CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Unaudited)

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

As at	Notes		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
ASSETS					
Current					
Cash and cash equivalents		$	12,242,573	$	2,973,520
Marketable securities	6		1,023,993		1,248,828
Receivables	7		675,505		137,902
Prepaid expenses			253,034		71,946
			14,195,105		4,432,196
Non-Current					
Reclamation bond			29,232		28,463
Right-of-use lease asset	8		105,776		48,549
Royalty assets	9		23,875,784		2,961,135
Mineral property interests	10		1,700,416		896,530
Deferred charges	12		1,904,693		3,135,556
		$	41,811,006	$	11,502,429
LIABILITIES					
Current					
Accounts payable and accrued liabilities	11, 15	$	151,043	$	281,109
Current portion of lease obligation	13		50,178		23,363
Current portion of obligation under royalty acquisition	9		218,630		1,178,901
			419,851		1,483,373
Non-Current					
Lease obligation	13		61,366		30,757
Obligation under royalty acquisition	9		78,081		264,742
Promissory note	12		-		1,000,000
			559,298		2,778,872
EQUITY					
Share capital	14		65,669,384		30,055,890
Share-based payment reserve	14		8,293,326		4,988,492
Cumulative translation adjustment			(1,013,627)		93,686
Subscriptions received			166,656		-
Deficit			(31,864,031)		(26,414,511)
Equity attributable to owners			41,251,708		8,723,557
		$	41,811,006	$	11,502,429

Approved and authorized by the Board:

"Tom Wharton" Director — Tom Wharton

"Stephen Kenwood" Director — Stephen Kenwood

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

ELY GOLD ROYALTIES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited – Expressed in Canadian Dollars)

	Notes	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
ROYALTY AND MINERAL OPERATIONS					
Revenue					
Royalties		$ 659,607	$ -	$ 1,530,177	$ -
Option proceeds		98,816	377,141	602,660	684,900
Gain on disposal of mineral interest		-	-	-	918,415
		758,423	377,141	2,132,837	1,603,315
Expenses					
Amortization of royalty assets		613,781	7,352	1,021,816	24,307
Project and royalty generation and maintenance costs		150,887	252,262	224,380	303,222
Maintenance cost reimbursements		(67,516)	(66,580)	(67,516)	(66,957)
		697,152	193,034	1,178,680	260,572
ROYALTY AND MINERAL OPERATIONS INCOME		61,271	184,107	954,157	1,342,743
EXPENSES					
Amortization		8,689	3,122	37,951	7,198
Consulting fees		121,648	91,639	242,422	137,538
Management fees	15	121,820	404,943	729,086	775,018
Office and administration		48,768	17,005	134,372	94,579
Professional fees		97,348	83,044	599,394	210,915
Share-based payments	14, 15	448,987	544,406	2,134,533	544,936
Transfer agent and filing fees		16,477	11,694	153,562	34,213
Travel and promotion		178,022	245,006	806,298	493,466
		(1,041,759)	(1,400,859)	(4,837,618)	(2,297,863)
OTHER INCOME (EXPENSE)					
Interest expense	12	(63,477)	(1,688)	(277,454)	(8,316)
Accretion of deferred charges	12	(413,283)	-	(1,230,863)	-
Interest income		25,330	653	35,681	5,004
Gain (loss) on disposal of marketable securities	6	-	-	(25,223)	12,423
Change in fair value of marketable securities	6	(133,938)	(187,901)	(302,454)	(273,264)
Gain on foreign exchange		16,008	22,095	234,254	5,184
		(569,360)	(166,841)	(1,566,059)	(258,969)
Loss for the period		(1,549,848)	(1,383,593)	(5,449,520)	(1,214,089)
Other comprehensive income (loss)					
Items subject to reclassification into statement of loss					
Currency translation adjustment		(542,076)	44,363	(1,107,313)	(1,814)
Comprehensive loss		$(2,091,924)	$(1,339,230)	$(6,556,833)	$(1,215,903)
Basic and diluted loss per share		$ (0.01)	$ (0.01)	$ (0.04)	$ (0.01)
Weighted average number of common shares outstanding		138,075,448	93,105,475	123,115,674	92,538,808

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

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

	For the nine months ended September 30, 2020	September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (5,449,520)	$ (1,214,089)
Items not affecting cash		
Accrued interest	(10,742)	5,004
Accretion of deferred charges	1,230,863	-
Amortization	1,059,767	31,505
Change in fair value of marketable securities	302,454	273,264
Loss (gain) on disposal of marketable securities	25,233	(12,423)
Gain on disposal of mineral interest	-	(1,286,182)
Share-based payments	2,134,533	544,936
Unrealized foreign exchange	(74,452)	24,429
	(781,864)	(1,633,556)
Changes in non-cash working capital items		
Receivables	(492,489)	(93,546)
Prepaid expenses	(181,088)	(55,129)
Accounts payable and accrued liabilities	(103,802)	(6,078)
Net cash used in operating activities	(1,559,243)	(1,788,309)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mineral rights and royalty assets	(1,039,718)	(1,522,417)
Proceeds on disposal of mineral interest	-	1,676,541
Payments on acquisition of royalty assets	(9,334,124)	-
Proceeds on disposition of marketable securities	(75,736)	56,413
Proceeds received from properties under option	546,956	216,207
Net cash provided by (used in) investing activities	(9,902,622)	426,744
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net of issuance costs	16,450,990	1,231,502
Subscriptions received	166,656	-
Proceeds from line of credit	5,000,000	-
Repayment of line of credit	(6,000,000)	-
Repayment of loans payable	-	(183,934)
Lease payments	(38,078)	(35,879)
Shares issued on exercise of options and warrants	6,321,396	208,527
Payment of royalty obligation	(1,215,786)	-
Net cash provided by financing activities	20,685,178	1,220,216
Effect on cash of foreign exchange	45,740	(30,779)
Change in cash and cash equivalents for the period	9,269,053	(172,128)
Cash and cash equivalents, beginning of period	2,973,520	2,437,736
Cash and cash equivalents, end of period	$ 12,242,573	$ 2,265,608
Cash and cash equivalents consist of:		
Cash	$ 2,217,573	$ 1,490,608
Term deposits	10,025,000	775,000
	$ 12,242,573	$ 2,265,608

Supplemental disclosure with respect to cash flows (Note 16)

