

# Ely Gold Royalties Signs Much Anticipated Option Agreement with Contact Gold

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Green Springs Gold Project to Include 220 Unpatented Mining Claims of Past Producing Gold Mine That Netted 72,000 Ounces

Vancouver, July 24, 2019 - Ely Gold Royalties Inc. through its wholly owned subsidiary DHI Minerals (U.S.) Ltd (TSXV: ELY) (OTCQB: ELYGF) (collectively "Ely Gold" or the "Company") is pleased to announce that it has signed a purchase option agreement with [Contact Gold Corp.](#) and its U.S. operating entity, Clover Nevada II LLC (collectively "Contact Gold") to acquire an undivided 100% interest in the past-producing Green Springs gold project, located in White Pine County, Nevada (the "Purchase Option").

The Green Springs property consists of 218 unpatented mining claims owned by Ely Gold and 2 leased unpatented mining claims. The Purchase Option includes an assignment of the leased claims. The Green Springs property hosts a past-producing heap-leach gold mine that produced 72,000 ounces of gold from a series of shallow pits, less than 100 meters deep, at an average grade of 2.32 g/t Au in the late 1980's for US Minerals Exploration. The property hosts a widespread and shallow Carlin-type gold system, hosted within Mississippian rocks of the Chainman and Joanna limestone formations, associated with de-carbonatization, silicification, jasperoid development, and typical pathfinder elements including Arsenic, Antimony, Mercury, and Thallium. Green Springs is an early stage exploration property and does not contain any mineral resource estimates as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101").

Summary Terms of Agreement:

To acquire a 100% interest in the Green Springs project Contact Gold shall make the following payments and share consideration:

- 2,000,000 common shares of Contact Gold, US\$25,000, and the reimbursement of prepaid claims fees relating to Green Springs upon entry into the Purchase Option (the "Closing")
- US\$50,000 on the first anniversary of the Purchase Option
- US\$50,000 on the second anniversary of the Purchase Option
- US\$50,000 on the third anniversary of the Purchase Option
- US\$100,000 on the fourth and final anniversary of the Purchase Option

Anniversary payment amounts may be made in cash or in Contact Gold's common shares at Contact Gold's election. Payment of all amounts can be accelerated and completed at any time. One million of the shares issued at Closing will be restricted for 24 months. The issuance of all common shares is subject to statutory hold periods pursuant to U.S. and Canadian securities regulations, and conditional upon the approval of any required governmental or regulatory authority, including the TSX Venture Exchange (the "TSXV").

Ely Gold will retain a 1% net smelter royalty on 76 core claims and a 0.75% royalty on the 2 leased claims. There is no buy-down provision to the royalties.

The transaction, and the issuance of Contact Gold's common shares pursuant to the Purchase Option Agreement are subject to acceptance by the TSXV.

Trey Wasser, Ely Gold's President & CEO commented, "We are pleased to add another high-quality exploration partner to our option portfolio. With the recent strength in gold prices and gold stocks, this will be an excellent asset addition to our equity portfolio."

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 33 Deeded Royalties and 20 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 agreements. 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 royalty interests. Management believes that due to the Company's ability to generate third-party royalty agreements, 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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Caution: This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding the timing of the Purchase Option, the required Exchange acceptance of the presently proposed transactions, the future exercise of options on the Company's properties, the ability of the Company to generate and acquire new royalty interests, the Company's prospects for future revenue generation, management's assessment of the risks associated with the Company's business and stated plans for further near-term exploration and development of the Company's properties. 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 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 mineral exploration, development and extraction operations, the risk that its partners will encounter unanticipated geological factors, or the possibility that they may not be able to secure permitting and other governmental clearances, necessary to carry out their stated plans for the Company's properties, the Company's inability to secure the required Exchange acceptance required for the Purchase Option, 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](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effect.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold

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