EMX ROYALTY CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

December 31, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
EMX Royalty Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of EMX Royalty Corp. (the "Company"), as of December 31, 2018 and 2017, and the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows for the years ended December 31, 2018, 2017, and 2016, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of EMX Royalty Corp. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years ended December 31, 2018, 2017, and 2016 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2002.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 26, 2019

EMX ROYALTY CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

ASSETS	December 31, 2018	December 31, 2017
Current		
Cash and cash equivalents	$ 86,175,331	$ 3,533,611
Investments (Note 3)	1,536,036	1,139,447
Trade and settlement receivables, and other assets (Note 4)	7,506,316	3,376,411
Prepaid expenses	32,123	45,194
Total current assets	95,249,806	8,094,663
Non-current		
Restricted cash (Note 5,8)	618,525	771,434
Property and equipment (Note 6)	465,539	450,278
Note receivable (Note 7)	477,973	429,973
Investment in an associated company (Note 8)	-	7,578,989
Strategic investments (Note 3)	32,738	2,199,199
Exploration and evaluation assets (Note 9)	1,612,901	1,841,966
Royalty interest (Note 10)	14,346,403	21,943,743
Reclamation bonds (Note 11)	443,599	515,748
Goodwill (Note 12)	-	1,820,307
Deferred income tax asset (Note 18)	1,604,038	-
Other assets	-	104,484
Total non-current assets	19,601,716	37,656,121
TOTAL ASSETS	$ 114,851,522	$ 45,750,784
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 16)	$ 5,731,161	$ 749,865
Advances from joint venture partners (Note 13)	615,669	808,905
Total current liabilities	6,346,830	1,558,770
Non-current		
Deferred income tax liability (Note 18)	-	1,820,307
TOTAL LIABILITIES	6,346,830	3,379,077
SHAREHOLDERS' EQUITY		
Capital stock (Note 14)	125,231,209	124,062,091
Commitment to issue shares (Note 14)	-	23,825
Reserves	24,797,941	22,668,535
Deficit	(41,524,458)	(104,382,744)
TOTAL SHAREHOLDERS' EQUITY	108,504,692	42,371,707
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 114,851,522	$ 45,750,784

Nature of operations and going concern (Note 1)
Events subsequent to the reporting date (Note 22)

Approved on behalf of the Board of Directors on March 26, 2019

Signed: *"David M Cole"* Director Signed: *"Larry Okada"* Director

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

EMX ROYALTY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
ROYALTY INCOME (Note 10)	$ 2,131,947	$ 2,857,927	$ 2,227,322
Cost of sales			
Gold tax	(92,012)	(120,618)	(111,366)
Depletion (Note 10)	(1,732,270)	(2,282,276)	(2,163,221)
Net royalty income (loss)	307,665	455,033	(47,265)
EXPLORATION EXPENDITURES (Note 9)	8,141,668	6,334,119	6,415,533
Less: recoveries	(2,192,574)	(1,863,045)	(1,415,574)
Net exploration expenditures	5,949,094	4,471,074	4,999,959
GENERAL AND ADMINISTRATIVE EXPENSES			
Administrative and office	835,104	724,519	721,645
Depreciation (Note 6)	-	28,622	114,489
Investor relations and shareholder information	529,351	389,222	274,966
Professional fees	308,636	664,295	510,533
Salaries and consultants (Note 15)	1,157,591	1,023,831	894,166
Share-based payments (Note 14 and 15)	1,031,751	676,054	467,939
Transfer agent and filing fees	174,344	168,445	165,040
Travel	102,721	90,041	71,561
Total general and administrative expenses	4,139,498	3,765,029	3,220,339
Loss from operations	(9,780,927)	(7,781,070)	(8,267,563)
Change in fair value of fair value throught profit or loss assets (Note 3 and 4)	(1,831,833)	84,892	(559,873)
Gains (losses) in an associated company, net of dilution gains (losses) and loss on derecognition (Note 8)	80,310,549	(491,005)	(312,934)
Interest and finance charges, net of settlement gains (losses)	484,918	284,027	137,228
Gain on acquisition and sale of exploration and evaluation assets	346,529	1,305,237	6,834,999
Foreign exchange (loss) gain	3,482,540	(659,473)	(159,862)
Realized gain (loss) on sale of investments	(217,462)	83,345	(287,204)
Writedown of goodwill (Note 12)	(1,879,356)	(2,709,239)	(1,518,328)
Impairment of royalty interest (Note 10)	(7,256,340)	-	-
Discretionary success bonuses (Note 15 and 16)	(5,224,284)	-	-
Gain on derecognition and sale of property and equipment	-	-	10,723
Income (loss) before income taxes	58,434,334	(9,883,286)	(4,122,814)
Deferred income tax recovery (Note 18)	3,683,267	2,489,902	1,439,332
Income (loss) for the year	$ 62,117,601	$ (7,393,384)	$ (2,683,482)
Basic earnings (loss) per share	$ 0.78	$ (0.09)	$ (0.04)
Diluted earnings (loss) per share	$ 0.77	$ (0.09)	$ (0.04)
Weighted average no. of shares outstanding - basic (Note 17)	79,979,320	78,002,082	73,874,415
Weighted average no. of shares outstanding - diluted (Note 17)	80,653,474	78,002,082	73,874,415

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

EMX ROYALTY CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Income (loss) for the year	$ 62,117,601	$ (7,393,384)	$ (2,683,482)
Other comprehensive income (loss)			
Change in fair value of available-for-sale investments	(49,108)	609,733	88,515
Permanent loss on financial instruments	-	-	697,675
Currency translation adjustment	1,208,463	(1,424,814)	(862,335)
Comprehensive income (loss) for the year	$ 63,276,956	$ (8,208,465)	$ (2,759,627)

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

EMX ROYALTY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from operating activities			
Income (loss) for the year	$ 62,117,601	$ (7,393,384)	$ (2,683,482)
Items not affecting operating activities:			
Interest income received	(210,667)	(254,261)	(5,590)
Unrealized foreign exchange effect on cash and cash equivalents	(3,696,537)	(173,740)	(71,562)
Items not affecting cash:			
Change in fair value of fair value throught profit or loss assets	1,831,833	(84,892)	559,873
Interest and finance charges, net of settlement gains (losses)	(274,251)	(286,867)	(131,148)
Share - based payments	1,820,724	1,415,639	970,796
Deferred income tax recovery	(3,683,267)	(2,489,902)	(1,439,332)
Depreciation	11,736	39,344	136,200
Depletion	1,732,270	2,282,276	2,163,221
Impairment of royalty interest	7,256,340	-	-
Writedown of goodwill	1,879,356	2,709,239	1,518,328
Realized (gain) loss on sale of investments	217,462	(83,345)	287,204
Gain on acquisition and sale of exploration and evaluation assets, net of derecognition of equipment	(397,254)	(1,335,003)	(6,845,722)
Gains (losses) in an associated company, net of dilution gains (losses) and loss on derecognition	(80,310,549)	491,005	312,934
Shares received from operating partners included in exploration recoveries	-	(810,521)	(134,738)
Unrealized foreign exchange (gain) loss	(332,295)	597	(67,249)
	(12,037,498)	(5,973,815)	(5,430,267)
Changes in non-cash working capital items (Note 21)	6,081,650	2,532,391	114,724
Total cash used in operating activities	(5,955,848)	(3,441,424)	(5,315,543)
Cash flows from investing activities			
Acquisition and sale of exploration and evaluation assets, net of option payments received	229,065	161,048	3,005,280
Distributions from investments, net	84,246,645	-	-
Proceeds from credit facility and loan repayments received	48,809,393	-	-
Repayment of credit facility and loan distributions	(48,027,130)	-	-
Interest received on cash and cash equivalents	210,667	86,543	5,590
Notes receivable	-	(1,405,277)	(542,622)
Proceeds from sale of fair value through profit and loss investments,	1,084,980	139,365	130,737
Proceeds on available for sale financial instruments	-	-	17,375
Purchase of investments in associated companies	(1,781,642)	(2,059,631)	-
Restricted cash	152,909	(412,262)	(89,402)
Purchase and sale of property and equipment, net	(26,997)	(24,784)	(16,999)
Reclamation bonds	72,149	123,679	171,307
Total cash provided by (used in) investing activities	84,970,039	(3,391,319)	2,681,266
Cash flows from financing activities			
Proceeds from Sprott facility	6,298,166	-	-
Repayment of Sprott credit facility	(6,553,274)	-	-
Proceeds received from private placement, net of share issue costs	-	6,907,228	-
Proceeds from exercise of options	186,100	85,700	127,800
Total cash provided by (used in) financing activities	(69,008)	6,992,928	127,800
Effect of exchange rate changes on cash and cash equivalents	3,696,537	173,740	71,562
Change in cash and cash equivalents	82,641,720	333,925	(2,434,915)
Cash and cash equivalents, beginning	3,533,611	3,199,686	5,634,601
Cash and cash equivalents, ending	$ 86,175,331	$ 3,533,611	$ 3,199,686

Supplemental disclosure with respect to cash flows (Note 21)

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

EMX ROYALTY CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

				Reserves			
	Number of common shares	Capital stock	Commitment to issue shares	Share-based payments	Accumulated other comprehensive gain (loss)	Deficit	Total
Balance as at December 31, 2017	**79,725,187**	**$ 124,062,091**	**$ 23,825**	**$ 13,434,466**	**$ 9,234,069**	**$ (104,382,744)**	**$ 42,371,707**
Adoption of IFRS 9 (Note 2)	-	-	-	-	(740,685)	740,685	-
Shares issued pursuant to a loan agreement	381,321	602,487	-	-	-	-	602,487
Share-based payments	226,047	290,277	(23,825)	1,572,242	-	-	1,838,694
Shares issued for exercise of stock options	192,500	186,100	-	-	-	-	186,100
Reclass of reserves for exercise of options	-	90,254	-	(90,254)	-	-	-
Reclass of reserves for options forfeited	-	-	-	(17,970)	-	-	(17,970)
Equity investment share-based payments	-	-	-	246,718	-	-	246,718
Foreign currency translation adjustment	-	-	-	-	1,208,463	-	1,208,463
Change in fair value of financial instruments	-	-	-	-	(49,108)	-	(49,108)
Income for the year	-	-	-	-	-	62,117,601	62,117,601
Balance as at December 31, 2018	**80,525,055**	**$ 125,231,209**	**$ -**	**$ 15,145,202**	**$ 9,652,739**	**$ (41,524,458)**	**$ 108,504,692**

				Reserves			
	Number of common shares	Capital stock	Commitment to issue shares	Share-based payments	Accumulated other comprehensive gain (loss)	Deficit	Total
Balance as at December 31, 2016	**74,089,710**	**$ 117,504,585**	**$ -**	**$ 11,607,230**	**$ 10,049,150**	**$ (96,989,360)**	**$ 42,171,605**
Shares issued for exercise of stock options	75,000	85,700	-	-	-	-	85,700
Shares issued for private placement	5,000,000	6,200,000	-	800,000	-	-	7,000,000
Finder's fees in units	246,604	305,789	-	39,457	-	-	345,246
Share-based payments	313,873	358,490	23,825	1,033,324	-	-	1,415,639
Share issuance costs in units	-	(345,246)	-	-	-	-	(345,246)
Share issuance costs in cash	-	(92,772)	-	-	-	-	(92,772)
Reclass of reserves for exercise of options	-	45,545	-	(45,545)	-	-	-
Foreign currency translation adjustment	-	-	-	-	(1,424,814)	-	(1,424,814)
Change in fair value of financial instruments	-	-	-	-	609,733	-	609,733
Loss for the year	-	-	-	-	-	(7,393,384)	(7,393,384)
Balance as at December 31, 2017	**79,725,187**	**$ 124,062,091**	**$ 23,825**	**$ 13,434,466**	**$ 9,234,069**	**$ (104,382,744)**	**$ 42,371,707**

