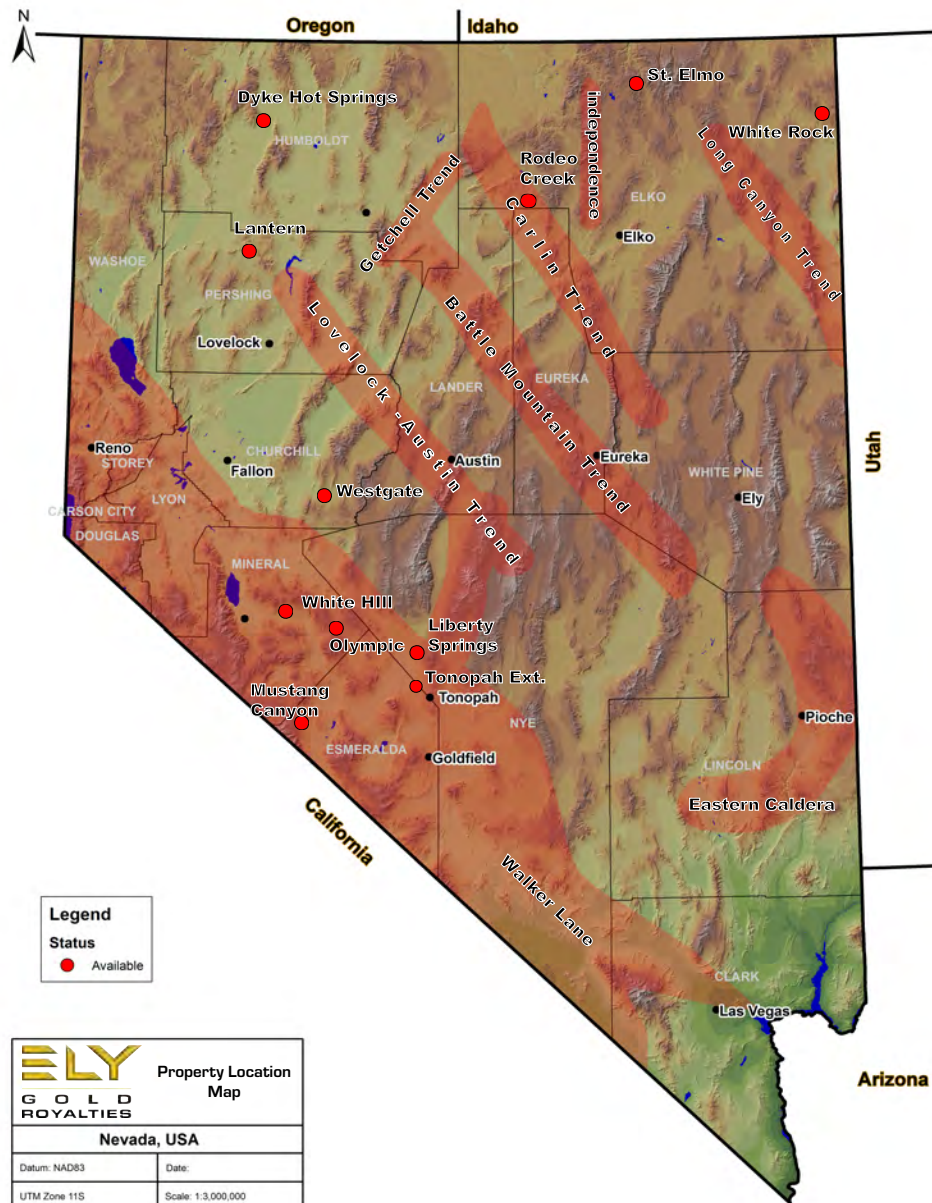


Developing Royalty Assets in North America

AN EMERGING ROYALTY COMPANY

**FOCUSED
IN NEVADA**

NEVADA SELECT ROYALTY -AVAILABLE PROPERTIES (March 2020)



NEVADA

CHURCHILL COUNTY

● WESTGATE PROPERTY HIGHLIGHTS (AU,AG):

Location: Churchill Co., T16N, R35E, Westgate Mining District . Elevation: 4,600'.

Geology/Description: Nevada Select Royalty has acquired the rights to approximately 2,400 acres of unpatented lode claims in the Westgate Mining District of Nevada, at the southern end of the Clan Alpine Range. The center of the property is transected by US Highway 50 about 45 miles east of Fallon and just west of its intersection with State Route 361 at Middle Gate Station. Two linear zones of acid-sulfate alteration with associated silicification and quartz veining transect the property. The northern claim group is defined by northwest-trending (310° and 340°) linear zones of gold-bearing silicification and quartz veining while the southern claim group is dominated by a nearly east-west trending ridge of the same. These zones range from 50 to 500 meters in width over strike lengths up to 1 kilometer.

The northern area was heavily prospected in 1905 when the district was established, but despite the digging of numerous pits and shallow shafts, no production was reported. Modern day sampling of pits, dumps and outcrops has produced gold assays ranging from trace to 0.15 oz per ton and silver up to eight ounces per ton. Only one drill pad has been seen in the north, near the most prominent historic shaft.

At the southern end of the property, the east-west ridge saw fairly intense exploration activity, including trenching and drilling, in the late 1970s and early 1980s by Dekalb Mining and Inland Mining. Results of this work are mostly anecdotal but approximately 20 holes were drilled during this time and gold mineralization encountered was said to have continuity between holes. There are no specific resource calculations or detailed assay reports for the holes. General mention was made of assays of 0.6 oz Au/ton and 20-30 oz Ag/ton from outcrop and drill samples of banded quartz vein.

The Westgate property represents a fairly large epithermal system that contains interesting levels of gold and silver in outcrop and shallow drilling from past exploration campaigns. It is easily accessible through most of the year. Nearby Middle Gate Station provides food, lodging and fuel opportunities as well as water for drilling.

ELKO COUNTY

● ST. ELMO PROPERTY HIGHLIGHTS (AU,AG):

Location: Eiko Co., T44-45N, R36E, Island Mountain Mining District. Elevation: 7,800'.

Geology/Description: The St. Elmo Gold Project is located in northeastern Nevada, 20 miles south of the Idaho border and 69 miles north of the city of Elko. It covers about 75% of the historic Island Mountain mining district on the northern flank of the northeast-trending Midas Trough metallogenic trend, one of several important epithermal gold belts in Nevada. The St. Elmo mine was likely discovered in the late 1870s after the District was established in 1869 at Rosebud Mountain. Underground mining at that time and again in the 1940s resulted in only limited production of high grade pockets on the vein. Modern exploration in the late 1980s and 1990s included surface and underground sampling as well as limited surface drilling.

Gold mineralization at the St. Elmo mine is hosted in a north to northeast-trending structural zone, 6 to 30 feet wide, containing quartz veins and hydrothermal breccias. Free gold in the quartz veins is associated with sulfide minerals and in hydrothermal breccias cemented with hematite. The St. Elmo vein textures, wall-rock alteration features and suite of associated copper-sulfide minerals are suggestive of a high-sulfidation epithermal environment. Mapping by previous explorers indicates this system extends north and south well beyond the St. Elmo mine itself and is probably at least 4,000 feet long.

A 795 pound bulk sample collected underground in 1990 assayed 2.36 oz Au/ton and 1.15 oz Ag/ton. A core hole drilled in 1999 intercepted 63 feet of mineralized (0.072 oz Au/ton) vein structure at depths well below the existing workings, including intercepts of 8.5 feet assaying 0.167 oz Au/ton (with 1.5 feet assaying 0.498 oz Au/ton) and 6.25 feet averaging 0.460 oz Au/ton. The St. Elmo vein and the rest of the property remain essentially unexplored by modern methods.

