

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2018**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission File Number: **001-35404**

EMX ROYALTY CORPORATION

(Formerly Eurasian Minerals Inc.)

(Exact name of Registrant as specified in its charter)

British Columbia, Canada

(Jurisdiction of incorporation or organization)

Suite 501, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8

(Address of principal executive offices)

Christina Cepeliauskas, Chief Financial Officer

Telephone No.: 604-688-6390

Facsimile No.: 604-688-1157

Suite 501, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name on each exchange on which registered
<u>Common Shares, without par value</u>	<u>NYSE American LLC</u>

Securities to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the Company's classes of capital or common stock as of the close of the period covered by the annual report: **80,991,155**

Indicate by check mark if the registrant is a well-known seasoned Company, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

EMX ROYALTY CORPORATION

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Glossary of Geological and Mining Terms

Certain terms used in this Form 20-F are defined as follows:

Alunite: a hydrated aluminium potassium, sulfate mineral $[(KA_3(SO_4)_2(OH)_6]$.

AMR: advance minimum royalty

Andesite: an extrusive igneous rock of intermediate composition with a fine grained to porphyritic texture.

Argillic Alteration: hydrothermal alteration of rock which introduces clay minerals including kaolinite, smectite and illite.

Assay: a quantitative chemical analysis of an ore, mineral or concentrate to determine the amount of specific elements.

Breccia: a coarse-grained clastic rock composed of broken rock fragments held together by a mineral cement or in a fine-grained matrix.

Carbonate: a sedimentary rock made mainly of calcium carbonate ($CaCO_3$).

Dacite: an extrusive igneous rock with a fine grained to porphyritic texture and intermediate in composition between andesite and rhyolite.

Diorite: a grey to dark-grey intermediate intrusive igneous rock composed principally of plagioclase feldspar, biotite, hornblende, and/or pyroxene.

Dike: a tabular igneous intrusion that cuts across the country rock, generally vertical in nature.

Doré: a mixture of predominantly gold and silver produced by a mine, usually in a bar form, before separation and refining into gold and silver by a refinery.

Epithermal: said of a hydrothermal mineral deposit formed within about 1 kilometer of the Earth's surface and in the temperature range of 50°C to 200°C.

Feasibility Study: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Foliation: repetitive layering in metamorphic rocks.

Footwall: the underlying side of a fault, ore body, or mine working; particularly the wall rock beneath an inclined vein or fault.

Formation: a persistent body of igneous, sedimentary, or metamorphic rock, having easily recognizable boundaries that can be traced in the field without recourse to detailed paleontologic or petrologic analysis, and large enough to be represented on a geologic map as a practical or convenient unit for mapping and description.

Gneiss: a type of rock formed by high-grade regional metamorphic processes from pre-existing formations of igneous or sedimentary rocks.

Granodiorite: a group of plutonic rocks intermediate in composition between quartz diorite and quartz monzonite.

Greenfields: conceptual exploration; relying on the predictive power of ore genesis models to search for mineralization in relatively unexplored ground.

Hanging wall: the overlying side of an ore body, fault, or mine working, especially the wall rock above an inclined vein or fault.

Hornfels: a fine-grained rock composed of a mosaic of equidimensional grains without preferred orientation and typically formed by contact metamorphism.

Hydrothermal: of or pertaining to hot water, to the action of hot water, or to the products of this action, such as a mineral deposit precipitated from a hot aqueous solution, with or without demonstrable association with igneous processes.

Igneous rock: rock that is magmatic in origin.

Indicated mineral resource: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Inferred mineral resource: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Intercalated: said of layered material that exists or is introduced between layers of a different character; especially said of relatively thin strata of one kind of material that alternates with thicker strata of some other kind, such as beds of shale intercalated in a body of sandstone.

Jasperoid: a dense chert-like siliceous rock, in which chalcedony or cryptocrystalline quartz has replaced the carbonate materials of limestone or dolomite.

Kriging: a weighted, moving-average interpolation method in which the set of weights assigned to samples minimizes the estimation variance, which is computed as a function of the variogram model and locations of the samples relative to each other, and to the point or block being estimated.

Leach: to dissolve minerals or metals out of ore with chemicals.

Limestone: a sedimentary rock consisting predominantly of calcium carbonate.

Lithocap: the shallow part of porphyry copper systems typically above the main Cu-Au/-Mo zone; upper alteration zone.

Measured mineral resource: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Meta: a prefix that, when used with the name of a sedimentary or igneous rock, indicates that the rock has been metamorphosed.

Metamorphic rock: rock which has been changed from igneous or sedimentary rock through heat and pressure into a new form of rock.

Mineral Reserve: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

Mineral Resource: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Modifying factors: is defined in the CIM Definition Standards (2014) as the considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

NSR: net smelter return.

Net smelter return royalty or NSR royalty: a type of royalty based on a percentage of the proceeds, net of smelting, refining and transportation costs and penalties, from the sale of metals extracted from concentrate and doré by the smelter or refinery.

NI 43-101: National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

Oxide: a compound of ore that has been subjected to weathering and alteration as a result of exposure to oxygen for a long period of time.

Pegmatite: a very coarse-grained igneous rock that has a grain size of 20 millimetres or more.

Phyllite: a regional metamorphic rock, intermediate in grade between slate and schist. Minute crystals of sericite and chlorite impart a silky sheen to the surfaces exposed by cleavage.

Plagioclase: a series of tectosilicate minerals within the feldspar family.

Plutonic: intrusive igneous rock that is crystallized from magma slowly cooling below the surface of the Earth.

Porphyry: igneous rock consisting of large-grained crystals dispersed in a fine-grained matrix or groundmass.

Pre-Feasibility Study: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Preliminary Economic Assessment: is defined in NI 43-101 and NI 43-101CP as a study, other than a pre-feasibility or feasibility study that includes an economic analysis of the potential viability of mineral resources. The term preliminary economic assessment can include a study commonly referred to as a scoping study. A preliminary economic assessment might be based on measured, indicated, or inferred mineral resources, or a combination of any of these. These types of economic analyses include disclosure of forecast mine production rates that might contain capital costs to develop and sustain the mining operation, operating costs, and projected cash flows.

Probable mineral reserve: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve. The Qualified Person(s) may elect to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the Modifying Factors is lower than that applied to a Proven Mineral Reserve.

Proven mineral reserve: is defined in the CIM Definition Standards (2014) as referenced by NI 43-101 as the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors. Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

Pyroclastic: pertaining to clastic rock material formed by volcanic explosion or aerial expulsion from a volcanic vent; also, pertaining to rock texture of explosive origin.

Qualified Person: is defined in NI 43-101 as an individual who (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires A. a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or B. a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining;

Run-of-mine: ore in its natural state as it is removed from the mine that has not been subjected to additional size reduction.

Schist: a strongly foliated crystalline rock, which readily splits into sheets or slabs as a result of the planar alignment of the constituent crystals. The constituent minerals are commonly specified (e.g. "quartz-muscovite-chlorite schist").

Shear zone: a tabular zone of rock that has been crushed and brecciated by parallel fractures due to "shearing" along a fault or zone of weakness. These can be mineralized with ore-forming solutions.

Silicification/Silicified: the introduction of, or replacement by, silica, generally resulting in the formation of fine-grained quartz, chalcedony, or opal, which may fill pores and replace existing minerals.

Skarn: metamorphic zone developed in the contact area around igneous rock intrusions when carbonate sedimentary rocks are invaded by large amounts of silicon, aluminum, iron, and magnesium.

Spectrography: the process of using a spectrograph to map or photograph a spectrum.

Stockwork: a complex, cross-cutting system of structurally controlled or randomly oriented veins.

Strata: layers of sedimentary rock with internally consistent characteristics that distinguish them from other layers.

Strike: the direction, or course or bearing of a vein or rock formation measured on a level surface.

Stratabound: confined to a particular stratigraphic layer or unit.

Stratiform: occurring as or arranged in strata.

Strip (or stripping) ratio: the tonnage or volume of waste material that must be removed to allow the mining of one tonne of ore in an open pit.

Sulfides or sulphides: compounds of sulfur (or sulphur) with other metallic elements.

Tailing: material rejected from a mill after the recoverable valuable minerals have been extracted.

Terrane: a rock formation or assemblage of rock formations that share a common geologic history.

Tuff: a general term for consolidated pyroclastic rocks.

Vein: sheet-like body of minerals formed by fracture filling or replacement of host rock.

Vuggy: containing small cavities in a rock or vein, often with a mineral lining of different composition from that of the surrounding rock.

Linear Measurements

1 inch	=	2.54 centimeters
1 foot	=	0.3048 meter
1 yard	=	0.9144 meter
1 mile	=	1.609 kilometers

Area Measurements

1 acre	=	0.4047 hectare
1 hectare	=	2.471 acres
1 square mile	=	640 acres or 259 hectares or 2.59 square kilometers

Units of Weight

1 short ton	=	2000 pounds or 0.893 long ton
1 long ton	=	2240 pounds or 1.12 short tons
1 metric tonne	=	2204.62 pounds or 1.1023 short tons
1 pound (16 oz.)	=	0.454 kilograms or 14.5833 troy ounces
1 troy oz.	=	31.1035 grams
1 troy oz. per short ton	=	34.2857 grams per metric tonne

Analytical	percent	grams per metric tonne	troy oz per short ton
1%	1%	10,000	291.667
1 gram/tonne	0.0001%	1	0.029167
1 troy oz./short ton	0.003429%	34.2857	1
10 ppb	nil	0.01	0.00029
100 ppm	0.01	100	2.917

Temperature Conversion Formulas

Degrees Fahrenheit	=	$(^{\circ}\text{C} \times 1.8) + 32$
Degrees Celsius	=	$(^{\circ}\text{F} - 32) \times 0.556$

Frequently Used Abbreviations and Symbols

AA	atomic absorption spectrometry
Ag	silver
As	arsenic
Au	gold
°C	degrees Celsius (centigrade)
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
cm	centimeter
C.P.G.	Certified Professional Geologist
CSAMT	Controlled source audio-frequency magnetotellurics
Cu	copper
ESIA	Environmental & Social Impact Assessment
F	fluorine
°F	degrees Fahrenheit
g	gram(s)
g/t	grams per tonne
Hg	mercury
HSE	high sulphidation epithermal
ICP AES	inductively coupled plasma atomic emission spectroscopy
ICP MS	inductively coupled plasma mass spectroscopy
ICP MS/AAS	inductively coupled plasma mass spectroscopy/atomic absorption spectroscopy
IOCG	iron-oxide-copper-gold
IP	Induced polarization
JORC	Joint Ore Reserves Committee
JV	joint venture
kg	kilogram
km	kilometer
m	meter(s)
Ma	million years ago
Mn	manganese
Mo	molybdenum
n	number or count
oz	troy ounce
opt	ounce per short ton
oz/ton	ounce per short ton
oz/tonne	ounce per metric tonne
Pb	lead
PEA	Preliminary Economic Assessment
PGE	platinum group element
ppb	parts per billion
ppm	parts per million
QA	quality assurance
QC	quality control
QP	Qualified Person
sq	square

Frequently Used Abbreviations and Symbols

Sb	antimony
VMS	volcanogenic massive sulfide
Zn	zinc

INTRODUCTION

EMX Royalty Corporation (the “Company” or “EMX”) was incorporated under the laws of the Yukon Territory of Canada on August 21, 2001 as 33544 Yukon Inc. and, on October 10, 2001, changed its name to Southern European Exploration Ltd. On November 24, 2003, the Company completed the reverse take-over of Marchwell Capital Corp., a TSX Venture Exchange (“TSX-V”) listed company incorporated in Alberta on May 13, 1996 and which subsequently changed its name to Eurasian Minerals Inc. On September 21, 2004, EMX continued into British Columbia from Alberta under the *Business Corporations Act*. On July 19, 2017, EMX changed its name to EMX Royalty Corporation to better reflect the nature of its business.

EMX’s head office is located at Suite 501 – 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada, and its registered and records office is located at Northwest Law Group, Suite 704 – 595 Howe Street, Vancouver, British Columbia V6C 2T5, Canada.

EMX is a reporting company under the securities legislation of British Columbia and Alberta and is listed on the TSX-V, as a Tier 1 Company, and the NYSE American LLC (“NYSE American”). EMX’s common shares without par value (“Common Shares”) are traded on the TSX-V and the NYSE American under the symbol “EMX”.

BUSINESS OF EMX ROYALTY CORPORATION

EMX is principally in the business of exploring for, and generating royalties from minerals properties, as well as identifying mineral property royalty opportunities for purchase. Under the royalty generation business model, the Company acquires and advances early-stage mineral exploration projects and then sells the projects to, other parties in consideration of a retained royalty interest, as well as annual advance royalty and other pre-production cash or share payments and work commitments. Through its various agreements, EMX may also provide technical and commercial assistance to such companies as the projects advance. By selling interests in its projects for a royalty interest, EMX:

- (a) reduces its exposure to the costs and risks associated with mineral exploration and project development,
- (b) receives near term cash flow from scheduled pre-production and milestone based bonus payments,
- (c) maintains the opportunity to participate in exploration upside, and
- (d) develops a pipeline for potential production royalty payments and associated greenfields discoveries in the future.

This approach helps preserve the Company’s treasury, which can be utilized for further project acquisitions and other business initiatives.

Strategic investments are an important complement to the Company’s royalty acquisition and royalty generation initiatives. These investments are made in under-valued exploration companies identified by the Company. EMX helps to develop the value of these assets, with exit strategies that can include royalty positions or equity sales, or a combination of both.

EMX started receiving royalty income as of August 17, 2012 when it acquired Bullion Monarch Mining, Inc. (“Bullion Monarch” or “BULM”). The Company’s royalty and royalty generation portfolio mainly consists of properties in North America, Turkey, Europe, Haiti, and Australia.

FINANCIAL AND OTHER INFORMATION

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian Dollars (“C\$” or “\$”). References to “US\$” are to United States dollars. The Government of Canada permits a floating exchange rate to determine the value of the Canadian dollar against the U.S. dollar.

