ELY GOLD ROYALTIES INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 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.

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

As at	Notes		March 31, 2019		December 31, 2018
ASSETS					
Current					
Cash and cash equivalents		$	2,058,929	$	2,437,736
Marketable securities	5		855,348		830,961
Receivables	6		109,601		107,184
Prepaid expenses			89,919		67,258
			3,113,797		3,443,139
Non-Current					
Reclamation bond			29,285		29,896
Mineral and royalty interests	7		1,834,235		1,795,580
		$	4,977,317	$	5,268,615
LIABILITIES					
Current					
Accounts payable and accrued liabilities	8 & 11	$	208,947	$	227,482
Note Payable	9		-		183,934
			208,947		411,416
EQUITY					
Share capital	10		28,848,291		28,519,610
Share-based payment reserve	10		992,967		998,942
Cumulative translation adjustment			80,884		158,202
Subscriptions received	10		-		47,315
Deficit			(25,153,772)		(24,866,870)
			4,768,370		4,857,199
		$	4,977,317	$	5,268,615

Approved and authorized by the Board:

"Ronald Husband" Director — *"Stephen Kenwood"* Director
Ronald Husband — Stephen Kenwood

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

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

For the three months ended	Notes		March 31, 2019		March 31, 2018
REVENUE					
Option proceeds	7	$	105,440	$	112,451
Gain on disposal of mineral interests	7		-		351,324
			105,440		463,775
EXPENSES					
Consulting fees	11		154,106		163,623
Exploration and evaluation expenses			30,907		50,112
Insurance			3,274		8,274
Office and administration			25,163		15,751
Professional fees			52,675		26,679
Rent			6,750		6,750
Share-based payments	10		196		19,754
Transfer agent and filing fees			6,684		7,497
Travel and promotion			125,931		131,780
			(405,686)		(430,220)
OTHER INCOME (EXPENSE)					
Interest expense	9		(859)		(8,796)
Interest income			4,119		31
Gain on disposal of marketable securities	5		-		60,225
Change in fair value of marketable securities	5		37,086		(66,821)
Gain (loss) on foreign exchange			(33,173)		45,513
			7,173		30,152
Loss for the period		$	(293,073)	$	63,707
Other comprehensive income (loss) for the period:					
Items subject to reclassification into statement of loss					
Currency translation adjustment			(77,318)		-
Comprehensive income (loss) for the period		$	(370,391)	$	63,707
Basic and diluted loss per share		$	(0.00)	$	0.00
Weighted average number of common shares outstanding			92,538,808		76,055,475

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

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

For the three months ended	March 31, 2019	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (293,073)	$ 63,707
Items not affecting cash:		
Interest expense	-	8,796
Option proceeds paid in marketable securities	-	(10,238)
Change in fair value of marketable securities	(24,387)	66,821
Gain on disposal of marketable securities	-	(60,225)
Gain on disposal of mineral interest	-	(351,324)
Share-based payments	196	19,754
Unrealized foreign exchange	(55,941)	3,054
Changes in non-cash working capital items:		
Receivables	(2,417)	(6,693)
Prepaid expenses	(22,661)	(67,566)
Reclamation bond	611	-
Accounts payable and accrued liabilities	(18,535)	(89,315)
Net cash used in operating activities	(416,207)	(423,229)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of mineral and royalty interests	(60,032)	(21,260)
Proceeds received from properties under option	-	37,942
Proceeds on disposal of marketable securities	-	529,408
Proceeds on disposal of mineral interests	-	379,410
Net cash provided by (used in) investing activities	(60,032)	925,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net of issuance costs	281,366	-
Repayment of loans payable	(183,934)	(160,629)
Net cash provided by financing activities	97,432	(160,629)
Change in cash and cash equivalents for the period	(378,807)	341,642
Cash and cash equivalents, beginning of period	2,437,736	2,393,322
Cash and cash equivalents, end of period	$ 2,058,929	$ 2,734,964
Cash and cash equivalents consists of:		
Cash	$ 2,033,929	$ 2,709,964
Term deposit	25,000	25,000
	$ 2,058,929	$ 2,734,964

Supplemental disclosure with respect to cash flows (Note 13)

