ELY GOLD ROYALTIES

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Unaudited)

Notice to Reader
Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

November XX, 2019

ELY GOLD ROYALTIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	Notes	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS			
Current			
Cash and cash equivalents		$ 2,265,608	$ 2,437,736
Marketable securities	5	933,274	830,961
Receivables	6	200,073	107,184
Prepaid expenses		122,387	67,258
		3,521,342	3,443,139
Non-Current			
Reclamation bond		29,022	29,896
Property, plant and equipment	7	60,001	-
Mineral and royalty interests	8	2,966,241	1,795,580
		$ 6,576,606	$ 5,268,615
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9 & 13	$ 221,403	$ 227,482
Note payable	10	-	183,934
Current portion of capital lease obligation	11	36,007	-
Current portion of obligation under royalty acquisition	8(c)	198,645	-
		456,055	411,416
Non-Current			
Capital lease obligation	11	30,112	-
Obligation under royalty acquisition	8(c)	264,860	-
		751,027	411,416
EQUITY			
Share capital	12	30,125,442	28,519,610
Share-based payment reserve	12	1,624,540	998,942
Cumulative translation adjustment		156,388	158,202
Subscriptions received	12	-	47,315
Deficit		(26,080,791)	(24,866,870)
		5,825,579	4,857,199
		$ 6,576,606	$ 5,268,615

Approved and authorized by the Board:

"Tom Wharton"	Director	*"Stephen Kenwood"*	Director
Tom Wharton		Stephen Kenwood	

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ELY GOLD ROYALTIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
REVENUE					
Option proceeds	8	$ 9,440	$ 130,158	$ 317,199	$ 484,809
Gain on disposal of mineral interests	8	367,697	-	1,286,115	351,324
		377,137	130,158	1,603,314	836,133
EXPENSES					
Amortization		10,473	-	31,505	-
Consulting fees		91,639	30,700	137,538	38,574
Exploration and evaluation		185,682	179,650	236,265	249,736
Insurance		5,221	8,210	12,418	20,245
Management fees	13	404,943	134,189	775,018	441,506
Office and administration		11,784	26,868	82,161	102,534
Professional fees		83,044	29,043	210,915	113,857
Rent		-	6,750	-	20,250
Share-based payments	12 & 13	544,406	1,300	544,936	23,508
Transfer agent and filing fees		11,694	7,322	34,213	22,307
Travel and promotion		245,006	122,761	493,466	406,670
		(1,593,892)	(546,793)	(2,558,435)	(1,439,187)
OTHER INCOME (EXPENSE)					
Interest expense	10	(1,688)	(2,223)	(8,315)	(15,138)
Interest income		653	125	5,004	187
Gain on disposal of marketable securities	5	-	-	12,423	60,225
Change in fair value of marketable securities	5	(187,901)	(324,604)	(273,264)	(154,487)
Gain on foreign exchange		22,095	120,446	5,184	216,867
		(166,841)	(206,256)	(258,968)	107,654
Loss for the period		(1,383,596)	(622,891)	(1,214,089)	(495,400)
Other comprehensive income (loss) for the period					
Items subject to reclassification into statement of loss					
Currency translation adjustment		44,363	-	(1,814)	-
Comprehensive loss for the period		$(1,339,233)	$ (622,891)	$(1,215,903)	$ (495,400)
Basic and diluted loss per share		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		99,745,919	81,175,040	95,343,280	77,780,750

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ELY GOLD ROYALTIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars)

	For the nine months ended	
	September 30, 2019	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,214,089)	$ (495,400)
Items not affecting cash		
Interest expense	5,004	15,138
Amortization	31,505	-
Option proceeds paid in marketable securities	-	(184,783)
Change in fair value of marketable securities	273,264	154,487
Gain on disposal of marketable securities	(12,423)	(60,225)
Gain on disposal of mineral interest	(1,286,182)	(351,324)
Share-based payments	544,936	23,508
Unrealized foreign exchange	24,429	13,377
	(1,633,556)	(885,222)
Changes in non-cash working capital items		
Receivables	(93,546)	3,734
Prepaid expenses	(55,129)	(44,554)
Accounts payable and accrued liabilities	(6,078)	(269,678)
Net cash used in operating activities	(1,788,309)	(1,195,720)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of mineral and royalty rights	(1,522,417)	(21,260)
Proceeds received from royalty payments or properties under option	216,207	207,273
Proceeds on disposal of marketable securities	56,413	529,408
Proceeds on disposal of mineral and royalty interest	1,676,541	379,410
Net cash provided by investing activities	426,744	1,094,831
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net of issuance costs	1,231,502	-
Repayment of loans payable	(183,934)	(728,482)
Lease payments	(35,879)	-
Proceeds received from the exercise of options and warrants	208,527	210,000
Net cash provided by (used in) financing activities	1,220,216	(518,482)
Effect on cash of foreign exchange	(30,779)	-
Change in cash and cash equivalents for the period	(172,128)	(619,371)
Cash and cash equivalents, beginning of period	2,437,736	2,393,322
Cash and cash equivalents, end of period	$ 2,265,608	$ 1,773,951
Cash and cash equivalents consists of:		
Cash	$ 1,490,608	$ 1,748,951
Term deposits	775,000	25,000
	$ 2,265,608	$ 1,773,951

Supplemental disclosure with respect to cash flows (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ELY GOLD ROYALTIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payment reserve	Cumulative translation adjustment	Subscriptions received	Deficit	Total
Balance, December 31, 2017	76,055,475	$ 26,917,261	$ 1,186,671	$ -	$ -	$ (23,816,048)	$ 4,287,884
Exercised warrants	3,000,000	210,000	-	-	-	-	210,000
Share-based payments allocated to share capital on exercise of warrants	-	267,220	(267,220)	-	-	-	-
Share-based payments	-	-	23,508	-	-	-	23,508
Loss for the period	-	-	-	-	-	(495,400)	(495,400)
Balance, September 30, 2018	79,055,475	27,394,481	942,959	-	-	(24,311,448)	4,025,992
Private placement, net of issuance costs	10,000,000	988,629	-	-	-	-	988,629
Subscriptions received	-	-	-	-	47,315	-	47,315
Shares issued for mineral and royalty interests	1,050,000	136,500	-	-	-	-	136,500
Warrants issued for mineral and royalty interests	-	-	55,335	-	-	-	55,335
Share-based payments	-	-	648	-	-	-	648
Loss for the period	-	-	-	-	-	(555,422)	(555,422)
Other comprehensive income	-	-	-	158,202	-	-	158,202
Balance, December 31, 2018	90,105,475	28,519,610	998,942	158,202	47,315	(24,866,870)	4,857,199
Adjustment on adoption of IFRS 16	-	-	-	-	-	(6,003)	(6,003)
Private placement, net of issuance costs	8,615,454	1,278,817	-	-	(47,315)	-	1,440,029
Share-based payments	-	-	544,936	-	-	-	544,936
Fair value of warrants issued for mineral and royalty interests	-	-	205,321	-	-	-	205,321
Shares issued on exercise of options	700,000	85,527	-	-	-	-	85,527
Shares issued on exercise of warrants	775,000	123,000	-	-	-	-	123,000
Reallocation of reserves of expired options	-	-	(6,171)	-	-	6,171	-
Reallocation of reserves of exercised options and warrants	-	118,488	(118,488)	-	-	-	-
Loss for the period	-	-	-	-	-	(1,214,089)	(1,214,089)
Other comprehensive loss	-	-	-	(1,814)	-	-	(1,814)
Balance, September 30, 2019	100,195,929	$ 30,125,442	$ 1,624,540	$ 156,388	$ -	$ (26,080,791)	$ 5,825,579

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF AND CONTINUANCE OF OPERATIONS

Ely Gold Royalties Inc. (the "Company" or "Ely Gold") was incorporated under the *Business Corporations Act* (Alberta) on May 10, 1996. The Company was continued into British Columbia in 2002 where it is now domiciled and governed by the *Business Corporations Act* (British Columbia). The Company is listed on the TSX Venture Exchange ("TSX-V"), under the symbol "ELY" and on the OTCQB under the symbol "ELYGF".