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

EMX ROYALTY CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of common shares	Capital stock	Commitment to issue shares	Reserves: Share-based payments	Reserves: Accumulated other comprehensive gain (loss)	Deficit	Total
Balance as at December 31, 2015	**73,534,710**	**$ 117,000,052**	**$ 139,138**	**$ 10,362,229**	**$ 10,125,295**	**$ (94,305,878)**	**$ 43,320,836**
Shares issued for acquisition of a royalty interest	250,000	145,000			-	-	145,000
Shares issued as incentive stock grants	140,000	166,600	(166,600)		-	-	-
Shares issued from exercise of options	165,000	127,800	-		-	-	127,800
Equity investment share-based payments	-	-	-	366,800	-	-	366,800
Commitment to issue shares	-	-	27,462	943,334	-	-	970,796
Reclassification of fair value of options exercised	-	65,133	-	(65,133)	-	-	-
Foreign currency translation adjustment	-	-	-		(862,335)	-	(862,335)
Change in fair value of financial instruments	-	-	-	-	88,515	-	88,515
Permanent loss on financial instruments	-	-	-	-	697,675	-	697,675
Loss for the year	-	-	-	-	-	(2,683,482)	(2,683,482)
Balance as at December 31, 2016	**74,089,710**	**$ 117,504,585**	**$ -**	**$ 11,607,230**	**$ 10,049,150**	**$ (96,989,360)**	**$ 42,171,605**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

EMX Royalty Corporation (the "Company" or "EMX"), together with its subsidiaries operates as a royalty and prospect generator engaged in the exploring for, and generating royalties from, metals and minerals properties. The Company's royalty and exploration portfolio mainly consists of properties in North America, Turkey, Europe, Haiti, Australia, and New Zealand. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") and the NYSE American under the symbol of "EMX". The Company's head office is located at 501 - 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

In October 2018 EMX's associated Company, IG Copper LLC ("IGC") completed the sale of the Malmyzh project ("Malmyzh") to Russian Copper Company ("RCC") for US$200 million. Of this amount, US$190 million was released from escrow, with the remaining US$10 million to be held in escrow and released subject to certain conditions over 12 months following the date of sale. The initial cash distribution to EMX by IGC of US$65 million was received by the Company in October 2018. A second cash distribution to EMX of up to US$4 million will be completed upon the remaining funds being released from escrow.

Management believes with the distribution received as part of the sale of Malmyzh, it will have sufficient working capital to undertake its current business and the budgets associated with those plans for the next twelve months and the foreseeable future.

Some of the Company's activities for exploration and evaluation assets are located in emerging nations and, consequently, may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights and the recoverability of investments in emerging nations can be affected by changing economic, legal, regulatory and political situations.

At the date of these consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets.

These consolidated financial statements of the Company are presented in Canadian dollars unless otherwise noted, which is the functional currency of the parent company and its subsidiaries except as to Bullion Monarch Mining, Inc. ("BULM"), the holder of a royalty income stream whose functional currency is the United States ("US") dollar.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and fair value through other comprehensive income, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the accounts of EMX Royalty Corp., the parent company, and its controlled subsidiaries, after the elimination of all significant intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated. The Company's principal operating subsidiaries are as follows:

Name	Place of Incorporation	Ownership Percentage
Bullion Monarch Mining, Inc	Utah, USA	100%
EMX (USA) Services Corp.	Nevada, USA	100%
Bronco Creek Exploration Inc.	Arizona, USA	100%
Eurasia Madencilik Ltd. Sirketi	Turkey	100%
Azur Madencilik Ltd. Sirketi	Turkey	100%
Trab Madencilik Ltd. Sirketi	Turkey	100%
Eurasian Minerals Cooperatief U.A.	Netherlands	100%
Eurasian Minerals Sweden AB	Sweden	100%
Viad Royalties AB	Sweden	100%
Waikato Gold Limited	New Zealand	100%

Functional and Reporting Currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar except the functional currency of the operations of Bullion Monarch which is the US dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange at each financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On translation of the entities whose functional currency is other than the Canadian dollar, revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date. Exchange gains and losses, including results of re-translation, are recorded in the foreign currency translation reserve.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Adopted During the Year

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 the fair value of the consideration received or receivable when management can reliably estimate the amount pursuant to the terms of the royalty or 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 ("IAS 39"). 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 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.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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	Loans and receivables
Investments	FVTPL	FVTPL
Trade receivables	Amortized cost	Loans and receivables
Settlement receivables	FVTPL	FVTPL
Restricted cash	Amortized cost	Loans and receivables
Reclamation bonds	Amortized cost	Loans and receivables
Notes receivable	Amortized cost	Loans and receivables
Strategic investments	FVTOCI	Available -for-sale
Financial liabilities		
Promissory notes payable	Amortized cost	Other financial Liabilities
Accounts payable and accrued liabilities	Amortized cost	Other financial Liabilities
Advances from joint venture partners	Amortized cost	Other financial Liabilities

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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 (loss).

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

Convertible Notes Receivable

Convertible notes receivable are hybrid financial assets that consist of a note receivable component and a separate equity conversion component. Derivatives embedded in contracts are never separated, and instead the notes receivable is disclosed as single financial instrument.

Interest income on the notes receivable is based on the annualized effective rate of interest taking into account all income expected to be earned on maturity are recognized through profit and loss as interest income.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Associated Companies

The Company accounts for its long-term investments in affiliated companies over which it has significant influence using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received.

The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. Objective evidence of impairment of equity investments includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or,
- National or local economic conditions that correlate with defaults of the associated companies.

Exploration and evaluation assets and exploration expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, issued for exploration and evaluation assets pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, an impairment test is conducted and subsequent development expenditures on the property will be capitalized.

When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

An exploration and evaluation asset acquired under an option agreement, where payments are made at the sole discretion of the Company, is capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to profit or loss. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

Royalty interests

Royalty interests in mineral properties include acquired royalty interests in production stage and exploration stage properties. In accordance with *IAS 38 Intangible Assets*, the cost of acquired royalty interests in mineral properties is capitalized as intangible assets.

Acquisition costs of production stage royalty interests are depleted using the units of production method over the life of the related mineral property, which is calculated using estimated reserves. Acquisition costs of royalty interests on exploration stage mineral properties, where there are no estimated reserves, are not amortized. At such time as the associated exploration stage mineral interests are converted to estimated reserves, the cost basis is amortized over the remaining life of the mineral property, using the estimated reserves. The carrying values of exploration stage mineral interests are evaluated for impairment at such time as information becomes available indicating that production will not occur in the future.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill represents the excess of the price paid for the acquisition of a consolidated entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired in a business combination. Goodwill is allocated to the cash generating unit to which it relates.

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.

Property and equipment

Property and equipment is recorded at cost. Buildings are depreciated using a 5 year straightline method. Equipment is depreciated over its estimated useful life using the declining balance method at a rate of 20% per annum. Depreciation on equipment used directly on exploration projects is included in exploration expenditures for that mineral property.

Decommissioning liabilities

Decommissioning liabilities are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A decommissioning liability is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding decommissioning cost recognized by increasing the carrying amount of the related long-lived asset. The decommissioning cost is subsequently allocated in a rational and systematic method over the underlying asset’s useful life. The initial fair value of the liability is accreted, by charges to profit or loss, to its estimated future value.

Environmental disturbance restoration

During the operating life of an asset, events such as infractions of environmental laws or regulations may occur. These events are not related to the normal operation of the asset and are referred to as environmental disturbance restoration provisions. The costs associated with these provisions are accrued and charged to profit or loss in the period in which the event giving rise to the liability occurs. Any subsequent adjustments to these provisions due to changes in estimates are also charged to profit or loss in the period of adjustment. These costs are not capitalized as part of the long-lived assets’ carrying value.

Impairment of assets

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. The Company assesses its cash generating units annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount for value in use requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

Share-based payments include option and stock grants granted to directors, employees and non-employees. The Company accounts for share-based compensation using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options and stock grants is measured at the date of grant. For non-employees, the fair value of the options and stock are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. For directors, employees and non-employees, the fair value of the options and stock grants is accrued and charged to operations, with the offsetting credit to share based payment reserve for options, and commitment to issue shares for stock grants over the vesting period. If and when the stock options are exercised, the applicable amounts are transferred from share-based payment reserve to share capital. When the stock grants are issued, the applicable fair value is transferred from commitment to issue shares to share capital. Option based compensation awards are calculated using the Black-Scholes option pricing model while stock grants are valued at the fair value on the date of grant.

The Company has granted certain employees and non-employess restricted share units ("RSUs") to be settled in shares of the Company. The fair value of the estimated number of RSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity. The fair value of the RSUs is estimated using the market value of the underlying shares as well as assumptions related to the market and non-market conditions at the grant date.

Income taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is calculated providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income nor loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated by adjusting the earnings attributable to equity holders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a loss

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income (loss) per share (Continued)

is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

Existing stock options and share purchase warrants are not included in the income (loss) per share computation of diluted income (loss) per share if inclusion would be anti-dilutive. For the years presented in which the inclusion of stock options and warrants would be anti-dilutive, the basic and diluted losses per share are the same.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

Accounting Pronouncements not yet Effective

IFRS 16 Leases was issued by the IASB in January 2016 (effective January 1, 2019) and has not yet been adopted by the Company. IFRS 16 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.

The Company is currently evaluating the impact the new and amended standard is expected to have on its financial statements and does not expect any material changes. The Company predominately uses third party services which provide for any possible leases but does lease office space, and if the limited exception criteria are not met, rent expense is to be removed and replaced by amortization and finance expense related to the leased office space and respective lease liability.

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.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3. INVESTMENTS

At December 31, 2018 and December 31, 2017, the Company had the following investments:

December 31, 2018	Cost	Accumulated unrealized loss	Fair value
Fair value through profit or loss			
Marketable securities	$ 1,682,327	$ (1,057,768)	$ 624,559
Private company investments	911,477	-	911,477
Total fair value through profit or loss	2,593,804	(1,057,768)	1,536,036
Fair value through other comprehensive income			
Marketable securities	910,473	(877,735)	32,738
Total investments	$ 3,504,277	$ (1,935,503)	$ 1,568,774

December 31, 2017	Cost	Accumulated unrealized loss	Fair value
Fair value through profit or loss			
Marketable securities	$ 2,396,251	$ (1,256,804)	$ 1,139,447
Total fair value through profit or loss	2,396,251	(1,256,804)	1,139,447
Fair value through other comprehensive income			
Marketable securities	2,287,141	(87,942)	2,199,199
Total investments	$ 4,683,392	$ (1,344,746)	$ 3,338,646

December 31, 2016	Cost	Accumulated unrealized loss	Fair value
Fair value through profit or loss			
Marketable securities	$ 1,641,751	$ (1,378,995)	$ 262,756
Total fair value through profit or loss	1,641,751	(1,378,995)	262,756
Fair value through other comprehensive income			
Marketable securities	910,473	(697,675)	212,798
Total investments	$ 2,552,224	$ (2,076,670)	$ 475,554

(Expressed in Canadian Dollars)

3. INVESTMENTS (Continued)

As a result of the adoption of IFRS 9 (Note 2), $1,376,667 and $740,685 previously recorded in cost and accumulated unrealized loss respectively and was previously classified as available-for-sale as at December 31, 2017 was reclassified to FVTPL as at January 1, 2018. This resulted in the reclassification of $740,685 in other comprehensive income to opening deficit.

Included in investments for the year ended December 31, 2018 is $911,477 being the fair value of an investment in IG Copper LLC ("IGC") previously recorded as an investment in an associated entity (Note 8).

During the year ended December 31, 2018, the Company recorded a loss of $Nil (2017 - $Nil, 2016 - $697,675) related to the permanent impairment of certain available-for-sale marketable securities. The Company had sustained significant unrealized losses for which there was no expectation of reversal in the forseable future.

