Ely Gold Royalties Purchases Cote Project Gold Royalty, Ontario

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IAMGOLD Watershed Property Surrounds Cote Gold Deposit

Vancouver, Sept. 29, 2020 - Ely Gold Royalties Inc. (TSXV: ELY) (OTCQX: ELYGF) ("Ely Gold" or the "Company") has agreed to purchase, a 1% net smelter returns royalty (the "Watershed Royalty") from Sanatana Resources Inc. ("Sanatana").

The Watershed Royalty was granted to Sanatana in connection with an Asset Purchase Agreement between the Company and Trelawney Augen Acquisition Corp., now IAMGOLD Corporation ("IAMGOLD"), dated January 12, 2016, (the "Purchase Agreement") whereby IAMGOLD acquired a 100% interest in 46 mining claims in Chester and Yeo Counties, Ontario (the "Watershed Property"). The Watershed Property surrounds the Coté Gold Project which is a joint venture between IAMGOLD and Sumitomo Metal Mining Company. Part of the Watershed Claims are included in the November 1, 2018 Feasibility Study and the balance of the claims completely surround the Coté Gold Project (see Figure 1).

The Transaction
Sanatana will sell the Watershed Royalty to Ely Gold for total consideration of $3,000,000 to be comprised of $2,500,000 in cash and 1,000,000 Ely Gold warrants (the "Ely Warrants") with an approximate value of $500,000. The Ely Warrants have a five-year term and will have an exercise price of C$1.31. Securities issued under the Ely Warrants will be subject to a four-month hold period. The completion of the Royalty Sale is subject to: (i) receipt by Sanatana of a waiver from IAMGOLD of its right of first refusal as provided in Watershed Royalty ("ROFR"); (ii) the negotiation of a definitive agreement; and (iii) applicable approval of the TSX Venture Exchange (the "TSX-V"). The parties have also agreed to a 90-day period of exclusivity with respect to this Transaction. In the event IAMGOLD exercises the ROFR, Sanatana will pay a break fee of $500,000 to Ely Gold.

Purchase Agreement Assignment
Sanatana and Ely Gold have also signed a term sheet (the "Term Sheet") whereby Sanatana has agreed to (i) assign its rights and interest in the Purchase Agreement to Ely Gold (the "Assignment") for $10,000, and (ii) Ely Gold will participate for $500,000 in Sanatana common shares (the "Common Shares") through a non-brokered private placement (the "Private Placement").

The Purchase Agreement provides for certain deferred payments as follows:

- $1,500,000 upon a production decision by IAMGOLD on the Watershed Property; and
- $1,500,000 upon the commencement of commercial production by IAMGOLD on the Watershed Property (together, the "Deferred Payments").

In the event that IAMGOLD exercises the ROFR and either of the Deferred Payments are made to Ely Gold, it will pay 50% of any such Deferred Payments to Sanatana.

Figure 1

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/4181/64764_87980aa3540a6a54_001full.jpg

Private Placement
In connection with the Assignment, Sanatana is announcing a non-brokered private placement (the "Private Placement") of $500,000 in Sanatana common shares (the "Common Shares") to be purchased by Ely Gold at a price of C$0.30 per Common Share. The proceeds from the Private Placement are expected to be used by the Company for a drone based magnetic survey and an initial drilling program at the Gold Rush property.

Securities issued under the Private Placement will be subject to a four-month hold period which will expire four months and one day from the date of closing of the Private Placement.

The completion of the Assignment and the Private Placement are subject to the negotiation of definitive transaction documentation and applicable approvals from the TSXV.

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 at 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.

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