Building Value in Distressed Assets

NSM Senior Note Acquisition

September 2011

FORWARD LOOKING STATEMENTS

Certain statements herein may contain forward-looking information within the meaning of applicable securities laws. Forward-looking information appears in a number of places and can be identified by the use of works such as “intends” of variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information includes statements regarding the Company’s exploration plans with respect to the Property and the estimation of mineral resources and are subject of such forward-looking risks, uncertainties and other factors which may cause the Company’s actual results to be materially different from any future results, performance or achievements expressed of implied by such forward-looking information. Such risks include gold price volatility, change in equity markets, the uncertainties involved in interpretation geological data, increase in costs and exchange rate fluctuations and other risks involves in the gold exploration and development industry as well as those risk factors discussed under “Risk Factors: in the Company’ MD&A dated September 30, 2010 available at www.sedar.com. There can be no assurance that a forward-looking statement referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information . Also, many of the factors are beyond the control of Ely Gold. Accordingly, readers should not place undue reliance on the forward-looking information. All forward-looking information herein is qualified by this cautionary statement. The Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

ELY GOLD- VALUE-ADD MODEL

- Focus on premium developable assets with financial, structural or technical issues
- <u>PARTNER WITH LENDERS</u>
- Build teams on a project basis
- Use top outside consultants & service providers
- Develop "company maker" assets for spin offs
- Develop smaller assets for joint venture, royalty and cash flow

ELY GOLD- MANAGEMENT

John Brownlie Executive Chairman

Current CEO of Oro Mining Former President & COO of Capital Gold
28-year mining career and proven mine builder & operator

- Zarafshan-Newmount Joint Venture in Uzbekistan.
- El Callao Revemin Mill & La Camorra gold projects as Country Manager for Monarch Resources in Venezuela

Trey Wasser President, CEO & Director

President and Director of Research for Pilot Point Partners LLC
33-year investment banking and venture capital business experience

- Merrill Lynch, Kidder Peabody, and Paine Webber
- Extensive debt restructuring experience

ELY GOLD- MANAGEMENT

Stephen Kenwood Director & Qualified Person

20 years worldwide experience in the mining sector
Former geologist with Cominco on the Snip Gold Mine
Project Geologist on Eskay Creek Mine
Project Geologist Petaquilla Copper Deposit

Scott Kelly CFO

Former VP Finance for Pediment Gold Corp

- Recently acquired by Argonaut Gold

ELY GOLD- STRATEGIC ADVISORS

Chad Williams

Past CEO & President at Victoria Gold Corp.
Head of Mining Invest Banking at a Canadian brokerage firm
Currently director at two junior mining companies
Professional mining engineer with an MBA from McGill University
Native of Montreal, Quebec
Executive Chairman & interim CEO of "Voyageur Gold" (NSM assets)

Claude Larouche, B. Sc. Eng.; M. Sc. Geology

President of Ovalbay Geological Services
37 years experience focused in Quebec
Author of 43-101 reports on key NSM properties

ELY GOLD & MINERALS INC

Fully Diluted:	**75,625,911**
Current Price:	**$.22**
Market Capitalization:	**$12,574,813**
Cash on Hand	**$1,600,000**

ELY GOLD- MT. HAMILTON PROJECT

- 600,000 Gold Equivalent Ounces
- 50,000 oz/year and 9 year mine life
- Significant exploration potential
- Bankable feasibility due Q3 2011

Initial assays from November 3010 drill program

Hole Number	Mineralized Interval (Ft.)	Thickness (Feet)	Grade (opt) Gold / Silver	Grade (gpt) Gold / Silver	Gold Equivalent gpt/opt
MH-2	27.4-98.7	71.3	0.024/0.295	0.88/10.9	**1.10/0.030**
MH-3	317.5-341.5	24.0	0.016/0.380	0.61/14.0	**0.89/0.024**
	367.3-376.7	9.4	0.042/0.300	1.54/11.1	**1.76/0.048**
	426.0-453.9	27.9	0.017/0.467	0.62/17.2	**0.96/0.026**
	493.8-514.0	20.2	0.045/0.809	1.67/29.9	**2.27/0.061**
MH-4	373.6-484.5	110.9	.044/.300	1.61/11.1	**1.83/0.050**

All drill thicknesses are thought to represent at least a 90% true thickness of the mineralized interval. Assumed silver to gold ratio is 50:1.