4. RECEIVABLES

The Company's receivables are related to distributions expected from investments, sale of foreign subsidiaries, royalty receivable, goods and services tax and harmonized sales taxes receivable from government taxation authorities, and recovery of exploration expenditures from exploration partners.

As at December 31, 2018 amd 2017, the current receivables were as follows:

Category	December 31, 2018	December 31, 2017
Distribution receivable from an investment in an associated entity (Note 8)	$ 5,450,764	$ -
Sale of Akarca	902,991	2,447,595
Loan fees	187,395	-
Royalty income receivable	144,931	258,223
Refundable taxes	175,605	151,163
Recoverable exploration expenditures and advances	264,434	270,547
Other	380,196	248,883
As at December 31, 2018	$ 7,506,316	$ 3,376,411

Included in the change in value through profit or loss assets is $104,788 (2017 - $37,299, 2016 - $120,900) related to the Akarca receivable balance as a result of the derivative components of the receivable balance being the expected gold price to be realized.

The carrying amounts of the Company's current receivables are denominated in the following currencies:

Currency	December 31, 2018	December 31, 2017
Canadian Dollars	$ 483,547	$ 280,925
US Dollars	6,933,819	3,040,347
Turkish Lira	6,833	24,535
Swedish Krona	71,519	29,575
Other	10,598	1,029
As at December 31, 2018	$ 7,506,316	$ 3,376,411

5. RESTRICTED CASH

At December 31, 2018, the Company classified $618,525 (2017 - $771,434) as restricted cash. This amount is comprised of $196,273 (2017 - $179,502) held as collateral for its corporate credit cards, $86,330 (2017 - $Nil) held in trust to be used to offset loan fees, and $335,922 (2017 - $$591,932) cash held by wholly-owned subsidiaries of the Company whose full amount is for use and credit to the Company's exploration venture partners in the USA, Sweden, Norway, and Finland pursuant to expenditure requirements for ongoing option agreements.

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

During the year ended December 31, 2018 depreciation of $11,736 (2017 - $10,722, 2016 - $21,711) has been included in exploration expenditures.

	Computer	Field	Office	Vehicles	Building	Land	Total
Cost							
As at December 31, 2015	$ 99,694	$ 154,113	$ 4,746	$ 47,417	$ 578,508	$ 414,526	$ 1,299,004
Additions	10,549	6,450	-	-	-	-	16,999
Disposals and derecognition	-	(79,630)	(2,365)	(47,417)	-	-	(129,412)
As at December 31, 2016	110,243	80,933	2,381	-	578,508	414,526	1,186,591
Additions	-	-	-	-	20,447	4,337	24,784
Disposals and derecognition	-	(20,756)	-	-	-	-	(20,756)
As at December 31, 2017	110,243	60,177	2,381	-	598,955	418,863	1,190,619
Additions	-	26,997	-	-	-	-	26,997
As at December 31, 2018	110,243	87,174	2,381	-	598,955	418,863	1,217,616
Accumulated depreciation							
As at December 31, 2015	99,694	113,331	4,134	32,989	434,396	-	684,544
Additions	7,438	12,601	-	671	115,490	-	136,200
Disposals and derecognition	-	(70,444)	(1,753)	(33,660)	-	-	(105,857)
As at December 31, 2016	107,132	55,488	2,381	-	549,886	-	714,887
Additions	3,111	7,104	-	-	29,129	-	39,344
Disposals and derecognition	-	(13,890)	-	-	-	-	(13,890)
As at December 31, 2017	110,243	48,702	2,381	-	579,015	-	740,341
Additions	-	10,894	-	-	842	-	11,736
As at December 31, 2018	$ 110,243	$ 59,596	$ 2,381	$ -	$ 579,857	$ -	$ 752,077
Net book value							
As at December 31, 2017	$ -	$ 11,475	$ -	$ -	$ 19,940	$ 418,863	$ 450,278
As at December 31, 2018	$ -	$ 27,578	$ -	$ -	$ 19,098	$ 418,863	$ 465,539

7. NOTE RECEIVABLE

On October 16, 2017, the Company issued a note receivable to Revelo Resources Corp. (TSX-V: RVL), 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 December 31, 2018, the balance owed to the Company pursuant to the note was $477,973 (2017 - $429,973) including accrued interest and bonus fee. The Company continues discussions with RVL on options for repayment of the outstanding balance.

8. INVESTMENT IN AN ASSOCIATED COMPANY

During the year ended December 31, 2018, the Company derecognized a 39.99% equity investment in IGC and reallocated the fair value of the remaining investment to FVTPL (Note 3).

On December 12, 2018, IGC underwent a recapitalization in which the Company did not participate and its investment was diluted to 19.9% and derecognized its investment in IGC as an associated entity. Prior to the derecognition of IGC as an investment in an associated entity, including the conversion of convertible notes and related interest due from IGC, cash purchases of shares including the exercise of warrants, and loan fees received in shares, the Company had invested an aggregate of US$13,136,977 towards its investment (December 31, 2017 - US$11,354,977). At December 31, 2018, the Company's equity investment including dilution gains or losses, less its share of accumulated equity gains and losses, and any distributions received was $Nil (December 31, 2017 - $7,578,989).

(Expressed in Canadian Dollars)

8. INVESTMENT IN AN ASSOCIATED COMPANY (Continued)

The changes in the investment in IGC for the years ended December 31, 2018 and 2017 are as follows:

	IGC
Balance - December 31, 2016	4,992,823
Additional investments in IGC	3,077,171
Dilution gain	503,543
Share of equity loss	(994,548)
Balance - December 31, 2017	7,578,989
Additional investments in IGC	2,265,157
Dilution loss	(577,963)
Share of equity income	98,919,337
Equity investment share based payments	246,718
Distributions received	(89,489,936)
Loss on derecognition of an investment in associated entity	(18,030,825)
Derecognized as an investment in associated entity	(911,477)
Balance - December 31, 2018	$ -

As at December 31, 2018 and 2017, IGC's aggregate assets, aggregate liabilities and net income (loss) for the year ended are as follows:

IGC	December 31, 2018	December 31, 2017
Aggregate assets	N/A	$ 6,127,735
Aggregate liabilities	N/A	(1,108,694)
Income (loss) for the year	N/A	(2,713,490)
The Company's ownership %	19.9%	41%
The Company's share of income (loss) for the year	98,919,337	(994,548)

The Company holds a 19.9% interest in IGC, has a minority position on the Board of IGC, and does not control operational decisions. The Company's judgment is that it does not have control or significant influence of IGC, and accordingly accounting for the remaining investment in IGC as FVTPL is appropriate.

IGC – Sale of Malmyzh

On October 10, 2018, the Company was notified by IGC that the sale of the Malmyzh project to RCC for US$200 million had closed. Of this amount, US$190 million was released from escrow, with the remaining US$10 million to be held in escrow and released subject to certain conditions over the next 12 months. IGC distributed the net sale proceeds to membership unit holders by way of a combination of share-buy back and dividends. For its 39.99% interest in IGC the Company received its initial cash distribution of $84,246,645. A second cash distribution to the Company of $5,450,764 (US$4 million) has been accrued as a receivable (Note 4) pending release from escrow.

Credit Facilities

In support of the sale of Malmyzh, on September 27, 2018, EMX borrowed US$18.5 million from Sprott Private Resource Lending (Collector), LP ("Sprott") and then loaned the US$18.5 million to IGC.

Sprott Private Resource Lending (Collector), LP – US$18,500,000

The loan made under the Sprott credit facility had a maturity date of January 31, 2019 and carried an annual interest rate of 12%, payable monthly. In connection with the Sprott loan, EMX issued 381,321 common shares valued at $602,487 (US$465,212) or $1.58 per share, paid cash fees of US$550,000, and legal fees of US$194,224.

(Expressed in Canadian Dollars)

8. INVESTMENT IN AN ASSOCIATED COMPANY (Continued)

Credit Facilities (Continued)

During the year ended December 31, 2018, using an annual effective interest rate of 30.83%, the Company recorded interest expense of $271,921 (US$208,296). The loan was fully repaid on October 12, 2018 upon receipt of the distribution from IGC and the Company recorded a loss of $1,481,950 from the early settlement. Included in restricted cash and due to EMX is $86,330 in funds held in trust as part of the Sprott agreement.

IG Copper LLC – US$18,500,000

Concurrent with the Sprott credit facility for US$18,500,000, on September 27, 2018 EMX loaned US$18,500,000 to IGC to facilitate the Malmyzh property sale. The terms of the arrangement were identical to the Sprott loan to EMX. As such, in connection with the EMX Loan, IGC issued to EMX 37,000 membership units in IGC at US$10/membership unit, reimbursed EMX for fees, interest payments, and reimbursement of all legal costs. IGC further agreed to pay EMX an additional fee of US$550,000.

During the year ended December 31, 2018, using an annual effective interest rate of 38.64%, the Company recorded interest income of $332,078 (US$254,377). The loan was fully repaid on October 12, 2018 by IGC from the proceeds received from the sale of Malmyzh and the Company recorded a gain of $2,014,950 from the early settlement.

During the year ended December 31, 2018, the Company loaned IGC US$300,000 with no specific terms of repayment, to be settled from proceeds from the sale of Malmyzh. The loan was fully repaid on October 15, 2018 including $63,926 (US$49,000) in interest.

9. EXPLORATION AND EVALUATION ASSETS

Acquisition Costs

At December 31, 2018 and December 31, 2017, the Company has capitalized the following acquisition costs on its exploration and evaluation assets:

Region	Properties	December 31, 2018	December 31, 2017
Sweden	Various	$ 16,671	$ 16,671
	Viad royalties	421,084	421,084
Turkey	Alankoy	153,960	153,960
	Trab	78,587	78,587
United States	Superior West, Arizona	736,341	867,096
of America	Yerington, Nevada	206,258	304,568
Total		$ 1,612,901	$ 1,841,966

During the year ended December 31, 2018, the Company received a $130,756 (US$100,000) annual option payment related to an exploration and option to purchase agreement for the Superior West project with Kennecott Exploration Company ("Kennecott"). The Company also received the annual option payment related to an option agreement with Mason Resources Corp ("Mason") for $98,310 (US$75,000) and applied against the Yerington project.

During the year ended December 31, 2017, the Company received a $133,383 (US$100,000) annual option payment related to an exploration and option to purchase agreement for the Superior West project with Kennecott. The Company also received the annual option payment related to an option agreement with Mason for $88,527 (US$75,000) and applied against the Yerington project. Also during the year ended December 31, 2017, the Company sold the wholly owned Australian subsidiary that held the Koonenberry licences in Australia. As part of the sale, the Company transferred the ownership of the Koonenberry property which had a capitalized cost of $81,124.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended Dececmber 31, 2016, the Company received a $129,820 (US$100,000) annual option payment related to an exploration and option to purchase agreement for the Superior West project with Kennecott applied against the Superior West capitalized costs. Also during the year ended December 31, 2016, the Company sold its Sisorta project in Turkey and all capitalized costs were recovered.

Sweden and Norway Licenses

The Company holds certain exploration permits in Sweden and Norway. There are no specific spending commitments on the Swedish licenses and permits.