FORWARD-LOOKING STATEMENTS

The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”). Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report, including the documents incorporated by reference herein, may contain forward-looking statements. These forward-looking statements may include statements regarding perceived merit of properties, exploration results and budgets, mineral reserves and resource estimates, work programs, capital expenditures, operating costs, cash flow estimates, production estimates and similar statements relating to the economic viability of a project, timelines, strategic plans, completion of transactions, market prices for metals or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on a number of material assumptions, including those listed below, which could prove to be significantly incorrect:

- the Company's ability to achieve production at any of its mineral properties;
- estimated capital costs, operating costs, production and economic returns;
- estimated metal pricing, metallurgy, mineability, marketability and operating and capital costs, together with other assumptions underlying the Company's resource and reserve estimates;
- the Company's expected ability to develop adequate infrastructure at a reasonable cost;
- assumptions that all necessary permits and governmental approvals will be obtained;
- assumptions made in the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;
- the Company's expectations regarding demand for equipment, skilled labor and services needed for exploration and development of mineral properties; and
- the Company's activities will not be adversely disrupted or impeded by development, operating or regulatory risks.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- uncertainty of whether there will ever be production at the Company's mineral exploration and development properties;
- uncertainty of estimates of capital costs, operating costs, production and economic returns;
- uncertainties relating to the assumptions underlying the Company's resource and reserve estimates, such as metal pricing, metallurgy, mineability, marketability and operating and capital costs;
- risks related to the Company's ability to commence production and generate material revenues or obtain adequate financing for its planned exploration and development activities;
- risks related to the Company's ability to finance the development of its mineral properties through external financing, joint ventures or other strategic alliances, the sale of property interests or otherwise;
- risks related to the third parties on which the Company depends for its exploration and development activities;
- dependence on cooperation of joint venture partners in exploration and development of properties;
- credit, liquidity, interest rate and currency risks;
- risks related to market events and general economic conditions;
- uncertainty related to inferred mineral resources;
- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;
- risks related to lack of adequate infrastructure;
- mining and development risks, including risks related to infrastructure, accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in development, construction or production;
- the risk that permits and governmental approvals necessary to develop and operate mines on the Company's properties will not be available on a timely basis or at all;
- commodity price fluctuations;

- risks related to governmental regulation and permits, including environmental regulation;
- risks related to the need for reclamation activities on the Company's properties and uncertainty of cost estimates related thereto;
- uncertainty related to title to the Company's mineral properties;
- uncertainty as to the outcome of potential litigation;
- risks related to increases in demand for equipment, skilled labor and services needed for exploration and development of mineral properties, and related cost increases;
- increased competition in the mining industry;
- the Company's need to attract and retain qualified management and technical personnel;
- risks related to hedging arrangements or the lack thereof;
- uncertainty as to the Company's ability to acquire additional commercially mineable mineral rights;
- risks related to the integration of potential new acquisitions into the Company's existing operations;
- risks related to unknown liabilities in connection with acquisitions;
- risks related to conflicts of interest of some of the directors of the Company;
- risks related to global climate change;
- risks related to adverse publicity from non-governmental organizations;
- risks related to political uncertainty or instability in countries where the Company's mineral properties are located;
- uncertainty as to the Company's passive foreign investment company ("PFIC") status;
- uncertainty as to the Company's status as a "foreign private issuer" and "emerging growth company" in future years;
- uncertainty as to the Company's ability to maintain the adequacy of internal control over financial reporting; and
- risks related to regulatory and legal compliance and increased costs relating thereto.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to under the heading "Key Information" (as defined below), which is incorporated by reference herein.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date of this Annual Report, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING RESERVE AND RESOURCE INFORMATION

Unless otherwise indicated, all resource estimates, and any future reserve estimates, included or incorporated by reference in this annual report or Form 10-K have been, and will be, prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained or incorporated by reference into this annual report on Form 20-F may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. SEC Industry Guide 7 does not define and the SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral Resources with continued exploration. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" or "contained pounds" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and any reserves reported by us in the future in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with United States standards.

PART I**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE Not applicable.

ITEM 3. KEY INFORMATION**3.A.1. and 3.A.2 Selected Financial Data**

The selected financial data of the Company for the fiscal years ending December 31, 2018, 2017, 2016, 2015, and 2014 was derived from the financial statements of the Company that have been audited by Davidson and Company LLP, Independent Registered Public Accountants, as indicated in their audit report, which are included elsewhere in this Annual Report.

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain all available funds for use in its operations and the expansion of its business.

Table No. 3 is derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Table No. 3
Selected Financial Data
(C\$)

	Year Ended		Year Ended		Year Ended		Year Ended	
	December 31, 2018		December 31, 2017		December 31, 2016		December 31, 2015	
IFRS								
Royalty income	\$	2,131,947	\$	2,857,927	\$	2,227,322	\$	1,609,553
Exploration expenditures (net)		5,949,094		4,471,074		4,999,959		4,364,675
Loss from operations		(9,780,927)		(7,781,070)		(8,267,563)		(8,087,982)
Income (loss) for the year		62,117,601		(7,393,384)		(2,683,482)		(6,875,857)
Basic earnings (loss) per share		0.78		(0.09)		(0.04)		(0.09)
Diluted earnings (loss) per share		0.77		(0.09)		(0.04)		(0.09)
Wtd. Avg. Shares		79,979,320		78,002,082		73,874,415		73,480,833
Period-end Shares		80,525,055		79,725,187		74,089,710		73,534,710
Working capital		88,902,976		6,535,893		6,002,318		5,787,109
Exploration and evaluation assets (net)		1,612,901		1,841,966		2,145,000		2,381,540
Royalty interest		14,346,403		21,943,743		25,831,152		28,798,980
Total assets		114,851,522		45,750,784		47,843,555		50,624,129
Share capital		125,231,209		124,062,091		117,504,585		117,000,052
Deficit		(41,524,458)		(104,382,744)		(96,989,360)		(94,305,878)

3.A.3. Exchange Rates

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian Dollars ("C\$"). The Government of Canada permits a floating exchange rate to determine the value of the Canadian Dollar against the U.S. Dollar ("US\$").

Table No. 4 sets forth the exchange rates for the Canadian Dollar at the end of five most recent fiscal years ended December 31, the average rates for the period, and the range of high and low rates for the period. The data for each month during the most recent six months is also provided.

For purposes of this table, the exchange rate means the Bank of Canada noon rate.

3.B. Capitalization and Indebtedness

Not applicable

3.C. Reasons For The Offer And Use Of Proceeds

Not applicable

3.D. Risk Factors

Investment in the Common Shares involves a significant degree of risk and should be considered speculative due to the nature of the Company's business and the present stage of its development. Prospective investors should carefully review the following factors together with other information contained in this Annual Report before making an investment decision.

Mineral Property Exploration Risks

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The Company mitigates this risk by cost-sharing with exploration partners and by continuously evaluating the economic potential of each mineral property at every stage of its life cycle. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include ensuring ownership of and access to mineral properties, which the Company mitigates by confirmation that licenses, claims and leases are in good standing and by obtaining permits for drilling and other exploration activities.

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

Revenue and Royalty Risks

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

Financing and Share Price Fluctuation Risks

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

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

Foreign Countries and Political Risks

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

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

Competition

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

We do not intend to pay any cash dividends in the foreseeable future.

The Company has not declared or paid any dividends on our Common Shares. Our current business plan requires that for the foreseeable future, any future earnings be reinvested to finance the growth and development of our business. We do not intend to pay cash dividends on the Common Shares in the foreseeable future. We will not declare or pay any dividends until such time as our cash flow exceeds our capital requirements and will depend upon, among other things, conditions then existing including earnings, financial condition, restrictions in financing arrangements, business opportunities and conditions and other factors, or our Board determines that our shareholders could make better use of the cash.

No Assurance of Titles or Borders

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

Unknown Defects or Impairments in Our Royalty Interests

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

Operators' Interpretation of Our Royalty Interests; Unfulfilled Contractual Obligations

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

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

Limited Access to Data and Disclosure for Royalty Interests

The Company has varying access to data on the operations on the properties covered by its royalty interests, making it difficult in some instances to accurately assess the value of the royalty interests. In addition, some royalty interests may be subject to confidentiality agreements that govern the disclosure of information about the royalties, and as a result the Company may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited access to data and disclosure may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. The Company mitigates this risk by building relationships, and where feasible, contractual disclosure obligations, with operators and counterparties concerning information sharing.

Currency Risks

Certain of the Company's royalty interests are denominated in US dollars, and therefore expose the Company to foreign currency fluctuations. In addition, the Company's equity financings are sourced in Canadian dollars but much of its expenditures are in local currencies or U.S. dollars. At this time, the Company has no currency hedges in place. Therefore, currency fluctuation could have an adverse impact on the value of royalty payments and a weakening of the Canadian dollar against the U.S. dollar or local currencies could have an adverse impact on the amount of exploration funds available and work conducted.

Exploration Funding Risk

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

Insured and Uninsured Risks

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

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

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

Environmental Risks and Hazards

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

We or the mining properties in which we have an interest are subject to substantial government regulation in the United States and in the other jurisdictions in which we operate. Changes to regulation or more stringent implementation could have a material adverse effect on our results of operations and financial condition.

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, such as the federal Clean Water Act and the Nevada Water Pollution Control Law. Although we currently believe that we are in compliance with existing environmental and mining laws and regulations and that our proposed exploration programs will also meet those standards, no assurance can be given that we will remain in compliance with applicable regulations or that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of our properties.

Reform of the General Mining Law could adversely impact our results of operations.

A majority of our mining properties in the United States consist of unpatented mining claims on federal lands. Legislation has been introduced regularly in the U.S. Congress over the last decade to change the General Mining Law of 1872, as amended (the "Mining Law"), under which we hold these unpatented mining claims. It is possible that the Mining Law may be amended or replaced by less favorable legislation in the future. Previously proposed legislation contained a production royalty obligation, new environmental standards and conditions, additional reclamation requirements and extensive new procedural steps which would likely result in delays in permitting. The ultimate content of future proposed legislation, if enacted, is uncertain. At present, there is no royalty payable to the United States on production from unpatented mining claims, although legislative attempts to impose a royalty have occurred in recent years. Amendments to current laws and regulations governing our operations and activities of exploration, development mining and milling or more stringent implementation thereof could have a material adverse effect on our business, financial condition and results of operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production or require delays or abandonment in the development of new mining properties. If a royalty on unpatented mining claims were imposed, the profitability of our U.S. unpatented mining claims could be materially adversely affected.

Any such reform of the Mining Law could increase the costs of mining activities on unpatented mining claims, or could materially impair our ability to develop or continue operations which derive ore from federal lands, and as a result, could have an adverse effect on us and our results of operations.

Mineral reserves are only estimates which may be unreliable.

Although mineralization may not be classified as a “reserve” unless the mineralization can be economically and legally extracted or produced at the time the “reserve” determination is made, “mineral reserves” are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. Mineral reserve and mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond our control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in metal prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of mineral reserve estimates. Prolonged declines in the market price of precious and base metals may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce our mineral reserves. Should reductions in mineral reserves occur, we may be required to take a material write-down of our investment in mining properties, reduce the carrying value of one or more of our assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral reserves and corresponding grades being mined and, as a result, the volume and grade of mineral reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of mineral reserves, or of our ability to extract these mineral reserves, could have a material adverse effect on our results of operations and financial condition.

Fluctuating Metal Prices

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

Extensive Governmental Regulation and Permitting Requirements Risks

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

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

In addition, we are required to expend significant resources to comply with numerous corporate governance and disclosure regulations and requirements adopted by U.S. federal and state and Canadian federal and provincial governments, as well as the TSX and NYSE American. These additional compliance costs and related diversion of the attention of management and key personnel could have a material adverse effect on our business, financial condition and results of operations.

Key Personnel Risk

The Company's success is dependent upon the performance of key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations. The Company does not carry "key personnel" insurance.

Conflicts of Interest

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

Passive Foreign Investment Company

U.S. investors in common shares should be aware that based on current business plans and financial expectations, EMX currently expects that it will be classified as a passive foreign investment company ("PFIC") for the tax year ending December 31, 2018 and expects to be a PFIC in future tax years. If EMX is a PFIC for any tax year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of common shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the U.S. shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which EMX is a PFIC, whether or not EMX distributes any amounts to its shareholders. For each tax year that EMX qualifies as a PFIC, EMX intends to: (a) make available to U.S. shareholders, upon their written request, a "PFIC Annual Information Statement" as described in Treasury Regulation Section 1.1295 -1(g) (or any successor Treasury Regulation) and (b) upon written request, use commercially reasonable efforts to provide all additional information that such U.S. shareholder is required to obtain in connection with maintaining such QEF Election with regard to EMX. EMX may elect to provide such information on its website www.EMXRroyalty.com. This paragraph is qualified in its entirety by the discussion below the heading "Taxation – Certain United States Federal Income Tax Considerations." Each U.S. investor should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of common shares.

Corporate Governance and Public Disclosure Regulations

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

Internal Controls over Financial Reporting

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

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

ITEM 4. INFORMATION ON THE COMPANY**4.A. History and Development of the Company****General Background**

EMX Royalty Corporation was incorporated under the laws of the Yukon Territory of Canada on August 21, 2001 as 33544 Yukon Inc. and, on October 10, 2001, changed its name to Southern European Exploration Ltd. On November 24, 2003, the Company completed the reverse take-over of Marchwell Capital Corp., a TSX-V-listed company incorporated in Alberta on May 13, 1996 and which subsequently changed its name to Eurasian Minerals Inc. On September 21, 2004, EMX continued into British Columbia from Alberta under the *Business Corporations Act*. On July 19, 2017, EMX changed its name to EMX Royalty Corporation to better reflect the nature of its business.

EMX is a reporting issuer under the securities legislation of British Columbia and Alberta, and is listed on the TSX-V Exchange as a Tier 1 issuer and the NYSE American Exchange, with both listings under the symbol "EMX".

The Company's corporate office is located at Suite 501, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8, and its telephone number is 604-688-6390. The Company's registered and records office is located at Suite 704, 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company's technical office is located at 10001 W. Titan Road, Littleton, Colorado, United States of America, 80125, and its telephone number is 303-973-8585. The contact person is Lori Pavle, Corporate Secretary.

Fiscal Year ended December 31, 2016

- On February 23, 2016 the Company announced the execution of a purchase agreement (the "Golden Predator Agreement") for net smelter return royalty interests on the Maggie Creek and Afgan gold properties from Golden Predator US Holding Corp. ("Golden Predator"), a wholly-owned subsidiary of Till Capital Ltd. ("TCL"). Golden Predator had a 2% NSR royalty on all precious metals and a 1% NSR royalty on all other minerals for the Maggie Creek property, which is located north-northeast of Newmont Mining Corporation's ("Newmont") Gold Quarry open pit operations on the Carlin Trend, and a 1% NSR royalty on all minerals for the Afgan property, which occurs on the Battle Mountain-Eureka Trend. The addition of these two royalty assets strengthened the Company's growing Nevada gold portfolio that includes the Leeville royalty property on the Northern Carlin Trend, as well as the Maggie Creek South royalty property located south-southeast of Gold Quarry.

A summary of the Golden Predator Agreement's commercial terms includes:

- Purchase by the Company of Golden Predator's NSR royalties covering the Maggie Creek (2% NSR on precious metals and 1% NSR royalty on all other minerals) and Afgan (1% NSR royalty) properties;
 - Issuance by the Company of 250,000 EMX shares to TCL as consideration for the purchase; and
 - Approval by the TSX-V and NYSE American as a condition precedent to closing the transaction.
- On March 7, 2016 the Company announced that the purchase of net smelter return royalty interests had been completed for the Maggie Creek and Afgan gold properties from Golden Predator after receiving approvals from the TSX Venture and NYSE American Exchanges.
 - In Q1 2016, EMX sold its 100% controlled Grand Bois project in Haiti, which was outside the Joint Venture with Newmont, to a privately held Nevada corporation. EMX retained a 0.5% NSR royalty interest in the Grand Bois project and the right to acquire any properties proposed to be abandoned or surrendered from the Grand Bois project in the future.
 - On July 25, 2016 the Company reported that IGC advised that approval to advance the Malmyzh copper-gold project had been received from the Government Commission on Monitoring Foreign Investment (the "Commission") chaired by Prime Minister Dmitry Medvedev. The Malmyzh exploration and mining licenses are held by IGC (51%) and Freeport- McMoRan Exploration Corporation (49%) (the "Joint Venture"), with IGC operating and managing the project. The Commission's approval marks a pivotal milestone in the development of the Malmyzh project. EMX is IGC's largest shareholder.