ELY GOLD- MT. HAMILTON MILESTONES

- New Ely management February 2010
- Escalating royalty buy down renegotiated
- Lease issues resolved
- Renegotiated payment terms
- Permitting process begun
- Water rights secured
- Updated PEA with a new mine plan
- Upgraded resource
- Joint Venture signed in August 2010

ELY GOLD- MT. HAMILTON JV

Solitario Exploration & Royalty (XPL-AMEX)

- Earning 80% JV interest
- Paying $12MM in owners costs & property payments
- Paying $4MM cash & stock to Ely Gold

Ely Gold (20%) carried to production

Value of Ely Gold's <u>20%</u> carried interest ($1600 Au/$30 Ag)

- LOM cash flow of $68.8MM
- NPV @ 5% discount of $49MM
- IRR of 152% (>1 year payback)
- $0.65 per Ely Gold fully diluted share (NPV)

NSM SENIOR NOTE TRANSACTION

Aligned with the Note holders

- Red Kite, Platinum Partners & Centurion fund
- Largest NSM creditor
- Senior position with strong covenants
- Committed to bankruptcy bid and DIP financing

Favorable transaction terms

- Low risk-high reward transaction for Ely shareholders
- Initial purchase at discount with 1 year option
- Note holders converting to equity positions

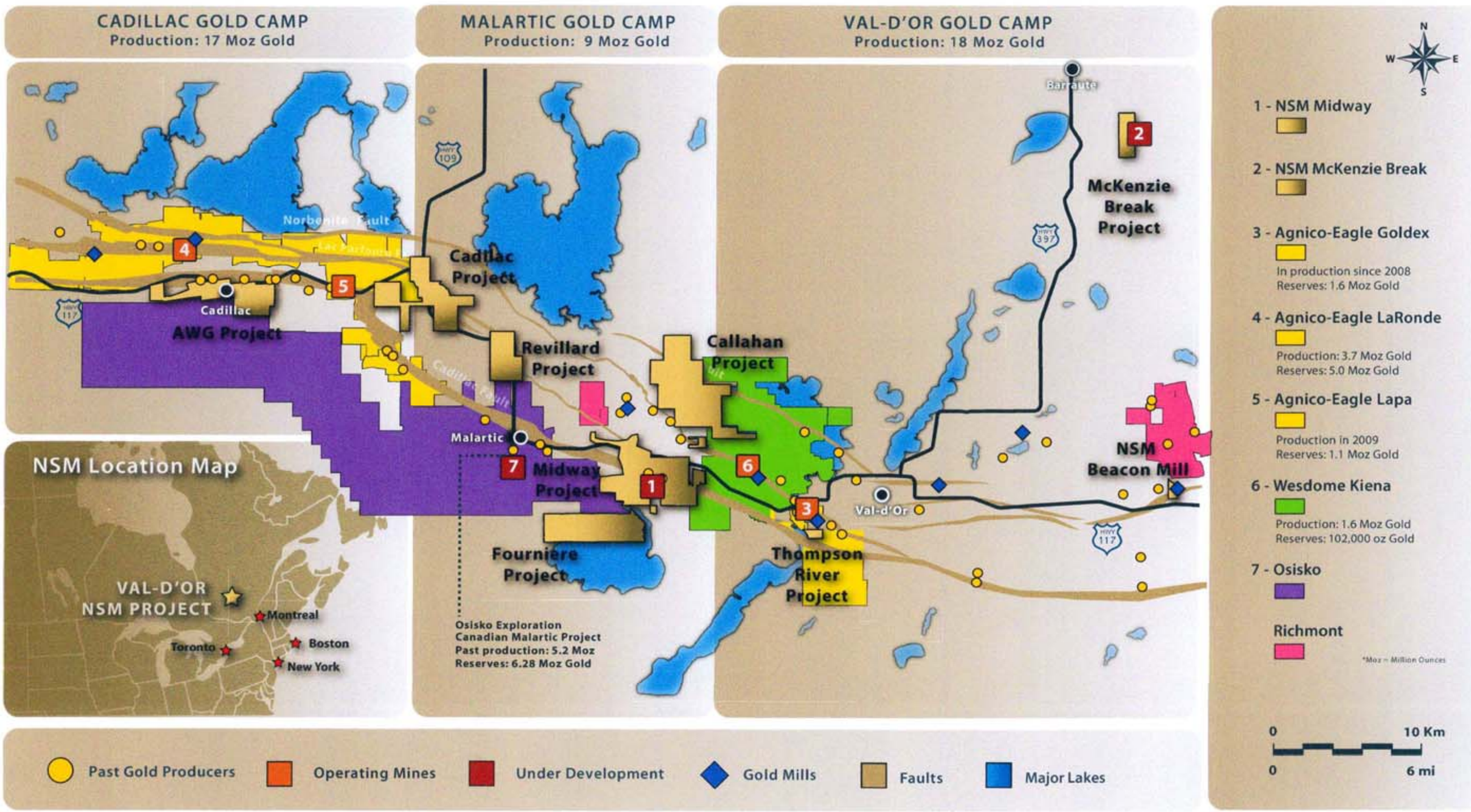
High quality assets

- Significant investment ($76MM book value)
- Exploration story with "production ready" properties

The right neighborhood

- Numerous consolidation, joint venture and M&A opportunities

MIDWAY-MALARTIC ABITIBI PROPERTIES



NSM- IMPORTANT ABITIBI PROPERTIES

Midway Malartic Property
- Between Agnico's Goldex & Osisko's Canadian Malartic Mines

Beacon Mill

Callahan Project
- Adjacent to Wesdome Kienna Mine

McKenzie Break Project

Malartic Hygrade
- 50/50 joint venture with Niogold

Cadillac AWG Project
- Adjacent to Agnico Eagle's Lapa Mine

Revillard Project

MIDWAY PROJECT OVERVIEW

Former producing mine from 1935 to 1965

- 2MM ounces produced at average recovered grade of 5.85 gpt Au
- Mined from surface to approximately 1000 meters

NI 43-101 resource estimate of 525,000 oz Au

- June 2008 reports average grade of 4.7 gpt Au
- 40,341 assays from 117 diamond drill holes

2008-2010 Exploration

- 30,000 meters of additional drilling not included in the resource
