Resource Company Report: Elemental Royalty Corporation

Report Date	August 11, 2026	**Company Type**	Royalty & Streaming (Gold-focused)
Company Name	Elemental Royalty Corporation	**Stock Symbol**	ELE (NASDAQ / TSX)
Price (USD)	~$15–19 range	**Market Cap (USD)**	~US$1.0–1.2 billion
Shares Outstanding	~64.4 million	**Dividend**	US$0.12/share annual (US$0.03 quarterly)
Primary Focus	Gold; selective copper/base metals	**Portfolio Scale**	~200+ royalties; ~18 cash-flowing
Major Shareholder	Tether (~32%)	**Key Catalyst**	Karlawinda expansion; revenue growth

1. Company Overview & Investment Thesis

Elemental Royalty Corporation (NASDAQ/TSX: ELE), formerly Elemental Altus Royalties Corp., is a mid-tier gold-focused royalty and streaming company formed through the strategic combination of Elemental Altus and EMX Royalty. The company holds more than 200 royalties across North America, South America, Australia, Europe and Africa, including approximately 18 cash-flowing assets and a pipeline of ~28 advanced development projects. Cornerstone producing interests include Caserones (copper-molybdenum, Chile), Karlawinda (gold, Australia), Timok–Cukaru Peki (copper-gold, Serbia) and development exposure at Laverton (gold, Australia). Market capitalization is approximately US$1.0–1.2 billion. Tether is a major shareholder (~32%). The company initiated a dividend in 2026 (US$0.12 per share annualized).

Investment Thesis: Elemental offers diversified gold-royalty exposure with selective large-scale copper assets, meaningful cash flow growth, and a large development pipeline. The merger with EMX expanded scale and geographic reach. Near-term catalysts include the Karlawinda expansion (commissioning targeted Q3 2026), rising contributions from a broader base of producing assets, and continued organic and acquisition-driven portfolio growth. Key risks include commodity-price sensitivity, operator performance, integration of the combined portfolio, and dilution from prior financings and the merger. Relative to the largest precious-metals royalty peers, Elemental is smaller but growing rapidly; relative to pure explorers, it has a producing revenue base and a formal dividend policy.

2. Mining and Development Projects

As a royalty company, Elemental does not operate mines and has no direct AISC. Value is derived from royalty and stream interests on producing, development and exploration assets. Portfolio contribution and revenue growth are the primary performance metrics.

2.1 Caserones (Copper-Molybdenum) – Producing

Location / Operator	Caserones, Chile; operator Lundin Mining
Metals / Royalty	Copper-Molybdenum; 1.304% NSR
Status	Producing cornerstone royalty
Key Metrics	Large-scale Chilean copper-molybdenum operation; long mine life
Contribution / Notes	Material contributor to cash flow; part of the diversified base-metals exposure
Outlook	Ongoing production; operator-driven optimisation and mine-life extension potential

2.2 Karlawinda (Gold) – Producing / Expanding

Location / Operator	Karlawinda, Western Australia; operator Capricorn Metals
Metals / Royalty	Gold; 2% NSR
Status	Producing; expansion commissioning targeted Q3 2026
Key Metrics	Reserves increased ~32% (recent operator update); expansion on track
Contribution / Notes	Key gold cash-flow asset; expansion expected to support higher future royalty revenue
Outlook	Expansion commissioning Q3 2026; reserve growth supports longer mine life and higher throughput

2.3 Timok – Cukaru Peki (Copper-Gold) – Producing

Location / Operator	Timok – Cukaru Peki, Serbia; operator Zijin Mining
Metals / Royalty	Copper-Gold; 0.3625% NSR
Status	Producing cornerstone royalty
Key Metrics	Large-scale Serbian copper-gold complex

Contribution / Notes	Material contributor; part of the broader cash-flowing portfolio
Outlook	Operator-driven production and potential expansion of the Timok complex

2.4 Laverton (Gold) – Development & Other Interests

Laverton (Western Australia; operator Genesis Minerals) is a development-stage gold royalty (2–4% GRR) that provides near-term growth optionality. The broader portfolio includes ~18 cash-flowing assets and more than 200 total royalties spanning gold, silver, copper and other metals across four continents. Advanced development projects (~28) offer additional medium-term revenue visibility. Exploration-stage royalties provide long-term optionality without material carrying cost.

3. Exploration & Development Activity

Growth is driven by (1) operator expansions at producing assets (notably Karlawinda), (2) advancement of development royalties such as Laverton, (3) organic royalty generation and (4) selective acquisitions. The 2025–2026 period included the transformative combination with EMX and a US$100 million private placement involving Tether. Near-term catalysts are the Karlawinda expansion commissioning, continued revenue growth from the enlarged producing base, and further portfolio additions. Elemental does not conduct its own mining operations; value creation is tied to operator performance and commodity prices.

