EMX ROYALTY CORPORATION (FORMERLY EURASIAN MINERALS INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED JUNE 30, 2018

## GENERAL

This Management's Discussion and Analysis ("MD&A") for EMX Royalty Corporation, formerly Eurasian Minerals Inc. (the "Company", "EMX") has been prepared based on information known to management as of August 9, 2018.

This MD&A is intended to help the reader understand the consolidated financial statements and should be read in conjunction with the condensed consolidated financial statements of the Company for the six months ended June 30, 2018 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following MD&A are in Canadian dollars except where noted.

## FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause EMX's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, increased regulatory compliance costs and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. More information about the Company including its recent financial reports is available on SEDAR at www.sedar.com. The Company's Annual Report on Form 20-F, including the recent financial reports, is available on SEC's EDGAR website at www.sec.gov and on the Company's website at www.EMXRoyalty.com.

### Cautionary Note to Investors Concerning Estimates of Inferred, Indicated and Measured Resources

The MD&A may use the terms "Inferred", "Indicated", and "Measured" mineral resources. EMX advises investors that although these terms are recognized and required by Canadian regulations under National Instrument 43-101 ("NI 43-101"), the U.S. Securities and Exchange Commission ("SEC") does not recognize these terms. Investors are cautioned that Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Geological evidence is sufficient to imply, but not verify, geological and grade continuity of Inferred mineral resources. It is reasonably expected that the majority of Inferred resources could be upgraded to Indicated resources with continued exploration. Under Canadian rules, estimates of Inferred mineral resources may not be converted to a mineral reserve, or form the basis of economic analysis, production schedule, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred mineral resources can only be used in economic studies as provided under NI 43-101. U.S. investors are cautioned not to assume that part or all of an Inferred resource exists, or is economically or legally mineable. U.S. investors are further cautioned not to assume that any part or all of a mineral resource in the measured and indicated categories will ever be converted into reserves.

## COMPANY OVERVIEW

EMX Royalty Corporation is a Tier 1 company that trades on the TSX Venture and the NYSE American exchanges. The Company is principally in the business of developing cash flows from a) organically generated royalties derived from a portfolio of mineral property interests and b) royalty acquisitions. These cash flows are supplemented by upside from strategic investments. EMX's portfolio mainly consists of properties and mineral interests in North America, Turkey, Europe, Haiti, Australia, and New Zealand. The three key components of the Company's business model are briefly summarized as:

- **Royalty Generation.** EMX's fifteen year track record of successful exploration initiatives has developed into an avenue to organically generate mineral property royalty interests and cash flows. The strategy is to leverage in-country geologic expertise to acquire prospective properties on open ground through license application or claim staking, and to build value through low cost work programs and targeting. These properties are sold to partner companies for cash and retained royalty interests, as well as advance minimum royalty payments, project milestone payments, and other considerations that may include equity interests. Importantly, pre-production payments provide early-stage cash flows to EMX, while the operating companies build value through exploration and development. EMX participates in project upside at no additional cost, with the potential for future royalty payments upon the commencement of production.

- **Royalty Acquisition.** EMX has been pursuing the prudent acquisition of royalty property interests since 2011. The purchase of royalty interests allows EMX to choose quality assets for acquisition that range from producing mines to development properties. These purchases are designed to "jump start" the organic royalty growth process by providing EMX with immediate to near term royalty revenue. The timely identification of top tier acquisition candidates is often informed by the Company's in-country royalty generation initiatives.

- **Strategic Investment.** An important complement to EMX's royalty generation and royalty acquisition initiatives comes from strategic investment in opportunities with under-valued mineral assets and upside exploration potential. Exit strategies can include royalty positions, equity sales, or a combination of both. As well, these investments can lead to the Company's identification of candidates for acquisition or merger.

EMX is focused on increasing global revenue streams from royalties, advance royalties and other cash payments to balance overall company-wide expenditures. This approach provides a foundation for supporting EMX’s growth and increasing shareholder value over the long term.

## HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2018 AND SUBSEQUENT

EMX Royalty Corporation highlights for the three months ended June 30, 2018 (“Q2”) include:

- EMX announced the signing of a Share Purchase Agreement by IG Copper LLC (“IGC”) to sell the Malmyzh copper-gold porphyry project in the Russian Far East to a wholly-owned subsidiary of Russian Copper Company ("RCC") (see EMX news release dated June 14, 2018). EMX is a strategic investor in IGC, a privately held company that is in a joint venture with Freeport-McMoRan Exploration Corporation on the Malmyzh project (51% IGC, 49% Freeport). RCC is a privately held, leading copper producer in the Russian Federation. The estimated value of the sale to EMX's interest in IGC, net of the financial arrangements, is approximately US$68 million. Closing is expected in Q3, 2018, and is contingent on RCC completing additional due diligence, as well as receiving approval from the Russian Federal Anti-Monopoly Service.

- For the three months ended June 30, 2018, the Company had a net increase in cash of $4,666,731 including cash used of $2,187,377 in operating activities, and recorded a net loss of $3,698,214. Gross exploration expenditures totaled $1,488,850 of which $229,430 was recovered from partners. For the three months ended June 30, 2018, the Company received $519,610 in cash from investing activities and $6,349,696 from financing activities.

- EMX received approximately $449,642 (US$ 351,990) in royalty revenue, including the settlement of prior period provisional amounts of $19,045 (US$ 14,908) attributable to its 1.0% gross smelter return royalty from the Leeville royalty property (“Leeville"). Leeville covers portions of Newmont Mining Corporation's (“Newmont”) underground mining operations on the Northern Carlin Trend in Nevada.

- EMX reported drill results from the Akarca royalty property provided by operator Çiftay İnşaat Taahhüt ve Ticaret A.Ş. ("Çiftay"), a privately owned Turkish company. Çiftay's 7,844 meters of diamond drilling across five target areas increased the footprints of drill defined gold and silver mineralization on the property (see EMX news release dated April 17, 2018).

- At the Timok Project royalty property in Serbia, which covers the Cukaru Peki copper-gold deposit, operator Nevsun Resources Ltd. ("Nevsun") announced significant advancements, including a) the commencement of the Upper Zone project exploration decline, and b) an initial inferred resource for the Lower Zone porphyry project of 1.659 billion tonnes averaging 0.86% copper and 0.18 g/t at a "dollar equivalent" cut-off of US$25/tonne (see Nevsun news releases dated June 5, and June 26, 2018).

- A purchase agreement was executed to sell EMX's Njuggträskliden and Mjövattnet nickel-copper-cobalt projects in Sweden to Boreal Energy Metals Corporation ("BEMC") for an additional 4% equity stake in BEMC, bringing EMX's aggregate interest to 9.9% of BEMC's issued and outstanding shares, as well as 3% NSR royalties on the projects and annual advance royalty payments.

- EMX optioned the Riddarhyttan iron-oxide-copper-gold (IOCG) and massive sulfide project in Sweden to diversified global miner South32 for cash payments, work commitments, and upon earn-in, a retained 3% NSR royalty in addition to annual advance royalty and milestone payments.

- Royalty generation initiatives in Scandinavia resulted in the acquisition of multiple new licenses, including gold, copper, polymetallic, nickel, and cobalt projects in Sweden and Norway.

- In North America royalty generation work focused on gold projects in the Great Basin and porphyry copper projects in Arizona and Utah.

- EMX continued evaluating royalty acquisition opportunities worldwide.

- Subsequent to the period ended June 30, 2018 , the Company granted 1,640,000 incentive stock options, exercisable at a price of $1.30 per share for a period of five years to officers, directors, employees and consultants of the Company. In addition, the Company has granted discretionary bonuses through the issuance of an aggregate of 230,630 common shares to various officers, employees and consultants, subject to any applicable stock exchange approvals and vesting requirements.

**OUTLOOK**

Although we are only half way through, 2018 is shaping up to be a landmark year for EMX. The potential sale of Malmyzh, ongoing royalty revenue from Leeville, fast track advancement of Timok as well as other royalty properties, and royalty generation programs that resulted in six new deals have created strong upward momentum for EMX. The Company is pleased with these developments, and looks forward to continued successes going into the second half of the year.

EMX's strategic investment in IGC is now in the critical phase of unlocking shareholder value through the sale of Malmyzh to Russian Copper Company. The estimated value of the transaction to EMX's interest in IGC, net of the financial arrangements, is approximately US $68 million. There are a number of steps that must be taken in order to conclude the sale, including additional RCC technical due diligence. Further, government approval of the sale from the Russian Federal Anti-Monopoly Service must be obtained, and certain financial arrangements and closing logistics must be satisfied in order to complete the sale. There can be no assurance that these conditions precedent will be satisfied, or that the sale will be completed. However, IGC management has advised that steady progress is being made to meet the requirements under the Share Purchase Agreement, with the sale expected to close in Q3, 2018. If the Malmyzh sale closes as expected, it will represent a positively transformative event for EMX.