- 3km of decline ramp completed

Note: NSM drill results and reports have not been verified & confirmed

MIDWAY PROJECT GEOLOGY

Hosts Cadillac Break & Blake River formations

- Higher average grades for region

Two types of mineralization

- Larger volume gold mineralized porphyry (2.4 gpt Au)
- Higher grade gold mineralized gabbro (6.6 gpt Au)
- 30,000 meters of additional drilling not included in the resource

Multiple mineralized zones & targets

- Stacked veins & wide intercepts support bulk mining potential
- Significant geophysical magnetic anomalies

MIDWAY – EXPLORATION POTENTIAL

Porphyry Zone

- Not mined historically
- Mineralization from surface & untested at depth
- 230,000 oz of historic NI 43-101 resource @ 2.4 gpt

Goldfields Deep Zone

- Same ore corridor as the Porphyry Zone
- Previously mined to only 1000 meters
- 7 new mineralized zones assayed at depth

MIDWAY – EXPLORATION POTENTIAL

Briar Zone

- New gold bearing zone identified
- Near surface stack veins in untested area
- Potential low cost ore feed

Blake River Zone

- Major regional formation such as Agnico Eagle's Laronde Mine
- Explains higher grades at the Malartic Gold Fields
- Unexplored with very prominent geophysical signature

CALLAHAN PROJECT

"Goldex" style mineralization

- Historic resources of 151,638 ounces Au (non-compliant)
- $2MM+ in drilling & development work completed
- Adjacent to Wesdome's Kiena Mine

Multiple broad near- surface intersections

- Multiple broad near-surface intersections

MCKENZIE BREAK PROJECT

Extensive exploration by Placer Dome

- $8MM in drilling & development
- Outlined a 200,000 ounce open pit resource (non-43-101)
- Additional drilling in 2004-2005 by Wesdome

Near surface higher grade mineralization

- 10,000 meters in 41 diamond drill holes completed in 2009-10

Production Ready

- 700 meter ramp decline of completed to 80 meters depth
- Complete camp and infrastructure

BEACON MILL

BEACON MILL

State of the art 800 TPD cyanidation mill
- $1.6MM of recent upgrades & refurbishments
- Designed for expansion to 1200 TPD
- 2 KM from the Trans Canada Highway

