

RNS Miscellaneous

RECOMMENDED ALL-SHARE MERGER OF EQUALS

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Elemental Royalties Corp
14 June 2022

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

14 June 2022

**RECOMMENDED ALL-SHARE MERGER OF EQUALS
OF
ALTUS STRATEGIES PLC
AND
ELEMENTAL ROYALTIES CORP.**

**to be implemented by means of a scheme of arrangement
under Part 26 of the Companies Act 2006**

Summary

The boards of Elemental Royalties Corp. (ELE.V) ("**Elemental**") and Altus Strategies plc (ALTS.V) ("**Altus**") are pleased to announce they have reached agreement on the terms and conditions of a recommended share-for-share merger of equals of Elemental and Altus with the entire issued and to be issued share capital of Altus being acquired by Elemental (the "**Merger**"). It is intended that the Merger will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006.

Under the terms of the Merger, each Altus Shareholder will be entitled to receive:

0.5940 New Elemental Shares for each Altus Share

This exchange ratio (the "**Exchange Ratio**") has been agreed between the boards of Elemental and Altus taking into account the relative market capitalisations of both companies.

Upon completion of the Merger, Elemental Shareholders will own approximately 52.9 per cent. and Altus Shareholders will own approximately 47.1 per cent. of the total issued share capital of the New Elemental Altus Group (based on the undiluted issued share capital of Elemental and Altus on the Last Practicable Date).

The boards of Elemental and Altus believe that the Merger has compelling strategic logic and represents an attractive opportunity for both companies to create a global gold royalty company.

Background to and reasons for the Merger

Substantial benefits for all Altus and Elemental stakeholders as a result of the creation of the New Elemental Altus Group

The Elemental Directors and Altus Directors believe that the creation of the New Elemental Altus Group will deliver substantial benefits for all stakeholders of both Elemental and Altus, including:

- **Increased scale and diversification:** a combined portfolio of 69 assets across 13 jurisdictions, concentrated in tier-1 mining jurisdictions, of which 11 are in production, and primarily focused on gold;
- **Transformed adjusted revenue profile:** estimated combined adjusted 2022 revenue of the New Elemental Altus Group of US\$19.6 million with significant near term growth potential from first expected revenue from Ming, Bonikro and Mercedes in 2022 estimated to lead to combined adjusted 2023 revenue of the New Elemental Altus Group of US\$24.6 million, combined with opportunities to add further portfolio revenue and duration*;

** see "Non-IFRS financial measures - (i) Adjusted Revenue" below. The sources and bases for the calculation of the estimated combined New Elemental Altus Group adjusted revenue for FY 2022 and 2023 are set out in Appendix 2.*

- **Strengthened asset portfolio:** centred around 3 cornerstone royalties, the majority of the New Elemental Altus Group's NAV will be based on producing assets, providing investors with exposure to the top line revenue of underlying assets (without direct exposure to the operating costs / capex of those assets and associated inflationary risks) while keeping long dated optionality from existing development pipeline and organic royalty generation portfolio;
- **Strong shareholder support:** recognised strategic investors have supported the Merger, in La Mancha and Condire having provided shareholder irrevocable undertakings over 44.6 per cent. of Altus's issued share capital; and South32 and La Mancha having entered into voting and support agreements in respect of 25.96 per cent. of Elemental's issued share capital. Additionally, EuroPacific Asset Management and Adrian Day Asset Management have provided letters of intent to vote in favour of the Elemental Shareholder Resolution in respect of a further 10.42 per cent. of Elemental's issued share capital;
- **Enhanced capital markets profile:** increased scale and liquidity for enhanced market relevance and financial flexibility and a lower cost of capital, with wider investor appeal, analyst coverage and M&A potential coming with a larger market capitalisation; providing the opportunity for a re-rating of the shares of the New Elemental Altus Group;
- **Complementary management skills:** an experienced management team with Elemental's proven history of accretive royalty acquisitions being a natural fit to the disciplined royalty generation and royalty acquisition track record of Altus;
- **Potential cost synergies:** opportunity to deliver cost efficiency synergies at the corporate level through simplification of operations and listings; and
- **Canadian tax election:** the disposition of Altus Shares on the Merger by a Canadian resident holder will constitute a taxable disposition for purposes of the Income Tax Act (Canada) (the "**Tax Act**") resulting in the realisation of any accrued gain that the holder may have in the Altus Shares. Elemental will permit an 'eligible holder' to partially or fully defer a gain that would otherwise be realised, if any, by making a joint election with Elemental pursuant to section 85 of the Tax Act (in accordance with all applicable rules). An 'eligible holder' refers to (i) a person who is resident in Canada and not exempt from tax under Part I of the Tax Act or (ii) a 'Canadian partnership' no member of which is exempt from tax under Part I of the Tax Act.

Fair value for both sets of shareholders

The Exchange Ratio has been agreed between the boards of Elemental and Altus taking into account the relative market capitalisations of both companies and offers fair value for both sets of shareholders consistent with valuations expected in an all-share merger of equals.

Key Highlights of the Merger

Upon completion of the Merger, it is intended that:

- An eight (8) member board will be constituted from a combination of existing directors from both Elemental and Altus (including four (4) Elemental representatives and four (4) Altus representatives);
- Steven Poulton, current CEO of Altus, will be appointed as Executive Chair and Frederick Bell, current CEO of Elemental, will be appointed as Chief Executive Officer;
- Martin Turenne, a current non-executive director of Elemental, will be appointed as Chair of the Audit Committee and Robert Milroy, a current non-executive director of Altus, will be appointed as Chair of the Compensation Committee;
- After the Merger, Elemental will continue to be listed on TSX-V and will be headquartered in Vancouver, Canada and have teams located in Canada, the United Kingdom and Australia; and

- Elemental's name will be changed to Elemental Altus Royalties Corp. shortly after Completion.

Altus Recommendation and Irrevocable Undertakings

The Altus Directors, who have been so advised by UBS AG London Branch ("**UBS**") as to the financial terms of the Merger, unanimously consider the terms of the Merger to be fair and reasonable. In providing its advice to the Altus Directors, UBS has taken into account the commercial assessments of the Altus Directors. UBS is providing independent financial advice to the Altus Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Altus Directors intend to recommend unanimously that (a) Scheme Shareholders vote in favour of the Scheme at the Altus Court Meeting; and (b) Altus Shareholders vote in favour of the Special Resolution to be proposed at the Altus General Meeting, as the Altus Directors who are interested in Altus Shares have irrevocably undertaken to do in respect of their own beneficial holdings (and those of their connected persons) in respect of which they control the voting rights amounting to 15,550,327 Altus Shares representing, in aggregate, approximately 13.25 per cent. of the ordinary share capital of Altus in issue on the Last Practicable Date.

In addition to the irrevocable undertakings from Altus Directors described above, Elemental has also received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) from:

- La Mancha Explorers; and
- Condire Resource Master Partnership, LP,

in respect of 41,158,454 and 11,170,102 Altus Shares, respectively, representing in aggregate approximately 44.6 per cent. of the existing issued ordinary share capital of Altus and 44.6 per cent. of the Scheme Shares being eligible to vote at the Altus Court Meeting, in each case, as at the Last Practicable Date.

Therefore, Elemental has received irrevocable undertakings in respect of, in aggregate, 67,878,883 Altus Shares, representing approximately 57.9 per cent. of the Altus Shares in issue on the Last Practicable Date.

Further details of the irrevocable undertakings are set out in paragraph 8 of this Announcement.

Elemental Recommendation, Voting and Support Agreements, Letters of Intent and Break Payment

The issuance of the New Elemental Shares pursuant to the Merger requires the Elemental Shareholder Resolution to be approved by a simple majority of the votes cast by Elemental Shareholders represented in person or by proxy at the Elemental Special Meeting.

The Elemental Directors, after an extensive review and thorough discussion of all facts and issues they considered relevant with respect to the Merger, unanimously determined that the issuance of the New Elemental Shares pursuant to the Merger is fair to the Elemental Shareholders, and authorised Elemental to enter into the Co-operation Agreement and recommend to Elemental Shareholders that they vote in favour of the Elemental Shareholder Resolution. In connection with making this determination, on 13 June 2022 the Elemental Directors received a fairness opinion from Canaccord Genuity Corp. to the effect that, as of such date, and subject to the analyses, factors, assumptions, qualifications and limitations set forth in such opinion, the Exchange Ratio is fair, from a financial point of view, to Elemental Shareholders. The full text of Canaccord Genuity Corp.'s fairness opinion will be included in the Elemental Information Circular.

The Elemental Directors who are interested in Elemental Shares and certain shareholders of Elemental have agreed to vote their own shareholdings in Elemental representing 11,207,575 Elemental Shares, being approximately 14.32 per cent. of the Elemental Shares in issue on the Last Practicable Date, in favour of the Elemental Shareholder Resolution.

In addition to the voting and support agreements with the Elemental Directors and certain employees of Elemental who are interested in Elemental Shares, Altus has also entered into voting and support agreements to vote in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting with:

- La Mancha Investments; and
- South32,

in respect of 7,250,000 and 13,065,100 Elemental Shares, respectively, representing in aggregate approximately 25.96 per cent. of the Elemental Shares in issue on the Last Practicable Date in favour of the Elemental Shareholder Resolution.

EuroPacific Asset Management and Adrian Day Asset Management have also given non-binding letters of intent to vote (or, where applicable, procure voting) in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting in respect of a further 6,296,529 and 1,861,700 Elemental Shares respectively, representing approximately 10.42 per cent. of the Elemental Shares in issue on the Last Practicable Date.

Therefore, Altus has received voting undertakings and letters of intent in respect of, in aggregate, 39,680,904 Elemental Shares, representing approximately 50.7 per cent. of the Elemental Shares in issue on the Last Practicable Date.

Further details of the voting and support agreements and letters of intent are set out in paragraph 8 of this Announcement.

Elemental has agreed to pay to Altus a break payment in the amount of US\$2,000,000 in certain circumstances, as agreed in the Co-operation Agreement and described further in paragraph 9.3 of this Announcement.

General

Under the terms of the Merger, Elemental and Altus have agreed that if, on or after the date of this Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Altus Shares, Elemental reserves the right to reduce the consideration payable under the terms of the Merger by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement to the consideration payable under the Merger will be deemed to be a reference to the consideration as so reduced. Any exercise by Elemental of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Merger. In such circumstances, Altus Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

Under the Co-operation Agreement, Elemental has agreed that until the Effective Date, except (i) with Altus's prior written consent (not to be unreasonably withheld, conditioned or delayed), (ii) as required by applicable law, or (iii) to the extent the relevant matter is expressly permitted by or in the Co-operation Agreement or this Announcement, Elemental shall not and shall procure that no member of the Elemental Group (provided the actions are not at the direction of Elemental) shall agree, resolve, commit or announce any agreement or intention to authorise, declare or pay any distribution or reduction or return of capital on or with respect to the Elemental Shares (whether in cash, assets, shares or other securities).

It is intended that the Merger will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (although Elemental reserves the right to effect the Merger by way of an Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement). Accordingly, the terms of the Merger will be put to Scheme Shareholders at the Altus Court Meeting. In order to become Effective, the Scheme must be approved at the Altus Court Meeting by a majority in number of Scheme Shareholders, present and voting to the extent permitted pursuant to the Takeover Code, applicable law or the Court whose sanction is required for the Scheme, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders. The Altus Shareholders will further be asked to vote in favour of the Special Resolution to be proposed at the Altus General Meeting (which is expected to take place immediately following the Altus Court Meeting) to authorise the Altus Directors to give effect to the Scheme and deal with certain ancillary matters, which requires the approval by Altus Shareholders representing at least 75 per cent. of the votes cast at the Altus General Meeting (either in person or by proxy). The Scheme is expected to become Effective in the third quarter of the calendar year 2022, subject to the satisfaction (or, if applicable) waiver of the Conditions and further terms set out in Appendix 1.

The Merger is conditional, amongst other things, on:

- the Scheme becoming unconditional and Effective including, without limitation, its approval by a majority in number of Scheme Shareholders present and voting (in person or by proxy) representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders; and
- the requisite approval of the Elemental Shareholder Resolution by the Elemental Shareholders at the Elemental Special Meeting.

The Merger will be on the terms and subject to the Conditions set out in Appendix 1 and to be set out in the Scheme Document. It is expected that the Scheme Document, containing further information about the Merger and notices of the Altus Meetings, together with the associated forms of proxy, will be posted to Altus Shareholders within 28 days of this Announcement (or such later time as Altus, Elemental and the Panel agree). An expected timetable of key events relating to the Merger, including the dates of the Altus Meetings, will be provided in the Scheme Document.

It is expected that the Elemental Information Circular, containing further information about the Merger and notice of the Elemental Special Meeting, will be mailed to Elemental Shareholders at or around the same time as the Scheme Document. It is also expected that the Elemental Special Meeting will be held on the same day as the Altus Meetings.

Comments

Commenting on the Merger, Steven Poulton, Chief Executive of Altus, said:

"Combining Altus and Elemental will create a new, strong and dynamic income-generating champion in the mining royalty sector. The transaction will bring significant benefits to all current shareholders and establish a compelling investment proposition to potential new institutional and other investors. Our enlarged scale and combined revenues will not only enhance our access to further high-quality royalties, but will also potentially reduce our cost of capital going forward. Shareholders of the enlarged group will also benefit from its differentiated strategy of low-cost and potential high-return royalty generation. As we succeed, we look forward to targeting medium-term capital distributions, as well as participating in further accretive consolidation opportunities in the royalty sector."

Commenting on the Merger, Frederick Bell, CEO and Director of Elemental, said:

"We are very pleased to announce a compelling merger with Altus Strategies that delivers materially increased revenue, scale and market relevance to both companies. The complementary nature of the portfolios and management teams alongside fast growing revenue from a portfolio of predominantly producing royalties will deliver significant benefits to shareholders. In addition, the combined company will have a low-cost royalty generation business arm to complement the continuing acquisition of producing royalties. We see continuing consolidation in the royalty space as an opportunity for the enlarged group. We expect to be able to demonstrate the benefits through this merger of equals with a lower cost of capital, greater diversification and growing liquidity for shareholders."

This summary should be read in conjunction with, and is subject to, the following full Announcement and the Appendices. The Merger will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. The sources and bases of calculation of certain information contained in this Announcement are set out in Appendix 2. Details of irrevocable undertakings, voting and support agreements and letters of intent received or entered into by Elemental and Altus are set out in Appendix 3. Certain terms used in this Announcement are defined in Appendix 4.

Joint Analyst and Investor Webcast and Conference Call

An analyst and investor conference call to discuss the Merger will be held for c. 60 minutes on **Tuesday 14 June 2022 at 8.00 a.m. (Eastern Standard Time) / 1.00 p.m. (British Summer Time)**.

To participate in the conference call, use the following dial-in numbers, or join the webcast using the link below:

Dial-in numbers:

Canada/USA Toll Free: 1-800-319-4610

International Toll: +1-604-638-5340

UK Toll Free: 0808-101-2791

UK Toll: +44-161-250-8208

Callers should dial in 5-10 minutes prior to the scheduled start time and simply ask to join your call.

Webcast URL: <https://services.choruscall.ca/links/elementalroyalties202206.html>

Webcast and Conference Call Queries:

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Fasken Martineau LLP is retained as legal adviser to Elemental +44 (0)20 7917 8500

Norton Rose Fulbright LLP is retained as UK legal adviser to Altus +44 (0)20 7283 6000

Important notices

*Canaccord Genuity Limited, which is authorised and regulated by the FCA in the United Kingdom, and Canaccord Genuity Corp. (together, "**Canaccord Genuity**") are acting as financial adviser to Elemental and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Elemental for providing the protections afforded to their clients or for providing advice in relation to the Merger, the contents of this Announcement or any other matters referred to in this Announcement. Neither Canaccord Genuity nor any of their subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Canaccord Genuity in connection with any matter referred to in this Announcement or otherwise.*

*UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom and is acting as financial adviser to Altus and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Altus for providing the protections afforded to its clients or for providing advice in relation to the Merger, the contents of this Announcement or any other matters referred to in this Announcement. Neither UBS nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with any matter referred to in this Announcement or otherwise.*

*SP Angel Corporate Finance LLP ("**SP Angel**") is authorised and regulated by the FCA in the United Kingdom and is acting as nominated adviser and broker to Altus and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Altus for providing the protections afforded to its clients or for providing advice in relation to the Merger, the contents of this*

Announcement or any other matters referred to in this Announcement. Neither SP Angel nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SP Angel in connection with any matter referred to in this Announcement or otherwise.

Each of Canaccord Genuity, UBS and SP Angel have given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.

Further information

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Altus in any jurisdiction in contravention of applicable law.

The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Merger, including details of what action is required from Altus Shareholders in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made only on the basis of the information in the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document).