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

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

	Note	Number of shares	Share capital	Share-based payment reserve	Cumulative translation adjustment	Subsciptions Received	Deficit	Total
Balance, December 31, 2017		76,055,475	$ 26,917,261	$ 1,186,671	$ -	$ -	$ (23,816,048)	$ 4,287,884
Share-based payments	10	-	-	19,754	-	-	-	19,754
Net loss for the period		-	-	-	-	-	63,707	63,707
Balance, March 31, 2018		76,055,475	26,917,261	1,206,425	-	-	(23,752,341)	4,371,345
Private placement, net of issuance costs		10,000,000	988,629	-	-	-	-	988,629
Subscriptions received	10	-	-	-	-	47,315	-	47,315
Shares issued for mineral and royalty interests	7 & 10	1,050,000	136,500	-	-	-	-	136,500
Warrants issued for mineral and royalty interests	7 & 10	-	-	55,335	-	-	-	55,335
Exercised warrants	10	3,000,000	210,000	-	-	-	-	210,000
Share-payments allocated to share capital on exercise of warrants	10	-	267,220	(267,220)	-	-	-	-
Share-based payments	10	-	-	4,402	-	-	-	4,402
Net loss for the period		-	-	-	-	-	(1,114,529)	(1,114,529)
Other comphrensive 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
Private placement, net of issuance costs		3,000,000	328,681	-	-	(47,315)	-	281,366
Share-based payments		-	-	196	-	-	-	196
Reallocation of reserve on expired options		-	-	(6,171)	-	-	6,171	-
Net loss for the period		-	-	-	-	-	(293,073)	(293,073)
Other comprehensive income		-	-	-	(77,318)	-	-	(77,318)
Balance, March 31, 2019		93,105,475	$ 28,848,291	$ 992,967	$ 80,884	$ -	$ (25,153,772)	$ 4,768,370

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") 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.

The Company is an exploration and development stage natural resource royalty company engaged in the evaluation, acquisition, exploration and development of mineral projects and 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.

The Company's registered office is Suite 2833 – 595 Burrard St, 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 three months ended March 31, 2019, the Company incurred a net loss of $293,073 (2018 – income $63,707) 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 May 30, 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 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 consolidated financial statements and were consistently applied to all the periods presented with the exception of IFRS 16 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.

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").

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
The following accounting standards have been adopted as at January 1, 2019 in accordance with the transitional provisions outlined in the respective standards.

IFRS 16 *Leases*
IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases.*

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.

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 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.

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

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 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.

Critical accounting judgments

Management must make judgments given the various options available under IFRS for items included in the 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 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, 2019	December 31, 2018
Cash and cash equivalents	$ 2,058,929	$ 2,437,736

3. FINANCIAL INSTRUMENTS (cont'd…)

(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, 2019, the Company has cash and cash equivalents of $2,058,929 (December 31, 2018 - $2,437,736), current liabilities of $208,947 (December 31, 2018 - $411,416).

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

As at	March 31, 2019	December 31, 2018
Due Date		
0 – 90 days	$ 208,947	$ 411,416
90 – 365 days	-	-
More than 1 year	-	-
	$ 208,947	$ 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 March 31, 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 because 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, 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 March 31, 2019 and December 31, 2018, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

		March 31, 2019		December 31, 2018
Cash and cash equivalents	US$	744,489	US$	872,445
Accounts payable and accrued liabilities		(47,857)		(51,583)
Note payable		(125,000)		(125,000)
Interest payable		-		(9,829)
Net	US$	571,632	US$	686,033
Canadian dollar equivalent		$ 779,820		$ 935,886

Based on the above net exposures as at March 31, 2019, a 5% (2018 - 5%) change in the Canadian/US exchange rate would impact the Company's income (loss) and comprehensive income (loss) by approximately $38,000 (2018 - $55,000).

(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, 2019, a 10% (2018 – 10%) change in the market price of these securities would impact the Company's income (loss) and comprehensive income (loss) by approximately $85,000 (2018 - $150,000).

(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS (cont'd…)

(c) Market risk (cont'd…)

(iv) Fair value hierarchy

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

March 31, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,058,929	$ -	$ -	$ 2,058,929
Receivables	$ 27	$ -	$ -	$ 27
Accounts payable and accrued liabilities	$ 208,947	$ -	$ -	$ 208,947
Marketable securities	$ 855,348	$ -	$ -	$ 855,348

December 31, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,437,736	$ -	$ -	$ 2,437,736
Receivables	$ 6,883	$ -	$ -	$ 6,883
Accounts payable and accrued liabilities	$ 227,482	$ -	$ -	$ 227,482
Note payable	$ -	$ 183,934	$ -	$ 183,934
Marketable securities	$ 830,961	$ -	$ -	$ 830,961

4. CAPITAL MANAGEMENT

The Company is a development stage company and this involves a high degree of risk. The Company is not always able to determined whether its royalties and development stage assets will ultimately produce significant revenues and currently has only earned revenues from option and sale 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 royalty purchases and exploration and evaluation activities on its assets available for sale. 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 three months ended March 31, 2019.

