

Ely Gold Royalties Announces Early Warrant Exercise & Incentive Agreement

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Vancouver, March 27, 2020 - [Ely Gold Royalties Inc.](#) (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold" or the "Company") is pleased to announce it has entered into a warrant exercise incentive agreement (the "Incentive Agreement") with 2176423 Ontario Ltd., which is beneficially owned by Eric Sprott (collectively "Sprott"), to induce the Holder to effect an early exercise of 2,807,727 of its outstanding unlisted warrants (the "Warrants"), issued in a June 2019 private placement, exercisable for common shares of the Company ("Common Shares"). The Warrants are exercisable at a price of CAD \$0.30 per Common Share until June 28, 2022.

Under the Incentive Agreement, the Holder has agreed to exercise all 2,807,727 Warrants prior to April 7, 2020 (the "Early Exercise Expiry Date") in consideration for 2,807,727 new share purchase warrants (each an "Incentive Warrant"). Each Incentive Warrant will entitle the Holder to purchase one additional Common Share for a period of 24 months from the date of issuance of the Incentive Warrants, at a price of CAD \$0.74. The Incentive Agreement will require that the Holding exercise its Warrants by 5:00 p.m. (Vancouver time) on the Early Exercise Expiry Date. The Incentive Warrants will be subject to a four-month hold period from the date of issuance. Assuming the full exercise of the Warrants by Early Exercise Expiry Date, the Company will:

- receive gross proceeds of CAD \$842,318.10;
- issue 2,807,727 common shares to the Holder pursuant to the exercise of the Warrants in accordance with the original terms of the Warrants; and
- issue 2,807,727 new Incentive Warrants.

The completion of the transactions under the Incentive Agreement will strengthen Ely Gold's current cash position and provide the Company with additional working capital for its ongoing royalty acquisition and generative activities.

The Incentive Agreement is subject to the receipt of all final regulatory approvals, including the acceptance of the TSX Venture Exchange (the "Exchange"). Any Warrants that are not exercised prior to the Early Exercise Expiry Date will remain outstanding and continue to be exercisable for Common Shares on their existing terms.

Before giving effect to the contemplated Warrant exercise, Sprott holds, directly and indirectly, 5,615,454 outstanding Ely Gold shares, and warrants to purchase up to an additional 19,023,943 Ely Gold common shares. On this basis and given the current approximate issued and outstanding total of 114,912,856 million shares, Sprott's direct and indirect holdings, represent approximately 4.9% of the outstanding Ely Gold shares on a non-diluted basis, and approximately 18.38% on a partially-diluted basis. After giving effect to the transactions contemplated under the Incentive Agreement, Sprott will hold approximately 7.2% of the outstanding Ely Gold Shares on a non-diluted basis, and approximately 20.1% on a partially diluted basis.

In addition, Sprott is party to a royalty acquisition agreement with the Company, announced on February 4, 2020, pursuant to which it intends to purchase a 0.50% net smelter return royalty (the "Target Royalty") on the Jerriitt Canyon Mine and property, operated by a private Nevada limited liability company of which Sprott is the beneficial owner. In consideration for the Target Royalty, on closing the Company will issue 12,698,413 Company common shares to Sprott at deemed issue price of \$0.63 per share. Assuming the completion of the Incentive Warrant transaction and the acquisition of the Target Royalty, Sprott's direct and indirect holdings will increase to approximately 16.2% of the outstanding Ely Gold Shares on a non-diluted basis, and approximately 26.9% on a partially diluted basis.

The completion of the Target Royalty purchase has been conditionally accepted by the Exchange, but

remains subject to the Company's completion of its due diligence on the Target Royalty and the parties settling the definitive closing documentation. Because the combined effect of the above-described transactions could result in Sprott becoming a "Control Person" of the Company (as defined under Exchange policies), the exercise of the Incentive Warrants will be made subject to a condition that, until such time as Sprott becoming a "Control Person" has been approved by an ordinary resolution of the Company's disinterested shareholders, Sprott will not to exercise any portion of his Company warrants if, as a result of such exercise, his direct and indirect holdings of the Company would exceed 19.9% of the outstanding voting shares. The Company plans to seek such a shareholder approval at its next annual general meeting expected to be held on May 6, 2020.

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 43 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 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: (i) increase to the Company's outstanding common shares; (ii) use of warrant exercise proceeds; (iii) the Company's forecasts for its royalty portfolio and related business; and (iv) the Company's intention to secure a disinterested shareholder approval at its 2020 annual shareholder meeting. 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 for a more complete discussion of such risk factors and their potential effect.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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