On February 14, 2017, the Company completed an agreement to sell certain wholly owned subsidiaries in Sweden to Boreal Metals Corp. ("BMC")(TSX-V: BMX), a British Columbia corporation. Pursuant to the agreement BMC acquired two wholly-owned subsidiaries of the Company that control the Gumsberg and Adak exploration assets in Sweden and the Tynset and Burfjord assets in Norway. In exchange for the transfer of its wholly-owned subsidiary Iekelvare AB, which owns the Gumsberg and Adak properties, and its entire interest in its wholly-owned subsidiary EMX Exploration Scandinavia AB, which owns the Tynset and Burfjord properties BMC completed the following:

- BMC issued 1,713,390 common shares to EMX representing a 19.9% equity ownership in BMC. BMC had the continuing obligation to issue additional shares of BMC to EMX to maintain its 19.9% interest in BMC, at no additional cost to EMX, until BMC raised CAD $5,000,000 in equity (completed). EMX now has the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest in BMC.
- BMC also agreed to reimburse SEK 550,000 ($81,996, received) to the Company for license fees related to the Adak license.
- As part of the agreement, EMX will receive an uncapped 3% NSR royalty on each of the properties. Within five years of the closing date, BMC has the right to buy down up to 1% of the royalty on any given project by paying EMX US$2,500,000 in cash and shares of BMC. Such buy down is project specific.
- Additionally, EMX will receive annual advance royalty ("AAR") payments of US$20,000 for each of the properties commencing on the second anniversary of the closing, with each AAR payment increasing by US$5,000 per year until reaching US$60,000 per year, except that BMC may forgo AAR payments on two of the four properties in years two and three.
- EMX will also receive a 0.5% NSR royalty on any new mineral exploration projects generated by BMC in Sweden or Norway, excluding projects acquired from a third party containing a mineral resource or reserve or an existing mining operation. These royalties are not capped and not subject to a buy down.
- As part of the agreement, EMX also has the right to nominate one seat on the Board of Directors of BMC.

Pursuant to the sale agreement, the Company received 1,713,390 shares of BMC on signing, valued at $0.05 per share or $85,670, and paid a US$12,000 ($15,862) finders fee. Subsequent to signing, pursuant to equity and private placements completed by BMC, BMC issued EMX a further 7,492,492 shares to EMX valued at $1,290,998. EMX recorded a total gain on sale of $1,393,224 in fiscal 2017.

Modum Project

In January 2018, the Company amended the sale agreement with BMC noted above to include the Modum project in Norway in exchange for an additional 1,324,181 common shares of BMC (received in March 2018) valued at $397,254 or $0.30 per share and is included in gain on acquisition and sale of exploration and evaluation assets.

The Company sold 5,000,000 shares of BMC during the year and as at December 31, 2018 holds 5,530,063 shares of BMC representing approximately a 9.4% interest. Subsequent to the year ended December 31, 2018, the Company participated in a private placement of BMC acquiring an additional 1,995,672 shares of BMC bringing EMX's interest to 9.9%.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Sweden and Norway Licenses (Continued)

Slättberg Project

In December 2017, the Company executed an option agreement subsequently amended for the sale of the Slättberg licenses in Sweden to Sienna Resources Inc. ("Sienna") (TSX-V: SIE). As part of the agreement, Sienna can earn a 100% interest in the project by completing the following:
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- On signing the agreement, Sienna issued EMX 3,000,000 common shares (received) of Sienna stock valued at $750,000.
- As a condition to the exercise of the option, Sienna must undertake work commitments of at least $750,000 on the project, including drilling of at least 750 meters.
- Upon exercise of the option, issue to EMX an additional 3,000,000 common shares of Sienna, and EMX will receive a 3% NSR royalty on the project.
- After exercise of the option, Sienna will use commercially reasonable efforts to raise $3,000,000 for development of the project and other activities. Once Sienna has raised that amount, Sienna will issue an additional 4,000,000 common shares to EMX. Thereafter, EMX will have the right to participate pro-rata in future financings at its own cost to maintain its interest in Sienna.
- Within six years of the execution of the agreement, Sienna may purchase 0.5% of the NSR royalty for $1,500,000, leaving EMX with a 2.5% NSR royalty.

Guldgruvan Cobalt Project

In February 2018, the Company closed a definitive agreement for the sale of the Guldgruvan cobalt project to Boreal Energy Metals Corporation ("BEMC"), a subsidiary of BMC in southern Norway.

In exchange for the transfer of its Guldgruvan exploration licence to BEMC, BEMC issued to EMX 2,979,798 common shares of BEMC representing a 5.9% equity ownership in BEMC.

EMX will retain a 3% NSR royalty on the project, of which 1% may be purchased by BEMC on or before the fifth anniversary of the closing date in 0.5% increments for a total of US$2,500,000 in cash and common shares of BEMC stock. EMX will also receive AAR payments, with an initial US$20,000 payment, commencing on the second anniversary of the closing, with each subsequent AAR payment increasing by US$5,000 per year until reaching US$60,000 per year.

Njuggtraskliden and Mjovattnet Projects

In April 2018, EMX executed another agreement with BEMC to sell the Njuggträskliden and Mjövattnet projects in Sweden.

At closing, BEMC issued to EMX 2,020,202 common shares representing 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 $3,000,000 in equity. Thereafter, EMX will have the right to participate pro-rata in future financings at its own cost to maintain its 9.9% interest in BEMC.

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 US$2,500,000 in cash and shares of BEMC for each project. For each project, EMX will also receive AAR payments, with an initial US$20,000 payment, commencing on the second anniversary of the closing, with each subsequent AAR payment increasing by US$5,000 per year until reaching US$60,000 per year. EMX will be also be reimbursed approximately US$37,000 for its acquisition costs and previous expenditures on the projects.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Sweden and Norway Licenses (Continued)

Riddarhyttan Project

In April 2018, the Company executed an option agreement with South32 Limited ("South32") for the Riddarhyttan project in Sweden. Pursuant to the agreement, South32 can earn a 100% interest in the project by: (a) making option and cash payments that total US$200,000, (b) making a one-time option exercise payment of US$500,000, and (c) completing US$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 US$1,900,000 within five years of executing the agreement.

After exercising the option, AAR payments of 50,000 pounds of copper or the cash equivalent will be due to EMX, but will be deductible from future royalty payments. The AAR may be repurchased by South 32 for US$2,500,000. 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.

United States

Cathedral Well, Nevada

In June 2014, the Company signed an exploration and option agreement through its wholly-owned subsidiary BCE, with Ely Gold and Minerals Inc. (“Ely Gold”) (TSX Venture: ELY) to earn a 100% interest in the Cathedral Well project by paying EMX a total of US$100,000 over three years after which the Company will retain a 2.5% NSR royalty, inclusive of an underlying 0.5% NSR royalty. Ely Gold completed their earn-in for the property in November of 2016 through a trade with EMX, whereby a subsidiary of Ely Gold executed a quit claim deed for certain mining claims adjacent to EMX’s Spring Canyon property in Nevada in lieu of its last US$25,000 option payment. In December 2016, Ely Gold announced it had optioned the property to Colorado Resources Ltd. (TSX-V: CXO).

Subsequent to December 31, 2018, the Company received the 2018 AMR payment of 20 ounces of gold from Ely Gold to keep the agreement in good standing.

Hardshell Skarn, Arizona

The Company holds a 100% interest in the Hardshell Skarn property comprised of certain unpatented federal lode mining claims.

In October 2015, the Company signed an exploration and option agreement through its wholly-owned subsidiary FOBC LLC, with Arizona Mining Inc, to earn a 100% interest in the project by paying the Company a total of US$85,000 as follows: US$25,000 (received) upon execution of the agreement and US$60,000 (received) over the following three years. In 2017, Arizona Mining earned a 100% interest in the project under the agreement by accelerating and completing the required US$85,000 in cash payments. The Company retains a 2% NSR. AAR payments of US$5,000 commence on the first anniversary of the exercise of the option. After commencement of commercial production, the Company is due payments of US$5,000 or the royalty coming due that year, whichever is greater.

Greenwood Peak, Arizona

In November 2017, EMX executed an option agreement with a wholly owned subsidiary of Antofagasta plc (“Antofagasta”) (LSE: Anto) whereby Antofagasta can earn a 100% interest in the Greenwood Peak project by: a) reimbursing EMX’s acquisition costs and making annual option payments, together totaling US$630,000 ($30,000 received), and b) completing US$4,500,000 in work expenditures within the five year option period.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

United States (Continued)

Greenwood Peak, Arizona (Continued)

Antofagasta terminated its option to acquire the interest in the property in August, 2018 and the Company subsequently dropped the property.

Copper Springs, Arizona

On February 25, 2017, through BCE, the Company executed an option agreement for Copper Springs with Anglo American Exploration (USA), Inc. ("Anglo American"). Anglo American can earn a 100% interest in the project by: a) reimbursing holding and permitting costs and making annual option payments, together totaling US$447,000 ($132,000 received), and b) completing US$5,000,000 in exploration expenditures before the fifth anniversary of the agreement. 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. The royalty is not capped or purchasable, except over two parcels of Arizona State Land where Anglo American can buy a 0.5% NSR royalty from EMX for US$2,000,000. After exercise of the option, annual advanced minimum royalty ("AMR") payments and milestone payments will be due to EMX.

Copper King, Arizona

In October 2016, the Company, through BCE, entered into an option agreement to sell the Copper King property for a combination of cash payments and work commitments. The agreement grants Kennecott the option to acquire a 100% interest in the property. Pursuant to the agreement, Kennecott can earn a 100% interest in the project by (a) reimbursing holding costs and making option payments, together totaling US$504,314 (US$79,314 received), and (b) completing US$4,000,000 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, AMR payments and milestone payments will be due to EMX.

Subsequent to the year ended December 31, 2018, the Company received a US$50,000 option payment.

Buckhorn Creek Property, Arizona

In February 2018, the Company executed an option agreement with Kennecott whereby Kennecott can earn a 100% interest in the project by: a) making annual option payments totaling US$550,000, and b) 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. The Company also received US$30,000 ($38,615) as an execution payment to the agreement.

Superior West, Arizona

The Company holds a 100% interest in the mineral rights comprised of certain federal unpatented mining claims, located on Tonto National Forest lands and unpatented federal mining claims under option.

On May 4, 2015, the Company entered into an exploration and option to purchase agreement, through its wholly owned subsidiary BCE, for the Superior West project with Kennecott. Pursuant to the agreement, Kennecott can earn a 100% interest in the project by making a cash payment upon execution of the agreement of US$149,187 (received), and thereafter completing US$5,500,000 in exploration expenditures and paying annual option payments totaling US$1,000,000 (US$100,000 received in March 2016, US$100,000 received in January 2017, and US$100,000 received in March 2018) before the fifth anniversary

9. EXPLORATION AND EVALUATION ASSETS (Continued)

United States (continued)

Superior West, Arizona (continued)

of the agreement. For the execution payment, US$50,000 ($52,500) was applied against the Superior West capitalized costs, and the balance of US$99,187 was a direct reimbursement to the Company for holding costs to maintain the property in good standing. Upon exercise of the option EMX will retain a 2% NSR royalty on the properties. Kennecott has the right to buy down 1% of the NSR royalty from underlying claim holders by payment of US$4,000,000 to EMX.

Kennecott has maintained or exceeded any minimum requirements for expenditures on the project and the agreement remains in good standing.

Mineral Hill, Wyoming

In October 2016, the Company, through its wholly-owned subsidiary BCE, entered into an option agreement with Coeur Explorations, Inc., a subsidiary of Coeur Mining, Inc. (NYSE: CDE) (“Coeur”) to acquire a 100% interest in the property. The Company’s Mineral Hill project is held under a pooling agreement with a private group, Mineral Hill L.P. (“MHL”), with all proceeds split 50:50, except for the sale of surface rights associated with several patented mining claims.

Pursuant to the agreement, Coeur may acquire a 100% interest in the property by a) making yearly option payments, beginning upon execution of the agreement, totaling US$435,000 (US$10,000 received upon execution, US$15,000 received in October 2017), b) making exploration expenditures totaling US$1,550,000 on or before the fifth anniversary of the agreement, and c) paying US$250,000 upon exercise of the option.

On October 19, 2018, EMX received notice that Coeur was terminating its option to acquire the property.

Ophir, Utah

In October 2016, the Company completed the sale of five patented mining claims comprising its Ophir property in Utah, through its wholly owned subsidiary Bullion Monarch Mining Inc., to Kennecott. The terms of the sale include a cash payment of US$75,000 (received) to EMX at closing, with the Company retaining a 2% NSR royalty on the property.

