ELY GOLD ROYALTIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2020

INTRODUCTION

This Management Discussion & Analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of Ely Gold Royalties Inc. ("Ely Gold" or the "Company") for the three months ended March 31, 2020. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and the audited consolidated financial statements of the Company for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of the Company's condensed interim consolidated financial statements.

This MD&A is prepared in conformity with National Instrument 51-102F1 *Continuous Disclosure Obligations*. All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars, except where indicated otherwise. This MD&A has taken into account information available up to and including May 28, 2020.

The Company is a reporting issuer in the provinces of British Columbia and Alberta in Canada. The Company is listed on the TSX Venture Exchange (the "Exchange") under the symbol "ELY" and on the OTCQB in the United States under the symbol "ELYGF".

Additional information related to the Company is available on SEDAR at www.sedar.com. The Company's website is at www.elygoldinc.com

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. Statements regarding the adequacy of cash resources to carry out the Company's business, potential profit from royalties, or the need for future financing are forward-looking statements. Readers are advised to refer to the cautionary language below when reading any forward-looking statements.

These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods;
- expected future benefits from royalties related to mineral properties;
- planned acquisition, disposition, exploration and development of its mineral properties;
- planned expenditures and budgets;
- evaluation of the potential impact of future accounting changes;
- estimates concerning share-based payments and carrying value of properties; and
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the related property is developed.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors, which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- *fluctuations in mineral prices;*
- *the Company's dependence on a limited number of mineral projects and royalties;*
- *the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;*
- *the Company's lack of operating revenues;*
- *the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs;*
- *jurisdiction operating risks that can over time include changes in political, economic, regulatory and taxation regimes;*
- *governmental regulations and specifically the ability to obtain necessary licenses and permits;*
- *risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title;*
- *fluctuations in the currency markets;*
- *changes in environmental laws and regulations that may increase costs of doing business and restrict the Company's operations;*
- *risks related to the Company's dependence on key personnel;*
- *estimates used in the Company's consolidated financial statements proving to be incorrect;*
- *the impact of general business and economic conditions;*
- *the ongoing operation of the properties in which the Company holds a royalty, stream, or other production-base interest by the owners or operators of such properties in a manner consistent with past practice;*
- *the accuracy of public statements and disclosures made by the owners or operators of such underlying properties;*
- *the Company's ongoing income and assets relating to determination of its PFIC status;*
- *no material changes to existing tax treatment;*
- *no adverse development in respect of any significant property in which the Company holds a royalty, stream or other production-base interest;*
- *the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production;*
- *integration of acquired assets;*
- *actual results of mining and current exploration activities;*
- *conclusions of economic evaluations and changes in project parameters as plans continue to be refined;*
- *problems inherent to the marketability of precious metals;*
- *stock market volatility;*

- *mine or exploration project closings or delays due to health pandemics, war, terrorism, or other yet unknown global or regional man made or natural catastrophes;*
- *competition; and*
- *the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.*

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” a global pandemic. Since December 31, 2019. This contagious disease outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

This is not an exhaustive list of the factors that may affect the Company’s forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company’s forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

OVERVIEW

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

The Company’s operations are conducted through Ely Gold and its wholly owned subsidiaries, Nevada Select Royalty, Inc. (“Nevada Select”), DHI Minerals Ltd. (“DHI”) and its subsidiary DHI Minerals (US) Ltd. (“DHI US”).

The Company is a development stage natural resource royalty company engaged in the evaluation, acquisition, exploration and development of mineral projects with the objective of purchasing royalties from third parties and selling the projects to produce revenue and retain royalties. The Company is currently focused on:

- purchasing producing royalties on precious metal properties;
- purchasing development stage royalties on precious metal properties being advanced by third parties;
- acquiring exploration and development stage gold projects, to be sold to third parties while retaining royalties; and
- maintaining a focus on royalties and properties in North America, primarily in Nevada.

Ely Gold’s current portfolio includes 11 Key Assets, 22 Development Assets and 33 Exploration Assets consisting of 43 deeded royalties and 23 properties, which are sold and optioned to third parties. Within the portfolio, the Company has three producing royalties. Ely Gold owns 34 additional mineral properties, which are currently being marketed for sale. The Company sells 100% of a property either for cash or under a four-year option contract. The Company occasionally accepts shares of stock from its purchasers and Ely Gold always retains a royalty interest when a property is sold.

STRATEGY AND OUTLOOK

The Company's business model is designed to create shareholder value by purchasing royalties that are producing or near-term producing while generating longer term development and exploration royalties through property sales. Nevada Select Royalty Inc, the Company's wholly owned subsidiary, is focused on developing recurring cash flow streams and generating royalties through the acquisition, consolidation, enhancement, and resale of highly prospective, unencumbered North American precious metals properties. Ely Gold's property development efforts maximize each property's potential for acquisition, while reserving long-term royalty interests.

The recoverability of costs capitalized to royalties and mineral properties and the Company's future financial success is dependent upon the extent to which economic gold mineralized bodies can be developed into producing mines and these producing mines can further be expanded through the discovery of additional economic ore bodies. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. Many of the key factors for advancing the Company's projects to production are dependent on outside factors, such as, obtaining the necessary rights and permitting, which need to be granted from certain local and governmental agencies located in the jurisdictions that the Company operates in or which these ore bodies exist. Additional risk factors that may affect the financial success of the Company and its condensed interim consolidated financial statements and the risk factors related to mineral exploration and development are set out under the heading **Risks and Uncertainties** listed below.

The Company knows of no trends, demands, commitments, events or uncertainties outside of the normal course of business that may result in the Company's liquidity either materially increasing or decreasing at the present time or in the foreseeable future. Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's royalty and option programs. The overall market conditions for smaller resource companies is another significant risk factor. The Company is not aware of any seasonality in the business that may have a material effect upon its financial condition, other than those normally encountered by public reporting junior resource companies. The Company is not aware of any changes in the results of its operations that are other than those normally encountered in its ongoing business.