The Company is an exploration and development stage natural resource royalty company engaged in the evaluation, acquisition, exploration and development of natural resource projects and royalties. The Company is currently focused on purchasing royalties and selling its gold projects, with the potential to generate royalties, in the United States and Canada.

The Company's registered office is Suite 2833 – 595 Burrard Street, P.O. Box 49195, Vancouver, British Columbia, Canada, V7X 1J1.

The recovery of the amounts comprising exploration and evaluation assets and royalty interests is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, upon future profitable production, or disposition of its mineral interests.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended September 30, 2019, the Company incurred a net loss of $1,214,089 (2018 - $495,400) and has incurred ongoing losses since incorporation. A number of alternatives, including, but not limited to, selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on November 28, 2019.

2. BASIS OF PREPARATION AND CONSOLIDATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are the same as those applied in the most recent Annual Financial Statements and were consistently applied to all the periods presented with the exception of IFRS 16 *Leases* discussed below.

These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars, the Company's functional currency, unless otherwise specified.

(Unaudited – Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONSOLIDATION (cont'd…)

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company's wholly owned subsidiaries include DHI Minerals Ltd. ("DHI") (a Canadian corporation), DHI Minerals (US) Ltd. ("DHI US") (a Nevada corporation), Voyageur Gold Inc. ("Voyageur") (a Canadian corporation) and Nevada Select Royalty, Inc. ("Nevada Select") (a Nevada corporation).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Adoption of new accounting policies

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited Annual Financial Statements for the fiscal year ended December 31, 2018, with the exception of the following:

Adoption of new standard – Leases

The Company adopted the requirements of IFRS 16 effective January 1, 2019. This new standard replaces IAS 17 *Leases* and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current accounting for finance leases, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is substantially changed.

On adoption, the Company's lease consisted of two office leases. The Company transitioned to the new standard using the modified retrospective approach and:

- Measured the lease liability based on the present value of the remaining lease payments discounted using the Company's incremental borrowing rate at January 1, 2019;
- Measured the right-of-use asset as if IFRS 16 had been applied since the commencement date, but discounted using the Company's incremental borrowing rate at January 1, 2019; and
- Recorded the cumulative difference to deficit.

The net impact on retained earnings on January 1, 2019 was a decrease of $6,003.

The following is a reconciliation of total operating lease commitments at December 31, 2018 to the lease liabilities recognized at January 1, 2019:

	$
Lease liabilities before discounting	110,763
Discounted using incremental borrowing rate	(11,788)
Operating lease liability	98,975

The following is a reconciliation of lease liability to right-of-use lease asset at January 1, 2019:

	$
Operating lease liability at January 1, 2019	98,975
Prepaid lease payment	1,784
Lease payments prior to January 1, 2019	64,457
Depreciation prior to January 1, 2019	(72,244)
Right-of-use lease asset at January 1, 2019	92,972

2. BASIS OF PREPARATION AND CONSOLIDATION (cont'd…)

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Company assesses whether the contract meets three key evaluations, which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

2. BASIS OF PREPARATION AND CONSOLIDATION (cont'd…)

New accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early-adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed interim consolidated financial statements.

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Share-based payments

The fair value of share-based payments is subject to the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in certain assumptions. As the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and expected forfeiture rate, changes in subjective input assumptions can materially affect the fair value estimate.

Impairment of mineral and royalty interests

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral and royalty interests.

In respect of costs incurred for its mineral properties, management has determined that exploratory drilling, evaluation and related costs incurred, which have been capitalized, continue to be appropriately recorded on the condensed interim consolidated statement of financial position at carrying value. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessment/studies, accessible facilities and existing permits.

(Unaudited – Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONSOLIDATION (cont'd…)

Critical accounting judgments

Management must make judgments given the various options available under IFRS for items included in the condensed interim consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. Critical judgments have been made by management in arriving at the three above noted critical estimates.

3. FINANCIAL INSTRUMENTS

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The carrying values of cash and cash equivalents and marketable securities have been based on quoted market prices, a Level 1 measurement according to the fair value hierarchy. The carrying value of accounts payable and accrued liabilities approximates fair value due to the short term to maturity of these financial instruments. The carrying value of note payable approximates fair value, as the note bears market interest rate.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk refers to the potential that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by placing its cash balances at major Canadian and American financial institutions.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at major Canadian and American financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	September 30, 2019	December 31, 2018
Cash and cash equivalents	$ 2,265,608	$ 2,437,736

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At September 30, 2019, the Company has cash and cash equivalents of $2,265,608 (December 31, 2018 - $2,437,736) and current liabilities of $257,410 (December 31, 2018 - $411,416).

3. FINANCIAL INSTRUMENTS (cont'd…)

(b) Liquidity risk (cont'd…)

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Company:

Due Date	September 30, 2019	December 31, 2018
0 – 90 days	$ 238,921	$ 411,416
90 – 365 days	18,489	-
More than 1 year	30,112	-
	$ 287,522	$ 411,416

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and equity price risk.

(i) Interest rate risk

Interest rate risk consists of three components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(c) Fluctuations in the interest rates impact the value of cash equivalents. As at September 30, 2019, the impact of interest rates on the Company is not deemed significant. The Company's other liabilities are not exposed to interest rate risk, as they are carried at amortized cost.

(ii) Foreign currency risk

The Company incurs expenditures in Canada and the US. Foreign currency risk arises as the amount of the US dollar cash, intercompany balances and payables will vary in Canadian dollar terms due to changes in exchange rates.

As at September 30, 2019 and December 31, 2018, the Company has not hedged its exposure to currency fluctuations.

3. FINANCIAL INSTRUMENTS (cont'd…)

(c) Market risk (cont'd…)

(ii) Foreign currency risk (cont'd…)

At September 30, 2019 and December 31, 2018, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

		September 30, 2019		December 31, 2018
Cash and cash equivalents	US$	873,699	US$	872,445
Accounts payable and accrued liabilities		(65,929)		(51,583)
Note payable		-		(125,000)
Interest payable		-		(9,829)
Net	US$	807,770	US$	686,033
Canadian dollar equivalent		$ 1,063,255		$ 935,886

Based on the above net exposures as at September 30, 2019, a 5% change in the Canadian/US exchange rate would impact the Company's income (loss) and comprehensive income (loss) by approximately $53,000 (December 31, 2018 - $46,000).

(iii) Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's marketable securities consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held.

Based on the marketable securities held as at September 30, 2019, a 10% change in the market price of these securities would impact the Company's income (loss) and comprehensive income (loss) by approximately $93,000 (December 31, 2018 - $83,000).

(iv) Fair value hierarchy

The following tables summarize the Company's financial instruments under the fair value hierarchy as at September 30, 2019 and December 31, 2018:

September 30, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 2,265,608	$ -	$ -	$ 2,265,608
Marketable securities	$ 933,274	$ -	$ -	$ 933,274

December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 2,437,736	$ -	$ -	$ 2,437,736
Marketable securities	$ 830,961	$ -	$ -	$ 830,961

(Unaudited – Expressed in Canadian Dollars)

4. CAPITAL MANAGEMENT

The Company is an exploration stage company and this involves a high degree of risk. The Company has not determined whether its exploration and evaluation assets contain economically recoverable reserves of ore and currently has only earned revenues from option proceeds on its exploration and evaluation assets. The Company's primary source of funds comes from the issuance of share capital and debt. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company defines its capital as equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2019.