(Expressed in Canadian Dollars)

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.

	March 31, 2019		December 31, 2018	
	Cost	Fair Value	Cost	Fair Value
Gold Resource Corporation				
104,811 (December 31, 2018 – 104,811) common shares	$ 818,668	$ 550,432	$ 818,668	$ 571,933
Colorado Resource Ltd				
800,000 (December 31, 2018 – 800,000) common shares	178,000	44,000	178,000	44,000
Solitario Royalty & Exploration Corp				
119,352 (December 31, 2018 – 119,352) common shares	144,454	65,644	144,454	38,193
Bitterroot Resources Ltd.				
200,000 (December 31, 2018 – 200,000) common shares	30,000	12,000	30,000	5,000
VR Resources Ltd.				
100,000 (December 31, 2018 – 100,000) common shares	36,250	15,500	36,250	18,000
Valterra Resource Corp.				
5,254,420 (December 31, 2018 – 5,254,420) common shares	221,831	105,088	221,831	78,816
Fremont Gold Ltd				
500,000 (December 31, 2018 – 500,000) common shares	80,000	62,684	80,000	75,019
Total	$ 1,509,203	$ 855,348	$ 1,509,203	$ 830,961

During the three months ended March 31, 2019, the Company did not acquire or dispose of any marketable securities.

During the three months ended March 31, 2019, the Company recorded an unrealized loss in the change in fair value on marketable securities of $37,086 (2018 - $ 66,821) in the statement of loss and comprehensive loss.

During the three months ended March 31, 2018, the Company:

(a) 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 6(c)).

(b) 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.

(Expressed in Canadian Dollars)

6. RECEIVABLES

The Company's receivables are as follows:

		March 31, 2019		December 31, 2018
Trade receivables	$	27	$	6,883
Sales taxes receivable		109,574		100,3011
	$	109,601	$	107,184

7. MINERAL AND ROYALTY INTERESTS

		Green Springs (a)		Cox Claims (b)		Nevada Select Properties (c)		Fenelon Royalty (d)		Total
Balance, December 31, 2017	$	28,658	$	69,618	$	1,534,438	$	-	$	1,632,714
Acquisition costs		-		-		21,260		716,836		738,096
Option payments received		(28,658)		(36,127)		(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		33,442		26,590		-		-		60,032
Cumulative translation adjustment		-		-		(21,377)		-		(21,377)
Balance, March 31, 2019	$	33,442	$	60,081	$	1,023,876	$	716,836	$	1,834,235

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

(a) Green Springs

On February 4, 2013, the Company 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.

On July 7, 2014, the Company entered into an exploration and Option Agreement (the "EMX Agreement") with 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. Pursuant to the EMX Agreement, the Company can earn a 100% interest in the Cathedral Well Project by paying EMX a total of US$100,000 as follows:

- US$25,000 upon signing (paid)
- US$25,000 on the first anniversary (paid)
- US$25,000 on the second anniversary (paid)
- US$25,000 on the third anniversary. (see below – traded certain mining claims)

EMX will retain 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.

In November 2016, the Company and EMX amended the EMX Agreement whereby the Company traded certain mining claims, owned by Nevada Select, (the "Gutsy Claims") in lieu of the final payment of US$25,000. The Company now owns 100% of the Cathedral Well Claims.

On December 7, 2016, subject to TSX Venture Exchange approval, the Company entered into an option agreement with Colorado whereby Colorado can acquire a 100% interest in the Company's Green Springs project. Colorado can acquire their 100% interest by making cash payments of US$3,000,000 and issuing 2,250,000 Colorado common shares to the Company, as follows:

- At closing – US$50,000 cash (received - $65,865) and 300,000 Colorado common shares (received 300,000 Colorado common shares valued at $78,000);
- Year 1 – US$100,000 cash (received - $129,860) and 500,000 Colorado common shares (received 500,000 Colorado common shares valued at $100,000);
- Year 2 – US$200,000 cash and 600,000 Colorado common shares (not received, see below);
- Year 3 – US$400,000 cash and 850,000 Colorado common shares; and
- Year 4 – US$2,250,000 cash (the "Final Option Payment"). Colorado may at its election make the final Option Payment 50% cash and 50% common shares based on a 30-day volume weighted average price of the Colorado common shares.