EMX continued to receive royalty payments from Leeville, which is an important Company asset covering portions of Newmont's Northern Carlin Trend mining operations (West Leeville, Turf, and other underground operations). The 261 royalty gold ounces received for Q2 production were sourced from the West Leeville and Turf operations, and yielded $430,597 (US$337,082) attributable to EMX's 1.0% gross smelter return royalty. EMX is optimistic on the future potential of the sediment-hosted gold mineralization trend Newmont is exploring that extends southeast from the Leeville mining complex across EMX's royalty position. As discussed by Newmont earlier in 2018, this trend is an important contributor to its Northern Carlin Trend underground resource and reserve development strategy.

Elsewhere in the portfolio, EMX's royalty property operators made substantial progress. According to Nevsun, the initial Lower Zone porphyry inferred resource for the Timok project "ranks high in grade, size and contained metal for porphyry copper deposits worldwide" (see Nevsun news release dated June 26, 2018). Çiftay advanced Akarca with ongoing drill delineation, while Dedeman Madencilik San ve Tic. A.S. ("Dedeman") proceeded with its planned 24,000 meter drill program to step-out to the south of the Hastanetepe zone at Balya. In Sweden, Boreal Metals Corp. ("Boreal") continued to intersect high grade zinc-lead-silver with drilling at the Gumsberg royalty property, and Sienna Resources Inc. ("Sienna") conducted an initial drill program at the Slattberg royalty property that according to Sienna "showed several significant intercepts of nickel and cobalt" (see Sienna news release dated May 17, 2018). These examples of operator funded work highlight the inherent upside optionality of EMX's royalty portfolio.

EMX is encouraged by sustained strong interest in the Company's royalty generation portfolio. The Company continued to acquire precious metals, base metals, and cobalt properties in geologically prospective regions and mining supportive jurisdictions. The programs in Scandinavia and the western United States have been particularly successful. The properties in Sweden attracted attention in Q2 from a number of interested parties, resulting in the sale of the Njuggträskliden and Mjövattnet nickel-copper-cobalt projects to Boreal Energy Metals for equity and NSR royalty interests, and the optioning of the Riddarhyttan copper project to diversified global miner South32 for cash payments, work commitments, and upon earn-in, a retained 3% NSR royalty. In the western U.S., the Company anticipates accelerating royalty deal flow in 2018, with discussions advancing with potential partners for a regional strategic alliance, as well as for individual copper and gold projects.

The Company has built a portfolio of precious metals, base metals, polymetallic, and other mineral property interests that spans five continents and covers over 1.8 million acres. These assets provide revenue streams from various pre-production and royalty payments, while maintaining exposure to development and exploration optionality as projects are progressed by the operating companies. Completion of the Malmyzh transaction would be an important Company milestone, and provide a substantial treasury to take advantage of opportunities for royalty portfolio growth. The goal is to sustain the Company's royalty generation, royalty acquisition, and strategic investment activities with incoming cash flows, while minimizing dilution and downside risk to shareholders.

## *ROYALTY OVERVIEW*

EMX's Leeville royalty covers portions of Newmont’s West Leeville, Turf, and other underground gold mining operations and deposits in the Northern Carlin Trend. The Leeville 1% gross smelter return (GSR) royalty paid approximately $449,641 (US$ 351,990) during Q2 including $19,044 (US$ 14,908) related to the settlement of prior period provisional amounts. Royalty production reported by Newmont totaled 261 troy ounces of gold that were sourced from the West Leeville (55%) and Turf (45%) underground operations. Newmont continues to delineate a trend of sediment-hosted gold mineralization, including the Rita K and Full House projects, that extends southeast from the Leeville mining complex and is partially covered by EMX's Leeville royalty property.

Further Carlin Trend exploration upside is provided by EMX’s Maggie Creek South 3% NSR and Maggie Creek 2% NSR royalty properties. The Maggie Creek South and Maggie Creek royalty properties collectively cover approximately 12.4 square kilometers of prospective ground within ~1.6 kilometers of Newmont’s Gold Quarry open pit mining operation.

In addition to EMX’s Carlin Trend royalty properties, the Company has important royalty property interests elsewhere in the western U.S., as well as in Turkey, Serbia, Norway, Sweden, and Haiti including:

- Arizona Mining Inc. ("AMI") (TSX: AZ) continued to advance the Hermosa property's Taylor project, which is directly north of EMX's Hardshell Skarn royalty claim block. AMI announced the commencement of twin exploration declines during Q2, and that South32 Limited would acquire Arizona Mining via a plan of arrangement representing an all cash offer of US$1.3 billion (see AMI news release dated May 15 and June 17, 2018).

- In Turkey, Q2 advancements at the Balya lead-zinc-silver royalty property included ongoing small scale underground development and step-out drilling at the Hastanetepe zone by operator Dedeman. At the Akarca royalty property, operator Çiftay provided results from 7,844 meters of diamond drilling across five target areas that increased the footprints of drill defined gold and silver mineralization (see EMX news release dated April 17, 2018). The Sisorta royalty property's operator Bahar Madencilik Sinayi ve Ticaret Ltd Sti ("Bahar") advised that it had commenced with Environmental Impact Assessment (“EIA”) work as required under the mine permitting process in Turkey.

- EMX’s portfolio in Serbia represents a combination of organically generated royalties complemented by a key royalty purchase that covers the Timok Project's Cukaru Peki copper-gold deposit, which is being advanced by Nevsun (TSX: NSU). During Q2, Nevsun commenced the Upper Zone project exploration decline, and announced an initial inferred resource for the Lower Zone porphyry project of 1.659 billion tonnes averaging 0.86% copper and 0.18 g/t at a "dollar equivalent" cut-off of US$25/tonne (see Nevsun news release dated June 5, and June 26, 2018).

- In Scandinavia, EMX has an equity interest in Boreal Metals Corp (TSX Venture: BMX) that resulted from the sale of five royalty generation properties in Sweden and Norway. In addition, EMX has sold three nickel-copper-cobalt assets in Sweden to Boreal Energy Metals Corp. ("BEMC"), a subsidiary of Boreal, for which EMX received an equity stake in BEMC. In addition to the equity interests in Boreal and BEMC, EMX retains uncapped 3% NSR royalty interests on each of the Boreal and BEMC properties, and will receive annual advance royalty payments as well as other consideration from the sale of the projects. Field work on these projects is ongoing, with drill programs planned later in the year.

- EMX's interests in Haiti have been converted into NSR royalties, with the sale of joint venture interests to Newmont for a 0.5% NSR royalty interest, and the sale of the Grand Bois property to a privately held corporation for a retained 0.5% NSR royalty interest.

All of EMX's other properties that have been sold or optioned include EMX royalty interests. Many of these properties provide milestone and advance minimum royalty (AMR) or advance annual royalty (AAR) payments that generate early revenue streams to EMX's benefit prior to production. Additional details on EMX's royalty and royalty generation property portfolio are included in the following sections.

***NORTH AMERICA***

EMX's portfolio in North America totals 40 royalty and royalty generation properties covering more than 47,000 hectares in Arizona, Nevada, Utah, Oregon, and Wyoming. There are 16 royalty properties, including the producing Leeville royalty (see above section), that are being advanced by their respective operating companies, and 24 royalty generation properties in Arizona, Nevada, and Utah available for partnership. The royalty generation properties are advanced through wholly-owned subsidiary Bronco Creek Exploration Inc. ("BCE"), and include porphyry copper-molybdenum, porphyry copper-gold, sediment-hosted copper, Carlin-type gold, and high grade gold-silver vein projects.

The Company's Q2 work focused on a) new generative work in the Great Basin and Arizona, as well as completing geophysical surveys on EMX projects, b) marketing available royalty generation properties to prospective partner companies, c) advancing partner funded projects, and d) identifying royalty assets for purchase. A summary of activities is given below.

- EMX has an option agreement with Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group, for the Buckhorn Creek porphyry copper project in Arizona (see EMX news release dated February 8, 2018). Kennecott can earn 100% interest in the project by making annual option payments totaling US$550,000, and completing US$4,500,000 in exploration expenditures before the fifth anniversary of the agreement. Upon exercise of the option, EMX will retain a 2% NSR royalty on the project which is not capped or purchasable. After exercise of the option, annual advance minimum payments and milestone payments will be due to EMX. Kennecott conducted a shallow, two hole, 673 meter reverse circulation drill test of a concealed porphyry target during Q2. Both holes reached bedrock and intersected anomalous copper and molybdenum mineralization. As well, Kennecott conducted an IP geophysical survey that highlighted an additional target area west of the two reconnaissance holes. EMX and Kennecott are currently considering next steps for follow-up.

