

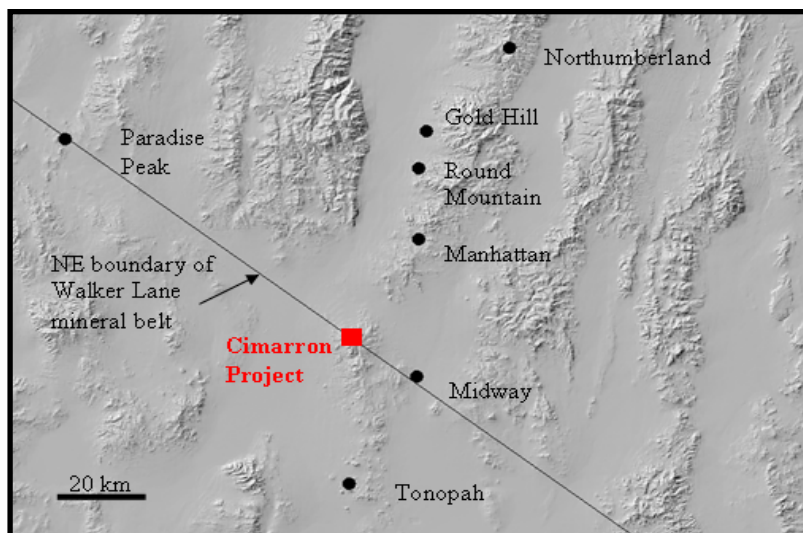
CIMARRON PROJECT, NYE COUNTY, NEVADA

Nevada Select Royalty, Inc. – Ely Gold & Minerals, through its subsidiary, Nevada Select Royalty, Inc. (NSR), owns a 100% interest in highly prospective, primarily un-encumbered precious metals properties in Nevada. For more information on NSR properties please visit our website: www.elygoldinc.com.

Property Overview: The Cimarron Project (Au) is located at the north end of the San Antonio Mountains in the historic San Antone (Cimarron) Mining District, approximately eighteen miles north of Tonopah in Nye County, Nevada. It comprises thirteen “Cimarron” lode claims (approximately 180 acres), which occupy the core of a mineralized area approximately 500 acres (2 square kilometers) in size. These unpatented federal mining claims, staked by NSR in 2015, have no underlying royalty or other encumbrance and cover the historic Cimarron mine workings and immediately adjacent ground. The remainder of the larger prospect area is controlled through 24 unpatented mining claims owned by Landore Resources Ltd.

The Cimarron Project contains volcanic-hosted epithermal gold mineralization associated with hypabyssal dikes and volcanic domes in a wider ranging volcanic field on the northeast edge of the Walker Lane mineral belt. It is located twenty eight miles (45 km) south of the Round Mountain gold mine (Barrick Gold Corp and Kinross Gold Corp) and nine miles (15 km) west of the Midway Project (Midway Gold).

Exploration by both major and junior mining companies from 1980 through 2004 identified a gold mineralization in three discrete pods in the immediate Cimarron Mine area, as discussed further under “Mineralization”.



Exploration History: Gold mineralization was first discovered in the San Antonio Mountains in 1863, resulting in the establishment of what is now known as the San Antone mining district. The Cimarron Mine reportedly produced about 10 tons of ore grading \$45/ton gold during the 1930s (Nevada Bureau of Mines Bulletin 99B). There are numerous other adits and prospect pits scattered about in the square mile surrounding the Cimarron, although no reported production from any of them.

Modern exploration began in 1980 when Newmont leased the core of project area from private claim owners and staked the remainder of the district. They subsequently collected and assayed more

than 700 surface and underground samples and drilled 40 reverse circulation (RC) holes totaling 8525 feet. Newmont returned in the 1981-82 season, drilling an additional 19 RC totaling 9685 feet for a total of 18,210 feet of drilling in 59 holes. This drilling outlined three specific areas of cohesive mineralization at the Cimarron mine around the historic East, West and Central adits; they dropped their claims in 1983.

Goldfields Mining Corp. acquired the property early in 1985 through claim staking, but did not pick up the core claims containing the mineralization identified by Newmont. They soon drilled seven deep angle holes totaling 3850 feet in an attempt to test a deep Induced Polarization (IP) target north of the East Adit with completely negative assay results, encountering strongly responsive pyritic carbonaceous shale in the basement underlying the host volcanic sequence.