On May 10, 2018, Colorado terminated the option agreement with the Company.

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

(a) Green Springs (con't…)

On October 26, 2018, the Company entered into a non-binding term sheet with a private third party (the "Third Party") whereby the Third Party would be granted the right, upon entering into an option agreement, to acquire a 100% interest in the Company's Green Springs and Cox Claims projects for a total purchase price of US$1,200,000. The purchase price included a non-fundable initial payment of US$50,000 (received - $64,785 included in mineral and royalty interest) due on signing of the term sheet with the remaining balance payable in installments upon the execution of a formal option agreement. During the year ended December 31, 2018, the Company allocated $28,658 and $36,127 of the initial non-fundable payment to the carrying cost of the Green Springs project and Cox Claims, respectively.

Subsequent to December 31, 2018, the Third Party provided notice to the Company and terminated the term sheet with no further payments due to the Company.

(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 advance royalty 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)
- 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 will be payable, after recovery of the aggregate AMR's. The Company has the option to buy-down 1% of the NSR 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)
- January 16, 2018 to January 16, 2023, US$5,000 each year. (paid in 2018 by Colorado)

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

(b) Cox Claims (con't…)

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 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 on the Cox Claims, to be deducted from Cox's 2% NSR (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 December 7, 2016, the Cox Claims were included as part of the option agreement with Colorado whereby Colorado can acquire 100% of the Green Springs project and the Cox Claims by making the cash payments and share issuances as noted in Note 8(a). Under the option agreement, Colorado must maintain the Cox Claims in good standing during the option period by making the annual AMR payments and the annual payments to Urawest as per the above schedule of payments. On May 10, 2018, Colorado terminated the option agreement with the Company.

On October 26, 2018, the Company entered into a non-binding term sheet with a private third party ("Third Party") whereby the Third Party would be granted the right, upon entering into an option agreement, to acquire a 100% interest in the Company's Green Springs and Cox Claims projects for a total purchase price of US$1,200,000. Refer to Note 8(a).

During the three months ended March 31, 2019, the Third Party provided notice to the Company and terminated the term sheet with no further payments due to the Company.

(c) Nevada Select Properties

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

During the three months ended March 31, 2019, the Company received total net proceeds from option payments and disposition of mineral and royalty interests of $105,440 (2018 - $523,480), of which $nil (2018 - $59,705) is included in mineral and royalty interests, $105,440 (2018 - $112,451) is included in the statements of loss and comprehensive loss as option proceeds and $nil (2018 - $351,324) is included in the statements of loss and comprehensive loss as a gain on disposition of mineral interests. Cash proceeds received upon the disposition of mineral interests was $379,410.

During the three months ended March 31, 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.

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

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

Transactions during the three months ended March 31, 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 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
- 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
- US$70,000 four years after the closing date ("War Eagle Final Option Payment")

If the War Eagle Final Option Payment is made the Company will retain a 1% NSR 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.

7. 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 (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
- 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 on the Frost Property. Paramount has the right to reduce the NSR 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 (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
- 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
- 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 on the Rodeo Creek Claims.

Isabelle Pearl Royalty

On October 19, 2018, the Company entered into a binding letter agreement with a private owner whereby the Company, through its wholly-owned subsidiary Nevada Select, will acquire 100% of all rights and interests in the 0.75% Gross Receipts Royalty of the Isabella Pearl Property, operated by Gold Resource, by paying cash consideration of US$300,000. The closing of the transaction is subject to the completion of a definitive purchase and assignment agreement, among other necessary closing documentation. As at December 31, 2018, the closing of the royalty transaction remains subject to the completion of a definitive agreement.

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

(c) Nevada Select Properties (con't…)

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
- US$25,000 two years after the effective date
- US$25,000 three years after the effective date
- 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 on the Stateline claims. There is a one-mile area of interest associated with the NSR.

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;
- 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.

Kraut Claims

On April 27, 2018, the Company closed the sale of the Kraut claim 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
- 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 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.

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

(c) Nevada Select Properties (con't…)

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 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
- 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 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 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 on the County line claims. There is a one-mile area of interest associated with the NSR. Gold Resource will have the right to buy-down 1% of the NSR 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.

