

VANCOUVER, Jan. 9, 2017 /CNW/ - Ely Gold & Minerals Inc. ("Ely Gold" or the "Company") (TSX-V: ELY, OTC: ELYGF) is pleased to announce its wholly-owned subsidiary, Nevada Select Royalty, Inc. ("Nevada Select") has executed a purchase agreement (the "Agreement") for the sale of its 100% owned Isabella property located in Mineral County, Nevada to Walker Lane Minerals Corporation, a wholly owned subsidiary of [Gold Resource Corp.](#) (NYSE MKT: GORO) (collectively "Gold Resource") for US\$460,000. Nevada Select will retain a net smelter royalty ("NSR") of 2.5% on the property. The claims, which were acquired by Nevada Select through staking in September 2016, will consolidate and eliminate many mine claim gaps along Gold Resource's Isabella Pearl mineralized trend. Closing of the Agreement (the "Closing") has received Securities Exchange Commission approval and is expected early this week.

Terms of the Agreement include:

- a total sale price of US\$460,000 to be paid, at Closing, as follows:
 - US\$100,000 cash;
 - US\$60,000 cash as a one-time advance royalty payment;
 - US\$300,000 in Gold Resource restricted common stock, which equated to 59,642 shares issued at the closing price on January 6, 2017 of \$5.03 per share;
- Nevada Select will retain a 2.5% NSR on 153 unpatented mining claims;
- Gold Resource will receive Isabella property deeds at Closing, and will own 100% of all 153 claims.

Terms of the NSR retained by Nevada Select include:

- a 2.5% NSR on 153 unpatented claims;
- Gold Resource has the option to buy-down 0.5% of the NSR for US\$500,000;
- The NSR will include a 2-mile area of interest ("AOI") on claims not already held by Gold Resource in their Isabella Pearl property package;
- The AOI royalty will be 2% and Gold Resource can buy-down 1% for US\$1,000,000.

The Isabella property covers an area of approximately 2700 acres consisting of 153 unpatented mining claims in central Nevada's Walker Lane Mineral Belt. The claims are all contiguous to Gold Resource's 341 Isabella Pearl claims which they acquired in August of 2016 from an unrelated party. Gold Resource has retained several engineering firms out of Reno Nevada for additional engineering work, and is finalizing the Company's in-house mine scheduling/capital expenditure requirement estimates for the project and the resubmittal of the Environmental Assessment (EA) to the BLM for a mining operations permit at Isabella Pearl.

Trey Wasser, President and CEO of Ely Gold stated, "We are extremely pleased to complete our second transaction with Gold Resource and we hope to continue this partnership as they expand their Nevada operations. The Isabella claims were staked in September 2016 by Nevada Select. This transaction allows Gold Resource to consolidate properties along a very exciting mineralized trend in Nevada. The Isabella property adds an extremely valuable asset to our royalty portfolio"

About Ely Gold

Ely Gold is focused on developing recurring cash flow streams through the acquisition, consolidation, enhancement, and resale of highly prospective, un-encumbered North American precious metals properties. Ely's property development efforts maximize each property's potential for acquisition, while reserving significant royalty interests. Additional information about Ely Gold is available at the Company's website, at www.elygoldinc.com

Stephen Kenwood, P. Geo, is director of the Company and a Qualified Person as defined by NI 43-101. Mr. Kenwood has reviewed and approved the technical information in this press release.

On Behalf of the Board of Directors

Trey Wasser, President & CEO

Forward-Looking Statements

This news release contains statements concerning Ely Gold and Mineral's acquisition, development, and marketing of North American precious metal resource properties and the Company's intent to sell or option portfolio properties, while reserving any royalties. Such forward-looking statements or information are based on a number of assumptions, which may prove to be incorrect.

Although Ely Gold and Minerals' believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance

that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to, risks associated with geological, geometrical and geophysical interpretation and analysis, the ability of the Company to obtain financing, equipment, supplies and qualified personnel necessary to carry on exploration, exploitation or acquisition of properties and the general risks and uncertainties involved in mineral exploration and analysis.

The forward-looking statements or information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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.

SOURCE Ely Gold & Minerals Inc.

Contact
trey@elygoldinc.com, 972-803-3087; ir@elygoldinc.com, 604-488-1184