IGC advised that the Commission's approval represents the successful completion of the review process required for "strategically significant" deposits according to Russian law (i.e., the Law on Foreign Investments in Strategic Industries, also termed the Strategic Industries Law or "SIL"). The SIL approval process commenced after the Joint Venture, through its Russian subsidiary Amur Minerals LLC, received certified "on balance C1+C2 reserves" from the GKZ (State Reserves Committee) that exceeded thresholds for both copper and gold defining Malmyzh as a "strategically significant" mineral deposit. EMX emphasizes that the Malmyzh "C1+C2 reserves" were estimated according to the rules and regulations of the Russian Federation, and are not the same as reserves under NI 43-101 or SEC Industry Guide 7. According to IGC, highlights of the Commission's approval included:

- The Joint Venture, as a majority foreign owned business entity, has been approved to retain control of the Malmyzh project exploration and mining licenses.
- The Joint Venture, therefore, maintains mining and production rights for the Malmyzh and Malmyzh North exploration and mining licenses.
- The Joint Venture holds 100% of the rights for the Malmyzh and Malmyzh North exploration and mining licenses, and is entitled to recover all minerals of economic value including copper, gold and by-product minerals.

The conclusion of the SIL process initiated a new, multi-year phase in the project's development, including additional technical work (i.e., drilling, exploration, metallurgy, engineering, and hydrology), as well as environmental, social, and economic assessments. This next phase of work will ultimately conclude as a detailed "TEO¹ of Permanent Conditions" report, which is considered to be a precursor to commencement of exploitation and mining.

¹ *Technico-Economicheskoye Obosnovaniye (Technical-Economic Basis)*

- On August 3, 2016, the Company announced the sale of EBX Madencilik A.S., the wholly-owned EMX subsidiary that controls the Sisorta gold property (the "Sisorta Property") in Turkey, to Bahar Madencilik Sinayi ve Ticaret Ltd Sti ("Bahar"), a privately owned Turkish company, pursuant to a Share Purchase Agreement (the "Sisorta Agreement") with Bahar.

The Sisorta Agreement provides for Bahar's staged payments to EMX as summarized below (all amounts in USD):

- \$250,000 cash payment to EMX upon closing of the sale.
- Annual cash payments of \$125,000 ("Advance Cash Payments") payable on each anniversary of the closing date until commencement of commercial production from the Sisorta Property.
- 3.5% of production returns after certain deductions ("NSR Payment") for ore mined from the Sisorta 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.

Bahar intends to conduct advanced exploration and development work on the Sisorta project.

- On August 8, 2016 the Company announced the sale of AES Madencilik A.S., the wholly-owned EMX subsidiary that controls the Akarca gold-silver project (the "Akarca Property") in western Turkey, to Çiftay Insaat Taahhüt ve Ticaret A.S. ("Çiftay"), a privately owned Turkish company. The Akarca Property is an EMX grassroots discovery highlighted by six separate gold-silver mineralized centers occurring within a district-scale area.

The terms of the sale provide payments to EMX as summarized below (all dollar amounts in United States dollars and all gold payments can be as gold bullion or the cash equivalent):

- \$2,000,000 cash payment to EMX upon closing of the sale (completed).
- 500 ounces of gold every six months commencing February 1, 2017 up to a cumulative total of 7,000 ounces of gold.
- 7,000 ounces of gold within 30 days after the commencement of commercial production from the Akarca 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 Akarca Property.
- 250 ounces of gold upon production of an aggregate of 500,000 ounces of gold from the Akarca Property.
- A sliding-scale royalty in the amount of the following percentages of production returns after certain deductions ("Akarca Royalty") for ore mined from the Akarca 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 Akarca Property.
 - For all production other than gold production: 3.0%.
- The Akarca 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 Akarca Property during each 12- month period starting on August 5, 2016 until commencement of commercial production.

- On September 8, 2016 the Company provided an update on exploration results from the Company's spring and summer programs in Norway and Sweden. EMX built a portfolio of exploration projects in Scandinavia, and compiled geologic information and generated drill targets on those properties. Reconnaissance drilling at the Gumsberg Volcanogenic Massive Sulfide ("VMS") project, located in the prolific Bergslagen district of Sweden, yielded several shallow high grade intercepts of polymetallic mineralization along a > 2 kilometer trend of mineralization.
- On October 17, 2016 the Company announced the sale of five patented mining claims comprising its Ophir property in Utah (the "Utah Property"), through its wholly owned subsidiary Bullion Monarch Mining Inc., to Kennecott.

Upon closing of the sale of the Utah Property:

- Kennecott paid EMX US\$75,000,
- EMX retained a 2% NSR royalty, and
- EMX retains the rights to exploration data generated from the Property.

As a result of the sale, the Ophir property has been added to EMX's royalty portfolio.

- On October 19, 2016 the Company announced the execution of an Exploration and Option to Purchase Agreement (the "Copper King Agreement"), through its wholly owned subsidiary BCE, for the Copper King porphyry copper project (the "Copper King Project") with Kennecott. The Copper King Project is located approximately 100 kilometers east of Phoenix, Arizona within the Superior Mining District, and approximately four kilometers northwest of the Resolution porphyry copper deposit.

Pursuant to the Copper King Agreement, Kennecott can earn a 100% interest in the Copper King Project by (a) reimbursing the 2016 holding costs and making option payments, together totaling US\$504,314 (US\$29,314 related to holding costs received), and (b) completing US\$4,000,000 in exploration expenditures before the fifth anniversary of the Copper King Agreement. Upon exercise of the option EMX will retain a 2% NSR royalty on the Copper King Project which is not capped or purchasable.

After exercise of the option, AMR payments are due starting at US\$100,000 and commencing on the first anniversary of the exercise of the option. The AMR payments will increase to US\$150,000 upon completion of an Order of Magnitude Study ("OMS") or PEA. Kennecott may make a one-time payment of US\$3,500,000 to extinguish the obligation to make AMR payments. In addition, if not previously extinguished, total AMR payments after the OMS or PEA milestone payment are capped at US\$3,500,000, and all AMR payments cease upon commencement of production from the Project.

In addition, Kennecott will make milestone payments consisting of:

- US\$500,000 upon completion of an OMS or PEA;
- US\$1,000,000 upon completion of a Prefeasibility Study; and
- US\$2,000,000 upon completion of a Feasibility Study. The Feasibility Study payment will be credited against future royalty payments.

- On October 27, 2016 the Company announced that it had entered into an exploration and option agreement (the "Coeur Agreement"), through its wholly-owned subsidiary BCE, with Coeur Explorations, Inc., a subsidiary of Coeur Mining, Inc. ("Coeur") for the Mineral Hill gold-copper property ("Mineral Hill Property") in Wyoming. EMX'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 Coeur Agreement, Coeur may acquire a 100% interest in the Mineral Hill Property by a) making yearly option payments, beginning upon execution of the Coeur Agreement, totaling US\$435,000 (US\$10,000 received upon execution), 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.

Upon exercise of the option, EMX and MHL will retain a 4% NSR royalty, of which Coeur may purchase up to 1.5% of the NSR royalty if, within sixty days after the completion of a PEA, Coeur purchases the first 0.5% for US\$1,000,000. Coeur may purchase an additional 0.5% or 1% of the NSR royalty at any time thereafter for US\$2,000,000 per 0.5% interest (maximum total buy down of 1.5%), with EMX and MHL retaining a 2.5% interest.

After the option exercise, EMX and MHL will receive annual advance minimum royalties of US\$150,000 and, upon completion of a feasibility study, a milestone payment of US\$1,000,000.

- On November 22, 2016 the Company announced the execution of a definitive agreement with Boreal Metals Corp. ("BMC"), a British Columbia corporation, pursuant to which 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 (the "Scandinavian Properties"). Closing occurred in Q1 2017.
 - At closing, EMX transferred to BMC its entire interest in its wholly-owned subsidiary Iekelvare AB, which owns or will own that portion of the Scandinavian Properties located in Sweden, and its entire interest in its wholly-owned subsidiary EMX Exploration Scandinavia AB, which owns that portion of the Scandinavian Properties located in Norway.
 - At closing, BMC issued to EMX that number of common shares of BMC that represents 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 has raised CDN\$5,000,000 in equity; thereafter EMX has the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest in BMC.
 - EMX will receive an uncapped 3% NSR royalty on each of the Scandinavian Properties. Within five years of the closing date, BMC has the right to buy down up to 1% of the royalty owed to EMX on any given project (leaving EMX with a 2% NSR) by paying EMX US\$2,500,000 in cash and shares of BMC. Such buy down is project specific.

- EMX will receive 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 Scandinavian Properties in years two and three. Once reaching US\$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).
 - EMX will 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.
 - EMX has the right to one seat on the Board of Directors of BMC.
- On December 16, 2016 the Company announced that it was changing the ticker symbol of its common shares listed on the NYSE American from **EMXX** to **EMX** effective Monday, December 26, 2016. The Company trades on both the TSX Venture and NYSE American exchanges as EMX.

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- On January 24, 2017 the Company announced initial results from IGC's fall-winter drill program at the Malmyzh copper- gold porphyry project, including the longest mineralized intercept drilled to date on the property. Drill hole AMM-213 intersected 747.4 meters (108.7-856.1 m) averaging 0.49% copper equivalent (0.41% copper and 0.17 g/t gold) principally hosted in phreatomagmatic breccias and diorite porphyries at the Freedom Northwest prospect (true width). The hole doubled the drilled vertical extent of the Freedom Northwest system, while bottoming in mineralization. In addition, reconnaissance drilling at the Sleeper West prospect intersected a shallow zone of 109 meters averaging 0.58% copper equivalent (0.53% copper and 0.09 g/t gold) starting at 13.5 meters in hole AMM-210 (true width). Freedom Northwest and Sleeper West are not included in the current Malmyzh resource estimate, which underscores the project's additional exploration upside. The Malmyzh exploration and mining licenses are held by IGC (51%) and Freeport- McMoRan Exploration Corporation (49%) (the "Joint Venture"), with IGC operating and managing the project. EMX is IGC's largest shareholder.
- On January 25, 2017 the Company provided an update on the Company's Leeville royalty property that covers portions of Newmont Mining Corporation's ("Newmont") underground mining operations in the Northern Carlin Trend. EMX has noted an increase in Leeville royalty revenue and equity gold ounces starting in mid-2016. In addition to royalty income from gold production, the Leeville property also provides the Company with upside exposure to Newmont's ongoing exploration advancements at the Rita K and Full House gold deposits. Newmont expects initial resources for Rita K in 2018, and has already outlined resources at Full House.
- On February 8, 2017 the Company announced the receipt of a payment of US \$601,825, the cash equivalent of 500 troy ounces of gold, from Çiftay Insaat Taahhüt ve Ticaret A.S. ("Çiftay"), as part of the payment schedule for the Akarca gold-silver project in western Turkey. The Akarca Property was transferred to Çiftay in August, 2016 for a combination of cash, future payment streams denominated in gold bullion, and a royalty interest. Çiftay informed EMX that it had completed an initial 49 hole diamond drill program comprising 6,032 meters on the Akarca Property in the 4th quarter of 2016.
- On February 28, 2017 the Company announced the execution of an option agreement (the "Copper Springs Agreement"), through its wholly owned subsidiary BCE, for the Copper Springs porphyry copper project ("Copper Springs Project") with Anglo American Exploration (USA), Inc. ("Anglo American"). The Copper Springs Project is located approximately 120 kilometers east of Phoenix, Arizona within the Globe-Miami Mining District.

Pursuant to the Copper Springs Agreement, Anglo American can earn a 100% interest in the Copper Springs Project by (a) reimbursing BCE's 2016 holding and permitting costs and making annual option payments, together totaling US\$447,000, 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 Copper Springs 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, AMR Payments of US\$100,000 are due, commencing on the first anniversary of the exercise of the option. The AMR Payments will increase to US\$200,000 upon completion of a Scoping Study or PEA. Anglo American may make a one-time payment of US\$3,500,000 to extinguish the obligation to make any post-Scoping Study AMR payments. All AMR Payments cease upon commencement of production from the project.

In addition, Anglo American will make milestone payments consisting of:

- US\$500,000 upon completion of a Scoping Study or PEA;
- US\$1,000,000 upon completion of a Prefeasibility Study; and
- US\$2,000,000 upon completion of a Feasibility Study. The Feasibility Study payment will be credited against future royalty payments.

Anglo American will manage and operate the Copper Springs Project.

- On April 12, 2017 the Company announced the completion of a non-brokered private placement (all dollar amounts in CDN). The Company raised \$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. Fees were paid on a portion of the Private Placement. The fees consisted of 246,604 units (6% of the units sold to investors introduced by finders) issued to Sprott Global Resource Investments, Ltd. (219,424 units), Sprott Private Wealth LP (15,000 units), Haywood Securities Inc. (10,380 units) and Mackie Research Capital Corporation (1,800 units). Insiders of the Company purchased 89,230 units and Pro Group members a further 19,000 units.
- On May 3, 2017 the Company announced the appointment of Mr. Thomas G. Mair as General Manager of Corporate Development.
- On July 17, 2017 the Company announced a name change from Eurasian Minerals Inc. to EMX Royalty Corporation effective July 19, 2017 to better reflect the nature of its business.
- On July 25, 2017 the Company announced IGC's 2017 drill results from the Malmyzh copper-gold porphyry project's Freedom Northwest prospect, including an intercept of 417.3 meters (219.4-636.7 m) averaging 0.60% copper equivalent (0.50% copper and 0.21 g/t gold), including a higher grade sub-interval of 142.6 meters (255.4-398.0 m) averaging 0.74% copper equivalent (0.62% copper and 0.26 g/t gold) from hole AMM-216 (true widths). The mineralization is principally hosted in magmatic-hydrothermal breccias. The ongoing exploration program at Freedom Northwest represents the first deep drill testing at Malmyzh, as previous drilling has been concentrated on shallow mineralization throughout the district. Freedom Northwest is not included in the current Malmyzh resource estimate, which further emphasizes the project's exploration upside. EMX is IGC's largest shareholder.
- On August 4, 2017, EMX received a payment of US\$634,015, the cash equivalent of 500 troy ounces of gold as the second gold bullion payment, from Çiftay, as part of the payment schedule for the Akarca gold-silver project in western Turkey. The Akarca Property was transferred to Çiftay in August, 2016 for a combination of cash, future payment streams denominated in gold bullion, and a royalty interest.
- On September 19, 2017 the Company announced that Koonenberry Gold Pty Ltd. ("KNB") had completed the earn-in requirements under the Exploration and Option Agreement (the "Koonenberry Agreement") dated January 31, 2014 between North Queensland Mining Pty Ltd. ("NQM") and the Company, and had elected to acquire EMX's Koonenberry exploration licenses (the "Koonenberry Project") in New South Wales, Australia. KNB is the successor in interest to NQM under the Koonenberry Agreement. In accordance with the Koonenberry Agreement, EMX has transferred its wholly-owned subsidiary EMX Exploration Pty Ltd, the holder of the Koonenberry licenses, to KNB, a private Australian company formed for the sole purpose of developing the project. EMX has retained a 3% production royalty on all future production from the Koonenberry licenses. As a result of this transaction, all of EMX's interests in the Koonenberry Project have been converted to retained royalty interests.
- On December 4, 2017 the Company announced the execution of an option agreement (the "Sienna Agreement") for the Slättberg project (the "Slättberg Project") with Sienna Resources Inc. ("Sienna") (TSX Venture: SIE). The Sienna Agreement provides EMX with immediate share equity in Sienna, and upon Sienna's earn-in through work commitments, additional share equity and a 3% NSR royalty on the Slättberg Project. The Slättberg Project hosts nickel- copper-cobalt enriched massive sulfide mineralization and is located approximately 25 kilometers northwest of Falun, Sweden.

