

ELY GOLD & MINERALS INC. (“ELY GOLD” or the “COMPANY”)
Statement of Corporate Governance Principles
January, 2015

GENERAL

Corporate Governance refers to the policies and composition of the Board of Directors of the Company. Good Corporate Governance requires establishing a reasonable degree of independence of non-management Board members from senior management and the adoption of policies to ensure proper management of Ely Gold. Ely Gold will continue to develop its corporate governance practices to ensure that they promote the interests of shareholders and contribute to effective and efficient decision-making.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board is comprised of directors elected annually by shareholders. The size and composition of the Board reflects a breadth of backgrounds and experience that is important for effective governance of a corporation in the mineral exploration industry.

The Board is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of Ely Gold and believes that there are sufficient systems and procedures in place to allow the non-management Board members to have a reasonable degree of independence from day-to-day management.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

The Board has the responsibility for the stewardship of Ely Gold and to oversee the conduct of the Company's business. The Board's fundamental objective is to enhance and preserve long-term shareholder value, to ensure that Ely Gold meets its obligations on an ongoing basis and that Ely Gold operates in a reliable and safe manner. In overseeing the conduct of the business, the Board, through the President and Chief Executive Officer, sets the standards of conduct for Ely Gold.

Audit Committee

The purpose of the Audit Committee is: (i) to ensure that the Company's senior management has designed and implemented an effective system of internal financial controls, (ii) to review and report on the integrity of the consolidated financial statements of the Company, (iii) to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts, and (iv) to monitor and oversee the independent auditors' qualifications, independence and activities.

Compensation Committee

The purpose of the Compensation Committee is: to assist the Board in discharging its duties relating to compensation of the executive officers of the Company. The Committee's goal is to enable the Company to attract, retain and motivate talented employees who will contribute to the long term success of the Company, by aligning compensation with market conditions, Company performance and the interest of shareholders.