Goldfields' claims and exploration data were acquired in early 1986 by Nevada Resources Inc.; the data generated by Newmont data were acquired at the same time. NRI then joint ventured the property with A.F. Budge (Mining) Ltd., and together acquired the core claims from the private owners. The NRI-Budge JV focused almost exclusively on the core mineralized areas, drilling 54 RC holes totaling 12,315 feet, collecting and assaying another 120 surface samples and a 700 pound metallurgical sample underground in the West Adit. These data were then organized into a data base for a detailed inventory of the identified mineralization. Budge acquired NRI's 30% interest in early 1987.

Echo Bay Exploration (EBX) signed a six month option agreement with Budge in September 1987 and proceeded to drill an additional 98 RC holes totaling 19,500 feet in order to test the peripheral potential, confirm the size and grade of the three known mineralized zones and complete a more detailed mineral inventory before the option deadline of March 1988. Data from 188 of the holes drilled by all parties were entered into MEDSYSTEM to generate detailed cross sections for a manual resource estimate. EBX allowed the option to expire. Budge subsequently optioned the ground to Tellis Gold in 1989, but in 1991 the options were allowed to lapse.

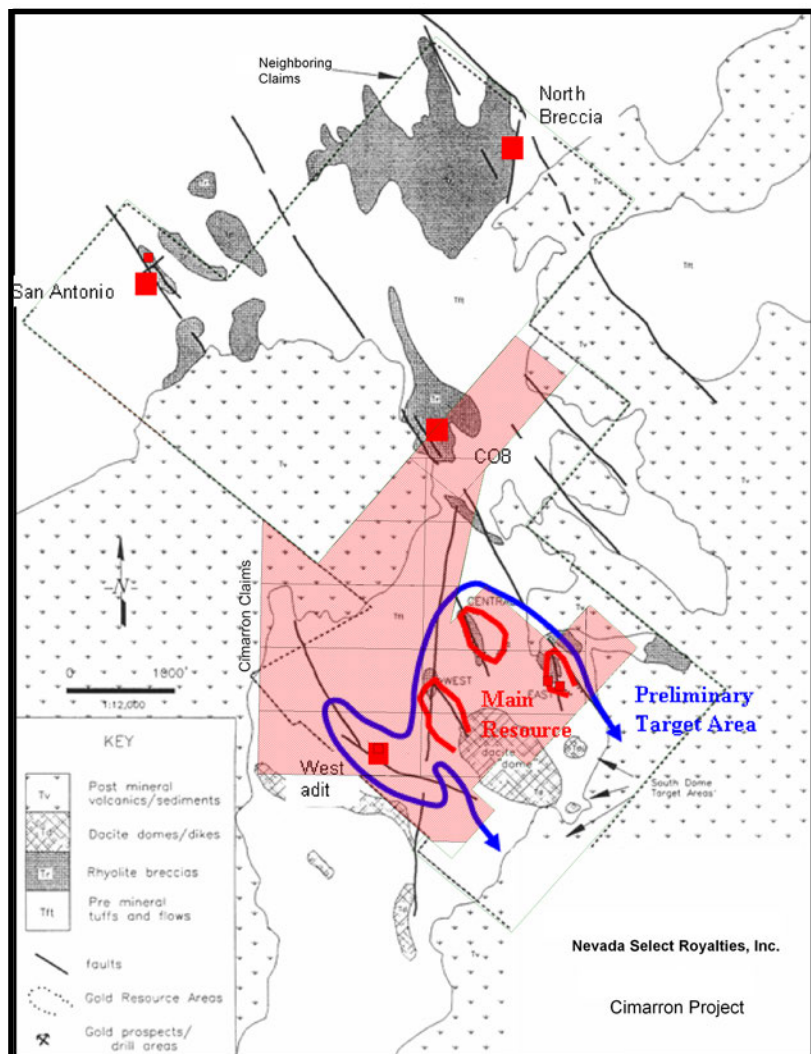
Brancote US staked the ground peripheral to the Cimarron Mine in 1994. Romarco Minerals leased the Brancote claims and the privately owned core claims on the Cimarron Mine from 1995-97. Their 1996 exploration program consisted of a ground magnetic survey, soil and rock chip sampling, mapping of surface and underground exposures and reverse circulation (RC) drilling. A total of 35 RC holes were completed in 1996 on five target areas, particularly the East and West zones of the Cimarron Mine (Ely's current land position). The majority of the 290 holes drilled to date in the San Antone District lie within the ground controlled by Ely Gold (Romarco, 1996).