Pursuant to the Sienna Agreement, Sienna can earn 100% interest in the Slättberg Project by the issuance of shares to EMX and performance of work during the one-year option period, as described below:

- On signing the agreement, Sienna issued to EMX 3 million common shares of Sienna stock.
 - As a condition to the exercise of the option, Sienna must undertake work commitments of at least \$500,000 on the Project, including drilling of at least 750 meters.
 - Upon exercise of the option, Sienna will issue to EMX an additional 3 million shares of Sienna stock, and EMX will receive a 3% NSR royalty on the properties comprising the Project.
 - 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.
 - 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 million 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.
- On December 18, 2017 the Company announced the execution of an option agreement (the "Antofagasta Agreement") through its wholly owned subsidiary BCE, for the Greenwood Peak copper porphyry project (the "Greenwood Peak Project") with a wholly owned subsidiary of Antofagasta plc ("Antofagasta"). The Greenwood Peak Project, located approximately 175 kilometers northwest of Phoenix, Arizona, contains a copper porphyry target concealed beneath younger gravels and basin fill sediments.

Pursuant to the Antofagasta Agreement, Antofagasta can earn 100% interest in the Greenwood Peak Project by a) Reimbursing BCE's acquisition costs and making annual option payments, together totaling US\$630,000; and b) Completing US\$4,500,000 in work expenditures within the five year option period. BCE will be the operator of the Project for Antofagasta. Upon exercise of the option EMX will retain a 2% NSR royalty on the Project, which is not capped and not subject to buy-down. After exercise of the option, AAR payments are due starting at US\$100,000 on the first anniversary of the exercise of the option, and will increase to US\$175,000 upon completion of a scoping study for the Project. Antofagasta may make a one-time payment of US\$4,000,000 to extinguish the obligation to make AAR payments after completion of the scoping study. All AAR payments are recoupable against royalty payments owed to EMX.

Antofagasta will also make project milestone payments consisting of:

- US\$500,000 upon completion of a scoping study;
- US\$1,000,000 upon completion of a pre-feasibility study; and
- US\$2,000,000 upon completion of a feasibility study.

The feasibility milestone payment is recoupable against royalty payments owed to EMX.

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- On January 16, 2018 EMX announced that the execution of a definitive agreement (the "Boreal Agreement") for the sale of the Modum cobalt project (the "Modum Project") in Norway to Boreal Metals Corp. ("Boreal") (TSX Venture: BMX). The agreement provides EMX with additional share equity in Boreal, a 3% NSR royalty on the project, and advance annual royalty payments. The Modum Project is located in southern Norway's Modum mining district, ~75 kilometers west of Oslo. The project partially surrounds the historic Skuterud mine property, which was Europe's principal producer of cobalt from the late eighteenth through nineteenth centuries.

Pursuant to the Boreal Agreement, Boreal can acquire 100% interest in the Modum Project according to the following terms:

- At closing, Boreal will issue to EMX 1,324,181 common shares of Boreal that will bring EMX's share of equity ownership in Boreal to 19.9%. EMX will have the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest in Boreal.
- At closing, EMX will transfer its Modum exploration licenses to Boreal.
- EMX will retain a 3% NSR royalty on the Project, of which 1% may be purchased by Boreal 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 Boreal stock.
- EMX will 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. Once reaching US \$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).

- On February 5, 2018, EMX received a payment of US\$665,525 as the cash equivalent to the third 500 ounce gold bullion payment from Çiftay, as part of the payment schedule for the Akarca gold-silver project in western Turkey. The Akarca Property was transferred to Çiftay in August, 2016 for a combination of cash, future payment streams denominated in gold bullion, and a royalty interest. Receipt of this third payment leaves a pre-production total of 5,500 ounces of gold (or the cash equivalent) to be paid to EMX.
- On February 8, 2018 the Company announced the execution of an option agreement (the "Kennecott Agreement"), through its wholly owned subsidiary BCE, for the Buckhorn Creek copper porphyry project (the "Buckhorn Creek Project") with Kennecott. The Kennecott Agreement provides for work commitments as well as cash payments to EMX during Kennecott's earn-in period, and upon earn-in, a 2% NSR royalty interest in addition to pre-production and milestone payments to EMX's benefit. The Buckhorn Creek Project is located in north-central Arizona, approximately 70 kilometers north of Phoenix, and lies in the greater Castle Creek Mining District.

Pursuant to the Kennecott Agreement, Kennecott can earn 100% interest in the Buckhorn Creek Project by: (a) making a US \$30,000 payment upon execution of the agreement and making subsequent option payments, together 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 royalty ("AMR") payments are due starting at US \$100,000 and increasing to US \$150,000 upon completion of an Order of Magnitude Study ("OMS") or PEA. Kennecott may make a one-time payment of US \$3,500,000 to extinguish the obligation to make AMR payments. All AMR payments cease upon commencement of production from the project.

In addition, Kennecott will make milestone payments consisting of:

- US \$500,000 upon completion of an OMS or PEA,
- US \$1,000,000 upon completion of a Prefeasibility Study, and
- US \$2,000,000 upon completion of a Feasibility Study. The Feasibility Study payment will be credited against future royalty payments.

- On February 9, 2018 the Company announced the execution of a purchase agreement (the "BEMC Agreement") for the Guldgruvan cobalt project (the "Guldgruvan Project") in Sweden with Boreal Energy Metals Corporation ("BEMC"), a newly created and wholly owned subsidiary of Boreal Metals Corporation ("Boreal") (TSX Venture: BMX). Pursuant to the BEMC Agreement, the Guldgruvan nr 101 license will be transferred to BEMC in exchange for the issuance of shares of BEMC, a royalty interest on the Guldgruvan Project, and other considerations according to the terms described below:

- At closing, BEMC will issue to EMX that number of common shares of BEMC that represents a 5.9% equity ownership in BEMC. BEMC will have the continuing obligation to issue additional shares of BEMC to EMX to maintain its 5.9% interest, at no additional cost to EMX, until BEMC has raised CDN \$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 5.9% interest in BEMC.
- EMX will receive an uncapped 3% NSR royalty on the project. Within five years of the closing date, BEMC has the right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX US \$2,500,000 in cash and shares of BEMC.
- EMX will receive annual advance royalty ("AAR") payments of US \$20,000 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. Once reaching US \$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).
- EMX will also be reimbursed for its acquisition costs and previous expenditures on the project.
- The issuance of BEMC shares to EMX, as set forth in the Agreement, is subject to TSX Venture Exchange approval.

- On February 15, 2018 the Company announced its acquisition of 1,324,181 common shares of Boreal Metals Corp., representing 2.6% of Boreal's issued and outstanding shares. EMX acquired the shares pursuant to the sale to Boreal of the Modum cobalt project in Norway (see EMX news release dated January 16, 2018). The shares were issued to EMX at a deemed price of CDN\$0.26 per share. Immediately prior to the acquisition, EMX owned 9,205,883 common shares, representing 17.8% of Boreal's outstanding common shares. After the acquisition the Company owned 10,530,064 common shares, representing 19.9% of Boreal's outstanding common shares. The Company filed an Early Warning Report with the British Columbia, Alberta and Ontario Securities Commissions in respect of the acquisition.

- On March 1, 2018 the Company announced drill results from Boreal Metals Corp.'s first five holes totaling 1,146.7 meters of diamond drilling to confirm high grade zinc-lead-silver mineralization at EMX's Gumsberg royalty property. Of particular significance was the intersection of multiple styles of massive sulfide mineralization, including silver-rich zinc and lead mineralization in hole BM-17-005, which was drilled in the vicinity of the historic Östersilvberg Mine, Sweden's largest silver producer in medieval times.
- On March 5, 2018 the Company announced that IG Copper LLC's winter drill campaign was underway at the Malmyzh copper-gold porphyry project. The first two holes were drilled to acquire material for metallurgical test work from the Valley and Freedom Southeast resource deposits. In addition, the Company announced that Scotiabank Europe plc, the U.K. subsidiary of The Bank of Nova Scotia, had been retained to assist with IGC's strategic business initiatives.
- On March 20, 2018 the Company announced its acquisition of 2,979,798 common shares of Boreal Energy Metals Corp. ("BEMC"), representing 5.9% of BEMC's outstanding common shares. Prior to this transaction, BEMC was a wholly-owned subsidiary of Boreal Metals Corp. EMX acquired the shares pursuant to the sale of the Guldgruvan cobalt project in Sweden to BEMC (see EMX news release dated February 9, 2018). The shares were issued to EMX at a deemed price of CDN\$0.05 per share.
- On April 11, 2018 the Company announced the execution of a purchase agreement for the Njuggträskliden and Mjövattnet nickel-copper-cobalt projects in Sweden with Boreal Energy Metals Corporation. Pursuant to the agreement, BEMC will acquire 100% interest in the projects according to the following commercial terms (all dollar amounts in USD, unless otherwise noted):
 - BEMC issued to EMX common shares of BEMC that represented a 4% equity ownership in BEMC, bringing EMX's aggregate interest to 9.9% of BEMC's issued and outstanding shares. BEMC has the continuing obligation to issue additional shares of BEMC to EMX to maintain its aggregate 9.9% interest in BEMC, at no additional cost to EMX, until BEMC has raised CDN \$3,000,000 in equity.
 - EMX received an uncapped 3% NSR royalty interest on each of the projects. Within five years of the closing date, BEMC has the right to buy down up to 1% of the royalty owed to EMX by paying EMX \$2,500,000 in cash and shares of BEMC for each project.
 - EMX will receive annual advance royalty payments for each project commencing on the second anniversary of the closing.
- On April 17, 2018 the Company announced the receipt of drill data for the 2017 exploration programs at the Akarca royalty property in western Turkey. Çiftay Insaat Taahhüt ve Ticaret A.S., the owner and operator of the Akarca project, informed EMX that it had completed 7,844 meters of diamond drilling across five target areas, resulting in a significant increase in the footprints of drill defined gold and silver mineralization on the property. EMX also announced that it had received a cash payment of US \$665,525 in February 2018, the cash equivalent of 500 ounces of gold.
- On April 19, 2018 the Company announced the execution of an option agreement, through its wholly owned subsidiary Eurasian Minerals Sweden AB, for the Riddarhyttan Iron-Oxide-Copper Gold ("IOCG") and massive sulfide project in Sweden to South32 Ltd. ("South32"). Pursuant to the agreement, South32 can earn 100% interest in the project during a five year earn-in period by (all dollar amounts in USD):
 - Making option and cash payments that total approximately \$210,600,
 - Making a one-time option exercise payment of \$500,000, and
 - Completing \$5,000,000 of exploration work on the project within five years of the execution date.

Upon exercise of the option, EMX will retain a 3% NSR royalty, 0.75% of which may be purchased by South32 for \$1,900,000 within five years of executing the agreement. After exercising the option, annual advance royalty payments of 50,000 pounds of copper (or the cash equivalent) will be due to EMX, but will be deductible from future royalty payments. In addition, South32 will make milestone payments of: 350,000 pounds of copper (or the cash equivalent) upon publication of an initial resource on the project, and 750,000 pounds of copper (or the cash equivalent) upon delivery of a feasibility study.
- On May 2, 2018 the Company announced additional high grade zinc-lead-silver diamond drill results from Boreal Metals Corp.'s winter drill campaign at the Gumsberg royalty property. The new drill intercepts reported by Boreal were from holes BM-17-006 through BM-17-012, which successfully tested massive sulfide horizons at the Vallberget and Östersilvberg prospects.

- On May 4, 2018 the Company announced that it had entered into a credit facility agreement with Sprott Private Resource Lending (Collector), LP (“Sprott”) providing EMX with a US\$ 5 million senior secured credit facility (the “Credit Facility”). The US\$ 5 million loan made under the Credit Facility 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. EMX used the proceeds of the Credit Facility for corporate and working capital purposes.
- On May 18, 2018 the Company announced its acquisition of 2,020,202 common shares of Boreal Energy Metals Corp., representing an additional 4% equity stake in BEMC, which brought EMX’s aggregate interest to 9.9% of BEMC’s issued and outstanding shares. EMX acquired the additional shares pursuant to the sale of the Njugträskkliden and Mjövattnet nickel-copper-cobalt projects in Sweden (see EMX news release dated April 11, 2018). The shares were issued to EMX at a deemed price of CDN \$0.05 per share. EMX was also granted a 3% NSR royalty on the two projects, as well as other consideration to EMX’s benefit.
- On June 14, 2018 the Company announced that IG Copper LLC had executed a definitive Share Purchase Agreement to sell the Malmyzh copper-gold porphyry to Russian Copper Company (“RCC”), a privately held, leading copper producer in the Russian Federation (the “Transaction”). The closing of the Transaction was contingent on RCC completing additional due diligence that included drilling and metallurgical studies, as well as receiving approval from the Russian Federal Anti-Monopoly Service.
- On August 13, 2018 the Company provided updates on two of the Company’s royalty properties in Turkey, including drill results from the Balya lead-zinc-silver carbonate replacement deposit in northwestern Turkey, and continued development permitting of the Sisorta high sulfidation gold deposit in northeastern Turkey.
- On October 1, 2018 the Company announced the execution of a purchase agreement for the Kimberley Copper Project in Western Australia with Enfield Exploration Corporation (“Enfield”). The agreement provides EMX with 500,000 shares of Enfield, and a commitment from Enfield to raise US \$1,000,000 for an initial drill test of the project. EMX will also receive a graduated NSR royalty on the project, annual advance royalty payments, and an additional 1,750,000 shares of Enfield upon the achievement of certain milestones.
- On October 2, 2018 the Company provided an update on the sale of the Malmyzh copper-gold porphyry project to Russian Copper Company. IG Copper LLC advised that all conditions precedent to completing the sale, as defined in the Share Purchase Agreement, had been fulfilled, and the US \$200 million completion consideration had been paid into escrow.
- On October 11, 2018 the Company announced that IG Copper LLC had notified EMX that the sale of the Malmyzh project to Russian Copper Company 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 succeeding 12 months. The initial cash distribution to EMX by IGC was estimated to be US \$65 million, with subsequent cash distributions to EMX (up to US \$4 million) to be completed upon the remaining funds being released from escrow.

In support of the Malmyzh sale, EMX had borrowed US \$18.5 million from Sprott Private Resource Lending (Collector), LP (“Sprott Loan”), and then loaned the US \$18.5 million to IGC (“EMX Loan”). Both the Sprott Loan and the EMX Loan have been re-paid. In connection with the Sprott Loan, EMX issued 381,321 common shares and paid cash fees of US \$550,000 and US \$185,000 in interest to Sprott. In connection with the EMX Loan, IGC issued EMX 37,000 units in IGC, reimbursed EMX for fees, interest payments and costs incurred under the Sprott Loan, and paid EMX a fee of US \$550,000 (this amount is included in the initial cash distribution noted above).

- On October 30, 2018 the Company announced that it had received its initial cash distribution of US \$65.15 million from IG Copper LLC’s sale of the Malmyzh project.
- On November 14, 2018 the Company announced that it had had repaid the US \$5 million senior secured credit facility loan from Sprott Private Resource Lending (Collector), LP.
- On November 28, 2018 the Company provided an update on its royalty and mineral property portfolio consisting of over 90 projects on five continents. The update discussed EMX’s royalty property interests, including Leeville in Nevada, the Timok Project’s Cukaru Peki deposit in Serbia, and properties being advanced by operating companies in Turkey, the western U.S., Scandinavia, Haiti, and Australia.

