issuer: Elemental Royalties Corp.
Head Office Address: 880 – 580 Hornby Street
Vancouver, British Columbia
V6C 3B6

- 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.*

Deutsche Balaton Aktiengesellschaft
Ziegelhaeuser Landstrasse 1
69120 Heidelberg
Germany
(“**Deutsche Balaton**”)

Deutsche Balaton was formed under the laws of Germany and its principal business is to invest its own funds.

- 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 August 16, 2022, ELEMENTAL acquired 100% of the issued and outstanding Shares of Altus Strategies plc (“**ALTUS**”) by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 under the laws of the United Kingdom in exchange for common shares in the capital of ELEMENTAL (the “**Merger**”) pursuant to a cooperation agreement between ELEMENTAL and ALTUS dated June 14, 2022, as amended and restated June 21, 2022.

- 2.3 *State the names of any joint actors.*

DELPHI Unternehmensberatung Aktiengesellschaft („DELPHI“)
Ziegelhaeuser Landstrasse 1
69120 Heidelberg
Germany

2invest AG („2invest“)
Ziegelhaeuser Landstrasse 3
69120 Heidelberg
Germany

Sparta AG
Ziegelhaeuser Landstrasse 1
69120 Heidelberg
Germany

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.*

Pursuant to the Merger, Deutsche Balaton and its Joint Actors acquired 5,267,539 Shares (2invest acquired 1,109,539 Shares and DELPHI acquired 4,158,000 Shares) in exchange for Altus shares, representing 3.56% of the issued and outstanding 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.*

See Item 3.1.

- 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.*

Immediately prior to the completion of the Merger, Deutsche Balaton and its Joint Actors held 8,400,000 Shares, representing 10.73% of the issued and outstanding Shares prior to the completion of the Merger. Immediately following the completion of the Merger, Deutsche Balaton and its Joint Actors hold 13,667,539 Shares, representing 9.24% of the issued and outstanding Shares.

- 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 3.4 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.*

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.*

See Item 3.4.

- 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.*

Not applicable.

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

Pursuant to the Merger, ALTUS shareholders received 0.5940 of a common share in the capital of ELEMENTAL in exchange for each one (1) Share held.

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.*

None of Deutsche Balaton or Sparta has any current plans or future intentions which relate to or would result in any of the events, transactions or circumstances enumerated in paragraphs (a) - (k) above.

In accordance with applicable securities laws, Deutsche Balaton and its Joint Actors may, from time to time and at any time, acquire additional ELEMENTAL shares and/or other equity, debt or other securities or instruments (collectively, “**Securities**”) of ELEMENTAL in the open market or otherwise, and Deutsche Balaton and its Joint Actors reserve the right to dispose of any or all of its Securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to the Securities, the whole depending on market conditions, the business and prospects of ELEMENTAL and other relevant factors.

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.

ELEMENTAL and ALTUS entered into a co-operation agreement on June 14, 2022, as amended and restated June 21, 2022, pursuant to which such parties agreed to effect the Merger and related matters (the “Co-operation Agreement”).

In connection with the Merger:

- ALTUS entered into voting and support agreements with certain directors, officers and shareholders of ELEMENTAL pursuant to which such persons agreed to vote their ELEMENTAL Shares in favour of the Merger (the “Voting and Support Agreements”);
- ALTUS and certain shareholders of ELEMENTAL entered into letters of intent whereby such persons agreed to vote their ELEMENTAL Shares in favour of the Merger (the “Letters of Intent”); and
- ELEMENTAL entered into irrevocable undertakings with the directors and certain shareholders of ALTUS, pursuant to which such persons agreed to vote their Shares in favour of the Merger (the “Undertakings”)

For a detailed summary of the Co-operation Agreement, the Voting Agreements, the Letters of Intent, the Undertakings and related matters, please refer to the management information circular of ELEMENTAL dated July 8, 2022 (the “Circular”). Copies of the Co-operation Agreement, the

Voting Agreements, and Letters of Intent are filed on SEDAR (www.sedar.com) under ELEMENTAL's issuer profile.

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.

Certificate

The undersigned, 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.

DATED this 25th day of August, 2022.

DEUTSCHE BALATON AKTIENGESELLSCHAFT

By: "Alexander Link"

Name: Alexander Link

Title: Member of the Board