

Elemental Altus Royalties Announces Record Second Quarter Revenue

Vancouver, British Columbia--(Newsfile Corp. - August 21, 2023) - Elemental Altus Royalties Corp. (TSXV: ELE) (OTCQX: ELEM) ("**Elemental Altus**" or "**the Company**") announces its operating and financial results for the quarter ended June 30, 2023. For complete details please refer to the Financial Statements and associated Management Discussion and Analysis ("**MD&A**") for the three and six months ended June 30, 2023, which can be found on the SEDAR+ website (<http://www.sedarplus.ca>) or the Company's website (www.elementalaltus.com).

Second Quarter 2023 Financial Highlights:

- Record revenue of \$2.6 million, up 25% compared to Q2 2022
- Record adjusted revenue of \$4.7 million, inclusive of Caserones royalty revenue, up 127% compared to Q2 2022
- Record Gold Equivalent Ounces ("**GEOs**") of 2,377 ounces, up 109% compared to Q2 2022
- Record adjusted EBITDA of \$3.3 million, up 184% compared to Q2 2022

Royalty Portfolio Highlights and Key Developments:

- On March 27, 2023 Lundin Mining Corporation (TSX: LUN) announced that it had entered into a binding purchase agreement to acquire a 51% interest in the Caserones copper-molybdenum mine in Chile ("**Caserones**")
 - On March 9, 2023, the Company entered into a binding agreement to acquire an additional 0.025% effective net smelter return ("**NSR**") royalty on Caserones
 - On July 12, 2023, the Company agreed to purchase an additional effective 0.030% NSR on Caserones, increasing the total effective NSR held to 0.473%
- On April 20, 2023, the Company announced that it had completed the acquisition of an additional 0.25% NSR royalty on the Pickle Crow project in Ontario, Canada from a private third-party entity for total consideration of US\$300,000 in cash, increasing the effective NSR royalty held by the Company to 2.25%

Highlights Subsequent to June 30, 2023:

- On July 20, 2023, the Company announced that it agreed to the sale of its 100% owned Diba and Lakanfla gold licences in western Mali to Allied Gold Corporation ("**Allied**"), the owner and operator of the Sadiola gold mine. As consideration, Allied will grant a near-term production NSR royalty of 3% on the first 226,000 ounces of gold from certain deposits followed by a 2% uncapped royalty on all other production from the licences and pay up to \$6 million in cash. The transaction will be completed after local regulatory approvals and filings are completed
- On July 25, 2023, the Company announced it had agreed to the sale of a 95% interest in its Daro and Zager copper-gold licences in northern Ethiopia to ANS Exploration ("**ANS**"). As consideration, ANS will pay US\$200,000 in cash and grant two uncapped NSR royalties of 2.5% on copper and gold produced from the licences. The transaction will be completed after local regulatory approvals and filings are completed

Frederick Bell, CEO of Elemental Altus, commented:

"The first half of 2023 has been very positive with the Company continuing to deliver record revenues and impressive growth in our attributable production quarter over quarter. This quarter we continued to add exposure to one of our cornerstone assets, a royalty on the Caserones copper mine in Chile and we look forward to seeing additional optimization on the asset now that Lundin Mining is the majority owner and operator.

"Subsequent to the end of the quarter we generated three new gold and copper royalties through transactions on assets in Mali and Ethiopia. The royalty in Mali in particular offers the potential for near-term revenue at Allied's adjacent Sadiola gold mine and we look forward to adding further royalties to the portfolio in the second half of the year."

Operating Asset Highlights

The following table summarizes the Company's revenue from royalty interests during the three and six months ended June 30, 2023 and 2022. Adjusted revenue also includes accrued royalty revenue from equity investments for the same periods (see Non-IFRS Measures).