● WHITE ROCK PROPERTY HIGHLIGHTS (AU,AG)

Location: Elko Co., T44N, R70E, Delano Mining District. Elevation 6,700'

Geology/Description: The White Rock prospect is in northeastern Nevada in the Goose Creek Mountains along the Nevada – Utah border. Montello is the closest community to the prospect that provides lodging and meals.

The White Rock prospect was originally located by AMAX GOLD in 1984. By 1989 exploration drilling had reportedly indicated the presence of a large low-grade gold reserve. Original calculations of geologic reserves for the property by AMAX were 162,000 oz of 0.018 opt Au. Drilling by Kennecott has not appreciably changed these figures.

The terrain in the White Rock Area is composed of a Permian-age bedded sequence of limestone, chert, siliceous siltstone, and cherty limestone. These beds dip gently southward and are capped in places by the remnants of a Miocene-age rhyolitic flow. The Permian rocks within the 2-square-mile area of interest are chiefly siliceous siltstone beds which are tentatively correlated with the Rex Chert member of the Phosphoria formation. These beds are variably crackled, altered, and mineralized; the most intense effects are found bordering NNE trending fault zones.

A ~N20E striking fault system forms the boundaries of a large graben $\frac{3}{4}$ of a mile across. Permian sedimentary rocks are exposed in topographic highs on either side of the graben. Within the graben both Tertiary volcanic and Permian sedimentary rocks are exposed. A north-south striking fault system within the larger graben defines a horst that exposes Pz sedimentary rocks in the center, bounded by Tertiary volcanic rocks on the east and west.

Mappable alteration effects in the Rex siliceous siltstone include bleaching, silicification, quartz veining, iron oxide staining, and brecciation. Introduced alteration minerals include pervasive jarosite, hematite, limonite, and goethite and localized scorodite, apatite, alunite, kaolinite, and variscite. The Miocene volcanic rocks are generally unaltered and not mineralized, but some puzzling exceptions are found off the claim block to the southwest.

Low-level gold, arsenic, and mercury anomalies generally coincide with the outcrop pattern of the Rex Chert, with values increasing in the vicinity of fault zones. This mineralization presumably extends out beneath post-mineralization cover to the east, south, and west of the drilled area. To the north, the faults and associated mineralization appear to die out in the limestone beds of the Grandeur formation.

In outcrop samples a peak gold content of 15 ppm is reported. Arsenic values greater than 500 ppm and mercury contents greater than 1.0 ppm are common. The best 5 ft drill intercept is reportedly 0.07 opt gold.

Fault orientations and gross geochemical patterns of Au, As, and Hg suggest that mineralizing fluids moved up dip in the Rex Chert along faults and shear zones from an undrilled, covered, source area in the southwest portion of the claim block. This area therefore rates as a prime target for future exploration.

Comparison of prospect geology with drill hole locations and Au, As, and Hg distributions also suggests that previous drilling efforts mostly tested vertically beneath the structurally controlled surface geochemical anomalies. In several cases this drilling did not prospect the anomalies in the down-dip direction, nor was there any serious effort made to test below the post mineral cover that separates some of the gold anomalies.

Examples of these types of untested drill targets are; A. the westward side of the shallowly west dipping gold anomalous fault zone that passes through hill 7220 and, B. the north trending covered area at the northwest corner of section 5 which is bordered by gold anomalies. These and other quality targets remain to be tested at White Rock. The western zone is essentially untested. The attraction here is the occurrence of strongly anomalous geochemical gold values situated on the borders of a north trending graben. The continuity and grade of mineralization across the graben and evidence of any possible mineralization controls are obscured by a thin capping of Tertiary volcanic rock.

AMAX's final drilling effort (DHs 45 – 51) was directed, in part toward testing the margins of the western graben. Unfortunately, the results of the program were, at best inconclusive due to drilling problems brought on by an inexperienced driller. Only two of the seven holes drilled reached their objective and only one of these had reasonable sample recovery. For instance, in DH-48 there was no sample recovered over a 50-ft interval which intriguingly is bordered by 1000 ppb Au assays. Additionally, the bottom 40 ft of this hole averages 337 ppb Au. Similarly, DH-49, the only hole collared within the graben cut a 100-ft intercept grading 0.019 opt Au which includes 40 ft @ 0.04 opt Au. The hole bottomed in 151 ppb Au. AMAX nevertheless had become disenchanted with White Rock and despite the inconclusive results abandoned it leaving several promising targets untested.

The Kennecott program did not attempt to offset the holes drilled by AMAX having better gold-grade intercepts, instead it seems to have been more of a reconnaissance effort, drilling remote targets ranging 470 – 1400 ft from the nearest AMAX hole. The program had mixed results in that; 3 of the holes were abandoned short of their objective (W-4, 6, and 8), four holes had discouraging results (W-1, 2, 5 and 9), and two holes (W-3 and 7), had results that clearly deserve follow up.

Kennecott hole W-3 in the western graben is the best mineralized hole drilled on the property thus far. One of the better intercepts in this hole is 60 ft grading 0.03 opt Au which includes 10 ft @ 0.116 opt Au. The hole has an aggregate gold-mineralized footage of 250 ft @ 0.02 Au opt.

● **MUSTANG CANYON PROPERTY HIGHLIGHTS (AU,AG):**

Location : Esmeralda Co., T1N, R33E, Fish Lake Valley Mining District. Elevation 7200'.

Geology/Description: The project is an epithermal (low sulfidation/quartz-adularia) gold-silver-mercury system hosted by a rhyolite dome complex. Mustang Canyon is immediately adjacent to the F&L and Red Rose opalite (Hg) mines; significant gold-silver mineralization at neighboring Red Rock and Tip Top/Brownie mines is also closely associated with mercury deposits in opalized Tertiary rhyolite domes. Surface sampling of mineralized chalcedony-calcite-adularia veins by US Steel and BHP in the 1980s as well as Phelps Dodge in the 1990s reported significant gold and silver values (as high as 6.60 ppm Au and 52.0 ppm silver) within a large area of silica breccia averaging 0.3 ppm Au. Shallow RC drilling in the 1980s by the same companies demonstrated that the gold-bearing silica breccia is extensive at depth and pervasively mineralized at those lower grade levels, but also contains higher grade vein intercepts. The higher grade veins at surface were not specifically targeted by any of the historic drilling, but where discrete veins were intersected, assaying reported up to 0.050 opt Au and 4.70 opt Ag over five feet. Ely's priority target is a large, bonanza grade Au-Ag vein deposit. These systems are typical of the Walker Lane Structural Province in southwestern Nevada, which regionally hosts the Bodie, CA gold-silver deposit (>1.5 oz Au; 7.0 M oz Ag in 1.0 MT of ore) and locally the historic Tip Top/Brownie mines and the Red Rock exploration project. Ely Gold believes the geology, geochemistry, mineralogy and style of the brecciation and veining at Mustang Canyon support an interpretive model of it being the exposed, upper level of a deeper, largely untested bonanza vein system.

Ely Gold's Mustang Canyon property contains at least three zones of extensive, structurally controlled epithermal alteration with accompanying gold and silver mineralization that also contain discrete veins with higher grades characteristic of bonanza vein ore bodies known elsewhere in the Walker Lane. The presence of higher grade gold mineralization in historic drilling on Ely's claim block that approaches the tenor of grades expected in a bonanza system, is encouraging and worthy of additional follow-up drilling.

HUMBOLDT COUNTY

● **DYKE HOT SPRING PROPERTY HIGHLIGHTS (AU,AG,SB,HG):**

Location: Humboldt Co., T42N, R30&31E, Dyke Mining District. Elevation: 4,200'.