5. MARKETABLE SECURITIES

The Company's marketable securities comprise the following common shares. The fair value of the marketable securities has been determined directly by reference to published price quotations in an active market.

	September 30, 2019			December 31, 2019		
	Shares	Cost	Fair Value	Shares	Cost	Fair Value
Gold Resources Corporation	104,811	$ 818,668	$ 423,298	104,811	$ 818,668	$ 571,933
Colorado Resources Ltd.	-	-	-	800,000	178,000	44,000
Solitario Royalty & Exploration Corp.	119,352	144,454	44,160	119,352	144,454	38,193
Bitterroot Resources Ltd.	200,000	30,000	6,000	200,000	30,000	5,000
VR Resources Ltd.	100,000	36,250	36,000	100,000	36,250	18,000
Valterra Resource Corp.	5,254,420	221,831	78,816	5,254,420	221,831	78,816
Fremont Gold Ltd.	500,000	80,000	25,000	500,000	80,000	75,019
Contact Gold Corp.	2,000,000	420,000	320,000	-	-	-
Total		$1,751,203	$ 933,274		$1,509,203	$ 830,961

During the nine months ended September 30, 2019, the Company:

(a) recorded an unrealized loss in the change in fair value on marketable securities of $273,264 (2018 - $154,487) in the statements of loss and comprehensive loss.

(b) sold 800,000 common shares of Colorado Resources Ltd. ("Colorado") for net proceeds of $56,423. As at December 31, 2018, these shares had a carrying value of only $44,000, which resulted in a recovery of $12,423.

(Unaudited – Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES (cont'd…)

(c) Acquired 2,000,000 shares of Contact Gold Corp., valued at $420,000, as part of the consideration on the sale of the Green Springs property.

During the nine months ended September 30, 2018, the Company:

(d) acquired 50,000 common shares of VR Resources Ltd. ("VR Resources"), valued at $20,000, as part of the consideration for the option of its Kraut claims to VR Resources (Note 8(c)).

(e) acquired 200,000 common shares of Fremont Gold Ltd. ("Fremont"), valued at $32,000, as part of the consideration for the option of its North Carlin mineral property to Fremont (Note 8(c)).

(f) acquired 300,000 common shares of Fremont, valued at $61,613, as part of the consideration for the option of its Hurricane project to Fremont.

(g) acquired 2,655,740 common shares of Valterra Resource Corp. ("Valterra"), valued at $92,951, as part of the consideration for the option of its Weepah project to Valterra.

(h) disposed of 85,000 common shares of Gold Resource Corporation ("Gold Resource") for net proceeds of $529,408 and realized a gain of $60,225.

6. RECEIVABLES

The Company's receivables are as follows:

		September 30, 2019		December 31, 2018
Trade receivables	$	70,520	$	6,883
Sales taxes receivable		129,553		100,301
	$	200,073	$	107,184

(Unaudited – Expressed in Canadian Dollars)

7. RIGHT-OF-USE LEASE ASSET

The Company's right-of-use asset relates to the lease of office space.

On adoption of IFRS 16, the group recognized lease liabilities in relation to leases that had previously been classified as "operating leases" under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liability on January 1, 2019 was 8%.

	$
Cost:	
Balance at January 1, 2019, on adoption of IFRS 16	93,613
Accumulated amortization:	
Balance at January 1, 2019, on adoption of IFRS 16	-
Depreciation for the period	31,548
Balance, March 31, 2019	31,548
Currency translation adjustment	(2,064)
Net book value:	
As at January 1, 2019, on adoption of IFRS 16	93,613
As of September 30, 2019	60,001

8. MINERAL AND ROYALTY INTERESTS

	Green Springs and Cox Claims	Nevada Select Properties	Balmoral Fenelon Royalty	Devon Fenelon Royalty	Total
Balance, December 31, 2017	$ 98,276	$1,534,438	$ -	$ -	$1,632,714
Acquisition costs	-	21,260	716,836	-	738,096
Option payments received	(64,785)	(522,777)	-	-	(587,562)
Disposition	-	(28,086)	-	-	(28,086)
Cumulative translation adjustment	-	40,418	-	-	40,418
Balance, December 31, 2018	33,491	1,045,253	716,836	-	1,795,580
Acquisition costs	60,032	1,531,210	-	600,000	2,191,242
Option and royalty payments received	-	(216,207)	-	-	(216,207)
Disposition	(93,523)	-	(716,836)	-	(810,359)
Cumulative translation adjustment	-	5,985	-	-	5,985
Balance, September 30, 2019	$ -	$2,366,241	$ -	$600,000	$2,966,241

(a) Green Springs

On February 4, 2013, the Company, through its wholly owned subsidiary, DHI US, acquired the Green Springs property in White Pine County, Nevada, for US$300,000 (paid) and $50,000 (paid) cash. The Green Springs property is subject to a 2% net smelter return ("NSR") royalty.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(a) Green Springs (cont'd…)

On July 7, 2014, the Company entered into an exploration and option agreement (the "EMX Agreement") with EMX Royalty Corp., formerly Eurasian Minerals Inc., ("EMX") for the Cathedral Well gold project consisting of 79 unpatented mining claims (the "Cathedral Well Claims"), which surround the Company's Green Springs claims. The Company completed the acquisition in November 2016 by paying EMX a total of US$100,000 over a three-year period. The property is subject to a 2.5% NSR royalty, inclusive of an underlying 0.5% NSR royalty.

In addition, after earning the 100% interest in the Cathedral Well Project, the Company will pay EMX annual advance royalties equal to 20 ounces of gold each year beginning in year four of the EMX Agreement. After completion of a feasibility study of the Cathedral Well Project and/or the adjacent Company properties, the annual payment will increase to 35 ounces of gold each year thereafter until commencement of commercial production from either, or both, of the Cathedral Well Project and the adjacent Company properties. The Company may purchase 0.5% of the EMX NSR royalty by paying EMX 500 ounces of gold within 60 days after commencement of commercial production from either, or both, of the Cathedral Well Project and the adjacent Company properties. However, EMX will not retain any royalty on the Company's existing Green Springs project.

On July 23, 2019, the Company signed a purchase option agreement with Contact Gold Corp. and its subsidiary Clover Nevada II LLC (collectively, "Contact Gold") to acquire an undivided 100% interest in the Cox and Green Springs gold projects.

As consideration for the properties Contact Gold will make the following payments and share issuance:

- 2,000,000 common shares of Contact Gold, US$25,000, and the reimbursement of prepaid claims fees relating to Green Springs upon entry into the Purchase Option (received)
- US$50,000 on the first anniversary of the Purchase Option
- US$50,000 on the second anniversary of the Purchase Option
- US$50,000 on the third anniversary of the Purchase Option
- US$100,000 on the fourth and final anniversary of the Purchase Option

Anniversary payment amounts may be made in cash or in Contact Gold's common shares at Contact Gold's election. Payment of all amounts can be accelerated and completed at any time. One million of the shares issued at Closing will be restricted for 24 months. The issuance of all common shares is subject to statutory hold periods pursuant to U.S. and Canadian securities regulations, and conditional upon the approval of any required governmental or regulatory authority, including the TSX Venture Exchange (the "TSXV").