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

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

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, as follows:

- Initial payment – US$5,000 (received - $8,118) and 200,000 Fremont shares valued at $32,000 (received – of which $28,086 is included in mineral and royalty interest and $3,914 included in option proceeds)
- US$12,500 six months after the closing date (received - $16,196)
- US$25,000 one year after the closing date
- US$37,500 two years after the closing date
- US$37,500 three years after the closing date
- US$50,000 four years after the closing date
- US$100,000 five years after the closing date (the "North Carlin Final Option Payment")

If the North Carlin Final Option Payment is made the Company will retain a 2% NSR on the North Carlin claims. There is no area of interest associated with the North Carlin claims and Fremont will have the right to buy-down 1% of the NSR for US$3,000,000.

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

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

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

Gold Canyon Project

On January 16, 2018, the Company entered into a definitive option agreement with Intermont Exploration, LLC, a wholly owned subsidiary of Fremont whereby Fremont can acquire 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
- US$300,000 five years after the closing date (the "Gold Canyon Final Option Payment")

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

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

Gold Canyon Project (continued)

If the Gold Canyon Final Option Payment is made the Company will retain a 2% NSR on the Gold Canyon claims and a 1% NSR 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;
- US$35,000 on the fourth anniversary date of the Gold Canyon Final Option Payment and on each anniversary thereafter.

<u>Transactions during the year ended December 31, 2017:</u>

During the year ended December 31, 2017, the Company completed the acquisition of 6 patented mining claims and the related historical data for US$50,000.

Gold Bar Project

On September 13, 2017, the Company closed the option of the Gold Bar project with Fremont Gold Ltd. ("Fremont") whereby Fremont can acquire 100% of the Gold Bar project by making US$1,000,000 in option payments to the Company, as follows:

- At closing – US$10,000 (received - $12,986)
- US$40,000 six months after the closing date (received - $50,588)
- US$100,000 one year after the closing date (received - $129,570)
- US$100,000 two years after the closing date
- US$100,000 three years after the closing date
- US$200,000 four years after the closing date
- US$400,000 four years after the closing date (the "Gold Bar Final Option Payment")

If the Gold Bar Final Option Payment is made the Company will retain a 2% NSR. Fremont will have the right to buy-down 1% of the underlying royalty on these key claims for US$5,000,000.

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 Bar Final Option Payment;
- US$25,000 on each anniversary date of the Final Option Payment thereafter.

New Boston Project

On September 10, 2017, the Company closed the sale of the New Boston project with VR Resources whereby VR Resources can acquire 100% of the New Boston project by making the following payments:

- At closing – US$10,000 (received - $12,986 included in mineral and royalty interest) and 50,000 shares of VR Resources valued at $16,250 (received included in mineral royalty interest);
- An additional 50,000 shares of VR Resources if VR Resources completes a diamond drill program valued at $20,000 (received).

If a drill program is not completed by VR Resources within 18 months of closing, the property and any new exploration data will be returned to the Company. The Company was granted a 2% NSR on closing, subject to VR Resources' right to buy down one half of the royalty for US$500,000 per 0.5%.

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

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

Wolfpack Property and Royalties Acquisition

On September 8, 2017, the Company acquired four deeded royalties and one leased property for US$40,000 from Wolfpack Gold (Nevada) Corp. The Company must pay AMR on the acquired leased property as follows:

- Years 1-9 US$10,000; (paid - $12,986)
- Years 10-14 US$12,500;
- Years 15-19 US$15,000; and
- Years 20+ US$20,000.

Weepah Project

On July 10, 2017, the Company closed the option of the Weepah project with Valterra Resource Corp ("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.

Valterra will pay the Company AMR payments as follows:

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

Eastfield Claim Acquisition

On June 29, 2017, the Company closed a transaction with Eastfield Resources Ltd ("Eastfield") whereby the Company will acquire an interest in 18 patented claims located in Nevada for $50,000 cash (paid) and by issuing 300,000 common shares (issued with a fair value of $34,500) of the Company to Eastfield.

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

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

Platoro West Properties and Royalties Acquisition

On June 23, 2017, the Company closed the transaction with Platoro West Incorporated ("Platoro West") whereby the Company acquired Platoro West's portfolio of 14 mineral properties in Nevada, a portfolio of 8 deeded royalties, and legal and beneficial rights to geological information covering precious metals properties throughout the western United States (together the "Platoro Properties"). Under the terms of the agreement, the company will pay Platoro West US$500,000 as follows:

- US$25,000 upon signing (paid - $34,280);
- US$225,000 upon closing (paid - $298,158);
- US$125,000 cash on the first anniversary together with 5% per annum interest compounded quarterly from the date of closing (paid - $160,629);
- US$125,000 cash on the second anniversary together with 5% per annum interest compounded quarterly from the date of closing.