- On November 30, 2018 the Company provided a detailed disclosure regarding the US\$3.8 million in bonuses awarded to EMX's management and staff in respect of their seven years of effort to monetize the Company's investment in IG Copper LLC. This additional disclosure included a summary of the rationale, approval process, recipients, and allocations related to the bonus.
- On December 6, 2018 the Company announced the execution of a Regional Strategic Alliance agreement between wholly-owned subsidiary Bronco Creek Exploration, Inc., and South32 USA Exploration Inc. ("South32"), a wholly-owned subsidiary of South32 Limited. The agreement provides annual funding for generative work and acquisitions over a two year period, as well as a framework to advance projects of interest. Generative work will focus on copper and other base metal projects within the Laramide and Tertiary magmatic arcs of Arizona, New Mexico and Utah. Projects advanced to the drill program stage may be selected as Designated Projects. Designated Projects will advance under separate option agreements providing for work commitments and cash payments to EMX during South32's earn-in period, and upon earn-in, a 2% NSR royalty interest and pre-production and milestone payments to EMX's benefit. South32 initially selected five EMX copper projects in Arizona to begin advancing toward the drill program stage.
- On December 13, 2018 the Company announced the execution of a purchase agreement for the sale of the Bleikvassli, Sagvoll, and Meråker polymetallic projects in Norway, and the Bastutråsk polymetallic project in Sweden to OK2 Minerals Ltd. (name changed to Norra Metals Corp. in February 2019). Pursuant to the agreement (all dollar amounts in USD, unless otherwise noted):
 - EMX will transfer to OK2 the Bleikvassli, Sagvoll, and Meråker exploration licenses in Norway, and its Bastutråsk exploration permits in Sweden at closing.
 - Upon the closing of this transaction, OK2 will undergo a corporate restructuring by share consolidation and change its name to Norra Metals Corp.
 - OK2 will issue to EMX that number of common shares of OK2 that represents a 9.9% equity ownership in OK2 at closing. OK2 will have the continuing obligation to issue additional shares of OK2 to EMX to maintain its 9.9% interest in OK2, at no additional cost to EMX (subject to a maximum of 13,398,958 post-consolidation common shares), until OK2 has raised CDN \$5,000,000 in equity to fund exploration and development on the Properties, or until five years after closing, whichever occurs first. Thereafter, EMX will have the right to participate pro-rata in future financings at its own cost to maintain its 9.9% interest in OK2.
 - Further, there is an additional provision that requires OK2 to raise and spend CDN \$2,000,000 on the Properties within two years of the closing date, otherwise EMX's 9.9% equity ownership shall be increased to a 14.9% continuing equity interest (subject to a maximum of 21,350,956 post-consolidation common shares).
 - EMX will retain an uncapped 3% NSR royalty interest on each of the Properties. Within six years of the closing date, OK2 has the right to buy down up to 1% of the royalty retained by EMX on any given project (leaving EMX with a 2% NSR royalty) by paying EMX \$2,500,000. Such a buy down is project specific.
 - EMX will receive annual advance royalty ("AAR") payments of \$20,000 for each of the Properties commencing on the second anniversary of the closing, with each AAR payment increasing by \$5,000 per year until reaching \$60,000 per year, except that OK2 may skip AAR payments on two of the four Properties in years two and three provided payments are made on the other two Properties in years two and three. Once reaching \$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).
 - EMX will receive a 0.5% NSR royalty on any new mineral exploration projects generated by OK2 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.
 - EMX will also receive a 1% NSR royalty on OK2's Pyramid project in British Columbia at closing.
 - EMX will have the right to nominate one seat on the Board of Directors of OK2.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Additional information can be found at EMX's website at www.EMXroyalty.com.

4.B. BUSINESS OVERVIEW

EMX Royalty Corporation is in the business of organically generating royalties derived from a portfolio of mineral property interests. The Company augments royalty generation with carefully selected royalty acquisitions and strategic investments.

EMX's portfolio mainly consists of properties in North America, Europe, Turkey, Haiti, and Australia. The Company's common shares are listed on the TSX Venture Exchange and the NYSE American Exchange under the symbol EMX.

The three key components of the Company's business strategy are summarized as:

- **Royalty Generation.** EMX's sixteen year track record of successful exploration initiatives has developed into an avenue to organically generate mineral property royalty interests. The strategy is to leverage in-country geologic expertise to acquire prospective properties on open ground, and to build value through low cost work programs and targeting. These properties are sold or optioned to partner companies for retained royalty interests, advance minimum royalty payments, project milestone payments, and other considerations that may include equity interests. Pre-production payments provide early-stage cash flows to EMX, while the operating companies build value through exploration and development. EMX participates in project upside at no additional cost, with the potential for future royalty payments upon the commencement of production.
- **Royalty Acquisition.** EMX has been acquiring royalty property interests since 2012. The purchase of royalty interests allows EMX to acquire quality assets that range from producing mines to development projects. The timely identification of acquisition opportunities is often informed by the Company's in-country royalty generation initiatives.
- **Strategic Investment.** An important complement to EMX's royalty generation and royalty acquisition initiatives comes from strategic investment in companies with under-valued mineral assets that have upside exploration potential. Exit strategies can include equity sales, royalty positions, or a combination of both.

EMX is focused on increasing revenue streams from royalties, pre-production and other cash payments, and strategic investments. This approach provides a foundation for supporting EMX's growth and increasing shareholder value over the long term.

Government Regulation and Environmental Protection

The Company's current exploration activities are conducted in North America, Turkey, Europe, Australia and New Zealand. Such activities are affected in varying degrees by political stability and government regulations relating to foreign investment and the mining industry. Changes in these regulations or shifts in political attitudes are beyond EMX's control and may adversely affect EMX's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, income taxes, expropriation of property, repatriation of funds, environmental legislation and mine safety.

The mining industry is also subject to extensive and varying environmental regulations in each of the jurisdictions in which EMX operates. Environmental regulations establish standards respecting health, safety and environmental matters and place restrictions on toxins resulting from mining activities. These regulations can have an impact on the selection of mining projects and facilities, potentially resulting in increased capital expenditures by EMX or its joint venture partners. In addition, environmental legislation may require certain projects to be abandoned and sites reclaimed to the satisfaction of local authorities. EMX is committed to complying with environmental and operation legislation wherever it operates.

The Company's current or future operations, including exploration and development activities on its properties, require permits from various governmental authorities, and such operations are, and will be, governed by laws and regulations governing exploration, development, taxes, occupational health, waste disposal, toxic substances, land use, environmental protection and other matters. Compliance with these requirements may prove to be difficult and expensive. While EMX has properties in numerous jurisdictions, its most advanced projects are located in Turkey and the United States.

Governmental Regulation in Turkey

Mining Regulation

The legal mining regime in Turkey is principally governed by the Turkish Mining Law No. 3213, as amended most recently on February 4, 2015¹ for the purpose of, among other things, avoiding labour accidents, and restating the mining license fees, governmental royalties, and sanctions in order to make it more compliant with the most recent global conditions. The Turkish Mining Activities Implementation Communiqué was adopted and amended during the amendment of Turkish Mining Law on June 10, 2010; however, this Implementation Communiqué has not been amended yet in accordance with the latest amendments of Turkish Mining Law dated February 4, 2015. Turkey is still awaiting the adoption of the amendment of Implementation Communiqué to comply with latest amended Turkish Mining Law. The mining sector is regulated under the umbrella of the General Directorate of Mining Affairs of the Republic of Turkey, a unit of the Ministry of Energy and Natural Resources of the Republic of Turkey. Mining rights and minerals are exclusively owned by the Turkish state, and the ownership of minerals in Turkey is not subject to the ownership of the relevant land. The state, under the Turkish Mining Law and secondary mining legislation, delegates its rights to explore and operate to Turkish individuals or legal entities established under Turkish law by issuing licenses for a determined period of time in return for the payment of a royalty. There is no distinction between the mining rights that may be acquired by local investors and those that may be acquired by foreign investors so long as foreign investors establish a company in Turkey under Turkish law.

¹ Turkish Mining Law No.3213 was first adopted on June 4, 1985 with several amendments on December 24, 1986, July 30, 1999, June 15, 2001, May 26 2004, June 3, 2007, June 10, 2010 and with the latest amendment on February 4, 2015.

The General Directorate of Mining Affairs, is the authorized body to regulate mining activities and to issue mining licenses in Turkey. In addition, local administrative bodies of Turkey also have a certain level of authority relating to licenses and the regulation of mining facilities. Transferring the mining license is subject to the prior approval of the Ministry of Energy and Natural Resources of the Republic of Turkey.

The Turkish Mining Law classifies underground resources into six different groups, and the licensing procedure for each group differs slightly. Briefly, the groups are as follows: (I) sand and gravel, (II) marble and other similar decorative stones, (III) mineral salts from seas, lakes and fresh waters, (IV) energy, metal and industrial minerals, including gold, silver, platinum, copper, lead, zinc, aluminum, uranium, thorium and radioactive minerals, (V) precious minerals such as gemstones, and (VI) a group of minerals which is not stated amongst these groups shall be identified by the Ministry of Energy and Natural Resources of Republic of Turkey under secondary legislation of Turkey.

There are two types of licenses granted for the exploration and operation of mines and one type of operation permit under the Turkish Mining Law, as follows: Group II (b), Group III, Group IV minerals at the first stage require general exploration licenses. Group V minerals require exploration certificates. Group I and Group II (a) and (c) are directly granted with operation licenses.

- Exploration License. Enables its holder to carry out general exploration activities (i.e., all mining activities other than those carried out for production) in a specific area issued for a period of two years for Group IV minerals including gold mining and one year for the other groups. If the license holder owning a group of minerals satisfies its obligations, the license holder owning Group IV minerals will have a right to an additional four years of detailed exploration; for Group II (b), Group III and Group V mines, the relevant license holder is obliged to meet the operation license's requirements until the end of its general exploration period.
- Operation License. Enables its holder to carry out operational activities within the same area as stated in the exploration license for the proved, potential and feasible mine reserve area. The term of the operation license for Group I (a) minerals are five years. The other groups of minerals are at least ten years depending on the specific project. The terms of the operation licenses may generally be extended upon the application of the license holder with a new operation project provided that such extension request is accepted by the General Directorate of Mining Affairs of Turkey. The term of the operation license for Group I (a) minerals cannot exceed thirty years, for Group II minerals cannot exceed forty years, and for other groups of minerals cannot exceed fifty years. Extension requests for more than thirty years for Group I (a) minerals and forty years for Group II minerals are made directly to the Ministry of Energy and Natural Resources of the Republic of Turkey and for more than fifty years for other groups of minerals are made directly to Ministry of Council of Republic of Turkey.
- Operation Permit. Enables its holder to operate a specific mine as specified in the operation license and granted only for the proved mine reserves area that is determined during the prospecting period. The license holder, within three years following the issuance of the operation license shall obtain the required approvals, permits such as environmental impact assessment decision, ownership decision, land usage decision, workplace opening and operation permit and other permits stated under clause 7 of the Mining Law and then, accordingly, the license holder is granted the operation permit by the General Directorate of Mining Affairs of Turkey. The operation permit is required to be obtained until the end of the term of the operation license.

The Turkish Mining Law provides for different royalty percentages for different groups of mines. The royalty percentages for Group IV minerals, including gold, silver, platinum, lead copper, zinc, aluminum and uranium oxide minerals are in the below chart.

The Royalty Percentages For Group IV Minerals under Turkish Mining Law

Royalty(%)	Gold S/oz	Silver S/oz	Platinum S/oz	Copper S/oz	Lead S/oz	Zinc S/oz	Chrome S/T	Aluminum S/T	Uranium Oxide S/lb
2	<800	<10	<500	<5000	<1000	<1000	<100	<1000	<20
4	801-1250	11-20	501-1000	5001-7500	1001-2000	1001-2500	101-300	1001-2000	20-40
6	1251-1500	21-25	1001-1250	7501-8000	2001-2250	2501-3000	301-500	2001-2350	41-80
8	1501-1750	25-30	1251-1500	8001-8500	2251-2500	3001-3500	501-700	2351-2600	81-110
10	1751-2000	31-35	1501-1750	8501-9000	2501-3000	3501-4000	701-900	2601-2850	111-140
14	2001-2250	36-40	1751-2000	9001-9500	3001-3500	4001-4500	901-1100	2851-3100	141-170
16	>2251	>41	>2001	>9501	>3501	>4501	>1101	>3101	>171

Environmental Regulation

In Turkey, where EMX's most advanced projects are located, both the level of environmental regulation and its enforcement have become more stringent in recent years. Mining operations are subject to environmental laws and regulations promulgated by the Turkish Ministry of Environment and Urban Planning, the Ministry of Forestry and Water Works and regional and local authorities. The Turkish Mining Law amended in 2015 has brought more detailed provisions to the mining activities for the compliance of environmental rules. The Regulation on Environmental Impact Assessments, for example, requires any entity that is involved in activities that could have an environmental impact to prepare a Report of Environmental Impact Assessment or a Project Information File. No approvals, permits, incentives, or construction and occupancy licenses may be granted, nor any investments made, nor any tenders awarded for these projects unless and until the Turkish Ministry of Environment and Urban Planning issues a positive assessment of the environmental impact of the subject activities. The Turkish environmental laws and regulations also require certain businesses to comply with ongoing requirements to reduce the environmental impact of certain operations and activities, which also include mining activities. In addition, in Turkey, the issue of allocation of environmentally sensitive areas such as forest areas, hunting areas, special protection areas, national parks and agriculture areas for the granting of licenses for activities to be carried out in such areas is also regulated and is under the supervision of the Turkish Ministry of Forestry and Water Works.

Under current Turkish environmental laws and regulations, regulatory authorities may suspend or terminate non-compliant operations, levy monetary penalties and require non-compliant entities to bear the cost of related remediation programs. For example, under Turkish environmental and criminal laws, non-compliant operations may be subject to private action and liable for damages arising from their activities, as well as subject to criminal penalties (such as imprisonment and monetary fines) for deliberately providing regulatory authorities with false or misleading information regarding regulated activities or otherwise failing to comply with certain regulations. In addition, a property owner may be held liable for the cost of the removal or remediation of hazardous or toxic wastes discovered on its property, the cost of which could be substantial, where generally such liability attaches regardless of whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances.

Environmental laws, as they may be amended over time, can impose restrictions on the manner of use of properties, and compliance with these restrictions may require substantial expenditures. Environmental laws and regulations impose sanctions for non-compliance and may be enforced by governmental agencies. Third parties also may seek recovery from companies for personal injury or property damage associated with exposure to the release of hazardous substances.

Commercial Regulation

The Turkish Commercial Code numbered 6762, which was in effect as of 1957, has been amended substantially with the new Turkish Commercial Code numbered 6102 (the "New Turkish Commercial Code"). The New Turkish Commercial Code came into force on July 1, 2012. The New Turkish Commercial Code is intended to provide for institutionalization, increased competitive power and the establishment of increased public confidence, corporate governance and transparency. The code permits joint stock companies and limited liability companies to be established with only one shareholder and with one board member.