	Three months ended		Six months ended	
	2023	June 30, 2022	2023	June 30, 2022
	\$'000	\$'000	\$'000	\$'000
Revenue from royalties				
Amancaya	211	216	448	498
Ballarat	179	-	214	-
Bonikro	87	-	266	-
Karlawinda	1,181	1,216	2,440	2,361
Kwale	-	93	-	206
Mercedes	193	-	433	-
Mulgarie	14	-	14	-
Mount Pleasant	85	88	189	206
SKO	67	-	151	-
Wahgnion	583	469	1,251	1,444
Total revenue	2,600	2,082	5,406	4,277
Royalty revenue from equity investments				
Caserones ¹	2,128	-	3,148	-
Adjusted revenue	4,728	2,082	8,554	4,277

(1) The Caserones royalty is held by Sociedad Legal Minera California Una de la Sierra Peña Negra ("**SLM California**") in which the Company held an effective 22.8% equity interest at June 30, 2023. The Company has agreed to acquire a further 1.6% interest in SLM California and this is expected to close in Q3 2023.

The following table summarizes the Company's GEOs from royalty interests during the three and six months ended June 30, 2023 and 2022:

	Three months ended		Six months ended	
	2023	June 30, 2022	2023	June 30, 2022
	GEO	GEO	GEO	GEO
Amancaya	106	116	225	265
Ballarat	90	-	108	-
Bonikro	44	-	134	-
Karlawinda	594	673	1,227	1,263
Kwale	-	50	-	110
Mercedes	97	-	217	-
Mulgarie	7	-	7	-
Mount Pleasant	43	49	95	111
SKO	34	-	76	-
Wahgnion	293	250	629	536
Caserones ¹	1,070	-	1,580	-
Total GEOs ¹	2,377	1,138	4,298	2,285

(1) See Non-IFRS Measures.

Elemental Altus expects to achieve previously announced guidance of 9,000 to 10,200 GEOs, weighted

towards the second half of the year.

Quarterly changes to revenue received by Elemental Altus are driven primarily by fluctuations in production at the underlying mines, the timing of sales, changes in the price of commodities and assets being advanced to production.

Karlawinda Gold Mine, Australia

- Capricorn reported record annual production at Karlawinda during the year to June 30, 2023, having produced 120,014 ounces
- On April 26, 2023 Capricorn reported that their 73 hole (10,983m) RC drilling at the newly identified Berwick prospect, located 2km east of the Bibra open pit, detected near surface gold mineralisation over a 500m strike length and follow up drilling is underway
- Near mine exploration has identified a number of additional prospects within 5km of the Bibra deposit, including Muirfield and Vedas

Caserones Copper Mine, Chile

- In Q2 2023, the Company accrued adjusted royalty revenue of \$2.13 million (before tax) using an estimate of Q2 sales from Lundin Mining's published production, and a \$0.9m upward adjustment based on under accrued revenue relating to Q1 2023
- The Company recorded a received dividend of \$1.40 million relating to Q1 2023 sales
- On July 13, 2023, Lundin Mining (TSX: LUN) closed its previously announced acquisition of an initial 51% of Caserones from JX Nippon Mining and Metals for \$950 million. Lundin Mining has the right to acquire up to an additional 19% interest in Caserones for \$350 million over a five-year period commencing on the first anniversary of the date of closing
- Lundin Mining announced that Caserones annual production guidance for both 2024 and 2025 is 110,000-120,000t of copper and 1,500-2,500t of molybdenum on a 100% basis

Wahgnion Gold Mine, Burkina Faso

- Wahgnion throughput remained steady as production moved into the Samavogo pit during the quarter, where grades are expected to increase from Q3
- On June 30, 2023 Endeavour Mining announced the sale of its Wahgnion and Boungou mines in Burkina Faso to Liliium Mining, a subsidiary of Liliium Capital

Mercedes Gold Mine, Mexico

- Bear Creek reported a revision of mining methods utilized at the mine with the Marianas and San Martin deposits switched from cut and fill mining at both deposits to room and pillar mining at San Martin and sub-level caving and sub-level stoping at Marianas
- Tonnes mined from the high-grade San Martin deposit (Measured and Indicated Resource of 289,000t @ 6.6g/t Au) are expected to double from 400 to 800t per day during Q3 2023 as the available working faces increase. The deposit is expected to account for an estimated 50% of H2 2023 gold production

Bonikro Gold Mine, Cote d'Ivoire

- The Company owns an NSR royalty on an area of the mine known as Pushback 5 at Allied Gold's open pit Bonikro gold mine in Cote d'Ivoire. At a gold price above \$1,450, the NSR royalty is at an effective rate of 2.25%, capped at 560,000 ounces