Geology/Description: Nevada Select Royalty has recently acquired the Dyke Hot Spring property through staking of unpatented lode mining claims. It is located on the southeastern edge of the Pine Forest Range about 20 miles south of Denio, Nevada. The prospect encompasses gold and silver-bearing epithermal quartz veins and breccias in outcrops of altered units of the Permian Happy Creek Volcanic Sequence. Veining and breccias are associated with near vertical and low angle faults. Surface samples from outcropping vein exposures taken by Kernow Resources in the early 1990s assayed as high as 3.12 grams/tonne gold, with grab samples of gossanous vein material from old mine dumps reporting up to 0.9 ounces gold and silver per ton. Limited, sporadic drilling by exploration companies prior to Kernow demonstrated that mineralization can be followed in the outcrop areas but also continues eastward across a post-mineral range front fault under recent pediment gravels. Drilling records from those earlier explorers (summarized by Kernow) show strong mercury and silver values with moderate to strong gold in pyritic to hematitic silicification and vein quartz in andesites over widths of 20-50 feet within 200 feet of the surface. Gravity surveys associated with this drilling suggest that much of the pediment is shallow and additional geophysical surveys, especially Induced Polarization (IP) - Resistivity, should be helpful in guiding future exploration drilling. The Company believes that the Dyke property contains excellent potential for discovery of additional mineralization in outcrop and under pediment cover.

MINERAL COUNTY

● **OLYMPIC MINE PROPERTY HIGHLIGHTS (AU,AG):**

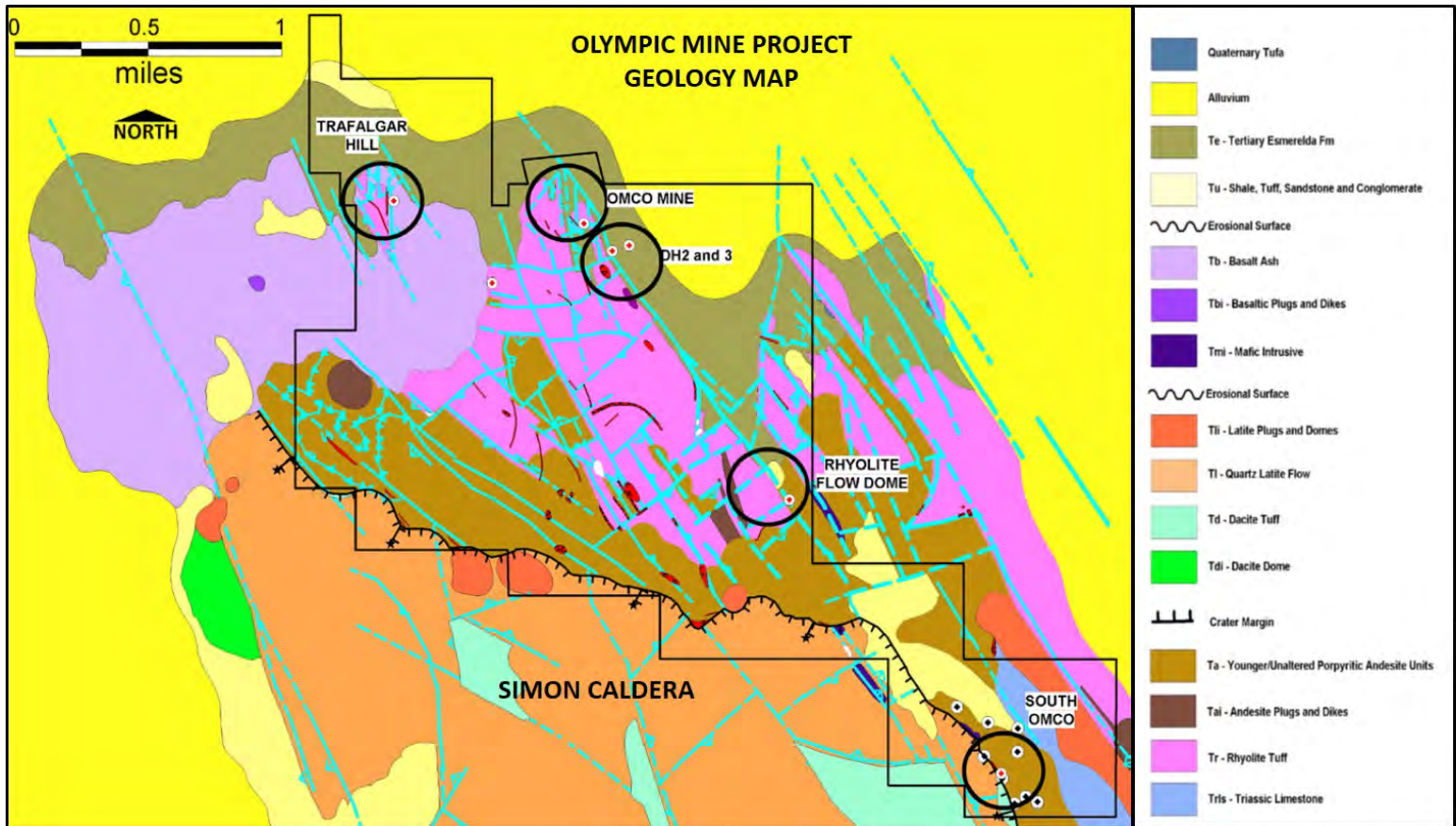
Location: Mineral Co., T9N, R37E, Bell Mining District. Elevation: 6,000'.

Geology/Description: Ely Gold's Olympic Gold Mine project is located approximately 30 kilometers southeast of Gabbs in the Cedar Mountains, Mineral County, Nevada. The project consists of 41 unpatented lode claims (~910 acres) located

on BLM land with no underlying royalties. The Olympic Mine project encompasses a large volcanic-hosted epithermal precious-metal (Au-Ag) system that includes both high-grade quartz-adularia veins and disseminated/stockwork-type mineralization. Historic (1917-1942) production from the shallow underground Olympic mine totals approximately 40,000 ounces of gold, from 35,000 tonnes of ore averaging 24.9 g/t gold and 30.0 g/t silver.

The Olympic mine project is favorably located in the central part of the Walker Lane Mineral Trend of western Nevada. The property displays similar geologic characteristics of many other major volcanic-hosted gold deposits in the Walker Lane belt (Paradise Peak-1.45M oz Au, Rawhide-3.0M oz Au, Tonopah-1.8M oz Au).

The Olympic gold mine project occupies a structurally-complex, caldera margin setting along the northeast side of the Simon collapse caldera. The oldest rocks in the mine area are limestones of the Triassic Luning Formation that are overlain by a thick sequence of Oligocene rhyolitic volcanic rocks. Oligocene volcanic rocks are overlain and intruded by younger mafic (basalt and andesite) flows, dikes, and plugs. Rhyolite to quartz-latite flows and tuff are the main host rocks at the Olympic mine. Multiple northwest-trending Walker Lane related strike-slip faults have deformed the Simon caldera and extended the volcanic fill in an east-west direction above numerous low-angle detachment faults. The rhyolitic tuffs and younger basaltic rocks have been tilted up to 60° to the east by west-dipping listric structures in between the detachment faults. Previous surface exploration in the project area has identified five main gold-silver vein and stockwork-type targets (OMCO mine, Trafalgar Hill, DH-2 and 3, Rhyolite Dome, OMCO South) that have only been partially tested by drilling. The immediate vicinity of the Olympic mine shaft has not been adequately tested by drilling. Excellent potential exists to intersect offset, high-grade vein segments and other feeder structures near the mine shaft. Based on underground sampling of vein wallrock in the old mine workings to the 200-foot (61 m) level, potential for disseminated stockwork-type gold mineralization may be present. West-southwest of the Olympic shaft, drilling encountered a deeper +4 meter thick quartz vein in the footwall of the Contact fault. This vein has not been tested by further drilling. The Trafalgar Hill target is 1-2 kilometers west of the Olympic shaft and consists of a north-striking, east-dipping vein/vein segment and mineralized breccia zones along high-angle faults.



