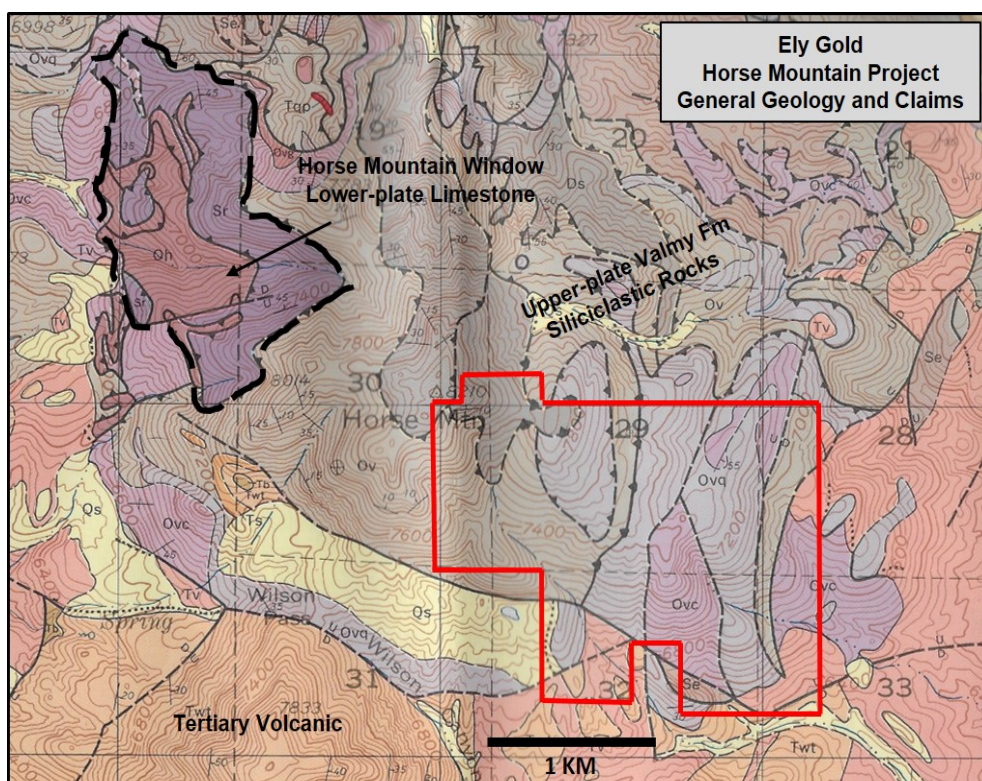


HORSE MOUNTAIN PROJECT, LANDER COUNTY, NEVADA

Property Overview: Ely Gold's Horse Mountain gold project is located in the Northern Shoshone Range, Lander County, Nevada, and consists of 44 unpatented lode claims (~910 acres) on BLM land with no underlying royalties. Horse Mountain is situated in the western part of the Bullion mining district in the northern Battle Mountain-Eureka mineral belt. Ely Gold's Mill Creek project is located approximately 4-5 kilometers northeast of Horse Mountain. The Horse Mountain property exhibits many of the characteristics associated with large Carlin/Cortez-type gold deposits. The conceptual target at Horse Mountain is for a high-grade Pipeline-Cortez Hills analogue where inferred mineralized faults project through the lower plate section within a large oxidized alteration zone. Immediate drill targets include offsetting and deepening previously-drilled holes that bottomed in anomalous gold and alteration.

