

ELY GOLD & MINERALS INC. (“ELY GOLD” or the “COMPANY”)
Corporate Governance Policy on Confidentiality, Disclosure and Insider Trading
January 2015

GENERAL

This policy statement has been prepared by the board of directors (the “Board”) of Ely Gold & Minerals Inc. (“Ely Gold” or the “Company”) to set out, and to provide guidance on the policies and procedures with respect to confidential information of the Company and its subsidiaries (collectively, “Ely Gold”) and the disclosure by the Company of material information. This policy statement also describes the legal prohibitions on insider trading and tipping and the requirements for insider reporting.

This policy statement is to be brought to the attention of all directors, officers and employees of Ely Gold when they first join Ely Gold, on an annual basis thereafter and upon the making of any amendments to the policies and procedures set out herein. Each director, officer and employee of Ely Gold will be asked to certify receipt of a copy of this policy, having read the policy, and agreeing to abide by its terms by completing and returning a copy of the Certificate attached to this policy to the Corporate Secretary.

CONFIDENTIALITY

Disclosure of confidential information relating to Ely Gold can severely damage the Company. Accordingly, the directors, officers and employees of Ely Gold, as well as Ely Gold’s external consultants and service providers, must take all reasonable care to safeguard the confidentiality of such information and may not disclose, or use, such information except in the necessary course of business (for example, in planning and negotiating an acquisition, a divestiture or a joint venture).

Confidential information relating to Ely Gold is subject to the following rules:

- (a) *Confidential Information*. All internal information concerning the business and affairs of Ely Gold must be considered and treated as confidential information except information that has been publicly disclosed through a press release, financial statement and related MD&A, annual information form or other public disclosure.
- (b) *Oral, Written and Electronic Information*. Confidential information must not be discussed in public places where it can be overheard. Confidential information in written form must be restricted to persons who “need to know” the information and must not be accessible to office visitors. Highly sensitive confidential information in electronic form must not be transmitted unless the transmission can be made and received under secure conditions.
- (c) *Permitted Disclosure – Insiders*. Confidential information may be disclosed to those directors, officers and employees of Ely Gold who need to know the information in the performance of their duties with Ely Gold.
- (d) *Permitted Disclosure – Outsiders*. If confidential information is to be disclosed to persons outside Ely Gold, such persons must be warned not to disclose the information to others and not to trade in the securities of the Company (or any other public company whose securities may be affected by changes in the market price or value of the Company’s securities) until the information has been publicly disclosed. In appropriate circumstances, such persons may be required to sign confidentiality agreements with the Company.

DISCLOSURE

Applicable securities laws and the rules of the Exchange require the Company to make timely public disclosure of all material information relating to the Company upon the information becoming known to management or, if the information is already known to management, upon management becoming aware that the information is material. In certain limited circumstances, disclosure of material information may be temporarily delayed if immediate release would be unduly detrimental to Ely Gold's interests.

Disclosure of Material Information. Disclosure is required only if a development or activity is material. This involves taking into consideration both the likelihood that the development or activity will occur, and that the nature and magnitude of the development or activity in the context of the business and affairs of the Company if it does occur. Disclosure of an intention to proceed with a transaction or activity is required only when a decision has been made to proceed with the transaction or activity by the Board or by senior management with the expectation of Board approval.

Mineral Project Disclosure. All disclosure by the Company of a scientific or technical nature will comply with the applicable requirements of Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, and its related companion policy, and with the *Mining Standards Guidelines* of the Exchange.

Compliance Procedures. To ensure compliance with applicable securities laws and Exchange rules, the disclosure of material information relating to Ely Gold is subject to the following:

(a) *Disclosure.* Disclosure will normally be made by way of a news release to news dissemination services that disseminate financial news nationally (including to the TSX Venture Exchange and the Canadian securities regulatory authorities). The Company will file the news release and a material change report (if applicable) with the applicable Canadian securities regulatory authorities within 10 days after disclosure is made.

(b) *Content of News Releases.* The content of news releases will comply with applicable securities laws and Exchange rules, including Exchange Policy 3.3, *Timely Disclosure*.

(c) *Dealings with the Exchange.* The Company will comply with the applicable rules of the Exchange with respect to the disclosure of material information relating to the Company. The Company will file with Market Regulation Services Inc. ("MRS") prior to public dissemination all news releases involving reverse takeovers, changes of business or other reorganizations, major transactions, including corporate acquisitions or dispositions, changes of control, future-oriented financial information or other operating projections and disclosure of mineral resources.

(d) *No Selective Disclosure.* Disclosure will not be made on a selective basis, i.e. undisclosed material information will not be disclosed to selected individuals nor will one individual or media service be given preference over another. The announcement of undisclosed material information at a press conference or at a meeting of shareholders, analysts or investors will be accompanied by general public disclosure of the undisclosed material information. If undisclosed material information is inadvertently selectively disclosed, the information will be immediately generally disclosed.