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

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

	Number of shares	Share capital	Share-based payment reserve	Cumulative translation adjustment	Subscriptions received	Deficit	Shareholders' equity
Balance, December 31, 2018	90,105,475	$ 28,519,610	$ 998,942	$ 158,202	$ 47,315	$ (24,866,870)	$ 4,857,199
Adjustment on adoption of IFRS 16	-	-	-	-	-	(6,003)	(6,003)
Private placement, net of issuance costs	8,615,454	1,202,125	76,692	-	(47,315)	-	1,231,502
Reallocation of reserves of expired options	-	-	(6,171)	-	-	6,171	-
Share-based payments	-	-	544,936	-	-	-	544,936
Shares issued on exercise of options and warrants	1,475,000	197,500	-	-	-	-	197,500
Reallocation of reserves of exercised options and warrants	-	118,488	(118,488)	-	-	-	-
Warrants issued for mineral and royalty interests	-	-	205,321	-	-	-	205,321
Loss for the period	-	-	-	-	-	(1,214,089)	(1,214,089)
Other comprehensive loss	-	-	-	(1,814)	-	-	(1,814)
Balance, September 30, 2019	100,195,929	30,037,723	1,701,232	156,388	-	(26,080,791)	5,814,552
Reallocation of reserves of exercised options and warrants	-	6,317	(6,317)	-	-	-	-
Warrants issued for line of credit	-	-	3,282,328	-	-	-	3,282,328
Shares issued on exercise of options and warrants	85,000	11,850	-	-	-	-	11,850
Share-based payments	-	-	11,249	-	-	-	11,249
Loss for the period	-	-	-	-	-	(333,720)	(333,720)
Other comprehensive loss	-	-	-	(62,702)	-	-	(62,702)
Balance, December 31, 2019	100,280,929	30,055,890	4,988,492	93,686	-	(26,414,511)	8,723,557
Private placement, net of issuance costs	21,562,500	15,832,946	618,044	-	-	-	16,450,990
Shares issued on exercise of options and warrants	24,269,654	6,321,396	-	-	-	-	6,321,396
Reallocation of reserves of exercised options and warrants	-	2,019,565	(2,019,565)	-	-	-	-
Warrants issued for mineral and royalty interests	-	-	2,571,822	-	-	-	2,571,822
Shares issued on acquisition of royalty interest	12,798,413	11,439,587	-	-	-	-	11,439,587
Funds received for exercise of warrants	-	-	-	-	166,656	-	166,656
Share-based payments	-	-	2,134,533	-	-	-	2,134,533
Loss for the period	-	-	-	-	-	(5,449,520)	(5,449,520)
Other comprehensive loss	-	-	-	(1,107,313)	-	-	(1,107,313)
Balance, September 30, 2020	158,911,496	$ 65,669,384	$ 8,293,326	$(1,013,627)	$ 166,656	$ (31,864,031)	$ 41,251,708

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

1. NATURE OF AND CONTINUANCE OF OPERATIONS

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

The Company is a royalty investment company that generates its revenue by selling mineral properties to mining companies while retaining a long-term royalty that pays royalty income over the life of the mine. The Company is currently focused on purchasing royalties and selling its gold projects, with the potential to generate royalties, in the United States and Canada.

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

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

These condensed interim consolidated financial statements have been prepared by management on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended September 30, 2020, the Company incurred a net loss of $5,584,933 (2019 - $1,214,089) 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.

The recent outbreak of the coronavirus, also known as COVID-19, continues to impact worldwide economic activity. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and, as such, the Company cannot determine their long-term financial impact at this time. Federal, provincial and local governments have issued public health orders in response to COVID-19, which may cause some delay in the Company's operations.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on November 24, 2020.

2. BASIS OF PREPARATION AND CONSOLIDATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

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

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

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

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. (a Canadian corporation), DHI Minerals (US) Ltd. (a Nevada corporation), Voyageur Gold Inc. (a Canadian corporation), Nevada Select Royalty, Inc. ("Nevada Select") (a Nevada corporation), REN Royalties LLC ("REN") (a Nevada corporation) and its 100% owned subsidiary, VEK Associates ("VEK") (a Nevada corporation).

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

Use of estimates and judgments

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

Critical Accounting Estimates

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

Recovery of deferred tax assets

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

Share-based payments

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

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

Critical Accounting Estimates (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 condensed interim consolidated statement of financial position at carrying value. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessment/studies, accessible facilities and existing permits.

Amortization of royalty assets

Royalty assets are carried at cost less any accumulated amortization. Amortization is calculated using management's best estimate of the mine's production life. The expected production life of the asset is estimated based on expected quantities of proven and probable mineral reserves and mineral resources. These estimates are based on information obtain by the mine operator through preparation of technical reports on the property. The useful production lives are estimated based on such information and are reviewed annually.

Cost allocation of royalty assets acquired

Management was required to estimate the allocation of cost of acquisition of the VEK assets. The allocation was determined by estimating the present value of expected future revenues. Such calculation required management to make estimates of expected production based on estimated reserves in the underlying assets.

Critical Accounting Judgments

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

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited Annual Financial Statements for the fiscal year ended December 31, 2019.

(Unaudited – Expressed in Canadian Dollars)

4. 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 note payable approximates fair value, as the note bears market interest rate.

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

(a) Credit risk

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

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

	September 30, 2020	December 31, 2019
Cash and cash equivalents	$ 12,242,573	$ 2,973,520
Receivables	675,505	137,902
	$ 12,918,078	$ 3,111,422

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At September 30, 2020, the Company has cash and cash equivalents of $12,242,573 (December 31, 2019 - $2,973,520) and current liabilities of $419,851 (December 31, 2019 - $1,483,373).

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

Due Date	September 30, 2020	December 31, 2019
0 – 90 days	$ 201,221	$ 898,913
90 – 365 days	218,630	584,460
More than 1 year	139,447	1,295,499
	$ 559,298	$ 2,778,872

4. FINANCIAL INSTRUMENTS (cont'd…)

(c) Market risk

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

(i) Interest rate risk

Interest rate risk consists of three components:

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

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

(c) Fluctuations in the interest rates impact the value of cash equivalents. As at September 30, 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 September 30, 2020 and December 31, 2019, the Company has not hedged its exposure to currency fluctuations.

At September 30, 2020 and December 31, 2019, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

		September 30, 2020		December 31, 2019
Cash and cash equivalents	US $	737,133	US $	735,612
Accounts payable and accrued liabilities		(78,511)		(83,641)
Interest payable		-		(11,521)
Net	US $	658,622	US $	640,450
Canadian dollar equivalent	$	878,536	$	831,818

Based on the above net exposures as at September 30, 2020, a 5% change in the Canadian/US exchange rate would impact the Company's income (loss) and comprehensive income (loss) by approximately $44,000 (December 31, 2019 - $42,000).

(Unaudited – Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (cont'd…)

(c) Market risk (cont'd…)

(iii) Equity price risk

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

Based on the marketable securities held as at September 30, 2020, a 10% change in the market price of these securities would impact the Company's income (loss) and comprehensive income (loss) by approximately $101,000 (December 31, 2019 - $125,000).

