

Ely Gold Royalties Announces Purchase of Lincoln Hill Royalty

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Vancouver, British Columbia--(Newsfile Corp. - April 24, 2019) - Ely Gold Royalties Inc. (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold") is pleased to announce that it has entered into a binding letter agreement (the "Transaction") with a private individual ("the Seller") whereby Ely Gold, through its wholly-owned subsidiary Nevada Select Royalty, Inc. ("Nevada Select"), a Nevada corporation, will acquire 100% of all rights and interests to a 1.00% (one percent) NSR royalty (the "Lincoln Hill Royalty") on the Lincoln Hill Property, operated by [Coeur Mining Inc.](#) ("Coeur"). Lincoln Hill is located in Pershing County, Nevada. Closing of the Transaction is subject to certain conditions precedent, including approval of the Transaction by the TSX-V (the "Closing"). Closing is expected on or about June 1, 2019.

Overview of Lincoln Hill

The Lincoln Hill Project is adjacent to Coeur's Rochester open-pit, heap leach mine, providing significant operational synergies for Coeur. The the royalty covers ninety-seven (97) unpatented claims and one (1) patented lode claim (the "Royalty Property") (See Figure 2). According to a Preliminary Economic Assessment, published by [Rye Patch Gold Corp.](#) on October 2, 2014, Lincoln Hill has a measured and indicated oxide resource totaling 285,000 ounces of gold and 7.3 million ounces of silver contained in 23.4 million tonnes of mineralized material, as well as an additional 74,000 ounces of gold and 2.2 million ounces of silver in inferred oxide resources (See Figure 1). The report was filed on SEDAR on October 6, 2014 and demonstrates that the majority of the resources is located on the Royalty Property.

<https://sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00025188&issuerType=03&projectNo=02212216&doc>

Trey Wasser, President and CEO of Ely Gold commented on the Transaction, "We are very pleased to add another high-quality royalty to our asset portfolio. The Lincoln Hill Royalty fits our strategy of purchasing or originating royalties, at or near producing mines, with quality operators. As Coeur moves toward the permitting of the new Stage VI leach pad at Rochester, the higher grade Lincoln Hill ore will be in very close proximity. This Royalty represents the kind of catalyst for growth we are focused on as we grow our royalty portfolio. We look forward to delivering more news on the Lincoln Hill Property, and permitting progress by Coeur, in the near future."

Coeur's acquisition of Lincoln Hill

Coeur purchased the Lincoln Hill Property, as part of a larger property package, from [Alio Gold Inc.](#) ("Alio"), in October 2018. It was the subject of a press release dated October 16, 2018 (the "Coeur Press Release") Alio acquired the property package in its 2018 acquisition of [Rye Patch Gold Corp.](#) The Lincoln Hill Property package also includes 23 unpatented claims known as the Rosal Claims. Ely Gold currently holds a 1.5% NSR on the Rosal Claims (See Figure 2.)

According to the Coeur press release, the acquisition offered, in part, the following synergies with Rochester:

- Lincoln Hill average gold resource grade is more than four-times higher than Rochester's current grade
- Lincoln Hill is expected to become a source of higher-grade, low-cost production capable of bolstering future cash flow and further extending Rochester's mine life
- Consistent with Coeur's strategy of growing its production and cash flow with the addition of low- risk, high-quality and high-return asset

The Transaction

Ely Gold will pay the Seller a total of \$750,000 payable as follows:

- \$400,000 at Closing
- \$350,000 payable on January 10, 2020

The 2020 payment will accrue simple interest at 5% and be secured by the Lincoln Hill Royalty. In addition, Ely Gold will issue the Seller 500,000 common stock purchase warrants. Each full warrant will allow the Seller to purchase one share of Ely Gold common stock at CAN\$0.17 for 2 years from the closing date.

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.

About Ely Gold Royalties Inc.

[Ely Gold Royalties Inc.](#) is a Vancouver-based, emerging royalty company with development assets focused in Nevada and Quebec. Its current portfolio includes 32 Deeded Royalties and 19 properties optioned to third parties. Ely Gold's royalty portfolio includes producing royalties, fully-permitted mines and development projects that are at or near producing mines. The Company is actively seeking opportunities to purchase existing third-party royalties for its portfolio, and all the Company's Option Properties are expected to produce royalties, if exercised. The royalty and option portfolios are currently generating significant revenue. Ely Gold is well positioned with its current portfolio of over 20 available properties to generate additional operating revenue through option and sale transactions. The Company has a proven track record of maximizing the value of its properties through claim consolidation and advancement using its extensive, proprietary data base. All portfolio properties are sold or optioned on a 100% basis, while the Company retains net smelter royalty interests. Management believes that due to the Company's ability to generate royalty transactions, its successful strategy of organically creating royalties, its equity portfolio and its current low valuation, Ely Gold offers shareholders a low-risk leverage to the current price of gold and low-cost access to long-term mineral royalties.

On Behalf of the Board of Directors
Signed "Trey Wasser"
Trey Wasser, President & CEO

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Forward-looking Statement Caution:

This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding the Company's acquisition of the Lincoln Hill 1% Royalty relating to Coeur's Lincoln Hill Mine Property, Coeur's stated plans for further near-term exploration and development of the Lincoln Hill Property, and the Company's outlook for the expected performance of its royalty and option portfolios. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent

required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the risk of accidents and other risks associated with Coeur's mineral exploration, development and extraction operations, the risk that Coeur will encounter unanticipated geological factors, or the possibility that Coeur may not be able to secure permitting and other governmental clearances, necessary to carry out its stated plans for the Lincoln Hill Property, the risk of unknown title defects that could impair the Company's inability to enforce the Lincoln Hill 1% Royalty, and the risk of political uncertainties and regulatory or legal disputes or changes in the jurisdictions where the Company carries on its business that might interfere with the Company's business and prospects. The reader is urged to refer to the Company's reports, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com for a more complete discussion of such risk factors and their potential effects.

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Figure 1
Lincoln Hill Resource Estimates

Lincoln Hill Measured & Indicated Resources (Metric Measurements)

	Cutoff Grade (g/t)	Tonnes Grade (000)	Measured		Indicated	
			Tonnes Grade (000)	Silver	Tonnes Grade (000)	Silver
					Gold	Silver
Oxide	0.10	3,805	11,347	19,673	0.35	234 5,914
Sulfide	0.20	406	5,427	5,427	0.51	172 2,741
Total		4,211	16,774	25,100	0.83	306 8,655

Lincoln Hill Inferred Resources (Metric Measurement)

	Cutoff Grade (g/t)	Tonnes Grade (000)	Inferred			
			Gold	Silver	Gold	Silver
Oxide	0.10	8,802	0.26	7.87	74	2,227
Sulfide	0.20	12,020	0.47	15.36	182	5,936
Total		20,822	0.38	12.19	255	8,163

Figure 2

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/4181/44278_c213c38d4425aa17_002full.jpg

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