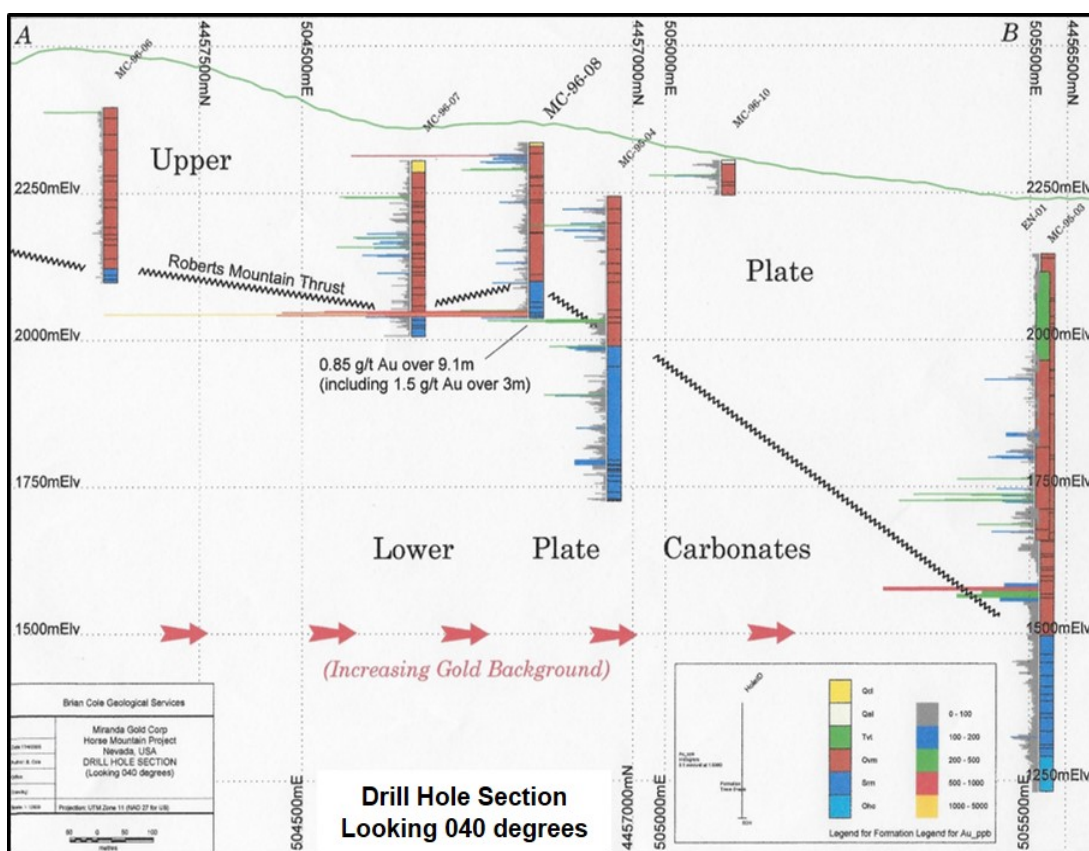
Geology: The geology of the Horse Mountain project comprises upper-plate chert, chert-argillite and quartzite in the upper-plate of the Roberts Mountain allochthon. The structural framework includes northerly trending faults along the larger, through going and prominently altered west-northwest Wilson Canyon fault zone. Lower-plate carbonate rocks including the Silurian Roberts Mountains Formation and underlying Hanson Creek Formation are exposed in the Horse Mountain window 1-2 kilometers northwest of Horse Mountain. A broad fold is inferred that corresponds to the east-trending axis of the Horse Mountain window. Surface alteration includes pervasive silicification, bleaching, and strong Fe-oxidation associated with northerly and west-northwest-trending faults. Lamprophyre dikes reported within structural margins of a north-northwest "horst", local magnetic highs and local Cu-oxides in drilling suggest possible intrusive bodies at depth. Several rhyolite to quartz-latite porphyry dikes intruded Valmy Formation rocks 1-2 kilometers northwest of Horse Mountain. Miocene to Pliocene age rhyolitic ash-flow and air-fall tuff, flows, breccia and agglomerate are in fault contact with upper-plate rocks on the south and east sides of the project.



Upper-plate Valmy Formation chert, quartzite, and argillite are the main host rocks for the Hilltop gold deposit (~2.0 million ozs/Au resource) located 15 kilometers northeast of Horse Mountain. Alteration in Valmy Formation

rocks at the surface and in Horse Mountain drill holes (e.g. carbonaceous lithologies, high pyrite contents, quartz veining) are described at the Hilltop deposit where much of the mineralization is structurally-controlled. Angle drilling in the Rum Dreams gold resource area could identify high-grade mineralization missed by dominantly vertical drilling in the past.