(iv) Fair value hierarchy

The following tables summarize the Company's financial instruments under the fair value hierarchy as at September 30, 2020 and December 31, 2019:

September 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$12,242,573	$ -	$ -	$12,242,573
Marketable securities	$ 1,023,993	$ -	$ -	$ 1,023,993

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

5. CAPITAL MANAGEMENT

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

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

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

There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2020.

(Unaudited – Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

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

	September 30, 2020			December 31, 2019		
	Shares	Cost	Fair Value	Shares	Cost	Fair Value
Gold Resources Corporation	104,811	$ 818,668	$ 447,382	104,811	$ 818,668	$ 754,152
Solitario Royalty & Exploration Corp.	119,352	144,454	65,644	119,352	144,454	46,504
Bitterroot Resources Ltd.	-	-	-	200,000	30,000	7,000
VR Resources Ltd.	100,000	36,250	34,000	100,000	36,250	37,000
Valterra Resource Corp.	-	-	-	525,442	221,831	55,172
Fremont Gold Ltd.	-	-	-	500,000	80,000	39,000
Contact Gold Corp.	2,000,000	420,000	350,000	2,000,000	420,000	310,000
Gold American gold (1 Oz) troy coins	50	135,898	126,967	-	-	-
		$1,555,270	$ 1,023,993		$1,751,203	$1,248,828

During the nine months ended September 30, 2020, the Company recorded an unrealized loss in the change in fair value on marketable securities of $302,454 (2019 - $85,363) in the condensed interim consolidated statements of loss and comprehensive loss.

During the nine months ended September 30, 2020, the Company:

(a) sold 525,442 common shares of Valterra Resource Corp. for net proceeds of $30,108. As at December 31, 2019, these shares had a carrying value of $55,172, which resulted in a loss of $25,064.
(b) sold 200,000 common shares of Bitterroot Resources Ltd. ("Bitterroot") for net proceeds of $5,905. As at December 31, 2019, these shares had a carrying value of $7,000, which resulted in a loss of $1,095.
(c) sold 500,000 common shares of Fremont Gold Ltd. for net proceeds of $40,535. As at December 31, 2019, these shares had a carrying value of $39,000, which resulted in a recovery of $1.535.

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

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

(Unaudited – Expressed in Canadian Dollars)

7. RECEIVABLES

The Company's receivables are as follows:

		September 30, 2020		December 31, 2019
Trade receivables	$	661,201	$	122,309
Sales taxes receivable		14,304		15,593
	$	675,505	$	137,902

8. RIGHT-OF-USE LEASE ASSET

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

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

Cost:		
Balance at December 31, 2019	$	92,972
Additions for the period		91,550
Balance September 30, 2020	$	184,522
Accumulated amortization:		
Balance at December 31, 2019	$	42,136
Amortization for the period		35,765
Balance, September 30, 2020	$	77,901
Currency translation adjustment at December 31, 2019	$	(2,287)
Currency translation adjustment at September 30, 2020	$	(845)
Net book value:		
As at December 31, 2019	$	48,549
As of September 30, 2020	$	105,776

(Unaudited – Expressed in Canadian Dollars)

9. ROYALTY ASSETS

Cost	Balance, December 31, 2018	Acquisition	Disposition	Balance, December 31, 2019	Acquisition	Balance, September 30, 2020
Balmoral Fenelon	$716,836	$ -	$(716,836)	$ -	$ -	$ -
Devon Fenelon	-	600,000	-	600,000	-	600,000
Isabella Royalty	-	404,250	-	404,250	-	404,250
Jerritt Canyon PTR	-	969,591	-	969,591	-	969,591
Jerritt Canyon 0.5%	-	-	-	-	11,553,163	11,553,163
Lincoln Hill	-	1,091,123	-	1,091,123	-	1,091,123
Rawhide	-	-	-	-	1,917,925	1,917,925
REN NPI	-	-	-	-	707,100	707,100
REN 1.5%	-	-	-	-	6,024,796	6,024,796
Marigold	-	-	-	-	1,618,343	1,618,343
Borden Lake	-	-	-	-	583,089	583,089
Other	-	36,371	-	36,371	617,929	654,300
	$716,836	$3,101,335	$(716,836)	$3,101,335	$23,022,345	$26,123,680

Accumulated Amortization	Balance, December 31, 2018	Amortization	Balance, December 31, 2019	Amortization	Balance, September 30, 2020
Isabella Royalty	$ -	$67,267	$67,267	$ 73,124	$ 140,391
Jerritt Canyon PTR	-	25,126	25,126	59,947	85,073
Jerritt Canyon 0.5%	-	-	-	616,169	616,169
REN 1.5%	-	-	-	227,787	227,787
Marigold	-	-	-	76,483	76,483
	$ -	$92,393	$92,393	$1,053,510	$1,145,903

	Cumulative Translation Adjustment		Net Book Value	
	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020
Devon Fenelon	$ -	$ -	$ 600,000	$ 600,000
Isabella Royalty	(13,530)	(6,763)	323,453	257,096
Jerritt Canyon PTR	(10,915)	12,693	933,550	897,211
Jerritt Canyon 0.5%	-	(610,048)	-	10,326,946
Lincoln Hill	(22,608)	9,500	1,068,515	1,100,623
Rawhide	-	(37,964)	-	1,879,961
REN NPI	-	(40,150)	-	666,950
REN 1.5%	-	(310,539)	-	5,486,470
Marigold	-	(82,596)	-	1,459,264
Borden Lake	-	-	-	583,089
Other	(754)	(36,126)	35,617	618,174
	$(47,807)	$(1,101,993)	$2,961,135	$23,875,784

9. ROYALTY ASSETS (cont'd…)

(a) During the nine months ended September 30, 2020, the Company completed the acquisition of 100% of VEK (Note 18) for total consideration of US $5,000,000 and the issuance of 2,005,164 share purchase warrants exercisable at a price of $0.62 per share for a period of two years. VEK owns 50% of the VEK/Andrus partnership, which holds five properties, all of which are currently leased. Four of the leases are with Nevada Gold Mines JV (Barrick 61.5%/Newmont 31.5%) and the other lease is with SSR Mining Inc. ("SSR Mining"). Four of the leases pay advance minimum royalty ("AMR") payments and carry a 3.0% net smelter return ("NSR") royalty (50% to VEK) with no buy-downs. Details on the properties are as follows:

- REN Property – currently leased to Nevada Gold Mines, consists of 86 contiguous unpatented lode mining claims located in the Northern Carlin trend. Under the terms of the lease agreement, VEK/Andrus is entitled to minimum royalty payments, which are adjusted for inflation every year. During 2019, VEK/Andrus received US $458,712, of which VEK received 50%. These payments will continue until production commences, at which time VEK will be entitled to a 1.5% royalty.

- 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. Under the terms of the lease agreement, VEK/Andrus is entitled to minimum royalty payments, which are adjusted for inflation every year. During 2019, VEK/Andrus received US $156,500, of which VEK received 50%. These payments will continue until production commences; at which time the lessor will be entitled to a 0.75% royalty.