HIGHLIGHTS

During the three months ended March 31, 2020, the Company received total gross proceeds from option and royalty payments of $281,741 (2019 - $105,440) from these proceeds $56,748 (2019 - $nil) represent recovery of acquisition costs and are included as a reduction of mineral and royalty interests in the condensed interim consolidated financial statements and $224,993 (2019 - $105,440) represent option and royalty payments included as income in the condensed interim consolidated financial statements.

Royalty Acquisitions

- On May 28, 2020, the Company entered into a binding term sheet with two individuals dealing at arm's length to the Company to purchase 0.40% of a 2.0% net smelter returns royalty on the Borden Lake Gold Mine (the "Probe Royalty"). The Probe Royalty is subject to a buy-down option pursuant to which Newmont is entitled to buy it down from 2.0% to 1.0% for a one-time cash payment of $1.0M. Under the present transaction terms, if the buy-down right is exercised, the entire reduction will be applied to the Vendors' 1.6% Probe Royalty interest and the Company's share will remain at 0.4%. In addition, the Vendors have granted a right of first refusal to the Company with respect to any proposed sale by the Vendors of their remaining 0.6% of the Probe Royalty.

Under the terms of the transaction, in consideration for its 0.4% Probe Royalty interest, the Company will pay $300,000 in cash, issue 100,000 common shares, and 80,000 the Company non-transferable common share purchase warrants, each exercisable to purchase one additional common share for a 5-year term at an exercise price of $1.37 per share. The Company has agreed to pay a finder's fee on closing to an arm's length individual in the form of a $7,000 cash payment and 50,000 non-transferable Warrants having the same terms as the consideration Warrants issuable to Vendors. The transactions expected to close by June 30, 2020, remains subject to customary commercial conditions, including completion of the Company's due diligence, settlement of definitive conveyance documentation and acceptance for filing by the TSX Venture Exchange.

- On May 12, 2020, the Company completed the purchase agreement with Eric Sprott (“Sprott”) to acquire a 0.5% net smelter returns (“NSR”) royalty on the gold producing Jerritt Canyon Mine facility, located in Elko, Nevada, and currently operated by Jerritt Canyon Gold LLC, a private Nevada limited liability company.

  As consideration, the Company issued 12,698,413 shares. In connection with its assistance with the transaction, the Company agreed to pay a finder's fee to Medalist Capital Ltd. comprising a cash fee of 1% of the transaction price, plus 300,000 Ely Gold share purchase warrants each exercisable over a three-year term to purchase one Ely Gold share at an exercise price of $0.63. The exercise price was established on February 3, 2020, the closing price on the effective date of the purchase agreement. Ely Gold also began to accrue royalties from the effective date. Royalty payments to the Company accrue from the “Effective Date” as defined in the Terms of the agreement as being February 3, 2020.

- On April 2, 2020, the Company closed an agreement to acquire a 3.5% net profit interest (“NPI”) on the Ren Property in Elko Nevada for total proceeds of US $500,000. The Ren Property is part of the joint venture between Barrick Gold Corporation and Newmont Corp. forming Nevada Gold Mines.

- On February 29, 2020, the Company acquired a 15% NPI from Liberty Gold Corp. and its subsidiary, Pilot Gold USA Inc. The NPI entitles the Company to 15% of the net profits form the recovery and sale of minerals from certain unpatented claims located in Mineral County, Nevada, known as the Regent Hill Property. The interest also includes the possibility of bonus payments for each AuEq ounce, from the Regent Hill Property placed on leach pads after the first 115,000 AuEq ounce. Quarterly bonus payments per AuEq ounce will be based on a pricing grid providing for payments coming into effect when the monthly average gold price per ounce for each applicable quarter are US $1,400 or more, commencing at US $5.775 per AuEq ounce and increasing to as much as US $29.05 per AuEq ounce if the monthly average exceeds US $1,800 per ounce. Under the terms of the agreement the Company paid a cash consideration of US $800,000 and issued 2,000,000 share purchase warrants. Each warrant entitles the holder to purchase one common share of the Company for a period of two years at an exercise price of $0.43.

Exploration Property Acquisitions

- On May 19, 2020, the Company substantially completed the agreement with VEK Associates ("VEK"), a privately held Nevada corporation. The agreement provided for the purchase of up to 100% of the outstanding shares of VEK for cash consideration of US $5,000,000, plus 2,005,164 Ely Gold share purchase warrants, each exercisable over a 24-month term to purchase one Ely Gold common share at an exercise price of $0.62 (the "Warrants"). The Company has now closed on the acquisition of 94.2% of the outstanding VEK shares.

  Pursuant to the agreement, the Company is acquiring 100% of the outstanding shares of VEK, each of VEK's shareholders, all of whom are arm's length to the Company, received cash consideration of US $364.06 and 146 Warrants per VEK share. VEK's principal assets are made up of the following five royalty properties and leases:

    - REN Property – currently leased to Nevada Gold Mines, consists of 86 contiguous unpatented lode mining claims located in the Northern Carlin trend.
    - Marigold Property – currently leased to SSR Mining consists of 205 unpatented lode mining claims covering 7.8 square kilometres within the SSR Mining operation on the Battle Mountain-Eureka trend.
    - Lone Tree Property – currently leased to Nevada Gold Mines consists of 38 unpatented lode mining claims covering 3.2 square kilometres along the Battle Mountain Eureka, Nevada.
    - Pinson Property – currently leased to Nevada Gold Mines consists of 53 unpatented lode mining claims covering 4.4 square kilometres along the Osgood Mountain trend in sections 4, 8 and 16, Township 37N, Range 42E, in Humboldt County, Nevada.
    - Carlin Trend Property – currently leased to Nevada Gold Mines consists of 84 unpatented lode mining claims covering 7 square kilometres along the Carlin trend in sections 1, 2, 3, 10, 11, 12, 20, 21, 28, 34 and 35, Townships 35N and 36N, Ranges 49E and 50, in Eureka County, Nevada.