Yerington West, Nevada

The Yerington West property is comprised of certain unpatented federal mining claims located on lands administered by the Bureau of Land Management (“BLM”). Yerington West is under an option agreement, dated September 24, 2009 originally with Entrée Gold Inc. ("Entrée"), and then with Mason (TSX: MNR) as a result of a 2017 "spin out" whereby Entrée transferred the Ann Mason project, which includes EMX's Yerington West property, into Mason. On December 19, 2018 Hudbay Minerals Inc. (“Hudbay”) announced the acquisition of Mason which includes EMX’s Yerington West property.

Under the agreement, Hudbay can earn up to an 80% interest in the project by a) incurring expenditures of $1,000,000, making cash payments of $140,000, and issuing 85,000 shares within three years (completed by Entrée), b) making aggregate advance royalty payments totaling $375,000, being US$50,000 per year between the fifth and seventh anniversaries (received), and $75,000 per year between the eighth and tenth anniversaries ($75,000 received during the year ended Dececmber 31, 2018); and (c) delivering a feasibility study before the tenth anniversary of the agreement. Under the agreement, once the earn-in has been completed, EMX can convert its interest to a 2.5% NSR. Hudbay has the option to buy down 1.5% of the NSR for US$4,500,000.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

United States (continued)

Regional Strategic Alliance with South32

In November 2018, the Company, through its wholly-owned subsidiary BCE, entered into an agreement with South32 USA Exploration Inc, ("South32"), a wholly-owned subsidiary of South32 Limited. Pursuant to the agreement, which has an initial term of two years, South32 will fund EMX $800,000 per year to generate new prospects to be considered for acquisition as well as to fund the labor portion of work programs on early-stage projects, Alliance Exploration Projects ("AEP"). In addition, South32 will provide a minimum of $200,000 per year for new acquisition funding. South32 selected the Jasper Canyon, Sleeping Beauty, Dragon's Tail, Lomitas Negras, and Midnight Juniper properties as the initial AEP's for advancement under the alliance.

As projects advance, the Company will propose certain projects be selected as Designated Projects ("DP"). DP's will advance under separate option agreements whereby South32 can earn a 100% interest in the project by making option payments totaling $525,000 and completing $5,000,000 in exploration expenditures over a five year period.

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.

Various

The Company holds interests acquired by staking in several jurisdictions including Utah, Nevada, Arizona, Colorado and Wyoming.

Australia exploration licenses

The Company's Australian properties are comprised of contiguous exploration licenses along the Koonenberry gold belt in New South Wales, Australia. The Australian properties are acquired either directly through staking or through agreements with license holders.

Koonenberry Property

In February 2014, the Company signed an exploration and option agreement with North Queensland Mining Pty Ltd. ("NQM"), a privately-held Australian company, giving NQM the right to acquire the Company's Koonenberry exploration licenses in New South Wales, Australia. NQM will bear responsibility of satisfying all existing work commitments and honoring all underlying property agreements during the term of the agreement. NQM has the option to earn a 100% interest in the EMX subsidiary that holds the licenses, with EMX retaining a 3% production royalty.

In 2017, Koonenberry Gold Pty Ltd. ("KNB") completed the earn-in requirements under the exploration and option Agreement between NQM and the Company, and elected to acquire EMX's Koonenberry exploration licenses. KNB, a private Australian company, is the successor in interest to NQM under the agreement. The Company transferred its wholly-owned subsidiary, EMX Exploration Pty Ltd, the holder of the Koonenberry licenses, to KNB. EMX retains a 3% royalty on all future production from the Koonenberry licenses. As a result of the transaction, all of EMX's interests in the Koonenberry gold project were converted to royalties. As a result of the sale, in the year ended December 31, 2017 the Company recorded a loss of $87,987 being the capitalized costs of the Koonenberry property and field equipment with a book value of $6,866 transferred to KNB at the time of sale.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Australia exploration licenses (Continued)

Kimberley Copper Project

The Kimberley Copper Project consists of two exploration licences, in Western Australia. On September 24, 2018 and amended in November 2018, the Company executed a share purchase agreement to sell the Kimberley Copper Project to Enfield Exploration Corporation ('Enfield"). Pursuant to the agreement, Enfield will issue to EMX 500,000 shares and committed to raising US$1,000,000 for an initial drill test no later than March 31, 2019. Enfield also agreed to grant EMX with a graduated NSR royalty on the property, make AAR payments and issue an additional 1,750,000 shares upon achievement of certain milestones.

New Zealand exploration licenses

In September 2014, and amended in December 2015 the Company signed an option agreement with Land & Mineral Limited ("L&M"), a privately-held Australian company, giving L&M the right to acquire Hauraki Gold Ltd. ("Hauraki"), the wholly-owned EMX subsidiary that controls the Neavesville gold-silver property located in the Hauraki goldfield of New Zealand's North Island. The purchase and sale agreement included an execution payment of $100,000 ($50,000 received on signing in 2015, and $50,000 received in May 2016, being the balance of the execution payment) and a series of anniversary and milestone payments equal to a certain amount of troy ounces of gold. Pursuant to the agreement, In September 2016, the Company received a $129,562 payment equivalent to a required payment of 75 troy ounces of gold.

In September 2018, the Company received notice from L&M and its parent company E2 Metals of their intention to terminate the agreement. Subsequently, EMX elected not to exercise its right to take back the project or the shares of Hauraki. The agreement was effectively terminated in October 2018.

Turkey

The Company has acquired numerous exploration licenses in Turkey for which there are no specific spending commitments.

Akarca Property

Effective July 29, 2016, the Company entered into a share purchase agreement for the sale of AES Madencilik A.S. ("AES"), the wholly-owned EMX subsidiary that controls the Akarca gold-silver project in western Turkey, to Çiftay İnşaat Taahhüt ve Ticaret A.Ş. ("Çiftay"), a privately owned Turkish company.

The terms of the sale provide payments to EMX as summarized below (gold payments can be made as gold bullion or the cash equivalent):

- US$2,000,000 cash payment ($2,630,760) to EMX upon closing of the sale (received);
- 500 ounces of gold every six months commencing February 2, 2017 up to a cumulative total of 7,000 ounces of gold. The Company received payments of US$601,825 and US$634,825 during the year ended December 31, 2017, and US$655,525 and US$608,114 during the year ended December 31, 2018, each representing the equivalent of 500 ounces of gold. The payments have been credited against accounts receivable. Receipt of these payments leaves a pre-production total of 5,000 ounces of gold (or the cash equivalent) to be paid to EMX;
- 7,000 ounces of gold within 30 days after the commencement of commercial production from the Property provided that prior gold payments will be credited against this payment;
- 250 ounces of gold upon production of 100,000 ounces of gold from the Property;
- 250 ounces of gold upon production of an aggregate of 500,000 ounces of gold from the Property;

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Turkey (continued)

Akarca Property (Continued)

- A sliding-scale royalty in the amount of the following percentages of production returns after certain deductions ("Royalty") for ore mined from the Property:
  - For gold production: 1.0% on the first 100,000 ounces of gold; 2.0% on the next 400,000 ounces of gold; 3.0% on all gold production in excess of 500,000 ounces produced from the Property, and;
  - For all production other than gold production: 3.0%.
- The Royalty is uncapped and cannot be bought out or reduced.

In addition, Çiftay must conduct a drilling program of at least 3,000 meters on the Property during each 12-month period commencing on August 5, 2016 until commencement of commercial production.

Pursuant to the agreement, Çiftay has guaranteed the future payments of 2,500 ounces of gold, or cash equivalent. As at December 31, 2018, the Company has recorded a receivable of $902,991 (including $167,427 of accreted interest income) related to the remaining guaranteed payment. The Company used a long term gold price of US$1,325 per ounce and due to the short term nature of the remaining guaranteed payments, a discount rate of 0%.

The sale of AES resulted in a gain of $6,683,560, resulting from proceeds of $6,737,452, less the net assets of AES of $53,892 which is included in the gain on acquisition and sale of exploration and evaluation assets for the year ended December 31, 2016.

Sisorta Property

Effective July 1, 2016, the Company entered into a share purchase agreement for the sale of EBX Madencilik A.S. ("EBX"), a wholly-owned subsidiary that controlled the Sisorta gold property in Turkey, to Bahar Madencilik Sinayi ve Ticaret Ltd Sti ("Bahar"), a privately owned Turkish company.

The agreement provides for Bahar's staged payments to EMX as summarized below:

- US$250,000 cash payment ($332,969) to EMX upon closing of the sale (received).
- Annual cash payments of US$125,000 (received) beginning on July 1, 2017 until commencement of commercial production from the Property.
- 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).
- The advance cash payments will be credited at a rate of 80% against the NSR Payment payable after commercial production commences.
- The NSR Payment is uncapped and cannot be bought out or reduced.

Pursuant to the sale of Sisorta, during the year ended December 31, 2016, the Company paid a finders fee of US$48,740 ($63,549) and recorded a gain on the sale of EBX of $86,041 which is included in the gain (loss) on acquisition and sale of exploration and evaluation assets. The future annual cash payments are not accrued as there is no guarantee of payment, and the shares of EBX could be returned if the payments are not made.

Balya Property

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. During the year ended December 31, 2018, the Company received

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Turkey (continued)

Balya Property(Continued)

the 2017 annual royalty payment totalling US$121,075 less applicable taxes of US$18,469. The AMR's and net royalty payments have been included in Royalty income.

Alankoy Property – Black Sea Copper & Gold Agreement

On November 23, 2015, the Company signed an Exploration and Option Agreement with Black Sea Copper & Gold Corp. ("Black Sea"), a privately-held British Columbia corporation, for the Alankoy copper-gold property in northwestern Turkey, whereby Black Sea has the option to acquire the Company's subsidiaries that hold the Alankoy project, with the Company retaining a 3% production royalty. To do so, Black Sea paid US$25,000 (received $35,408 in January 2016) upon signing and must incur certain exploration expenditure milestones.

In February 2017, the Company received notification that 0955767 B.C Ltd (formerly Black Sea) was terminating the Alankoy agreement and paid US$16,439 to EMX for reimbursement of costs. EMX has regained 100% control of the project.

Golcuk Transfer and Royalty Agreement

On July 17, 2012, amended on January 29, 2013, and November 8, 2016, the Company entered into an agreement with Pasinex Resources Limited ("PRL") to transfer a 100% interest in the Golcuk property in exchange for PRL issuing shares to the Company as follows,

- 500,000 PRL shares on the initial issuance date (received during the year ended December 31, 2013 and valued at $27,500 or $0.055 per share);
- An additional 500,000 PRL shares on or before the first anniversary of the initial issuance date (received during the year ended December 31, 2014 and valued at $25,000 or $0.05 per share);
- An additional 1,000,000 PRL shares on or before the second anniversary of the initial issuance date (received in February 2015 and valued at $115,000 or $0.115 per share); and,
- An additional 1,000,000 PRL Shares on or before the third anniversary of the initial issuance date (received in February 2016 and valued at $55,000 or $0.055 per share).

In addition to the transfer of shares, PRL will then pay the Company a 2.9% NSR royalty from production. PRL may pay the first minimum royalty payment by delivering 664,483 common shares in the capital of PRL to EMX on or before November 30, 2016 (received valued at $79,738). PRL has the option of purchasing 0.9% of the royalty for US$1,000,000 prior to the 6th anniversary of the effective date of the agreement. In 2017 EMX received 224,150 shares of PRL and US$49,204 in cash for the advance royalty payment due in September 2017.

Tumad Agreement - Trab-23

The Trab-23 property is located in northeast Turkey. In February 2013 Tumad Madencilik San.Ve TIC, A.S. ("Tumad"), executed an option agreement (the "Trab-23 Agreement") to acquire Trab-23 from the Company. The Trab-23 Agreement provides an upfront transfer of the two licenses to Tumad, in-ground spending requirements, a revenue stream of annual earn-in and pre-production payments, and a revenue stream based upon production.