- EMX has an option agreement for the Copper Springs porphyry copper project in Arizona with Anglo American Exploration (USA), Inc. ("Anglo American") (See EMX news releases dated February 28, 2017). Anglo American can earn 100% interest in the project by making annual option payments, completing US$5 million in exploration expenditures before the fifth anniversary of the agreement, and other considerations. Upon exercise of the option, Anglo American will pay EMX an additional US$110,000 and EMX will retain a 2% NSR royalty on the project. After exercise of the option, annual advance minimum payments and milestone payments will be due to EMX. During Q2, Anglo American funded work continued with reconnaissance drilling of two additional holes, bringing the program total to four holes and over 5,200 meters, to test concealed porphyry targets. Initial review of alteration and mineralization assemblages in drill core taken from bedrock are encouraging.

- EMX has an option agreement with a wholly owned subsidiary of Antofagasta plc ("Antofagasta") for the Greenwood Peak copper porphyry project in Arizona (see EMX news release dated December 18, 2017). Antofagasta concluded a three hole, 1,035 meter reconnaissance drill program in Q1 to test a concealed porphyry target. The drilling intersected weak hypogene porphyry-related alteration in bedrock. Antofagasta has indicated they are not currently considering further work on the project.

- EMX has a 2% NSR royalty covering the Hardshell Skarn claim block, which is part of Arizona Mining Inc.'s ("AMI") Hermosa project in southern Arizona. AMI continued to advance the Hermosa property's Taylor zinc-lead-silver carbonate replacement deposit that is directly north of EMX's Hardshell royalty claim block. AMI's Q2 work included commencing twin exploration declines and drilling at the "Taylor Deeps Zone" (see AMI news releases dated May 15, and May 22, 2018). Earlier drilling by AMI consisting of two angle core holes intersected zinc-lead-silver mineralization within the Hardshell royalty claim block (see EMX news release dated August 30, 2017). In a June 17, 2017 news release AMI announced that South32 Limited would acquire Arizona Mining via a plan of arrangement representing an all cash offer of US$1.3 billion.

- EMX conducted new regional work consisting of geophysical and geochemical sampling campaigns focused on prospective areas in the Great Basin and Arizona.

- During Q2, EMX completed property reviews with potential partners, and is in discussions with several groups for the available North American properties, as well as for regional generative alliances.

**Qualified Person**

Dean D. Turner, CPG, a Qualified Person as defined by NI 43-101 and consultant to the Company, has reviewed, verified and approved the above technical disclosure on North America.

***TURKEY***

EMX holds five royalty properties (Akarca, Sisorta, Balya, Golcuk & Aktutan) and two available royalty generation projects (Alankoy & Trab-23) in Turkey's Western Anatolia and Eastern Pontides mineral belts. The properties include bulk tonnage gold, gold-silver vein, polymetallic carbonate replacement, and porphyry gold-copper projects. The royalty and pre-production payments received from the properties in Turkey provide cash flows to EMX on an ongoing basis, while the operating companies carry out work and build value on the projects. EMX has retained Dama Muhendislik Proje ve Maden San.Tic. A.S ("Dama"), an internationally recognized Turkish engineering company based in Ankara, to manage the Company's interests in Turkey.

**Akarca Property**

The Akarca royalty property covers a low sulfidation gold-silver district discovered by EMX in the Western Anatolia mineral belt. Exploration programs at Akarca, principally funded by partners, have delineated six gold-silver zones with mineralization occurring in vein systems and silicified wall rocks.

EMX sold the Akarca project to Çiftay İnşaat Taahhüt ve Ticaret A.Ş. ("Çiftay"), a privately owned Turkish company in 2016 (see EMX news release dated August 8, 2016). As part of the sale of Akarca to Çiftay, in addition to receiving a US$2 million cash payment at closing, EMX is scheduled to receive payments of 500 ounces of gold (or cash equivalent) every six months commencing on February 1, 2017, and continuing until receipt of a total of 7,000 ounces. Additional terms of the Akarca sale include a sliding scale royalty (subject to certain deductions) ranging from 1.0% to 3.0% for gold production from the property. For mineral production other than gold the royalty rate is 3.0%. As well, certain bonuses will also be paid upon achievement of production milestones.

EMX received drill data from Çiftay totaling 7,844 meters of diamond drilling across five target areas on the Akarca property during Q2 (see EMX news release dated April 17, 2018). This drilling resulted in a significant increase in the footprints of drill defined gold and silver mineralization. Çiftay's drilling returned multiple high grade intercepts, including 9.5 meters averaging 50.30 g/t gold and 29.2 g/t silver, with a sub-interval of 1.8 meters averaging 256.25 g/t gold and 133.0 g/t silver in hole AKC-317 (true width ~85-95%), drilled in the Arap Tepe "Zone C" area, as well as 69.3 meters averaging 3.68 g/t gold and 4.8 g/t silver in hole AKC-264 (true width ~75-85%), drilled in the Hugla Tepe area. The program also included 24 new holes in the Percem Tepe target area, 23 of which contained significant intercepts of gold mineralization.

Çiftay continues to advance the Akarca project toward the deposit delineation and development stage, with drilling and trenching programs, as well as additional metallurgical studies, planned for 2018.

**Balya Property**

EMX's Balya royalty property is located in the historic Balya lead-zinc-silver mining district in northwestern Turkey. EMX holds an uncapped 4% NSR royalty that it retained from the sale of the property to Dedeman Madencilik San ve Tic. A.S. ("Dedeman"), a privately owned Turkish company, in 2006. Dedeman's underground development work is concentrated on an area of shallow, high grade mineralization on the northeast margin of the Hastanetepe deposit, with ongoing small scale production of mineralized material.

Dedeman advised that its 24,000 meter step-out drill program continued during Q2. The objective is to delineate new lead-zinc-silver mineralized zones along a corridor that is over 500 meters in length between Hastanetepe and the Southern Zone target area.

**Aktutan Property**

EMX has a royalty interest in the Aktutan polymetallic project sold to Dedeman in 2007 for considerations that include a 4% uncapped NSR and annual advance royalty payments. Dedeman advised that it completed a 14 hole, 2,343 meter drill program in Q4, 2017, but the core from the program has yet to be assayed or logged. The core is being stored in a secure facility in Gümüşhane. The core will be processed sometime in 2018, and additional drilling is also anticipated.

**Sisorta Property**

The Sisorta royalty property, located in the Eastern Pontides mineral belt, is a near-surface, volcanic-hosted, high sulfidation epithermal gold deposit. Exploration programs at Sisorta, principally funded by partners, have outlined a 1000 by 600 meter zone of shallow oxide gold mineralization with underlying copper and gold porphyry potential at depth.

EMX sold the Sisorta property to Bahar Madencilik Sinayi ve Ticaret Ltd Sti ("Bahar"), a privately owned Turkish company in 2016 (see EMX news release dated August 3, 2016). The terms of the sale provide for Bahar's payments to EMX summarized as a) US$250,000 cash paid upon closing, b) annual cash payments of US$125,000 ("Advance Cash Payments") payable on each anniversary of the closing date until commencement of commercial production, and c) 3.5% of production returns after certain deductions ("NSR Payment") for ore mined from the property that is processed on-site (increased to 5% if the ore is processed off-site) that is uncapped and cannot be bought out or reduced.

Bahar advised EMX that that it has commenced with Environmental Impact Assessment ("EIA") work as required under the mine permitting process in Turkey. Once complete, Bahar intends to continue applying for other necessary permits for project development. Bahar advises that the permitting process is expected to take 1-2 years.

**Golcuk Property**

EMX's Golcuk stratabound copper-silver royalty property, located in the Eastern Pontides mineral belt, is covered by an agreement with Pasinex Resources Ltd. ("Pasinex") whereby EMX has retained a 2.9% NSR royalty interest.

In Q2, Pasinex announced that it does not intend to further advance the Golcuk project (see Pasinex news release dated May 25, 2018). Pasinex is evaluating its options with respect to the property, which may include a sale to a Turkish company or returning the project to EMX.

**Qualified Person**

Eric P. Jensen, CPG, a Qualified Person as defined by NI 43-101 and employee of the Company, has reviewed, verified and approved the above technical disclosure on Turkey.

***EUROPE***

EMX has been actively exploring in Europe since 2003, and has assembled a diverse portfolio of gold, copper, polymetallic, nickel and cobalt royalty and royalty generation properties in Scandinavia, as well as a portfolio of copper and gold royalty properties in Serbia. In Scandinavia, the Company continued to pursue strategic royalty partnerships for properties in the portfolio and add value through low cost generative exploration. EMX's royalty interests in Serbia include Nevsun's Timok

Project, which includes the recently discovered Cukaru Peki copper-gold deposit located in the prolific Timok Magmatic Complex.

**Scandinavia**

EMX's portfolio in Scandinavia totals over 35 royalty and royalty generation properties in Sweden and Norway. Scandinavia is a favorable jurisdiction for mineral exploration and development, and EMX has been aggressively adding to its Scandinavian portfolio over the past two and a half years. These efforts have resulted in the conversion of multiple exploration properties to royalty and equity interests, as well as the addition of new royalty generation properties to the portfolio that are available for partnership.