- On April 1, 2020, the Company closed an agreement for the purchase of a 100% interest in 73 patented mining claims from Cliff ZZ LLC ("Cliff ZZ"), a Nevada limited liability company. The patented claims are located in Esmeralda and Nye counties, Nevada, and are known as the Tonopah Extension Claims. The Company currently holds 23 patented mining claims and 17 unpatented mining claims contiguous to the Tonopah Extension. Under the terms of the Agreement to acquire 100% of the Tonopah Extension, the Company paid Cliff ZZ US $650,000 in cash and issued 600,000 share purchase warrants. Each warrant will be exercisable into one common share at $0.65 for a period of two years.

- On April 1, 2020, the Company closed a purchase option agreement with Blackrock Gold Corp. ("Blackrock") for the Company's Tonopah West Project, located in Nevada, for total proceeds of US $3,000,000 over a four year period, with the Company retaining a 3% NSR royalty. On closing, the Company received the first payment of US $325,000 as described below.

- On March 26, 2020, the Company closed an agreement to purchase eight unpatented mining claims in Eureka County, Nevada. The claims are currently leased to a subsidiary of McEwen Mining Inc. ("McEwen Mining") and the agreement includes an assignment of the leases to the Company. Under the terms of the agreement, the Company will purchase two HNT Claims and assume the corresponding lease and six JAM Claims and assume the corresponding lease. As consideration the Company paid pay the seller US$125,000 at closing and will issue 100,000 share warrants to the seller. The warrants will expire two years from Closing and each Warrant will allow the Seller to purchase one share of the Company's common stock at a price of $0.77. The annual lease payment covering the HNT Claims is US$5,000 and the annual lease payment covering the JAM Claims is US$7,000. Both leases provide for a 2% NSR royalty at current gold prices.

- On May 22, 2020, the Company entered into an Option to Purchase Agreement with Great Western Mining Corporation Inc. ("Great Western"), a wholly owned subsidiary of Great Western Mining Corporation PLC, to acquire 48 unpatented lode mineral claims on the Olympic Gold Project located in Mineral County, Nevada, for total proceeds of US $150,000 payable over a four year period. Great Western becomes responsible for all lease costs associated with the property and is entitled to carry out a full exploration program with right of access to all historic data. Upon Option Exercise, the Company will retain a 3% NSR royalty, which includes a $15,000 annual advanced minimum royalty ("AMR") payment.

Corporate Matters

- On May 21, 2020, the Company closed a brokered private placement offering of 21,562,500 units at a price of $0.80 per unit for gross proceeds of $17,250,000, including the full amount of the agents' over-allotment option. The offering was placed through a syndicate of agents (the "Syndicate") co-lead by Clarus Securities Inc. and Mackie Research Capital Corporation as joint bookrunners (the "CoLead Agents") and including PowerOne Capital Markets Limited (collectively, the "Agents").

  Each unit was comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at an exercise price of $1 for a period of three years from closing. The Company paid the Agents cash commissions and also issued compensation options to the Agents entitling them to purchase an aggregate 731,250 common shares at an exercise price of $0.80 per share for a period of three years from closing. At the Company's option, the original expiry date of the Warrants may be accelerated if the volume weighted average price of the common shares is greater than or equal to $1.60 for a period of five consecutive trading days. If the Company elects to accelerate the expiry date of the Warrants, holders of the Warrants will have 30 calendar days to exercise their Warrants after receiving notice via press release from the Company.

- On May 12, 2020, the Company announced that it qualified to trade on the OTCQX® Best Market. ElyGold upgraded to OTCQX from the OTCQB® Venture Market. The Company began trading on this day on OTCQX under the symbol "ELYGF."

- During the three months ended March 31, 2020, the Company issued 18,694,654 common shares on exercise of warrants for total proceeds of $4,173,396.

- During the three months ended March 31, 2020, the Company issued 50,000 common shares on exercise of warrants for total proceeds of $13,500.

- On March 19, 2020, the Company granted incentive stock options to consultants of the Company entitling them to purchase 900,000 common shares at a price of $0.57 per share for a period of two years vesting 25% every three months from the date of grant and expiring March 19, 2022.

- On April 2, 2020, the Company granted incentive stock options to directors, consultants and an officer of the Company entitling them to purchase 1,500,000 common shares at a price of $0.68 per share for a period of five years vesting 100% on the grant date and expiring April 2, 2025.

- On May 27, 2020, the Company repaid the $6,000,000 promissory note related to the LOC from the proceeds raised in the private placement. The LOC continues to be available to the Company, as and when required, until November 29, 2021.

- On November 29, 2019, the Company entered into an agreement with Sprott whereby Sprott will provide the Company with a $6,000,000 line of credit (the "LOC"). The LOC is available to the Company, as and when required, until November 29, 2021. Interest on principal outstanding under the LOC will bear interest at 10% per annum, with undrawn amounts of the LOC carrying a stand-by fee of 2.5% per annum, compounded monthly and payable quarterly. The LOC is secured by a registered security interest over all of the Company's assets, subordinate only to existing prior encumbrances. As at March 31, 2020, the Company has drawn down the full $6,000,000 of the LOC.

ELY GOLD ASSETS

KEY ASSETS

Key Assets are producing or near-term producing royalties.

Project Name	Interest	County	Operator	Current Status	Royalty
Isabella Pearl (Leased w/ GRR)	100%	Mineral	Gold Resource	Production	0.75%
Jerritt Canyon (PTR)	100%	Elko	Jerritt Canyon Gold LLC	Production	PTR
Jerritt Canyon (NSR)	100%	Elko	Jerritt Canyon Gold LLC	Production	0.50%
Rawhide (NPI)	100%	Mineral	Rawhide Mining LLC	Production	15.00%
Fenelon (NSR)	100%	Quebec	Wallbridge Mining	Development	1.00%
Lincoln Hill (NSR)	100%	Pershing	Coeur Mining	Development	1.00%
Marrigold (Leased w/ NSR)	100%	Humboldt	SSR Mining	Development	0.75%
REN (Leased w/ NSR)	50%	Elko	Nevada Gold Mines	Development	3.00%
REN NPI (Leased w/ NPI)	100%	Elko	Nevada Gold Mines	Development	3.50%
Hog Ranch (Leased w/ NSR)	50%	Washoe	REX Minerals Ltd	Development	3.00%
Gold Rock (NSR)	100%	White Pine	Fiore Exploration	Development	0.50%

* A PTR is explained in highlights on Jerritt Canyon Agreement.