Tumad's payment and drill requirements have not been met and Tumad terminated the agreement in 2017, and has returned the property to 100% EMX control.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Turkey (continued)

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 AAR payments. During the year ended December 31, 2017, EMX received two advanced royalty payments on its Aktutan property for $261,473 (US$200,000) from Dedeman. The 2018 AAR payment has been amended and is due by March 31, 2019.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Exploration Expenditures

During the year ended December 31, 2018, the Company incurred the following exploration expenditures by projects, which were expensed as incurred:

	Scandinavia	USA						Turkey	Australia and New Zealand	Other	Total
		Kennecott Exploration	Anglo American	Antofagasta	South 32	Other USA	Total				
Administration Cost	$ 142,212	$ 166	$ -	$ 621	$ 281	$ 237,631	$ 238,699	$ 145,471	$ 28,814	$ 645	$ 555,841
Assays	58,853	-	-	1,374	-	34,313	35,687	15,153	-	-	109,693
Drilling / Trenching	-	3,369	-	286,199	-	-	289,568	-	-	-	289,568
Land and Legal	110,466	-	-	-	-	185,568	185,568	25,386	18,153	2,846	342,419
Logistics	572,789	3,891	-	40,864	27,855	123,578	196,188	-	4,092	-	773,069
Personnel	736,017	33,839	1,105	56,141	75,704	1,745,051	1,911,840	113,473	121,785	11,887	2,895,002
Property Cost	150,476	9,764	16,512	1,296	25,763	690,686	744,021	13,372	52,307	-	960,176
Professional Services	21,976	-	-	-	131	11,285	11,416	164,294	27,463	15,301	240,450
Share Based Payments	222,860	-	-	-	-	460,414	460,414	62,638	31,394	11,667	788,973
Technical Studies	539,080	3,602	-	-	14,244	770	18,616	73,143	133,572	21,901	786,312
Travel	173,315	-	23	-	1,306	174,686	176,015	15,965	29,315	5,555	400,165
Total Expenditures	2,728,044	54,631	17,640	386,495	145,284	3,663,982	4,268,032	628,895	446,895	69,802	8,141,668
Recoveries	(1,194,456)	(41,590)	(16,842)	(414,942)	(386,569)	221,790	(638,153)	-	-	-	(1,832,609)
Operator Fees	(68,911)	(4,160)	-	(28,631)	(8,605)	-	(41,396)	-	-	-	(110,307)
Option Payments & Shares Received	-	(168,450)	(51,831)	-	-	-	(220,281)	-	-	-	(220,281)
Other Property Income	(13,667)	-	-	(12,141)	(3,253)	-	(15,393)	-	(317)	-	(29,377)
Total Recoveries	(1,277,034)	(214,200)	(68,673)	(455,714)	(398,427)	221,790	(915,223)	-	(317)	-	(2,192,574)
Net Expenditures	$ 1,451,010	$ (159,569)	$ (51,033)	$ (69,219)	$ (253,143)	$ 3,885,772	$ 3,352,809	$ 628,895	$ 446,578	$ 69,802	$ 5,949,094

During the year ended December 31, 2018, the Company:

- Recovered or accrued $1,194,456 in exploration expenditures and $68,911 in operator fees from BMC and South32 related to activities in Sweden;
- Received a $38,874 (US$30,000) execution payment related to an exploration and option to purchase agreement for the Buckhorn Creek project with Kennecott;
- Received a $64,790 (US$50,000) anniversary payment related to an exploration and option to purchase agreement for the Buckhorn Creek project with Kennecott,
- Received a $64,790 (US$50,000) anniversary payment related to an exploration and option to purchase agreement for the Copper King project with Kennecott, and
- Received a $51,832 (US$40,000) anniversary payment related to an exploration and option to purchase agreement for the Copper Springs project with Anglo American.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended December 31, 2017, the Company incurred the following exploration expenditures by projects, which were expensed as incurred:

	Scandinavia	USA				Turkey	Asia Pacific			Other	Total
		Kennecott Exploration	Anglo American	Other USA	Total		New Zealand	Other	Total		
Administration Cost	$ 67,159	$ 74	$ 292	$ 185,833	$ 186,199	$ 65,877	$ 40,765	$ 10,669	$ 51,434	$ 6,073	$ 376,742
Assays	24,972	7,727	-	6,031	13,758	940	-	-	-	-	39,670
Drilling / Trenching	13,509	370	-	89,142	89,512	-	-	-	-	-	103,021
Land and Legal	73,870	-	-	198,126	198,126	23,062	3,511	15,334	18,845	9,534	323,437
Logistics	26,040	8,326	6,168	187,423	201,917	1,379	-	-	-	-	229,336
Personnel	566,367	35,565	18,052	1,593,930	1,647,547	175,649	13,606	106,659	120,265	44,619	2,554,447
Property Cost	347,792	363	39,396	901,022	940,781	27,130	3,965	25,238	29,203	-	1,344,906
Professional Services	77,768	-	-	6,498	6,498	93,506	-	72,497	72,497	27,180	277,449
Share Based Payments	111,887	-	-	476,569	476,569	52,362	5,318	28,456	33,774	64,993	739,585
Technical Studies	17,921	10,370	-	2,554	12,924	-	-	34,506	34,506	31,873	97,224
Travel	118,904	735	-	104,249	104,984	11,584	1,567	6,844	8,411	4,419	248,302
Total Expenditures	1,446,189	63,530	63,908	3,751,377	3,878,815	451,489	68,732	300,203	368,935	188,691	6,334,119
Recoveries	(239,088)	(69,812)	(167,690)	(166,028)	(403,530)	(21,338)	(26,434)	(31,578)	(58,012)	-	(721,968)
Operator Fees	-	(7,451)	-	(22,319)	(29,770)	-	-	-	-	-	(29,770)
Option Payments & Shares Received	(750,000)	(64,901)	-	(110,333)	(175,234)	(122,326)	-	-	-	-	(1,047,560)
Other Property Income	-	(2,090)	(714)	(55,594)	(58,398)	-	(5,349)	-	(5,349)	-	(63,747)
Total Recoveries	(989,088)	(144,254)	(168,404)	(354,274)	(666,932)	(143,664)	(31,783)	(31,578)	(63,361)	-	(1,863,045)
Net Expenditures	$ 457,101	$ (80,724)	$ (104,496)	$ 3,397,103	$ 3,211,883	$ 307,825	$ 36,949	$ 268,625	$ 305,574	$ 188,691	$ 4,471,074

During the year ended December 31, 2017, the Company:

- Received or accrued $239,088 in expenditures recovered from BMC in Sweden;
- Received 3,000,000 common shares of Sienna valued at $750,000;
- Received a $65,368 (US$50,000) option payment related to an exploration and option to purchase agreement for the Copper King project with Kennecott;
- Received as part of the Copper Springs option agreement with Anglo American, US$82,000 ($106,436) as reimbursement of previously paid land holding costs; and
- Recorded an option payment from Pasinex pursuant to a property agreement on the Company's Golcuk property for the equivalent to 75 ounces of gold in the form of $61,805 (US$49,204) cash and 224,150 shares of Pasinex valued at $60,521

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended December 31, 2016, the Company incurred the following exploration expenditures by projects, which were expensed as incurred:

	Scandinavia	USA				Turkey			Asia Pacific			Other	Total
		Kennecott Exploration	Desert Star Resources	Other USA	Total	Akarca	Other	Total	New Zealand	Other	Total		
Administration Cost	$ 37,498	$ 109	$ 25	$ 157,106	$ 157,240	$ 27,055	$ 92,397	$ 119,452	$ 2,220	$ 9,520	$ 11,740	$ 24,650	$ 350,580
Assays	8,596	845	-	6,635	7,480	676	-	676	-	-	-	-	16,752
Drilling / Trenching	76,687	314,972	-	91	315,063	44,283	14,679	58,962	-	-	-	-	450,712
Land and Legal	48,632	-	-	182,160	182,160	39,603	160,831	200,434	-	23,778	23,778	40,384	495,388
Logistics	14,535	57,164	1,822	70,590	129,576	13,810	5,708	19,518	-	9,155	9,155	5,282	178,066
Personnel	195,223	118,679	12,676	1,420,907	1,552,262	297,586	264,527	562,113	-	99,751	99,751	171,881	2,581,230
Property Cost	165,640	2,677	39,460	485,365	527,502	154,526	32,426	186,952	37,230	47,219	84,449	-	964,543
Professional Services	135,527	-	-	13,664	13,664	61,577	22,029	83,606	496	1,772	2,268	17,625	252,690
Share Based Payments	40,285	-	-	295,008	295,008	32,805	69,020	101,825	-	17,673	17,673	48,066	502,857
Technical Studies	106,093	42,666	-	16,107	58,773	38,383	6,544	44,927	-	11,397	11,397	163,444	384,634
Travel	63,571	-	-	103,478	103,478	16,310	31,479	47,789	-	6,861	6,861	16,382	238,081
Total Expenditures	892,287	537,112	53,983	2,751,111	3,342,206	726,614	699,640	1,426,254	39,946	227,126	267,072	487,714	6,415,533
Recoveries	-	(555,217)	(51,833)	(21,938)	(628,988)	(43,550)	-	(43,550)	-	(48,781)	(48,781)	-	(721,319)
Operator Fees	-	(56,271)	(1,263)	-	(57,534)	-	-	-	-	-	-	-	(57,534)
Option Payments *	-	(24,720)	-	(125,890)	(150,610)	-	(170,146)	(170,146)	(180,476)	-	(180,476)	-	(501,232)
Other Property Income	-	(9,720)	(265)	(39,755)	(49,740)	-	(56,466)	(56,466)	(27,243)	-	(27,243)	(2,040)	(135,489)
Total Recoveries	-	(645,928)	(53,361)	(187,583)	(886,872)	(43,550)	(226,612)	(270,162)	(207,719)	(48,781)	(256,500)	(2,040)	(1,415,574)
Net Expenditures	$ 892,287	$ (108,816)	$ 622	$ 2,563,528	$ 2,455,334	$ 683,064	$ 473,028	$ 1,156,092	$ (167,773)	$ 178,345	$ 10,572	$ 485,674	$ 4,999,959

*The Company received a $129,820 (US$100,000) annual option payment related to an exploration and option to purchase agreement for the Superior West project with Kennecott applied as to $105,100 to the Superior West capitalized costs, and $24,720 to exploration recoveries.

Significant components of “Other” total exploration expenditures for the year ended December 31, 2016 were Haiti - $148,455; Austria - $48,767; and other general exploration costs in Europe totalling - $146,159.

(Expressed in Canadian Dollars)

10. ROYALTY INTERESTS

Changes in royalty interest for the years ended December 31, 2018, 2017 and 2016:

Balance as at December 31, 2015	$	28,798,980
Adjusted for:		
Acquisition		145,000
Depletion		(2,163,221)
Cumulative translation adjustments		(949,607)
Balance as at December 31, 2016	$	25,831,152
Adjusted for:		
Depletion		(2,282,276)
Cumulative translation adjustments		(1,605,133)
Balance as at December 31, 2017	$	21,943,743
Adjusted for:		
Depletion		(1,732,270)
Impairment of royalty interest		(7,256,340)
Cumulative translation adjustments		1,391,270
Balance as at December 31, 2018	$	14,346,403

Carlin Trend Royalty Claim Block

The Company holds an interest in the Carlin Trend Royalty Claim Block in Nevada which includes the following royalty properties:

- Leeville Mine: Located in Eureka County, Nevada, the Company is receiving a continuing 1% gross smelter return royalty (“GSRR”).

- East Ore Body Mine: Located in Eureka County, Nevada, the property is currently being mined and the Company is receiving a continuing 1% GSRR.

- North Pipeline: Located in Lander County, Nevada. Should the property become producing, the Company will receive a production royalty of US$0.50 per yard of ore processed or 4% of net profit, whichever is greater.