The Company also issued 1,000,000 shares purchase warrants to Platoro West with a fair value of $73,337, which is included in acquisition costs. Each share purchase warrant is exercisable to purchase one common share of the Company for $0.125 for a period of three years from the date of closing (Note 11(d)).

During the year ended December 31, 2018, the Company received $116,794 (2017 - $32,465) in option payments related to the Platoro Properties which has been included in the statement of loss, which included 300,000 common shares of Fremont valued at $48,000 (Note 6(c)).

Redlich, Moho and Olympic Projects

On May 26, 2017, the Company entered into definitive option agreements with Pyramid Gold (US) Corp ("Pyramid Gold") whereby Pyramid Gold can acquire a 100% interest in the Redlich, Moho and Olympic projects ("RMO") by making US$600,000 in combined option payments to the Company, as follows:

- Initial payment – US$22,000 (received - $28,569)
- US$33,000 six months after the closing date (received - $42,854, included in mineral and royalty interest)
- US$70,000 one year after the closing date (received - $88,604)
- US$75,000 two years after the closing date
- US$75,000 three years after the closing date
- US$325,000 four years after the closing date (the "RMO Final Option Payments")

If the RMO Final Option Payments are made the Company will retain a 2.5% NSR on the Redlich, Moho and Olympic claims. On the first three anniversaries of the option exercise, Pyramid Gold will pay combined AMR payments of US$30,000 per year on the Redlich and Moho projects. On the fourth anniversary and every year after, Pyramid Gold will pay combined AMR payments of US$50,000 per year. On the Redlich and Moho projects. Pyramid Gold will have the right to buy-down 1% of the NSR on each of the Redlich and Moho projects for an aggregate purchase price of US$1,000,000 per project. On February 7, 2018 Pyramid assigned the option agreements for Moho and Redlich to Hochschild Mining PLC with the terms of the option agreement remaining the same.

On April 26, 2019 Pyramid Gold notified the Company that it was terminating the option agreement for the Olympic Project.

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

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

Cimarron Project

On May 26, 2017, the Company entered into a definitive option agreement with 1082223 BC Ltd ("1082 BC") whereby 1082 BC can acquire a 100% interest in the Cimarron project by making US$250,000 in option payments to the Company, as follows:

- Initial payment – US$10,000 (received - $12,986 included in loss and comprehensive loss)
- US$15,000 six months after the closing date (received - $19,479 included in loss and comprehensive loss)
- US$25,000 one year after the closing date (received - $31,838)
- US$25,000 two years after the closing date
- US$25,000 three years after the closing date
- US$150,000 four years after the closing date (the "Cimarron Final Option Payment")

If the Cimarron Final Option Payment is made the Company will retain a 2.5% NSR on the Cimarron claims. On the first three anniversaries of the option exercise, 1082 BC will pay AMR payments of US$15,000 per year. On the fourth anniversary and every year after, 1082 BC will pay AMR payments of US$25,000 per year. On May 17, 2017, 1082 BC assigned its interest in the Cimarron project to Ridgestone Mining Inc.

Bald Peak Project

On February 17, 2017, the Company sold its 100% interest in the Bald Peak Project to Radius Gold Inc. ("Radius") for total proceeds of US$35,115 (received – $46,710). The Company recorded a gain on the disposition of $46,710 in relation to the sale of its interest in Radius as it had a $nil carrying value at the date of sale. The Company issued, to Radius, a Deed with Reservation of Royalty to Radius that provides for:

- a 3% NSR on certain claims of the Bald Peak Project;
- a 1% NSR on certain claims of the Bald Peak Project;
- an area of interest of two miles;
- an annual AMR payment of US$25,000 beginning on the date an exploration permit is issued;
- Radius may buy-down 1% of the 3% NSR for US$1,000,000.

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

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

Hackberry North Project

On January 20, 2017, the Company closed the transaction with Bitterroot whereby Bitterroot can acquire a 100% interest in the Company's Hackberry North Project by making cash payments of US$150,000 and issuing 600,000 Bitterroot common shares to the Company, as follows:

- At closing – US$20,000 cash (received - $25,972) and 200,000 Bitterroot common shares valued at $30,000 (received);
- Year 1 – US$30,000 cash and 100,000 Bitterroot common shares;
- Year 2 – US$50,000 cash and 100,000 Bitterroot common shares;
- Year 3 – US$50,000 cash and 200,000 Bitterroot common shares.