Altus and Elemental shall prepare the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document) to be distributed to Altus Shareholders. Altus and Elemental urge Altus Shareholders to read the Scheme Document in its entirety (or, if the Merger is implemented by way of an Offer, the Offer Document) when it becomes available because it will contain important information relating to the Merger (including details of how to vote in respect of the Scheme) and the New Elemental Shares. Any vote in respect of resolutions to be proposed at the Altus Meetings to approve the Merger, the Scheme or related matters, or other responses in relation to the Merger, should be made only on the basis of information contained in the Scheme Document.

Elemental will prepare the Elemental Information Circular to be distributed to Elemental Shareholders, containing details of the Merger, notice of the Elemental Special Meeting and information on the New Elemental Shares. Elemental urges Elemental Shareholders to read the Elemental Information Circular carefully when it becomes available because it will contain important information in relation to the Merger and the New Elemental Shares. Any vote in respect of the Elemental Shareholder Resolution to be proposed at the Elemental Special Meeting to approve the issuance of New Elemental Shares under the Merger should be made only on the basis of the information contained in the Elemental Information Circular.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Elemental reserves the right to elect to implement the Merger by way of an Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Merger will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Merger (including, without limitation: (i) the inclusion of an acceptance condition set at such percentage of the Altus Shares to which such Offer relates as Elemental may, subject to the rules of the Takeover Code and with the consent of the Panel, decide; and (ii) those required by, or deemed appropriate by, Elemental under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Altus Shares are otherwise acquired, it is the intention of Elemental to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Altus Shares to which such Offer relates.

Technical information

The technical and scientific information contained in this Announcement in respect of Altus has been reviewed and approved for release by Steven Poulton, Chief Executive Officer, who is Altus's Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The technical and scientific information contained in this Announcement in respect of Elemental has been reviewed and approved for release by Richard Evans, FAusIMM, Senior Vice President Technical, who is Elemental's Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Overseas Shareholders

The release, publication or distribution of this Announcement in or into jurisdictions other than Canada, the United States and the United Kingdom and may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than Canada, the United States and the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not

citizens of and resident in Canada, the United States or the United Kingdom to vote their Altus Shares with respect to the Scheme at the Altus Court Meeting, or to appoint another person as proxy to vote at the Altus Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

Relevant clearances have not been, and will not be, obtained from the securities commission or similar regulatory authority of any province or territory of Canada. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with applicable English law, certain applicable securities laws in Canada and the United States, the AIM Rules and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK. The Merger will be subject to the laws of England and Wales and to the applicable requirements of the Takeover Code and the Panel, as well as applicable securities laws of Canada that apply to Elemental due to its status as a "reporting issuer" in the provinces and territories of Canada other than Quebec.

Copies of this Announcement and formal documentation relating to the Merger will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of Offer (unless otherwise permitted by applicable law or regulation), the Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document and Altus Shareholders are advised to read carefully the Scheme Document and related forms of proxy once these have been mailed.

Notice to US investors in Altus

Altus Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales.

Any securities issued by Elemental as a result of this Merger by means of a scheme of arrangement will be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 ("**US Securities Act**"), pursuant to the exemption from registration set forth in Section 3(a)(10) thereof, and also will not be subject to the tender offer rules promulgated under the US Securities Exchange Act of 1934. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements that would be applicable in the US if the securities were registered under the US Securities Act or if the transaction were subject to the US tender offer rules. Except as described below under the heading 'Non-IFRS financial measures', the financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Elemental exercises its right to implement the acquisition of the Altus Shares in accordance with the Co-operation Agreement by way of an Offer, such offer will be made in compliance with applicable US laws and regulations, including the registration requirements of the US Securities Act of 1933 and the tender offer rules under the US Securities Exchange Act of 1934 and any applicable exemptions provided thereunder.

Neither the Merger nor this Announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement or the merits of the Merger. Any representation to the contrary is a criminal offence in the United States.

The receipt of consideration by a US holder for the transfer of its Altus Shares pursuant to the Merger may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Altus Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Merger applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders of Altus Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Elemental and Altus are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Altus Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice, Elemental or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Altus Shares outside of the US, other than pursuant to the Merger, until the date on which the Merger and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Additional information for Canadian Altus Shareholders

No securities commission or similar authority of Canada, or any other jurisdiction has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

If Elemental exercises its right to implement the acquisition of the Altus Shares in accordance with the Co-operation Agreement by way of an Offer, such Offer will be made in compliance with applicable Canadian securities laws or pursuant to an exemption therefrom.

The enforcement by Canadian Altus Shareholders of civil liabilities under the Canadian securities laws may be affected adversely by the fact that Altus is incorporated or organized under the laws of a jurisdiction other than Canada, that some or all of Elemental's and Altus's officers and directors are and will be residents of countries other than Canada, that some or all of the experts named in this Announcement may be residents of countries other than Canada, and that all or a substantial portion of the assets of Elemental, Altus and such persons are and will be located outside Canada. As a result, it may be difficult or impossible for Canadian Altus Shareholders to effect service of process within Canada upon Altus, Elemental's and Altus's respective officers or directors or the experts named herein, or to realize against them, upon judgments of courts of Canada predicated upon liabilities under Canadian securities laws. In addition, Canadian Altus Shareholders should not assume that the courts of England and Wales: (a) would enforce judgments of Canadian courts obtained in actions against such persons predicated upon civil liabilities under Canadian securities laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the Canadian securities laws.

The distribution of the New Elemental Shares pursuant to the Merger will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities law. The New Elemental Shares received pursuant to the Merger will not be subject to resale restrictions and may be resold through registered dealers in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in Canadian securities law, (ii) no unusual effort is made to prepare the market or to create a demand for Elemental Shares, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider or officer of Elemental, as the case may be, the selling security holder has no reasonable grounds to believe that Elemental, as the case may be, is in default of applicable Canadian securities law.

Canadian Altus Shareholders should be aware that the Merger described in this Announcement may have tax consequences in Canada and should consult their own tax advisors to determine the particular tax consequences to them of the Merger in light of their particular circumstances, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

Non-IFRS financial measures

(i) Adjusted Revenue

Adjusted revenue is a non-IFRS financial measure, which is defined by Altus (and is intended to be defined by the New Elemental Altus Group following the Effective Date) by including gross equity income from associated entities holding royalty interests related to Altus's effective royalty on the Caserones Mine. Altus's management uses adjusted revenue to evaluate the underlying operating performance of Altus for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Elemental and Altus's management believe 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 since the adjusted revenue may not typically be included in operating results. Management believes that adjusted revenue is a useful measures of Altus's performance because they adjust for items which management believes reflect Altus'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.

(ii) Gold Equivalent Ounces (GEO)

Elemental and Altus's adjusted 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 or 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 or Altus and maybe subject to uncertainty. There can be no assurance that such information is complete or accurate.

Third Party / Market Data

This Announcement contains statistical data, market research and industry forecasts that were obtained from government, stock exchange, analysts' or other industry publications and reports or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which Elemental and Altus operate. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Often, such information is provided subject to specific terms and conditions limiting the liability of the provider, disclaiming any responsibility for such information, and/or limiting a third party's ability to rely on such information. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, Elemental or Altus. Further, certain of these organizations may be advisers to participants in the mining industry, and they may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While Elemental and Altus believe this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. Neither Elemental nor Altus has independently verified any of the data from third party sources referred to in this Announcement or ascertained the underlying assumptions relied upon by such sources.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Merger, and other information published by Elemental and Altus contain certain statements which are, or may be deemed to be, "forward-looking statements" and "forward-looking information", each as defined under applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Elemental and Altus about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

Forward-looking statements often, but not always, use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof (including negative and grammatical variations). These statements are based on assumptions and assessments made by Elemental and/or Altus in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements and as such are qualified in their entirety. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

The forward-looking statements contained in this Announcement include statements related to: the Merger including statements with respect to the implementation thereof; the benefits of the Merger to the Altus Shareholders and the Elemental Shareholders; the timing of the Opening Position Disclosures of Elemental and Altus; the timing of mailing the shareholder materials and the timing of the Altus General Meeting, the Altus Court Meeting and the Elemental Special Meeting; the timing for and receipt of all required regulatory, court, stock exchange and shareholder approvals and approvals to complete the Merger; the ability of Elemental and Altus to satisfy other conditions to, and to complete the Merger; the anticipated timing for completion of the Merger; the

closing of the Merger; the expected effects of the Merger on Elemental and Altus (including their future prospects, developments and strategies), the expected timing and scope of the Merger and other statements other than historical facts; the intention to seek a delisting of the shares of Altus from the AIM; the TSX-V and the OTCQX market in the United States; and the intention for Altus to make an application to certain Canadian securities commissions after the Effective Date to cease to be a reporting issuer in Canada. Forward-looking statements may also include statements relating to the following: (i) future capital expenditures, revenues, adjusted revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Elemental's and Altus's operations and potential synergies resulting from the Merger; and (iii) the effects of global economic conditions and governmental regulation on Elemental's and Altus's businesses.

In respect of forward-looking statements and information concerning the anticipated completion of the proposed Merger and the anticipated timing for completion of the proposed Merger, Elemental and Altus have provided them in reliance on certain assumptions and believe that they are reasonable at this time, including the assumptions to the time required to prepare and mail shareholder meeting materials, the ability of the applicable parties to receive, in a timely manner, the necessary regulatory, shareholder, court, stock exchange and relevant authority approvals, and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Merger. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Merger. Accordingly, you should not place undue reliance on the forward-looking statements and information in this Announcement concerning these times.

Such forward-looking statements involve known and unknown risks, and uncertainties and other important factors that could significantly affect expected results and are based on certain key assumptions. Such risks, uncertainties and factors may cause the actual results, performance or achievements of Elemental or Altus to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and factors include, without limitation: risks associated with the Merger and acquisitions generally; the Co-operation Agreement may be terminated in certain circumstances; there can be no certainty that all conditions precedent to the Merger will be satisfied; the parties will incur costs even if the Merger is not completed and Elemental may have to pay a break fee to Altus if the Co-operation Agreement is terminated in certain circumstances; all necessary approvals may not be obtained; and uncertainty regarding the ability of the parties to complete and mail the shareholder materials and the ability to hold the Altus General Meeting, the Altus Court Meeting and the Elemental Shareholder Meeting within the time frames indicated. Additional risks, uncertainties and factors include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to Elemental or Altus, refer to (i) the Annual Information Form of Elemental for the year ended 31 December 2021; and (ii) the annual report and accounts of Altus for the financial year ended 31 December 2021.

No member of the Elemental Group or the Altus Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place any reliance on these forward-looking statements which speak only as at the date of this Announcement. It is expected that these expectations will change as new information is received. Neither Elemental nor Altus assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to their inherent uncertainty.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Takeover Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Altus's website at <https://altus-strategies.com/> and Elemental's website at <https://www.elementalroyalties.com/> by no later than 12 noon (London time) on the first Business Day following the date of this Announcement. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this Announcement.

This Announcement will also be available on SEDAR under Altus and Elemental's respective profiles at www.sedar.com.

No profit forecasts, estimates or quantified benefits statements

No statement in this Announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that the earnings or future earnings per share of or dividends or future dividends per share of Elemental or Altus or the New Elemental Altus Group for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share of Elemental or Altus or the New Elemental Altus Group.

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, Altus Shareholders, persons with information rights and participants in the Altus Share Plan may request a hard copy of this Announcement by contacting Altus's registrars, Computershare Investor Services Plc on +44 (0) 370 702 0003. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare Investor Services Plc is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales; or (ii) by submitting a request in writing to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom. Please note that Computershare Investor Services Plc cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Altus Shareholders, persons with information rights and other relevant persons for the receipt of communications from Altus may be provided to Elemental during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain

tables may not be an arithmetic aggregation of figures that precede them.

General

If the Merger is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, Elemental intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 so as to acquire compulsorily the remaining Altus Shares in respect of which the Offer has not been accepted.

Investors should be aware that Elemental may purchase Altus Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code:

(i) Altus confirms that, as at 13 June 2022 (being the Last Practicable Date), it had in issue 117,321,678 ordinary shares of 5 pence each, each ordinary share carrying one vote. Accordingly, the total number of voting rights in Altus is 117,321,678. The ISIN for the Altus Shares is GB00BJ9TYB96 (CUSIP: G03676122). Altus's ordinary shares are traded on AIM and on TSX-V.

(ii) Elemental confirms that, as at 13 June 2022 (being the Last Practicable Date), it had in issue 78,266,221 common shares of no par value. The ISIN for the Elemental Shares is CA28619L1076.

TSX Venture Disclaimer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

14 June 2022

**RECOMMENDED ALL-SHARE MERGER OF EQUALS
OF
ALTUS PLC
AND
ELEMENTAL ROYALTIES CORP.**

**to be effected by means of a scheme of arrangement
under Part 26 of the Companies Act 2006**

1. Introduction

The boards of Elemental Royalties Corp. ("**Elemental**") and Altus plc ("**Altus**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended share-for-share merger of Elemental and Altus with the entire issued and to be issued share capital of Altus being acquired by Elemental (the "**Merger**") to create a global gold royalty company.

2. The Merger

Under the terms of the Merger, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each Altus Shareholder will be entitled to receive:

0.5940 New Elemental Shares for each Altus Share

This exchange ratio (the "**Exchange Ratio**") has been agreed between the boards of Elemental and Altus taking into account the relative market capitalisations of both companies.

Upon completion of the Merger, Elemental Shareholders will own approximately 52.9 per cent. and Altus Shareholders will own approximately 47.1 per cent. of the total issued share capital of the New Elemental Altus Group (based on the undiluted issued share capital of Elemental and Altus on the Last Practicable Date).

The Altus Shares will be acquired pursuant to the Merger fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interest of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the rights to receive and retain in full all dividends and distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Record Time.

If, on or after the date of this Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Altus Shares, Elemental reserves the right to reduce the consideration payable under the terms of the Merger by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement to the consideration payable under the Merger will be deemed to be a reference to the consideration as so reduced. Any exercise by Elemental of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Merger. In such circumstances, Altus Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

Under the Co-operation Agreement, Elemental has agreed that until the Effective Date, except (i) with Altus's prior written consent (not to be unreasonably withheld, conditioned or delayed), (ii) as required by applicable law, or (iii) to the extent the relevant matter is expressly permitted by or in the Co-operation Agreement or this Announcement, Elemental shall not and shall procure that no member of the Elemental Group (provided the actions are not at the direction of Elemental) shall agree, resolve, commit or announce any agreement or intention to authorise, declare or pay any distribution or reduction or return of capital on or with respect to the Elemental Shares (whether in cash, assets, shares or other securities).

It is intended that the Merger will be implemented by way of a Scheme (although Elemental reserves the right to effect the Merger by way of an Offer, subject to the consent of the Panel). The Conditions to the Merger are set out in full in Appendix 1 to this Announcement.

3. Background to and reasons for the Merger

Substantial benefits for all Altus and Elemental stakeholders as a result of the creation of the New Elemental Altus Group

The Elemental Directors and Altus Directors believe that the creation of the New Elemental Altus Group will deliver substantial benefits for all stakeholders of both Elemental and Altus, including:

- **Increased scale and diversification:** a combined portfolio of 69 assets across 13 jurisdictions, concentrated in tier-1 mining jurisdictions, of which 11 are in production, and primarily focused on gold;
- **Transformed adjusted revenue profile:** estimated combined adjusted 2022 revenue of the New Elemental Altus Group of US\$19.6 million with significant near term growth potential from first expected revenue from Ming, Bonikro and Mercedes in 2022 estimated to lead to combined adjusted 2023 revenue of the New Elemental Altus Group of US\$24.6 million, combined with opportunities to add further portfolio revenue and duration*;

** see "Non-IFRS financial measures - (i) Adjusted Revenue" below. The sources and bases for the calculation of the estimated combined New Elemental Altus Group adjusted revenue for FY 2022 and 2023 are set out in Appendix 2.*

- **Strengthened asset portfolio:** centred around 3 cornerstone royalties, the majority of the New Elemental Altus Group's NAV will be based on producing assets, providing investors with exposure to the top line revenue of underlying assets (without direct exposure to the costs / capex of those assets and associated inflationary risks) while keeping long dated optionality from existing development pipeline and organic royalty generation portfolio;
- **Strong shareholder support:** recognised strategic investors have supported the Merger, in La Mancha and Condire having provided shareholder irrevocable undertakings over 44.6 per cent. of Altus's issued share capital; and South32 and La Mancha having entered into voting and support agreements in respect of 25.96 per cent. of Elemental's issued share capital. Additionally, EuroPacific Asset Management and Adrian Day Asset Management have provided letters of intent to vote in favour of the Elemental Shareholder Resolution in respect of a further 10.42 per cent. of Elemental's issued share capital;
- **Enhanced capital markets profile:** increased scale and liquidity for enhanced market relevance and financial flexibility and a lower cost of capital, with wider investor appeal, analyst coverage and M&A potential coming with a larger market capitalisation; providing the opportunity for a re-rating of the shares of the New Elemental Altus Group;
- **Complementary management skills:** an experienced management team with Elemental's proven history of accretive royalty acquisitions being a natural fit to the disciplined royalty generation and royalty acquisition track record of Altus;

- **Potential cost synergies:** opportunity to deliver cost efficiency synergies at the corporate level through simplification of operations and listings; and
- **Canadian tax election:** the disposition of Altus Shares on the Merger by a Canadian resident holder will constitute a taxable disposition for purposes of the Income Tax Act (Canada) (the "**Tax Act**") resulting in the realisation of any accrued gain that the holder may have in the Altus Shares. Elemental will permit an 'eligible holder' to partially or fully defer a gain that would otherwise be realised, if any, by making a joint election with Elemental pursuant to section 85 of the Tax Act (in accordance with all applicable rules). An 'eligible holder' refers to (i) a person who is resident in Canada and not exempt from tax under Part I of the Tax Act or (ii) a 'Canadian partnership' no member of which is exempt from tax under Part I of the Tax Act.