The rhyolite Flow Dome target is 3 kilometers southeast of the Olympic mine and has not been tested by drilling. Hydrothermal alteration in the rhyolite dome includes intense argillic (clay) and sericite development with anomalous gold geochemistry (up to 7.0 gm/Au) in surface samples. Mineralized fault/vein structures cut and bound the dome. The conceptual target is a massive breccia or stockwork deposit at depth along the margins of the altered flow dome.

● WHITE HILL PROPERTY HIGHLIGHTS (CU,AU,AG):

Location: Mineral Co., T9N, R33E, Fitting Mining District. Elevation: 6,500'.

Geology/Description: This project lies in the northeastern boundary of the Walker Lane Mineral Belt. It is located in a wedge of Triassic limestones (Luning Formation) which has been intruded by a quartz monzonite stock of Cretaceous age. The skarn outcrops over a 400 x 1000 foot area. Drilling has indicated a resource of 4 million tons of 1.5% Cu indicated*. Nine 10 foot chip samples were taken along a portion of the skarn. These samples averaged 190 ppb Au, 5.6 ppm Ag, 3270 ppm Cu, 1.73% Zn and 630 ppm Mo.

**The estimate presented above is treated as historic information and has not been verified or relied upon for economic evaluation by the Company. The Company has not done sufficient work yet to classify the historical estimate as current mineral resources or mineral reserves.*

NYE COUNTY

● TONOPAH EXTENSION PROPERTY HIGHLIGHTS (AU, AG):

Location: T3N, R42E, Tonopah Mining District. Elevation 5,900'

The consolidation of the mining claims in the western part of the Tonopah District by Ely Gold Royalties represents the first time in the history of the district that the majority of the western end of the district is controlled by one party. Coeur Mining had an option with Ely Royalties in 2018 and 2019 and was successful in their drilling. It was unfortunate that Coeur had to pull out of the agreement due to budget restraints after having such a successful first round of drilling.

The land package consisting of 98 patented mining claims with 17 unpatented mining claims which includes fractional claims is a very attractive land package.

Structural controls on mineralization in the western part of the Tonopah Mining District

Silver and gold bearing quartz veins occur as two types in the Tonopah District. In the central and eastern part of the district they occur as high angle veins and in the western part of the district they occur as shallow dipping veins (See figure 1). In the central and eastern part of the district the veins are hosted in the Mizpah andesite unit. While in the western part the veins are occurring at or near the upper and lower contacts of the intrusive West End Rhyolite (WER) sill. The WER intrudes the Mizpah andesite unit and the lower Tonopah Formation a thick sequence of rhyolite welded tuffs. In cross section it can be seen that the Tonopah Fault forms a domal feature (Figure 2 Cross Section A-A') that plunges to the west. The fault dips 30-40° to the northeast on the north limb of the dome and dips 15-30° on the south limb of the dome.

The Tonopah District produced 8.8 million tons containing 186,100,000 ounces of silver and 1,741,530 ounces of gold (Bonham and Garside 1979). Over two thirds of the production came from the western part of the district. The replacement type low angle veins varied in thickness from 5 to 60 feet thick and were very continuous both along strike and downdip. They were mined from 200 feet depths on the east edge of the dome to 2400 feet depths in the far western north limb of the dome.

The mineralized vein system in the western part of the district is faulted off by two major faults that form a scissor like pattern that cross the entire western part of the district and fault off the veins. These faults are the Monarch Pittsburg Fault (MPF) and the McKane Fault (MKF). The MPF dips strikes N45° W and dips 40° NE while the MKF strikes N10° W and dips 60° SW.

The scissor effect created two fault wedges, an uplifted block on the south limb and a downdropped block on the north limb of the domal Tonopah Fault zone.

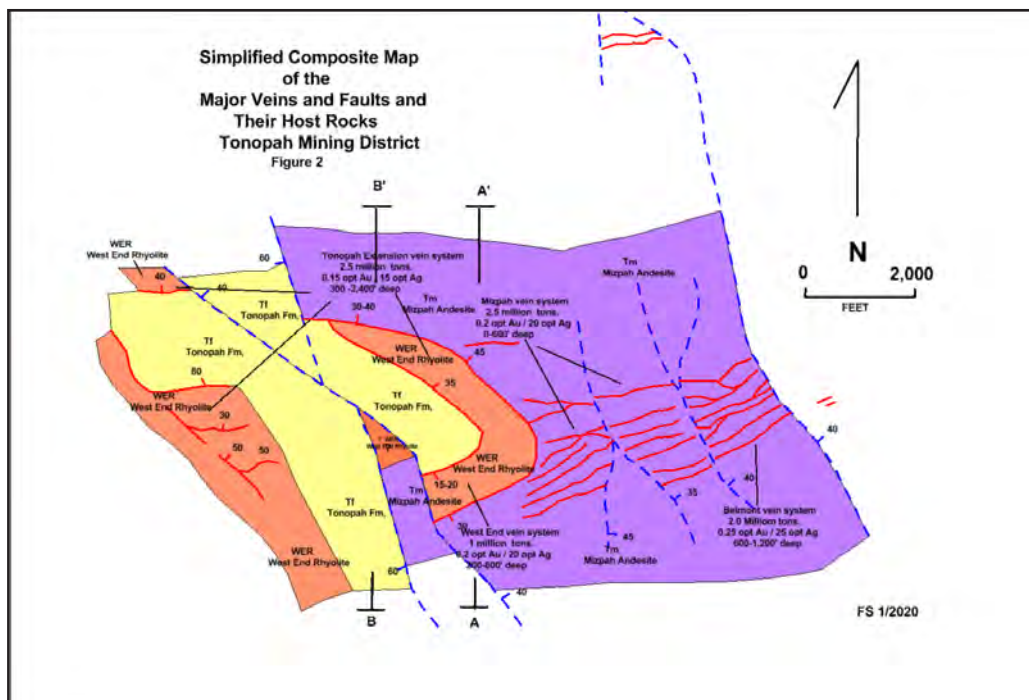


Figure 1: Showing composite view of veins, faults and rocks that host the veins.