DEVELOPMENT ASSETS

Development Assets are royalties or properties that are at, or near, existing mines or projects in the permitting process for mine construction.

Project Name	Interest	County	2020 Est Payment	Current Optionor/Operator	Current Status	Work Status	Royalty
Isabella Extension (NSR)	100%	Mineral	None	Gold Resource	Development	Currently Drilling	2.50%
County Line (NSR)	100%	Nye	None	Gold Resource	Development	Trenching	2.50%
Mina Gold (NSR)	100%	Mineral	None	Gold Resource	Development	Currently Drilling	3.00%
Silver Dyke (NSR)	100%	Mineral	None	Gold Resource	Exploration	Field Work	2.00%
Mt Hamilton (NSR)	100%	White Pine	None	Waterton Global	Development	Project for Sale	1.00%
Rodeo Creek (Optioned w/ NSR)	100%	Elko	$50,000	Premier Gold	Development	Field Work	2.00%
War Eagle (Optioned with NSR)	100%	Idaho	$20,000	Integra Resources	Development	Currently Drilling	1.00%
Pilot Mountain (Leased w/ NSR)	100%	Mineral	$40,000	Thor Mining	Development	Currently Drilling	2.00%
Quartz Mountain (NSR)	100%	Lake	None	Alamos Gold	Development	On Hold	0.25%
Lone Tree (Leased w/ NSR)	50%	Humboldt	$7,500	Nevada Gold Mines	Exploration	Resource Expansion	3.00%
Pinson (Leased w/ NSR)	50%	Humboldt	$21,000	Nevada Gold Mines	Exploration	Resource Expansion	3.00%
Carlin (Leased w/ NSR)	50%	Eureka	$10,800	Nevada Gold Mines	Exploration	Resource Expansion	3.00%
Turquoise Ridge (NSR)	100%	Humboldt	None	Nevada Gold Mines	Exploration	Resource Expansion	2.00%
Castle/Black Rock (Leased w/NSR)	100%	Esmerelda	$15,000	Allegiant Gold	Exploration	Resource Expansion	2.00%
Olinghouse NE (NSR)	100%	Washoe	None	Lake Mountain Mining	Exploration	Permitting	1.00%
Gold Canyon (Under Option	100%	Eureka	$112,500	McEwen Mining	Development	Resource Expansion	2.00%
Gold Bar (NSR)	100%	Eureka	None	McEwen Mining	Exploration	Resource Expansion	2.00%
French Gold Bar (Lease w/ NSR)	100%	Eureka	None	McEwen Mining	Exploration	Resource Expansion	2.00%
Scoonover Gold Bar (NSR)	100%	Eureka	None	McEwen Mining	Exploration	Field Work	1.00%
Rosial (NSR)	100%	Pershing	None	Coeur Mining	Exploration	Field Work	1.50%
Gold Rock Extention (NSR)	100%	White Pine	None	Fiore Gold	Exploration	Field Work	2.00%

- "NSR" Refers to Net Smelter Returns Royalty

EXPLORATION ASSETS

Project Name	Interest	County	2020 Est Payment	Current Optionor/Operator	Current Status	Work Status	Royalty
Bald Peak (NSR)	100%	Mineral	$25,000	Radius Gold	Exploration	Permitting	3.00%
Big 10 (NSR)	100%	Nye	None	VR Resources	Exploration	Currently Drilling	3.00%
Danbo (NSR)	100%	Nye	None	VR Resources	Exploration	Currently Drilling	3.00%
Green Springs (NSR)	100%	White Pine	$1,000	John Cox	Exploration	Currently Drilling	0.50%
Green Springs (Optioned w/ NSR)	100%	White Pine	$50,000	Contact Gold	Exploration	Currently Drilling	1.00%
Tuscarora (NSR)	100%	Elko	$4,000	American Pacific	Exploration	Currently Drilling	2.00%
Antelope Springs (NSR)	100%	Pershing	$10,000	Americas Gold & Silver	Exploration	Field Work	1.00%
Tonopah West (Optioned w/ NSR)	100%	Esmeralda	$325,000	Blackrock Gold	Exploration	Currently Drilling	3.00%
Silver Dyke (NSR)	100%	Mineral	None	Gold Resource	Exploration	Field Work	2.00%
Nevada Rand (Optioned w/ NSR)	100%	Mineral	$15,000	Goldcliff Resources	Exploration	Currently Drilling	2.50%
Frost (Optioned w/ NSR)	100%	Oregon	None	Paramount Gold	Exploration	Permitting	2.00%
Gutsy (NSR)	100%	Elko	None	EMX Royalty	Exploration	Field Work	0.50%
Hackberry (NSR)	100%	Mohave	None	Bitterroot Resources	Exploration	Field Work	2.00%
Kismet (NSR)	100%	White Pine	None	EMX Royalty	Exploration	Field Work	2.00%
Maggie Creek (NSR)	100%	Eureka	None	Renaissance	Exploration	Field Work	1.00%
Mt Wilson (NSR)	100%	White Pine	None	National Treasure	Exploration	Field Work	2.00%
New Boston (NSR)	100%	Mineral	None	VR Resources	Exploration	Field Work	2.00%
North Carlin (NSR)	100%	Elko	None	Fremont Gold	Exploration	Field Work	2.00%
Scossa (NSR)	100%	Pershing	None	Romios Gold	Exploration	Field Work	2.00%
Troy (NSR)	100%	Nye	None	Brocade Metals	Exploration	Field Work	1.00%
Atlanta (NSR)	100%	Lincoln	None	Meadow Bay Gold	Exploration	Field Work	3.00%

Refer to the Company's website for a current listing of the properties available for sale.