- Allied Gold is expected to target full production from the royalty area during H2 2023

Amancaya Gold Mine, Chile

- In Q2 2023 attributable GEOs were broadly similar to Q1 2022
- During the period, Austral focused exploration efforts at Amancaya on geological interpretation, having designated a shallow drill program to demonstrate continuity at the Oeste vein, a narrow gold-rich vein previously interpreted and parallel to the Central vein

Ballarat Gold Mine, Australia

- The Company owns a 1.25% NSR royalty on the underground Ballarat gold mine in Australia and also owns approximately \$0.6 million in accrued royalty payments
- The current administrators are undertaking a sales process of the mine which is expected to be finalized prior to the administration ending date of October 2023
- During the administration period, the mine has continued to operate
- Tailings permits have been progressed offering a pathway to long term management of the tailings

Frederick Bell

CEO and Director

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About Elemental Altus Royalties Corp.

Elemental Altus is an income generating precious metals royalty company with 10 producing royalties and a diversified portfolio of pre-production and discovery stage assets. The Company is focused on acquiring uncapped royalties and streams over producing, or near-producing, mines operated by established counterparties, as well as generating royalties on new discoveries. The vision of Elemental Altus is to build a global gold royalty company, offering investors superior exposure to gold with reduced risk and a strong growth profile.

Qualified Person

Steven Poulton, Executive Chairman for Elemental Altus, and a qualified person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical disclosure contained in this press release.

Notes

Non-IFRS Measures

The Company has included certain performance measures which are not in accordance with International Financial Reporting Standards ("**IFRS**"). Non-IFRS measures are intended to provide

additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures do not have any standard meaning under IFRS and other companies may calculate measures differently.

Elemental Altus has included certain performance measures in this press release that do not have any standardized meaning prescribed by IFRS. The Company's royalty revenue is converted to an attributable gold equivalent ounce, or GEO, basis by dividing the royalty revenue received in a period by the average gold price for the same respective period. The presentation of this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. The production forecast was derived using information that is available in the public domain as at the date hereof, which included guidance and estimates prepared and issued by management of the operators of the mining operations in which Elemental Altus holds an interest. The production forecast is sensitive to the performance and operating status of the underlying mines. None of the information has been independently verified by Elemental Altus and maybe subject to uncertainty. There can be no assurance that such information is complete or accurate.

Royalty revenue is received at zero cost. Elemental Altus pays 20% per ounce on streaming revenue from the Ming mine.

Adjusted Revenue

Adjusted revenue is a non-IFRS financial measure, which is defined as including gross royalty revenue from associated entities holding royalty interests related to Elemental Altus' effective royalty on the Caserones copper mine. Management uses adjusted revenue to evaluate the underlying operating performance of the Company for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as revenue, investors may use adjusted revenue to evaluate the results of the underlying business, particularly as the adjusted revenue may not typically be included in operating results. Management believes that adjusted revenue is a useful measure of the Company performance because it adjusts for items which management believes reflect the Company's core operating results from period to period. Adjusted revenue is intended to provide additional information to investors and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. It does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Gold Equivalent Ounces

Elemental Altus' adjusted royalty, streaming, and other revenue is converted to an attributable gold equivalent ounce, or GEO, basis by dividing the royalty and other revenue from associates in a period by the average gold price for the same respective period, plus the net gold ounces received in the period from streaming investments. The presentation of this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. The production forecast was derived using information that is available in the public domain as at the date hereof, which included guidance and estimates prepared and issued by management of the operators of the mining operations in which Elemental Altus holds an interest. The production forecast is sensitive to the performance and operating status of the underlying mines. None of the information has been independently verified by Elemental Altus and may be subject to uncertainty. There can be no assurance that such information is complete or accurate.

On behalf of Elemental Altus Royalties Corp.

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 news 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.

Forward-looking statements and information include, but are not limited to, statements with respect to the Company's ability to deliver a materially increased revenue profile, 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 the Company for the year ended 31 December 2022. 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.

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