(e) *Contacts with Analysts.* The Company will not disclose undisclosed material information to analysts. In addition, the Company will not comment on draft reports prepared by analysts, except to correct factual errors, inasmuch as confirmation of, or attempting to influence, an

analyst's opinions or conclusions may be construed as disclosure by the Company. The Company will not provide comfort on earnings estimates and models prepared by analysts.

(f) *Disclosure File*. The Company will maintain a file containing all public information about the Company, including news releases, press reports, analyst reports and summaries of analyst meetings, and a record of all information provided in response to media inquiries.

(g) *Rumours*. The Company will usually not comment on or respond to rumours or speculation concerning the Company unless required by the Exchange to make an announcement as to whether the rumours or speculation are factual or not.

(h) *Website*. The Company will maintain a website and will regularly review and update material on the website. The Company will post on its website all financial information and news releases publicly disclosed by the Company during the most recent 12 month period.

INSIDER TRADING

Under applicable Canadian law, the directors, officers, and employees of Ely Gold and other Restricted Persons (as defined below) may not trade securities of the Company with knowledge of undisclosed material information relating to the Company. Trading includes the acquiring or disposing of shares or other securities of the Company, including the grant or exercise of stock options. The directors, officers and employees of Ely Gold, and other Restricted Persons may become aware of undisclosed material information relating to another public company (for example, as a result of business dealings or negotiations with respect to a significant transaction, joint venture or other activity). If they do, the prohibitions on insider trading apply to the securities, and to the undisclosed material information, of the other public company, and the prohibitions on insider trading apply to any other securities, the market price or value of which may reasonably be expected to be affected by changes in the market price or value of the securities of the Company or the other public company. A person who contravenes the insider trading and tipping prohibitions may be liable to significant criminal and civil penalties.

Post-Disclosure Trading. Material information relating to the Company is *undisclosed* until it has been publicly disclosed through a news release or some other form of general public disclosure and the marketplace has had time to digest the information.

Corporate Policy.

(a) *Prohibitions Applicable to All Directors, Officers and Employees*. No director, officer or employee of Ely Gold or other Restricted Person may trade shares, options or other securities of the Company with knowledge of undisclosed material information relating to the Company or disclose such information other than in the necessary course of business.

(b) *Restricted Persons*.

(i) *Restricted Persons*. All directors and officers of Ely Gold, all employees of Ely Gold and those external consultants or service providers to Ely Gold who are in possession, routinely or from time to time, of undisclosed material information relating to the Company, are "Restricted Persons" for the purposes of this Policy.

(ii) *Black-Out Periods*. The Board or the Spokesperson may by notice to Restricted Persons impose black-out periods in appropriate circumstances, e.g. before and after unscheduled announcements of material information. During a black-out period, no

director, officer or other Restricted Person may trade shares, options or other securities of the Company until further notice from the Board or the Spokesperson. Notice terminating a black-out period will specify the date on which trading by Restricted Persons in shares, options or other securities of the Company may resume.

Compliance. Directors, officers and employees of Ely Gold and other Restricted Persons, who trade in shares, options or other securities of the Company are solely responsible for ensuring that such trades are in compliance with applicable laws and corporate policy. Restricted Persons who wish to trade securities of the Company and who are uncertain whether specific information known to them relating to the Company has been disclosed shall contact the Corporate Secretary to determine whether such information has been publicly disclosed.

Insider Reporting. The directors and senior officers of Ely Gold are insiders of the Company and, as such, are required by Canadian securities laws to file insider reports disclosing their beneficial ownership of, or control or direction over, securities of the Company when they first become insiders of Ely Gold, i.e. when they first assume office, and when there is any change in their beneficial ownership of, or control or direction over, securities of the Company. Insiders are required to create and file with the Canadian securities regulatory authorities an initial insider profile disclosing their beneficial ownership of, or control or direction over, securities of the Company and thereafter to file an insider report within 5 days after any change in their beneficial ownership of, or control or direction over, securities of the Company. The grant, exercise and expiry of stock options are all changes in the ownership of securities of the Company which must be reported in accordance with the foregoing requirements. There are also penalties for the late filing of insider reports.

Corporate Policy. The directors and senior officers of Ely Gold will comply with the requirements of Canadian securities laws relating to insider reporting.

Compliance Procedures. To ensure compliance with applicable securities laws and corporate policy, the following rules apply to insider reporting:

(a) *Responsibility for Reporting.* The directors and senior officers of Ely Gold are responsible for ensuring that insider profiles and insider reports are prepared and filed in a timely manner.

(b) *Assistance.* The Company will upon request assist the directors and senior officers of Ely Gold with respect to the preparation and filing of insider profiles and insider reports.

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