In Q2, EMX executed an agreement with Boreal Energy Metals Corporation ("BEMC"), a subsidiary of Boreal Metals Corp. ("Boreal") (TSX Venture: BMX), to sell the Njuggträskliden and Mjövattnet nickel-copper-cobalt projects in Sweden to BEMC (see EMX news release dated April 11, 2018). This is the second agreement with BEMC in 2018. The properties are located along Sweden's "Nickel Line" in the Skellefteå Mining District of central Sweden. Both projects contain multiple zones of drill-defined nickel-copper-cobalt mineralization. Pursuant to the agreement, BEMC acquired 100% interest in the projects according to the following commercial terms (all dollar amounts in USD, unless otherwise noted):

- At closing, BEMC issued to EMX that number of common shares of BEMC that represented a 4% equity ownership in BEMC, bringing EMX's aggregate interest to 9.9% of BEMC's issued and outstanding shares. BEMC has the continuing obligation to issue additional shares of BEMC to EMX to maintain its aggregate 9.9% interest in BEMC, at no additional cost to EMX, until BEMC has raised CDN $3,000,000 in equity.
- EMX will receive an uncapped 3% NSR royalty on each of the projects. Within five years of the closing date, BEMC has the right to buy down up to 1% of the royalty owed to EMX by paying EMX $2,500,000 in cash and shares of BEMC for each project.
- EMX will receive annual advance royalty payments for each project commencing on the second anniversary of the closing.
- EMX will be reimbursed for its acquisition costs and previous expenditures on the projects.

Also in Q2, EMX executed an option agreement with diversified global miner South32 ("South32") for the Riddarhyttan iron-oxide-copper gold (IOCG) and massive sulfide project in Sweden (see EMX news release dated April 19, 2018). The Riddarhyttan project is a past producer of iron and copper located in the Bergslagen mining region of southern Sweden. Riddarhyttan is the locality where the element cobalt was first discovered and recognized, and is also the type locality of certain rare earth elements and related minerals. Pursuant to the agreement, South32 can earn 100% interest in the project during a five year earn-in period by (all dollar amounts in USD):

- Making option and cash payments that total approximately $210,600,
- Making a one-time option exercise payment of $500,000, and
- Completing $5,000,000 of exploration work on the project within five years of the execution date.

Upon exercise of the option, EMX will retain a 3% NSR royalty, 0.75% of which may be purchased by South32 for $1,900,000 within five years of executing the agreement. After exercising the option, annual advance royalty payments of 50,000 pounds of copper (or the cash equivalent) will be due to EMX, but will be deductible from future royalty payments. In addition, South32 will make milestone payments of: (a) 350,000 pounds of copper (or the cash equivalent) upon publication of a maiden resource on the project, and (b) 750,000 pounds of copper (or the cash equivalent) upon delivery of a feasibility study.

At EMX's Gumsberg royalty property in Sweden, Boreal reported additional high grade zinc-lead-silver diamond drill results from the 2017-2018 winter drill campaign. Gumsberg is a volcanogenic massive sulfide (VMS) project located in the Bergslagen mining region of southern Sweden. The new drill intercepts reported by Boreal in May, 2018 were from holes BM-17-006 through BM-17-012, which tested massive sulfide horizons at the Vallberget and Östersilvberg prospects. The results included an intercept of 3.7 meters averaging 19.27% zinc, with 17.66 g/t silver and 0.25% lead in drill hole BM-17-006 (true width estimated to be 80-100% of the reported interval), drilled in the vicinity of the historic Mellangruvan Mine along the Vallberget trend of historic mines (see EMX news release dated May 2, 2018). EMX retains an uncapped 3% NSR royalty interest on Gumsberg, and has received equity interest in Boreal and other consideration from the sale of the project.

At EMX's Modum royalty property in Norway, Boreal announced the commencement of field programs consisting of surface sampling and geologic mapping (see Boreal news release dated June 20, 2018). The Modum project is located in southern Norway's Modum mining district, ~75 kilometers west of Oslo. The project partially surrounds the historic Skuterud mine property, which was Europe's principal producer of cobalt from the late 18th through 19th centuries. EMX retains an uncapped 3% NSR royalty interest on Modum, and has received equity interest in Boreal and other consideration from the sale of the project (see EMX news release dated January 16, 2018).

In May 2018, Sienna Resources Inc. ("Sienna") (TSX Venture: SIE) announced drill results from a seven hole, 942 meter drill program at the Slättberg nickel-copper cobalt project that is optioned from EMX. Slättberg hosts nickel-copper-cobalt enriched massive sulfide mineralization and is located approximately 25 kilometers northwest of Falun, Sweden. Sienna's drilling returned significant intercepts of nickel and cobalt mineralization in areas that are along strike and down dip from historic mine workings in the area, including 2.8 meters averaging 1.05% nickel and 1125 ppm cobalt and 0.79% copper in hole SIE-18-3 (true width 60-70% of reported interval length) (see Sienna news release dated May 17, 2018). Sienna is planning follow-up surface sampling and geophysical programs during the summer field season, which will include downhole electromagnetic surveys of the 2018 drill holes. Slattberg was optioned to Sienna by EMX for share equity in Sienna, and upon Sienna's earn-in through work commitments, additional share equity and a 3% NSR royalty on the project (see EMX news release dated December 4, 2017).

**Serbia**

EMX's royalty portfolio in Serbia initially resulted from prospect generation and organic royalty growth via the 2006 sale of its properties, including Brestovac West, to Reservoir Capital Corp., for uncapped NSR royalties of 2% for gold and silver and 1% for all other metals. Reservoir Capital Corp. later transferred those interests to Reservoir Minerals Inc. ("Reservoir"). Subsequently, EMX acquired 0.5% NSR royalty interests (note: the royalty percentage is subject to reduction only as provided in the royalty agreement) covering the Brestovac and Jasikovo-Durlan Potok properties (see EMX news release dated February 4, 2014), which along with Brestovac West, are included in the Timok Project controlled by Nevsun Resources Ltd. ("Nevsun") after its acquisition of Reservoir in 2016.

The Brestovac royalty property covers the Cukaru Peki deposit's Upper Zone high grade high sulfidation epithermal copper-gold project and the Lower Zone porphyry copper-gold project. In Q2, Nevsun filed the technical report for the Upper Zone Pre-Feasibility Study that outlined a 10 year mine life yielding approximately 1.7 billion pounds of payable copper and 516 thousand ounces of payable gold, with an after tax $NPV_8$ of US$1.82 billion valued at the start of construction (see Nevsun news releases dated March 28, 2018 and May 11, 2018). Initial Upper Zone production is estimated by Nevsun to be in 2022. As a step forward towards development, Nevsun commenced construction of the Upper Zone exploration decline in Q2 (see Nevsun news release dated June 5, 2018).

Also in Q2, Nevsun announced an initial resource for the Lower Zone porphyry project, which is in a joint venture with Freeport. The inferred resource at a $25/tonne "dollar equivalent" cutoff is 1.659 billion tonnes averaging 0.86% copper and 0.18 g/t gold, and containing 31.5 billion pounds of copper and 9.6 million ounces of gold (see Nevsun news release dated June 26, 2018). The mining method is assumed to be by block cave. According to Nevsun "There are multiple high grade Upper Zone style exploration targets above the Lower Zone and our exploration licenses have the potential to host entirely new porphyry systems with associated high grade Upper Zone style mineralization."

EMX's Timok royalty properties add significant upside potential from one of the world's top copper development projects.

**Qualified Person**

Eric P. Jensen, CPG, a Qualified Person as defined by NI 43-101 and employee of the Company, has reviewed, verified and approved the above technical disclosure on Europe.

***AUSTRALIA AND NEW ZEALAND***

The Company's programs in Australia and New Zealand continued to pursue royalty generation opportunities while operating at a reduced expenditure rate. EMX was granted two new licenses covering the East Kimberley copper project in Western Australia, which is available for partnership. The Koonenberry royalty property in New South Wales, Australia is being advanced by operator Koonenberry Gold Pty Ltd., and the QLD Gold royalty generation project in Queensland, Australia, is available for partnership. In New Zealand, the Neavesville gold-silver royalty property is being advanced by operator E2 Metals Ltd.

**East Kimberley Property**

Two tenement applications, Menuairs Dome (E80/5075) totaling 158.5 square kilometers, and Campbellmerry (E80/5074) totaling 65.97 square kilometers were granted to EMX during Q2 by the Western Australian Department of Mines, Industry Regulation and Safety for a period of five years. The two licenses comprise EMX's East Kimberley project, and cover an area prospective for sediment hosted stratabound copper deposits within the Kimberley Basin.