PROJECT UPDATES AND SELECT ACQUISITION INFORMATION

Nevada Select is the Company's 100% owned US subsidiary that owns interest in over 97 mineral properties with 43 deeded royalties and 23 properties under option agreements with third parties and 34 properties available for sale.

Butte Valley Project

On December 3, 2019, the Company entered into an option agreement for the sale of 100% interest of its Butte Valley Project consisting of 78 unpatented mining claims located in White Pine County, Nevada to Six Mile Mining Company, a subsidiary of Quaterra Mining Inc. ("Quaterra").

Under the terms of the agreement to earn 100%, Quaterra will pay the Company a total of $250,000 in cash payments and reimburse $24,711 for the 2020 claim fees, taxes and staking costs. The Company will retain a 2% NSR royalty on the Company's claims. Quaterra can purchase 1% of the royalty for US$10,000,000 at any time within ten years of the effective date.

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.

The Scoonover Royalty covers 110 unpatented mining claims, located on the Battle Mountain-Eureka Trend that are currently held by McEwen Mining. The claims are adjacent to the Goldstone Pit at McEwen Mining's Gold Bar Mine. McEwen Mining achieved commercial production at Gold Bar on May 23, 2019.

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. ("Coeur"), 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. The purchase agreement includes a right of first refusal if the seller disposes of an additional 1% NSR royalty they currently hold.

Coeur is advancing the Lincoln Hill deposit adjacent to their Rochester Mine in conjunction with their expanded plan of operations for Rochester, called POA11. Permitting is nearly complete for a new 300-million-ton leach pad that will be built between the Rochester Pit and Lincoln Hill. Coeur is reporting a measured and indicated gold mineral resource of 364,000 ounces at 0.34 g/t gold with 10 million ounces of 9.6 g/t silver with inferred ounces are 255,000 ounces gold at 0.34 g/t and 8 million ounces silver at 11.2 g/t, respectively, at Lincoln Hill. The silver grades at Lincoln Hill are about equal to those at Rochester while the gold grades at Lincoln Hill are approximately 45.5 times greater than the gold grades at Rochester. Confirmation drilling is expected to begin this year.

Jerritt Canyon Per ton Royalty

On September 9, 2019, the Company closed the purchase of 100% of all rights and interests in a per ton royalty interest ("PTR Interest") on the Jerritt Canyon Processing Facilities from an arm's length third party. The Jerritt Canyon Operations, located in Elko, Nevada, are operated by Jerritt Canyon Gold LLC, a privately held company. The Company paid US$650,000 with payments to be spread over three years and issuing 500,000 warrants. The mineral processing operation at Jerritt Canyon, the only gold processing plant in Nevada, outside the Barrick/Newmont JV, that uses roasting in its treatment of refractory ores. Jerritt Canyon is designed to process highly refractory gold ores up to 4,000 tons per day and, in 2017, processed in excess of 1.1 million tons and 1.2 million tons in 2018. Ely Gold is now receiving a monthly royalty from Jerritt Canyon Gold calculated at $0.225 per ton. Per ton royalty rates are leveraged to the gold price and will increase to $0.30 at US$1,600 gold and $0.40 at a US$2,000 gold price. Since closing the acquisition and the filing date, Ely Gold has received US$138,2370 in royalty payments from the PTR Interest.

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.

Bitterroot will make AMR 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 for a payment of US$1,000,000.

Isabelle 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 GORO, 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).

The Isabella property covers an area of approximately 2700 acres consisting of 153 unpatented mining claims in central Nevada's Walker Lane Mineral Belt. The claims are all contiguous to Gold Resources Corporation's ("Gold Resources") 341 Isabella Pearl claims which they acquired in August 2016 from an unrelated party. Gold Resource has retained several engineering firms out of Reno Nevada for additional engineering work, and is finalizing the Company's in-house mine scheduling/capital expenditure requirement estimates for the project and the resubmittal of the Environmental Assessment (EA) to the Bureau of Land Management ("BLM") for a mining operations permit at Isabella Pearl.

Devon Fenelon Royalty

On April 18, 2019, the Company acquired from Devon Canada Corporation 100% of all rights and interests in a 2% NSR royalty on the Fenelon Mine Property ("Devon Fenelon Royalty"), operated by Wallbridge Mining Company Ltd. ("Wallbridge") and located in west-central Québec, for cash consideration of $600,000 (paid). Wallbridge completed a bulk sample in 2019 and reported mining of 33,233 tonnes of ore with a reconciled average grade of 18.49 g/t gold containing 19,755 ounces of gold that were processed at the Camflo Mill. Wallbridge is currently permitting Fenelon for production at a rate of 400-500 tons per day and Wallbridge expects permit approval by Q3 2020, with mining operations to resume immediately thereafter. Wallbridge has an ongoing 70-80,000-metre 2019 drill program. A total of over 56,000 metres has been drilled in 2019 from surface and from the sixth level of the underground mine.

On September 30, 2019, the Company and Wallbridge agreed to amend certain terms and conditions of the 2% NSR royalty in the property. Whereby it was agreed that (i) Wallbridge acknowledged the royalty and support its registration with the appropriate ministries in Québec; (ii) payments of the royalty on bulk samples at Fenelon will only apply after the effective date; and (iii) toll milling will not be considered a deductible expense when calculating royalty payments.

The 1,052 hectare Fenelon Mine Property hosts the DiscoveryGold deposit and surrounding four-kilometre strike length of a goldbearing shear corridor. Wallbridge initiated work on Fenelon in late 2016 and completed a surface drill program of 33 drill holes totaling 6,348 metres in 2017. Results from that program confirmed the high-grade nature of the near surface mineralization at Fenelon and led the identification of new zones of mineralization proximal to the existing mine workings established in 2004.

