

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 (“**Common Shares**”) of Elemental Royalties Corp. (“**Elemental Royalties**”).

The head office of Elemental Royalties is located at:

1100 - 1199 West Hastings Street
Vancouver, British Columbia
V6E 3T5

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 Fund SCSp (the “**Fund**”). The Fund’s head office is located at:

31-33 avenue Pasteur L-2311
Luxembourg

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 Royalties completed its previously announced share-for-share merger of equals (the “**Merger**”) with Altus Strategies plc (“**Altus**”). The Merger created a larger royalty company to be renamed Elemental Altus Royalties Corp.

2.3 State the names of any joint actors.

The Fund is a Luxembourg-based deep value fund advised by La Mancha Capital Advisory LLP (“**La Mancha**”) dedicated primarily to investments in the precious metals and energy transition metals space. The Fund’s general partner is La Mancha Capital Management GP S.à r.l. which has delegated investment management over the Fund’s investments to Notz, Stucki Europe S.A., which has further delegated portfolio management of the Fund to G10 Capital Limited.

La Mancha advises on strategic investments made by the Fund in publicly listed and private gold and energy transition commodity companies with a global outlook. La Mancha is a long-term minded investment advisor, with a mandate to support mining companies to achieve sustained growth by providing long-term equity capital as well as operational and board level expertise, to further portfolio company performance and expansion.

La Mancha Capital Advisory LLP is an Appointed Representative of G10 Capital Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority (FRN 648953).

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.

As a result of the Merger, the Fund, through its wholly-owned subsidiary LMH Explorers S.à r.l., acquired ownership of an aggregate of 24,471,881 common shares of Elemental Royalties, representing 12.88% of the issued and outstanding common shares of Elemental Royalties.

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 above.

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 before the Merger, the Fund owned an aggregate of 7,250,000 common shares of Elemental Royalties, representing 9.26% of the issued and outstanding common shares of Elemental Royalties. Immediately following the Merger, the Fund owned 31,721,881 common shares of Elemental Royalties, representing 21.44% of the issued and outstanding common shares of Elemental Royalties.

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.**

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.**

Not applicable.

- 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.**

Under the Merger, Elemental Royalties acquired all issued and outstanding share capital of Altus, with each Altus share exchanged for 0.594 Elemental shares.

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

The additional Common Shares were acquired by the Fund pursuant to the Merger.

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.

In the future, the Fund may, from time to time, increase or decrease its investment in Elemental Royalties through market transactions, private agreements, treasury issuances or otherwise at any time.

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.

Not applicable.

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.