Also during Q2, EMX was awarded grants from the Western Australian Dept. of Mines Industry Regulation and Safety's Co-funded Government – Industry Drilling Program (2018 - 2019) for each of the new licenses. The proposal sought up to A$200,000 in co-funding from the government for drilling single deep stratigraphic holes into the Menuairs Dome and Campbellmerry licenses. In total, EMX received the right to apply for A$400,000 in direct drilling rebates from the government incentive program.

EMX's East Kimberley copper project is available for partnership.

**Koonenberry Property**

The Koonenberry royalty property hosts gold occurrences and gold geochemical anomalies coincident with prominent structural features related to the regional scale Koonenberry fault. Koonenberry Gold Pty Ltd. ("KNB"), a private Australian company formed for the purpose of developing the Koonenberry project, is the operator of EMX's Koonenberry royalty property (see EMX news release dated September 19, 2017). EMX retains a 3% royalty on all production from the Koonenberry licenses.

Koonenberry Gold continued to advance the project during Q2, with two drill proposals approved for a total of 25 diamond drill holes (HQ) to test four priority target areas. The drilling is designed to both replicate historic gold drill intercepts at one target, and to intersect multiple reef targets and provide geologic orientation at the other three sites. In addition, shallow "costean" excavations will continue at another target area to bulk sample and follow up on the potential for alluvial style gold.

**QLD Gold Property**

EMX's QLD Gold project in southeastern Queensland, Australia contains historic copper-zinc skarn prospects, as well as a number of diorite hosted gold mineralized prospects.

Q2 activities for the QLD Gold project consisted of fulfilling statutory requirements to keep the project in good standing.

EMX's QLD Gold project is available for partnership.

**Neavesville Property**

The Neavesville property occurs in the Hauraki Goldfield of New Zealand's North Island. The property hosts epithermal gold-silver mineralization that has geologic features similar to other deposits of the Hauraki Goldfield. The project is under a definitive agreement with an Australian company, E2 Metals Ltd. (ASX: E2M), which acquired the EMX subsidiary that controls the Neavesville property. The agreement with E2M provides for work commitments, staged payments, milestone payments based upon JORC reserves, and a 3% NSR production payment, all to the benefit of EMX.

Q2 activities for Neavesville consisted of fulfilling statutory requirements to keep the project in good standing.

**Qualified Person**

Eric P. Jensen, CPG, a Qualified Person as defined by NI 43-101 and employee of the Company, has reviewed, verified and approved the above technical disclosure on Australia and New Zealand.

***HAITI***

EMX's organically generated 0.5% NSR royalty portfolio covers exploration properties in northern Haiti held by Newmont Ventures Limited, as well as the Grand Bois project which is controlled by Sono Global Holdings Inc. ("Sono"), a privately held Nevada corporation. The timing of a new mining law, which has been under review by the Haitian government since 2013 when the Mining Convention process was suspended, remains indefinite. As EMX understands, Newmont continues to monitor the situation in Haiti, and has kept its properties in Haiti on care and maintenance status.

In Q2, 3D Resources Inc. ("3D"), an ASX listed company, called force majeure and terminated the agreement to acquire a 70% interest in Ayiti Gold Company SA, Sono's Haitian entity holding the Grand Bois license (see 3D Resources news release dated June 25, 2018). According to 3D "This decision has been taken because of the lack of progress achieved to date due to the Company's inability to obtain necessary permits to import equipment into Haiti to facilitate drilling necessary to complete feasibility studies." Sono advises that it is currently seeking a new partner to advance the project.

The Company is unaware of additional Q2 developments regarding its royalty properties in Haiti.

**Qualified Person**

Dean D. Turner, CPG, a Qualified Person as defined by NI 43-101 and consultant to the Company, has reviewed, verified and approved the above technical disclosure on Haiti.

***STRATEGIC INVESTMENTS***

**IG Copper LLC**

EMX is a strategic investor in IG Copper LLC, a privately held company with exploration projects in the Russian Far East, including the Malmyzh copper-gold porphyry joint venture with Freeport (51% IGC, 49% Freeport). IGC is operating and managing the Malmyzh project, which is located in Khabarovsk Krai. IGC's other exploration properties, also located in Khabarovsk Krai, are 100% controlled by IGC and not subject to the joint venture with Freeport. EMX was an early investor in IGC, and is its largest shareholder, with approximately 42% of the issued and outstanding shares (40% equity position on a fully-diluted basis).

During Q2, IGC advised that a definitive Share Purchase Agreement (the "Agreement") had been executed to sell the Malmyzh project to a wholly owned subsidiary of Russian Copper Company ("RCC"), a privately held, leading copper producer in the Russian Federation (the "Transaction") (see EMX news release dated June 14, 2018). The closing of the Transaction, which is expected to occur in Q3 of 2018, is contingent on RCC completing additional due diligence that includes drilling and metallurgical studies, as well as receiving approval from the Russian Federal Anti-Monopoly Service. In addition, there are certain financial arrangements and closing logistics that need to be completed to effect the Transaction. There can be no assurance that these conditions precedent will be satisfied, or that the Transaction will be completed. The estimated value of the Transaction to EMX's interest in IGC, net of the financial arrangements, is approximately US $68 million.

Malmyzh is a district-scale discovery with over 15 porphyry copper-gold centers currently identified within a 16 by 5 kilometer intrusive corridor. A statement of inferred resources for Malmyzh's Valley, Central, Freedom (Southeast), and Flats deposits under NI 43-101 and CIM definition standards was provided in 2015 by Phil Newall, PhD, BSc, CEng, FIMMM, a Qualified Person and managing director of Wardell Armstrong International (see EMX news release dated May 26, 2015 and SEDAR filed Malmyzh Technical Report with an effective date of May 1, 2015). The open pit constrained inferred resources at a 0.30% copper equivalent cut-off are 1,661 million tonnes at average grades of 0.34% copper and 0.17 g/t gold, or 0.42% copper-equivalent, containing 5.65 million tonnes (12.45 billion pounds) copper and 9.11 million ounces gold, or 7.06 million tonnes (15.56 billion pounds) copper equivalent*. The project has excellent logistical characteristics and available infrastructure, and is located 220 kilometers northeast of the Russia-China border at Khabarovsk.

** Copper equivalent calculated as CuEq = Cu% + (Au g/t * 0.5), based on assumed prices of $3.25/lb Cu and $1400/oz Au, with recoveries of 90% for Cu and 70% for Au.*

**Qualified Person**

Dean D. Turner, CPG, a Qualified Person as defined by NI 43-101 and consultant to the Company, has reviewed, verified and approved the above technical disclosure on Strategic Investments.

**RESULTS OF OPERATIONS**

Three Months Ended June 30, 2018

The net loss for the three months ended June 30, 2018 ("Q2-2018") was $3,698,214 compared to $2,537,649 for the prior year's comparative quarter ("Q2-2017"). The loss for Q2-2018 was made up of $1,259,420 (Q2-2017 - $972,774) in net exploration expenditures and $681,341 (Q2-2017 - $882,588) in general and administrative expenses offset by other losses totaling $1,779,800 (Q2-2017 - $714,119) and $28,554 (Q2-2017 - $88,293) in net royalty income. Significant components of other income and losses include a realized loss on sale of investments of $242,817 (Q2-2017 - $Nil), Interest and finance charges on promissory note of $238,757 (Q2-2017 - $Nil), change on fair value of held for trading investments of $611,977 (Q2 2017 - $67,165) and deferred income taxes expense of $6,207 (Q2-2017 - $56,461).

***Revenues***

In the three months ended June 30, 2018, the Company earned $455,753 (Q2-2017 - $608,532) of royalty income. This included royalty income earned for 261 (Q2-2017 - 303) ounces of gold as well as AMRs received, and the settlement of prior period provisional amounts. In Q2-2018, the average realized gold price for the Leeville royalty was US$ 1,310 (Q2-2017 - US$ 1,249) per ounce. Royalty income is offset by gold tax and depletion was $427,199 (Q2-2017 - $520,239) for a net royalty gain of $28,554 (Q2-2017 - $88,293). Net royalty income from the Leeville royalty will fluctuate as result of a combination of ounces received, average price per ounce, and foreign exchange as a result of the Leeville royalty being paid in USD. The Company also receives additional AMR's related to other projects and included in royalty income.

***Exploration Expenditures***

Exploration expenditures (gross) increased by $51,399 in Q2 2018 compared to Q2 2017. Recoveries decreased by $235,247 in Q2 2018 compared to Q2 2017 for a net increase in exploration expenditures of $286,646. Exploration expenditures and recoveries vary from period to period depending on the level of activity incurred and comparison from quarter to quarter does not accurately reflect the activity with the Company. Overall, the Company continues towards lower expenditures by partnering or selling existing properties in exchange for royalty interests. See the highlights, royalty and project review sections for current activities.