During the year ended December 31, 2018 $2,131,947 (2017 - $2,857,927, 2016 - $2,227,322) in royalty income was included in operations offset by a 5% direct gold tax and depletion which is applied only against the Carlin Trend Royalty Claim Block components of royalty income.

Impairment of Non-Current Assets

The Company’s policy for accounting for impairment of non-current assets is to use the higher of the estimates of fair value less cost of disposal of these assets or value in use. The Company uses valuation techniques that require significant judgments and assumptions, including those with respect to future production levels, future metal prices and discount rates.

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be recoverable. The Company continuously reviews the production of gold from the Carlin Trend Royalty Claim Block, expected long term gold prices to be realized, foreign exchange, and interest rates. As a result, periodically the Company revises its estimated annual gold production over the expected mine life and adjusts its long term gold price.

As a result of an update to the estimated future royalty ounces expected from the Leeville royalty, the Company re-evaluated the carrying value of the royalty. As a result of this review, the Company recorded an impairment charge of $7,256,340 (2017 - $Nil, 2016 - $Nil). The recoverable amount of $14,346,403 was determined using a discounted cash flow model in estimating the fair value less costs of disposal. Key assumptions used in the cash flow forecast were: an 11 year mine life, a long term gold price of US$1,302 and a 5% discount rate.

(Expressed in Canadian Dollars)

11. RECLAMATION BONDS

Reclamation bonds are held as security towards future exploration work and the related future potential cost of reclamation of the Company's land and unproven mineral interests. Once reclamation of the properties is complete, the bonds will be returned to the Company.

	December 31, 2018	December 31, 2017
Sweden - various properties	$ 12,493	$ 12,625
Turkey - various properties	6,123	5,669
U.S.A - various properties	424,983	497,454
Total	$ 443,599	$ 515,748

12. GOODWILL

The Company's goodwill represents the excess of the purchase price paid during fiscal 2012 for the acquisition of Bullion Monarch Mining Inc. over the fair value of the net identifiable tangible and intangible assets and liabilities acquired.

Changes in goodwill for the years ended December 31, 2018, 2017 and 2016:

Balance as at December 31, 2015	$ 6,501,886
Adjusted for:	
Impairment charge	(1,518,328)
Cumulative translation adjustments	(230,234)
Balance as at December 31, 2016	$ 4,753,324
Adjusted for:	
Impairment charge	(2,709,239)
Cumulative translation adjustments	(223,778)
Balance as at December 31, 2017	$ 1,820,307
Adjusted for:	
Impairment charge	(1,879,356)
Cumulative translation adjustments	59,049
Balance as at December 31, 2018	$ -

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 (Note 10). The impairment loss is the amount by which the CGU's carrying amount exceeds its recoverable amount. Goodwill has been written down in conjunction with the decline of $1,879,356 (2017 - $2,709,239, 2016 - $1,518,328) of the related deferred income tax liability.

13. ADVANCES FROM JOINT VENTURE PARTNERS

Advances from joint venture partners relate to unspent funds received pursuant to approved exploration programs by the Company and its joint venture partners. The Company's advances from joint venture partners consist of the following:

	December 31, 2018	December 31, 2017
U.S.A.	$ 456,226	$ 808,905
Sweden	159,443	-
Total	$ 615,669	$ 808,905

14. CAPITAL STOCK

Authorized

As at December 31, 2018, the authorized share capital of the Company was an unlimited number of common and preferred shares without par value.

Common Shares

During the year ended December 31, 2018, the Company:

- Issued 21,084 shares valued at $23,825 pursuant to an employment and consulting agreement of which the full amount has been included in exploration expenditures for the year ended December 31, 2017 and recorded as a commitment to issue shares.

- Issued 204,963 shares valued at $266,452 pursuant to an incentive stock grant program to employees of the Company of which $166,476 has been included in exploration expenditures.

- Issued 192,500 shares valued at $186,100 pursuant to the exercise of stock options.

- Issued 381,321 shares valued at $602,487 or $1.58 per share pursuant to a credit facility (Note 8).

During the year ended December 31, 2017, the Company:

- Completed a non-brokered private placement raising $7,000,000 by the issuance of 5,000,000 units at a price of $1.40 per Unit. Each Unit was comprised of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share for $2.00 until April 12, 2019.

  The Company paid finder’s fees totaling $356,986. Included in this amount was 246,604 Units (6% of the Units sold to investors introduced by finders) valued at $345,246 and $11,740 in cash. The Units paid as finders fees included the same terms as the private placement Units.

  Pursuant to the Company’s accounting policy, the gross proceeds of the private placement were allocated using a residual value method with respect to the measurement of shares and warrants issued as private placement units. This resulted in $6,200,000 recorded as share capital and $800,000 being allocated to reserves. For the finder’s fees paid in Units, $305,789 was allocated to share capital and $39,457 being allocated to reserves.

- Issued 75,000 (2016 - 165,000; 2015 - Nil) shares valued at $85,700 (2016 - $127,800; 2015 - $Nil) pursuant to the exercise of stock options.

- Issued 68,873 shares valued at $79,190 pursuant to employment and consulting agreements, of which the full amount has been included in exploration expenditures. Included in commitment to issue shares is $23,825 for accruals in exploration expenditures for shares approved to be issued pursuant to an employment and consulting agreement for shares issued in January 2018.

- Issued 245,000 (2016 - 140,000; 2015 – 163,000) shares valued at $279,300 (2016 - $166,600; 2015 – $233,950) pursuant to an incentive stock grant program to employees of the Company. The shares issued for 2016 and 2015 were applied against commitment to issue shares as they related to prior period accruals.

- Issued Nil (2016 - 250,000; 2015 – Nil) shares valued at $Nil (2016 - $145,000; 2015 - $Nil) pursuant to a purchase agreement for the Maggie Creek and Afgan royalties.

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (Continued)

Stock Options

The Company adopted a stock option plan (the "Plan") pursuant to the policies of the TSX-V. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined at the time of the grant, subject to the terms of the plan.

During the year ended December 31, 2018, 2017 and 2016 , the change in stock options outstanding is as follows:

	Number		Weighted Average Exercise Price
Balance as at December 31, 2015	5,428,500	$	1.67
Granted	1,277,500		1.30
Exercised	(165,000)		0.77
Expired	(1,729,500)		2.66
Balance as at December 31, 2016	4,811,500		1.24
Granted	1,472,500		1.20
Exercised	(75,000)		1.14
Forfeited	(961,500)		1.97
Balance as at December 31, 2017	5,247,500		1.10
Granted	1,810,000		1.32
Exercised	(192,500)		0.97
Forfeited	(122,500)		1.10
Balance as at December 31, 2018	6,742,500	$	1.16
Number of options exercisable as at December 31, 2018	6,730,000	$	1.16

The following table summarizes information about the stock options which were outstanding and exercisable at December 31, 2018:

Date Granted	Number of Options	Exercisable	Exercise Price $	Expiry Date
April 25, 2014	1,167,500	1,167,500	1.20	April 25, 2019
December 22, 2014	60,000	60,000	0.87	December 22, 2019
June 8, 2015	1,065,000	1,065,000	0.66	June 8, 2020
October 18, 2016	1,200,000	1,200,000	1.30	October 18, 2021
August 28, 2017	1,440,000	1,440,000	1.20	August 28, 2022
July 20, 2018*	1,640,000	1,627,500	1.30	July 20, 2023
September 20, 2018	75,000	75,000	1.42	September 20, 2023
November 28, 2018	75,000	75,000	1.57	November 28, 2023
December 14,2018	20,000	20,000	1.42	December 14, 2023
Total	6,742,500	6,730,000		

*25,000 Options granted for investor relations services vest 25% every 3 months from the date of grant.

The weighted average remaining useful life of exercisable stock options is 2.80 years (2017 – 3.10 years).

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (Continued)

Restricted share units

In 2017, the Company introduced a long-term restricted share unit plan ("RSUs"). The RSUs entitle employees, directors, or officers to common shares of the Company upon vesting based on vesting terms determined by the Company's Board of Directors at the time of grant.

Expiry Date	December 31, 2017	Granted	Vested	Expired/Cancelled	December 31, 2018
December 31, 2019	312,500	-	-	-	312,500
December 31, 2020	-	312,500	-	-	312,500

Share-based Payments

During the year ended December 31, 2018, the Company recorded aggregate share-based payments of $1,820,724 (2017 - $1,415,639, 2016 - $970,796) as they relate to the fair value of stock options granted or vested during the period and the fair value of incentive stock grants. Share-based payments for the years ended December 31, 2018 , 2017 and 2016 are allocated to expense accounts as follow:

Year ended December 31, 2018	General and Administrative Expenses	Exploration Expenditures	Total
Shares issued for services	$ 99,975	$ 166,477	$ 266,452
RSU's vested	164,313	-	164,313
Fair value of stock options granted	767,463	622,496	1,389,959
	$ 1,031,751	$ 788,973	$ 1,820,724

Year ended December 31, 2017	General and Administrative Expenses	Exploration Expenditures	Total
Shares issued for services	$ 85,500	$ 272,990	$ 358,490
Commitment to issue shares	-	23,825	23,825
RSU's vested	27,575	-	27,575
Fair value of stock options granted	562,979	442,770	1,005,749
	$ 676,054	$ 739,585	$ 1,415,639

Year ended December 31, 2016	General and Administrative Expenses	Exploration Expenditures	Total
Commitment to issue shares	$ 27,462	$ -	$ 27,462
Fair value of stock options granted	440,477	502,857	943,334
	$ 467,939	$ 502,857	$ 970,796

The weighted average fair value of the stock options granted during the year ended December 31, 2018 was $0.78 per stock option (2017 - $0.70, 2016- $0.74). The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Risk free interest rate	2.09%	1.53%	0.73%
Expected life (years)	5	5	5
Expected volatility	69.93%	70.81%	69.80%
Dividend yield	-	-	-

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (Continued)

Warrants

During the year ended December 31, 2018, 2017 and 2016 , the changes in warrants outstanding is as follow:

	Number	Weighted Average Exercise Price
Balance as at December 31, 2016	-	$ -
Issued	2,623,306	2.00
Balance as at December 31, 2017 and 2018	2,623,306	$ 2.00

The following table summarizes information about the warrants which were outstanding and exercisable at December 31, 2018:

	Number of Warrants	Exercise Price	Expiry Date
Private placement, April 12, 2017	2,500,004	$ 2.00	April 12, 2019
Finders warrants, April 12, 2017	123,302	$ 2.00	April 12, 2019
Total	2,623,306		

15. RELATED PARTY TRANSACTIONS

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

For the year ended December 31, 2018	Salary or Fees	Share-based Payments	Total
Management	$ 2,692,782	$ 570,455	$ 3,263,237
Outside directors *	1,512,752	248,399	1,761,151
Seabord Services Corp.	433,971	-	433,971
Total	$ 4,639,505	$ 818,854	$ 5,458,359

For the year ended December 31, 2017	Salary or Fees	Share-based Payments	Total
Management	$ 733,244	$ 361,865	$ 1,095,109
Outside directors *	149,882	226,614	376,496
Seabord Services Corp.	357,600	-	357,600
Total	$ 1,240,726	$ 588,479	$ 1,829,205

For the year ended December 31, 2016	Salary or Fees	Share-based Payments	Total
Management	$ 803,033	$ 215,933	$ 1,018,966
Outside directors *	151,228	167,534	318,762
Seabord Services Corp.	357,600	-	357,600
Total	$ 1,311,861	$ 383,467	$ 1,695,328

* Directors fees include US$5,000 per month and a US$1,000,000 discretionary bonus (Note 16) paid to the Company's non-Executive Chairman, who does not receive the fees paid to the other independent directors.