Ely Gold will retain a 1% net smelter royalty on 76 core claims and a 0.75% royalty on the 2 leased claims. There is no buy-down provision to the royalties. Contact Gold will also make all third party payments due on the Cathedral properties.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(b) Cox Claims

On January 16, 2013, the Company acquired a mining lease and a purchase option on mining claims contiguous to the Green Springs property, known as the Cox Claims. The lease on the Cox Claims has a term of 10 years with escalating advanced mining royalty ("AMR") payments and a purchase option to acquire 100% of the property. The AMR payments are payable as follows on each anniversary of the agreement:

- Upon signing, US$7,500 (paid in 2013);
- January 16, 2014, US$10,000 (paid in 2013);
- January 16, 2015, US$12,000 (paid in 2014);
- January 16, 2016, US$15,000 (paid in 2015);
- January 16, 2017, US$15,000 (paid in 2017 by Colorado);
- January 16, 2018, US$15,000 (paid in 2018 by Colorado);
- January 16, 2019, US$20,000 (paid in 2019); and
- January 16, 2020 and on each subsequent anniversary, US $25,000.

The Company has the option to purchase the claims for an amount equal to US$200,000 less the aggregate of the annual AMR payments made prior to the date of exercising the purchase option. Upon exercise of the purchase option, title to the Cox Claims will be taken subject to annual AMR payments of US$25,000 until commencement of commercial production, after which a 2% NSR royalty will be payable, after recovery of the aggregate AMRs. The Company has the option to buy-down 1% of the NSR royalty for US$500,000.

In connection with the acquisition of the Cox Claims, the Company entered into an Agency Agreement with Urawest Energy LLC ("Urawest") to compensate Urawest for its involvement in the acquisition of the Cox Claims. Under the terms of the Agency Agreement, the Company will make total aggregate payments of US$47,500 to Urawest, payable in annual instalments over the 10-year term of the Cox Claims lease:

- Upon signing, US$2,500 (paid in 2013);
- January 16, 2014, US$2,500 (paid in 2014);
- January 16, 2015, US$2,500 (paid in 2015);
- January 16, 2016, US$5,000 (paid in 2016);
- January 16, 2017, US$5,000 (paid in 2017 by Colorado); and
- January 16, 2018 to January 16, 2023, US$5,000 each year (paid in 2018 by Colorado).

In the event the Company exercises the purchase option to acquire 100% of the Cox Claims, any unpaid fees to Urawest as at the date of exercise shall be paid in full. Upon commencement of commercial production from the Cox Claims, the Company shall pay Urawest a 0.25% NSR royalty and a US$2,500 annual AMR payment (the "Urawest Agreement"). Urawest also negotiated a side agreement with Cox for an additional 0.25% NSR royalty on the Cox Claims, to be deducted from Cox's 2% NSR royalty (the "Cox Side Agreement"). Urawest subsequently changed its name to Nevada Eagle and, as part of the acquisition of the Nevada Eagle Properties, the Company was assigned the Urawest Agreement and the Cox Side Agreement.

On July 23, 2019, the Company signed a purchase option agreement with Contact Gold to acquire an undivided 100% interest in the Cox and Green Springs gold projects.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(b) Cox Claims (cont'd…)

As consideration for the properties Contact Gold will make the following payments and share issuance:

- 2,000,000 common shares of Contact Gold, US$25,000 and the reimbursement of prepaid claims fees relating to Green Springs upon entry into the Purchase Option (received);
- US$50,000 on the first anniversary of the Purchase Option;
- US$50,000 on the second anniversary of the Purchase Option;
- US$50,000 on the third anniversary of the Purchase Option; and
- US$100,000 on the fourth and final anniversary of the Purchase Option.

Anniversary payment amounts may be made in cash or in Contact Gold's common shares at Contact Gold's election. Payment of all amounts can be accelerated and completed at any time. One million of the shares issued at closing will be restricted for 24 months. The issuance of all common shares is subject to statutory hold periods pursuant to US and Canadian securities regulations, and conditional upon the approval of any required governmental or regulatory authority, including the TSX-V. Ely Gold will retain a 1% NSR royalty on 76 core claims and a 0.75% royalty on the two leased claims. There is no buy-down provision to the royalties. Contact Gold will also make all third party payments due on the Cox properties.

(c) Nevada Select Properties

Nevada Select is the Company's 100% owned US subsidiary that owns title to over 76 mineral properties with 27 deeded royalties and 24 properties under option agreements with third parties.

During the nine months ended September 30, 2019, the Company received total net proceeds from option payments and disposition of mineral and royalty interests of $326,066 (2018 - $583,705), of which $83,747 (2018 - $229,054) is included in mineral and royalty interests and $242,319 (2018 - $354,651) is included in the statements of loss and comprehensive loss as option proceeds. In addition, the Company realized a gain on disposition of mineral interest of $nil (2018 - $351,324). Cash proceeds received upon the disposition of mineral interests was $nil (2018 - $379,410).

During the nine months ended September 30, 2019, the Company staked additional claims for total costs of $nil (December 31, 2018 - $21,260), which is included in mineral and royalty interests as acquisition costs.

Transactions during the nine months ended September 30, 2019:

War Eagle Property

On January 21, 2019, the Company entered into a definitive option agreement with Delamar Mining Company ("Delamar"), a wholly owned subsidiary of Integra Resources Corp., whereby Delamar can acquire a 100% interest in the Idaho State Lease on the War Eagle property by making US$200,000 in option payments to the Company as follows:

- Initial payment – US$20,000 (received);
- US$20,000 six months after the closing date (received);
- US$30,000 one year after the closing date;
- US$30,000 two years after the closing date;
- US$30,000 three years after the closing date; and
- US$70,000 four years after the closing date ("War Eagle Final Option Payment").

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

If the War Eagle Final Option Payment is made, the Company will retain a 1% NSR royalty on the War Eagle property. Delamar has the right to accelerate the payments and exercise of the option at any time prior to the fourth anniversary. The War Eagle property is subject to an underlying 5% gross royalty payable to the State of Idaho.

Isabella Pearl Royalty

On April 27, 2019, the Company acquired from a private estate a 0.75% gross receipts royalty on the Isabella Pearl Mine, operated by Gold Resource, and located in Mineral County, Nevada. Under the terms of the agreement, the Company acquired the 0.75% gross receipts royalty for cash consideration of US$300,000 (paid).

Lincoln Hill Royalty

On September 10, 2019, the Company entered into an agreement with a private individual to acquire 100% of all rights and interests to a 1% NSR royalty on the Lincoln Hill Property, operated by Coeur Mining Inc., for cash consideration of $750,000 and by issuing 500,000 common share purchase warrants entitling the holder to purchase one common share of the Company for a period of two years from the closing date at an exercise price of $0.18.

As consideration, the Company will make the following payments:

- US$400,000 at closing (US$400,000 and the 500,000 warrants have been placed in trust subsequent to September 30, 2019 subject to delivery of the royalty deed); and
- US$350,000 by September 10, 2020 contingent upon receipt of the royalty deed.

The $400,000 closing payment and the 500,000 warrants are being held in trust pending delivery of the royalty deed. The 2020 payment will accrue simple interest at 5% and be secured by the Lincoln Hill Royalty contingent on delivery of the royalty deed. In addition, the Company issued 500,000 common stock purchase warrants. Each warrant will allow the seller to purchase one share of Ely Gold common stock at $0.18 for two years from the closing date. The purchase agreement includes a right of first refusal if the seller disposes of an additional 1% royalty they currently hold.