***General and Administrative***

General and administrative expenses ("G&A") of $681,341 were incurred compared to $882,588 in Q2 2017. General and administrative expenditures are considered fairly consistent on a quarter by quarter basis. The change in Q2 2018 compared to Q2 2017 related to professional fees decreasing by $115,480 in Q2 2018 compared to Q2 2017. Professional fees are incurred depending on acquisition due diligence and other matters which require legal and tax advice.

***Other***

- The Company applies a one-step approach to determine if the Carlin Trend Royalty Claim Block and the related assets within the same cash generating unit ("CGU") are impaired. The impairment loss is the amount by which the CGU's carrying amount exceeds its recoverable amount. The loss is first applied to reduce the asset component if such indicators for impairment exist, and any excess to goodwill within the CGU. Since there was no impairment, the full amount went to Goodwill, and as result, the Company has written down the goodwill by $72,351 (Q2 2017 - $32,059).

- The Company's share of the net loss related to its 42% (Q2 2017 - 42%) equity investment in IGC for the year ended was $538,823 (Q2 2017 - $328,747). The equity pick-up can fluctuate with time and level of activity of the investment.

- The Company holds investments acquired through property agreements and acquisition in the market. During the three months ended June 30, 2018, the Company sold certain marketable securities for an accounting loss of $242,817 ($2017 - $Nil), and recorded and unrealized loss on fair value adjustments of $611,977 (2017- $67,165) for investments held.

- In May of 2018, the Company entered into a credit facility agreement with Sprott Private Resource Lending (Collector), LP ("Sprott") providing the Company with a US$ 5,000,000 senior secured credit facility ("Credit Facility"). The loan made under the Credit Facility will mature on May 2, 2019 and carries an annual interest rate of 12%, payable monthly. In consideration of the Credit Facility, EMX paid to Sprott a fee of US$ 100,000, and legal fees estimated at US$75,000. During the six months ended June 30, 2018, using the effective interest rate of 14.14%, the Company recorded interest expense of $144,216 (US$ 111,743), and $126,956 in payments including interest and principal. There was no comparable interest or finance charges during Q2 2017.

<u>Six months ended June 30, 2018</u>

The net loss for the six months ended June 30, 2018 ("current period) was $5,621,802 compared to $4,172,961 for the prior year's comparative period ("prior period"). The loss for the current period was made up of net exploration expenditures of $2,411,975,661 (2017 - $2,111,661), general and administrative expenditures of $1,456,182 (2017 - $1,721,212) and other losses totaling $2,514,746 (2017 - $454,882) offset by net royalty gain of $178,072 (2017 –$128,235) after depletion and related tax. The reasons for the changes from the prior comparable quarter are consistent with the comments noted for the three months ended June 30, 2018. Some items to note are:

- In the current period, royalty income was earned for 535 (2017 – 543) ounces of gold totaling $1,042,281 (2017 - $1,053,875) offset by gold tax and depletion of $864,209 (2017 - $925,640). The increase in royalty income was mainly due to foreign exchange gains due to the strengthening US dollar as the royalties are paid in US dollars, and an increase in the average gold price per ounce received. In the six-month period the average realized gold price was US$1,319 per ounce compared to US$1,238 for 2017.
- General and administrative expenses were lower by $201,247, the majority of which related to lower professional fees (six-month period $100,802 compared to $313,543) as discussed above for the three month period.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at June 30, 2018, the Company had working capital of $3,653,304 (2017 - $6,535,893). The Company has continuing royalty income that will vary depending on royalty ounces received, the price of gold, and foreign exchange rates on US royalty payments. The Company has granted 5,195,000 stock options and 2,623,306 warrants which could generate additional cash if exercised. The Company has entered into a credit facility providing the Company with a US$5,000,000 senior secured facility. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets, or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

**Operating Activities**

Cash used in operations was $2,692,633 for the six months ended June 30, 2018 (Q2 2017 - $2,593,665) and represents expenditures primarily on mineral property exploration and general and administrative expense for both periods, offset by royalty income received in the year.

**Financing Activities**

The total cash provided by financings during the six months ended June 30, 2018 was $6,349,696 (2017 – 7,073,960). The proceeds in the current period were comprised of a net of $6,308,296 from a credit facility entered into net of repayments, and $41,400 from the exercise of stock options. During the comparative six months in 2017, The Company received a net of $6,988,260 from the proceeds of a private placement net of costs, and $85,700 from the exercise of stock options.

**Investing Activities**

Some of the significant investment activities during the six months ended June 30, 2018:

- The Company purchased shares of an associated company in the amount $1,781,642 (Q2-2017 - $743,021).
- The Company received an annual option payment of US$100,000 (Q1 2017 – US$100,000) from Kennecott Exploration related to its Superior West project.
- The Company advanced $Nil (Q2 2017 - $1,005,277) to an associated company pursuant to a convertible loan agreement.
- The company also received $1,084,980 (Q2 2017 - $Nil) from the sale of marketable securities.

## OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## QUARTERLY INFORMATION

| Fiscal quarter ended | June 30, 2018 | March 31, 2018 | December 31, 2017 | September 30, 2017 |
|---|---|---|---|---|
| Royalty income | $ 455,753 | $ 586,528 | $ 804,384 | $ 999,668 |
| Exploration expenditures | 1,488,850 | 1,733,156 | 1,654,146 | 1,954,990 |
| Exploration recoveries | (229,430) | (580,601) | (1,212,401) | (37,322) |
| Share-based payments | - | 4,966 | 911,365 | 445,888 |
| Net income/(loss) for the period | (3,698,214) | (1,923,588) | (322,691) | (2,897,732) |
| Basic and diluted net income/(loss) per share | (0.05) | (0.02) | (0.01) | (0.04) |

| Fiscal quarter ended | June 30, 2017 | March 31, 2017 | December 31, 2016 | September 30, 2016 |
|---|---|---|---|---|
| Royalty income | $ 608,532 | $ 445,343 | $ 711,992 | $ 751,326 |
| Exploration expenditures | 1,437,451 | 1,287,532 | 2,046,714 | 1,566,049 |
| Exploration recoveries | (464,677) | (148,645) | (812,259) | (247,969) |
| Share-based payments | 58,386 | - | 440,477 | - |
| Net income/(loss) for the period | (2,537,649) | (1,635,312) | (2,586,567) | 4,732,192 |
| Basic and diluted net income/(loss) per share | (0.03) | (0.02) | (0.04) | 0.06 |

Factors that cause fluctuations in the Company’s quarterly results are consistent with the causes in changes of the annual results.

## RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and directors were as follows:

| For the six months ended June 30, 2018 | Salary or Fees | Share-based Payments | Total |
|---|---|---|---|
| President, CEO and Director | $ 207,704 | $ - | $ 207,704 |
| Chief Legal Officer | 125,358 | - | 125,358 |
| Directors (1) | 74,323 | - | 74,323 |
| Seabord Services Corp. (2) | 211,971 | - | 211,971 |
| Total | $ 619,357 | $ - | $ 619,357 |

| For the six months ended June 30, 2017 | Salary or Fees | Share-based Payments | Total |
|---|---|---|---|
| President, CEO and Director | $ 265,982 | $ - | $ 265,982 |
| CFO | - | - | - |
| Corporate Secretary | - | - | - |
| Chief Legal Officer | 130,543 | - | 130,543 |
| Directors (1) | 76,027 | - | 76,027 |
| Seabord Services Corp. (2) | 178,800 | - | 178,800 |
| Total | $ 651,352 | $ - | $ 651,352 |

| Related Party Assets and Liabilities | Service or Term | June 30, 2018 | December 31, 2017 |
|---|---|---|---|
| Amounts due from (to): | | | |
| President, CEO and Director | Expense Reimbursement | $ 1,313 | $ 7,177 |
| Directors | Fees and Expense | 17,592 | 23,568 |
| | | $ 18,905 | $ 30,745 |

(1) Directors fees include US$5,000 per month paid to the Company's non-Executive Chairman, who does not receive the fees paid to the other independent director's.

(2) Seabord Services Corp. ("Seabord") is a management services company controlled by the Chairman of the Board. Seabord provides a Chief Financial Officer, a Corporate Secretary, accounting staff, administration staff and office space to EMX. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by EMX.

In October 2017, the Company issued a note receivable to Revelo, a related party by way of a common director for the principal amount of $400,000. The note was due on December 31, 2017, together with accrued interest at a rate of 1% per month and a bonus of $20,000. As at June 30, 2018, the balance owed to the Company pursuant to the note was $437,973 including accrued interest and bonus fee. The Company is re-negotiating the terms of repayment.