Complete production facility
- Crushing & grinding circuits
- Merrill Crowe & gold pour furnace
- Offices, warehouse & repair shop
- Significant tailings capacity

Beacon Gold Mine
- Past producing mine
- Previous mining to only 1200 feet

VOYAGEUR BUSINESS PLAN

- Verify and incorporate all existing data
- Update 43-101 reports
- Develop an exploration plan for Midway, Callahan and McKenzie Break
- Substantially increase resources
- Develop production profile and mine plans
- Investigate JV and M&A opportunities
- Consolidate Abitibi Region

ABITIBI CONSOLIDATION

- Golden Valley Resources ($24MM)
- Abitibi Royalty ($20MM)
- Blue Note ($9MM)
- Alexandria Minerals ($16MM)
- Niogold ($34MM)
- Mazorro Resources ($5MM)
- Adventure Gold ($20MM)
- PAL Assets ($50MM)
- Various Corporate Partners

NSM BANKRUPTCY-Outstanding Debt

$41,053,428 Senior Secured Notes outstanding

- Mature at 137.5% of face amount
- Maturity value of $56,448,464 (Bankruptcy Claim)

$4-5,000,000 Construction Payables

- Dumas, Gagne and Cregheur
- Senior to Secured Notes
- Ely negotiating settlements

$1,500,000 Estimated DIP Financing

- Provided by Senior Note Holders

$8,000,000 NSR Notes

- Anglo Pacific
- Subordinated to Construction payables and Senior Notes

NSM SENIOR NOTE PURCHASE

$41,053,428 Senior Secured Notes outstanding

- Mature at 137.5% of face amount
- Maturity value of $56,448,464 (Bankruptcy claim)

18% Note Purchase (closing post-bankruptcy)

- $2,500,000 Notes (6.1%) exchange for 10MM Ely Shares (Red Kite)
- $4,806,634 Notes (11.7%) for $4,806,634 cash

Call Option Notes (expires 11/30/2012)

- $19,375,034 Notes (47.2%) for $23,860,681 cash
- $1,809,857 Option Premium (6/30/2011)
- 65% total Ely Note purchase
- Blended 125% of par value ($50,734,210 Valuation)

ELY SENIOR NOTE PURCHASE

$41,053,428 Senior Secured Notes outstanding

- Mature at 137.5% of face amount
- Maturity value of $56,448,464

Total Ely Note Purchase

- $32,977,210 for 65%
- $50,734,210 valuation

Ely- Voyageur Gold/ Manager & Operator

- Voting rights on full 65% (after closing of Purchased Notes)
- Ely covers 65% of development expense
- Ely retains any bankruptcy proceeds above valuation

POST-BANKRUPTCY STRUCTURE

Equity Conversion ("Voyageur Gold")

- 100% of the Senior Notes converted to equity in Newco
- DIP Financing converted to equity
- Construction lien payoff (possible negotiated settlements)

Voyageur Gold Management

- Chad Williams- Executive Chairman & interim CEO
- Trey Wasser- VP Corporate Development
- Operating team members & Directors currently being identified

Voyageur Gold liquidity

- IPO fall of 2012
- M&A opportunities
- Strong joint venture interest
- Restructuring & private equity options

CURRENT TIMELINE

March 2011
- ✓ Complete $2.5MM non-brokered private placement
- ✓ Engage Ernst & Young as bankruptcy receiver
- ✓ Site visit to inspect assets and data
- ✓ Engage consulting firm for data compilation
- ✓ Engage Financial Advisor and investor relations firm

April 2011
- ✓ Identify CEO for Newco

December 2011
- Final approval of credit bid
- All property issues resolved
- Data Room Complete

January 2012
- Complete 43-101 initial report
- Road show for additional financing
- TSXV final approval & close additional financing
- Auction Process begins

March 2012
- Bankruptcy auction closes
- Bankruptcy court approval & asset distribution
- Initial Purchased Note closing
- Initiate development plans on Quebec properties

WHY ELY GOLD?

- Experienced Management team
- Unique focused business strategy
- Important relationships in the industry
- Attractive opportunity in Abitibi
- Value supported with Mt Hamilton asset
- Additional deal pipeline

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