Gold Bar Royalty

On September 16, 2019, the Company acquired a 1% NSR royalty covering two separate properties (the "Scoonover Royalty"), located in Eureka County, Nevada. Ely Gold paid US$25,000 for the assignment of 100% of the Scoonover Royalty from an arm's length third party.

Jerritt Canyon Royalty

On September 9, 2019, the Company entered into an agreement to acquired 100% of the rights and interests to a per ton royalty interest ("PTR Interest") on the Jerritt Canyon Processing Facilities by paying the owner a total cash consideration of US$650,000 and by issuing 500,000 common share purchase warrants entitling the holder to purchase one common share of the Company for a period of three years from the closing date at an exercise price of $0.18.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

The License Agreement entitles the owner to receive a per ton royalty payment (the "PTR Payment") based on overall throughput from mining operations at the Jerritt Canyon Processing Facilities with increasing PTR Payments at higher gold prices.

Royalties are calculated, in US dollars, as follows:

- $0.15 per ton if the gold price is less than or equal to $1,300 per ounce;
- $0.225 per ton if the gold price is greater than $1,300 but less than or equal to $1,600 per ounce;
- $0.30 per ton if the gold price is greater than $1,600 but less than or equal to $2,000 per ounce;
- $0.40 per ton if the gold price is greater than $2,000 per ounce.

As consideration the Company will make the following payments:

- US$300,000 cash (paid) and issue 500,000 warrants (issued) at closing;

  Deferred Payments:
  - US$150,000 cash on the first anniversary of closing;
  - US$150,000 cash on the second anniversary of closing; and
  - US$50,000 cash on the third anniversary of closing.

The Deferred Payments will accrue simple annual interest at 5% and be secured by the PTR Interest. If production or PTR Payments cease at the facility for two consecutive months or greater, Deferred Payments will be delayed by an amount equal to the time the production is halted. The warrants will be priced at $0.18 and have a term of three years.

Castle West property

On June 17, 2019, the Company entered into an option agreement with Bitterroot Resources Ltd. ("Bitterroot") whereby Bitterroot will have an option to purchase a 100% interest in the Castle West property located in Esmerelda County, Nevada, for a purchase price of US$241,000, payable over five years to the Company as follows:

- Initial payment – US$1,000 (received);
- US$15,000 one year after the closing date;
- US$40,000 on each of the second, third and fourth anniversaries from the date of closing; and
- US$105,000 on the fifth anniversary from the date of closing.

Bitterroot will make minimum advance royalty payments of US$5,000 on the first and second anniversaries of exercising of the option and US$10,000 on subsequent anniversaries.

The Company will retain a 3% NSR royalty on any precious metals production. Bitterroot has the right to buy-down 1% of the NSR royalty for a payment of US$1,000,000.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

Transactions during the year ended December 31, 2018:

Frost Property

On November 13, 2018, the Company, through its wholly owned subsidiary Nevada Select, entered into a definitive option agreement with Calico Resources USA Corp., a wholly owned subsidiary of Paramount Gold Nevada Corp. (collectively, "Paramount"), whereby Paramount has the option to acquire a 100% interest in the Frost Property by making cash payments totaling US$250,000, as follows:

- Initial payment – US$10,000 (received - $12,957);
- US$15,000 on the date on which Paramount receives a permit for a drill program;
- US$25,000 one year after the closing date;
- US$50,000 two years after the closing date;
- US$50,000 three years after the closing date; and
- US$100,000 four years after the closing date.

Upon completion of the cash payments and the transfer of the Frost claims, Paramount will grant the Company a 2% NSR royalty on the Frost Property. Paramount has the right to reduce the NSR royalty to 1%, at any time, by paying the Company US$1,000,000.

Rodeo Creek Claims

On November 12, 2018, the Company, through its wholly owned subsidiary Nevada Select, entered into a definitive option agreement with Au-Reka Gold Corporation, a wholly owned subsidiary of Premier Gold Mines Ltd. (collectively, "Premier"), whereby Premier has the option to acquire a 100% interest in the Rodeo Creek Claims by making US$506,572 in option payments to the Company, as follows:

- Initial payment – US$56,572 (received - $73,300);
- US$50,000 six months after the closing date (received);
- US$50,000 one year after the closing date;
- US$50,000 two years after the closing date;
- US$50,000 three years after the closing date;
- US$125,000 four years after the closing date; and
- US$125,000 five years after the closing date.

Upon completion of the cash payments and the transfer of the Rodeo Creek Claims, Premier will grant the Company a 2% NSR royalty on the Rodeo Creek Claims.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

Stateline Property

On August 8, 2018, the Company entered into a definitive option agreement with Pyramid Gold whereby Pyramid Gold can acquire a 100% interest in the Stateline project by making US$100,000 in combined option payments to the Company, as follows:

- Initial payment – US$5,000 (received - $6,479);
- US$5,000 six months after the effective date (received - $6,478);
- US$15,000 one year after the effective date (received);
- US$25,000 two years after the effective date;
- US$25,000 three years after the effective date; and
- US$25,000 four years after the effective date (the "Stateline Final Option Payment").

If the Stateline Final Option Payment is made, the Company will retain a 2% NSR royalty on the Stateline claims. There is a one-mile area of interest associated with the NSR royalty.

Pyramid is also required to pay the Company AMR payments as follows:

- US$15,000 on the first through third anniversary dates of the Stateline Final Option Payment; and
- US$25,000 on the fourth anniversary date of the Stateline Final Option Payment and on each anniversary thereafter.

Pyramid Gold may terminate the option agreement at any time without further liability for future option payments.

Amsel Claims (formerly Kraut Claims)

On April 27, 2018, the Company closed the sale of the Kraut claims with VR Resources whereby VR Resources acquired 100% of the Kraut claims by making the following payments:

- At closing – US$10,000 (received - $12,957), 50,000 shares valued at $20,000 (received) of VR Resources and the deed of royalty in Nye County, Nevada, for the Danbo Royalty, consisting of 30 unpatented mining claims; and
- An additional US$50,000 and 50,000 shares of VR Resources once an initial drill program commences on the Kraut claims.

The Company will retain a 2% NSR royalty on the Kraut claims. VR Resources will have the right to buy-down 1% of the royalty for US$500,000 per 0.5% for a maximum of US$1,000,000. As a result of the Company selling the Kraut claims, the Company removed the carrying cost of $nil and recognized a gain on disposition of $33,224, which is included in the statement of loss and comprehensive loss for the year ended December 31, 2018. VR Resources has subsequently changed the name to Amsel.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

Monitor Claims

On March 22, 2018, the Company entered into a definitive option agreement with Monitor Gold Corporation ("Monitor"), a wholly owned subsidiary of Orla Mining Ltd., whereby Monitor has the option to acquire a 100% interest in four unpatented mining claims (the "Monitor Claims") by making US$677,000 in option payments to the Company as follows:

- Initial payment – US$2,000 (received - $2,578);
- US$5,000 one year after the closing date (received);
- US$10,000 two years after the closing date;
- US$15,000 three years after the closing date;
- US$20,000 four years after the closing date;
- US$25,000 five years after the closing date;
- US$50,000 six through nine years after the closing date; and
- US$400,000 ten years after the closing date (the "Monitor Final Option Payment").

If the Monitor Final Option Payment is made, the Company will retain a 2.5% NSR royalty on the Monitor Claims. There is no area of interest associated with the Monitor Claims and Monitor will have the right to buy-down 1% of the NSR royalty for an aggregate purchase price of US$1,000,000.