## NEW ACCOUNTING PRONOUNCEMENTS

### Accounting standards adopted during the period

*Revenue recognition*

Effective January 1, 2018, the Company has adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 replaces all previous revenue recognition standards, including IAS 18, *Revenue*, and related interpretations. The standard sets out the requirements for recognizing revenue. Specifically, the new standard introduces a comprehensive framework with the general principle being that an entity recognizes revenue to depict the transfer of promised goods and services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces more prescriptive guidance than was included in previous standards and may result in changes to the timing of revenue for certain types of revenues. The new standard will also result in enhanced disclosures about revenue that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. As of January 1, 2018, the Company has adopted IFRS 15 on a full retrospective basis and as such, has revised its revenue recognition policy based on the requirements of IFRS 15. Management has concluded that, based on its current operations, the adoption of IFRS 15 had no significant impact on the Company's consolidated financial statements.

The Company earns revenue from royalty agreements and are based upon amounts contractually due pursuant to the underlying royalty agreements. For royalty agreements paid in cash or in kind, revenue recognition will depend on the related agreement. Revenue is measured at fair value of the consideration received or receivable when management can reliably estimate the amount pursuant to the terms of the royalty other interest agreements. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Royalty revenue may be subject to adjustment upon final settlement of estimated metal prices, weights, and assays. Adjustments to revenue from metal prices are recorded monthly and other adjustments are recorded on final settlement and are offset against revenue when incurred.

*Financial instruments*

Effective January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively without restatement. As a result of the adoption of IFRS 9, the Company reclassified $740,685 from accumulated other comprehensive income (loss) to deficit on January 1, 2018 related to the reclassification of certain previously recognized available-for-sale marketable securities to fair value through profit or loss. The Company has also made an irrevocable election to present in other comprehensive income (loss) subsequent changes in the fair value of certain available-for-sale marketable securities classified as strategic investments.

IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale.

Under IFRS 9, on initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, and instead the hybrid financial instrument as a whole is assessed for classification. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss). This election is made on an investment-by-investment basis.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets.

a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial liabilities are designated as either fair value through profit or loss, or other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Other financial liabilities are carried on the consolidated statement of financial position at amortized cost.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table shows the new classification under IFRS 9 and the original classification under IAS 39:

| | New (IFRS 9) | Original (IAS 39) |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | Amortized cost | Amortized cost |
| Investments | FVTPL | FVTPL |
| Trade receivables | Amortized cost | Amortized cost |
| Settlement receivables | FVTPL | FVTPL |
| Restricted cash | Amortized cost | Amortized cost |
| Reclamation bonds | Amortized cost | Amortized cost |
| Notes receivable | Amortized cost | Amortized cost |
| Strategic investments | FVTOCI | Available-for-sale |
| **Financial liabilities** | | |
| Promissory note payable | Amortized cost | Amortized cost |
| Accounts payable and accrued liabilties | Amortized cost | Amortized cost |
| Advances from joint venture partners | Amortized cost | Amortized cost |

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk. There was no adjustment relating to the implementation of the expected credit loss model for the Company's trade or settlement receivables.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.
Derivative contracts are recognized at fair value on initial recognition. Subsequently, derivatives are remeasured at their fair value. The method of recognizing any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged:

a) Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.
b) The effective portions of changes in the fair values of derivatives that are designated and qualify as cash-flow hedges are recognized in equity. The gain or loss relating to any ineffective portion is recognized immediately in profit or loss.
c) Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in profit or loss.

Amounts accumulated in the hedge reserve are recycled in the consolidated statement of loss in the periods when the hedged items will affect profit or loss (for instance when the forecast sale that is hedged takes place). If a forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in the hedge reserve are included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedge reserve at that time remains in the reserve and is recognized when the forecast transaction is ultimately recognized in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the consolidated statement of income.

The Company has not designated any derivative contracts as hedges and therefore has not applied hedge accounting in these consolidated financial statements.

**Accounting pronouncements not yet effective**

The following standards and pronouncements have been issued by the IASB and have not yet been adopted by the Company. The Company is currently evaluating the impact the new and amended standards are expected to have on its consolidated financial statements.

IFRS 16 Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

**RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS**

The Company considers items included in shareholders’ equity as capital. The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at June 30, 2018, the Company had working capital of $3,653,304 ( December 31, 2017 - $6,535,893). The Company has continuing royalty income that will vary depending on royalty ounces received, the price of gold, and foreign exchange rates on US royalty payments. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets, or return capital to shareholders. Subsequent to quarter end, the Company entered into a credit facility agreement with Sprott Private Resource Lending (Collector), LP (“Sprott”) providing EMX with a US $5,000,000 senior secured credit facility. The US $5,000,000 loan made under the Credit Facility will mature on May 2, 2019 and carries an annual interest rate of 12%, payable monthly. The Company estimates it will need additional financing within the next 12 months to repay the credit facility and undertake its current business plan.

**Fair Value**

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the market place.
- Level 3: inputs that are less observable, unavoidable or where the observable data does not support the majority of the instruments’ fair value.

As at June 30, 2018, there were no changes in the levels in comparison to December 31, 2017. Financial instruments measured at fair value on the statement of financial position are summarized in levels of the fair value hierarchy as follows:

| Assets | | Level 1 | | Level 2 | | Level 3 | | Total |
|---|---|---|---|---|---|---|---|---|
| Investments | | 1,375,149 | | - | | - | | 1,375,149 |
| Strategic investments | | 49,107 | | - | | - | | 49,107 |
| Settlement receivables | | - | | 1,640,950 | | - | | 1,640,950 |
| Total | $ | 1,424,256 | $ | 1,640,950 | $ | - | $ | 3,065,206 |

The carrying value of receivables (excluding settlement receivables), notes receivable, accounts payable and accrued liabilities, advances from joint venture partners, and note payable approximate their fair value because of the short-term nature of these instruments.

Settlement receivables, including both long and current portions relate to the sale of certain Turkish subsidiaries were valued using a pricing model which require a variety of inputs, such as expected gold prices and foreign exchange rates. These receivables are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy. Changes in fair value are recorded through income or loss for the period.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

**Credit Risk**

The Company is exposed to credit risk by holding cash and cash equivalents and receivables. This risk is minimized by holding a significant portion of the funds in Canadian banks. The Company's exposure with respect to its receivables is primarily related to royalty streams, recovery of exploration evaluation costs, and the sale of assets.

**Interest Rate Risk**

The Company is exposed to interest rate risk because of fluctuating interest rates. Management believes the interest rate risk is low given interest rates on promissory notes is fixed and the current low global interest rate environment. Fluctuation in market rates is not expected to have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash equivalents.

**Market Risk**

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities and other company investments. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2018 portfolio values, a 10% increase or decrease in effective market values would increase or decrease net shareholders' equity by approximately $140,000.

**Liquidity Risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure the Company's expenditures will not exceed available resources.

**Commodity Risk**

The Company's royalty revenues are derived from a royalty interest and are based on the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

**Currency Risk**

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company operates in Canada, Turkey, Sweden, Australia, Norway, and the U.S.A. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars and a portion of its expenditures are also incurred in local currencies.

The exposure of the Company's cash and cash equivalents, restricted cash, receivables, convertible notes receivable, and accounts payable and accrued liabilities to foreign exchange risk as at June 30, 2018 is as follows:

| **Accounts** | | **US dollars** |
|---|---|---|
| Cash and cash equivalents | $ | 4,382,310 |
| Restricted cash | | 254,296 |
| Trade receivables | | 447,269 |
| Settlement recceivables | | 1,250,000 |
| Accounts payable and accrued liabilities | | (5,220,109) |
| Advances from joint venture partners | | (283,174) |
| Net exposure | | 830,592 |
| Canadian dollar equivalent | $ | 1,090,368 |

The balances noted above reflect the US dollar balances held within the parent company and any wholly owned subsidiaries. Balances denominated in another currency other than the functional currency held in foreign operations are considered immaterial.

Based on the above net exposure as at June 30, 2018, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $109,000 in the Company's pre-tax profit or loss.

**Critical Accounting Judgments and Significant Estimates and Uncertainties**

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the periods presented therein. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, royalty revenues and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

The Company has identified the following critical accounting policies in which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the consolidated financial statements.

*a) Royalty interest and related depletion*

In accordance with the Company's accounting policy, royalty interests are evaluated on a periodic basis to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of a royalty asset is measured at the higher of fair value less costs to sell and value in use. The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, the proportion of areas subject to royalty rights, commodity prices (considering current and historical prices, price trends and related factors), and reserves. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

*b) Goodwill*

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined by assessing if the carrying value of a cash generating unit, including the allocated goodwill, exceeds its recoverable amount. The assessment of the recoverable amount used in the goodwill impairment analysis is subject to similar judgments and estimates as described above for property and equipment and royalty interests.

*c) Exploration and Evaluation Assets*

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of exploration and evaluation assets. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount.

*d) Taxation*

The Company's accounting policy for taxation requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the statement of financial position.