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

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS (Continued)

Included in accounts payable and accrued liabilities at December 31, 2018 and 2017 are as follows:

Related Party Assets and Liabilities	Service or Term	December 31, 2018	December 31, 2017
Amounts due to:			
David M. Cole, *President and CEO*	Salary and bonus accrual	$ 1,501,003	$ 7,177
Christina Cepeliauskas, *CFO*	Bonus and expense reimbursement	238,425	-
Jan Steiert, *Chief Legal Officer*	Salary and bonus accrual	238,526	23
Directors	Fees and bonus accruals	1,387,413	23,852
Seabord Services Corp.	Expense reimbursement	(362)	(307)
		$ 3,365,005	$ 30,744

Included in amounts due to related parties for the year ended December 31, 2018 was $3,339,365 for dicrestionary success bonuses paid in fiscal 2019 (Note 16).

16. DISCRETIONARY BONUSES

Discretionary bonuses were awarded to management and staff totaling $5,224,284 in respect of their seven years of effort to monetize the Company's investment in IGC. Prior to the Malmyzh sales transaction, EMX's management had developed a bonus plan for strategic investments whereby a percentage of the after-tax profits of an individual investment could be paid as a bonus.

17. NET INCOME (LOSS) PER SHARE

Net income (loss) per share, calculated on a basic and diluted basis, is as follows:

Year ended	December 31, 2018	December 31, 2017	December 31, 2016
Net income (loss)	$ 62,117,601	$ (7,393,384)	$ (2,683,482)
Weighted average number of common shares outstanding - basic	79,979,320	78,002,082	73,874,415
Dilutive effect of stock options and warrants outstanding	674,154	-	-
Weighted average number of common shares outstanding - diluted	80,653,474	78,002,082	73,874,415
Basic earnings (loss) per share	$ 0.78	$ (0.09)	$ (0.04)
Diluted earnings (loss) per share	$ 0.77	$ (0.09)	$ (0.04)

18. INCOME TAXES

Deferred Income Tax Asset and Liability

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes gives rise to deferred tax assets and liabilities as follows:

	December 31, 2018	December 31, 2017	December 31, 2016
Royalty interest	$ (1,689,673)	$ (4,159,013)	$ (8,090,497)
Tax loss carryforwards	3,203,640	2,261,886	3,212,368
Other	90,071	76,820.00	124,805
Total	$ 1,604,038	$ (1,820,307)	$ (4,753,324)

(Expressed in Canadian Dollars)

18. INCOME TAXES (Continued)

As at December 31, 2018, no deferred tax assets are recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets:

	December 31, 2018	December 31, 2017	December 31, 2016	Expiry Date Range
Tax loss carryforwards	$ 47,199,000	$ 42,094,000	$ 39,318,000	2019-2038
Exploration and evaluation assets	595,000	1,485,000	2,137,000	No expiry
Other	19,192,000	10,425,000	11,371,000	No expiry

Income Tax Expense

	December 31, 2018	December 31, 2017	December 31, 2016
Current tax expense	$ -	$ -	$ -
Deferred tax recovery	(3,683,267)	(2,489,902)	(1,439,332)
	$ (3,683,267)	$ (2,489,902)	$ (1,439,332)

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27.00% (2017 – 27%; 2016 – 26%) as follows:

	December 31, 2018	December 31, 2017	December 31, 2016
Expected income tax (recovery)	$ 15,777,270	$ (2,569,654)	$ (886,149)
Effect of lower tax rates in foreign jurisdictions	(22,238,500)	(1,534,592)	(474,971)
Permanent differences	1,332,325	1,007,427	1,010,562
Change in unrecognized deductible temporary differences and other	1,627,494	260,595	(1,428,442)
Foreign exchange	(181,856)	346,322	339,668
Total	$ (3,683,267)	$ (2,489,902)	$ (1,439,332)

19. SEGMENTED INFORMATION

The Company operates within the resource industry. At December 31, 2018 and 2017, the Company had equipment and exploration and evaluation assets located geographically as follows:

EXPLORATION AND EVALUATION ASSETS	December 31, 2018	December 31, 2017
Sweden	$ 437,755	$ 437,755
Turkey	232,547	232,547
U.S.A	942,599	1,171,664
Total	$ 1,612,901	$ 1,841,966

PROPERTY AND EQUIPMENT	December 31, 2018	December 31, 2017
Sweden	$ 30,519	$ 26,159
U.S.A	435,020	424,119
Total	$ 465,539	$ 450,278

The Company's royalty interest, goodwill, deferred income tax liability and royalty income and depletion are from a CGU located in the U.S.A, except for a $200,000 royalty interest held in Serbia.

20. 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.

(Expressed in Canadian Dollars)

20. RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2018, the Company had working capital of $88,902,976 (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.

Sprott Private Resource Lending (Collector), LP– US$5,000,000

In May of 2018, the Company entered into a credit facility agreement with Sprott providing the Company with a US$ 5,000,000 senior secured credit facility ("Credit Facility"). The loan made under the Credit Facility would have matured on May 2, 2019 and carried 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 of $69,402. The Credit Facility is covered by a general security agreement against the Company's assets. Using an annual effective interest rate of 15.36%, the Company recorded interest expense of $495,578 (US$ 380,789), and made $394,775 in payments including interest and principal. The loan was fully repaid in November 2018 and the Company recorded a loss on early settlement of $102,681 (US$78,370).

In October 2018 EMX's former investment in associated entity, IGC (Note 8) notified EMX that the sale of the Malmyzh project for US$200 million has closed. For its 39.99% interest in IGC at the time of sale transaction on a fully diluted basis, the Company has received its initial cash distribution of $84,246,645. A second cash distribution to the Company of $5,450,764 (US$4 million) is expected within 12 months from the initial sale date upon the remaining funds being released from escrow pending any warranty claims.

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 December 31, 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	$ 624,559	$ -	$ 911,477	$ 1,536,036
Strategic Investments	32,738	-	-	32,738
Settlement receivables	-	902,991	-	902,991
Total	$ 657,297	$ 902,991	$ 911,477	$ 2,471,765

The carrying value of receivables (excluding settlement receivables), 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.

20. RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS (Continued)

The Company's investment in IGC does not have a quoted market price in an active market and the Company has assessed a fair value of the investment based on IGC's unobservable net assets. As a result, the fair value is classified within Level 3 of the fair value hierarchy.

The process of estimating the fair value of IGC is based on inherent measurement uncertainties and is based on techniques and assumptions that emphasize both qualitative and quantitative information. There is no reasonable quantitative basis to estimate the potential effect of changing the assumptions to reasonably possible alternative assumptions on the estimated fair value of the investment.

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 December 31, 2018 portfolio values, a 10% increase or decrease in effective market values would increase or decrease net shareholders' equity by approximately $150,000.

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.

(Expressed in Canadian Dollars)

20. RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS (Continued)

The exposure of the Company's cash and cash equivalents, restricted cash, receivables, convertible notes receivable, loans receivable, accounts payable and accrued liabilities, and loans payable to foreign exchange risk as at December 31, 2018 is as follows:

Accounts		US dollars
Cash and cash equivalents	$	62,065,449
Restricted cash		390,457
Trade receivables		4,449,430
Settlement recceivables		662,500
Accounts payable and accrued liabilities		(3,932,765)
Advances from joint venture partners		(334,721)
Net exposure	$	63,300,351
Canadian dollar equivalent	$	86,278,758

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 December 31, 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 $8,600,000 in the Company's pre-tax profit or loss.

21. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		December 31, 2018		December 31, 2017
Cash	$	85,979,058	$	3,354,109
Short-term deposits		196,273		179,502
Total	$	86,175,331	$	3,533,611

The short-term deposits are used as collateral for the Company's credit cards.

Changes in non-cash working capital

		Year ended December 31, 2018		Year ended December 31, 2017		Year ended December 31, 2016
Accounts receivable	$	1,280,519	$	1,908,945	$	(6,343)
Prepaid expenses		13,071		(16,698)		3,848
Accounts payable and accrued liabilities		4,981,296		172,600		(86,317)
Advances from joint venture partners		(193,236)		467,544		203,536
	$	6,081,650	$	2,532,391	$	114,724

The significant non-cash investing and financing transactions during the year ended December 31, 2018 included:

a. Recorded a loss through accumulated other comprehensive income of $49,108 related to the fair value adjustments on FVTPL investments;
b. Adjusted reserves and investment in associated companies for $246,718 related to share-based payments made by an associated company;
c. Adjusted non-current assets and liabilities for $1,208,463 related to cumulative translation adjustments ("CTA"), of which $1,391,270 relates to CTA gain on royalty interest, $59,049 relates to CTA gain on goodwill, $258,922 relates to a CTA loss on deferred tax liability and $17,066 relates to CTA gain in the net assets of a subsidiary with a functional currency different from the presentation currency;

21. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Continued)

d. Included in the investment in IGC is $483,515 (US$370,000) for the value of shares received from IGC as part of a loan fee (Note 8);
e. Reclass of $90,254 from reserves to share capital for options exercised;
f. Reclass of $23,825 from commitment to issue shares to share capital for shares issued during the period;
g. Issued 381,321 shares valued at $602,487 or $1.58 per share pursuant to a credit facility (Note 8); and
h. Reclass of $911,477 from Investment in an associated entity to FVTPL related to the derecognition of IGC as an associated entity (Note 4 and 8).

The significant non-cash investing and financing transactions during the year ended December 31, 2017 included:

a. Recorded a gain through accumulated other comprehensive income of $609,733 related to the fair value adjustments on AFS financial instruments;
b. Adjusted non-current assets and liabilities for $1,424,814 related to CTA, of which $1,605,133 relates to CTA loss on royalty interest, $223,778 relates to CTA loss on goodwill, $443,115 relates to a CTA gain on deferred tax liability and $39,018 relates to CTA loss in the net assets of a subsidiary with a functional currency different from the presentation currency;
c. Reclass of reserves on exercise of options for $45,545;
d. Recorded the movement of $1,017,540 from a convertible loan to an investment in associated company upon conversion of the loan (Note 8); and
e. Recorded through reserves $39,457 related to the value of warrants issued as finders fees as part of a private placement (Note 14).

The significant non-cash investing and financing transactions during the year ended December 31, 2016 included:

a. Recorded a gain through accumulated other comprehensive income of $88,515 related to the fair value adjustments on AFS financial instruments;
b. Issuance of 140,000 incentive stock grants valued at $166,600 applied to commitment to issue shares;
c. Adjusted reserves and investment in associated companies for $366,800 related to share-based payments made by an associated company;
d. Adjusted non-current assets and liabilities for $862,335 related to CTA, of which $949,607 relates to CTA loss on royalty interest, $230,234 relates to CTA loss on goodwill, $309,230 relates to a CTA gain on deferred tax liability and $8,276 relates to CTA gain in the net assets of a subsidiary with a functional currency different from the presentation currency; and
e. Recorded the movement of $1,605,466 from a convertible loan to an investment in associated company upon conversion of the loan (Note 8).

22. EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to the year ended December 31, 2018,

a) The Company acquired 4,808,770 common shares of Norra Metals Corp. ("Norra") (TSX-V: NORA), representing a 9.9% equity stake in Norra pursuant to the sale of the Bleikvassli, Sagvoll and Meråker projects in Norway, and the Bastuträsk project in Sweden. The Company will retain a 3% NSR royalty on the projects. EMX has also been granted a 1% NSR royalty on Norra's Pyramid project in British Columbia.

b) The Company executed an exploration and option agreement for the Røstvangen property and Vakkerlien property in Norway with Playfair Mining Ltd. ("Playfair") (TSX-V: PLY). The agreement provides EMX with immediate share equity in Playfair, and upon Playfair's completion of the option terms and other consideration, a 9.9% interest in Playfair, a 3% NSR royalty on the projects, and advance royalty payments. Pursuant to the agreement, Playfair can

22. EVENTS SUBSEQUENT TO THE REPORTING DATE (Continued)

earn a 100% interest in the project by the issuance of 3,000,000 common shares to EMX and performance of certain work during the option period.

c) The Company received total proceeds of $554,520 from the exercise of 475,100 stock options.