County Line Project

On March 9, 2018, the Company entered into a definitive purchase agreement with Gold Resource whereby Gold Resource has acquired a 100% interest in the County Line project for total consideration to the Company of US$300,000 (received $379,410). The Company will retain a 3% NSR royalty on the County Line claims. There is a one-mile area of interest associated with the NSR royalty. Gold Resource will have the right to buy-down 1% of the NSR royalty for an aggregate purchase price of US$1,000,000. As a result of the Company selling the County Line property, the Company removed the carrying value of $28,086 and realized a gain on disposition of $351,324, which is included in the statement of loss and comprehensive loss for the year ended December 31, 2018.

North Carlin Project

On February 21, 2018, the Company entered into a definitive option agreement with Intermont Exploration, LLC ("Intermont'), a wholly owned subsidiary of Fremont, whereby Fremont can acquire a 100% interest in the North Carlin project by making US$267,500 in option payments to the Company.

On February 17, 2019, Intermont terminated the option agreement. Upon termination, the Company granted Intermont a mineral deed for 12 unpatented mining claims and Intermont granted the Company a 2% NSR royalty on the deeded claims.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(c) Nevada Select Properties (cont'd…)

Gold Canyon Project

On January 16, 2018, the Company entered into a definitive option agreement with Intermont, a wholly owned subsidiary of Fremont, whereby Fremont can acquire a 100% interest in the Gold Canyon project by making US$802,500 in option payments to the Company as follows:

- Initial payment – US$15,000 (received - $22,399);
- US$37,500 six months after the closing date (received - $48,300 included in mineral and royalty interest);
- US$75,000 one year after the closing date (received - $96,600 of which $74,372 included in mineral and royalty interest and $22,228 in option proceeds);
- US$112,500 two years after the closing date;
- US$112,500 three years after the closing date;
- US$150,000 four years after the closing date; and
- US$300,000 five years after the closing date (the "Gold Canyon Final Option Payment").

If the Gold Canyon Final Option Payment is made, the Company will retain a 2% NSR royalty on the Gold Canyon claims and a 1% NSR royalty on any acquired or staked additional claims located within a one-mile area of interest. Fremont will have the right to buy-down 1% of the underlying royalties on all the claims for US$3,000,000.

Fremont is also required to pay the Company AMR payments as follows:

- US$25,000 on the first through third anniversary dates of the Gold Canyon Final Option Payment; and
- US$35,000 on the fourth anniversary date of the Gold Canyon Final Option Payment and on each anniversary thereafter.

On May 23, 2019, Fermont sold its option to acquire 100% interest in the Gold Canyon Claims to McEwen Mining Inc. All terms and obligations of the option agreement are now between the Company and McEwen Mining Inc.

(d) Gold Bar Property

On September 13, 2017, the Company closed the option of the Gold Bar project with Fremont, whereby Fremont can acquire 100% of the Gold Bar project by making US$1,000,000 in option payments to the Company. To date the Company has received a total of US$150,000.

On July 9, 2019, Freemont terminated the Gold Bar option.

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(e) Weepah Property

On July 10, 2017, the Company closed the option of the Weepah project with Valterra, whereby Valterra can acquire 100% of the Weepah project by making the following option payments to the Company:

- At closing – US$100,000 cash or through the issuance of Valterra common shares (received 2,598,680 Valterra common shares valued at $128,880);
- Year 1 – US$100,000 cash or through the issuance of Valterra common shares (received 2,655,740 Valterra common shares valued at $92,951);
- Year 2 – US$200,000 cash;
- Year 3 – US$200,000 cash; and
- Year 4 – US$400,000 cash (the "Final Option Payment").

If the Final Option Payment is made, the Company will retain a 3% NSR on ten unpatented claims and one patented claim. Valterra will have the right to buy-down 1% of the underlying royalty on these claims for US$1,000,000. Sixty-six unpatented claims are subject to a 2% NSR to a third party and Ely Gold will retain a 1% NSR on those claims.

On May 7, 2019 and November 7, 2019, Ely Gold and Valterra amended the option agreement as follows:

- US$11,250 cash paid to Nevada Select on the second anniversary of the Effective Date (paid);
- US$98,250 cash paid to Nevada Select on December 23, 2019, such payment to be a contractual obligation and not optional;
- US$300,000 cash paid to Nevada Select on the third anniversary of the Effective Date; and
- US$400,000 cash on the fourth anniversary of the Effective Date (the Final Option Payment).

(f) Fenelon Royalty

i. Balmoral Fenelon Royalty

On October 17, 2018, the Company acquired from Balmoral Resources Ltd. ("Balmoral") 100% of all rights and interests in a 1% NSR royalty on the Fenelon Mine Property located in west-central, Quebec (the "Balmoral Fenelon Royalty"), operated by Wallbridge Mining Company Ltd. ("Wallbridge"). Under the agreement, the Company is to pay Balmoral cash consideration of $500,000 (paid), issue 1,000,000 common shares valued at $130,000 (issued) and grant Balmoral 1,000,000 share purchase warrants entitling Balmoral to acquire 1,000,000 common shares of the Company for a period of 18 months at an exercise price of $0.10 per unit valued at $52,700 (issued). In connection with the transaction with Balmoral, the Company paid success fees of $25,000 in cash (paid), issued 50,000 common shares of the Company valued at $6,500 (issued) and issued 50,000 full share purchase warrants entitling the holder to acquire 50,000 common shares of the Company for a period of 18 months at an exercise price of $0.10 per unit valued at $2,636 (issued).

(Unaudited – Expressed in Canadian Dollars)

8. MINERAL AND ROYALTY INTERESTS (cont'd…)

(f) Fenelon Royalty (cont'd…)

i. Balmoral Fenelon Royalty (cont'd…)

During the period ended June 30, 2019, the Company completed the sale of 100% of all rights and interests in its 1% NSR royalty Balmoral Fenelon Royalty on the Fenelon Mine Property to 2176423 Ontario Ltd., a company controlled by Eric Sprott ("Sprott"). Under the terms of the Agreement, Sprott paid Ely Gold a cash consideration of US$1,250,000 (received) for the Fenelon Royalty.

ii. Devon Fenelon Royalty

On April 18, 2019, the Company acquired from Devon Canada Corporation ("Devon") 100% of all rights and interests in a 2% NSR royalty on the Fenelon Mine Property, the Devon Fenelon Royalty, operated by Wallbridge, and located in west-central, Quebec. This 2% NSR royalty is separate and distinct from the 1% NSR royalty acquired on October 17, 2018. Under the agreement, the Company acquired the additional 2% Fenelon royalty for cash consideration of $600,000 (paid).

On September 30, 2019, the Company and Wallbridge agreed to amend certain terms and conditions of the 2% NSR royalty in the property. Effective June 30, 2019, it was agreed that:

- Wallbridge will acknowledge the royalty and support its registration with the appropriate Ministries in Quebec (the royalty is now registered with Registre Public des Droits Miniers, Reels et immobiliers;
- Payment of the royalty on bulk samples at Fenelon will only apply after the effective date; and
- Toll milling will not be considered a deductible expense when calculating royalty payments.

Subsequent to the sale of the Balmoral Fenelon Royalty, Ely Gold holds a 2% NSR royalty on the Fenelon Mine Property from the purchase of the Devon Fenelon Royalty.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	September 30, 2019	December 31, 2018
Trade payables	$ 145,228	$ 188,558
Accrued liabilities	76,175	38,000
Due to related parties	-	924
Total	$ 221,403	$ 227,482

(Unaudited – Expressed in Canadian Dollars)

10. NOTE PAYABLE

On June 23, 2017, the Company issued a promissory note in the amount of US$250,000 (the "Platoro Note") in connection with the acquisition of the Platoro West Properties and Royalties Acquisition. The Platoro Note accrues interest at 5% per annum, compounding every three months from the date of issuance.