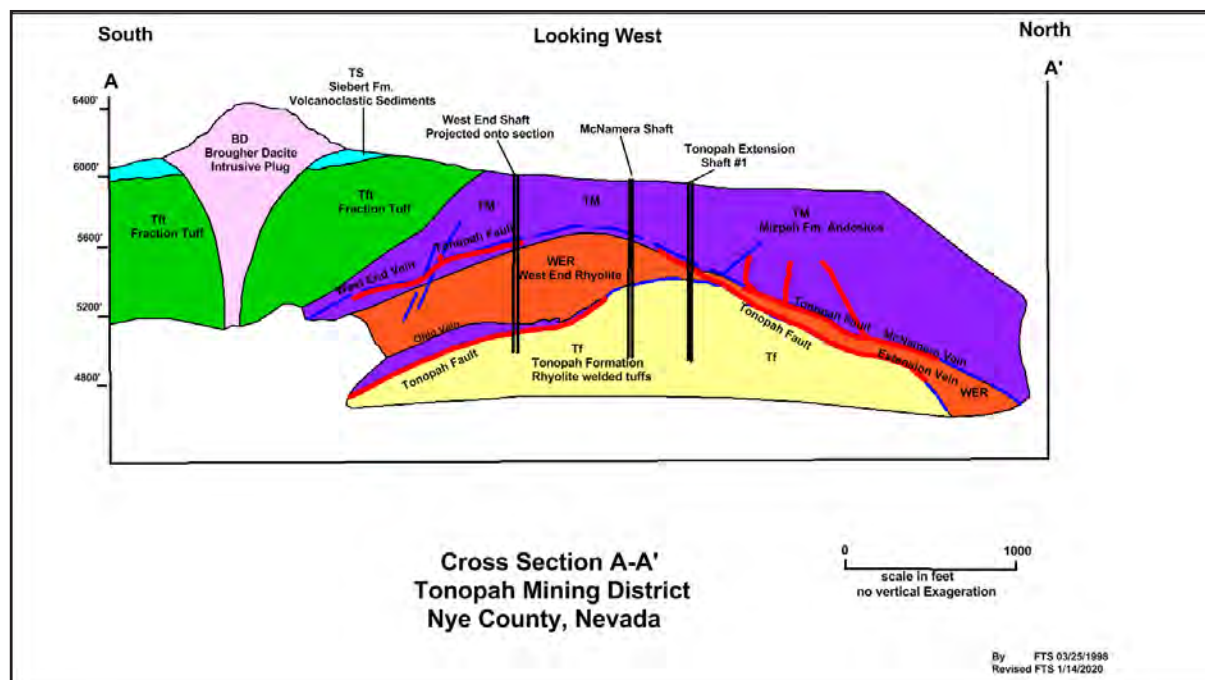


Figure 2: Cross Section through the productive area of western part of the Tonopah Mining District showing the domal feature of the Tonopah Fault and the intrusive relationship of the West End Rhyolite.

History of West End and Tonopah Extension Mining Companies

During the mining time of Tonopah District the majority of the western part of the district was controlled by two major companies. The Tonopah Extension Mining Company (TEMC) controlled the north limb of the dome and the West End Mining Company (WEMC) controlled the south limb. The Tonopah Extension Company was a well-run company that did extensive development and exploration ahead of their mining operations, while the West End Mining Company was not as efficient and did little exploration work ahead of mining.

Section B-B' shows the Murray and Merger veins on the Tonopah Extension ground on the north limb of the dome and the Monarch Pittsburg fault that faulted off the veins on the south limb of the dome. It also shows exploration drilling by

Houston Oil and Minerals in 1980 exploring for the faulted extensions.

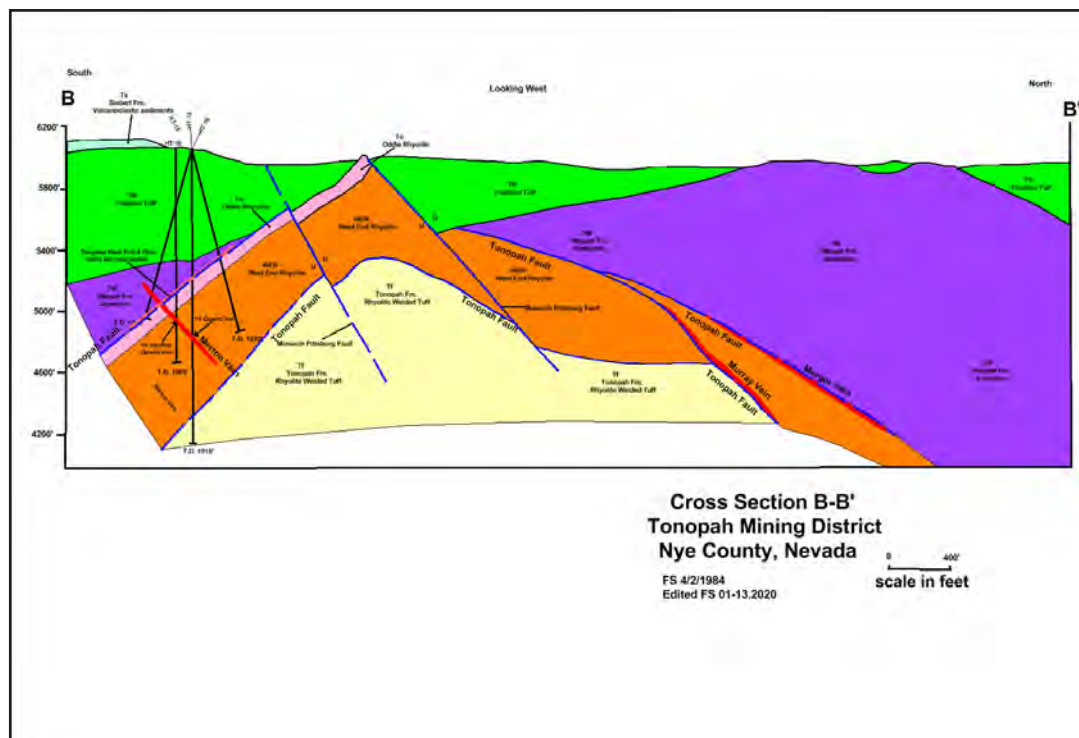


Figure 3: Cross Section B-B' showing the Murray and Merger veins on the north limb of the dome and drill holes completed by Houston Oil and Minerals in 1980 on the faulted wedge target on the south limb.

Exploration Targets

There are four high quality exploration targets in various stages of early exploration on the western part of the district. They will be discussed in order of their significance and exploration potential.

They are:

1. The West Tonopah Target on the faulted south limb of the dome.
2. Unmined and unexplored portions of the veins on the Tonopah Extension property.

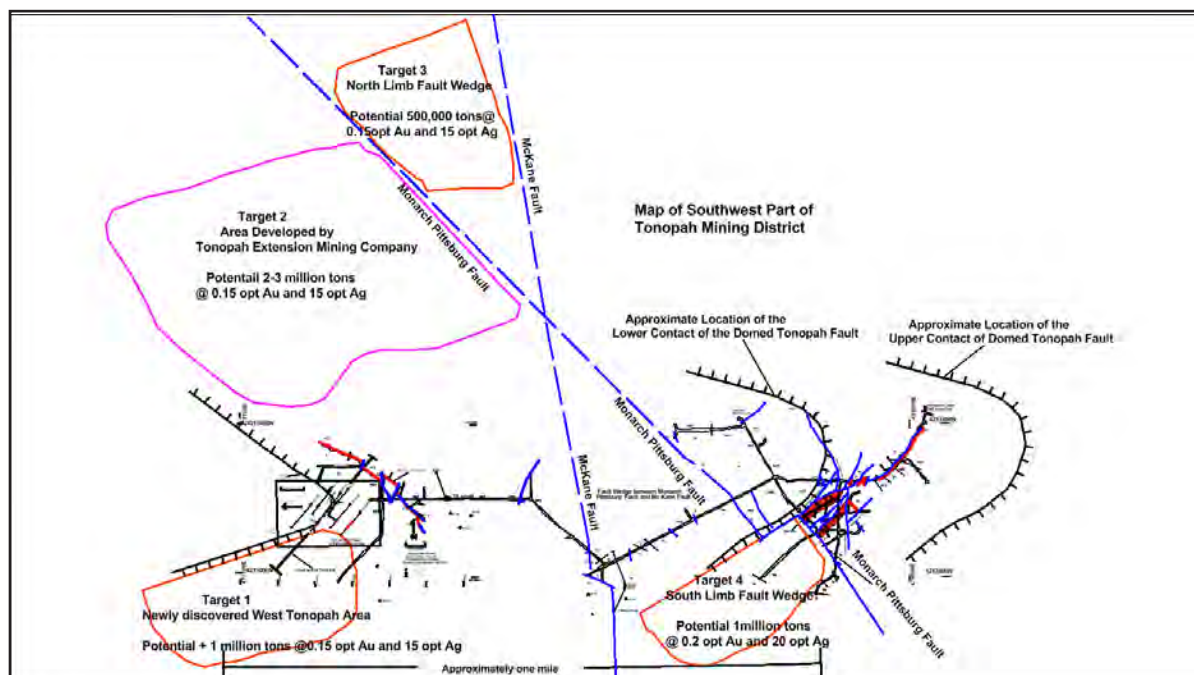


Figure 4: Exploration target Map

3. Unexplored veins in the faulted wedge on the north limb of the dome.
4. Unexplored veins in the faulted wedge on the south limb of the dome.

