

# Ely Gold Royalties Announces Purchase of Additional of Fenelon Royalty

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Vancouver, April 18, 2019 - Ely Gold Royalties Inc. (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold" or the "Company") is pleased to announce that it has entered into an assignment agreement (the "Agreement") with an arm's length third party (the "Seller") pursuant to which Ely Gold has acquired a 100% interest in a 2% (two percent) net smelter returns royalty (the "Fenelon 2% Royalty") on the Fenelon Mine Property, operated by [Wallbridge Mining Company Ltd.](#) ("Wallbridge"), and located in west-central, Quebec. The Fenelon 2% Royalty is an addition to the 1% net smelter royalty on the Fenelon Mine Property recently acquired from [Balmoral Resources Ltd.](#) as announced in the Company's news release dated October 10, 2018.

The Fenelon 2% Royalty was created pursuant to an Exploration Agreement dated Oct 31, 1986 by a predecessor company of the Seller. Under the Agreement Ely Gold acquired the Fenelon 2% Royalty for cash consideration of CAN\$600,000. The closing date of the transaction was April 15, 2019. In connection with the Agreement, Ely Gold has received all documentation to support the validity and ownership of its newly-acquired Fenelon 2% Royalty.

Trey Wasser, President and CEO of Ely Gold commented on the Transaction, "We are very pleased to add another royalty on the exciting Fenelon Property to our asset portfolio. The Fenelon Mine Property is demonstrating remarkable grades in minable intercepts and the project operator has indicated its belief that the resource has significant potential for increased resources. This has become a very high-profile project and we look forward to delivering more news on the Fenelon Property and this new royalty in the near future."

## The Fenelon Property

The 1,052 hectare Fenelon Mine Property hosts the Discovery Gold deposit and surrounding four km strike length of a gold-bearing shear corridor. Wallbridge initiated work on Fenelon in late 2016 and completed a surface drill program of 33 drill holes totaling 6,348 metres in 2017. Results from that program confirmed the high-grade nature of the near surface mineralization at Fenelon and led the identification of new zones of mineralization proximal to the existing mine workings established in 2004. Highlights from Wallbridge's 2017 drill program disclosures include:

- FA-17-07 intersected three zones including 141.16 g/t gold over 7.06 metres in the Viper Zone
- FA-17-17 intersected four zones including 311.08 g/t gold over 3.06 metres in the Viper Zone
- FA-17-26 intersected two zones including 260.44 g/t gold over 7.02 metres in the Viper Zone
- FA-17-27 intersected 80.42 g/t gold over 4.73 metres in the recently discovered Habanero Zone

In early 2018, Wallbridge received permits to proceed on underground work at Fenelon, including dewatering existing workings, advancing ramp and level development for collecting a 35,000 tonne bulk sample and to provide cash flow and access for underground drilling. The bulk sample program is designed to mine selected stopes in several zones, across six levels (see Figure #1). Wallbridge also reports that the cash flow from its bulk sample program will fund the 2019 underground and surface drill programs. Production from five stopes along with low grade ore from a 2004 bulk sample was processed at the Camflo mill from September 2018 to January 31, 2019. Wallbridge included the historical low-grade ore as part of the first mill run to help optimize milling performance; this initial work enabled the next mill runs to achieve recoveries of more than 98%. As of February 25, 2019, approximately 25,000 tonnes of ore with a reconciled average grade of 18.19 g/t gold containing close to 14,700 ounces of gold has been processed at the Camflo Mill in four separate mill runs.

Wallbridge drilled over 10,000 metres in 90 holes from underground in 2018. Highlights include:

- 18-1035-019 intersected 137.62 g/t gold over 4.85 metres in the Viper Zone

- 18-1035-005 intersected 48.81 g/t gold over 6.13 metres in the Viper Zone
- 18-1035-017 intersected 50.31 g/t gold over 10.13 metres in the Chipotle Zone
- 18-1035-013 intersected 144.96 g/t gold over 2.12 metres in the Chipotle Zone
- 18-0990-011 intersected 74.90 g/t gold over 5.66 metres in the Habanero Zone
- 18-0990-007 intersected 122.35 g/t gold over 2.95 metres in the Habanero Zone
- 18-0990-010 intersected 41.02 g/t gold over 5.52 metres in the Habanero Zone
- 18-5175-021 intersected 144.77 g/t gold over 6.10 metres in the Habanero Zone

Wallbridge also drilled 17 holes from surface totaling about 5,800 metres. Of significance from this set of holes was the discovery of a new gold mineralized zone about 300 metres southwest of the main Fenelon deposit, including 12.70 g/t gold over 2.71 metres within a wider interval of 3.93 g/t gold over 9.96 metres in hole FA-18-051. The 2019 underground resource drilling will initially be carried out from the recently established 5130 level (~125 metres depth) and will target the main high-grade shoots down-plunge to 200 metres depth (see Figure #2).

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

[Ely Gold Royalties Inc.](#) is a Vancouver-based, emerging royalty company with development assets focused in Nevada and Quebec. Its current portfolio includes 31 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 Fenelon 2% Royalty relating to Wallbridge's Fenelon Mine Property, Wallbridge's stated plans for further near-term exploration and development of the Fenelon Mine 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 Wallbridge's mineral exploration, development and extraction operations, the risk that Wallbridge will encounter unanticipated geological factors, or the possibility that Wallbridge may not be able to secure permitting and other governmental clearances, necessary to carry out its stated plans for the Fenelon Mine Property, the risk of unknown title defects that could impair the Company's inability to enforce the Fenelon 2% 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](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effects.

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Figure #1

Fenlon Property- Bulk Sample Mine Development

To view an enhanced version of Figure 1, please visit:

[https://orders.newsfilecorp.com/files/4181/44173\\_65eafe44447978be\\_001full.jpg](https://orders.newsfilecorp.com/files/4181/44173_65eafe44447978be_001full.jpg)

Figure #2

Fenlon Property- 2019 Resource Expansion

To view an enhanced version of Figure 2, please visit:

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