Bullion River Gold Corp. acquired an option to purchase the Brancote claims in 2004, but failed to make requisite exploration expenditures and relinquished the claims back to Brancote in 2006. Brancote subsequently sold their claims to Landore Resources, the current owner of the claims surrounding the Cimarron group. The core claims lapsed through nonpayment of maintenance fees and that ground now belongs to Ely.

Geology: The property is characterized by a thick sequence of basaltic to rhyolitic extrusive volcanics of Tertiary (Miocene) age that overlie a basement of pre-Tertiary sedimentary rocks; the younger felsic volcanics are coeval with dacitic to rhyolitic domes. North to northwest-trending normal faults cut the volcanic sequence and commonly host intermediate dikes, some of which have been altered and mineralized. Dacitic to rhyolitic domes intrude the volcanic sequence at intersections between northwest strike-slip faults and northerly striking normal faults and are coeval with felsic flows, tuffs and tuffaceous sediments – characteristic of gold deposits in the Walker Lane structural province. Alteration and gold mineralization are poorly exposed at surface over much of the claim area.

Mineralization: Cimarron is a low-sulfidation, volcanic-hosted epithermal system typical of gold deposits in the Walker Lane Structural Province - containing high grade gold mineralization within quartz veins, vein stockworks and breccia zones within broader zones of lower grade gold mineralization in favorable volcanic tuffs. Although the dikes locally host narrow, steeply dipping zones of high grade, the bulk of the mineralization is stratigraphically controlled and of a lower grade. Echo Bay geologists (Brewer, 1988) considered the style of mineralization at Cimarron to be reminiscent of that

at Round Mountain, especially the lower grade stratabound mineralization. Four discrete areas of mineralization - Cimarron Mine, San Antonio Mine, North Breccia and CO8 - have been identified through surface exploration and drilling (Figure 3).



Sampling of surface outcrops and underground adits (primarily at Cimarron Mine) by previous explorers reported gold assays from quartz-adoraria-quartz veining as high as 107 g/t and 30.2 g/t (3.12 and 0.88 oz/ton, respectively) with negligible silver and base metals. Table 1 lists examples of high grade assays collected by the various mining groups (Bullion River Gold Corp., Feb. 2004).

Drill testing by Newmont, Budge, Echo Bay and Romarco demonstrated continuity of lower grade gold mineralization in three discrete mineralized areas at Cimarron, as shown in Figure 3 and tabulated in Table 3 (resources non NI 43-101 compliant). Higher grade gold intercepts were not uncommon or restricted to any particular explorer, with continuity over widths of 10-20 feet (3-6 meters) and twice as much in length and depth within much more extensive intervals with grades of 0.025 opt.

Echo Bay drilled 98 holes and estimated a total gold resource in 1987 using data from 188 drill holes in the immediate Cimarron Mine area to outline a resource of over 50,000 ounces of gold within a block of about 1,500,000 tons of material in the West, East and Central Zones combined. *The estimate is historical and not in compliance with NI 43-101. The historical estimate is not supported by a technical report. A qualified person has not done the work necessary to verify the historical estimate as a current estimate under NI 43-101 for the Company and the estimate should not be relied upon.* Approximately 80% of these ounces are in the West

Zone.

Sampling and subsequent drilling at other surface exposures of silicified breccias and veining within one mile of Cimarron produced widths and grades of gold mineralization similar to average intervals seen at Cimarron (Romarco Minerals, 1996). In particular, preliminary drilling by Budge at the CO8 prospect in the northeast corner of Ely's claim block (Figure 3) produced a mineralized interval of 20 feet (6.1 meters) averaging 0.396 opt (13.56 gpt) Au (Hahn, 1987) and an offset hole drilled by Romarco intersected 30 feet (9.15 meters) averaging 0.119 opt (4.075 gpt) Au. The mineralization at CO8 is in a steeply dipping structural breccia and vertical holes in the same area only intersected very weak gold values in adjacent altered tuffs and sediments.

