

# Ely Gold Royalties Acquires Key Nevada Royalty Portfolio

28.02.2020 | [Newsfile](#)

## Package Includes Five Important Royalties and Leases on Known Mineral Deposits at the Goldstrike and Marigold Mines

Vancouver, February 28, 2020 - [Ely Gold Royalties Inc.](#) (TSXV: ELY) (OTCQB: ELYGF) (FSE: A2JSL0) ("Ely Gold" or the "Company") is pleased to announce that it has entered into an agreement (the "Agreement") with VEK Associates, a privately held Nevada corporation ("VEK" or "VEK Associates") whereby Ely Gold will acquire 100% of the outstanding shares of VEK for cash consideration of US\$5,000,000, plus 2,005,164 Ely Gold share purchase warrants, each exercisable over a 24-month term to purchase one Ely Gold common share at an exercise price of CAD\$0.62 per share (the "Warrants"). The acquisition is expected to complete by May 1, 2020 and remains subject to certain closing requirements and approvals including TSX-V approval.

### The Agreement

Pursuant to the Agreement, Ely Gold will purchase 100% of the outstanding shares of VEK Associates, making VEK a wholly-owned subsidiary of Ely Gold. VEK currently has 13,734 outstanding shares; each of VEK's shareholders, all of whom are arm's length to Ely Gold, will receive cash consideration of US\$364.06 and 146 Warrants per VEK share. VEK's principal assets are made up of the five royalty properties and leases, together with VEK's database, all as described in greater detail below.

### VEK Associates

VEK was formed in 1982 by the US Geological Survey geologist, Ralph J. Roberts. Mr. Roberts is credited with the discovery of the Carlin and Battle Mountain Gold Belts, which today comprise the richest gold-mining region in Nevada and one of the richest in the world. Roberts and two well-known associates, Victor E. Kral and William Andrus, joined forces to form VEK/Andrus Associates, a Nevada general partnership ("VEK/Andrus") over 35 years ago. While the VEK/Andrus team staked a number of properties over the years, today VEK/Andrus holds five properties, all of which are currently leased (the "Leases"). Four of the Leases are with Nevada Gold Mines JV (Barrick 61.5%/Newmont 31.5%) and the other Lease is with SSR Mining Inc. VEK owns 50% of VEK/Andrus, the remaining 50% being owned by the heirs of William Andrus. All of the Leases, discussed in greater detail below, pay advance minimum royalty payments and carry a 3.0% net smelter returns royalty with no buydowns.

### REN Property- currently leased to Nevada Gold Mines

The REN Property consists of 86 contiguous unpatented lode mining claims covering 7.4 square kilometres of the Northern Carlin Trend. REN is centered along the northern Carlin Trend and has gold mining operations surrounding the property. The Goldstrike and Meikle Mines are within two kilometers of the southern boundary of the property, the Bootstrap/South Arturo and the Dee mines wrap around the REN Property to the west and north. The REN Property is contiguous to the Banshee Mine within the Goldstrike Complex. At the Meikle, Goldstrike and Deep Post deposits, the Post fault is recognized as a potential control fault for high-grade gold mineralization within the northern Carlin Trend. Mineralization hosted on adjacent and/or nearby projects is not necessarily indicative of the mineralization hosted on the Company's properties. The Post Fault, on the REN Property, has not been explored for 1.4 kilometers starting at the southern end of the property. With its orientation on the Post Fault, REN has the potential to host a mineralized deposit within the Devonian-age Popovich limestone along the footwall of the Post Fault.

### Marigold Property- currently leased to SSR Mining

The Marigold Property consists of 205 unpatented lode mining claims covering 7.8 square kilometres within

the SSR Mining operation on the Battle Mountain-Eureka trend. SSR Mining has three resources outlined within VEK/Andrus claims at Marigold. The areas are 8N, 8D and 8 South Extension. In a 43-101 technical report on the Marigold Mine, dated effective December 31, 2017 and released July 31, 2018, SSR Mining highlighted drill results in the following areas within their current mine expansion exploration:

- 8D & 8N (aka H1): Drill hole MR6045 intersected 164.6 meters grading 1.67 g/t gold.
- 8 South Extension: Drill hole MR6034 intersected 91.4 meters grading 2.48 g/t gold.