Target 1: The West Tonopah Target on the faulted south limb of the dome

In 1997 Eastfield Resources did follow up drilling on drill results from Houston oil and Minerals in 1980 on the Merton Vein. In hole 97-16 they intercepted 10 feet of 0.22 opt Au and 8.4 opt Ag at a depth of 515 feet, but never followed up the intercept. Coeur Mining optioned the property from Ely Gold Royalties in 2018 and drilled 6 holes offsetting this intercept. All six holes hit significant intercepts with hole TW18-004 having two significant intercepts. At 565' to 580' they hit a 15' vein that averaged 0.128 opt au and 9.84 opt Ag with a high grade interval at 575-580' of .282 opt Au and 20.90 opt Ag. At 620-625' they hit a second vein zone that ran 0.134 opt Au and 11.71 opt Ag. An exploration program designed to test this target could develop +1million tons @ 0.15 opt Au and 15 opt Ag.

Target 2: Unmined and unexplored portions of Tonopah Extension Mine

The total unclassified in-situ mineralized material is currently estimated to be 3.0 million tons (2.7 million metric tons) at an average grade of 9.26 opt Ag (287.95 g/T Ag). A silver grade of 9.26 opt Ag based on a 100 to 1 silver to gold ratio in the district would indicate an additional gold content of 0.092 opt Au.

This data was obtained from Cliff ZZ's Tonopah Extension mine report and Telesto Nevada Inc. report to Coyote Resources Inc. These reports should be reviewed for additional information and details on this study.

There has been no estimate as what additional exploration along strike and downdip from known veins on the far western end of the Tonopah Extension property might contain.

This target has a potential of 2-3 million tons of 12 to 15 opt Ag and 0.12 to 0.15 opt Au.

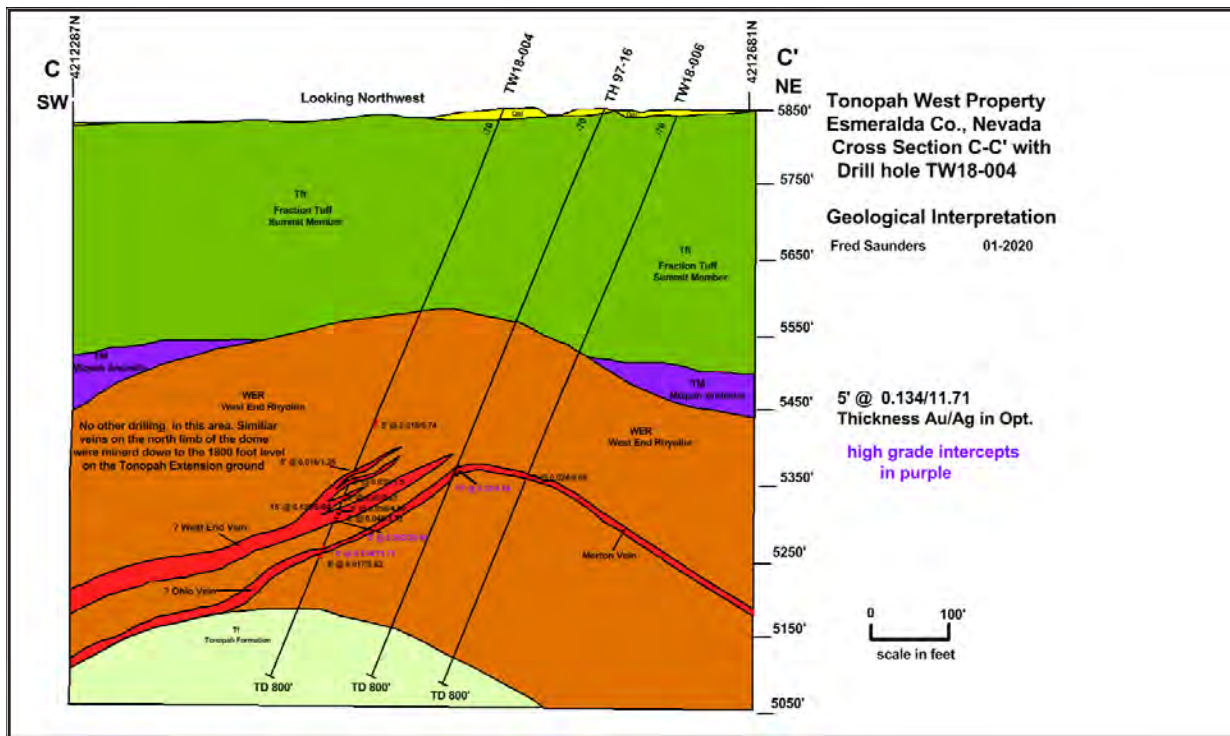


Figure 5: Cross Section C-C' with new interpretation

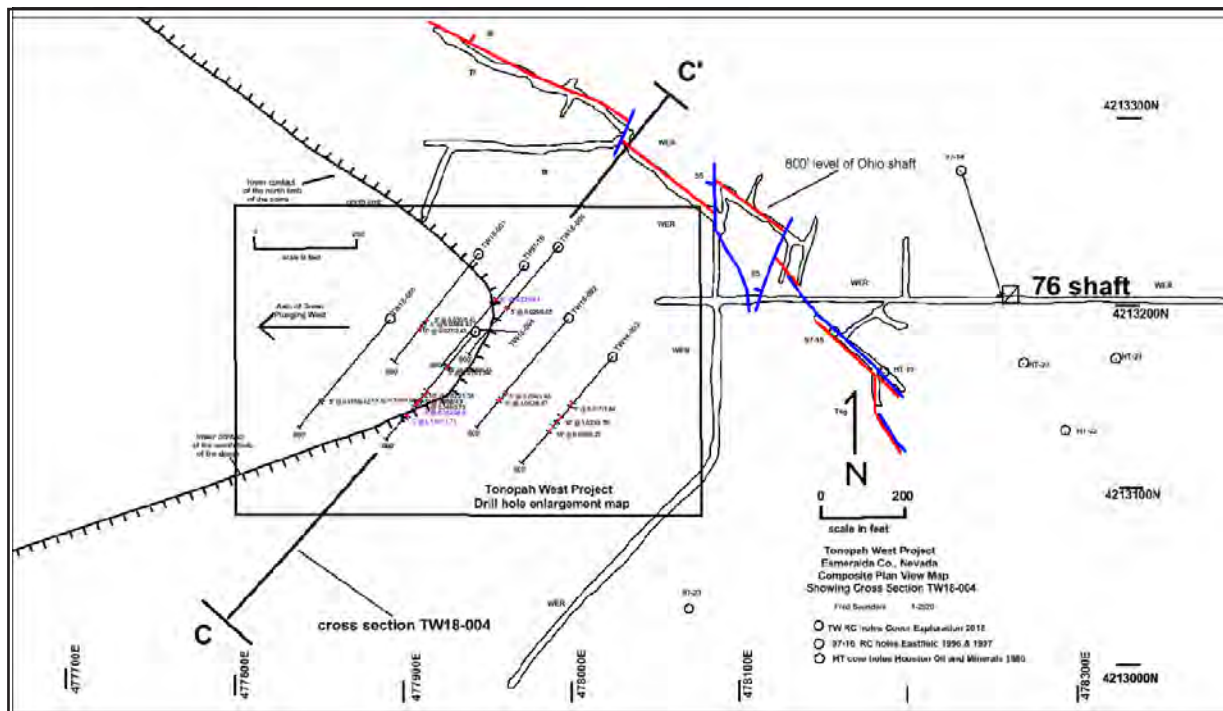


Figure 6: Plan map of West Tonopah Target drill holes and section line with underground workings and outline of the dome.