In early 2018, Wallbridge received permits to proceed on underground work at Fenelon, including dewatering existing workings, advancing ramp and level development for collecting a 35,000 tonne bulk sample and to provide cash flow and access for underground drilling. Production from five stopes along with low grade ore from a 2004 bulk sample was processed at the Camflo mill from September 2018 to January 31, 2019. Wallbridge included the historical low-grade ore as part of the first mill run to help optimize milling performance; this initial work enabled the next mill runs to achieve recoveries of more than 98%. As of February 25, 2019, approximately 25,000 tonnes of ore with a reconciled average grade of 18.19 g/t gold containing close to 14,700 ounces of gold has been processed at the Camflo Mill in four separate mill runs.

War Eagle Property

On January 21, 2019, the Company entered into a definitive option agreement with 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 over the next four years.

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 5.0% gross royalty payable to the state of Idaho.

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 over a four-year period 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 over a five-year period 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.

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 over a four-year period after the effective closing date. On exercise of the option, the Company will retain a 2% NSR royalty on the Stateline claims.

Pyramid is also required to pay the Company AMR payments of US$15,000 on the first through third anniversaries of the Stateline Final Option Payment and US$25,000 on the fourth anniversary of the Stateline Final Option Payment and on each anniversary thereafter.

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. VR Resources paid US$10,000 and issued 50,000 shares and the deed of royalty in Nye County, Nevada, for the Danbo Royalty, consisting of 30 unpatented mining claims. To complete the acquisition, VR Resources is required to pay an additional US$50,000 and issue 50,000 shares 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. VR Resources subsequently change the name of the project to Amsel.

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$527,000 in combined option payments to the Company over a nine-year period after the closing date.

On exercise of the option, 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 GORO whereby GORO 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. GORO has the right to buy-down 1% of the NSR royalty for an aggregate purchase price of US$1,000,000.

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 Gold Ltd. ("Fremont"), whereby Fremont can acquire a 100% interest in the North Carlin project by making US$267,500 in combined option payments to the Company over a five-year period after the closing date.

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.

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 combined option payments to the Company over a five-year period from the closing date.

On exercise of the option, 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 of US$25,000 on the first through third anniversaries of the Gold Canyon Final Option Payment and US$35,000 on the fourth anniversary of the Gold Canyon Final Option Payment and on each anniversary thereafter.

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

Weepah Project

On July 10, 2017, the Company entered into an option agreement of the Weepah project with Valterra Resource Corp. ("Valterra") whereby Valterra can acquire 100% of the Weepah project by making total payments of US$1,000,000 (received US$200,000) over a four year period and issuing a total of 5,254,420 shares (received)

If the Final Option Payment is made, the Company will retain a 3% NSR royalty 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 royalty to a third party and Ely Gold will retain a 1% NSR royalty on those claims.

On May 7, 2019 and November 7, 2019, the Company and Valterra amended the option agreement amending the timing of the option payments, at which time the Company received US$11,250, $88,750 are contractual obligations and the remaining US$700,000 are due on the third and fourth anniversaries of the original agreement.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2020, compared to the Three Months Ended March 31, 2019

The Company recorded net loss of $1,612,612 ($0.02 per common share) for the three months ended March 31, 2020 (the "current quarter") compared to a net loss of $296,762 ($0.00 per common share) during the three months ended March 31, 2019 (the "comparative quarter"), an increase of $1,315,850, as explained in the following paragraphs.

- Income from option proceeds was $107,610, an increase of $2,170 when compared to $105,440 during the comparative quarter.

- Royalty income increased to $117,383 (2019 - $nil) as the Company commenced receiving royalty revenues from its royalty assets.

- Management fees decreased from $135,914 to $122,824, a decrease of $13,090. Consulting fees increased from $18,192 to $43,985 an increase of $25,793. The increase is due to an increase in consulting services, including investor relations and marketing consultants.

- Professional fees were $116,772 (2019 - $52,675) an increase of $64,097. The increase is mainly due to higher legal expenses in connection with various transactions and contracts entered into by the Company.

- Travel and promotion expenses were $268,516 (2019 - $125,931) an increase of $142,585. The increase is due to traveling expenditures incurred in connection with various contracts entered into by the Company. The Company also continues with promotional activities to promote the Company's mineral properties available for sale/option in an effort to increase awareness and attract potential buyers.

- Amortization of $54,402 (2019 - $10,439) an increase of $43,963. The increase is a result of the Company starting to amortize its royalty assets.

- Accretion of deferred charges of $408,790 (2019 - $nil) the increase is a result of the Company starting to accrete deferred charges resulting from the fair value of warrants issued in conjunction of the LOC.

- Change in fair value of marketable securities was an unrealized loss of $607,439 compared to $33,173 in the comparative quarter, a decline of $574,266, which is related in part to the overall market decline due to the COVID-19 pandemic.

  Interest expense of $104,344 (2019 - $ 859) an increase of $103,485, which relates to the actual interest on the LOC.

- Gain arising from foreign exchange was $137,908 which relates mainly to the increase in value of the Company's monetary assets held in US currency.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The material components of exploration and evaluation expenses are:

For the period ended	March 31, 2020	March 31, 2019
Exploration and evaluation costs		
Geological consulting	$ 30,250	$ 30,040
Claim maintenance	1,320	867
	$ 31,570	$ 30,907

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected information from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with IFRS, for the last eight quarters.