Exploration History: Early exploration (1973-1990) in the Horse Mountain area was conducted by Placer-Amex, Amselco, and Placer Dome and focused on shallow reverse-circulation drilling in the Horse Mountain lower plate window northwest of Ely Gold's claims. Historic work by Phelps Dodge in 1988-1989 has defined a small low-grade gold resource called the Rum Dreams deposit that is hosted by upper-plate quartzite and chert. Phelps Dodge drilled 18 reverse-circulation holes totaling 8,335 feet (2540.5m) in the Rum Dreams area. Only 4 angle holes were drilled and the average total depth for the 18 holes is 490 feet (149.3m). The volume and grade of the Rum Dreams resource is not known. Conventionally this resource has been interpreted by earlier workers to represent possible leakage from a potential more significant deposit at depth. Historic drilling on the Horse

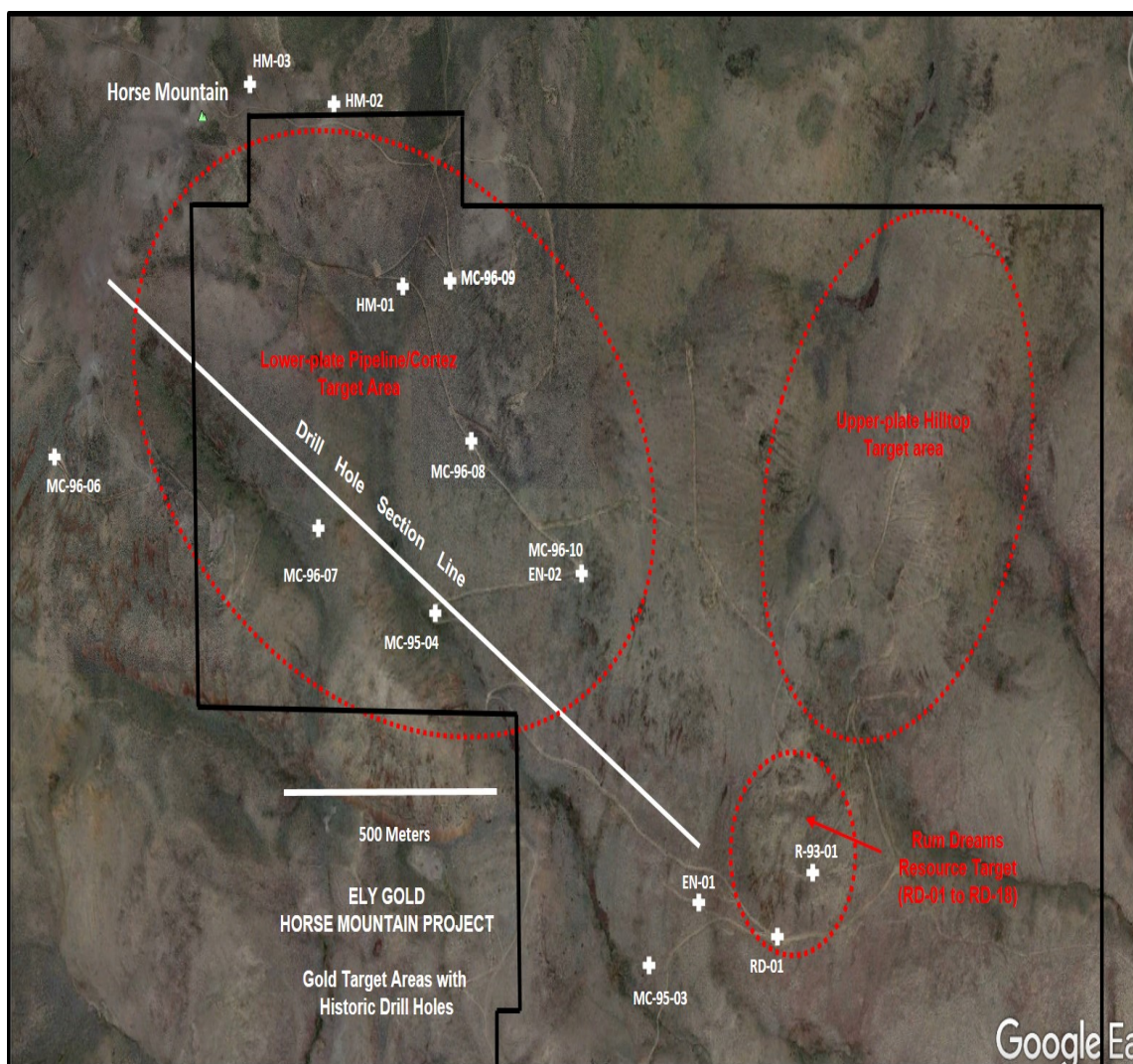


Mountain property suggests a significant alteration halo within lower plate rocks at depth. This alteration occurs over an area of approximately 6,000 x 2,000 feet (1829 x 610m) as indicated by drilling.

Drilling in the late 1990s by Pathfinder Exploration and High Desert Minerals intersected lower-plate carbonate rocks inferred as altered Silurian Robert's Mountain Formation and Ordovician Hanson Creek Formation below the Roberts Mountain Thrust. These are prolific host rocks elsewhere on the Cortez Trend. One of these holes (MC-96-08) intersected 30 feet (9.1m) of 0.025 oz/t Au (0.85 g/t Au)

including one 10 foot (3.1m) sample interval of 0.044 oz/t Au (1.50 g /t Au) near the bottom of the hole. The Roberts Thrust (RMT), which separates upper-plate stratigraphy from lower-plate carbonate rocks, was intersected at 840 feet (247m) and shows strong alteration and oxidization through the entire lower-plate drill