Some of the key features of the New Turkish Code include the following:

- Companies are generally obliged to have a website online and to allocate a part of this website to publish certain issues, documents, financial statements and resolutions whether publicly traded or not.
- For joint stock companies, it is sufficient for the board of directors to consist of solely one member. A legal entity can also be a board member; however in this case, a natural person must be designated to represent the legal entity. There is no restriction and mandatory requirement for the board members to reside in Turkey and to be a Turkish citizen.
- Board members of a joint stock company are no longer required to shareholders in the company.
- The financial tables of a joint stock company are to be prepared in accordance with the financial reporting standards determined by the Turkish Accounting Standards Board. These standards are expected to be amended to comply with the International Financial Reporting Standards (“IFRS”).
- The New Turkish Commercial Code enables the board members to attend and to vote in meetings via transfer of image and voice according to the provisions of the articles of association of the company. The provisions regarding the meeting and decision quorum of the board of directors shall also be applicable if the meetings of the board of directors are held in an electronic environment.
- The New Turkish Commercial Code stipulates the rights of shareholders to attend, give proposals, declare opinions and vote at the general assembly of joint stock company via electronic means.
- The management and representation of a limited company may be performed by one or more managers. For a limited liability company, it is sufficient to have at least one manager. If there is more than one manager then there is a board of managers. In this situation, one of the managers is appointed by general assembly as a chairman of the board of managers. The President of board of managers has an authority to make all statements and declarations on behalf of the company. In any case, at least one shareholder must be appointed as a manager who has a right to manage and represent the limited liability company.
- The limited liability company must keep a share ledger. The share ledger shall reflect the following; names/titles and addresses of the shareholders, number of shares held by each shareholder, share transfer details, nominal value of shares, class of shares, encumbrances over the shares and the names/titles and addresses of beneficiaries of such encumbrances created over the shares.
- The limited liability company is obliged to keep the commercial books indicating the commercial transactions and asset structure of the company. The LLC shall observe and apply Turkish Accounting Standards as announced by the Turkish Accounting Standards Board, including the conceptual framework of accounting principles and interpretations while keeping its commercial books. An important change however, is that the compulsory accounting standards will adopt IFRS. The opening and closing of the books must be certified by a notary public.
- The manager(s) of a limited liability company must prepare and submit to the attention of the general assembly the financial charts, appendices and the activity report of the company for the preceding accounting period. This must be done in accordance with the Turkish Accounting Standards and within the first three months of the relevant accounting period (fiscal year) following the balance sheet date. The relevant Turkish Accounting Standards have been applicable from January 1, 2013.

EMX cannot predict the outcome of each effect of the Turkish Code, and compliance with these requirements may prove to be difficult and expensive.

Repatriation of Earnings

Currently, there are no restrictions on the repatriation of earnings or capital to foreign entities from Turkey, where the Company’s most advanced projects are located. However, there can be no assurance that any such restrictions on repatriation of earnings or capital from Turkey or any other country where we may invest will not be imposed in the future.

Governmental Regulation in the United States

Mining Regulation

Mining activities in the United States are subject to numerous federal, state and local laws and regulations. At the federal level, mines are subject to inspection and regulation by the United States Mine Safety and Health Administration (“MSHA”) under provisions of the Federal Mine Safety and Health Act of 1977. The Occupation Safety and Health Administration also has jurisdiction over certain safety and health standards not covered by MSHA. Mining operations and all proposed exploration and development require a variety of permits. In addition, any mining operations occurring on federal property are subject to regulation and inspection by the United States Bureau of Land Management (“BLM”). The Company’s current projects are also subject to state and local laws and regulations in Arizona, Nevada, Utah and Wyoming.

Environmental Regulation

The Company's exploration, mining and processing operations are subject to various federal, state and local laws and regulations governing prospecting, exploration, development, production, labor standards, occupational health, mine safety, control of toxic substances, and other matters involving environmental protection and employment. United States environmental protection laws address the maintenance of air and water quality standards, the preservation of threatened and endangered species of wildlife and vegetation, the preservation of certain archaeological sites, reclamation, and limitations on the generation, transportation, storage and disposal of solid and hazardous wastes, among other things.

Legislation and implementation of regulations adopted or proposed by the United States Environmental Protection Agency, the BLM and by comparable agencies in various states directly and indirectly affect the mining industry in the United States. These laws and regulations address the environmental impact of mining and mineral processing, including potential contamination of soil and water from tailings, discharges and other wastes generated by mining process. In particular, legislation such as the Clean Water Act, the Clean Air Act, the Federal Resource Conservation and Recovery Act and the National Environmental Policy Act require analysis and/or impose effluent standards, new source performance standards, air quality standards and other design or operational requirements for various components of mining and mineral processing. Mining projects also are subject to regulations under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, which regulates and establishes liability for the release of hazardous substances. In addition, statutes may impose liability on mine developers for remediation of waste they have created.

Our operations are also subject to laws and regulations governing protection of endangered and other specified species. In May 2015, the U.S. Department of the Interior released a plan to protect the greater sage grouse, a species whose natural habitat is found across much of the western United States, including Nevada. The U.S. Department of the Interior's plan is intended to guide conservation efforts on approximately 70 million acres of national public lands. No assurances can be made that restrictions relating to conservation will not have an adverse impact on our operations in impacted areas.

Mining Disclosure

EMX is subject to the requirements of National Instrument 43-101, and the SEC's mining disclosure rules. See Item 4D. Property, Plant and Equipment.

Specialized Skill and Knowledge

All aspects of EMX's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, finance, accounting and law.

Competitive Conditions

Competition in the mineral exploration industry is intense. EMX competes with other companies, many of which have greater financial resources and technical facilities, for the acquisition and exploration of mineral interests, as well as for the recruitment and retention of qualified employees and consultants.

Raw Materials (Components)

Other than water and electrical or mechanical power – all of which are readily available on or near its properties – EMX does not require any raw materials with which to carry out its business.

Intangible Property

EMX does not have any need for nor does it use any brand names, circulation lists, patents, copyrights, trademarks, franchises, licenses, software (other than commercially available software), subscription lists or other intellectual property in its business.

Business Cycle & Seasonality

The Company's royalty and prospect generator business model is cyclical and is impacted by commodity prices and cycles; however, its business is not seasonal.

Economic Dependence

Other than the contracts disclosed in this Form 20-F, the Company's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Renegotiation or Termination of Contracts

It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection

All phases of the Company's exploration are subject to environmental regulation in the various jurisdictions in which it operates.

Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. While manageable, EMX expects this evolution (which affects most mineral exploration companies) might result in increased costs.

Employees

At December 31, 2018, EMX had 39 employees and consultants working at various locations throughout the world.

Foreign Operations

Many of the Company's properties are located outside of North America and many are located in areas traditionally considered to be risky from a political or economic perspective.

Bankruptcy Reorganizations

There have not been any voluntary or involuntary bankruptcy, receivership or similar proceedings against EMX within the three most recently completed financial years or the current financial year.

Material Reorganizations

There has not been any material reorganization of EMX or its subsidiaries within the three most recently completed financial years or the current financial year.

Social or Environmental Policies

EMX has implemented various social policies that are fundamental to its operations, such as policies regarding its relationship with the communities where the Company operates.

1. Environmental Policy

The Company believes that good environmental management at every project it manages, whether in the exploration phase, feasibility stage, project construction or mine site operation, requires proactive health and safety procedures, transparent interaction with local communities and implementation of prudent expenditures and business performance standards that constitutes the foundation for successful exploration and subsequent development if the results warrant it.

EMX will develop and implement appropriate standard operating procedures for different stages of its ground technical surveys, prospecting and evaluation and development work which procedures will be designed to meet all applicable environmental requirements and best environmental practices in the mineral exploration industry.

2. Community Relations, Communication and Notification Policy

Proactive interaction with the stakeholders on whom the Company's exploration and development programs may impact is considered an important part of the long-term investment that the Company is planning in its exploration programs in North America, Turkey, Europe, Australia, and the Asia-Pacific region.

EMX recognizes that from the inception of exploration activities or a new field work program, and as the exploration project progresses towards development, it will be important to:

- ◆ communicate and proactively engage with all local communities and other stakeholders that may be affected by its exploration programs;
- ◆ inform and obtain a consensus with the full range of stakeholders that may be impacted upon by exploration, evaluation and development; and
- ◆ identify any vulnerable or marginalized groups within the affected communities (e.g. women, elders or handicapped) and ensure they are also reached by above information disclosure and consultation activities.

In these respects, EMX will work actively and transparently with governmental authorities, other elected parties, nongovernmental organizations, and the communities themselves to ensure that the communities are aware of the activities of the Company, and that the impact and benefits of such activities are a benefit to the communities.

When detailed or advanced exploration activities, including drilling, evaluation and other such programs, are implemented, the Company will endeavor to identify how the impacts of such work on communities can best be managed, and how benefits can best be provided to communities through its activities. This will be undertaken in consultation with the affected communities.

3. Labour, Health and Safety Policy

The health and safety of its employees, contractors, affected communities and any other role players that may participate and be affected by the activities of EMX are crucial to the long term success of the Company.

The Company will establish and maintain a constructive work-management relationship, promote the fair treatment, non-discrimination, and equal opportunity of workers.

Every effort will be made through training, regular reviews and briefings, and other procedures to ensure that best practice labor, health and safety and good international industry practices are implemented and maintained by EMX, including prompt and in-depth accident and incident investigation and the implementation of the conclusions thereof. The Company will take measures to prevent any child labor or forced labor.

The Company's aim is at all times to achieve zero lost-time injuries and fatalities.

4. Development Stage Environmental and Social Management Policy

EMX will communicate and consult with local communities and stakeholders with a view to fostering mutual understanding and shared benefits through the promotion and maintenance of open and constructive dialogue and working relationships.

United States vs. Foreign Sales/Assets

At December 31, 2018, 2017, and 2016, the Company's assets were located in North America, Turkey, Europe, Haiti, Australia and New Zealand.

4.C. Organization Structure

The following table sets out the name, jurisdiction of incorporation and percentage ownership in each of the Company's significant subsidiaries:

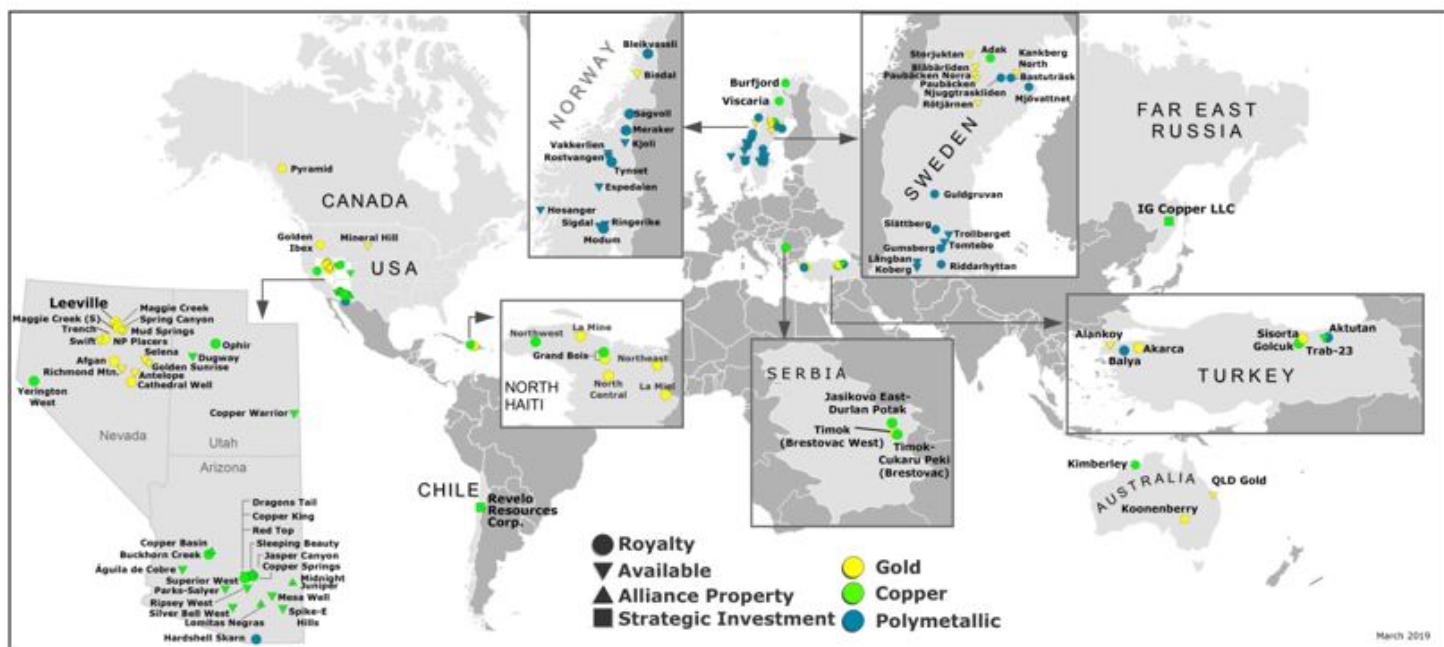
Name	Place of Incorporation	Ownership Percentage
Bullion Monarch Mining, Inc	Utah, USA	100%
EMX (USA) Services Corp.	Nevada, USA	100%
Bronco Creek Exploration Inc.	Arizona, USA	100%
Eurasia Madencilik Ltd. Sirketi	Turkey	100%
Azur Madencilik Ltd. Sirketi	Turkey	100%
Trab Madencilik Ltd. Sirketi	Turkey	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%

4.D. Property, Plant and Equipment

The Company’s executive offices are located in rented premises of approximately 4,200 sq. ft., shared by seven other companies at 543 Granville Street, Suite 501, Vancouver, British Columbia Canada V6C 1X8. The Company began occupying these facilities on May 1, 2011.

The Company owns a house in Littleton, Colorado which serves as the Company’s office in the United States.

The Company’s royalty, royalty generation, and strategic investment portfolio mainly consists of properties in North America, Europe, Turkey, Australia, Haiti, the Russian Federation, and Chile.



The terms “measured resource”, “indicated resource” and “inferred resource” used in this report are Canadian geological and mining terms as defined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators using the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council as may be amended from time to time by the CIM. We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the SEC does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in the measured and indicated categories will ever be converted into reserves.

An inferred resource is that part of a mineral resource for which quantity and grade are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade continuity. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration. Inferred resources must not be included in the economic analysis, production schedule, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred mineral resources can only be used in economic studies as provided under NI 43-101. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.

Disclosure of gold and silver resources expressed in ounces, or copper, lead, and zinc resources expressed in pounds or tonnes in the mineral resource categories in this document is in compliance with Canadian NI 43-101, but does not meet the requirements of Industry Guide 7, Description of Property by Corporations Engaged or to be Engaged in Significant Mining Operations, of the SEC, which will accept only the disclosure of tonnage and grade estimates for non-reserve mineralization. See "Cautionary Note To United States Investors Regarding Reserve And Resource Information".

The Company notes that on October 31, 2018, the SEC adopted amendments to modernize the property disclosure requirements for mining registrants, and related guidance, which are currently set forth in Item 102 of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934, and in Industry Guide 7. The amendments consolidate mining property disclosure requirements by relocating them to a new subpart of Regulation S-K (Subpart 1300). The amendments will more closely align disclosure requirements and policies for mining properties with current industry and global regulatory practices and standard. Registrants must comply with the new rules for the first fiscal year beginning on or after January 1, 2021.

EMX has been generating exploration projects for over sixteen years. Even if the Company completes its programs on its exploration properties and is successful in identifying mineral deposits, a substantial amount of capital will still have to be spent on each deposit for further drilling and engineering studies before management will know that the Company has a commercially viable mineral deposit (a reserve) on the property. In order to balance this risk, EMX focuses on entering into agreements with other parties to convert its royalty generation exploration assets into royalty interests with early-stage preproduction payments. EMX also looks to purchase royalty properties in the open market to help accelerate revenue streams.