- 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 trend. Under the terms of the lease agreement, VEK/Andrus is entitled to minimum royalty payments. During 2019, VEK/Andrus received US $15,000, of which VEK received 50%. These payments will continue until production commences, at which time VEK will be entitled to a 1.5% royalty.

- 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. Under the terms of the lease agreement, VEK/Andrus is entitled to minimum royalty payments, which are adjusted for inflation every year. During 2019, VEK/Andrus received US $21,780, of which VEK received 50%. These payments will continue until production commences, at which time VEK will be entitled to 1.5% royalty.

- Carlin Trend Property – currently leased to Nevada Gold Mines , 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. Under the terms of the lease agreement, VEK/Andrus is entitled to minimum royalty payments, which are adjusted for inflation every year. During 2019, VEK/Andrus received US $43,560, of which VEK received 50%. These payments will continue until production commences, at which time VEK will be entitled to a 1.5% royalty.

(b) REN Net Profit Interest ("NPI")

On April 2, 2020, the Company closed an agreement to acquire a 3.5% 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.

9. ROYALTY ASSETS (cont'd…)

(c) Jerritt Canyon 0.5% Royalty

On May 12, 2020, the Company completed the purchase agreement with Eric Sprott ("Sprott") to acquire a 0.5% 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 share purchase warrants, each exercisable over a three-year term to purchase, exercisable at a price of $0.78 per share. All of the securities issued in the transaction are subject to a four-month hold period pursuant to applicable TSX-V policies and applicable securities laws. The shares were valued at $11,301,588 representing the market value of the shares on the date of closing and the warrants were valued at $171,575 using the Black-Scholes option pricing model.

(d) Jerritt Canyon PTR Royalty

On September 9, 2019, the Company entered into an agreement to acquire 100% of the rights and interests to a per ton royalty interest (the "PTR Interest") on the Jerritt Canyon Processing Facilities by paying the owner a total cash consideration of US $650,000 and by issuing 500,000 common share purchase warrants. Each warrant entitles 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 license agreement entitles the owner to receive a per ton royalty payment (the "PTR Payment") based on overall throughput from mining operations at the Jerritt Canyon Processing Facilities with increasing PTR Payments at higher gold prices.

Royalties are calculated, in US dollars, as follows:

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

As consideration, the Company will make the following payments:

- US $300,000 cash (paid) and issue 500,000 warrants valued at $106,518 (issued) at closing;
- US $150,000 cash on the first anniversary of closing;
- US $150,000 cash on the second anniversary of closing; and
- US $50,000 cash on the third anniversary of closing.

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

9. ROYALTY ASSETS (cont'd…)

(e) Isabella Pearl Royalty

On April 27, 2019, the Company acquired from a private estate a 0.75% gross receipts royalty on the Isabella Pearl Mine, operated by Gold Resources 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.

(f) Balmoral Fenelon Royalty

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

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

(g) Devon Fenelon Royalty

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

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

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

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

9. ROYALTY ASSETS (cont'd…)

(h) Rawhide Royalty

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 from 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 gold equivalent ("AuEq") ounce, from the Regent Hill Property placed on leach pads after the first 115,000 AuEq ounces. 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 (paid) and issued 2,000,000 share purchase warrants (issued). 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.

(i) Lincoln Hill Royalty

On September 10, 2019, the Company entered into an agreement with a private individual to acquire 100% of all rights and interests to a 1% NSR royalty on the Lincoln Hill Property, operated by Coeur Mining Inc., for cash consideration of US $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 $0.17.

As consideration, the Company will make the following payments:

- US $400,000 at closing (paid) and 500,000 common share purchase warrants valued at $98,803 (issued); and
- US $350,000 by September 10, 2020.

The 2020 payment will accrue simple interest at 5% and be secured by the Lincoln Hill Royalty. Each purchase warrant issued will allow the seller to purchase one common share of Ely Gold at $0.17 for two years from the closing date. The purchase agreement includes a right of first refusal if the seller disposes of an additional 1% royalty they currently hold.

(j) Gold Bar Royalty

On September 6, 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 (paid) for the assignment of 100% of the Scoonover Royalty from an arm's length third-party.

(k) Borden Lake Royalty

On August 26, 2020, the Company entered into an agreement with two individuals dealing at arm's length to the Company (the "Borden Lake Vendors") to purchase 0.4% of a 2% NSR royalty on the Borden Lake Gold Mine (the "Borden Lake Royalty").

(Unaudited – Expressed in Canadian Dollars)

9. ROYALTY ASSETS (cont'd…)

(k) Borden Lake (Cont'd…)

The Borden Lake Royalty is subject to a buy-down option pursuant to which Newmont Corp. ("Newmont") is entitled to buy it down from 2% to 1% for a one-time cash payment of $1,000,000. Under the present transaction terms, if the buy-down right is exercised, the entire reduction will be applied to the Borden Lake Vendors' 1.6% Borden Lake Royalty interest and the Company's share will remain at 0.4%. In addition, the Borden Lake Vendors have granted a right of first refusal to the Company with respect to any proposed sale by the Borden Lake Vendors of their remaining 0.6% of the Borden Lake Royalty.

Under the terms of the transaction, in consideration for its 0.4% Borden Lake Royalty interest, the Company will pay $300,000 in cash, issue 100,000 common shares and 80,000 of the Company's non-transferable common share purchase warrants, each exercisable to purchase one additional common share for a five-year term at an exercise price of $1.37.

In connection with the transaction, 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 Borden Lake Vendors.

The transactions closed on August 26, 2020. Subsequent to the closing the Company, and the Borden Lake Vendors, have filed a complaint against Newmont claiming that the area of interest provided in the Borden Lake Royalty should apply to claims currently being mined by Newmont. Newmont has denied the claims and the complaint is proceeding to arbitration.

10. MINERAL PROPERTY INTERESTS

Mineral property interests are as follows:

	Green Springs Claims	Cox Claims	Nevada Select Properties	Total
Balance, December 31, 2018	$ -	$ 33,491	$ 1,045,253	$ 1,078,744
Acquisition costs	33,352	26,680	46,432	106,464
Option payments received	(33,352)	(60,171)	(186,761)	(280,284)
Cumulative translation adjustment	-	-	(8,394)	(8,394)
Balance, December 31, 2019	-	-	896,530	896,530
Acquisition costs	-	-	1,356,726	1,356,726
Option payments received	-	-	(556,889)	(556,889)
Cumulative translation adjustment	-	-	4,049	4,049
Balance, September 30, 2020	$ -	$ -	$ 1,700,416	$ 1,700,416

Mineral property transactions

Nevada Select Properties

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

During the nine months ended September 30, 2020, the Company received total net proceeds from option payments of $1,159,549 (2019 - $657,489), of which $559,889 (2019 - $309,730) is included as a reduction of mineral property interests and $602,660 (2019 - $347,759) is included in the condensed interim consolidated statements of loss and comprehensive loss as option proceeds.