The Company will retain a 3% NSR on precious metals, a 2% NSR on all other products sold and a 0.5% NSR on unpatented lands which Bitterroot acquires within a 2.66-mile radius of the property. On the first three anniversaries of the option exercise, Bitterroot will pay AMR payments of US$10,000 per year. On each of the fourth through 10th anniversaries, Bitterroot will pay AMR payments of US$15,000 per year.

On July 31, 2018, Bitterroot terminated the option agreement. Upon termination, the Company granted Bitterroot a mineral deed for three unpatented mining claims and Bitterroot granted the Company a 3% net smelters royalty on the deeded claims.

Isabella Project

On January 6, 2017, the Company executed an agreement for the sale of its 100% owned Isabella property to Walker Lane Minerals Corporation, a wholly subsidiary of Gold Resource, for US$460,000. The Company will retain a NSR (the "Isabella NSR") of 2.5%. Gold Resource has the option to buy-down 0.5% of the Isabella NSR for US$500,000. The Isabella NSR includes an area of interest (the "Isabella AOI") on claims not already held by Gold Resource in their Isabella Pearl property package. The Isabella AOI royalty will be 2%, of which Gold Resource can buy-down 1% for US$1,000,000. The total purchase is payable to the Company as follows:

- US$100,000 cash (received - $134,483);
- US$60,000 cash (received - $80,689) as a one-time AMR payment; and
- US$300,000 (received - $396,720) in Gold Resource restricted common stock, which equated to 59,642 shares (received).

As a result of the Company selling the Isabella property, the Company removed the carrying value of $68,488 and realized a gain on disposition of $543,404, which is included in the statement of income and comprehensive income.

(d) Fenelon Royalty

On October 17, 2018, the Company acquired from Balmoral Resources Ltd. ("Balmoral") 100% of all rights and interests in the 1% net smelter royalty on the Fenelon Mine Property, operated by Wallbridge Mining Company Ltd. 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 valued at $52,700 (issued). In connection with the transaction with Balmoral, the Company paid success fees of $25,000 in cash (paid), 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 valued at $2,636 (issued).

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

		March 31, 2019		December 31, 2018
Trade payables	$	160,947	$	77,187
Accrued liabilities		48,000		38,000
Due to related parties		-		924
Total	$	208,947	$	116,111

9. NOTES PAYABLE

On May 4, 2016, the Company issued a promissory note (the "Note") in the amount of US$400,000 in connection with the acquisition of certain Nevada Select Properties (Note 7(c)). The Note accrues interest at 5% per annum, compounding every three months from the date of issuance and was due on May 4, 2018 with early settlement permitted without penalty. The note payable is secured by the Company's interest in certain mining claims.

On April 25, 2018, the Company repaid the principal of $514,760 and accrued interest of $53,093 of the Note for a total cash amount of $567,853.

For the year ended December 31, 2018, $8,876 (2017 - $27,346) of interest is included in the statements of loss and comprehensive loss relating to the Note.

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 (Note 8(c)). 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 principle 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 three months ended March 31, 2019, $859 (2018 - $2,024) of interest is included in the statement of loss and comprehensive loss relating to the Platoro Note.

During the three months ended March 31, 2019, the second tranche of the Platoro Note plus all accrued interest was repaid.

10. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

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

(b) Issued share capital

- 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 was comprised of one common share of the Company and one non-transferrable share purchase warrant ("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 Venture Exchange 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 which 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.

- 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 was comprised of 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 Venture Exchange 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 which is 30 calendar days after such 20th trading day. The Company incurred shares issuance costs of $111,371.

- As at December 31, 2018, the Company had received $47,315 in advanced subscription receipts relating to a private placement that closed subsequent to December 31, 2018. Refer to Note 16(a).

- 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(d)).

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

(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.