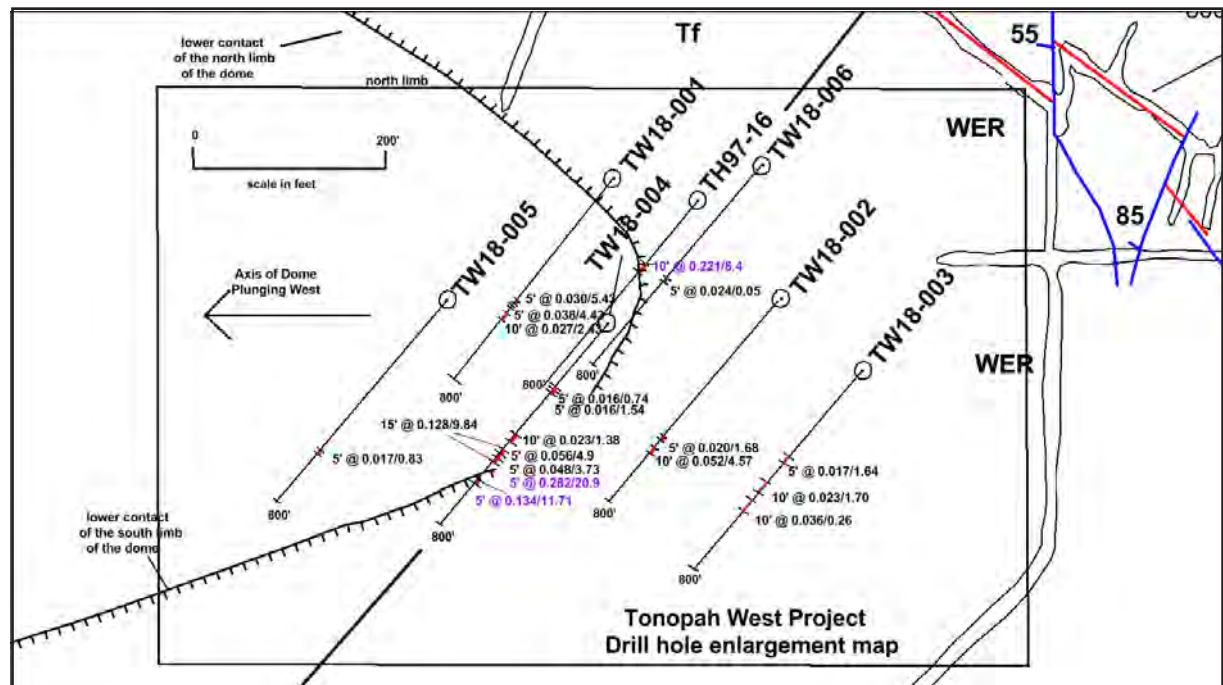


Figure 8: Tonopah West plan map enlargement of 2018 drill holes.

Target 3: Unexplored veins in the faulted wedge on the north limb of the dome.

The very productive Murray and Merger veins were faulted off by the McKane fault on the north limb of the dome. Exploration drifting by the Tonopah Extension Mining Company found offset portion of the vein system approximately 600 feet to the west in the footwall of the Monarch Pittsburg fault on the 1540' level of the Victor shaft.

Since this is a down dropped block you would expect the shallow dipping veins to be offset to the north and at a slightly deeper depth. Initial exploration using reverse circulation drilling versus core drilling is warranted to determine offsets

and stratigraphy in the area.

This target has the potential for 500,000 to 1,000,000 tons of 12-15 opt Ag with 0.1-0.12 opt Au.

Target 4: Unexplored veins in the faulted wedge on the south limb of the dome.

This target is the same as the last target except you are exploring for the faulted vein segments of the West End and Ohio veins that were faulted off by the MPF on the south limb of the dome. The perspective area between the MPF and MKF faults has had some limited exploration attempts. Houston Oil and Minerals drilled five core holes (figure 3 Cross Section C-C') in 1980.

This targets warrants several wide spaced drill holes drilled to the Tonopah Formation contact to determine actual offset of the Monarch Pittsburg fault, so that the offset of the Ohio Vein can be found.

This target has the potential for 500,000 to 1,000,000 tons of 15-20 opt Ag and 0.15-0.2 opt Au

● **LIBERTY SPRINGS PROPERTY HIGHLIGHTS (AU,AG):**

Location: Nye Co., T5N, R42E, San Antone Mining District. Elevation: 6,200'.

Geology/Description: Nevada Select Royalty has recently acquired the Liberty Springs property located south of the Hall mine and 8 miles north of Tonopah, Nevada. The Liberty Springs project encompasses over 2,000 acres of intensely altered and mineralized rocks including metasediments and Tertiary igneous rocks cut by a number of well developed epithermal veins.

The project area is characterized by complex geology with numerous high angle structures (NW,NE, EW) and abundant rhyolitic intrusives cutting basement metasediments and metavolcanics. The veins cutting the Liberty Springs project are classic high level epithermal quartz-carbonate veins measuring up to several tens of feet in width. These discrete veins often occupy vein zones of over 100 feet in width wherein the discrete veins make up well over 50% of the total zone volume. Stockworks of chalcedonic veining cutting silicified rhyolites occur locally. The veins, as exposed on the surface, exhibit classic high level textures including moss chalcedony, angel wing quartz after calcite, and banded chalcedony.

Breccias with quartz cemented vein fragments are evident as well. The discrete veins and more significant vein zones occur primarily within a north-northwest trending zone measuring 2 miles along strike and about ½ mile in width. Individual structures can be traced for at least 1500 feet along strike. It is likely that detailed structural analysis and mapping would prove the continuity along strike for several thousand feet along the principal vein zones. All veins sampled to date are anomalous in gold.

Pegasus drilled 19 widespread shallow reverse circulation holes across the property. Total drill footage was only 5,147 feet as most holes were less than 300 feet deep. Only 5 holes returned no significant gold with 14 of the holes returning favorable values.

Selected drill data includes:

LBT 3 5'-60' .018 opt including 25-30 @ .078 opt, TD 300' -90

LBT 8 290-320 .022 opt and 405-420 .014 opt,TD 420' @ -60

LBT 15 10-80' .0145 opt,TD 240' @-71

PERSHING COUNTY

● **LANTERN PROPERTY HIGHLIGHTS (AU,AG):**

Location: Pershing Co., T33N, R30E, Scosa Mining District. Elevation: 5,200'

Geology/Description: Precious metal mineralization was identified on the property around 1930 with the first ore mined from quartz veins on the top of Silver Ridge in the early 1930's. Modern exploration of the district effectively commenced in the 1980s with identification of silicified gold boulders located in the western portion of the current property. The property has been explored by several companies including Homestake Mining Co. (1986), Corona Gold (1987-92), and Santa Fe Gold Corp. (1993-96).