4. Management and Board of Directors

Management

Name / Group	Title	Notes	Experience / Focus
Executive team	CEO / CFO / technical	Post-merger leadership	Royalty acquisition, portfolio management, capital markets; integration of Elemental Altus and EMX
Juan Sartori (Tether)	Executive Chairman context	Major shareholder representative	Tether representative; strategic capital and gold-linked initiatives

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of strategy, acquisitions, dividend policy and integration
Tether / major holders	~32% ownership	Supportive strategic shareholder; participated in US$100 m placement
Independent directors	Oversight	Mining, finance and capital-markets experience

The combined management and board oversee a significantly larger portfolio following the EMX combination. Tether's substantial ownership and capital support are a distinguishing feature relative to many mid-tier royalty peers.

5. Financial Information

Elemental generates revenue from a diversified portfolio of royalties. Q1 2026 revenue more than doubled year-over-year, supported by strong metal prices and a broader base of cash-flowing assets (including Bonikro, Karlawinda, Timok and Caserones). Trailing twelve-month revenue is in the ~US$50–60 million range depending on the period. The company holds a strong net cash / low-debt position and has initiated a quarterly dividend of US$0.03 per share (US$0.12 annualized). A US$100 million private placement and the EMX combination significantly expanded the balance sheet and share count.

Balance Sheet Summary (USD)

Line Item	Amount / Notes
Market capitalization	~US$1.0–1.2 billion
Enterprise value (approx.)	~US$0.9–1.15 billion (net cash position)
Cash / liquid assets (recent contexts)	~US$60 million range + equity investments
Debt	Minimal / not material; available facility capacity reported
Shares outstanding	~64.4 million

Income / Revenue Summary

Line Item	Amount / Notes
TTM / recent revenue	~US$50–60 million range (period-dependent)
Q1 2026 revenue	More than doubled YoY; broader producing base
2026E consensus revenue (context)	~US$80–90 million range (analyst estimates)
Dividend	US$0.12 per share annualized (US$0.03 quarterly); inaugural 2026
Dividend option	Eligible shareholders may elect Tether Gold (XAUT) in lieu of cash

Capital Structure Summary

Item	Value
Shares Outstanding	~64.4 million
Major holder	Tether ~32%
Debt	Minimal
Available facility	~US$200 million capacity (reported)
Market Capitalization	~US$1.0–1.2 billion

Investment Analysis Ratios

Ratio	Value	Notes
P/S (TTM approx.)	~15–22x range	Growth-stage royalty multiple
P/B (approx.)	~1.5–1.6x	Post-merger book value
Dividend yield	~0.6–0.8%	Inaugural policy; room to grow with cash flow
Net cash / EV	Net cash position	Low leverage vs many peers

6. Company Valuation

At a market capitalization of approximately US$1.0–1.2 billion, Elemental trades as a mid-tier gold-focused royalty company with a large portfolio, growing cash flow and a formal dividend. Valuation is typically framed on revenue/portfolio contribution multiples, NAV of the royalty portfolio, and peer comparisons to other diversified royalty vehicles.

Discounted NPV discussion: Royalty company valuations are commonly built from discounted cash-flow models of each producing and development interest using operator guidance, long-term commodity prices and appropriate discount rates, then aggregated and adjusted for corporate costs and net cash/debt. Key sensitivities for Elemental are gold and copper prices, operator production and expansion timelines (especially Karlawinda), the pace at which development royalties reach production, and the cost of capital. The EMX combination and Tether-supported financing expanded both the asset base and the share count; investors must assess the quality and duration of the combined cash-flow stream relative to the enlarged equity base. A practical framework is: (1) sum of producing-asset DCFs, (2) probability-weighted development royalties, (3) plus net cash, (4) compared with current enterprise value.

Merger & Acquisition Activity

Elemental has been an active consolidator, most notably through the combination with EMX Royalty and prior royalty acquisitions. No formal public takeover offer for Elemental itself has been announced. With a market capitalization above US$1 billion, a diversified portfolio and a supportive major shareholder (Tether), the company is more likely to remain a buyer of royalties than a near-term acquisition target, although larger royalty peers could theoretically express interest in the gold-heavy, multi-jurisdiction portfolio.

7. Risks

- Commodity price volatility (gold primary; copper secondary).
- Operator production, grade and cost performance (no direct operational control).
- Integration and realisation of synergies from the EMX combination.
- Dilution from prior financings and the merger share issuance.
- Development royalties may be delayed or not reach production as expected.
- Concentration in a subset of cornerstone assets for near-term cash flow.
- Currency and jurisdictional exposure across a global portfolio.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other mid-tier gold-focused and diversified royalty companies, Elemental Royalty is ranked **3**. The ranking reflects relatively lower risk within the royalty peer set: a large and geographically diversified portfolio (~200+ royalties, ~18 cash-flowing), a net cash balance sheet, an initiated dividend, cornerstone assets operated by established companies (Lundin, Capricorn, Zijin, Genesis), and a supportive major shareholder. Offsetting factors are the still-moderate absolute scale versus the largest royalty peers, integration risk following the EMX combination, and the inherent lack of operational control. Relative to single-asset developers or explorers, Elemental ranks substantially lower risk; relative to the largest, most mature precious-metals royalty companies, residual growth and integration risk remains. The net result is a risk ranking of 3.

Sources: Company website (elementalroyalty.com), 2026 Asset Royalty Handbook, Q1 2026 results / MD&A;, March 2026 corporate presentation, dividend announcements, and market data as of early August 2026.