Fair value for both sets of shareholders

The Exchange Ratio has been agreed between the boards of Elemental and Altus taking into account the relative market capitalisations of both companies and offers fair value for both sets of shareholders consistent with valuations expected in an all-share merger of equals.

4. Recommendation

The Altus Directors, who have been so advised by UBS as to the financial terms of the Merger, unanimously consider the terms of the Merger to be fair and reasonable. In providing its advice to the Altus Directors, UBS has taken into account the commercial assessments of the Altus Directors. UBS is providing independent financial advice to the Altus Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Altus Directors intend to recommend unanimously that (a) Scheme Shareholders vote in favour of the Scheme at the Altus Court Meeting; and (b) Altus Shareholders vote in favour of the Special Resolution to be proposed at the Altus General Meeting, as the Altus Directors who are interested in Altus Shares have irrevocably undertaken to do in respect of their own beneficial holdings (and those of their connected persons) in respect of which they control the voting rights amounting to 15,550,327 Altus Shares representing, in aggregate, approximately 13.25 per cent. of the ordinary share capital of Altus and approximately 13.25 per cent. of the Scheme Shares being eligible to vote at the Altus Court Meeting, in each case, in issue on the Last Practicable Date.

The Elemental Directors, after an extensive review and thorough discussion of all facts and issues they considered relevant with respect to the Merger, unanimously determined that the issuance of the New Elemental Shares pursuant to the Merger is fair to the Elemental Shareholders, and authorised Elemental to enter into the Co-operation Agreement and recommend to Elemental Shareholders that they vote in favour of the Elemental Shareholder Resolution. In connection with making this determination, on 13 June 2022 the Elemental Directors received an opinion from Canaccord Genuity Corp. to the effect that, as of such date, and subject to the analyses, factors, assumptions, qualifications and limitations set forth in such opinion, the Exchange Ratio is fair, from a financial point of view, to Elemental Shareholders. The full text of Canaccord Genuity Corp.'s fairness opinion will be included in the Elemental Information Circular.

The Elemental Directors who are interested in Elemental Shares have agreed to vote their own Elemental Shares (representing approximately 14.32 per cent. of the Elemental Shares in issue on the Last Practicable Date) in favour of the Elemental Shareholder Resolution.

5. Background to and reasons for the Altus Directors' recommendation

The Altus Directors believe that the Merger would offer compelling strategic and operational benefits to all stakeholders. In reaching this conclusion, the Altus Directors considered the following in particular:

- the Merger provides Altus Shareholders with the opportunity to participate in a diversified and scalable junior royalty company which:
 - is well positioned as a platform for further consolidation in the royalty sector;
 - has increased scale and liquidity for enhanced financial flexibility and a lower cost of capital;
 - has wider investor appeal and analyst coverage coming with a larger market capitalisation; and providing the opportunity for a re-rating of the shares of the New Elemental Altus Group;
 - will have a combined portfolio of 69 assets across 13 jurisdictions, concentrated in tier-1 mining jurisdictions, of which 11 are in production, and primarily focused on gold. This will provide a stronger long-term outlook whilst reducing the overall risk from any one operation or jurisdiction; and
 - will bring together two respected and highly experienced management teams with a shared vision for the New Elemental Altus Group;
- the Altus Directors believe that the terms of the Merger represent fair value for Altus Shareholders; and

- the impact of the Merger on all of Altus's stakeholders, including, in particular, its shareholders, counterparties and Altus's employees given their importance to Altus's future strategy. In that regard, the Altus Directors welcome the statements made by Elemental with regard to its future intentions, as set out in paragraph 11 below.

As such, the Altus Directors intend to recommend unanimously that Altus Shareholders vote in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting.

6. Information relating to Elemental

Elemental is a TSX-V listed precious metals royalty company focused on acquiring royalties and streams over producing, or near producing, assets from established operators and counterparties. Elemental's royalty portfolio was constructed over several years by taking a disciplined, highly selective and rigorous approach to acquisitions, targeting royalties without caps or buybacks, on assets with exceptional potential for resource growth, owned by industry-leading operators. Elemental's vision is to build a world-class gold royalty company that offer investors superior exposure to gold with reduced risk, a high growth profile, and generates exceptional returns for shareholders.

Elemental's common shares are listed on the TSX-V under the symbol "ELE" and trade on the OTCQX under the symbol "ELEM".

Elemental Royalties Limited, a British Virgin Islands company ("**ERL BVI**"), was incorporated under the BVI Business Companies Act 2004 on 15 July 2016. Pursuant to a reverse takeover, Fengro Industries Corp. ("**Fengro**") acquired all of the issued and outstanding common shares of ERL BVI on 27 July 2020. Immediately prior to the completion of the reverse takeover of Fengro by ERL BVI, Fengro consolidated its common shares on the basis of one (1) common share for every 209 common shares outstanding. On 27 July 2020, Fengro changed its name to "Elemental Royalties Corp." in connection with the completion of the reverse takeover pursuant to which it acquired ERL BVI and on 30 July 2020 Elemental's shares commenced trading on the TSX-V under the trading symbol "ELE".

Fengro, the predecessor to Elemental, was incorporated on 11 March 2004 under the name "Ordorado Resources Corp." It then changed its name to "Eagle Star Petroleum Corp." on 13 June 2006, to "Eagle Star Minerals Corp." on 6 July 2010, to "DuSolo Fertilizers Inc." on 28 February 2014 and to "Fengro Industries Corp." on 18 December 2017. On 19 July 2016, Fengro was continued from the federal jurisdiction of Canada into British Columbia pursuant to the Business Corporations Act (British Columbia).

The head and registered office of Elemental is located at 880-580 Hornby Street Vancouver, British Columbia, V6C 3B6, Canada.

Gold Royalty - Hostile Bid

In December 2021, Gold Royalty announced its intention to make an all-share hostile bid (the "**Hostile Bid**") for of Elemental. This was formally launched in January 2022. Elemental's board believes that the Hostile Bid represented a material discount to Elemental shareholders, rather than the premium announced by Gold Royalty, and Elemental announced that it continued to review alternative strategic options involving counterparties other than Gold Royalty.

On 12 May 2022, Elemental confirmed that the Hostile Bid was not successful. Having failed to meet the statutory minimum tender condition of more than 50% of the Elemental shares outstanding (excluding those shares beneficially owned, or over which control or direction is exercised by, Gold Royalty or by any persons acting jointly or in concert with Gold Royalty), Gold Royalty allowed the Hostile Bid to expire.

7. Information relating to Altus

Altus was incorporated on 28 April 2017 as Altus Resources plc in England and Wales with Registered Number 10746796 under the Companies Act 2006 and changed its name to Altus Strategies plc on 6 June 2017 with the acquisition of Altus Strategies Ltd which was founded in 2007.

Altus is an income generating mining royalty company, with a diversified portfolio of production, pre-production and discovery stage assets. The Company's differentiated approach of generating royalties on its own discoveries in Africa and acquiring royalties globally through financings and acquisitions with third parties has attracted key institutional investor backing. Altus has established a global portfolio comprising 33 royalty interests and 26 project interests across nine countries and nine metals. Altus's royalty generation activities are currently focused on Egypt, Ethiopia, Morocco and Cameroon. Altus has 46 employees globally. The Company engages constructively with all stakeholders, working diligently to minimise its environmental impact and to promote positive economic and social outcomes in the communities where it operates. Altus is based in the United Kingdom and is dual-listed in the UK (AIM:ALS) and in Canada (TSXV:ALTS). Its shares also trade on the OTCQX in the United States (OTCQX:ALTUF).

8. Irrevocable undertakings and Voting and Support agreements and letters of intent

Altus irrevocable undertakings

In total, including the irrevocable undertakings from the Altus Directors described below, Elemental has procured irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of, in aggregate, 67,878,883 Altus Shares, representing approximately 57.9 per cent. of the existing issued ordinary share capital of Altus and 57.9 per cent. of the Scheme Shares being eligible to vote at the Altus Court Meeting, in each case, as at the Last Practicable Date.

The Altus Directors have irrevocably undertaken to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings totalling 15,550,327 Altus Shares in aggregate, representing approximately 13.25 per cent. of the existing issued ordinary share capital of Altus and 13.25 per cent. of the Scheme Shares being eligible to vote at the Altus Court Meeting, in each case, as at the Last Practicable Date.

In addition to the irrevocable undertakings from Altus Directors described above, Elemental has also received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) from:

- La Mancha Explorers; and
- Condire,

in respect of 41,158,454 and 11,170,102 Altus Shares, respectively, representing in aggregate approximately 44.6 per cent. of the existing issued ordinary share capital of Altus and 44.6 per cent. of the Scheme Shares being eligible to vote at the Altus Court Meeting, in each case, as at the Last Practicable Date.

La Mancha Holding, Elemental and Altus have further agreed that on the date the Scheme or Offer (as the case may be) becomes effective, the La Mancha Strategic Investment Agreement shall terminate and have no further effect.

These irrevocable undertakings cease to be binding, inter alia, on the earlier of the Long Stop Date and the date on which the Merger (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Elemental exercising its right to implement the Merger by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code.

Elemental Voting and Support Agreements and letters of intent

The Elemental Directors and certain employees of Elemental who are interested in Elemental Shares have entered into voting and support agreements with Altus to vote in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting in respect of 11,207,575 Elemental Shares, representing approximately 14.32 per cent. of the 78,266,221 currently in issue.

These voting and support agreements will cease to be binding, inter alia, on the earlier of the Long Stop Date and the date on which the Co-operation Agreement is terminated in accordance with its terms.

In addition to the voting and support agreements with Elemental Directors and employees described above, Altus has also entered into voting and support agreements to vote (or, where applicable, procure voting) in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting from:

- La Mancha Investments; and
- South32,

in respect of 7,250,000 and 13,065,100 Elemental Shares, respectively, representing in aggregate approximately 25.96 per cent. of the existing issued ordinary share capital of Elemental, as at the Last Practicable Date.

South32 and Elemental have further agreed: (i) that the South32 Investor Rights Agreement will terminate upon the Merger becoming effective in accordance with applicable laws as South32 will own less than 10 per cent. of the New Elemental following completion of the Merger (being the shareholding threshold under which South32's rights are expressed to fall away under the South32 Investor Rights Agreement); and (ii) that South32 has waived its rights with respect to a top-up issuance of Elemental Shares in the event of a merger, in each case pursuant to a waiver and termination agreement between South32 and Elemental of even date with this Announcement.

These voting and support agreements will cease to be binding, inter alia, on the earlier of the Long Stop Date and the date on which the Co-operation Agreement is terminated in accordance with its terms.

EuroPacific Asset Management and Adrian Day Asset Management have also given non-binding letters of intent to vote (or, where applicable, procure voting) in favour of the Elemental Shareholder Resolution at the Elemental

Special Meeting in respect of a further 6,296,529 and 1,861,700 Elemental Shares respectively, representing approximately 10.42 per cent. of the Elemental Shares in issue on the Last Practicable Date.

Therefore, Altus has received voting undertakings and letters of intent in respect of, in aggregate, 39,680,904 Elemental Shares, representing approximately 50.7 per cent. of the Elemental Shares in issue on the Last Practicable Date.

Further details of these irrevocable undertakings, voting and support agreements and letters of intent (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

9. Offer-related Arrangements

9.1 Confidentiality Agreement

Elemental and Altus have entered into a confidentiality agreement dated 20 January 2022 (the "**Confidentiality Agreement**") (as amended by the Exclusivity Agreement), pursuant to which each of Elemental and Altus has undertaken, amongst other things:

- (i) to keep strictly confidential information relating to the disclosing party and the proposed Merger and not to disclose it to third parties (other than certain permitted parties) unless required by law, regulation, rule, order, or other similar requirement of any applicable governmental or regulatory authority;
- (ii) to use the confidential information only for the purpose of evaluating, negotiating and consummating the Merger; and
- (iii) for a period of two (2) years from the date of the Confidentiality Agreement, not to directly or indirectly contact, solicit or hire any officer, director, employee or consultant of the other party or any of its respective subsidiaries, except pursuant to a general solicitation which is not directed specifically to any such persons and is made in the ordinary course of business consistent with past practices.

The Confidentiality Agreement also contains undertakings from Altus that for a period of 24 months from the date of the Confidentiality Agreement, Altus shall not, without the written consent of Elemental, acquire or offer to acquire any interest in securities of Elemental.

9.2 Exclusivity Agreement

Elemental and Altus have entered into an exclusivity agreement dated 9 May 2022 (the "**Exclusivity Agreement**"), pursuant to which Elemental (not being a company subject to the Takeover Code) has undertaken, amongst other things, not to: (a) solicit, initiate or take any action to facilitate any inquiries or the making of any proposal from a person or group of persons other than Altus or its affiliates that would constitute, or would reasonably be expected to lead to, an alternative transaction to the Merger (an "**Alternative Transaction**"); (b) enter into or participate in any discussions or negotiations with any person or group of persons (other than Altus and its affiliates) regarding an Alternative Transaction; (c) make available any information relating to Elemental, its assets or businesses, or afford access to the assets, business, properties, books or records of Elemental to any person or group of persons other than Altus and its representatives, in all cases for the purpose of assisting with or facilitating an Alternative Transaction; or (d) voluntarily enter into an Alternative Transaction or any agreement, arrangement or understanding, including, without limitation, any letter of intent, term sheet or other similar document, relating to an Alternative Transaction, subject in each case to certain permitted actions in relation to the Hostile Offer or any other unsolicited bidder for Elemental or any action required pursuant to applicable law.

These exclusivity obligations remained in force until 8 June 2022.

The Exclusivity Agreement also contains undertakings from Elemental that for a period of 24 months from the date of the Confidentiality Agreement, Elemental shall not, without the written consent of Altus, acquire or offer to acquire any interest in securities of Altus which substantially mirror the corresponding undertakings from Altus to Elemental in the Confidentiality Agreement.

9.3 Co-operation Agreement

Elemental and Altus have entered into an arm's-length Co-operation Agreement dated 14 June 2022, pursuant to which they have, amongst other things, each agreed to: (i) cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Merger; and (ii) cooperate in preparing and implementing appropriate proposals in relation to (a) the Altus Share Plan and certain other bonus and employment related matters and (b) the Altus Warrants.

In addition, Elemental has agreed to certain provisions if the Scheme should switch to an Offer. The Co-operation Agreement will terminate in certain circumstances, including if the Merger is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if prior to the Long Stop Date any regulatory Condition has been invoked by Elemental, if the Altus Directors withdraw their recommendation of the Merger or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Elemental and Altus.

Elemental shall pay to Altus a break fee payment in the amount of US\$2,000,000 (exclusive of VAT (if any)) if, following this Announcement, any of the following events occur:

(i) the Co-operation Agreement is terminated because of an Elemental Board Adverse Recommendation Change or because Elemental has breached its obligations relating to Competing Proposals for Elemental in any material respect, which breach is ongoing following the date that is two calendar days following Altus's delivery of written notice to Elemental of such breach or such breach is otherwise not curable; provided, however, that no break payment shall be payable in the event that, prior to such termination (A) any person acting in concert with Altus or at Altus's direction or with Altus's agreement made, solicited, initiated or otherwise entered into an agreement, commitment or understanding regarding a Competing Proposal for Elemental (without any regard to the last paragraph of that definition) or (B) a Altus Board Adverse Recommendation Change has occurred; or

(ii) (A) a Competing Proposal for Elemental is made to or in respect of Elemental or any person has publicly announced an intention (whether or not conditional) to make a Competing Proposal for Elemental prior to the termination of the Co-operation Agreement; (B) the Co-operation Agreement is terminated because the approval of the Elemental Shareholder Resolution is not obtained at the Elemental Special Meeting or at any adjournment or postponement thereof or in certain circumstances where Elemental adjourns or postpones the Elemental Special Meeting for more than 15 days or fails to publish the Elemental Information Circular as required pursuant to Elemental's obligations under the Co-operation Agreement (if such breach is ongoing following the date that is two calendar days following Altus's delivery of written notice to Elemental of such breach or is otherwise not curable) or the Elemental Information Circular does not contain the Elemental Recommendation; (C) no Altus Board Adverse Recommendation Change has occurred prior to such termination; and (D) within 6 months of the termination of the Co-operation Agreement Elemental enters into a definitive agreement for a Competing Proposal for Elemental or the board of Elemental (or any committee thereof) adopts, approves, recommends or declares advisable any Competing Proposal for Elemental, and in either case such Competing Proposal for Elemental is consummated within 12 months of the termination of the Co-Operation Agreement.

