

Ely Gold Royalties Increases Royalty at Lincoln Hill

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Bureau of Land Management Approves Expansion of Coeur Mining's Rochester and Packard Mines, Nevada

Vancouver, July 21, 2020 - [Ely Gold Royalties Inc.](#) (TSXV: ELY) (OTCQX: ELYGF) ("Ely Gold" or the "Company") 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 an additional one percent (1.00%) net smelter returns royalty ("NSR") on the Lincoln Hill Property, located in Pershing County, Nevada (the "Lincoln Hill Royalty"), operated by Coeur Mining Inc. ("Coeur") (NYSE: CDE). Closing of the Transaction is subject to certain conditions precedent, including approval of the Transaction by the TSX-Venture Exchange (the "Closing"). Closing is expected on or about September 1, 2020.

With this transaction, Ely Gold increases its Lincoln Hill Royalty to a two percent (2%) NSR. Lincoln Hill is considered one of Ely Gold's most important assets ("Key Assets"). Coeur received Project Record of Decision for the Plan of Operations that includes the new 300 million-ton Stage VI leach pad at the Rochester Mine ("Rochester"). The Final Environmental Impact Statement analyzing the environmental effects of the proposed expansion of the Rochester and Packard Mines, was published in the Federal Register Feb. 24, 2020 (see Figure 1).

Trey Wasser, President and CEO of Ely Gold commented on the Transaction, "We are very pleased to add another 1% NSR on the Lincoln Hill Royalty to our royalty portfolio. Purchasing additional royalties on our Key Assets is a critical part of our near-term growth strategy at Ely Gold. With permitting completed on the leach pad expansion, the higher gold grade Lincoln Hill ore will be in very close proximity to the operations and should extend the life of mine at Rochester. We look forward to delivering more news as Coeur is now undertaking confirmation drilling at Lincoln Hill."

Overview of Lincoln Hill

In Hill is adjacent to the Rochester open-pit, heap leach mine, providing significant operational synergies for Coeur (See Figure 2). The Lincoln Hill Royalty covers ninety-seven (97) unpatented claims and one (1) patented lode claim. Coeur purchased the Lincoln Hill Property, as part of a larger property package, from Alio Gold Inc., in October 2018. The purchase was announced in a press release dated October 16, 2018 (the "Coeur Press Release").

The Lincoln Hill property package also includes 23 unpatented claims known as the Rosal Claims ("Rosal"), where Ely Gold currently holds a 1.5% NSR and is included with 22 other properties that make up Ely Gold's Development Assets. Development Assets are simply defined as properties "at or near" producing mines increasing the chance for the royalty to be productive.

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; and
- 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 \$1,000,000 payable as follows:

- \$500,000 at Closing
- \$500,000 payable on January 10, 2021

The 2021 payment will accrue simple interest at 5% and be secured by the Lincoln Hill Royalty. In addition, Ely Gold will issue to the Seller 1,000,000 common stock purchase warrants. Each full warrant will allow the Seller to purchase one share of Ely Gold common stock at CAN\$1.69 for two years from Closing.

Figure 1

<https://www.blm.gov/press-release/blm-approves-expansion-coeur-rochester-and-packard-mine>

Figure 2

To view an enhanced version of this graphic, please visit:

https://orders.newsfilecorp.com/files/4181/60192_1a49f95a34317904_002full.jpg

Qualified Person

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 Nevada focused gold royalty company. Its current portfolio includes royalties on the Jerritt Canyon, Goldstrike and Marigold, three of Nevada's largest gold mines, as well as the Fenelon mine in Quebec, operated by Wallbridge Mining. The Company continues to actively seek opportunities to purchase producing or near-term producing royalties. Ely Gold also generates development royalties through property sales on projects that are located at or near producing mines. Management believes that due to the Company's ability to locate and purchase third-party royalties, its strategy of organically creating royalties and its gold focus, Ely Gold offers shareholders a favourable leverage to gold prices and low-cost access to long-term gold royalties in safe mining jurisdictions.

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, but not limited to, statements regarding completion of the Transaction. 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 Company's inability to control whether the buy-down right will ever be exercised, and whether the right of first refusal will ever be triggered, uncertainty as to whether any mining will occur on the property covered by the Probe Royalty such that the Company will receive any payment therefrom, and the general risks and uncertainties relating to the mineral exploration, development and production business. 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 effect.

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/60192>

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