On January 2, 2018, the Company repaid the first tranche of the Platoro Note (US$125,000 in principal plus accrued interest of US$3,329) for an amount of $160,629.

As at December 31, 2018, the carrying value of the Platoro Note is $183,934 (US$134,829) (2017 - $321,888 (US$256,587)), including accrued interest of $13,409 (2017 - $8,263).

For the nine months ended September 30, 2019, $859 (2018 - $2,024) of interest is included in the statement of loss and comprehensive loss relating to the Platoro Note.

During the nine months ended September 30, 2019, the second tranche of the Platoro Note plus all accrued interest was repaid.

11. LEASE LIABILITY

	$
Balance at January 1, 2019, on adoption of IFRS 16	99,634
Interest expense	5,016
Lease payments	(36,585)
Currency translation adjustment	(1,946)
Balance, September 30, 2019	66,119
Which consists of:	
Current lease liability	36,007
Non-current lease liability	30,112
	66,119

On March 1, 2017, the Company entered into a lease agreement for its Vancouver head office premises for three years, expiring February 28, 2020. Pursuant to this lease, the Company is obligated to pay basic rent of $2,250 and operating costs, including electricity and related taxes, on a monthly basis.

On July 1, 2017, the Company entered into a lease agreement for its Reno office for five years, expiring June 30, 2022. Pursuant to this lease, the Company is obligated to pay basic rent of US$1,308 and operating costs, including electricity and related taxes, on a monthly basis. The basic rent commitment will increase to US$1,347 per month for the second year, US$1,388 in the third year, US$1,430 in the fourth year and US$1,472 in the last year.

12. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

As at September 30, 2019 and December 31, 2018, the authorized share capital of the Company is an unlimited number of common shares without par value.

12. SHARE CAPITAL AND RESERVES (cont'd…)

(b) Issued share capital

- On July 2, 2019, the Company closed a private placement issuing 5,615,454 units at a price of $0.18 per unit for gross proceeds of $1,010,782. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of three years at an exercise price of $0.30. The Company paid a finder's fee of $60,647 and issued 336,927 share purchase warrants.

- On January 17, 2019, the Company closed the second and final tranche of a non-brokered private placement issuing 3,000,000 units (each a "Unit") at $0.11 per Unit for gross proceeds of $330,000. Each Unit comprised one common share of the Company and one non-transferrable share purchase warrant (the "Tranche Two Warrant"). Each Tranche Two Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.22 for a period of five years, subject to an acceleration provision under which, if at any time after May 17, 2019 the daily volume weighted average trading price of the Company's common shares is higher than $0.60 per share on the TSX-V for more than 20 consecutive trading days, the Company may, within three trading days, issue a news release announcing that the Warrants will expire on the date that is 30 calendar days after such 20th trading day. The Company incurred shares issuance costs of $1,319. As at December 31, 2018, the Company had received $47,315 in advanced subscription receipts.

- During the nine months ended September 30, 2019, the Company issued 700,000 on exercise of options for total proceeds of $85,528.

- During the nine months ended September 30, 2019, the Company issued 775,000 on exercise of warrants for total proceeds of $123,000.

- On December 31, 2018, the Company closed the first tranche of a non-brokered private placement issuing 10,000,000 units (each a "Unit") at $0.11 per Unit for gross proceeds of $1,100,000. Each Unit comprised one common share of the Company and one non-transferrable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.22 for a period of five years, subject to an acceleration provision under which, if at any time after April 30, 2019 the daily volume weighted average trading price of the Company's common shares is higher than $0.60 per share on the TSX-V for more than 20 consecutive trading days, the Company may, within three trading days, issue a news release announcing that the warrants will expire on the date that is 30 calendar days after such 20th trading day. The Company incurred share issuance costs of $111,371.

- On October 31, 2018, the Company issued 1,050,000 common shares with a fair value of $136,500 for the acquisition of the Fenelon Royalty (Note 8(f)).

- On April 26, 2018, the Company issued 3,000,000 common shares upon the exercise of warrants for total proceeds of $210,000.

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL AND RESERVES (cont'd…)

(c) Stock options

The Company has an incentive stock option plan (the "Plan") in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. In addition, the aggregate number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding shares (2% if the participant is a consultant). Under the Plan, the exercise price of each option may not be less than the market price of the Company's share capital as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at September 30, 2019 and December 31, 2018, the Company had outstanding stock options enabling the holders to acquire further common shares as follows:

Expiry Date	Exercise Price	September 30, 2019	December 31, 2018
February 15, 2019*	$ 0.10	-	250,000
January 5, 2021	$ 0.06	500,000	500,000
September 22, 2021	$ 0.06	750,000	850,000
June 26, 2022	$ 0.19	125,000	-
January 30, 2023	$ 0.14	175,000	250,000
January 28, 2024	$ 0.12	500,000	600,000
November 27, 2024	$ 0.06	450,000	550,000
March 11, 2026	$ 0.09	250,000	250,000
August 18, 2026	$ 0.15	1,050,000	1,200,000
June 19, 2027	$ 0.125	500,000	500,000
November 22, 2027	$ 0.10	1,550,000	1,725,000
February 15, 2028	$ 0.10	200,000	200,000
July 26, 2029	$ 0.27	2,050,000	-
Total outstanding and exercisable		8,100,000	6,875,000

* On February 15, 2019, 250,000 stock options with an exercise price of $0.10 expired unexercised.

Stock option transactions are summarized as follows:

	September 30, 2019		December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	6,875,000	$ 0.10	6,425,000	$ 0.10
Granted	2,175,000	$ 0.19	450,000	$ 0.10
Expired	(250,000)	$ 0.10	-	$ -
Exercised	(700,000)	$ 0.11	-	$ -
Options exercisable, end of period	8,100,000	$ 0.15	6,875,000	$ 0.10

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL AND RESERVES (cont'd...)

(c) Stock options (cont'd...)

On July 26, 2019, the Company granted incentive stock options to directors, consultants and an officer of the Company entitling them to purchase 2,050,000 common shares at a price of $0.27 per share for a period of 10 years vesting 100% on the grant date and expiring July 26, 2029. The fair value of these options was calculated at $533,482 using the Black-Scholes option pricing model.

On June 26, 2019, the Company granted incentive stock options to the CFO and a consultant of the Company entitling them to purchase 125,000 common shares at a price of $0.19 per share for a period of three years vesting 25% every three months from the date of grant and expiring June 26, 2022. The fair value of these options was calculated at $14,500 using the Black-Scholes option pricing model. For the nine months ended September 30, 2019, $11,454 is included in the statement of loss and comprehensive loss as a share-based payment expense.

On February 15, 2018, the Company granted incentive stock options to a consultant of the Company entitling them to purchase 250,000 common shares at a price of $0.10 per share for a period of one year vesting 25% every three months from the date of grant and expiring February 15, 2019. The fair value of these options was calculated at $6,171 using the Black-Scholes option pricing model. For the nine months ended September 30, 2019, $196 (2018 - $4,027) is included in the statement of loss and comprehensive loss as a share-based payment expense.

On February 15, 2018, the Company granted incentive stock options to a consultant of the Company entitling them to purchase 200,000 common shares at a price of $0.10 per share for a period of ten years vesting 100% on the date of grant and expiring February 15, 2028. The fair value of these options was calculated at $18,181 using the Black-Scholes option pricing model and is included in the statement of loss and comprehensive loss as a share-based payment expense for the nine months ended September 30, 2018.