For purposes of the foregoing, the term Competing Proposal for Elemental has the meaning set forth in Appendix 4, except that references to "20% or more" are deemed to be references to "50% or more".

Only one break fee payment can be made and such payment would be Altus's sole and exclusive remedy in respect of the event giving rise to such payment.

Elemental has also agreed to a non-solicit undertaking pursuant to which Elemental shall not directly or indirectly solicit any Competing Proposal for Elemental or, subject to certain exceptions, furnish any information on any person seeking to make a Competing Proposal for Elemental.

10. Disclosure of Interests in Altus

As at the close of business on 13 June 2022 (being the Last Practicable Date), Frederick Bell, a director of Elemental, had a beneficial interest in 7,955 Altus Shares, representing approximately 0.01 per cent. of Altus's issued share capital as of such date.

Save as disclosed in this Announcement and except for the irrevocable commitments referred to in paragraph 8 above, as at close of business on 13 June 2022 (being the Last Practicable Date) neither Elemental, nor any of its directors, nor, so far as Elemental is aware, any person acting in concert (within the meaning of the Takeover Code) with Elemental has:

- (i) any interest in, or right to subscribe for, any relevant securities of Altus;
- (ii) any short positions in respect of relevant securities of Altus (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code in relation to Altus Shares or in relation to any securities convertible or exchangeable into Altus Shares; nor
- (iv) borrowed or lent any relevant securities of Altus (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

11. Strategic plans with regard to the business, directors, management, employees, pensions and locations of the Altus Group

11.1 Strategic plans with regard to the business

Following completion of the Merger, the key strategic priorities for the New Elemental Altus Group are expected to be focussed on:

- **Acquisitions:** Using its experienced team to pursue accretive acquisitions of royalty/streaming assets, with a focus on gold;
- **Consolidation:** The combined company will assess the royalty market for further consolidation opportunities;
- **Royalty Generation:** A board approved budget will be allocated to royalty generation ventures with a strict approach of divestment prior to capital intensive development costs;
- **Market Relevance:** Enhanced market relevance profile, targeting greater research coverage and liquidity;
- **Balance Sheet :** Existing debt facilities to be reviewed and optimised;
- **Capital Management:** Whilst neither Elemental nor Altus currently operates a dividend policy, the New Elemental Altus Group intends to consider capital distributions to shareholders in the medium term; and
- **Transaction Pipeline:** Leveraging increased access to acquisition pipeline and immediate deal-flow and improved ability to transact on larger high quality deals.

11.2 Strategic plans and directors, management and employees

Following completion of the Merger, the board of directors and executive management team of Elemental will be an eight (8) member board constituted from a combination of existing directors and shareholder representatives from both Elemental and Altus, including the two executive directors and comprising:

- four (4) Elemental representatives, including the Chief Executive Officer; and
- four (4) Altus representatives, including the Executive Chair.

The Executive management team of the New Elemental Altus Group shall consist of current management from Elemental and Altus, reflecting the strengths and complementary expertise of both teams. More specifically, following completion of the Merger, Frederick Bell, current CEO of Elemental, will become Chief Executive Officer of the New Elemental Altus Group, and Steven Poulton, current CEO of Altus will become Executive Chair of the New Elemental Altus Group. Details of their service contracts with the New Elemental Altus Group, which will become effective upon completion of the Merger, will be set out in the Scheme Document. No retention award or bonus will be granted to Frederick Bell and Steven Poulton in connection with the Merger.

The Elemental Directors believe that Elemental and Altus both currently have low corporate G&A costs and that the 12 months following completion of the Merger will see significant levels of activity in the New Elemental Altus Group, providing opportunities to use the additional headcount added to Elemental by the Merger to deliver on the strategy of the New Elemental Altus Group. Accordingly, Elemental does not intend to make any material change in the balance of skills and functions of the employees of the Altus Group, and does not intend to make any material reduction in workforce. As in every merger of equals, the Merger may give rise to some duplication of roles at a corporate level (particularly in administrative functions). Wherever possible, this will be addressed by redeployment of the relevant persons currently employed as part of the Elemental Group and/or Altus Group. It is expected that any such duplication and any redeployment opportunities will be identified by the new executive management team of the New Elemental Altus Group within the 12 months following completion of the Merger.

Details of the non-executive director appointment letters of the Altus non-executive directors joining the board of directors of the New Elemental Altus Group, which will become effective upon completion of the Merger, will be set out in the Scheme Document. These are expected to be on substantially the same terms as the non-executive director appointment letters of the existing Elemental non-executive directors. In respect to the Altus Share Plan (and in accordance with its terms), the Altus Board and Elemental intend that outstanding awards, including awards to senior management of Altus, shall be rolled over into a new award over New Elemental Shares on equivalent terms as the Altus Share Plan. The number of New Elemental Shares subject to the Replacement Award shall be calculated by reference to the Exchange Ratio.

Elemental looks forward to joining with the staff of Altus in the combined team with a view to driving growth through the development of the combined royalty and generative portfolio under the New Elemental Altus Group. Following Completion of the Merger, it is intended that the board of the New Elemental Altus Group will review the way in which Altus and Elemental management and employees are remunerated and incentivised, with a view to achieving an appropriate alignment of incentives for management and employee performance in the New Elemental Altus Group going forward.

Except as described above, Elemental does not intend to make any material change in the conditions of employment of the employees and management of the Altus Group.

11.3 Existing rights and pensions

Elemental confirms that, following the Scheme becoming Effective, the existing contractual and statutory rights of all Altus management and employees will be honoured and will be fully safeguarded in accordance with applicable law.

Altus and certain of its subsidiaries make contributions to various defined contribution pension schemes on behalf of a number of qualifying employees and Elemental intends that these arrangements would remain in place. Elemental does not intend to make any material changes to the current employer pension contribution arrangements.

Altus does not operate or contribute to any defined benefit pension schemes in respect of its employees.

11.4 Headquarters, locations, fixed assets and research and development

Following completion of the Merger, Elemental's head office and certain key functions will continue to be located in Vancouver, Canada. New Elemental Altus Group does not intend to close either Altus's existing office in Didcot or Elemental's existing office in London (both in England). Certain senior personnel of the New Elemental Altus Group will continue to be located in Australia.

The New Elemental Altus Group does not intend to make any changes with respect to the deployment of Altus's fixed asset base.

Given the nature of its business, Altus's research and development function principally comprises its geologist and exploration teams and the New Elemental Altus Group does not intend to make any changes to it.

11.5 Trading facilities

Altus Shares are currently admitted to trading on AIM. It is intended that a request will be made to the London Stock Exchange to cancel trading in Altus Shares and to de-list Altus from AIM, following which Altus would be re-registered as a private limited company, to take effect on or shortly after the Effective Date.

As further described in paragraph 15 below, it is also expected that Altus will make an application to certain Canadian securities commissions after the Effective Date to cease to be a reporting issuer in Canada.

11.6 Development costs and dividend policy

As noted above, following completion of the Merger:

- (i) the New Elemental Altus Group intends to allocate a board approved annual budget to royalty generation ventures with a strict approach of divestment prior to capital intensive development costs; and
- (ii) whilst neither Elemental nor Altus currently operates a dividend policy, the New Elemental Altus Group intends to consider capital distributions to shareholders in the medium term.

None of the statements in this paragraph 11 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

12. Altus Share Plan and Altus Warrants

Participants in the Altus Share Plan and holders of Altus Warrants will be contacted regarding the effect of the Merger on their rights under the Altus Share Plan and Altus Warrants.

In respect to the Altus Share Plan (and in accordance with its terms), the Altus Board and Elemental have agreed that the proposal to participants holding outstanding awards shall be that such awards are rolled over into a new award over New Elemental Shares on equivalent terms as the Altus Share Plan (the "**Replacement Award**"). The number of New Elemental Shares subject to the Replacement Award shall be calculated by reference to the Exchange Ratio.

The board of directors of the New Elemental Altus Group shall consider granting awards under the Elemental Share Plan to holders of the Replacement Awards following completion of the Merger.

In respect of the Altus Warrants, (i) where it is expressly contemplated in accordance with their terms, the Altus Board and Elemental have agreed that the proposal to participants holding outstanding warrants shall be that such Altus Warrants are automatically rolled over into new warrants over New Elemental Shares on equivalent terms as the relevant Altus Warrants; and (ii) where it is not expressly contemplated in accordance with their terms, the Altus Board and Elemental have agreed that an amendment shall be requested to the terms of such Altus Warrants so that the relevant Altus Warrants are automatically rolled over into new warrants over New Elemental Shares on equivalent terms as the relevant Altus Warrants, in each case the "**Replacement Warrants**". The number of New Elemental Shares and the subscription price of the New Elemental Shares subject to the Replacement Warrants shall be calculated by reference to the Exchange Ratio.

Full details of the effect of the Merger on (i) participants' rights under the Altus Share Plan and (ii) the rights of holders of Altus Warrants will be communicated to participants and warrant holders in separate letters when the Scheme Document is published.

13. Opening Position Disclosures

Elemental

In connection with the Merger, Elemental will make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of Altus or Elemental as a securities exchange offeror by no later than 12 noon on 28 June 2022.

Elemental's Opening Position Disclosure will include details of any interests or short positions in, or rights to subscribe for, any relevant securities of Altus or Elemental held by all persons acting in concert with Elemental, including Frederick Bell as a director of Elemental.

Altus

In connection with the Merger, Altus will make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of Altus or Elemental as a securities exchange offeror by no later than 12 noon on 28 June 2022.

Altus's Opening Position Disclosure will include details of any interests or short positions in, or rights to subscribe for, any relevant securities of Altus or Elemental held by all persons acting in concert with Altus.

14. The Scheme and the Elemental Shareholder Resolution

It is intended that the Merger will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 between Altus and Scheme Shareholders (although Elemental reserves the right to effect the Merger by way of an Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

If it becomes Effective, the Scheme shall provide for Elemental to acquire the entire issued and to be issued share capital of Altus. This is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Elemental, in consideration for which the Scheme Shareholders will receive the New Elemental Shares on the basis set out in paragraph 2 of this Announcement.

In order to become Effective, the Scheme must be approved at the Altus Court Meeting by a majority in number of the Scheme Shareholders, present and voting to the extent permitted pursuant to the Takeover Code, applicable law or the Court whose sanction is required for the Scheme, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders. The Scheme also requires the passing of the Special Resolution at the Altus General Meeting, which requires the approval by Altus Shareholders representing at least 75 per cent. of the votes cast at the Altus General Meeting (either in person or by proxy). The Altus General Meeting is expected to be held immediately after the Altus Court Meeting. Following the Altus Meetings, the Scheme must be sanctioned by the Court following a hearing with regard to the procedural and substantive fairness of the Scheme to the Scheme Shareholders. Finally, a copy of the Scheme Court Order must be delivered to the Registrar of Companies for registration, upon which the Scheme will become Effective.

The Scheme will also be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document. As set out in Appendix 1, the Merger is conditional, amongst other things on:

- the Scheme becoming unconditional and Effective including, without limitation, its approval by a majority in number of Scheme Shareholders present and voting (in person or by proxy) representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders; and
- the requisite approval of the Elemental Shareholder Resolution by the Elemental Shareholders at the Elemental Special Meeting.

The Scheme Document will include full details of the Scheme, together with the notices convening the Altus Court Meeting and the Altus General Meeting. The Scheme Document will also contain the expected timetable for the Merger, and will specify the necessary actions to be taken by Altus Shareholders. Subject to restrictions in respect of Restricted Jurisdictions, the Scheme Document will be sent to Altus Shareholders and, for information only, to persons with information rights and holders of options and/or awards granted under the Altus Share Plan and Altus Warrants, as soon as reasonably practicable, and in any event (save with the consent of the Panel), within 28 days of this Announcement.

The issuance of the New Elemental Shares requires the Elemental Shareholder Resolution to be approved by a simple majority of the votes cast by Elemental Shareholders represented in person or by proxy at the Elemental Special Meeting. The board of Elemental intends to unanimously recommend to Elemental Shareholders to vote in favour of the Elemental Shareholder Resolution. It is expected that the Elemental Information Circular, containing

further information about the Merger and notice of the Elemental Special Meeting, will be mailed to Elemental Shareholders at or around the same time as the Scheme Document.

The Scheme is expected to become Effective during the third quarter of the calendar year 2022, subject to the satisfaction or (where applicable) waiver of the Conditions. If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Merger will not proceed (unless Elemental and Altus otherwise agree and the Panel otherwise consents).

If any Condition in paragraph 2 of Appendix 1 to this Announcement is not capable of being satisfied by the date specified therein, Elemental shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. (London time) on the Business Day following the date so specified, stating whether Elemental has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Altus, specified a new date by which that Condition must be satisfied.

Upon the Scheme becoming Effective: (i) it will be binding on all Altus Shareholders, irrespective of whether or not they attended or voted at the Altus Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Altus Shares will cease to be valid and entitlements to Altus Shares held within the CREST system will be cancelled. The consideration for the Merger (pursuant to the Exchange Ratio) will be dispatched to Scheme Shareholders no later than 14 days after the Effective Date in accordance with the requirements of the Takeover Code.

Any Altus Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Special Resolution to be proposed at the Altus General Meeting will, amongst other matters, provide for an amendment to Altus's articles of association in order to incorporate provisions requiring any Altus Shares issued after the Scheme Record Time (other than to Elemental and/or its nominees) to be automatically transferred to Elemental (and, where applicable, for consideration to be paid to the original recipient of the Altus Shares so issued) on the same terms as the Merger (other than terms as to timings and formalities). The provisions of Altus's articles of association (as amended) will avoid any person (other than Elemental and their nominees) holding Altus Shares on and after the Effective Date.

Elemental reserves the right to elect to implement the Merger by way of an Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Merger will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Merger (including, without limitation: (i) the inclusion of an acceptance condition set at 90 per cent.; and (ii) those required by, or deemed appropriate by, Elemental under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Altus Shares are otherwise acquired, it is the intention of Elemental to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Altus Shares to which such Offer relates.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the TSX-V, the FCA, the AIM Rules, applicable Canadian and US securities laws and the Registrar of Companies.

15. Cancellation of trading and re-registration

Altus Shares are currently admitted to trading on AIM. It is intended that dealings in Altus Shares should be suspended shortly prior to the Effective Date, at a time to be set out in the Scheme Document. It is further intended that an application will be made to the London Stock Exchange to cancel trading in Altus Shares on AIM, and the Company will be re-registered as a private limited company, to take effect on or shortly after the Effective Date. A resolution to approve the re-registration will be proposed at the Altus General Meeting.

Share certificates in respect of Altus Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date. Entitlements to Altus Shares held within the CREST system will be cancelled on the first Business Day following the Effective Date.

On or about the Effective Date, the Altus Shares are expected to be delisted from the TSX-V.

Upon the delisting and cancellation of admission to trading of Altus Shares on AIM, the Altus Shares will no longer trade in the OTCQX market in the United States.

16. Fractional entitlements

Fractions of New Elemental Shares will not be issued to Altus Shareholders. Instead, Altus Shareholders who otherwise would have received a fraction of a New Elemental Share will instead receive an amount in cash rounded to the nearest cent, based on the amount obtained by multiplying such fraction by the average closing price of Elemental Shares on the TSX-V on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date, except that individual entitlements of less than GBP5.00 will not be paid but will be retained for the benefit of the New Elemental Altus Group.

17. Consents

Each of Canaccord Genuity, UBS and SP Angel has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which such references appear.

18. Overseas Shareholders

The availability of the Merger to Altus Shareholders who are not resident in Canada, the United States or the UK may be affected by the laws and/or regulations of their relevant jurisdiction. Therefore, any persons who are subject to the laws and/or regulations of any jurisdiction other than Canada, the United States or the UK should inform themselves about and observe any applicable legal or regulatory requirements in their jurisdiction. Further details in relation to Overseas Shareholders will be set out in the Scheme Document. If you are in any doubt you should consult your professional adviser in the relevant jurisdiction without delay.