Deferred tax assets, including those arising from unused tax losses, capital losses and temporary differences, are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences caused principally by the expected royalty revenues generated by the royalty property are recognized unless expected offsetting tax losses are sufficient to offset the taxable income and therefore, taxable income is not expected to occur in the foreseeable future. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, and reserves. Judgments are also required about the application of income tax legislation in foreign jurisdictions. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or the entire carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

*a) Functional Currencies*

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions, which determined the primary economic environment.

b) *Classification of investments as subsidiaries, joint ventures, associated company and portfolio investments*

Classification of investments requires judgement as to whether the Company controls, has joint control of or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

## RISKS AND UNCERTAINTIES

### Mineral Property Exploration Risks

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

EMX is currently earning an interest in some of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off any previously capitalized costs related to that property.

The market prices for precious and base metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

**Revenue and Royalty Risks**

EMX cannot predict future revenues or operating results of the area of mining activity. Management expects future revenues from the Carlin Trend Royalty Claim Block, including the Leeville royalty property in Nevada, to fluctuate depending on the level of future production and the price of gold. Specifically, there is a risk that the operator of the property, Newmont Mining Corporation ("Newmont"), will cease to operate in the Company's area of interest, therefore there can be no assurance that ongoing royalty payments will materialize or be received by the Company.

**Financing and Share Price Fluctuation Risks**

EMX has limited financial resources, and has no assurance that additional funding will be available for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as EMX, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that share price fluctuations will not occur in the future, and if they do occur, the severity of the impact on the Company's ability to raise additional funds through equity issues.

**Foreign Countries and Political Risks**

The Company operates in countries with varied political and economic environments. As such, it is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mineral exploration and mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and site safety.

Notwithstanding any progress in restructuring political institutions or economic conditions, the present administration, or successor governments, of some countries in which EMX operates may not be able to sustain any progress. If any negative changes occur in the political or economic environment of these countries, it may have an adverse effect on the Company's operations in those countries. The Company does not carry political risk insurance.

**Competition**

The Company competes with many companies that have substantially greater financial and technical resources than it in the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

**Return on Investment Risk**

Investors cannot expect to receive a dividend on an investment in the Common Shares in the foreseeable future, if at all.

**No Assurance of Titles or Borders**

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

**Unknown Defects or Impairments in Our Royalty or Streaming Interests**

Unknown defects in or disputes relating to the royalty and stream interests we hold or acquire may prevent us from realizing the anticipated benefits from our royalty and stream interests, and could have a material adverse effect on our business, results of operations, cash flows and financial condition. It is also possible that material changes could occur that may adversely affect management's estimate of the carrying value of our royalty and stream interests and could result in impairment charges. While we seek to confirm the existence, validity, enforceability, terms and geographic extent of the royalty and stream interests we acquire, there can be no assurance that disputes over these and other matters will not arise. Confirming these matters, as well as the title to mining property on which we hold or seek to acquire a royalty or stream interest, is a complex matter, and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mining property and to the documents reflecting the royalty or stream interest. Similarly, royalty and stream interests in many jurisdictions are contractual in nature, rather than interests in land, and therefore may be subject to change of control, bankruptcy or the insolvency of operators. We often do not have the protection of security interests over property that we could liquidate to recover all or part of our investment in a royalty or stream interest. Even if we retain our royalty and stream interests in a mining project after any change of control, bankruptcy or insolvency of the operator, the project may end up under the control of a new operator, who may or may not operate the project in a similar manner to the current operator, which may negatively impact us.

**Operators' Interpretation of Our Royalty and Stream Interests; Unfulfilled Contractual Obligations**

Our royalty and stream interests generally are subject to uncertainties and complexities arising from the application of contract and property laws in the jurisdictions where the mining projects are located. Operators and other parties to the agreements governing our royalty and stream interests may interpret our interests in a manner adverse to us or otherwise may not abide by their contractual obligations, and we could be forced to take legal action to enforce our contractual rights. We may or may not be successful in enforcing our contractual rights, and our revenues relating to any challenged royalty or stream interests may be delayed, curtailed or eliminated during the pendency of any such dispute or in the event our position is not upheld, which could have a material adverse effect on our business, results of operations, cash flows and financial condition. Disputes could arise challenging, among other things:

- the existence or geographic extent of the royalty or stream interest;
- methods for calculating the royalty or stream interest, including whether certain operator costs may properly be deducted from gross proceeds when calculating royalties determined on a net basis;
- third party claims to the same royalty interest or to the property on which we have a royalty or stream interest;
- various rights of the operator or third parties in or to the royalty or stream interest;
- production and other thresholds and caps applicable to payments of royalty or stream interests;
- the obligation of an operator to make payments on royalty and stream interests; and
- various defects or ambiguities in the agreement governing a royalty and stream interest.

**Currency Risks**

The Company's equity financings are sourced in Canadian dollars but much of its expenditures are in local currencies or U.S. dollars. At this time, there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the U.S. dollar or local currencies could have an adverse impact on the amount of exploration funds available and work conducted.

**Exploration Funding Risk**

EMX's strategy is to seek exploration partners through options to fund exploration and project development. The main risk of this strategy is that the funding parties may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular option agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether EMX can find another party or has enough capital resources to fund the exploration and development on its own.

**Insured and Uninsured Risks**

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Some work is carried out through independent consultants and the Company requires all consultants to carry their own insurance to cover any potential liabilities as a result of their work on a project.

**Environmental Risks and Hazards**

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

**Fluctuating Metal Prices**

Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years, and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered on any of EMX's properties. Consequently, the economic viability of any of the Company's exploration projects and its ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

**Extensive Governmental Regulation and Permitting Requirements Risks**

Exploration, development and mining of minerals are subject to extensive laws and regulations at various governmental levels governing the acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. In addition, the current and future operations of EMX, from exploration through development activities and production, require permits, licenses and approvals from some of these governmental authorities. EMX has obtained all government licenses, permits and approvals necessary for the operation of its business to date. However, additional licences, permits and approvals may be required. The failure to obtain any licenses, permits or approvals that may be required or the revocation of existing ones would have a material and adverse effect on EMX, its business and results of operations.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities requiring EMX's operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. EMX may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. Any such events could have a material and adverse effect on EMX and its business and could result in EMX not meeting its business objectives.

**Key Personnel Risk**

EMX's success is dependent upon the performance of key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

**Conflicts of Interest**

In accordance with the laws of British Columbia, the directors and officers of a corporation are required to act honestly, in good faith and in the best interests of the corporation. EMX's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's directors, a director with such a conflict will abstain from voting for or against the approval of such participation or such terms.

**Passive Foreign Investment Company**

U.S. investors in common shares should be aware that based on current business plans and financial expectations, EMX currently expects that it will be classified as a passive foreign investment company ("PFIC") for the tax year ending December 31, 2017 and expects to be a PFIC in future tax years. If EMX is a PFIC for any tax year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of common shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the U.S. shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of EMX's net capital gain and ordinary earnings for any year in which EMX is a PFIC, whether or not EMX distributes any amounts to its shareholders. For each tax year that EMX qualifies as a PFIC, EMX intends to: (a) make available to U.S. shareholders, upon their written request, a "PFIC Annual Information Statement" as described in Treasury Regulation Section 1.1295-1(g) (or any successor Treasury Regulation) and (b) upon written request, use commercially reasonable efforts to provide all additional information that such U.S. shareholder is required to obtain in connection with maintaining such QEF Election with regard to EMX. EMX may elect to provide such information on its website www.EMXRoyalty.com. This paragraph is qualified in its entirety by the discussion below the heading "Taxation – Certain United States Federal Income Tax Considerations." Each U.S. investor should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of common shares.

**Corporate Governance and Public Disclosure Regulations**

The Company is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the United States Securities and Exchange Commission ("SEC"), the British Columbia and Alberta Securities Commissions, the NYSE American and the TSX-V. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created, making compliance more difficult and uncertain. The Company's efforts to comply with the new rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

**Internal Controls over Financial Reporting**

The Company requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. The Company may in the future fail to achieve and maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal control over financial reporting. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgments. In addition, should the Company expand in the future, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Company continue to improve its internal control over financial reporting.

## CONTROLS AND PROCEDURES

*Disclosure Controls and Procedures*

Management is responsible for establishing and maintaining disclosure controls and procedures, which provide reasonable assurance that material information relating to the Company and its subsidiaries is accumulated and communicated to management to allow timely decisions regarding required disclosure. Management has evaluated the effectiveness of its disclosure controls and procedures as of June 30, 2018 and believes its disclosure controls and procedures are effective.

*Internal Control over Financial Reporting*

The Company's management, with the participation of its CEO and CFO, are responsible for establishing a system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. There have been no changes in the Company's internal control over financial reporting that occurred during the period ended June 30, 2018, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## OUTSTANDING SHARE DATA

At August 9, 2018, the Company had 79,838,771 common shares issued and outstanding. There were also 6,755,00 stock options outstanding with expiry dates ranging from April 25, 2019 to July 10, 2023, and 2,623,306 warrants outstanding expiring on April 12, 2019.