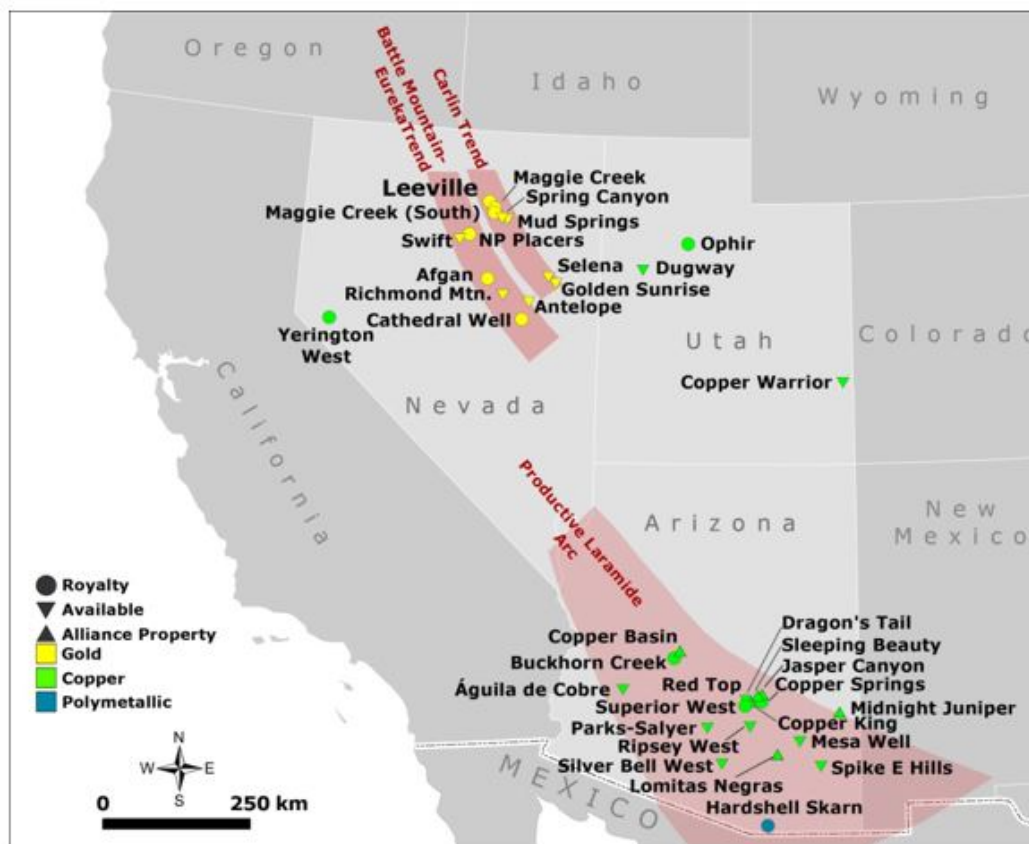
EMX has a portfolio of precious metal, base metal, and polymetallic mineral property and royalty interests that includes over 90 projects and spans five continents. These assets provide revenue streams from royalty, advance royalty and success-based bonus payments, while maintaining exposure to exploration upside as projects are advanced by the operators and partners. The Company supplements mineral property revenue streams by making strategic investments in companies with undervalued mineral property assets that provide upside potential from exit strategies can include royalty positions, equity sales, or a combination of both.

EMX has material interests in the Leeville royalty property located in Nevada's Northern Carlin Trend, and the Timok Project properties located in eastern Serbia. Other property descriptions are included in this report, but the Company does not consider that individually these properties are material at this time. All of the Company's properties that have been optioned or sold include EMX royalty options. Many of these properties provide milestone and advance minimum royalty ("AMR") or advance annual royalty ("AAR") payments that generate early revenue streams to EMX's benefit prior to production. Additional details on EMX's royalty and royalty generation property portfolio are included in the following sections.

North America

EMX's portfolio in North America totals thirty-eight royalty and royalty generation properties covering more than 47,000 hectares. There are fifteen royalty properties and properties optioned for an EMX royalty interest, five projects that are being advanced under a regional strategic alliance, and eighteen royalty generation properties available for partnership in Arizona, Nevada, Utah, and Wyoming. The royalty generation properties are advanced through wholly-owned subsidiary Bronco Creek Exploration Inc. ("BCE"), and include porphyry copper, Carlin-type gold, alkaline hosted gold, high-grade gold-silver vein, and polymetallic carbonate replacement projects.

The Company's 2018 work focused on 1) executing new agreements for available projects, including a key regional strategic alliance, 2) generative exploration, 3) advancing partner funded projects, 4) identifying royalty assets for purchase, and 5) consolidating land positions by staking claims on open ground. EMX is in discussions with multiple parties for the available North American properties.



Leeville Property

The Leeville royalty property is a material EMX asset acquired in the 2012 merger with Bullion Monarch. The Leeville 1% gross smelter return ("GSR") royalty covers portions of Newmont Mining Corporation's West Leeville, Turf, and other underground gold mining operations and deposits in the Northern Carlin Trend of Nevada. The Leeville royalty paid approximately US\$1.42 million during the 12 months ending December 31, 2018. Royalty production reported by Newmont for 2018 totaled 1,116 troy ounces of gold that were principally sourced from the West Leeville (61%) and Turf operations (39%), with negligible contributions from other Newmont operations. The 2018 royalty ounces represent a 15% decrease from the 1,308 royalty ounces produced in 2017. The 2017 royalty production percentages for West Leeville (58%) and Turf (42%) are nearly equivalent to those reported in 2018. The average realized gold price in 2018 was US\$1,270 per troy ounce, increased marginally as compared to US\$1255 per ounce in 2017.

Newmont has stated that its Turf Vent Shaft Project, which was commissioned in November 2015, will provide the ventilation required to "increase production" and "unlock" additional resources at "greater Leeville". As understood by the Company, "greater Leeville" includes portions of EMX's royalty property. Newmont also continued to report exploration successes along the Rita K and Full House gold mineralized corridor, as well as at Four Corners (see Newmont November 2018 Investor Presentation), which are partially covered by the Leeville royalty. The Turf Vent Shaft Project as described by Newmont may potentially have a positive impact on the Leeville royalty, as may Newmont's exploration advancements. However, the Company does not have access to the information from Newmont in order to confidently assess what, if any, these impacts have been, or will be. The Company has adjusted its expectations to the lower royalty production levels that have prevailed over the last four years.

Maggie Creek and Maggie Creek South Properties

Additional Carlin Trend exploration upside is provided by EMX's Maggie Creek South and Maggie Creek royalty properties.

EMX's Maggie Creek South 3% NSR royalty was acquired in the 2012 merger with Bullion Monarch. Maggie Creek South occurs approximately 1.5 kilometers south-southeast of Gold Quarry, and covers about 5.2 square kilometers of ground controlled by Newmont. Maggie Creek South occurs on the southeast projection of the Good Hope fault trend, which has an alignment of deposits along its length including Mike, Tusc, Mac, and Gold Quarry, as well as the down-dip projection of favorable host rocks. EMX is not aware of any work conducted by Newmont on EMX's royalty property during 2018.

The Maggie Creek gold property is located approximately two kilometers north-northeast of Newmont's Gold Quarry mining operation. EMX purchased the Maggie Creek 2% NSR royalty on precious metals and a 1% NSR royalty on all other minerals from Golden Predator Corp. in 2016 (see EMX news release dated February 23, 2016). The Maggie Creek royalty property covers approximately 7.2 square kilometers and is controlled by Renaissance Gold Inc. Maggie Creek occurs along the northeast projection of the Gold Quarry fault zone, which is an important mineralizing control at the Gold Quarry mine. Renaissance did not report any work completed on the project in 2018.

Afgan (Gold Bar South) Property

The Afgan gold property is located about 40 kilometers northwest of Eureka, Nevada on the Battle Mountain-Eureka Trend.

EMX purchased the Afgan 1% NSR royalty as part of the 2016 Golden Predator transaction that also included the Maggie Creek royalty (see above section). The Afgan unpatented lode mining claim block is controlled by McEwen Mining Inc. ("MMI"). Afgan, which is approximately 2.5 kilometers southeast of McEwen's Gold Bar North operation, has been renamed "Gold Bar South". The property hosts a north-northwest oriented zone of sediment-hosted oxide gold mineralization.

In 2018, MMI filed a Gold Bar Project Feasibility Study Technical Report on SEDAR (March 30, 2018 issue date), which included updated resource estimates for the deposits of Gold Bar North, as well as for Gold Bar South ("GBS"). The GBS open pit constrained resources at a 0.008 oz/ton cutoff include indicated resources of 3,488 thousand tons averaging 0.029 oz/ton and containing 101 thousand ounces of gold, and inferred resources of 123 thousand tons averaging 0.042 oz/ton and containing 5 thousand ounces of gold. The open pit optimization was based on a gold price of US\$1,350/oz, assigned recovery of 82% for gold, mining cost of US\$2.80/ton, waste mining cost of US\$1.80/ton, processing cost of US\$6.74/ton, and pit slopes of 50 degrees. According to the technical report, additional drilling and metallurgical test work is required to convert the GBS resources to reserves.

Cathedral Well Property

The Cathedral Well royalty property is located at the southern end of the Battle Mountain-Eureka Trend, and is adjacent to the historic Green Springs mine.

EMX optioned Cathedral Well to Ely Gold and Minerals Inc. (now Ely Gold Royalties Inc.) ("Ely") in 2014 for staged option payments and a 2.5% NSR royalty interest, inclusive of an underlying 0.5% NSR royalty. Ely completed their earn in for the property in November 2016 through a trade with EMX, whereby a subsidiary of Ely executed a quit claim deed for 36 mining claims adjacent to EMX's Spring Canyon property in Nevada in lieu of its last US\$25,000 option payment. The Cathedral Well royalty claim block is included as part of Ely's Green Springs project.

In 2016, Ely Gold announced it had optioned the Green Springs property to Colorado Resources Ltd. (see Ely news release dated December 7, 2016). The option agreement was terminated by Colorado Resources in 2018 (see Colorado Resources news release dated May 10, 2018).

Hardshell Skarn Property

The Hardshell Skarn lead-zinc-silver royalty property, consisting of 16 unpatented federal lode mining claims, is located approximately 75 kilometers southeast of Tucson, Arizona. EMX's early stage exploration programs targeted base and precious metals mineralization hosted in skarn and replacement bodies within a series of Paleozoic limestones.

An Exploration and Option Agreement was executed in 2015 for the Hardshell Skarn property (the "Royalty Claim Block") with Arizona Mining Inc. ("AMI"). In 2017, AMI earned 100% interest in the Royalty Claim Block by accelerating and completing the required US\$85,000 in cash payments. EMX retains a 2% NSR royalty on the property that is not capped nor subject to buy down, and is receiving nominal annual advanced royalty payments.

The Hardshell Skarn Royalty Claim Block is included as part of the Hermosa project, and is now owned by South32 Limited ("South32") after the completion of the plan of arrangement whereby South32 acquired all of the issued and outstanding common shares of AMI in Q3 2018 (see AMI news release dated August 10, 2018).

During 2018, the Hermosa property's Taylor lead-zinc-silver carbonate replacement project, which is directly north of EMX's Royalty Claim Block, was advanced with an updated PEA study, ongoing drilling, and the commencement of twin exploration declines (see AMI news releases dated January 16, February 20, March 15, March 22, March 26, May 15, and May 22, 2018). Earlier Taylor drilling by AMI consisted of two angle core holes that intersected zinc-lead-silver mineralization within the Hardshell Royalty Claim Block (see EMX news release dated August 30, 2017). South32 expects to invest approximately US\$100 million in fiscal year 2019 at the Taylor project (see South32 Financial Results & Outlook Year Ended 30 June 2018 dated August 23, 2018).

South32 Regional Strategic Alliance

EMX executed a Regional Strategic Alliance Agreement in late 2018 between its wholly-owned subsidiary Bronco Creek Exploration, Inc., and South32 USA Exploration Inc. ("South32"), a wholly-owned subsidiary of South32 Limited (see EMX news release dated December 6, 2018). Under the terms of the agreement, which has an initial term of two years, South32 will provide annual funding for generative work performed by EMX personnel to identify properties for further exploration ("Alliance Exploration Properties" or "AEPs") within the Regional Strategic Alliance Area of Interest ("AOI") consisting of the states of Arizona, New Mexico, and Utah, but excluding South32's Hermosa project in southern Arizona. EMX personnel will conduct exploration activities on AEPs with additional funding from South32 to identify projects suitable for designation as Designated Projects. Each Designated Project will be covered by a separate option agreement (see below). South32 will provide US\$800,000 per year to cover the generative work and salaries of EMX personnel involved in AEP work. South32 will also provide a separate annual fund of US\$200,000 to pay for the acquisition of new properties.

Each option agreement covering a Designated Project will provide that South32 can earn 100% interest in the project by reimbursing EMX's holding costs upon execution of the option agreement, and making option payments totaling US\$525,000 and completing US\$5,000,000 in exploration expenditures during the five-year term of the option agreement. Upon exercise of the option by South32, EMX will retain an uncapped 2% NSR royalty on the project (not subject to purchase or buy down) and receive annual advance royalty ("AAR") payments equivalent to 50,000 pounds ("lbs") of copper commencing on the first anniversary. All AAR payments are set off against 80% of future royalty payments. In addition, South32 will make milestone payments as follows (project milestones are to NI 43-101 reporting requirements):

- 166,000 lbs of copper (or the cash equivalent) upon the completion of an initial resource estimate,
- 333,000 lbs of copper (or the cash equivalent) upon completion of a prefeasibility study, and
- 666,000 lbs of copper (or the cash equivalent) upon completion of a feasibility study.

Five Arizona porphyry-copper projects were selected as AEPs by South32, including Midnight Juniper, Jasper Canyon, Sleeping Beauty, Dragons Tail, and Lomitas Negras. EMX and South32 have commenced work programs on these initial AEPs, and initiated a generative program to identify new projects for acquisition.

Buckhorn Creek Property

The Buckhorn Creek project is located in north-central Arizona's greater Castle Creek mining district. The project lies within a structurally extended belt of rocks with multiple outcrops of porphyry-related alteration and mineralization. EMX's work on the property led to the recognition of an untested porphyry target situated to the east of altered outcrops, and concealed beneath volcanic and sedimentary cover rocks.

In February 2018, EMX executed an Option Agreement with Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (see EMX news release dated February 8, 2018). Kennecott can earn 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 royalty payments are due starting at US\$100,000 and increasing to US\$150,000 upon completion of an Order of Magnitude Study ("OMS") or Preliminary Economic Assessment ("PEA"). Kennecott may make a one-time payment of US\$3,500,000 to extinguish the obligation to make AMR payments. All AMR payments cease upon commencement of production from the project. In addition, Kennecott will make milestone payments consisting of:

- US\$500,000 upon completion of an OMS or PEA,
- US\$1,000,000 upon completion of a Prefeasibility Study, and
- US\$2,000,000 upon completion of a Feasibility Study. The Feasibility Study payment will be credited against future royalty payments.

Kennecott, as the operator of the Buckhorn Creek project, conducted geologic mapping, geochemical sampling, and an initial drill test of a concealed porphyry target in 2018. Kennecott's drilling consisted of two shallow reverse circulations holes totaling 673 meters. Both holes reached bedrock and intersected geochemically anomalous levels of copper and molybdenum mineralization. As well, Kennecott conducted an IP geophysical survey that highlighted an additional target area west of the two reconnaissance holes. Kennecott is currently working to permit follow-up holes, with drilling scheduled to commence in early 2019.

Copper King Property

The Copper King porphyry copper-molybdenum project is located approximately four kilometers northwest of the Resolution porphyry copper deposit in the Superior (Pioneer) mining district of Arizona.

EMX executed an Exploration and Option to Purchase Agreement with Kennecott for Copper King in 2016 (see EMX news release dated October 19, 2016). Pursuant to the agreement, Kennecott can earn 100% interest in the project by a) reimbursing the 2016 holding costs and making option payments, together totaling US\$504,314, and b) completing US\$5,000,000 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 and not subject to buy down. After exercise of the option, annual AMR and milestone payments will be due to EMX.