A qualified person has not completed sufficient work to be able to verify SSR Mining's drill data.

Lone Tree Property- currently leased to Nevada Gold Mines

The Lone Tree Property consists of 38 unpatented lode mining claims covering 3.2 square kilometres along the Battle Mountain-Eureka trend in sections 13,14,23 and 24 Township 34N and 36N, Range 42E in Humboldt County, Nevada. This property was generated by VEKA by plotting gravity trends extending northerly from the Lone Tree gold deposit. The trends have identified horst in the subsurface alluvium. The potential for additional discoveries between Lone Tree and Chimney Creek is excellent on these VEKA claims.

Pinson Property- currently leased to Nevada Gold Mines

The Pinson Property consists of 53 unpatented lode mining claims covering 4.4 square kilometres along the Osgood Mountain trend in sections 4, 8 and 16, Township 37N, Range 42E, in Humboldt County, Nevada. This property was generated by VEKA using geologic mapping along structures from the existing Pinson and Mag deposits. Surface mapping revealed hydrothermally altered limestone host rocks that could be projected into the VEKA claims.

Carlin Trend Property- currently leased to Nevada Gold Mines

The Carlin trend Property consists of 84 unpatented lode mining claims covering 7.0 square kilometres along the Carlin Trend in sections 1, 2, 3, 10, 11, 12, 20, 21, 28, 34 and 35 Township 35N and 36N, Range 49E and 50 in Eureka County, Nevada. These claims were staked in the early days of the Carlin discovery and are scattered along the Carlin Trend. They represent many targets identified by Roberts and the VEKA team and have seen very little modern exploration.

VEK Associates Data

In addition to the 50% interest in VEK/Andrus, Ely Gold will be purchasing the entire database generated by Ralph Roberts and the VEK/Andrus team.

VEK/Andrus Advance Royalty Payments

The 2019 advance royalty payments provided in the Leases to VEK/Andrus were as follows:

Property	Payments (in US\$; 50% to VEK Associates 2019)
REN	US\$458,712
Marigold	\$313,178
Lone Tree	\$15,000
Pinson	\$21,780

Carlin Trend \$43,560

Total US\$852,730

All of the Leases with the exception of Lone Tree, have inflation adjustment clauses associated with the payments, and all the Leases carry a 3.0% net smelter returns royalty (50% to VEK Associates).

Jerry Baughman, President of Nevada Select commented, The REN Property is located on one of the most prolific gold belts in the world and with its close proximity to infrastructure and a strong operating partner in Nevada Gold Mines, provides an excellent royalty value to Ely Gold. Combining Ely Gold's existing extensive geological data base and knowledge with the VEK data base will create an incredible asset for property identification and development. Ely Gold's Management Team is very excited about this property package, its royalty generation capability and future potential.

Trey Wasser, President & CEO of Ely Gold stated, "While our Fenelon Royalty continues to expand and excite the market, this royalty package has the potential to be of equal or more value to our rapidly growing royalty portfolio and to increase long-term shareholder value."

#### Qualified Person

Stephen Kenwood, P. Geo, is a 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, junior royalty company with development assets focused in Nevada and Quebec. Its current portfolio includes 37 Deeded Royalties and 23 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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**FORWARD-LOOKING CAUTIONS:** This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding the VEK royalty portfolio and

its current Fenelon royalty, including future mineral production prospects and royalty revenue gains, and Company plans for acquisitions of additional royalty interests. These matters are subject to certain risks and uncertainties. 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 risks of declining precious metals prices, failure of projects in which the Company has an interest may underperform current management forecasts, the Company may not be able to identify suitable new royalty acquisitions, and the 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.

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