An estimated 180 reverse circulation and rotary chip holes have been drilled on the property since 1980 on over 6 prospect areas. The majority of drilling on those prospects was completed by Santa Fe Pacific Gold Corp. Santa Fe completed a resource estimate in 1992 for the SP ridge prospect based on 64 angle and vertical reverse circulation drill holes that covered an area of approximately 2,000 feet of strike in a north-south orientation. Santa Fe estimated a total of 12,670,000 tons averaging 0.012 oz/t (0.41 g/t) Au at a 0.008 (0.27 g/t) cut-off grade. In a separate, but overlapping silver

resource shell 8,450,000 tons averaging 1.15 oz/t (39.4 g/t) Ag at a 0.292 oz/t (10 g/t) Ag cut-off (Chenevey, 1992). The two overlapping resource shells combined total just over 18M tons containing an estimated 145,900 ounces of gold and 9.73M ounces of silver*.

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Several styles of mineralization are recognized at Lantern including epithermal style vein and stockwork prospects with quartz-adularia mineralization and disseminated mineralization in porous fanglomerates and calcareous sedimentary units.

The SP Ridge and Silver Ridge prospects are structurally complex zones with several feeder structures cutting through both Mesozoic sediments and Paleozoic Auld Lang Syne group rocks. Low grade mineralization exploits favourable lithologies at each prospect.

The Gold Boulders target is a 1,600 ft (488 m) linear zone of nearly continuous quartz rubble, and several large sub angular boulders up to 3 ft (1m) wide and 5 ft (1.5 m) long. Large boulders and fragments are primarily composed of banded quartz-adularia veining, that repeatedly return +1 oz/t Au (+ 34.3 g/t) rock chip assays with representative sampling averaging >0.25 oz/t (8.6 g/t) Au by several companies in past exploration programs. Drilling on the prospect is limited and non conclusive as to the source for the boulders. The gold boulders may represent a blind target of high grade quartz-adularia veining located proximal and to the west of the exposed geochemical signature.

IDAHO

IDAHO COUNTY

OROGRANDE HIGHLIGHTS (AU,AG):

Location: Idaho Co., T27N, R8E, Orogrande Mining District. Elevation 5,400'.

Geology/Description: The Orogrande Gold Project is hosted within or at the edge of the Orogrande Shear Zone, a 40 km long north-south regional shear zone roughly at the contact between the Cretaceous Idaho Batholith and metamorphosed Proterozoic Belt-Purcell sedimentary rocks. The shear zone, or at least discrete faults associated with the shear zone, are reported to range from 100 to 200m in width. The Orogrande Gold Project falls just on the edge of a southern portion of the shear zone. Gold mineralization in the district can be classified into two types with native (high grade) gold associated with quartz vein lodes and lenses within granodiorite, dacite or at contacts between granodiorite and metasedimentary schist and/or gneiss. The second type of gold mineralization is associated with zones of disseminated pyrite in silicified shear zones and breccias sometimes with a network or stockwork of thin veins and veinlets. This style of gold mineralization is well exhibited by Endomines operating Friday-Petsite gold mine immediately adjacent to Ely Gold Royalties Orogrande Gold Project.

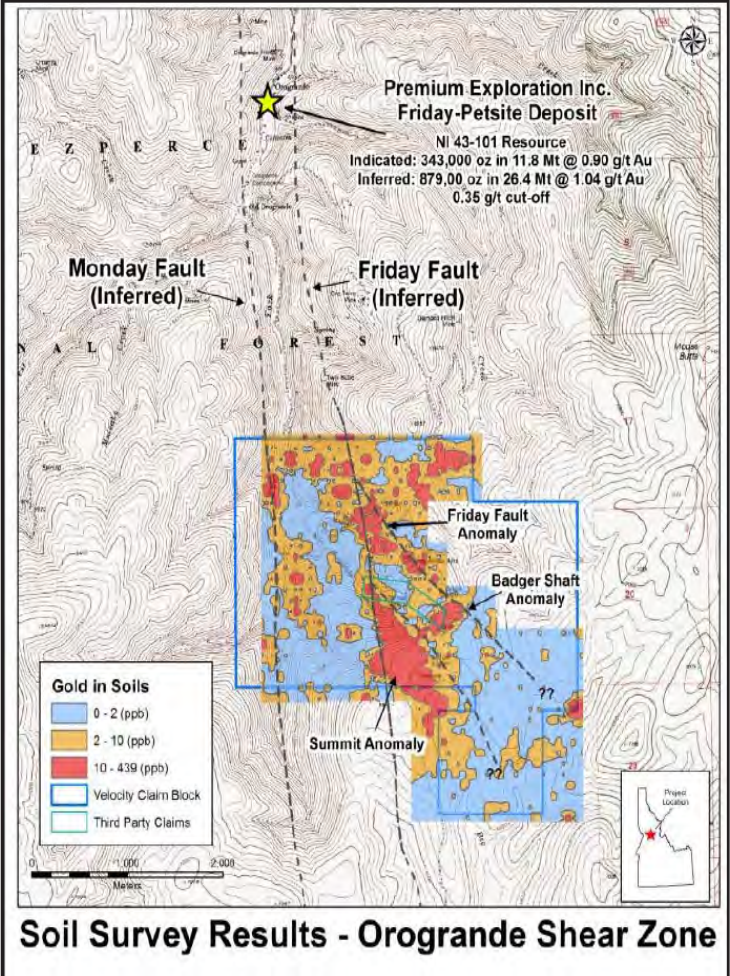
Gold was first discovered in Idaho County in the Elk City - Orogrande District in 1861. There have been numerous small "rich" placers and a number of small historic hard rock mining operations in the Elk City - Orogrande District with the bulk of the total placer gold being produced between 1861 and 1872. Total placer gold production for the district is estimated at somewhere between 550,000 and 800,000 ounces. Historic lode gold production did not commence in any significant fashion until about 1902. Total historic lode gold production for the district is estimated at about 100,000 ounces of gold. A couple of small historic lode gold producers including the Homestake, Penman, Badger Shaft, Badger Summit, Gold Master, Gold Bug and Eutopia exist within the south Orogrande Shear and are adjacent to or within the boundaries of Ely Gold Royalties Property. Recent exploration conducted by Velocity personnel on the Property consists of soil sampling and geological mapping. No modern drilling has been completed at the Project area.

In prior exploration, Premium/Endomines identified the adjacent Friday - Petsite Gold Zone, which has a NI 43-101 compliant pit constrained indicated mineral resource of 647,000 oz of gold and an inferred mineral resource of 590,000 oz of gold (Simpson, 2013). Ely Gold Royalties has not verified or validated this resource nor have they visited the Friday – Petsite Project. The following information on the adjacent Friday – Petsite deposit is provided simply to illustrate the potential for mineralization that could exist on Ely Gold Royalties Property. Table 1 shows significant drill intercepts that occur within close proximity to portions of the Orogrande Project area (Simpson, 2013). The gold in soils anomaly associated with the Friday – Petsite Gold Zone and provided by Simpson (2013) appears to continue onto the Orogrande Project area based upon recent sampling by Velocity. Mineralization in the Friday - Petsite Gold Zone ranges from wide low grade intervals to more narrow high grade intervals. Precious metals are associated with quartz veining and sulphides

along with strongly altered shear zones.

Based upon the favorable geological setting of the Orogrande Gold-Silver Project and the results of exploration work completed to date, which includes the mapping of significant areas of hydrothermal alteration and the identification of gold mineralization on surface and in historic lode mines, the Project is considered by Ely Gold Royalties to represent an opportunity to discover a significant Gold-Silver deposit.

Table 1: Significant Drill Intercepts at the Friday Gold Zone			
Hole ID	Depth (m)	Intercept (m)	Au (g/t)
PFR2009_1	57.0-73.50	16.50	5.47
PFR2009_10	201.80-353.80	152.00	3.28
PFR2010_2	14.60-289.60	275.00	1.84
PFR2010_2	213.40-228.30	14.90	22.18
PFR2010_3	221.00-378.90	157.90	2.23
PER2010_21	29.90-64.30	34.40	7.00



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