19. Documents available for inspection

Copies of the following documents will by no later than 12 noon on the first Business Day following the date of this Announcement be published on Elemental's website at <https://www.elementalroyalties.com/> and Altus's website at <https://altus-strategies.com/> until the end of the offer:

- this Announcement;
- the Confidentiality Agreement;
- the Exclusivity Agreement;
- the Co-operation Agreement;
- the irrevocable undertakings, voting and support agreements and letters of intent listed in Appendix 3 to this Announcement; and
- the consent letters from each of the advisers referred to in paragraph 17 above.

The contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

20. General

The Merger will be made on the terms and subject to the Conditions set out in Appendix 1 to this Announcement, and to the full terms and conditions to be set out in the Scheme Document.

The formal Scheme Document will be sent to Altus Shareholders within 28 days of this Announcement (or on such later date as may be agreed between Elemental and Altus with the consent of the Panel). An expected timetable of key events relating to the Merger, including the dates of the Altus Meetings, will be provided in the Scheme Document.

It is expected that the Elemental Information Circular, containing further information about the Merger and notice of the Elemental Special Meeting, will be mailed to Elemental Shareholders at or around the same time as the Scheme Document. It is also expected that the Elemental Special Meeting will be held on the same day as the Altus Meetings.

The sources and bases of calculation of certain information contained in this Announcement are set out in Appendix 2 to this Announcement. Details of irrevocable undertakings, voting and support agreements and letters of intent received or entered into by Elemental and Altus are set out in Appendix 3 to this Announcement. Certain terms used in this Announcement are defined in Appendix 4 to this Announcement.

Enquiries:

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Norton Rose Fulbright LLP is retained as UK legal adviser to Altus	+44 (0)20 7283 6000

Important notices relating

*Canaccord Genuity Limited, which is authorised and regulated by the FCA in the United Kingdom, and Canaccord Genuity Corp. (together, "**Canaccord Genuity**") are acting as financial adviser to Elemental and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Elemental for providing the protections afforded to their clients or for providing advice in relation to the Merger, the contents of this Announcement or any other matters referred to in this Announcement. Neither Canaccord Genuity nor any of their subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Canaccord Genuity in connection with any matter referred to in this Announcement or otherwise.*

*UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom and is acting as financial adviser to Altus and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Altus for providing the protections afforded to its clients or for providing advice in relation to the Merger, the contents of this Announcement or any other matters referred to in this Announcement. Neither UBS nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with any matter referred to in this Announcement or otherwise.*

*SP Angel Corporate Finance LLP ("**SP Angel**") is authorised and regulated by the FCA in the United Kingdom and is acting as nominated adviser and broker to Altus and for no one else in connection with the Merger and other matters referred to in this Announcement and will not be responsible to anyone other than Altus for providing the protections afforded to its clients or for providing advice in relation to the Merger, the contents of this*

Announcement or any other matters referred to in this Announcement. Neither SP Angel nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SP Angel in connection with any matter referred to in this Announcement or otherwise.

Each of Canaccord Genuity, UBS and SP Angel have given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.

Further information

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Altus in any jurisdiction in contravention of applicable law.

The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Merger, including details of what action is required from Altus Shareholders in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made only on the basis of the information in the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document).

Altus and Elemental shall prepare the Scheme Document (or, if the Merger is implemented by way of an Offer, the Offer Document) to be distributed to Altus Shareholders. Altus and Elemental urge Altus Shareholders to read the Scheme Document in its entirety (or, if the Merger is implemented by way of an Offer, the Offer Document) when it becomes available because it will contain important information relating to the Merger (including details of how to vote in respect of the Scheme) and the New Elemental Shares. Any vote in respect of resolutions to be proposed at the Altus Meetings to approve the Merger, the Scheme or related matters, or other responses in relation to the Merger, should be made only on the basis of information contained in the Scheme Document.

Elemental will prepare the Elemental Information Circular to be distributed to Elemental Shareholders, containing details of the Merger, notice of the Elemental Special Meeting and information on the New Elemental Shares. Elemental urges Elemental Shareholders to read the Elemental Information Circular carefully when it becomes available because it will contain important information in relation to the Merger and the New Elemental Shares. Any vote in respect of the Elemental Shareholder Resolution to be proposed at the Elemental Special Meeting to approve the issuance of New Elemental Shares under the Merger should be made only on the basis of the information contained in the Elemental Information Circular.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Elemental reserves the right to elect to implement the Merger by way of an Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Merger will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Merger (including, without limitation: (i) the inclusion of an acceptance condition set at such percentage of the Altus Shares to which such Offer relates as Elemental may, subject to the rules of the Takeover Code and with the consent of the Panel, decide; and (ii) those required by, or deemed appropriate by, Elemental under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Altus Shares are otherwise acquired, it is the intention of Elemental to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Altus Shares to which such Offer relates.

Technical information

The technical and scientific information contained in this Announcement in respect of Altus has been reviewed and approved for release by Steven Poulton, Chief Executive Officer, who is Altus's Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The technical and scientific information contained in this Announcement in respect of Elemental has been reviewed and approved for release by Richard Evans, FAusIMM, Senior Vice President Technical, who is Elemental's Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Overseas Shareholders

The release, publication or distribution of this Announcement in or into jurisdictions other than Canada, the United States and the United Kingdom and may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than Canada, the United States and the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not citizens of and resident in Canada, the United States or the United Kingdom to vote their Altus Shares with respect

to the Scheme at the Altus Court Meeting, or to appoint another person as proxy to vote at the Altus Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

Relevant clearances have not been, and will not be, obtained from the securities commission or similar regulatory authority of any province or territory of Canada. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with applicable English law, certain applicable securities laws in Canada and the United States, the AIM Rules and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK. The Merger will be subject to the laws of England and Wales and to the applicable requirements of the Takeover Code and the Panel, as well as applicable securities laws of Canada that apply to Elemental due to its status as a "reporting issuer" in the provinces and territories of Canada other than Quebec.

Copies of this Announcement and formal documentation relating to the Merger will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of Offer (unless otherwise permitted by applicable law or regulation), the Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document and Altus Shareholders are advised to read carefully the Scheme Document and related forms of proxy once these have been mailed.

Notice to US investors in Altus

Altus Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales.

Any securities issued by Elemental as a result of this Merger by means of a scheme of arrangement will be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 ("**US Securities Act**"), pursuant to the exemption from registration set forth in Section 3(a)(10) thereof, and also will not be subject to the tender offer rules promulgated under the US Securities Exchange Act of 1934. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements that would be applicable in the US if the securities were registered under the US Securities Act or if the transaction were subject to the US tender offer rules. Except as described below under the heading 'Non-IFRS financial measures', the financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Elemental exercises its right to implement the acquisition of the Altus Shares in accordance with the Co-operation Agreement by way of an Offer, such offer will be made in compliance with applicable US laws and regulations, including the registration requirements of the US Securities Act of 1933 and the tender offer rules under the US Securities Exchange Act of 1934 and any applicable exemptions provided thereunder.

Neither the Merger nor this Announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement or the merits of the Merger. Any representation to the contrary is a criminal offence in the United States.

The receipt of consideration by a US holder for the transfer of its Altus Shares pursuant to the Merger may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Altus Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Merger applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders of Altus Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Elemental and Altus are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Altus Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice, Elemental or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Altus Shares outside of the US, other than pursuant to the Merger, until the date on which the Merger and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Additional information for Canadian Altus Shareholders

No securities commission or similar authority of Canada, or any other jurisdiction has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

If Elemental exercises its right to implement the acquisition of the Altus Shares in accordance with the Co-operation Agreement by way of an Offer, such Offer will be made in compliance with applicable Canadian securities laws or pursuant to an exemption therefrom.

The enforcement by Canadian Altus Shareholders of civil liabilities under the Canadian securities laws may be affected adversely by the fact that Altus is incorporated or organized under the laws of a jurisdiction other than Canada, that some or all of Elemental's and Altus's officers and directors are and will be residents of countries other than Canada, that some or all of the experts named in this Announcement may be residents of countries other than Canada, and that all or a substantial portion of the assets of Elemental, Altus and such persons are and will be located outside Canada. As a result, it may be difficult or impossible for Canadian Altus Shareholders to effect service of process within Canada upon Altus, Elemental's and Altus's respective officers or directors or the experts named herein, or to realize against them, upon judgments of courts of Canada predicated upon liabilities under Canadian securities laws. In addition, Canadian Altus Shareholders should not assume that the courts of England and Wales: (a) would enforce judgments of Canadian courts obtained in actions against such persons predicated upon civil liabilities under Canadian securities laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the Canadian securities laws.

The distribution of the New Elemental Shares pursuant to the Merger will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities law. The New Elemental Shares received pursuant to the Merger will not be subject to resale restrictions and may be resold through registered dealers in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in Canadian securities law, (ii) no unusual effort is made to prepare the market or to create a demand for Elemental Shares, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider or officer of Elemental, as the case may be, the selling security holder has no reasonable grounds to believe that Elemental, as the case may be, is in default of applicable Canadian securities law.

Canadian Altus Shareholders should be aware that the Merger described in this Announcement may have tax consequences in Canada and should consult their own tax advisors to determine the particular tax consequences to them of the Merger in light of their particular circumstances, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

Non-IFRS financial measures

(i) Adjusted Revenue

Adjusted revenue is a non-IFRS financial measure, which is defined by Altus (and is intended to be defined by the New Elemental Altus Group following the Effective Date) by including gross equity income from associated entities holding royalty interests related to Altus's effective royalty on the Caserones Mine. Altus's management uses adjusted revenue to evaluate the underlying operating performance of Altus for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Elemental and Altus's management believe 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 since the adjusted revenue may not typically be included in operating results. Management believes that adjusted revenue is a useful measures of Altus's performance because they adjust for items which management believes reflect Altus'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.

(ii) Gold Equivalent Ounces (GEO)

Elemental and Altus's adjusted 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 or 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 or Altus and maybe subject to uncertainty. There can be no assurance that such information is complete or accurate.

Third Party / Market Data

This Announcement contains statistical data, market research and industry forecasts that were obtained from government, stock exchange, analysts' or other industry publications and reports or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which Elemental and Altus operate. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Often, such information is provided subject to specific terms and conditions limiting the liability of the provider, disclaiming any responsibility for such information, and/or limiting a third party's ability to rely on such information. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, Elemental or Altus. Further, certain of these organizations may be advisers to participants in the mining industry, and they may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While Elemental and Altus believe this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. Neither Elemental nor Altus has independently verified any of the data from third party sources referred to in this Announcement or ascertained the underlying assumptions relied upon by such sources.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Merger, and other information published by Elemental and Altus contain certain statements which are, or may be deemed to be, "forward-looking statements" and "forward-looking information", each as defined under applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Elemental and Altus about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

Forward-looking statements often, but not always, use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof (including negative and grammatical variations). These statements are based on assumptions and assessments made by Elemental and/or Altus in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements and as such are qualified in their entirety. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

The forward-looking statements contained in this Announcement include statements related to: the Merger including statements with respect to the implementation thereof; the benefits of the Merger to the Altus Shareholders and the Elemental Shareholders; the timing of the Opening Position Disclosures of Elemental and Altus; the timing of mailing the shareholder materials and the timing of the Altus General Meeting, the Altus Court Meeting and the Elemental Special Meeting; the timing for and receipt of all required regulatory, court, stock exchange and shareholder approvals and approvals to complete the Merger; the ability of Elemental and Altus to satisfy other conditions to, and to complete the Merger; the anticipated timing for completion of the Merger; the

closing of the Merger; the expected effects of the Merger on Elemental and Altus (including their future prospects, developments and strategies), the expected timing and scope of the Merger and other statements other than historical facts; the intention to seek a delisting of the shares of Altus from the AIM; the TSX-V and the OTCQX market in the United States; and the intention for Altus to make an application to certain Canadian securities commissions after the Effective Date to cease to be a reporting issuer in Canada. Forward-looking statements may also include statements relating to the following: (i) future capital expenditures, revenues, adjusted revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Elemental's and Altus's operations and potential synergies resulting from the Merger; and (iii) the effects of global economic conditions and governmental regulation on Elemental's and Altus's businesses.

In respect of forward-looking statements and information concerning the anticipated completion of the proposed Merger and the anticipated timing for completion of the proposed Merger, Elemental and Altus have provided them in reliance on certain assumptions and believe that they are reasonable at this time, including the assumptions to the time required to prepare and mail shareholder meeting materials, the ability of the applicable parties to receive, in a timely manner, the necessary regulatory, shareholder, court, stock exchange and relevant authority approvals, and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Merger. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Merger. Accordingly, you should not place undue reliance on the forward-looking statements and information in this Announcement concerning these times.

Such forward-looking statements involve known and unknown risks, and uncertainties and other important factors that could significantly affect expected results and are based on certain key assumptions. Such risks, uncertainties and factors may cause the actual results, performance or achievements of Elemental or Altus to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and factors include, without limitation: risks associated with the Merger and acquisitions generally; the Co-operation Agreement may be terminated in certain circumstances; there can be no certainty that all conditions precedent to the Merger will be satisfied; the parties will incur costs even if the Merger is not completed and Elemental may have to pay a break fee to Altus if the Co-operation Agreement is terminated in certain circumstances; all necessary approvals may not be obtained; and uncertainty regarding the ability of the parties to complete and mail the shareholder materials and the ability to hold the Altus General Meeting, the Altus Court Meeting and the Elemental Shareholder Meeting within the time frames indicated. Additional risks, uncertainties and factors include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to Elemental or Altus, refer to (i) the Annual Information Form of Elemental for the year ended 31 December 2021; and (ii) the annual report and accounts of Altus for the financial year ended 31 December 2021.

No member of the Elemental Group or the Altus Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place any reliance on these forward-looking statements which speak only as at the date of this Announcement. It is expected that these expectations will change as new information is received. Neither Elemental nor Altus assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to their inherent uncertainty.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Takeover Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Altus's website at <https://altus-strategies.com/> and Elemental's website at <https://www.elementalroyalties.com/> by no later than 12 noon (London time) on the first Business Day following the date of this Announcement. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this Announcement.

This Announcement will also be available on SEDAR under Altus and Elemental's respective profiles at www.sedar.com.

No profit forecasts, estimates or quantified benefits statements

No statement in this Announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that the earnings or future earnings per share of or dividends or future dividends per share of Elemental or Altus or the New Elemental Altus Group for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share of Elemental or Altus or the New Elemental Altus Group.

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, Altus Shareholders, persons with information rights and participants in the Altus Share Plan may request a hard copy of this Announcement by contacting Altus's registrars, Computershare Investor Services Plc on +44 (0) 370 702 0003. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare Investor Services Plc is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales; or (ii) by submitting a request in writing to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom. Please note that Computershare Investor Services Plc cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Altus Shareholders, persons with information rights and other relevant persons for the receipt of communications from Altus may be provided to Elemental during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain

tables may not be an arithmetic aggregation of figures that precede them.

General

If the Merger is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, Elemental intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 so as to acquire compulsorily the remaining Altus Shares in respect of which the Offer has not been accepted.

Investors should be aware that Elemental may purchase Altus Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code:

(i) Altus confirms that, as at 13 June 2022 (being the Last Practicable Date), it had in issue 117,321,678 ordinary shares of 5 pence each, each ordinary share carrying one vote. Accordingly, the total number of voting rights in Altus is 117,321,678. The ISIN for the Altus Shares is GB00BJ9TYB96 (CUSIP: G03676122). Altus's ordinary shares are traded on AIM and on TSX-V.

(ii) Elemental confirms that, as at 13 June 2022 (being the Last Practicable Date), it had in issue 78,266,221 common shares of no par value. The ISIN for the Elemental Shares is CA28619L1076.

TSX Venture Disclaimer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE MERGER

Part A: Conditions to the Scheme and Merger

Long Stop Date

1. The Merger is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date or such later date (if any) as Elemental and Altus may, with the consent of the Panel, agree and (if required) the Court may approve, or the Panel may require.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of Altus (or the relevant class or classes thereof, if applicable) at the Scheme Voting Record Time, present and voting (and entitled to vote), either in person or by proxy, at the Altus Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, (ii) such Altus Court Meeting and any separate class meeting which may be required by the Court being held on or before the 22nd day after the expected date of the Altus Court Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Panel, be agreed between Elemental and Altus (and that the Court may approve if so required));
 - (b) (i) the Special Resolution being duly passed at the Altus General Meeting (or any adjournment thereof) and (ii) such Altus General Meeting being held on or before the 22nd day after the expected date of the Altus General Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Panel, be agreed between Elemental and Altus (and that the Court may approve if so required));
 - (c) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Elemental and Altus) on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may, with the

consent of the Panel, be agreed between Elemental and Altus (and that the Court may approve if so required)); and

- (d) the delivery of a copy of the Scheme Court Order to the Registrar of Companies for registration.