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Tonopah West Project

(a) 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, which were fair valued at $184,743. Each warrant will be exercisable into one common share at $0.65 for a period of two years.

(b) 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, with the Company retaining a 3% NSR royalty. On closing, the Company received the first payment of US $325,000, as described below.

As consideration, Blackrock's wholly owned US subsidiary will make the following payments:

- US $325,000 on closing (received);
- US $325,000 on the first anniversary of closing;
- US $650,000 on the second anniversary of closing;
- US $700,000 on the third anniversary of closing; and
- US $1,000,000 on the fourth anniversary of closing (the "Final Payment").

After Blackrock makes the Final Payment, the Company will retain a 3% NSR royalty with no buy-down and Blackrock will then pay the Company an annual AMR payment of US $50,000 commencing once the option is exercised. As a condition of closing, the Company will complete the acquisition of the Cliff ZZ land.

HNT and JAM Claims

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 Nevada Inc. ("McEwen") and the Agreement includes an assignment of the leases to the Company. On closing, the Company paid the initial US $125,000 payment.

Under the terms of the Agreement, the Company will:

- purchase two HNT Claims and assume the corresponding lease;
- purchase six JAM Claims and assume the corresponding lease;
- pay the seller US $125,000 at closing (paid); and
- issue 100,000 share purchase warrants to the seller.

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

HNT and JAM Claims (cont'd...)

The warrants will expire two years from closing and each warrant will allow the holder to purchase one common share 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.

War Eagle Property

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

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

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 the option at any time prior to the fourth anniversary. The War Eagle property is subject to an underlying 5% gross royalty payable to the state of Idaho.

Castle West Property

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

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

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

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

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Gold Bar Property

On November 27, 2019, the Company entered into an agreement with McEwen for the sale of 100% of its Gold Bar Project consisting of 12 patented mining claims and 310 unpatented mining claims located in Elko County, Nevada.

Under the terms of the agreement, McEwen will issue to Ely Gold 53,600 shares of its common stock in exchange for 100% ownership in the patented and unpatented claims. In addition, McEwen will reimburse Nevada Select US $38,096 for the 2020 claim fees and taxes. The Company will retain a 2% NSR royalty on the patented and unpatented claims. McEwen can purchase 1% of the royalty on the patented claims for US $1,000,000 and 1% of the royalty on the unpatented claims for US $2,000,000.

Final closing of the agreement is subject to final approval of the New York Stock Exchange and the Toronto Stock Exchange for the shares and final payment of the fees by McEwen.

Butte Valley Project

On December 3, 2019, the Company entered into an option agreement for the sale of a 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. (collectively, "Quaterra").

Under the terms of the agreement to earn 100%, Quaterra will pay the Company a total of US $250,000 in cash payments made as follows:

- US $15,000 paid on the effective date (received);
- US $35,000 on the first anniversary of the effective date; and
- US $50,000 on the second, third, fourth and fifth anniversaries of the effective date.

On the effective date, Quaterra will also reimburse the Company $24,711 (received) for the 2020 claim fees, taxes and staking costs. As at period-end, the Company has not received any payments from Quaterra. 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.

Frost Property

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

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

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Frost Property (cont'd…)

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 to 1%, at any time, by paying the Company US $1,000,000.

Rodeo Creek Claims

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

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

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

Stateline Property

On August 8, 2018, the Company entered into a definitive option agreement with Pyramid Gold (US) Corp. ("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);
- US $5,000 six months after the effective date (received);
- US $15,000 one year after the effective date (received);
- US $25,000 two years after the effective date;
- US $25,000 three years after the effective date; and
- US $25,000 four years after the effective date (the "Stateline Final Option Payment").

Pyramid Gold terminated the Stateline option on July 17, 2020 with no further payments due to the Company.

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Amsel Claims (formerly Kraut Claims)

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

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

The Company will retain a 2% NSR royalty on the Kraut claims. VR Resources will have the right to buy-down 1% of the royalty for US $500,000 per 0.5% for a maximum of US $1,000,000. As a result of the Company selling the Kraut claims, the Company removed the carrying cost of $nil and recognized a gain on disposition of $33,224, which is included in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018. VR Resources has subsequently changed the name 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 $677,000 in option payments to the Company, as follows:

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

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

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

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 Gold Ltd. (collectively, "Fremont"), whereby Fremont can acquire a 100% interest in the Gold Canyon Project by making US $802,500 in option payments to the Company, as follows:

- Initial payment – US $15,000 (received);
- US $37,500 six months after the closing date (received);
- US $75,000 one year after the closing date (received);
- US $112,500 two years after the closing date (received);
- US $112,500 three years after the closing date;
- US $150,000 four years after the closing date; and
- US $300,000 five years after the closing date (the "Gold Canyon Final Option Payment").

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

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

- US $25,000 on the first through third 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 a 100% interest in the Gold Canyon Claims to McEwen. All terms and obligations of the option agreement are now between the Company and McEwen.

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);
- Years 10-14 – US $12,500;
- Years 15-19 – US $15,000; and
- Years 20+ – US $20,000.

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Weepah Project

On July 10, 2017, the Company closed an option agreement for the Weepah project with Valterra Resource Corp. ("Valterra"), whereby Valterra can acquire 100% of the Weepah Project, amended May 7, 2019, by making the following option payments to the Company:

- At closing – US $100,000 cash or through the issuance of Valterra common shares (received in shares);
- Year 1 – US $100,000 cash or through the issuance of Valterra common shares (received in shares);
- Year 2 – US $35,000 cash (received);
- On or before December 31, 2019 – US $65,000 (contractual, not optional);
- Year 3 – US $300,000 cash; and
- Year 4 – US $400,000 cash (the "Final Option Payment").

Valterra terminated the Weepah Option on April 9, 2020, the US $65,000 are still owed to the Company.

Redlich, Moho and Olympic ("RMO") Projects

On May 26, 2017, the Company entered into definitive option agreements with Pyramid Gold, whereby Pyramid Gold can acquire a 100% interest in the RMO Projects by making US $600,000 in combined option payments, as follows:

- Initial payment – US $22,000 (received);
- US $33,000 six months after the closing date (received, included in mineral and royalty interests);
- US $70,000 one year after the closing date (received);
- US $75,000 two years after the closing date (received US $50,000 for the Moho and Redlich claims and the Olympic Option was terminated on April 8, 2019);
- US $75,000 three years after the closing date; and
- US $300,000 four years after the closing date (the "RMO Final Option Payment").