During the nine months ended September 30, 2019, 250,000 (2018 – none) options expired unexercised and the related fair value of $6,171 (2018 - $nil) was transferred from share-based payment reserve to deficit.

(d) Warrants

As at September 30, 2019 and December 31, 2018, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	September 30, 2019	December 31, 2018
May 1, 2020	$ 0.10	1,050,000	1,050,000
June 23, 2020	$ 0.125	500,000	1,000,000
December 31, 2020	$ 0.135	500,000	-
January 17, 2021	$ 0.135	10,000	-
September 9, 2022	$ 0.18	1,000,000	-
June 28, 2022	$ 0.24	3,144,654	-
December 31, 2024	$ 0.22	10,000,000	10,000,000
January 17, 2024	$ 0.22	2,725,000	-
Total		18,929,654	12,050,000

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL AND RESERVES (cont'd...)

(d) Warrants (cont'd…)

On September 9, 2019, the Company issued 500,000 warrants relating to the Jerritt Canyon Royalty acquisition (Note 8(c)) Each share purchase warrant is exercisable to purchase one common share of the Company for $0.18 until September 9, 2022. The fair value of $106,518 is included as acquisition cost in the mineral and royalty interests.

On September 10, 2019, the Company issued 500,000 warrants relating to the Lincoln Hill Royalty acquisition (Note 8(c)) Each share purchase warrant is exercisable to purchase one common share of the Company for $0.18 until September 10, 2022. The fair value of $98,801 is included as acquisition cost in the mineral and royalty interests.

On July 2, 2019, the Company issued 2,807,727 share purchase warrants relating to the non-brokered private placement (Note 12(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.30 for a period of three years. In addition, the Company issued 336,927 finders' warrants related to the private placement. These warrants were determined to have a fair value of $nil.

On January 17, 2019, the Company issued 3,000,000 share purchase warrants relating to the non-brokered private placement (Note 12(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.22 for a period of five years. The Company also issued 10,000 finders' warrants exercisable to purchase one common share at a price of $0.135 for a period of two years. These warrants were determined to have a fair value of $nil.

On December 31, 2018, the Company issued 10,000,000 share purchase warrants relating to the non-brokered private placement (Note 12(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.22 for a period of five years. The Company also issued 500,000 finders' warrants exercisable to purchase one common share at a price of $0.135 for a period of two years. These warrants were determined to have a fair value of $nil.

On October 31, 2018, the Company issued 1,050,000 share purchase warrants relating to the Fenelon royalty acquisition (Note 8(f)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.10 until May 1, 2020. The fair value of $55,335 is included as acquisition costs in mineral and royalty interests.

Share purchase warrant transactions are summarized as follows:

	September 30, 2019			December 31, 2018		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of period	12,050,000	$	0.20	9,000,000	$	0.147
Issued	7,654,654	$	0.22	11,050,000	$	0.21
Exercised	(775,000)	$	-	(3,000,000)	$	0.07
Expired	-	$	-	(5,000,000)	$	0.20
Balance, end of period	18,929,654	$	0.21	12,050,000	$	0.20

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL AND RESERVES (cont'd...)

(d) Warrants (cont'd…)

As at September 30, 2019, the weighted average remaining contractual life for the outstanding warrants is 3.53 (December 31, 2018 – 4.39) years.

The fair values of stock options and warrants are estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30, 2019		December 31, 2018	
	Options	Warrants	Options	Warrants
Risk-free interest rate	1.71%	1.56%	2.03%	2.33%
Expected dividend yield	0.00	n/a	0.00	0.00
Expected stock price volatility	128.08%	96.83%	79.85%	62.20%
Expected life in years	9.52	n/a	5	1.5
Weighted average fair value	$0.25	$0.20	$0.05	$0.05

The Company has estimated the forfeiture rate to be 0.00%. Expected volatility was determined based on the historical movements in the closing price of the Company's common shares for a length of time equivalent to the expected life of each option and warrant.

13. RELATED PARTY TRANSACTIONS

Key management comprises directors and executive officers. The Company did not pay post-employment benefits and long-term benefits to key management. The following compensation was paid to key management:

	For the three months ended September 30,		For the nine months Ended September 30	
	2019	2018	2019	2018
Management fees	$ 397,094	$ 134,541	$ 775,017	$ 441,506
Share-based payments	394,088	-	395,087	-
Total	$ 791,182	$ 134,541	$ 1,170,104	$ 441,506

As at September 30, 2019, $16,250 (December 31, 2018 - $924) is owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities.

All other amounts due to related parties are payable on demand. Interest is not charged on outstanding balances.

The Company has in place termination clause agreements with three of the Company's officers and directors, whereby the officers and directors are entitled to a cumulative amount of $922,333 in the event they are terminated without cause, or $1,576,683 in the event there is a change of control.

(Unaudited – Expressed in Canadian Dollars)

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the nine months ended September 30,		2019		2018
Significant non-cash investing activities consist of:				
Marketable securities received for mineral claims	$	319,708	$	32,000
Fair value of warrants issued on acquisition of property	$	205,320	$	-

15. SEGMENT INFORMATION

The Company has one reportable operating segment, the acquisition and exploration of mineral properties and option of those assets, in one geographic location: the United States.

16. EVENTS AFTER THE REPORTING PERIOD

a) Subsequent to September 30, 2019, the Company entered into an agreement with Eric Sprott whereby Sprott will provide the Company with a $6,000,000 line of credit (the “LOC”). Each draw on the LOC will be in the form of a convertible note maturing 24 months from its issue date (a "Maturity Date"). At each Maturity Date, Sprott can elect to convert all or any part of the outstanding LOC into common shares of the Company at a deemed issue price of $0.37 per share (an approximate 7% premium to the last closing price). The LOC will be secured by a registered security interest over all of the Company's assets, subordinate only to existing prior encumbrances.

   In connection with the Agreement, the Company will issue 300,000 warrants as a LOC arrangement fee to an arm's length registered dealer. Each Arrangement Fee Warrant will be exercisable to purchase one common share of the Company (each a "Warrant Share") at an exercise price of $0.37 per Warrant Share for a term of three years.

   The Notes, Conversion Shares, Arrangement Fee Warrants and Warrant Shares will be subject to a four-month hold period, in the case of the Notes and Arrangement Fee Warrants, running from date of issue of the security and, in the case of the Conversion Shares and Warrant Shares, running from the date of issue of the applicable underlying convertible security.

   The LOC will be available to be drawn down by the Company in two tranches of $4,000,000 and $2,000,000 at closing and have maturity of 24 months from the date of closing.

   The LOC financing and, to the extent applicable, the Company's acquisition of any royalties, will be subject to the settlement by the Company and Sprott of definitive loan and security documentation, and all necessary regulatory approvals, including the acceptance of the TSX-V.

b) Subsequent to September 30, 2019 Company signed a definitive purchase agreement for the sale of 100% of its Gold Bar Project to McEwen Mining Nevada Inc, a wholly owned subsidiary of McEwen Mining Inc. Under the terms of the Agreement, McEwen will issue to Ely Gold 53,600 shares of its common stock in exchange for 100% ownership in the Patented and Unpatented Claims. In addition, McEwen will reimburse Nevada Select US$38,096.57 for the 2020 claim fees and taxes. Nevada Select will retain a two percent (2%) net smelter return royalty on the Patented and Unpatented Claims. McEwen can purchase one percent (1%) of the royalty on the Patented Claims for US$1,000,000 and one percent (1%) of the royalty on the Unpatented Claims for US$2,000,000. The Agreement is subject to approval of the New York Stock Exchange and the Toronto Stock Exchange.