

# Ely Gold Royalties Closes Additional Carlin Trend Royalty

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## Royalty Covers the REN Property An Extension to the Goldstrike Mine Which Has Produced Over 55 Million Ounces of Gold

Vancouver, April 14, 2020 - [Ely Gold Royalties Inc.](#) (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold" or the "Company") is pleased to report that it has closed its previously announced purchase agreement with a private party ("Seller") whereby Ely Gold has acquired a three and one half percent (3.5%) net profits interest (the "REN NPI") on the Ren Property, located in Elko, Nevada (the "REN Property" or "REN") for total proceeds of US\$500,000 cash (the "Agreement") (news release dated March 17, 2020.) The REN Property is currently leased to the joint venture between Barrick Gold Corporation ("Barrick") and Newmont Corp. ("Newmont") known as Nevada Gold Mines ("NGS") with Barrick as the operator.

### The REN NPI

The Seller was granted the REN NPI pursuant to a Joint Venture Agreement entered into on April 23, 1991 between the Seller, Rayrock Mines Inc., John S. Livermore and Corona Gold Inc, now a subsidiary of Barrick. (the "REN Venture"). Barrick purchased a 100% interest in the REN Venture in 2010. The leases in the REN Venture include the VEK/Andrus lease, 50% owned by VEK Associates, a company currently being acquired by Ely Gold. (news release dated February 28, 2020). The VEK/Andrus lease carries a 3.0% net smelter royalty on REN, therefore the closing of the REN NPI gives Ely Gold a second royalty interest at REN. The REN Property consists of 86 contiguous unpatented lode mining claims covering 7.4 square kilometers of the Northern Carlin Trend and is surrounded by the Goldstrike Mine Complex, the South Arturo Mine and the Dee Mine operated by NGS

### REN Property History - Currently Leased to Nevada Gold Mines

Centerra Gold ("Centerra") entered the REN Venture in 2000 and drilled the first deep, high-grade discovery hole (RU-24c) which returned 42.7 meters of 34.6 gpt Au. (see figure 1). This led to an expansion of the surface drilling program, and during the period 1999-2003, a total of 65 drill holes amounting to 55,000 meters were completed. The drilling identified the JB Zone as the initial concentration of gold mineralization on the REN property. Centerra filed a National Instrument 43-101 compliant report that was filed on SEDAR, titled "Technical Report on the REN Property" on June 22, 2004, defining an initial inferred resource of 1.9 million tonnes at 14.7 gpt Au in what is known as the JB Zone. The Company is not treating this historical estimate as a current resource, a Qualified Person has not done sufficient work to classify the historic estimate as a current resource. Centerra continued definition drilling on the JB Zone until it sold its interest in the JV to Barrick in 2010 for \$32.5 million.

Within five kilometers of the REN Property, the Carlin Trend has produced, or has an inventory of over 70 million ounces of gold. The Goldstrike and Meikle Mines are within two kilometers of the southern boundary of the property (see figure 1), the Bootstrap/South Arturo and the Dee mines wrap around the REN Property on the west and north. The REN Property is contiguous to the Banshee Mine property within the Goldstrike Complex. At the Meikle, Goldstrike and Deep Post deposits, the Post fault is considered a potential important control on high grade gold within the northern Carlin Trend. Only a small portion of the Post Fault, on the REN Property, has been explored. With its orientation on the Post Fault, REN has the potential to host a Meikle or Deep Post-like gold deposit within the Devonian-age Popovich limestone along the footwall of the Post Fault. The JB Zone is located at a depth from surface of 700 to 900 meters and is hosted in the same geological units as the gold deposits currently being mined at the Meikle and Banshee Mines immediately to the south of the REN property.

Figure 1

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

[https://orders.newsfilecorp.com/files/4181/54391\\_9fcd952534cebb4d\\_001full.jpg](https://orders.newsfilecorp.com/files/4181/54391_9fcd952534cebb4d_001full.jpg)



Trey Wasser, President & CEO of Ely Gold stated, "Having completed our due diligence on the REN Property for the VEK Associates transaction announced in February, we are very excited with the potential for further significant gold discovery in this prime Nevada location. The REN NPI will give us a second royalty interest and, as with all Ely Gold royalty purchases, offers excellent leverage to gold prices."

#### Corporate Update

The Company would like to provide an update on the warrant exercise incentive agreement announced on March 27, 2020 (the "Incentive Agreement") with 2176423 Ontario Ltd., which is beneficially owned by Eric Sprott (collectively "Sprott"). The Incentive Agreement was meant to induce Sprott to effect an early exercise of 2,807,727 outstanding unlisted warrants (the "Warrants"), issued in a June 2019 private placement, exercisable for common shares of the Company ("Common Shares") at a price of CAD \$0.30 per Common Share until June 28, 2022. The Incentive Agreement was not approved by the TSX-V and Sprott has chosen to exercise the Warrants with no new incentive warrants being issued by the Company. The Company received gross proceeds of CAD \$842,318.10 from the transaction and issued 2,807,727 common shares to Sprott. After giving effect to the Warrant exercise, Mr. Sprott beneficially owns and controls 10,423,181 Ely Gold Common Shares and a total of 16,216,215 additional warrants.

#### Qualified Person

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 Royalties Inc.

[Ely Gold Royalties Inc.](#) is a Vancouver-based, junior royalty company with development assets focused in Nevada and Quebec. Its current portfolio includes 43 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 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

For further information, please contact:

Trey Wasser, President & CEO

trey@elygoldinc.com

972-803-3087

Joanne Jobin, Investor Relations Officer

jjobin@elygoldinc.com

647-964-0292

**FORWARD-LOOKING CAUTIONS:** This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding its current assets, including future mineral production prospects and revenue gains, and Company acquisitions of additional royalty interests. 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](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effect.

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