Other Conditions

3. In addition, Elemental and Altus have agreed that the Merger will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Elemental Shareholder approval

- (a) The Elemental Shareholder Resolution being duly passed by a simple majority of the votes cast by Elemental Shareholders represented in person or by proxy at the Elemental Special Meeting and such Elemental Shareholder Resolution remaining valid;

New Elemental Share listing

- (b) confirmation having been received by Elemental of the conditional acceptance of the TSX-V in respect of the Merger, including the issuance of the New Elemental Shares pursuant thereto, subject to satisfaction of customary conditions of the TSX-V;

Competition law and regulatory approvals

- (c) if the Secretary of State issues a call-in notice under the UK National Security and Investment Act 2021 ("**NS&I Act**") in relation to the Merger ("**Call-In Notice**"): (i) Elemental receiving a final notification that no further action in relation to the Call-In Notice is to be taken under the NS&I Act; or (ii) the Secretary of State making a final order in relation to the Merger under the NS&I Act which permits the Merger to be completed subject to the provisions of such final order (and, to the extent relevant, all conditions, provisions or obligations contained in such final order necessary for completion of the Merger having been satisfied or complied with);

Certain matters arising as a result of any arrangement, agreement, etc.

- (d) except as Disclosed, there being no provision of any agreement, arrangement, licence, lease, franchise, permit or other instrument to which any member of the Wider Altus Group or the Wider Elemental Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject or any event or circumstance, which in consequence of the Scheme, the Merger or the proposed acquisition by any member of the Wider Elemental Group of any shares or other securities in Altus or because of a change in the control or management of any member of the Wider Altus Group or the Wider Elemental Group or otherwise, would or might reasonably be expected to result in, to an extent which is material in the context of the Wider Altus Group or the Wider Elemental Group as a whole or in the context of the Merger:
- (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member of the Wider Altus Group or the Wider Elemental Group, being or becoming repayable or capable of being declared repayable immediately or prior to its or their stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, lease, franchise, permit or other instrument or the rights, liabilities, obligations or interests of any such member of the Wider Altus Group or the Wider Elemental Group thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) the creation or enforcement of any mortgage, charge, encumbrance or other security interest over the whole or any part of the business, property or assets of any member of the Wider Altus Group or the Wider Elemental Group or any such mortgage, charge, encumbrance or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (iv) the rights, liabilities, obligations or interests of any member of the Wider Altus Group or the Wider Elemental Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any such member with any other person or body or firm or company (or any arrangement or agreement relating to any such interests or business) being terminated, adversely modified or adversely affected;
- (v) the value of any member of the Wider Altus Group or the Wider Elemental Group or its financial or trading position, being prejudiced or adversely affected;
- (vi) any assets or interests of any member of the Wider Altus Group or the Wider Elemental Group being or failing to be disposed of or charged or any right arising under which any such asset or interest could be

required to be disposed of or charged or could cease to be available to any member of the Wider Altus Group or the Wider Elemental Group otherwise than in the ordinary course of business;

- (vii) any member of the Wider Altus Group or the Wider Elemental Group ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any member of the Wider Altus Group or the Wider Elemental Group (including any material tax liability), excluding trade creditors and other liabilities incurred in the ordinary course of business,

and, save as Disclosed, no event having occurred which, under any provision of any such agreement, arrangement, licence, permit, lease, franchise or other instrument to which any member of the Wider Altus Group or the Wider Elemental Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or would reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 3(d)(i) to (viii);

Other Third Party clearances

- (e) except as Disclosed, and other than in relation to the approval referred to in Condition 3(c) above, no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, self-regulatory authority, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**" and together the "**Third Parties**") having given notice of a decision to take, institute, implement or threaten in writing any action, proceeding, suit, investigation, enquiry or reference (and not having withdrawn that notice), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be any outstanding statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or delay the divestiture, or alter the terms envisaged for any such divestiture by any member of the Wider Elemental Group or any member of the Wider Altus Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof) which, in any such case, is material in the context of the Wider Altus Group or the Wider Elemental Group, in each case taken as a whole;
 - (ii) require, prevent or delay the divestiture by any member of the Wider Elemental Group of any shares or other securities (or the equivalent) in any member of the Wider Altus Group or the Wider Elemental Group;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Elemental Group directly or indirectly to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Altus Group or to exercise management control over any such member;
 - (iv) otherwise adversely affect the business, assets, value, profits, operational performance, prospects, financial or trading position of any member of the Wider Elemental Group or of any member of the Wider Altus Group in a manner which is adverse to and material in the context of the Wider Elemental Group or the Wider Altus Group, in each case taken as a whole;
 - (v) make the Scheme, the Merger, its implementation or the acquisition or proposed acquisition by Elemental or any member of the Wider Elemental Group of any shares or other securities in, or control or management of Altus void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge, impede, interfere or require material amendment of the Scheme or the Merger;
 - (vi) other than pursuant to the Merger, require any member of the Wider Elemental Group or the Wider Altus Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Altus Group or the Wider Elemental Group owned by any third party;
 - (vii) impose any limitation on the ability of any member of the Wider Altus Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the businesses of any other members of the Wider Altus Group or the Wider Elemental Group which is adverse to and material in the context of the Wider Elemental Group or the Wider Offer Group, in each case taken as a whole; or
 - (viii) result in any member of the Wider Altus Group or Wider Elemental Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten in writing any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Scheme, the Merger or the acquisition or proposed acquisition of any Altus Shares or otherwise intervene having expired, lapsed or been terminated;

- (f) other than in relation to the approval referred to in Condition 3(c) above, all notifications, filings or applications necessary in any relevant jurisdiction in connection with the Merger having been made and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Scheme, the Merger, its implementation or the acquisition by any member of the Wider Elemental Group of any shares or other securities in, or control or management of, Altus and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals having been obtained in terms and in a form reasonably satisfactory to Elemental from all appropriate Third Parties or persons with whom any member of the Wider Altus Group or the Wider Elemental Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary to carry on the business of any member of the Wider Altus Group or the Wider Elemental Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

Certain events occurring since 31 December 2021

- (g) except as Disclosed, no member of the Wider Altus Group or the Wider Elemental Group having, since 31 December 2021:
- (i) issued or agreed to issue or authorised or proposed the issue of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or securities or convertible securities or transferred, sold or agreed to transfer or sell or authorise or propose the transfer or sale of shares out of treasury (except, where relevant, intra-Altus Group or intra-Elemental Group or for Altus Shares or Elemental Shares issued pursuant to the exercise of options or vesting of awards in the ordinary course under the Altus Share Plan or the Elemental Share Plan (as the case may be));
 - (ii) recommended, declared, paid or made or resolved to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made intra-Altus Group or intra-Elemental Group;
 - (iii) save for intra-Altus Group or intra-Elemental Group transactions, implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, sub-division, scheme, commitment or acquisitions or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is or might reasonably be expected to be material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
 - (iv) save for intra-Altus Group or intra-Elemental Group transactions, disposed of, or transferred, mortgaged or charged, or created any security interest over any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so in a manner which is or might reasonably be expected to be material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
 - (v) save for intra-Altus Group or intra-Elemental Group transactions entered into the ordinary course of business, entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case, to an extent which is material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as whole);
 - (vi) made any alteration to its memorandum or articles of association or other incorporation documents (other than in connection with the Scheme);
 - (vii) save for intra-Altus Group or intra-Elemental Group transactions, made, authorised, proposed or announced an intention to propose any change in its loan capital;
 - (viii) save for intra-Altus Group or intra-Elemental Group transactions in the ordinary course, issued, authorised or proposed or announced an intention to authorise or propose the issue of any debentures, or any material change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is or might reasonably be expected to be material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);

- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or might reasonably be expected to be restrictive on the businesses of any member of the Wider Altus Group or the Wider Elemental Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which is material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
- (xi) entered into or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or materially vary the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases or bonuses in the ordinary course for any senior executive of Altus or Elemental, other than as agreed by the Panel and Elemental or Altus (as the case may be);
- (xii) (other than in respect of a member of the Wider Altus Group or the Wider Elemental Group which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it in relation to its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts when they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xiv) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Altus Group or the Wider Elemental Group other than to a nature and extent which is normal in the context of the business concerned and in each such case which is material or would reasonably likely be material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
- (xv) terminated or varied the terms of any agreement or arrangement between any member of the Wider Altus Group or the Wider Elemental Group and any other person in a manner which would or might reasonably be expected to be materially adverse to the Wider Altus Group or the Wider Elemental Group (each taken as a whole);
- (xvi) waived, compromised or settled any material claim or regulatory proceeding (whether actual or threatened) by or against any member of the Wider Altus Group or the Wider Elemental Group otherwise than in the ordinary course of business;
- (xvii) made, proposed or agreed or consented to or procured any change to, or the custodian or trustee of any scheme having made a change to (to an extent which would or might reasonably be expected to be materially adverse to the Wider Altus Group or the Wider Elemental Group (each taken as a whole)):
 - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Altus Group or the Wider Elemental Group for its directors, employees, former employees or their dependents;
 - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
- (xviii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, retention scheme or other benefit (including compensation) relating to the employment or termination of employment of any person employed by the Wider Altus Group or the Wider Elemental Group other than in accordance with the terms of the Merger or, if required by the Takeover Code, as agreed by the Panel and/or Elemental or Altus (as the case may be); or

- (xix) other than with the consent of Elemental, having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Altus Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code,

and, for the purposes of paragraphs (i) to (v) (inclusive), (vii) and (viii) of this Condition, the term "**Altus Group**" shall mean Altus and its wholly-owned subsidiaries and the term "**Elemental Group**" shall mean Elemental and its wholly-owned subsidiaries;

No material adverse change, litigation, regulatory enquiry or similar

- (h) except as Disclosed, since 31 December 2021, in each case to an extent which is or might reasonably be expected to be material in the context of the Wider Altus Group or the Wider Elemental Group (each taken as a whole):
 - (i) no adverse change or deterioration having occurred, and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration, in the business, assets, financial or trading position or profits or prospects of any member of the Wider Altus Group or the Wider Elemental Group;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Altus Group or the Wider Elemental Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation or other regulatory proceedings by any Third Party against or in respect of any member of the Wider Altus Group or the Wider Elemental Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Altus Group or the Wider Elemental Group;
 - (iii) no enquiry, review or investigation by (or complaint or reference to) any Third Party or other investigative body having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Altus Group or the Wider Elemental Group;
 - (iv) no contingent or other liability having arisen or become apparent or increased which affects, or which would be reasonably likely to affect, adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Altus Group or the Wider Elemental Group;
 - (v) no steps having been taken, and no omissions having been made, which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Altus Group or the Wider Elemental Group which is necessary for the proper carrying on of its business; and
 - (vi) no member of the Wider Altus Group or the Wider Elemental Group having conducted its business in material breach of any applicable laws and regulations;

No discovery of certain matters regarding information, liabilities and environmental issues

- (i) except as Disclosed, Elemental and Altus not having discovered, in each case to an extent which is or might reasonably be expected to be material in the context of the Wider Altus Group or the Wider Elemental Group (respectively) (each taken as a whole):
 - (i) that any financial, business or other information concerning the Wider Altus Group or the Wider Elemental Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Altus Group or the Wider Elemental Group (respectively) is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to Elemental or Altus (as the case may be) or (in each case) its professional advisers;
 - (ii) that any member of the Wider Altus Group or the Wider Elemental Group (respectively) is subject to any liability (contingent or otherwise) which is not Disclosed;
 - (iii) that any past or present member of the Wider Altus Group or the Wider Elemental Group (respectively) has failed to comply in any material respect with any applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations which applies to such member relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Altus Group or the Wider Elemental Group (respectively);
 - (iv) that there is any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or

previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Altus Group or the Wider Elemental Group (respectively) (or on their respective behalf); or

- (v) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Altus Group or the Wider Elemental Group;

Anti-corruption, sanctions, criminal property, IT

- (j) no past or present member, director, officer, employee or agent of the Wider Altus Group or the Wider Elemental Group or any person that performs or has performed services (or otherwise acts or has acted) for or on behalf of any such company being or at any time having been engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada) or any other anti-corruption legislation applicable to the Wider Altus Group or the Wider Elemental Group;
- (k) no asset nor any member of the Wider Altus Group or the Wider Elemental Group constituting criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (e) of that definition);
- (l) no past or present member, director, officer, employee or agent of the Wider Altus Group or the Wider Elemental Group or any person that performs or has performed services for or on behalf of any such member, director, officer or employee being or at any time having been engaged in any activity or business with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or
 - (ii) any government, entity or individual targeted or covered by any of the economic sanctions administered or imposed by the United Nations, the US (including, without limitation, the United States Office of Foreign Assets Control), the United Kingdom, Canada, the European Union (or any of its respective member states) or any other governments or supranational body or authority in any jurisdiction, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law, in each case to an extent which is material in the context of the Wider Altus Group or the Wider Elemental Group taken as a whole;
- (m) no member of the Wider Altus Group or the Wider Elemental Group being or at any time having been engaged in a transaction which would cause any member of the New Elemental Altus Group to be in breach of any applicable law or regulation on completion of the Merger, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States, the United Kingdom or the European Union or any of its member states or any other governments or supranational body or authority in any jurisdiction, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; and
- (n) no disruption having occurred in the operation of the Wider Altus Group or the Wider Elemental Group as a result of issues relating to information technology or any failure of, or material disruption to, such information technology (including, without limitation, any information security breach or unauthorised access of, or unauthorised acts in relation to, any such information technology), in each case which is material in the context of the Wider Altus Group or the Wider Elemental Group.

Part B: Waiver and invocation of the Conditions

1. The Scheme will not become Effective, and will lapse, unless the Conditions have been fulfilled or (to the extent capable of waiver) waived or, where appropriate, have been determined to be or remain satisfied by no later than the Long Stop Date.
2. Subject to the requirements of the Panel in accordance with the Takeover Code, Elemental reserves the right to waive:
 - (a) any of the deadlines set out in Condition 2 in Part A of this Appendix 1 for the timing of the Altus Court Meeting, the Altus General Meeting and the Scheme Court Hearing. If any such deadline is not met, Elemental will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Altus to extend the deadline in relation to the relevant Condition. In all other respects, Condition 2 in Part A of this Appendix 1 cannot be waived; and

- (b) in whole or in part (so far as they relate to Altus, the Wider Altus Group or any part thereof), all or any of Conditions 3(c) to (n) (inclusive) in Part A of this Appendix 1.
3. Subject to the requirements of the Panel in accordance with the Takeover Code, Altus reserves the right to waive in whole or in part (so far as they relate to Elemental, the Wider Elemental Group or any part thereof), all or any of Conditions 3(d) to (n) (inclusive) in Part A of this Appendix 1. This right shall cease to have any effect if an Altus Board Adverse Recommendation Change occurs, in which case Altus shall no longer have the right to waive any of Conditions 3(d) to (n) (inclusive) in Part A of this Appendix 1, whether in whole or in part and, instead, Elemental shall have the right in its sole discretion to waive any of such Conditions in whole or in part including (without limitation) if they relate to Elemental, the Wider Elemental Group or any part thereof.
4. Save as set out above in respect of paragraphs 2 and 3, the Conditions set out in Part A of this Appendix 1 cannot be waived.
5. Neither Elemental nor Altus shall be under any obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied or fulfilled any of the Conditions capable of waiver (insofar as they apply to each of them) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
6. If Elemental is required by the Panel to make an offer for Altus Shares under the provisions of Rule 9 of the Takeover Code, Elemental may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
7. Under Rule 13.5(a) of the Takeover Code, Elemental may only invoke a Condition so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Elemental in the context of the Merger. Conditions 1, 2, and 3(a), (b) and (c) above and, if applicable, any acceptance condition if the Merger is implemented by means of an Offer, are not subject to this provision of the Takeover Code.
8. Altus may not invoke a Condition so as to cause the Merger not to proceed, to lapse or be withdrawn under Rule 13.6 of the Takeover Code:
- (a) unless the circumstances which give rise to the right to invoke the Condition are of material significance to Altus Shareholders in the context of the Merger. Conditions 1, 2 and 3(a), (b) and (c) are not subject to this provision of the Takeover Code; or
- (b) following an Altus Board Adverse Recommendation Change.
9. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Part C: Implementation by way of Takeover Offer

Elemental reserves the right to elect to implement the Merger by way of an Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in the method of effecting the Merger (including, without limitation: (i) the inclusion of an acceptance condition set at such percentage of the Altus Shares to which such Offer relates as Elemental may, subject to the rules of the Takeover Code and with the consent of the Panel, decide; and (ii) those required by, or deemed appropriate by, Elemental under applicable law). Further, if sufficient acceptances of such Offer are received and/or sufficient Altus Shares are otherwise acquired, it is the intention of Elemental to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Altus Shares to which such offer relates.