interval. Anomalous pathfinder elements (As, Sb, Hg) and the style of alteration, including moderate to intense silicification, clay alteration, decalcification and hematite suggest the presence of a significant Carlin-type gold system. Four other drill holes in the area (MC-95-03, MC-95-04, MC-96-06, MC-96-07) have reached the lower-plate on the property. Moderate to intense alteration in the lower-plate is notable over significant thicknesses in all the holes reaching the RMT and anomalous gold is noted in two other holes. Oxidation is strongly developed locally to depths of 1,700 feet (518m) below surface.

From late 2004 to 2009, Miranda Gold controlled the Horse Mountain project area and more recent exploration drilling was completed by two joint venture partners during this period. Barrick completed 11,776 feet (3589.5m) in five vertical holes at Horse Mountain in 2005-2006. Barrick's core hole BHM-001 was drilled to 1,641 feet (500.1m) depth and intersected a significant gold intercept with 98.2 feet grading 0.022 oz/t Au (29.9m @ 0.754 g/t Au) from 926.2 to 1024.4 feet (282-312.2m). The larger intercept includes 33.0 feet @ 0.047 oz/t Au (10.1m @ 1.61 g/t Au) and 7.5 feet @ 0.092 oz/t Au (2.3m @ 3.154 g/t Au). Mineralization is hosted in oxidized, decalcified and clay altered Roberts



Mountains Formation limestone. Barrick's four other holes were designed to offset the gold intercept in BHM-001. BHM-005 intersected 2 gold intercepts including 90.0 feet @ 0.022 oz/t Au (27.4m @ 0.753 g/t Au), which includes 20.0 feet @ 0.046 oz/t Au (6.1m @ 1.58 g/t Au) and 50 feet @ 0.017 oz/t Au (15.2m @ 0.567 g/t Au). BHM-005 also cut 6 separate zones of weak mineralization grading 0.011-0.022 oz/t Au (0.377-0.753 g/t Au) over thicknesses of 25-90 feet (7.6-27.4m) in upper-plate chert and lower-plate carbonate rocks.