If the RMO Final Option Payment is made, the Company will retain a 2.5% NSR royalty on the RMO 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 thereafter, 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 royalty on each of the Redlich and Moho projects for an aggregate purchase price of US $1,000,000 per project.

On September 1, 2020, Pyramid Gold assigned the option agreements for Moho and Redlich to Lohantan Gold.

10. MINERAL PROPERTY INTERESTS (cont'd…)

Nevada Select Properties (cont'd…)

Olympic Project

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. At the conclusion of the option agreement, the Company retains a 3% NSR royalty on any future production at the Olympic Gold Project.

As consideration, Great Western will make the following payments:

- $15,000 on closing of the option agreement (received);
- $25,000 on the first anniversary of closing;
- $35,000 on the second anniversary of closing;
- $35,000 on the third anniversary of closing; and
- $40,000 on the fourth anniversary of closing (the "Option Exercise").

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. Completion of the acquisition may be accelerated by bringing forward annual option payments. There are no work commitments associated with the option agreement. Relinquishment can be affected by Great Western during the option period without penalty. The option agreement includes a one-mile area of interest. Upon Option Exercise, the Company will retain a 3% NSR royalty, which includes a $15,000 annual AMR payment.

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);
- US $25,000 one year after the closing date (received);
- US $25,000 two years after the closing date (received);
- US $25,000 three years after the closing date; and
- US $150,000 four years after the closing date (the "Cimarron Final Option Payment").

On May 17, 2017, 1082 BC assigned its interest in the Cimarron project to Ridgestone Mining Inc. On July 1, 2020 Ridgestone terminated the Cimarron Option.

(Unaudited – Expressed in Canadian Dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

		September 30, 2020		December 31, 2019
Trade payables	$	112,696	$	230,476
Accrued liabilities		21,674		28,938
Due to related parties		16,673		21,695
Total	$	151,043	$	281,109

12. PROMISSORY NOTE AND LINE OF CREDIT ("LOC")

On November 29, 2019, the Company entered into an agreement with Sprott whereby Sprott will provide the Company with a $6,000,000 LOC. The LOC is available to the Company, as and when required, until November 29, 2021. 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.

In connection with the LOC, the Company issued Sprott 16,216,215 non-transferrable loan bonus warrants (the "Bonus Warrants") at the fair value of $0.38 per share. Each Bonus Warrant is exercisable, up to the maturity date of November 29, 2021, to purchase one common share of the Company at an exercise price of $0.37. Sprott has agreed not to exercise the Bonus Warrants if such exercise would result in Sprott's direct and indirect holdings of the Company's outstanding voting shares being in excess of 19.9% based on the then-current outstanding shares of the Company.

In connection with the LOC, the Company issued 300,000 non-transferrable finder's purchase warrants (the "Finder's Warrant") to Medalist Capital Ltd., an arm's length registered dealer. Each Finder's Warrant will be exercisable to purchase one common share of the Company at an exercise price of $0.37 for a term of three years.

The Bonus Warrants were recorded as deferred charges and amortized in the condensed interim consolidated statements of loss and comprehensive loss over the life of the LOC based on the straight-line method. The fair value of the Finder's and Bonus Warrants was calculated at $3,279,306 using the Black-Scholes option pricing model and is recorded in the condensed interim consolidated statements of financial position as deferred charge and is being amortized over a two-year period. For the nine months ended September 30, 2020, deferred charge amortization of $817,580 (2019 - $nil) was included in interest expense.

The Company drew $1,000,000 during the month of December 2019 and an additional $5,000,000 during the month of March 2020 to finance the acquisition of VEK. The Company repaid the full amount during the month of May 2020. The LOC remains available to the Company until its maturity.

(Unaudited – Expressed in Canadian Dollars)

13. LEASE LIABILITY

Balance at January 1, 2019, on adoption of IFRS 16	$	98,975
Interest expense		6,211
Lease payments		(48,668)
Currency translation adjustment		(2,398)
Balance, December 31, 2019		54,120
Additions		91,555
Interest expense		6,011
Lease payments		(42,130)
Currency translation adjustment		1,988
Balance, September 30, 2020	$	111,544
Which consists of:		
Current lease liability	$	50,178
Non-current lease liability		61,366
	$	111,544

On March 1, 2017, the Company entered into a lease agreement for its Vancouver head office premises for three years, expiring February 28, 2020. Pursuant to this lease, the Company is obligated to pay basic rent of $2,250 and operating costs, including electricity and related taxes, on a monthly basis. The Company renewed the lease for a three-year term with monthly payments of $2,850.

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

14. SHARE CAPITAL AND RESERVES

(a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

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

(b) Issued share capital

- 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.

  Each unit comprises one common share and one-half of one common share purchase 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 for a period of three years from closing. The agent options were valued at $618,044 using the Black-Scholes option pricing model. 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. The Company paid agents fees of $737,500 and incurred legal costs of $53,000 in relation to the placement.

- On May 12, 2020, the Company issued 12,698,413 shares as consideration for acquisition of a 0.5% NSR royalty on the gold producing Jerritt Canyon Mine facility, located in Elko, Nevada.

- During the nine months ended September 30, 2020, the Company issued 23,494,654 common shares on exercise of warrants for total proceeds of $6,122,396.

- During the nine months ended September 30, 2020, the Company issued 775,000 common shares on exercise of options for total proceeds of $199,000.

- On July 2, 2019, the Company closed a private placement issuing 5,615,454 units at a price of $0.18 per unit for gross proceeds of $1,010,782. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of three years at an exercise price of $0.30. The Company paid a finder's fee of $60,643 and issued 336,927 share purchase warrants. Included in share issue costs is the fair value of the finder's warrants calculated at $40,472 using the Black-Scholes option pricing model.

- On January 17, 2019, the Company closed the second and final tranche of a non-brokered private placement issuing 3,000,000 units at $0.11 per unit for gross proceeds of $330,000. Each unit comprised one common share of the Company and one non-transferrable share purchase warrant. 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 May 17, 2019 the daily volume weighted average trading price of the Company's common shares is higher than $0.60 per share on the TSX-V for more than 20 consecutive trading days, the Company may, within three trading days, issue a news release announcing that the warrants will expire on the date that is 30 calendar days after such 20th trading day. The Company incurred share issuance costs of $1,319. As at December 31, 2019, the Company had received $47,315 in advanced subscription receipts. Included in share issuance costs is the fair value of the finder's warrants calculated at $36,221 using the Black-Scholes option pricing model.

(Unaudited – Expressed in Canadian Dollars)

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

(b) Issued share capital (cont'd…)

- During the year ended December 31, 2019, the Company issued 750,000 common shares on exercise of options for total proceeds of $79,500.
- During the year ended December 31, 2019, the Company issued 810,000 common shares on exercise of warrants for total proceeds of $129,850.

(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 ten years and vesting periods are determined by the Board of Directors.

