

THE LA MANCHA FUND SUPPORTS THE ANNOUNCED MERGER OF EQUALS BETWEEN ALTUS STRATEGIES AND ELEMENTAL ROYALTIES

London, 17 June 2022 – La Mancha Fund SCSp (the “**Fund**”), a fund advised by La Mancha Capital Advisory LLP (“**La Mancha**”), entered irrevocable voting support agreements for the proposed merger of two of its portfolio companies Elemental Royalties Corp. (“**Elemental**”) and Altus Strategies plc (“**Altus**”) to form Elemental Altus Royalties Corp.

Elemental and Altus both have a track record of success in building portfolios of royalties, both through the discovery model championed by Altus, and through value-accretive acquisitions of producing royalties, which is a trademark of Elemental. These strategies were underpinned in each case by a talented management team.

If the merger completes, Elemental Altus Royalties Corp will boast a combined diversified portfolio of 11 producing assets with a focus on producing gold royalties / streams across 13 locations concentrated in tier-one mining jurisdictions, creating a global royalty company.

La Mancha believes that scale unlocks operational and strategic synergies, allows better access to capital and attracts the best talents on a sustainable basis. The merger between two of the Fund’s portfolio companies is representative of the Fund’s core strategy, which is to support its investments through optimising operations, asset development, and M&A.

Should the proposed merger complete on the terms proposed between the parties, the Fund would own 21.4% of the ordinary share capital of Elemental Altus Royalties Corp, which would be listed on the TSX-V.

Subject to and conditional upon completion of the merger, La Mancha Holding S.à r.l. and Altus have agreed to terminate the La Mancha Strategic Investment Agreement.

Karim Nasr, Managing Partner of La Mancha, commented:

“La Mancha has great confidence in the ability of the combined management team to continue delivering growth and returns. The merger brings together two talented groups of people with the right skill set to pursue organic growth in the royalty and discovery space, whilst benefiting from additional opportunities generated by greater scale. Combining royalty companies that are a good fit with one another provides scale and diversification, cost savings and a lower cost of capital, and so helps to accelerate future growth.”

“The opportunity for consolidation in the global mining industry and supporting great management teams is a key plank of La Mancha’s investment thesis. ”

La Mancha Group’s history of investment in Elemental and Altus

In February 2020, La Mancha Holding S.à r.l. completed a strategic investment of approximately US\$8.4 million in Altus, becoming a cornerstone shareholder owning approximately 35.4% of the company and appointing two La Mancha representatives to the Altus Board of Directors.

In April 2022, the Fund acquired a 9.3% shareholding in Elemental for approximately US\$8.5 million.

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About La Mancha Capital Advisory LLP

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

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

About La Mancha Fund SCSp

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

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