Part D: Certain further terms of the Merger

1. The Altus Shares acquired under the Merger will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date.
2. If, on or after the date of this Announcement but prior to the Effective Date, any dividend and/or other form of capital return or distribution is announced, declared, made or paid or becomes payable in respect of Altus Shares, Elemental reserves the right to reduce the consideration payable under the terms of the

Merger by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement to the consideration payable under the terms of the Merger will be deemed to be a reference to the consideration as so reduced. Any exercise by Elemental of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme. In such circumstances, Altus Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid which becomes payable. If and to the extent that any such dividend, distribution or other return of capital is announced, declared, made or paid or becomes payable and is either: (i) transferred pursuant to the Merger on a basis which entitles Elemental to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Merger shall not be subject to change in accordance with this paragraph 2. Any exercise by Elemental of its rights referred to in this paragraph 2 shall not be regarded as constituting any revision or variation of the Merger.

3. The availability of the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
4. The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
5. This Announcement and any rights or liabilities arising hereunder, the Merger and the Scheme, and any proxies will be governed by English law and be subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Appendix 1 to be set out in the Scheme Document. The Merger will be governed by the laws of England and Wales and be subject to the jurisdiction of the English courts and to the Conditions set out above. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the TSX-V, the FCA, the AIM Rules, applicable Canadian and US securities laws and the Registrar of Companies.

APPENDIX 2

SOURCES AND BASES OF INFORMATION

In this Announcement:

1. unless otherwise stated, historical financial information relating to:
 - (a) the Altus Group has been extracted or derived without any adjustment (except for conversion into USD at the rates specified in paragraph 9 below) from the 2021 Altus Annual Report and the Q1 2022 Altus Interim Report; and
 - (b) the Elemental Group has been extracted or derived without any adjustment from (i) the 2021 Elemental Annual Report and (ii) the Consolidated Financial Statements and Management Discussion and Analysis (MD&A) of Elemental for the three months ended 31 March 2022;
2. as at the close of business on 13 June 2022 (being the Last Practicable Date), Altus had 117,321,678 Altus Shares in issue, 9,100,000 options pursuant to the Altus Share Plan and 5,541,388 Altus Warrants. The ISIN for the Altus Shares is GB00BJ9TYB96;
3. as at the close of business on 13 June 2022 (being the Last Practicable Date), Elemental had in issue 78,266,221 common shares of no par value and 3,795,109 PSUs and options (of which 2,555,109 PSUs are in-the-money) pursuant to the Elemental Share Plan. The ISIN for the Elemental Shares is CA28619L1076;
4. The common shares of the New Elemental Altus Group has been calculated by the sum of 78,266,221 Elemental current common shares in issue and 69,689,077 Elemental common shares issued under the terms of the Merger. Altus options and warrants as per paragraph 2 above and Elemental PSUs and options as per paragraph 3 above are not included in this calculation.
5. The percentage of the common shares of the New Elemental Altus Group that will be owned by Altus shareholders is calculated by dividing the number of New Elemental Altus Group shares to be issued under the terms of the Merger (as referred to in paragraph 4 above) by the common shares of the New Elemental Altus Group and multiplying the resulting calculation by 100 to produce a percentage;

6. Unless otherwise stated, all prices and closing prices for Altus Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL);
7. For the purposes of the combined New Elemental Altus Group adjusted revenue for FY 2022 and 2023, the calculations are based on the following assumptions:
- (a) Research analyst consensus estimates number of Gold Equivalent Ounces ("GEO") to be produced in Elemental's portfolio of 6,450 and 7,578 respectively for FY 2022 and 2023 multiplied by analyst consensus gold price of US\$1,870 per ounce and US\$1,804 per ounce respectively for FY 2022 and 2023 (as set out in the table below); plus sub-paragraph (b) below;

GEO (oz)		2022	2023
Canaccord	17-Mar-22	6,402	7,562
Haywood	20-May-22	6,335	7,750
Laurentian	18-Mar-22	6,614	7,423
Average (mean)		6,450	7,578
Max		6,614	7,750
Min		6,335	7,423

The estimates are not endorsed by Elemental and they have not been reviewed or reported on.

- (b) Altus's revenue estimates are based on internal models for the 4 producing assets Caserones, Bonikro, SKO, and Ballarat:
- (i) **Caserones** royalty revenue estimates are based on mine revenue: 2022 Copper production guidance provided by the operator, which is kept flat for 2023 due to lack of data, is multiplied with broker consensus price forecasts for Copper for 2022 and 2023 of US\$9,753/t and US\$8,954/t, respectively to derive mine revenue. Mine revenue has net smelter deductions of 7% applied (based on historical averages) which include smelting, refining, freight and other costs resulting in the NSR revenue. The NSR revenue is multiplied by the attributable royalty rate of 0.418% to arrive at revenue attributable to Altus.
- (ii) **Bonikro** royalty revenue estimates are based on mine revenue: 2022 & 2023 Gold production guidance provided by the operator, multiplied with broker consensus price forecasts for Gold for 2022 and 2023 of US\$1,870/oz and US\$1,804/oz, respectively to derive mine revenue. Mine revenue has net smelter deductions of 5.7% applied (based on modelled averages) resulting in the NSR revenue. The NSR revenue is multiplied by the attributable royalty rate of 4.5% and then multiplied by Altus's 50% ownership of the royalty to arrive at revenue attributable to Altus.
- (iii) **SKO** royalty 2022 & 2023 revenue estimates based on 3 year historical Gold production levels of 50koz multiplied with a fixed royalty rate of A\$10/oz of Gold produced. The royalty revenue is multiplied by the attributable ownership of 50% to arrive at revenue attributable to Altus.
- (iv) **Ballarat** royalty 2022 & 2023 revenue estimates based on fixed monthly payment of A\$300k until an accrued balance of A\$1.2M is repaid in 2022, and then royalty reverts to revenue estimates based on historical average Gold production of 50koz per annum. After the accrued balance is repaid in 2022, 2022 Gold production over the remainder of the year is 13koz (calculated pro rata based on annualised gold production of 50koz) and multiplied with broker consensus price forecast for Gold for 2022 of US\$1,870/oz to derive mine revenue. 2023 Gold production of 50koz (based on historical averages) is multiplied with broker consensus price forecasts for Gold for 2023 of US\$1,804/oz to derive mine revenue. Mine revenue has net smelter deductions of 2.8% applied (based on historical averages) resulting in the NSR revenue. The NSR revenue is multiplied by the attributable royalty rate of 2.5% and then multiplied by Altus's 50% ownership of the royalty to arrive at revenue attributable to Altus.
- (c) Commodity price estimates are based on broker consensus estimates as per the following table:

		Copper (US\$/t)		Gold (US\$/oz)	
		2022	2023	2022	2023
-	-	-	-	-	-
Barclays	26-Apr-22	9,281	7,231	1,838	1,588
BMO	25-Apr-22	9,237	7,738	1,896	1,750
BAML	29-Apr-22	10,450	9,502	1,918	2,100
Canaccord	18-Apr-22	10,053	9,370	1,830	1,848
CIBC	04-Apr-22	9,634	8,267	1,863	1,750
Citi	04-Apr-22	10,500	9,500	1,805	1,675
Credit Suisse	13-Apr-22	8,380	7,280	1,850	1,600
Deutsche Bank	22-Apr-22	10,124	9,000	1,857	1,838
HSBC	19-Apr-22	9,766	8,818	1,850	1,900
Haywood	12-Apr-22	9,149	9,149	1,820	1,750

JP Morgan	29-Apr-22	10,251	10,163	1,931	1,988
Jefferies	15-Apr-22	9,921	11,155	2,000	1,800
Morgan Stanley	29-Apr-22	9,700	8,642	1,888	1,675
National Bank	17-Apr-22	10,362	10,362	1,921	1,935
RBC	12-Apr-22	9,370	8,267	1,696	1,650
UBS	30-Apr-22	9,869	8,818	1,958	2,017
Average (mean)		9,753	8,954	1,870	1,804
Max		10,500	11,155	2,000	2,100
Min		8,380	7,231	1,696	1,588

The estimates are not endorsed by Altus and they have not been reviewed or reported on.

8. Where any financial metrics have been presented on a combined or aggregated basis, such metrics do not include any pro-forma adjustments.
9. Altus balance sheet financial information has been translated to USD as at the latest published balance sheet date 31 March 2022 (1.317 USD / GBP) while share price and other data has been translated at spot (13 June 2022: 1.213)

No statement in this Announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that the earnings or future earnings per share of or dividends or future dividends per share of Elemental or Altus or the New Elemental Altus Group for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share of Elemental or Altus or the New Elemental Altus Group.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS, VOTING AND SUPPORT AGREEMENTS AND LETTERS OF INTENT

1. Altus Directors

The following Altus Directors have given irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings (or those Altus Shares over which they have control) of Altus Shares:

Name	Total Number of Altus Shares	Percentage of existing issued share capital*	Percentage of existing Altus Shares eligible to vote at Altus Court Meeting**
David Netherway	2,478,758	2.11%	2.11%
Steven Poulton	6,600,000	5.63%	5.63%
Matthew Grainger	2,127,589	1.81%	1.81%
Robert Milroy	600,000	0.51%	0.51%
Michael Winn	3,743,980	3.19%	3.19%

* based on the number of Altus Shares in issue on 13 June 2022 (being the Last Practicable Date).

** subject to any exclusions that may be required by any applicable regulator.

The irrevocable undertakings given by the Altus Directors require those shareholders to vote in favour of the Scheme at the Altus Court Meeting.

The irrevocable undertakings provided by each of the named Altus Directors and referred to above shall cease to be binding on the earlier of the following occurrences:

- (i) the Panel consents to Elemental not proceeding with the Merger and Elemental does not proceed with the Merger;

(ii) the Merger is implemented by way of an Offer, and the Offer Document is not posted to the Altus Shareholders within the period permitted under the Takeover Code or as otherwise agreed with the Panel;

(iii) the Merger is implemented by way of the Scheme, and the Scheme Document is not posted to the Altus Shareholders within the permitted period under the Takeover Code or as otherwise agreed with the Panel;

(iv) the Scheme does not become effective by the Long Stop Date other than in circumstances where Elemental has, prior to such date, elected to proceed by way of an Offer and announced the same in accordance with the requirements of the Takeover Code, and such Offer has not lapsed or been withdrawn); or

(v) any event occurs or becomes known to Elemental before despatch of the Offer Document or Scheme Document (as the case may be) as a result of which the Panel requires or agrees with Elemental that Elemental need not proceed with the Merger.

2. Altus Shareholders (other than the Altus Directors)

Each of the named Altus Shareholders below, acting in their respective capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by them, has given irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Altus Court Meeting and the Special Resolution to be proposed at the Altus General Meeting (or in the event that the Merger is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of Altus Shares held by funds and accounted managed by it:

Name	Total Number of Altus Shares	Percentage of existing issued share capital*	Percentage of existing Altus Shares eligible to vote at Altus Court Meeting**
La Mancha Explorers	41,158,454	35.08%	35.08%
Condire	11,170,102	9.52%	9.52%

* based on the number of Altus Shares in issue on 13 June 2022 (being the Last Practicable Date).

** subject to any exclusions that may be required by any applicable regulator.

The obligations contained in the irrevocable undertakings provided by each of the named Altus Shareholders above lapse and cease to have effect if:

(i) the Panel consents to Elemental not proceeding with the Merger and Elemental does not proceed with the Merger;

(ii) the Merger is implemented by way of an Offer, and the Offer Document is not posted to the Altus Shareholders within the period permitted under the Takeover Code or as otherwise agreed with the Panel;

(iii) the Merger is implemented by way of the Scheme, and the Scheme Document is not posted to the Altus Shareholders within 28 days of this Announcement (or such longer period permitted under the Takeover Code or as otherwise agreed with the Panel);

(iv) provided that the relevant Altus Shareholder has complied and remain in compliance with the provisions of its irrevocable undertaking, the Merger is implemented by way of the Scheme and any resolution of shareholders of Altus required to implement the Scheme is not approved by the requisite majority of Altus Shareholders at the Altus Meetings;

(v) the Scheme does not become effective by the Long Stop Date (other than in circumstances where Elemental has, on or prior to such date, elected to proceed by way of an Offer and announced the same in accordance with the requirements of the Takeover Code, and such Offer has not lapsed or been withdrawn);

(vi) the Offer, if any, has not become or been declared unconditional by the later of (1) the Longstop Date and (2) such later date to which the relevant Altus Shareholder has provided its prior written consent;

(vii) provided that the relevant Altus Shareholder has complied and remain in compliance with the provisions of its irrevocable undertaking, any competing offer for the entire issued and to be issued share capital of Altus becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective, in accordance with the Takeover Code and applicable laws;

(viii) provided that the relevant Altus Shareholder has complied and remain in compliance with the provisions of its irrevocable undertaking, the Co-operation Agreement is terminated by Elemental in accordance with its terms;

(ix) the Exchange Ratio is reduced other than as contemplated in this Announcement or the Co-operation Agreement, or the consideration under the Offer is changed as to form, in either case without the prior written consent of the relevant Altus Shareholder;

(x) the Longstop Date is extended without the prior written consent of the relevant Altus Shareholder;

(xi) the terms of the Co-operation Agreement are otherwise modified or waived in a manner that is materially adverse to the relevant Altus Shareholder in its capacity as a shareholder of Altus, without the prior written consent of the relevant Altus Shareholder (such consent not to be unreasonably withheld and the relevant Altus Shareholder shall act in good faith); or

(xii) any event occurs or becomes known to Elemental before despatch of the Offer Document or Scheme Document (as the case may be) as a result of which the Panel requires or agrees with Elemental that Elemental need not proceed with the Merger and Elemental determines not to proceed with the Merger.

3. Elemental Directors and Employees

The following Elemental Directors and employees have entered into voting and support agreements to vote in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting in relation to the following Elemental Shares:

Name	Total Number of Elemental Shares	Percentage of existing issued share capital*	Percentage of existing Elemental Shares eligible to vote at Elemental Special Meeting**
Frederick Bell	2,258,340	2.89%	2.89%
David Baker	97,881	0.13%	0.13%
Greg Owen	55,374	0.07%	0.07%
Richard Evans	3,040,484	3.88%	3.88%
Martin Turenne	86,956	0.11%	0.11%
Peter Williams	3,026,540	3.87%	3.87%
John Robins	2,642,000	3.38%	3.38%
Matt Anderson	Nil	Nil	Nil

* based on the number of Elemental Shares in issue on 13 June 2022 (being the Last Practicable Date).

** subject to any exclusions that may be required by any applicable regulator.

These voting and support agreements shall terminate:

(i) if the Co-operation Agreement is terminated in accordance with its terms;

(ii) on the Effective Date; or

(iii) if the Effective Date has not occurred by the Long Stop Date.

4. Elemental Shareholders (other than the Elemental Directors and employees)

Each of the named Elemental Shareholders below, acting in their respective capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by them, has entered into voting and support agreements to vote in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting in relation to the following Elemental Shares:

Name	Total Number of Elemental Shares	Percentage of existing issued share capital*	Percentage of existing Elemental Shares eligible to vote at Elemental Special Meeting**
South32	13,065,100	16.69%	16.69%
La Mancha Investments	7,250,000	9.26%	9.26%

* based on the number of Elemental Shares in issue on 13 June 2022 (being the Last Practicable Date).

**subject to any exclusions that may be required by any applicable regulator.

These voting and support agreements shall terminate:

(i) if the Co-operation Agreement is terminated in accordance with its terms;

(ii) upon notice being delivered to Altus if, without the prior written consent of the relevant Elemental Shareholder, there is any change in the Exchange Ratio, or change in the form of such share exchange, as set out in the Co-operation Agreement;

(iii) (in the case of La Mancha Investments) the Long Stop Date of the Merger is extended without the prior written consent of the Shareholder;

(iv) (in the case of La Mancha Investments) the terms of the Co-operation Agreement are otherwise modified or waived in a manner that is materially adverse to La Mancha Investments in its capacity as a shareholder of Elemental, without the prior written consent of La Mancha Investments (such consent not to be unreasonably withheld and La Mancha Investments shall act in good faith);

(v) on the Effective Date; or

(vi) if the Effective Date has not occurred by the Long Stop Date.

5. Elemental Shareholder Letters of Intent

The following Elemental Shareholders have given non-binding letters of intent to vote (or, where applicable, procure voting) in favour of the Elemental Shareholder Resolution at the Elemental Special Meeting:

Name	Total Number of Elemental Shares	Percentage of existing issued share capital*	Percentage of existing Elemental Shares eligible to vote at Elemental Special Meeting**
EuroPacific Asset Management	6,296,529	8.05%	8.05%
Adrian Day Asset Management	1,861,700	2.38%	2.38%

* based on the number of Elemental Shares in issue on 13 June 2022 (being the Last Practicable Date).