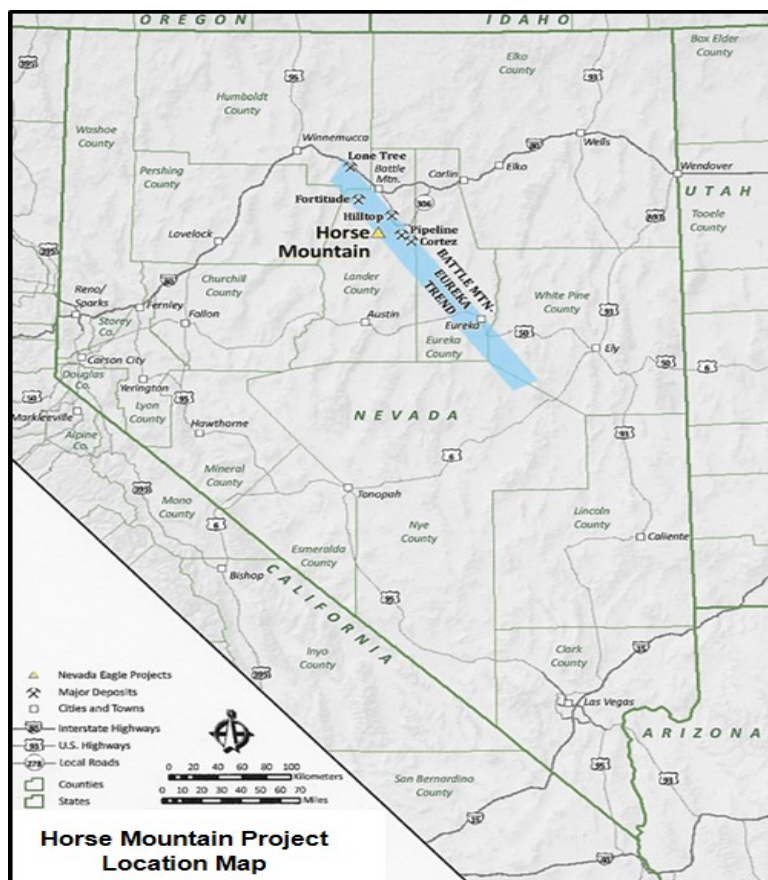
In 2008, Newcrest Resources drilled nine vertical reverse-circulation holes (H-1 to H-9) totaling 18,240 feet (5561m). Three of the holes drilled in the Rum Dreams deposit area were lost before reaching target depth due to bad drilling conditions. Drill hole H-9 returned a thin intercept of 10.0 feet @ 0.38 oz/t Au (3.1m @ 1.318 g/t Au).

Quality Control & References

Cole, B., 2005, Independent 43-101 Horse Mountain Project Technical Report prepared for Miranda Gold Corporation, 23 p.
 Gilluly, J., and Gates, O., 1965, U. S. Geol. Survey, Professional Paper 465, 153 p.
 Miranda Gold Corp., Press Release dated March 26, 2009, 3 p.
 Snyder, K. D., 1994, Rum Dreams Project, private company report prepared for Euro-Nevada Mining Corporation, 3 p.
 A complete list of historical reports and pictures are available on the Company's website.

Qualified Person

Scientific and technical information contained in this press release has been reviewed and approved by Stephen Kenwood, P. Geo and 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").



Outlook: Horse Mountain exhibits many geologic characteristics associated with large disseminated (Carlin-type) gold systems including extensive hydrothermal alteration in favorable host rocks, elevated gold and pathfinder metal values, deep oxidation levels, and ore-localizing traps (anticlines, structural intersections). Despite a long exploration history, past drilling remains wide-spaced and nearly all vertical holes. Poor drilling conditions has caused many holes to be lost before reaching target depths. Only one core hole has been drilled at Horse Mountain. Potential for discovery of bulk mineable gold mineralization in both upper- and lower-plate rocks is good. Untested drill targets remain at the Rum Dreams resource area, along major anticlinal folds, and structural highs. Drill intercepts in BHM-001 and BHM-005 are open in all directions.

Status: The Horse Mountain 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.

Ely Gold & Minerals Inc.

MANAGEMENT

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COMPANY PROFILE

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|--------------------------|---------------|
| 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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