	Quarter ended	Revenue $	Gain (loss) before other income and expenses $	Total comprehensive gain (loss) $	Basic and diluted loss per common share $
Q1/20	March 31, 2020	224,993	(1,612,612)	(1,228,105)	(0.02)
Q4/19	December 31, 2019	479,515	(481,534)	(330,698)	(0.00)
Q3/19	September 30, 2019	377,137	(1,216,755)	(1,383,596)	(0.01)
Q2/19	June 30, 2019	1,120,738	5,566	506,266	(0.01)
Q1/19	March 31, 2019	105,440	(296,762)	(374,080)	(0.00)
Q4/18	December 31, 2018	358,224	(158,084)	(555,422)	(0.00)
Q3/18	September 30, 2018	130,158	(416,635)	(622,897)	(0.01)
Q2/18	June 30, 2018	242,200	(219,974)	63,790	(0.00)

Variations in the Company's net income and loss for the periods above resulted primarily from the following factors:

- The Company continues to increase its revenues pursuant to various optioned properties, as well as the sale of certain of its properties. Revenues of the Company in the last eight quarters consisted of revenues from option payments received, royalties from producing properties and gain on sale of properties. During the three months ended June 30, 2019, revenues included gain on sale of property of $918,415, resulting in higher total revenues in those quarters.

- Net loss for Q1/20 was significantly higher than previous periods mostly due to the decline in value of marketable securities of $607,439 and interest expense of $513,134 related to the amortized deferred charges accounting for $408,790 of this amount. This amount relates to the fair value of the warrants issued in conjunction to the LOC as well as actual interest expense incurred on the LOC.

- Net loss from operations for Q3/19 was significantly higher than in previous periods, as a result of the Company issuing options to its management and consultants, which resulted in an expense of $544,406. In addition, it also paid management bonuses, which in prior years were paid at an earlier quarter. The Company's professional fees and travel expenses have increased significantly, as the Company continues its efforts to acquire new properties with the potential to generate revenues and option out its own properties while retaining an NSR royalty. The Company's exploration costs are normally high in Q3 each year, as it is required to make its BLM payments in July, which combined with the above expenditures resulted in significantly higher expenditures in Q3/19 than in previous quarters.

- Exploration and evaluation expenses vary from year to year, as the work required in its acquired properties will require different levels of investigation and exploration for the Company to option out or sell. BLM payments to keep the properties in good standing are normally required in Q3 each year, which results in higher expenditures incurred each Q3.

- Overall, travel and promotion expenses have increased over the last few quarters, as the Company continues its efforts to promote the Company and its properties.

- Professional fees have also increased in the last few quarters, as the Company has become more active in entering into transactions to acquire new properties as well as option out its existing properties and retaining NSR royalties.

- The Company holds marketable securities, which it acquired as option payments or the sale of certain of its mineral properties. The market value of these shares will fluctuate and, as a result, unrealized gains and losses will be reflected in the Company's condensed interim consolidated financial statements. The markets have been fairly volatile in the last couple of years, which has resulted in significant changes in market value of the Company's marketable securities.

- Exchange gains and losses vary from period to period as a result of fluctuation of the exchange rates in the US dollar, as the Company holds funds in US dollars. During 2019 the US dollar increased, which resulted in significantly higher exchange gains in 2019 while during 2019 fluctuations have not been as significant. This has resulted in the Company not having as significant exchange gains during 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, the Company had cash and cash equivalents of $9,752,812 and a consolidated working capital of $9,889,599. The Company has sufficient cash and cash equivalents to fund its operations for the next twelve months.

The Company's cash and cash equivalents are highly liquid and held at a major Canadian and American financial institution.

	Increase (decrease) in cash and cash equivalents for the three months ended March 31,	
	2020	**2019**
Operating activities	$ (951,772)	$ (429,548)
Investing activities	(1,242,251)	(60,032)
Financing activities	8,658,643	90,672
Effect on cash of foreign exchange	314,672	20,101
Total change in cash	6,779,292	(378,807)
Cash and cash equivalents, beginning of period	2,973,520	2,437,736
Cash and cash equivalents, end of period	$ 9,752,812	$ 2,058,929

Operating Activities

During the three months ended March 31, 2020, the Company had a net loss of $1,612,612 (2019 - $296,762), which include revenues of $224,993 (2019 - $105,440) as well as non-cash expenses of $1,211,431 interest expense, which include amortization of deferred charges and interest on capital lease obligation for a total of $423,061 (2019 - $nil), amortization of right of use asset for $54,402 (2019 - $10,439) change in fair value of marketable securities of $607,439 (2019 - gain of $24,387) and share based payments of $126,526 (2019 - $196). The current year also includes an unrealized gain on exchange of $340,572 (2019 - $75,431) related to cash held in US funds at period end.

Investing Activities

The Company incurred a total of $1,298,999 related to the US$800,000 cash payment for the acquisition of the Liberty Gold Royalty. During 2019 the Company made payments of $60,032 in relation to the Green Springs and Cox properties option payments.

Financing Activities

The Company received total proceeds of $4,186,896 (2019 - $281,934) related to exercise of options and warrants.

The Company also received $5,000,000 from drawing from its LOC as it prepared to complete the VEK acquisition.

The Company also paid $518,136 related to the deferred royalty obligation on the Lincoln Hill acquisition.

TRANSACTIONS WITH RELATED PARTIES

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:

		March 31
	2020	2019
Management fees	$ 122,824	$ 142,749
Share based compensation	1,246	-
Total	$ 124,070	$ 142,749

As at March 31, 2020, $12,921 (December 31, 2019 - $924) is owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities.

During the three months ended March 31, 2020, the Company incurred $49,412 (2019 - $49,892) of consulting expense from Pilot Point Partners LLP, a company owned by the CEO of the Company.

During the three months ended March 31, 2020, the Company incurred $7,956 (2019 - $nil) of consulting expense from a director of the Company.

During the three months ended March 31, 2020, the Company incurred $15,000 (2019 - $15,000) of consulting expense from 0713708 B.C. Ltd., a company owned by a director of the Company.

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.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

As of May 28, 2020, there were 157,856,496 common shares issued and outstanding, in addition to other securities convertible into common shares, as summarized in the following table:

	Number Outstanding as of	
	May 28, 2020	March 31, 2020
Common shares issued and outstanding	157,286,496	119,025,583
Options [1]	10,600,000	9,100,000
Warrants [2]	29,233,879	16,716,215
Fully diluted common shares	197,120,375	144,841,798

Notes:

(1) Subsequent to March 31, 2020, 1,500,000 stock options were grated to officers and directors of the Company.