As at September 30, 2020 and December 31, 2019, the Company had outstanding stock options enabling the holders to acquire further common shares as follows:

Expiry Date	Exercise Price	September 30, 2020	December 31, 2019
January 5, 2021	$ 0.06	400,000	500,000
September 22, 2021	$ 0.06	650,000	750,000
March 22, 2022	$ 0.57	700,000	-
June 26, 2022	$ 0.19	125,000	125,000
January 30, 2023	$ 0.14	175,000	175,000
July 23, 2023	$ 1.80	1,000,000	-
January 28, 2024	$ 0.12	500,000	500,000
November 27, 2024	$ 0.06	400,000	450,000
December 24, 2024	$ 0.43	200,000	200,000
April 2, 2025	$ 0.68	1,450,000	-
March 11, 2026	$ 0.09	250,000	250,000
August 18, 2026	$ 0.15	1,050,000	1,050,000
June 19, 2027	$ 0.125	500,000	500,000
November 22, 2027	$ 0.10	1,475,000	1,500,000
February 15, 2028	$ 0.10	-	200,000
July 26, 2029	$ 0.27	2,000,000	2,050,000
Total outstanding		10,875,000	8,250,000
Total exercisable		10,050,000	8,250,000

(Unaudited – Expressed in Canadian Dollars)

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

(c) Stock options (cont'd…)

Stock option transactions are summarized as follows:

	September 30, 2020			December 31, 2019		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance, beginning of period	8,250,000	$	0.15	6,875,000	$	0.10
Granted	3,400,000	$	0.64	2,375,000	$	0.28
Expired	-	$	-	(250,000)	$	0.10
Exercised	(775,000)	$	0.26	(750,000)	$	0.11
Options exercisable, end of period	10,875,000	$	0.26	8,250,000	$	0.15

On July 19, 2020, the Company granted incentive stock options to consultants of the Company entitling them to purchase 1,000,000 common shares at a price of $1.80 per share for a period of three years vesting 25% every three months from the date of grant. The fair value of these options was calculated at $460,396 using the Black-Scholes option pricing model.

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. The fair value of these options was calculated at $827,492 using the Black-Scholes option pricing model.

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. The fair value of these options was calculated at $557,948 using the Black-Scholes option pricing model.

On December 25, 2019, the Company granted incentive stock options to a consultant of the Company entitling them to purchase 200,000 common shares at a price of $0.43 per share for a period of five years vesting 25% every three months from the date of grant and expiring December 24, 2024. The fair value of these options was calculated at $75,675 using the Black-Scholes option pricing model.

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

On June 26, 2019, the Company granted incentive stock options to the CFO and a consultant of the Company entitling them to purchase 125,000 common shares at a price of $0.19 per share for a period of three years vesting 25% every three months from the date of grant and expiring June 26, 2022. The fair value of these options was calculated at $27,706 using the Black-Scholes option pricing model. For the year ended December 31, 2019, $22,700 is included in the consolidated statement of loss and comprehensive loss as a share-based payment expense.

(Unaudited – Expressed in Canadian Dollars)

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

(c) Stock options (cont'd…)

During the year ended December 31, 2019, 250,000 options expired unexercised and the related fair value of $6,171 was transferred from share-based payment reserve to deficit.

(d) Warrants

Share purchase warrant transactions are summarized as follows:

	September 30, 2020		December 31, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	35,410,869	$ 0.29	12,050,000	$ 0.20
Issued	16,647,665	$ 0.86	24,170,869	$ 0.33
Exercised	(23,650,904)	$ 0.27	(810,000)	$ 0.16
Balance, end of period	28,407,630	$ 0.65	35,410,869	$ 0.29

As at September 30, 2020, the weighted average remaining contractual life for the outstanding warrants is 2.06 (December 31, 2019 - 2.64) years.

As at September 30, 2020 and December 31, 2019, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	September 30, 2020	December 31, 2019
May 1, 2020	$ 0.10	-	1,050,000
June 23, 2020	$ 0.125	-	500,000
December 31, 2020	$ 0.135	-	500,000
June 1, 2021	$ 0.18	500,000	500,000
November 29, 2021	$ 0.37	12,216,215	16,516,215
December 2, 2021	$ 0.78	600,000	-
December 18, 2021	$ 0.61	1,600,000	-
February 4, 2022	$ 0.77	100,000	-
May 11, 2022	$ 0.62	1,905,164	-
June 15, 2022	$ 0.18	-	500,000
June 28, 2022	$ 0.24	-	3,144,654
May 12, 2023	$ 0.78	-	-
May 22, 2023	$ 0.90	11,356,251	-
January 17, 2024	$ 0.22	-	2,700,000
December 31, 2024	$ 0.22	-	10,000,000
May 28, 2025	$ 1.37	130,000	-
Total		28,407,630	35,410,869

(Unaudited – Expressed in Canadian Dollars)

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

(d) Warrants (cont'd…)

On November 29, 2019, the Company issued 16,216,215 warrants relating to the LOC (Note 12) and 300,000 warrants as finder's fee related to the LOC. Each share purchase warrant is exercisable to purchase one common share of the Company for $0.37 until November 29, 2021. The fair value of $3,279,306 is recorded as deferred financing cost and will be amortized over the term of the LOC.

On September 9, 2019, the Company issued 500,000 warrants relating to the Jerritt Canyon Royalty acquisition (Note 10). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.18 until September 9, 2022. The fair value of $106,518 is included as acquisition cost of royalty assets.

On September 10, 2019, the Company issued 500,000 warrants relating to the Lincoln Hill Royalty acquisition (Note 10). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.17 until September 10, 2022. The fair value of $98,801 is included as acquisition cost of royalty assets.

On July 2, 2019, the Company issued 2,807,727 share purchase warrants relating to the non-brokered private placement (Note 14(b)). Each share purchase warrant is exercisable to purchase one common share of the Company for $0.30 for a period of three years. These warrants were determined to have a fair value of $nil. In addition, the Company issued 336,927 finders' warrants related to the private placement.

On January 17, 2019, the Company issued 3,000,000 share purchase warrants relating to the non-brokered private placement (Note 14(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. The Company also issued 10,000 finders' warrants exercisable to purchase one common share at a price of $0.135 for a period of two years.

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

	September 30, 2020		December 31, 2019	
	Options	Warrants	Options	Warrants
Risk-free interest rate	1.70%	1.32%	1.71%	1.56%
Expected dividend yield	0.00	0.00	0.00	0.00
Expected stock price volatility	120.82%	80.36%	128.08%	96.83%
Expected life in years	3.63	2.50	9.52	2.05
Weighted average fair value	$0.82	$0.41	$0.25	$0.20

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.