(Expressed in Canadian Dollars)

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

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

As at March 31, 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	March 31, 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	850,000	850,000
January 30, 2023	$ 0.14	250,000	250,000
January 28, 2024	$ 0.12	600,000	600,000
November 27, 2024	$ 0.06	550,000	550,000
March 11, 2026	$ 0.09	250,000	250,000
August 18, 2026	$ 0.15	1,200,000	1,200,000
June 19, 2027	$ 0.125	500,000	500,000
November 22, 2027	$ 0.10	1,725,000	1,725,000
February 15, 2028	$ 0.10	200,000	200,000
Total outstanding and exercisable		6,625,000	6,875,000

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

The weighted average remaining contractual life for the outstanding options at March 31, 2019 is 6.25 years (December 31, 2018 – 6.98 years).

Stock option transactions are summarized as follows:

	March 31, 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	-	$	-	450,000	$	0.10
Expired	(250,000)	$	0.10	-	$	-
Forfeited/cancelled	-	$	-	-	$	-
Options exercisable, end of period	6,625,000	$	0.10	6,875,000	$	0.10

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 three months ended March 31, 2019, $196 (2018 - $1,573) is included in the statement of loss and comprehensive loss as a share-based payment expense.

(Expressed in Canadian Dollars)

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

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

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 income and comprehensive income as a share-based payment expense for the three months ended March 31, 2018.

During the three months ended March 31, 2019, 250,000 (2018 – none) options expired unexercised and the relating fair value of $6,171 (2018 - $nil) was transferred from share-based payment reserve to deficit.

(d) Warrants

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

Expiry Date	Exercise Price	March 31, 2019	December 31, 2018
June 23, 2020	$0.125	1,000,000	1,000,000
May 1, 2020	$0.10	1,050,000	1,050,000
December 31, 2023	$0.22	10,000,000	10,000,000
January 17, 2024	$0.22	3,000,000	-
Total		15,050,000	12,050,000

On January 17, 2019 the Company issued 3,000,000 share purchase warrants relating to the non-brokered private placement (Note 10(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.22 for a period of five 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 10(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.22 for a period of five 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(d)). 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.

(Expressed in Canadian Dollars)

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

(d) Warrants (cont'd…)

Share purchase warrant transactions are summarized as follows:

	March 31, 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	3,000,000	$	0.22	11,050,000	$	0.21
Exercised	-	$	-	(3,000,000)	$	0.07
Expired	-	$	-	(5,000,000)	$	0.20
Balance, end of period	15,050,000	$	0.21	12,050,000	$	0.20

The weighted average remaining contractual life for the outstanding warrants at is 4.28 years (December 31, 2018 – 4.39 years).

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

	March 31, 2019		December 31, 2018	
	Options	Warrants	Options	Warrants
Risk-free interest rate	n/a	n/a	2.03%	2.33%
Expected dividend yield	n/a	n/a	0.00	0.00
Expected stock price volatility	n/a	n/a	79.85	62.20%
Expected life in years	n/a	n/a	5	1.5
Weighted average fair value	n/a	n/a	$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.

(Expressed in Canadian Dollars)

11. 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:

	March 31, 2019	March 31, 2018
Short-term employment benefits	$ 142,749	$ 79,469
Total	$ 142,749	$ 79,469

As at March 31, 2019, $16,549 (December 31, 2018 - $924) is owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities. A prepaid advance of $7,000 (December 31, 2018 - $23,795) was made to an officer 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 $319,296 in the event they are terminated without cause, or $837,888 in the event there is a change of control.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the three months ended March 31,	2019	2018
Significant non-cash investing activities consisted of:		
Marketable securities received for mineral claims	$ -	$ 32,000

13. 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.

14. EVENTS AFTER THE REPORTING PERIOD

(a) On April 18, 2019, the Company acquired from an arm's length third party (the "Seller") 100% of all rights and interests in a 2% net smelter royalty on the Fenelon Mine Property, operated by Wallbridge Mining Company Ltd, and located in west-central, Quebec. This 2% net smelter return royalty is in addition to the 1% net smelter return royalty acquired on October 17, 2018 (Note 8(d)). Under the agreement, the Company acquired the additional 2% Fenelon royalty for cash consideration of $600,000 (paid).

(b) On April 24, 2019, the Company entered into a binding letter agreement with a private individual whereby the Company will acquire 100% of all rights and interests to a 1% net smelter return royalty on the Lincoln Hill Property, operated by Coeur Mining Inc., for cash consideration of $755,000 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 transaction is expected to close in the third quarter 2019.

(c) 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 Corporation, 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).

(d) On May 23, 2019, the Company signed a binding letter of intent with a private individual whereby the Company will acquire 100% of rights and interests to a Per Ton Royalty 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. The transaction is subject to certain closing conditions including approval by the TSX Venture Exchange.