Outlook: Cimarron represents a high quality early-stage exploration project with a drill-indicated historic resource and a second target area with similar mineralized drill intercepts that remain open in several directions.

Status: The Cimarron property is currently for sale or option. The Ely Gold business model offers 100% ownership terms with retained royalties not to exceed 3% net smelter returns. For full data room access, including assay results, historical reports and photos contact Jerry Baughman or Trey Wasser.

Quality Control & References

Brewer, N.H., 1988, Summary Report: Cimarron Project, Nye County, Nevada, Echo Bay Exploration Internal Company Report, 16 p.
 Bullion River Gold Corp., Feb. 2004, Acquisition of Cimarron Mineral Exploration Project - Press Release and Information Fact Sheet.
 Hahn, P.H., 1987, Cimarron, Nye County, Nevada: Review of 1986 Work and recommendations for work in 1987, A.F. Budge Internal Company Report, 10 p.
 Romarco Minerals Inc, 1996, Annual Report, p. 16.

Qualified Person

Scientific and technical information contained in this document has been reviewed and approved by Stephen Kenwood, P. Geo, who is a Director of Ely Gold & Minerals and is a "Qualified Person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Table 1 Historic High Grade Rock Chip Samples

Area	Gold Grade grams/tonne	Area	Gold Grade grams/tonne
Cimarron	106.7	North Breccia	16.8
Cimarron	21.9	West Adit	29.2
Cimarron	16.3	West Adit	10.1
Cimarron	9.9	West Adit	12.0
CO8	53.5	CO8	30.2
CO8	9.2	CO8	8.9

(Bullion River Gold Corp. Fact Sheet, 2004)

Table 2 Selected Drill Intercepts in Resource and Target Areas

Resource Area	Hole	Interval meters	Intercept meters	Au grade g/t	Company
Cimarron East	EB-91	0-11	11	4.46	Echo Bay
Cimarron East	EB-86	10-40	30	2.59	Echo Bay
Cimarron East	EB-30	39-83	44	0.90	Echo Bay
Cimarron East	RCM-242	44-67	23	1.06	Romarco
Cimarron East	RCM-27	43-53	10	2.40	Romarco
Cimarron West	EB-23	5-8	3	50.70	Echo Bay
Cimarron West	RCM-270	20-50	30	1.18	Romarco
Cimarron West	C-12	28-51	23	4.49	Newmont
Cimarron West	C-28	0-7	7	5.31	Newmont
Cimarron West	C-92	15-61	46	3.94	Newmont
CO8	RCM-254	60-69	9	4.075	Romarco
North Breccia	RCM-267	18-27	9	1.267	Romarco

(Bullion River Gold Corp. Fact Sheet, 2004)

Table 3 Historic Resource Estimate*

Zone	Metric Tonnes	Au Grade grams/tonne	Short Tons	Au Grade ounces/ton	ounces
West	1,050,000	1.40	950,000	0.041	38,950
Central	260,000	0.82	240,000	0.024	5,760
East	260,000	0.75	240,000	0.024	5,500
Total	1,570,000	1.31	1,430,000	0.035	50,210

* (polygonal calculation – A.F. Budge (Mining) Ltd. – 1986)

This resource is not considered to be compliant with NI 43-101 standards. Additional drilling with application of proper standards and check assays would be required to verify this historical estimate. A qualified person has not done sufficient work to classify the estimate as a current mineral resource or mineral reserve. Ely Gold & Minerals Inc. is not treating this historical estimate as a current mineral resource or mineral reserve.

MANAGEMENT

Ely Gold & Minerals Inc.

Trey Wasser President & CEO

Scott Kelly CFO

Jerry Baughman President, NSR

Stephen Kenwood Director & QP

2833 - 595 Burrard St. Box 49195 Vancouver BC, V7X 1K8 Phone- 604-488-1104

CONTACT INFORMATION

Trey Wasser — 972-803-3087

Email: trey@elygoldinc.com

Jerry Baughman — 702-592-6992

Email: jbaughman@elygoldinc.com

COMPANY PROFILE

Exchange: TSXV—OTC

Symbol: ELY—ELYGF

Issued Shares: 75,755,474

Shares Fully Diluted: 88,980,474

Current Price, 01/09/17: C\$0.18

Market Capitalization: C\$13,635,985

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