**subject to any exclusions that may be required by any applicable regulator.

APPENDIX 4 DEFINITIONS

"2021 Altus Annual Report"	the annual report and audited accounts of Altus and Management Discussion and Analysis (MD&A) for the year ended 31 December 2021;
"2021 Elemental Annual Report"	the Consolidated Financial Statements and Management Discussion and Analysis (MD&A) and Annual Information Form of Elemental for the year ended 31 December 2021;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"Altus "	Altus plc, a public company incorporated in England and Wales with registered number 10746796;
"Altus Board Adverse Recommendation Change"	<p>means:</p> <p>(a) if Altus makes an announcement that: (i) the Altus Directors no longer intend to make the Altus Board Recommendation or intend to modify or qualify such recommendation in any adverse way; (ii) except as contemplated in this Agreement, it will not convene the Altus Court Meeting or the Altus General Meeting; or (iii) except as contemplated in this Agreement, it intends not to post the Scheme Document or (if different) the document convening the Altus General Meeting;</p> <p>(b) if Altus makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting, the Altus General Meeting or the Altus Court Hearing for more than 15 calendar days, in each case without the consent of Elemental, or fails to register the Court Order with Companies House by the earlier of (i) the expected Effective Date as set out in the Scheme Document or any subsequent announcement</p>

	in relation to the timetable of the Merger published with the agreement of the parties and (ii) 2 Business Days after its grant;
	(c) the Altus Board Recommendation is not included by Altus in the Merger Document(s); or
	(d) the Altus Board withdrawing (or modifying in any manner adverse to the Merger) the Altus Board Recommendation or the Altus Directors in any way withdrawing, adversely modifying or adversely qualifying the Altus Board Recommendation;
"Altus Board Recommendation"	means an unqualified and unanimous (save for any directors required by Law to recuse themselves from such recommendation) recommendation from the Altus Directors to Altus Shareholders in respect of the Merger: (i) to vote in favour of the Altus Resolutions; or (ii) if Elemental elects to implement the Merger by means of an Offer in accordance with the terms of the Co-operation Agreement, to accept the Offer;
"Altus Court Meeting"	the meeting or meetings of the Scheme Shareholders (or any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act 2006 (notice of which will be set out in the Scheme Document) for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof;
"Altus Directors"	the directors of Altus as at the date of this Announcement or, where the context so requires, the directors of Altus from time to time;
"Altus General Meeting"	the general meeting of Altus Shareholders (including any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving, <i>inter alia</i> , the Special Resolution;
"Altus Group"	Altus and its subsidiary undertakings and, where the context permits, each of them;
"Altus Meetings"	the Altus Court Meeting and the Altus General Meeting and, where the context permits, each of them;
"Altus Shareholders"	the holders of Altus Shares;
"Altus Shares"	the existing unconditionally allotted or issued fully paid ordinary shares of 5 pence each in the capital of Altus and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;
"Altus Share Plan"	the Altus plc 2019 Share Options Scheme;
"Altus Warrants"	the 5,541,388 warrants to subscribe for Altus Shares granted pursuant to the warrant certificates executed by Altus on (i) 18 April 2018; and (ii) 24 March 2021;
"Announcement"	this Announcement made pursuant to Rule 2.7 of the Takeover Code;
"Authorisations"	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
"Blocking Law"	(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or (ii) any similar blocking or anti-boycott law;
"Business Day"	a day other than a Saturday, Sunday or public holiday in England or Vancouver, Canada;
"Canaccord Genuity"	Canaccord Genuity Limited and Canaccord Genuity Corp., together acting as financial adviser to Elemental;
"Canadian Altus Shareholders"	Altus Shareholders in Canada, resident in Canada or with a registered address in Canada, and any custodian, nominee or trustee holding

	Altus Shares for persons in Canada or with a registered address in Canada;
"CEO"	Chief Executive Officer;
"Co-operation Agreement"	has the meaning given to it in paragraph 9.3 of this Announcement;
"Companies Act 2006"	the UK Companies Act 2006 (as amended from time to time);
"Competing Proposal for Elemental"	<p>means a proposal, offer or expression of interest, whether or not in writing for:</p> <p>(a) any merger, amalgamation, arrangement, consolidation, other business combination or similar transaction or series of transactions involving Elemental or any of its affiliates which, if consummated, would result in a third party or group acquiring 20% or more of the consolidated assets of Elemental and its affiliates, or 20% or more of the consolidated revenue of Elemental and its affiliates (in each case, determined based upon the most recent publicly available consolidated financial statements of Elemental);</p> <p>(b) any transaction as part of which Elemental would issue shares representing 20% or more of its issued and outstanding share capital;</p> <p>(c) any acquisition or disposal by Elemental or any of its affiliates or assets representing 20% or more of the consolidated total assets of the Elemental Group or which contribute 20% or more of the consolidated revenue of Elemental and its affiliates (in each case, determined based upon the most recent publicly available consolidated financial statements of Elemental);</p> <p>(d) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction, through one or more transactions, that, if consummated, would result in a third party or group beneficially owning 20% or more of any class of voting or equity securities (and/or securities convertible into, or exchangeable or exercisable for, voting or equity securities) of Elemental or any of its affiliates; or</p> <p>(e) any other transaction whatsoever (except for a transaction falling within paragraphs (a) to (d)(inclusive) above) involving Elemental or any of its affiliates, the consummation of which would, or would be reasonably likely to, prevent or frustrate the consummation of the Merger,</p> <p>in each case which is not effected by the Target (or a person acting in concert with the Target), at the Target's discretion or with the Target's agreement in writing;</p>
"Condire"	Condire Resource Master Partnership, LP;
"Conditions"	the conditions to the implementation of the Merger, as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document;
"Confidentiality Agreement"	has the meaning given to it in paragraph 9.1 of this Announcement;
"Court"	the High Court of Justice in England and Wales;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Crest Regulations;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) as transposed into UK law by EUWA and as further amended by secondary legislation made under EUWA from time to time;
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Takeover Code;
"Disclosed"	<p>(1) in relation to Altus:</p> <p>the information fairly disclosed by or on behalf of Altus prior to the date of this Announcement;</p>

	<ul style="list-style-type: none"> (i) in the 2021 Altus Annual Report; (ii) in this Announcement; (iii) in any other public announcement made by, or on behalf of, Altus in accordance with the Market Abuse Regulation, the AIM Rules or the Disclosure Guidance and Transparency Rules; (iv) in writing by or on behalf of Altus to Elemental (or its respective officers, employees, agents or advisers in their capacity as such); or (v) in the virtual data room operated by or on behalf of Altus in respect of the Merger; and
	(2) in relation to Elemental:
	the information fairly disclosed by or on behalf of Elemental prior to the date of this Announcement:
	<ul style="list-style-type: none"> (i) in the 2021 Elemental Annual Report; (ii) in the Consolidated Financial Statements and Management Discussion and Analysis (MD&A) of Elemental for the three months ended 31 March 2022; (iii) in this Announcement; (iv) in any other public announcement made by, or on behalf of, Elemental in accordance with Canadian securities laws or on SEDAR; (v) in writing by or on behalf of Elemental to Altus (or its respective officers, employees, agents or advisers in their capacity as such); or (vi) in the virtual data room operated by or on behalf of Elemental in respect of the Merger;
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules made by the FCA and forming part of the FCA's handbook of rules and guidance, as amended from time to time;
"Effective"	in the context of the Merger: (i) if the Merger is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Merger is implemented by way of the Offer, the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;
"Effective Date"	the date on which the Scheme becomes Effective;
"Elemental"	Elemental Royalties Corp., a corporation continued from the federal jurisdiction of Canada into British Columbia pursuant to the Business Corporations Act (British Columbia) with its head and registered office located at 880-580 Hornby Street Vancouver, British Columbia, V6C 3B6, Canada;
"Elemental Board Adverse Recommendation Change"	<p>means the Elemental Directors:</p> <ul style="list-style-type: none"> (a) withdrawing (or modifying in any manner adverse to the Merger) the Elemental Recommendation; or (b) failing to include the Elemental Recommendation in this Announcement or the Elemental Information Circular;
"Elemental Directors"	the directors of Elemental at the date of this Announcement or, where the context so requires, the directors of Elemental from time to time;
"Elemental Group"	Elemental and its subsidiary undertakings and, where the context permits, each of them;
"Elemental Information Circular"	any circular (including all schedules, appendices and exhibits thereto)

	to be sent by Elemental to Elemental Shareholders in connection with the Elemental Special Meeting, including any amendments or supplements thereto;
"Elemental Recommendation"	means an unqualified and unanimous recommendation by the Elemental Directors to the Elemental Shareholders to vote in favour of the Elemental Shareholder Resolution;
"Elemental Shareholders"	the holders of Elemental Shares;
"Elemental Shareholder Resolution"	the resolution of the Elemental Shareholders approving, by simple majority of the Elemental Shares voted in person or by proxy at the Elemental Special Meeting, the issuance of the New Elemental Shares in accordance with the requirements of the TSX-V, including the issuance of New Elemental Shares to La Mancha Explorers, which will result in La Mancha Explorers becoming a new "Control Person" of Elemental within the meaning of TSX-V policies;
"Elemental Shares"	the issued and outstanding fully paid common shares of no par value in the capital of Elemental and any further such common shares which are issued before the Scheme becomes Effective;
"Elemental Share Plan"	The Elemental 2020 Incentive Compensation Plan;
"Elemental Special Meeting"	the special meeting, including any adjournments or postponements thereof, of the Elemental Shareholders to be held to consider and, if thought advisable, approve the Elemental Shareholder Resolution and any other business which may properly come before the meeting;
"Euroclear"	Euroclear UK & Ireland Limited (a company incorporated in England and Wales with registered number 02878738, being the operator of CREST);
"Excluded Shares"	any Altus Shares held by Altus in treasury; or beneficially owned by Elemental or any subsidiary undertaking of Elemental; in each case, immediately prior to the Scheme Record Time;
"Exclusivity Agreement"	has the meaning given to it in paragraph 9.2 of this Announcement;
"EUWA"	The European Union (Withdrawal) Act 2018;
"FCA"	the UK Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time);
"Gold Royalty"	Gold Royalty Corp.;
"ISIN"	International Securities Identification Number;
"La Mancha"	together, La Mancha Investments and La Mancha Explorers;
"La Mancha Explorers"	LMH Explorers S.à r.l.;
"La Mancha Holding"	La Mancha Holding S.à r.l.;
"La Mancha Investments"	La Mancha Investments S.à r.l.;
"La Mancha Strategic Investment Agreement"	the strategic investment agreement between (i) La Mancha Holding and (ii) Altus dated 4 December 2019 creating (among other thing) board appointment rights in respect of Altus in favour of La Mancha Holding;
"Last Practicable Date"	13 June 2022, being the last practicable date prior to publication of this Announcement;
"London Stock Exchange"	London Stock Exchange plc;
"Long Stop Date"	30 September 2022 or such later date as may be agreed in writing by Elemental and Altus (with the Panel's consent and as the Court may approve (if such approval(s) is or are required));
"Market Abuse Regulation"	the UK version of the Market Abuse Regulation (EU) No 596/2014, which came into effect on 1 January 2021 when the EU Market Abuse

	Regulation (EU) No 596/2014 was incorporated into UK domestic law by EUWA, with certain modifications;
"Merger"	the proposed acquisition of the entire issued and to be issued share capital of Altus by Elemental (but excluding any Altus Shares held by Altus as treasury shares) to be effected by the Scheme as described in this Announcement (or by the Offer under certain circumstances described in this Announcement);
"Merger Document"	means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Offer is (or is to be) implemented, the Offer Document;
"New Elemental Altus Group"	the enlarged group following the Merger comprising the Elemental Group and the Altus Group;
"New Elemental Shares"	the new Elemental Shares to be issued to Altus Shareholders in consideration for their Altus Shares pursuant to the Merger;
"Offer"	if, subject to the consent of the Panel, the Merger is implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the offer to be made by or on behalf of Elemental to acquire the entire issued and to be issued ordinary share capital of Altus, other than Altus Shares owned or controlled by the Elemental Group or its subsidiary undertakings and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
"Offer Document"	should the Merger be implemented by means of the Offer, the document to be published by or on behalf of Elemental in connection with the Offer, containing, <i>inter alia</i> , the terms and conditions of the Offer;
"Offer Period"	the Offer Period (as defined by the Takeover Code) relating to Altus commencing on the date of this Announcement and ending on the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Takeover Code;
"Overseas Shareholders"	Altus Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
"Panel"	the Panel on Takeovers and Mergers;
"Registrar of Companies"	the Registrar of Companies in England and Wales;
"Regulatory Information Service"	has the same meaning as in the AIM Rules;
"Replacement Award"	has the meaning given to it in paragraph 12 of this Announcement;
"Replacement Warrants"	has the meaning given to it in paragraph 12 of this Announcement;
"Restricted Jurisdiction"	any jurisdiction (excluding Canada, the United Kingdom and the United States) where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Altus Shareholders in that jurisdiction;
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Altus and Scheme Shareholders to implement the Merger, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Altus and Elemental;
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act 2006 and any adjournment, postponement or reconvening thereof;
"Scheme Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;

"Scheme Document"	the document to be dispatched to Altus Shareholders and persons with information rights setting out, among other things, the details of the Merger, an explanatory statement in accordance with section 897 of the Companies Act 2006, the full terms and conditions of the Scheme and containing the notices convening the Altus Court Meeting and the Altus General Meeting;
"Scheme Record Time"	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such other time as Altus and Elemental may agree;
"Scheme Shareholder"	a holder of Scheme Shares;
"Scheme Shares"	<p>(i) the Altus Shares in issue at the date of the Scheme Document;</p> <p>(ii) any Altus Shares issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</p> <p>(iii) any Altus Shares issued at or after the Scheme Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</p> <p>other than, in each case, Excluded Shares;</p>
"Scheme Voting Record Time"	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Altus Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day which is two days before the Altus Court Meeting or, if the Altus Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned Altus Court Meeting;
"SEDAR"	the System for Electronic Document Analysis and Retrieval, an electronic filing system for Canadian listed companies;
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital of such undertaking;
"South32"	South32 Royalty Investments Pty. Ltd.;
"South32 Investor Rights Agreement"	the investor rights agreement between (i) Elemental and (ii) South32 dated 8 February 2021;
"SP Angel"	SP Angel Corporate Finance LLP, nominated adviser and broker to Altus;
"Special Resolution"	the special resolution to be proposed at the Altus General Meeting for the purposes of (a) authorising the Altus Directors to take such action as they consider necessary to implement the Scheme; and (b) making the amendments to Altus's articles of association outlined in paragraph 14 of this Announcement and which must be passed by Altus Shareholders (to the extent permitted to vote pursuant to the Takeover Code, applicable law or the Court whose sanction is required for the Scheme) representing 75 per cent. or more of the votes cast (either in person or by proxy) at the Altus General Meeting;
"Takeover Code"	the City Code on Takeovers and Mergers of the UK issued by the Panel, as amended from time to time;
"TSX-V"	TSX Venture Exchange;
"UBS"	UBS AG London Branch, financial adviser to Altus;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US Exchange Act"	US Securities Exchange Act of 1934 (as amended), and the rules and regulations promulgated thereunder;
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
"Wider Altus Group"	Altus and its subsidiaries, subsidiary undertakings, associated

undertakings and any other body corporate, partnership, joint venture or person in which Altus and/or such subsidiaries or undertakings (aggregating their interests) have a Significant Interest (excluding, for the avoidance of doubt, La Mancha and all of its associated undertakings which are not members of the Altus Group.

"Wider Elemental Group"

Elemental and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Elemental and/or such subsidiaries or undertakings (aggregating their interests) have a Significant Interest; and

For the purposes of this Announcement:

- **"subsidiary"**, **"subsidiary undertaking"** and **"undertaking"** have the respective meanings given by the Companies Act 2006 and **"associated undertaking"** has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose);
- all references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or validly deriving therefrom;
- all references to time are to London time unless otherwise stated;
- all references to **"A\$"**, **"AUD"**, **"Australian Dollars"** or **"Australian cent"** are to the lawful currency of the Commonwealth of Australia;
- all references to **"C\$"**, **"CAD"**, **"Canadian Dollars"** or **"Canadian cent"** are to the lawful currency of Canada;
- all references to **"£"** and **"pence"** are to the lawful currency of the United Kingdom;
- all references to **"US\$"**, **"USD"**, **"US Dollars"** or **"US cent"** are to the lawful currency of the US; and
- references to the singular include the plural and vice versa.

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