

Ely Gold Royalties Announces C\$6.0 Million Line of Credit Agreement with Eric Sprott

17.10.2019 | [Newsfile](#)

Funds to be used for Royalty Acquisitions and Long-Term Capital Management

Vancouver, October 17, 2019 - Ely Gold Royalties Inc. (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold") or the ("Company") is pleased to announce that it has reached a mutual agreement (the "Agreement") with Eric Sprott ("Sprott") whereby Sprott will provide Ely Gold with a C\$6.0 million line of credit (the "LOC"). Each draw on the LOC will be in the form of a convertible note (each a "Note") maturing 24 months from its issue date (a "Maturity Date"). At each Maturity Date, Sprott can elect to convert all or any part of the outstanding LOC into common shares of the Company ("Conversion Shares") at a deemed issue price of C\$0.37 per share (an approx. 7.0% premium to the last closing price). The LOC will be secured by a registered security interest over all of the Company's assets, subordinate only to existing prior encumbrances.

An election by Sprott to convert the full C\$6.0 million principal amount of the LOC would result in the Company issuing 16,216,216 Conversion Shares. Based on the Company's current capital structure, such number of Conversion Shares would represent 14.0% of the Company's issued and outstanding shares and, taken together with Sprott's existing holdings of Company common shares and share purchase warrants, would represent 20.76% of the partially-diluted equity of the Company. Sprott has agreed that he will not seek to convert an amount of the LOC into Conversion Shares if such conversion would result in his partially-diluted holdings of the Company being in excess of 19.9% based on the then-current outstanding shares of the Company.

Ely Gold will use the proceeds of the LOC for the acquisition of additional producing or near-term producing royalties as well as to prioritize its long-term capital management.

In connection with the Agreement, the Company will issue 300,000 warrants as an LOC arrangement fee to an arm's length registered dealer (each an "Arrangement Fee Warrant"). Each Arrangement Fee Warrant will be exercisable to purchase one common share of the Company (each a "Warrant Share") at an exercise price of C\$0.37 per Warrant Share for a term of three years.

The Notes, Conversion Shares, Arrangement Fee Warrants and Warrant Shares will be subject to a four-month hold period, in the case of the Notes and Arrangement Fee Warrants, running from date of issue of the security and, in the case of the Conversion Shares and Warrant Shares, running from the date of issue of the applicable underlying convertible security.

The LOC will be available to be drawn down by the Company in two tranches between November 2019 and January 2020, each tranche having a Maturity Date 24 months from the date of the initial draw of the tranche. A first tranche in the amount of C\$4.0 million will be made available at closing, and a second tranche of C\$2.0 million will be available to the Company by the earlier of January 15, 2020 or the date by which the Company identifies a suitable additional royalty acquisition opportunity. Interest on the LOC will be 10.0% on drawn funds and 2.5% on stand-by funds, compounded monthly and payable quarterly.

The LOC financing and, to the extent applicable, the Company's acquisition of any royalties, will be subject to the settlement by the Company and Sprott of definitive loan and security documentation, and all necessary regulatory approvals, including the acceptance of the TSX Venture Exchange.

Trey Wasser, Ely Gold's President and CEO, commented, "We are very pleased that Eric Sprott continues to support and recognizes the rapid growth profile of Ely Gold Royalties. Having this credit line will allow us to seek out and participate in a wider range of royalty sale processes and allow us to manage our future equity offerings according to market conditions."

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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FORWARD-LOOKING CAUTIONS: This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding a contemplated convertible debt financing, Company acquisitions of additional royalty interests, and the requirement for TSX Venture Exchange approvals. 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 that the Company and Sprott may not be able to agree upon and settle definitive lending documentation, the Company may not secure the required regulatory approvals, including the acceptance of the TSX Venture Exchange, and the Company may not be able to identify suitable new royalty acquisitions to which the LOC proceeds might be applied, 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 for a more complete discussion of such risk factors and their potential effect.

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