(Unaudited – Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Management fees	$ 123,243	$ 397,094	$ 729,598	$ 775,017
Share-based payments	-	394,088	705,141	395,087
Total	$ 123,243	$ 791,182	$ 1,434,739	$ 1,170,104

As at September 30, 2020, $16,674 (December 31, 2019 - $21,695) is owing to directors and officers of the Company, which is included in accounts payable and accrued liabilities.

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

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

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	For the Nine Months Ended September 30,	
	2020	2019
Significant non-cash investing activities consist of:		
Shares issued for acquisition of Royalty assets	$ 11,439,587	$ -
Fair value of warrants issued on acquisition of property	$ 2,571,822	$ 205,321

17. 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: North America.

18. ACQUISITION OF VEK

During the nine months ended September 30, 2020, the Company completed the acquisition of 100% of VEK. 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 acquisition constituted an asset acquisition, rather than a business combination, as the net assets acquired did not meet the definition of a business, as defined in IFRS 3 *Business Combinations*. The Company applied IFRS 2 *Share-based Payments* in accounting for and assessing the transaction. The Company acquired VEK to gain access to its royalty assets.

(Unaudited – Expressed in Canadian Dollars)

18. ACQUISITION OF VEK (cont'd…)

The consideration paid on the acquisition of VEK was accounted for as a share-based payment with the fair value of the warrants issued valued using the Black-Scholes option pricing model with the following assumptions, volatility of 90.78%, expected life, 2 years, discount rate of 0.29% and dividend rate of 0.0%.

The acquisition of VEK was recorded in the accounts of the Company at its fair value determined as follows:

Consideration paid for 100% interest is as follows:		
Cash	$	7,047,002
Fair value of warrants issued		1,214,066
Total consideration paid	$	8,261,068

Assets acquired:		
REN Property	$	6,024,796
Marigold		1,618,343
Pinson		164,396
Carlin Trend		338,704
Lone Tree		114,829
Net assets acquired	$	8,261,068

19. EVENTS AFTER THE REPORTING PERIOD

(a) On July 21, 2020, the Company entered into a binding letter agreement to acquire an additional 1% NSR royalty on the Lincoln Hill Property from a private individual. As consideration, the Company will pay US $1,000,000 as follows:

(i) US $500,000 at closing; and
(ii) US $500,000 on January 2021.

The 2021 payment will accrue simple interest at 5% and be secured by the Lincoln Hill Royalty. In addition, the Company will issue the seller 1,000,000 warrants exercisable at a price of $1.69 per share for a period of two years. Closing of the transaction is subject to certain conditions precedent including approval by the TSX-V. Closing is expected subsequent to September 30, 2020.

(b) On August 11, 2020, the Company entered into a binding term sheet for the purchase of three NSR royalties from a prospector for US $350,000 cash. The royalty package includes a 0.33% royalty on the Sleeper Mine, 1% royalty on 38 unpatented mining claims in Pershing County, Nevada, and a 1% royalty on 40 acres of free ground in White Pine County, Nevada. The transaction is subject to final documentation. Closing is expected subsequent to September 30, 2020.

19. EVENTS AFTER THE REPORTING PERIOD (cont'd…)

(c) On September 29, 2020, the Company agreed to purchase a 1% Watershed net smelter returns royalty ("**NSR**") from Sanatana Resources Inc. ("Sanatana"). Under the terms of the agreement, consideration for the acquisition will be $2,500,000 and 1,000,000 share purchase warrants. Each warrant is exercisable at a price of $1.31 for a period of five years. Completion of the royalty sale is subject to certain conditions, including receipt by Sanatana of a waiver from IAMGOLD for its right of first refusal ("ROFR").

Sanatana and the Company also signed a term sheet whereby Sanatana has agreed to i) assign its rights and interest in its purchase agreement with IAMGOLD (the "TAAC Agreement") to the Company for $10,000, and ii) the Company will participate for $500,000 in Sanatana common shares through a non-brokered private placement (the "Subscription"). The TAAC Agreement provides for the following deferred payments:

i) $1,500,000 upon production decision by IAMGOLD on the Watershed property; and
ii) $1,500,000 on the commencement of commercial production by IAMGOLD (collectively the "Deferred Payments")

On November 9, 2020 IAMGOLD notified Sanatana that it would waive its rights under the ROFR and would consent to the assignment of the TAAC Agreement, including the Deferred Payments, to Ely Gold. The royalty purchase, the assignment of the TAAC Agreement and the Subscription is expected to close by December 15, 2020

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(d) On October 8, 2020, the Company entered into an option agreement with Goldcliff Resources Corporation ("Goldcliff") whereby Goldcliff will have the option to acquire 100% interest in the Aurora West Property, which is a property that Nevada Select is currently optioning from a third-party private company. The Company will retain a 2% NSR royalty.

As consideration, Goldcliff will make the following payments:

(i) US $25,000 paid to Nevada Select at closing;
(ii) US $50,000 paid to a third-party on September 21, 2021;
(iii) US $135,000 paid to a third-party on September 21, 2022 (at which point Nevada Select will take possession of the Aurora West Property from the third-party); and
(iv) US $200,000 to Nevada Select on the fourth anniversary of closing.

In addition, Goldcliff will reimburse Nevada Select US $9,039 for 2020 claim fees at closing.

The third-party will retain a 1% NSR royalty. This royalty may be bought down by 0.5% at any time by payment of US $1,000,000. Nevada Select will retain a 2% NSR royalty with no buy-downs.

19. EVENTS AFTER THE REPORTING PERIOD (cont'd…)

(e) On October 13, 2020, the Company entered into an agreement to purchase a 0.3% NSR royalty on the Trenton Canyon property located on the Battle Mountain-Eureka trend, Nevada, from a private individual.

As consideration, the Company will pay a total of US $300,000 as follows:

(i) $150,000 at closing; and
(ii) $150,000 on January 15, 2021 (this payment accrues a 5% simple interest).

The Company will also issue 1,000,000 warrants exercisable for a two-year period at an exercise price of $1.36 per share. This transaction is subject to TSX-V approval.

(f) On November 2, 2020, the Company entered into binding agreements with 12 separate individuals to purchase mineral interests in Elko, Nevada. The mineral interests are currently leased to Gold Standard Ventures Corp., which cover certain portion of its Railroad-Pinion Project that is currently being developed as a heap-leach mining operation. The leases provide for a combined 1.15% NSR royalty and annual lease payments of over $150,000. Eleven of the transactions are expected to close December 1, 2020 and one is subject to TSX-V approval.

As consideration, the Company will pay a total of US $2,509,543 for the first eleven transactions and US $1,300,000 and 300,000 warrants for the twelfth transaction.

(g) Subsequent to September 30, 2020:

(i) 564,320 common shares were issued on exercise of share purchase warrants for total proceeds of $334,705; and
(ii) 200,000 common shares were issued on exercise of stock options for total proceeds of $114,000.