(2) Subsequent to March 31, 2020:

a. 4,000,000 common shares were issued on exercise of share purchase warrants for total proceeds of $1,480,000;
b. 10,512,500 warrants and 731,250 broker warrants were issued as part of the private placement;
c. 2,000,000 warrants and 300,000 finder's warrants were issued as part of the acquisition the Jerritt Canyon 0.5% royalty;
d. 600,000 warrants were issued as part of the Cliff ZZ acquisition;
e. 100,000 warrants were issued as part of the HNT and JAM claims; and
f. 2,005,164 warrants were issued as part of the VEK acquisition

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Other than previously disclosed, the Company has no proposed transactions.

CONTRACTUAL OBLIGATIONS

The Company has no commitments, material capital lease agreements and no material long-term obligations other than what has been previously stated in this MD&A.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and has not commenced commercial operations and has no assets other than cash and cash equivalents and mineral property agreements under option. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

Precious and Base Metal Price Fluctuations

The profitability of the precious and base metal operations in which the Company has an interest will be significantly affected by changes in the market prices of precious and base metals. Prices for precious and base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company, such as the level of interest rates, the rate of inflation, central bank transactions, world supply of the precious and base metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents, fluctuate affecting the costs of exploration in our operational areas. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects.

Foreign Exchange Rate Fluctuations

Operations may be subject to foreign currency exchange fluctuations. The Company to date has raised its funds through equity issuances, which are priced in Canadian dollars. DHI US operates in the United States and incurs exploration and administration expenditures denominated in US dollars. As a result, the Company may suffer losses due to adverse foreign currency fluctuations.

Competitive Conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well-established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

Operating Hazards and Risks

Exploration activities may generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labor disruptions, floods, explosions, cave-ins, land-slides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labor and other risks involved in the normal course of exploration activities.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write-downs, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Exploration and Development

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body resulting in a royalty that provides future income.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

The economics of developing silver, gold and other mineral properties are affected by many factors, including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the prices of silver, gold or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to discover an ore body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors that are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for precious and base metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Business Strategy

As part of the Company's business strategy, it has sought and will continue to seek new royalty opportunities, as well as properties with exploration and development opportunities with the potential to generate royalties. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favorable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Environmental Factors

All phases of the Company's operations are subject to environmental regulations in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company at the present.

Title to Mineral Property Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests, and therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims, and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Uncertainty of Funding

The Company has limited financial resources, and the mineral claims in which the Company has an interest or an option to acquire an interest require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company so as to exercise its option or to maintain its interests once those options have been exercised. Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Agreements with Other Parties

The Company has entered into agreements with other parties relating to the exploration, development and production of its properties. The Company may in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Third Party Reliance

The Company's rights to acquire interests in certain mineral properties may have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

Assurance on Financial Statements

We prepare our financial reports in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies and practices are described in more detail in the notes to our consolidated financial statements for the years ended December 31, 2019 and 2018. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and consolidated financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the gold and silver mining industry, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential Dilution of Present and Prospective Shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

Coronavirus Pandemic

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, and the ability to explore the Company's properties. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Travel bans and other government restrictions may also adversely impact the Company's operations. The situation is dynamic and changing day-to-day. The Company is exploring several options to deal with any repercussions that may occur as a result of the COVID-19 outbreak.

SIGNIFICANT ACCOUNTING POLICIES

The Company's condensed interim consolidated financial statements have been prepared using accounting policies, judgments and estimates consistent with those used in the consolidated financial statements for the years ended December 31, 2019 and 2018. Refer to the audited consolidated financial statements for the years ended December 31, 2019 and 2018 for additional information.

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 consolidated financial statements.

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 values of accounts payable and accrued liabilities approximate fair values, due to the short term to maturity of these financial instruments. The carrying value of notes payable approximates fair value as the notes bear market interest rates.

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:

	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 9,752,812	$ 2,973,520
Receivables	150,072	122,309
	$ 9,902,884	$ 3,095,829

(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 March 31, 2020, the Company has cash and cash equivalents of $9,752,812 (December 31, 2019 - $2,973,520) and current liabilities of $1,091,301 (December 31, 2019 - $1,483,373).

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

Due Date	March 31, 2020	December 31, 2019
0 – 90 days	$ 362,201	$ 898,913
90 – 365 days	729,100	584,460
More than 1 year	6,321,699	1,295,499
	$ 7,413,000	$ 2,778,872

(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 March 31, 2020, 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 March 31, 2020 and December 31, 2019, the Company has not hedged its exposure to currency fluctuations.

At March 31, 2020 and December 31, 2019, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

		March 31, 2020		December 31, 2019
Cash and cash equivalents	US $	5,469,289	US $	735,612
Accounts payable and accrued liabilities		(46,444)		(83,641)
Interest payable		-		(11,521)
Net	US $	5,422,845	US $	640,450
Canadian dollar equivalent	$	7,693,390	$	831,818

Based on the above net exposures as at March 31, 2020, a 5% change in the Canadian/US exchange rate would impact the Company’s income (loss) and comprehensive income (loss) by approximately $385,000 (December 31, 2019 - $53,000).

(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 March 31, 2020, a 10% change in the market price of these securities would impact the Company’s income (loss) and comprehensive income (loss) by approximately $71,000 (December 31, 2019 - $93,000).

(iv) Fair value hierarchy

The following tables summarize the Company's financial instruments under the fair value hierarchy as at March 31, 2020 and December 31, 2019:

March 31, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 9,752,812	$ -	$ -	$ 9,752,812
Marketable securities	$ 715,820	$ -	$ -	$ 715,820

December 31, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,973,520	$ -	$ -	$ 2,973,520
Marketable securities	$ 1,248,828	$ -	$ -	$ 1,248,828

Additional information related to the Company is found on SEDAR at www.sedar.com.