During 2018, Kennecott-funded work at Copper King included drill permitting activities.

Superior West Property

The Superior West project is located west of the historic mining town of Superior, Arizona and the Resolution porphyry copper project. The project covers several porphyry copper targets, as well as the interpreted western extension of the historic Magma Vein.

EMX executed an Exploration and Option to Purchase Agreement with Kennecott for the Superior West project in 2015. Kennecott may earn 100% interest in the project by completing US\$5.5 million in exploration expenditures and making cash payments totaling US\$149,187, after which EMX will retain a 2% NSR in addition to annual AMR and certain project milestone payments (see EMX news release dated May 4, 2015).

During 2018, Kennecott conducted geochemical sampling, further structural geologic work, and drill permitting activities at Superior West.

Copper Springs Property

The Copper Springs project is located in the southern part of Arizona's Globe-Miami mining district. EMX's work and geologic interpretations led to the recognition that the property covers a previously unrecognized porphyry trend that crosses largely untested, structurally down-dropped blocks concealed beneath younger basin fill.

EMX executed an Option Agreement for Copper Springs with Anglo American Exploration (USA), Inc. ("Anglo American") in 2017 (see EMX news release dated February 28, 2017). Anglo American can earn 100% interest in the project by a) reimbursing 2016 holding and permitting costs and making annual option payments, together totaling US\$447,000, 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 AMR payments and milestone payments will be due to EMX.

Anglo American-funded work in 2018 included the completion of a phase I reconnaissance drill program consisting of four holes totaling over 5,700 meters that tested concealed porphyry targets. The alteration and mineralization assemblages observed in bedrock intercepts were encouraging, and Anglo American advised that it is planning a phase II follow-up program consisting of additional geophysics and drilling.

Ophir Property

The Ophir property is located in the northern portion of Utah's Ophir mining district, approximately 15 kilometers southwest of Rio Tinto's Bingham Canyon mine. The Ophir district is characterized by silver-lead-zinc-copper replacement deposits and fissure veins hosted within carbonate sedimentary rocks and associated with monzonitic stocks and dikes. The district's silver and base metals mineralization may be a distal expression of associated porphyry copper mineralization at depth.

EMX sold the five patented mining claims comprising the Ophir property to Kennecott in 2016 (see EMX news release dated October 17, 2016). EMX received US\$75,000 in cash upon closing and retained a 2% NSR royalty interest from the sale. Kennecott advised that in 2018 the claims were maintained and that the property is in good standing.

Yerington West Property

The Yerington West property, located in the Yerington mining district of west-central Nevada, contains porphyry copper-molybdenum and copper-iron skarn targets beneath post-mineral cover rocks.

Yerington West is under a 2009 Option Agreement that was originally with Entrée Gold Inc. ("Entrée"), and subsequently with Mason Resources Corp. ("Mason"). Hudbay Minerals Inc. ("Hudbay") acquired all of the issued and outstanding common shares of Mason in late 2018 (see Mason news release dated December 19, 2018). Under the Yerington West agreement, Hudbay can earn up to an 80% interest in the project by making advance royalty payments and delivering a feasibility study before the tenth anniversary of the agreement. Under the agreement, once earn-in has been completed, EMX can convert its interest to a 2.5% NSR royalty. Hudbay has the option to buy down 1.5% of the NSR royalty for US\$4.5 million. EMX is in discussions with Hudbay regarding the terms of the Yerington West agreement, as it is due to expire in 2019.

Greenwood Peak Property

The Greenwood Peak copper porphyry project is located approximately 175 kilometers northwest of Phoenix, Arizona.

EMX executed an option agreement with a wholly owned subsidiary of Antofagasta plc ("Antofagasta") in late 2017 for Greenwood Peak (see EMX news release dated December 18, 2017). Antofagasta concluded a three hole, 1,035 meter reconnaissance drill program in Q1 2018 to test a concealed porphyry target. The drilling intersected weak hypogene porphyry-related alteration in bedrock. The option agreement was terminated by Antofagasta in Q3. EMX subsequently dropped the property due to a lack of encouraging results.

Mineral Hill Property

The Mineral Hill gold-copper project is located in the Black Hills of Wyoming, approximately 20 kilometers west of the Wharf mine in South Dakota. The project is centered on an Eocene age alkaline intrusive complex consisting of an outer ring complex, interior intrusive complex, and interior breccia zone. Historic small scale production in the project vicinity occurred between the 1870s and 1930s, and was principally sourced from alluvial gold in drainages, gold and silver mineralization at the Treadwell Mine, and gold and copper mineralization near the Interocean Mine.

EMX entered into an Exploration and Option Agreement with Coeur Explorations, Inc. ("Coeur"), a subsidiary of Coeur Inc. for Mineral Hill in 2016 (see EMX news release dated October 27, 2016). After staking new claims, conducting geologic mapping, geochemical sampling, and permitting work for a drill test of a newly identified copper-gold target in 2017, Coeur terminated the agreement in Q4 2018. Mineral Hill is now 100% controlled by EMX and available for partnership.

Other Work Conducted by EMX in the U.S.

EMX continued evaluating property and royalty acquisition opportunities in North America, with generative work focused on gold opportunities in the Great Basin and porphyry copper targets in Arizona, New Mexico, and Utah.

Qualified Person

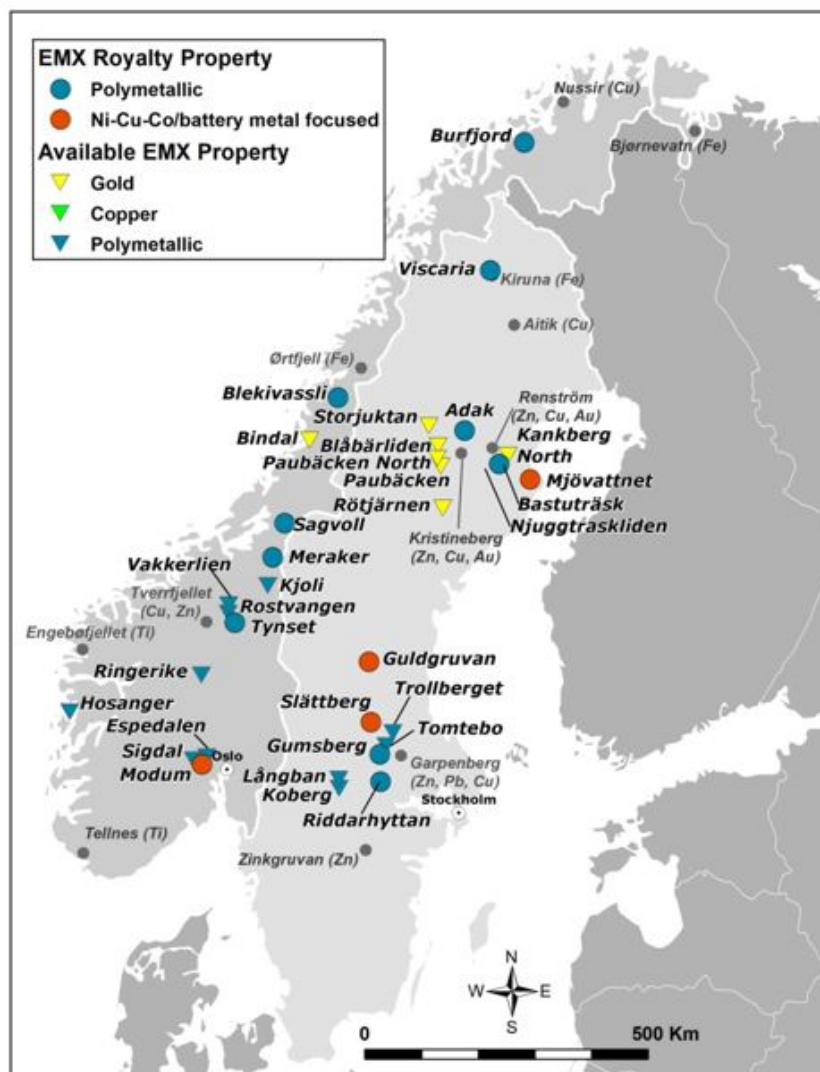
Dean D. Turner, CPG, a Qualified Person as defined by NI 43-101 and consultant to the Company, has reviewed, verified and approved the above technical disclosure on North America.

Europe

EMX has a portfolio of gold, copper, polymetallic, nickel and cobalt royalty and royalty generation properties in Scandinavia, as well as a portfolio of copper and gold royalty properties in Serbia. In Scandinavia, the Company successfully pursued strategic agreements to advance and convert available projects into royalties and added value through low cost generative exploration. EMX's royalty interests in Serbia include the Timok Project's Cukaru Peki copper-gold deposit located in the prolific Timok Magmatic Complex.

Scandinavia

EMX focused on organically generating and growing the royalty portfolio in Sweden and Norway during 2018. These efforts resulted in the conversion of nine exploration properties to royalty and equity interests in 2018, as well as the addition of new royalty generation properties. The Company's Scandinavia portfolio totals 33 royalty and royalty generation projects.



Boreal Properties. EMX has eight royalty properties sold to, and operated by Boreal Metals Corp. ("Boreal") and Boreal Energy Metals Corporation ("BEMC"), a subsidiary of Boreal. Four of the properties were sold to Boreal in 2017, and include the Gumsberg and Adak properties in Sweden, and the Tynset and Burfjord properties in Norway. Gumsberg, Adak, and Tynset host Volcanogenic Massive Sulfide ("VMS") polymetallic mineralization, and Burfjord is characterized by Iron-Oxide-Copper-Gold ("IOCG") mineralization. The sale included an initial 19.9% equity interest in Boreal, annual advance royalty payments, an uncapped 3% NSR royalty on each of the properties (1% may be purchased by Boreal under certain conditions), and other consideration to EMX's benefit (see EMX news release dated November 22, 2016).

In Q1 2018, EMX executed a definitive agreement to sell the Modum cobalt project to Boreal (see EMX news release dated January 16, 2018). Modum is located in southern Norway's Modum mining district, ~75 kilometers west of Oslo. The project partially surrounds the historic Skuterud mine property, which was Europe's principal producer of cobalt from the late 18th through 19th centuries. Pursuant to the agreement, Boreal acquired 100% interest in the project according to the following commercial terms:

- Boreal issued to EMX common shares of Boreal that brought EMX's share of equity ownership back up to 19.9%.
- EMX retained a 3% NSR royalty interest on the project, 1% of which may be purchased by Boreal under certain conditions.
- EMX will receive annual advance royalty payments commencing on the second anniversary of the closing.

Also during Q1, EMX sold the Guldgruvan cobalt project to Boreal Energy Metals Corporation (see EMX news release dated February 9, 2018). The Guldgruvan project is located in Sweden's Los mining district, a significant historic producer of cobalt and nickel, and the discovery locality of nickel. Pursuant to the agreement, BEMC acquired 100% interest in the project according to the following commercial terms (all dollar amounts in USD, unless otherwise noted):

- BEMC issued to EMX common shares of BEMC representing a 5.9% equity ownership in BEMC. BEMC has the continuing obligation to issue additional shares to EMX to maintain its 5.9% interest, at no additional cost to EMX, until BEMC has raised CDN \$3,000,000 in equity.
- EMX received an uncapped 3% NSR royalty interest on the project. Within five years of the closing date, BEMC has the right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX \$2,500,000 in cash and shares of BEMC.
- EMX will receive annual advance royalty payments commencing on the second anniversary of the closing.

In Q2 2018, EMX executed a second agreement with BEMC to sell the Njuggräskliden and Mjövattnet nickel-copper-cobalt projects to BEMC (see EMX news release dated April 11, 2018). The properties are located along Sweden's "Nickel Line" in the Skellefteå mining district of central Sweden. Both projects contain multiple zones of drill-defined nickel-copper-cobalt mineralization. Pursuant to the agreement, BEMC will acquire 100% interest in the projects according to the following commercial terms (all dollar amounts in USD, unless otherwise noted):

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

EMX's Boreal royalty properties in Sweden and Norway were advanced to varying degrees with geologic mapping, geochemical sampling, geophysical surveys, and drilling in 2018. EMX provided technical assistance for this work on a 100% reimbursed consulting basis.

Of particular note were results from the Gumsberg royalty property drill programs. Boreal reported assays from the first five holes of a winter diamond drill program in Q1 2018. The results included intersections of massive sulfide mineralization in hole BM-17-005, which was drilled in the vicinity of the historic Östersilvberg Mine, Sweden's largest silver producer in medieval times. The intercepts from BM-17-005 included 10.94 meters averaging 16.97% zinc, 8.52% lead, and 656.70 g/t silver (true width estimated at 20-50% of reported interval length) (see EMX news release dated March 1, 2018). In Q2, Boreal reported the remaining results from the winter program that included an intercept of 3.7 meters averaging 19.27% zinc, with 17.66 g/t silver and 0.25% lead in drill hole BM-17-006 (true width estimated to be 80-100% of the reported interval), which was drilled in the vicinity of the historic Mellangruvan mine (see EMX news release dated May 2, 2018).

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

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

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

EMX conducted geologic mapping, geochemical sampling, and geophysical surveys during 2018 on a 100% reimbursed basis. These new data are being used to generate follow-up drill targets.

Norra Properties. As a subsequent event in Q1 2019, EMX closed the sale of the Bleikvassli, Sagvoll, and Meråker polymetallic projects in Norway, and the Bastuträsk polymetallic project in Sweden to Norra Metals Corp. ("Norra") (previously OK2 Minerals Ltd) (see EMX news releases dated December 13, 2018 and February 19, 2019). The properties contain historic mining areas and/or historic, drill-defined zones of polymetallic base metal mineralization (zinc-lead-copper) with variable levels of precious metal enrichments (silver ± gold). Pursuant to the agreement, Norra acquired 100% interest in the projects according to the following commercial terms (all dollar amounts in USD, unless otherwise noted):

- Norra issued to EMX that number of common shares that represented a 9.9% equity ownership in Norra. Norra has the continuing obligation to issue additional shares to EMX to maintain its 9.9% interest in Norra, at no additional cost to EMX (subject to a maximum of 13,398,958 common shares), until Norra has raised CDN \$5,000,000 in equity to fund exploration and development on the properties, or until five years after closing, whichever occurs first. Thereafter, EMX will have the right to participate pro-rata in future financings at its own cost to maintain its 9.9% interest in Norra.
- There is an additional provision that requires Norra to raise and spend CDN \$2,000,000 on the properties within two years of the closing date, otherwise EMX's 9.9% equity ownership shall be increased to a 14.9% continuing equity interest (subject to a maximum of 21,350,956 common shares).
- EMX retains an uncapped 3% NSR royalty interest on each of the properties. Within six years of the closing date, Norra has the right to buy down up to 1% of the royalty retained by EMX on any given project (leaving EMX with a 2% NSR royalty) by paying EMX \$2,500,000. Such a buy down is project specific.
- EMX will receive annual advance royalty payments for each of the properties commencing on the second anniversary of the closing.
- EMX will receive a 0.5% NSR royalty on any new mineral exploration projects generated by Norra 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.
- EMX also received a 1% NSR royalty on Norra's Pyramid project in British Columbia.

Slättberg Property. The Slättberg nickel-copper-cobalt project in Sweden was optioned in 2017 to Sienna Resources Inc. ("Sienna") for equity interest, payments and work commitments to earn 100% interest in the project, and upon earn-in a 3% NSR royalty and annual advance royalty and milestone payments (see EMX news release dated December 4, 2017). In Q2 2018, Sienna announced drill results from a seven hole, 942 meter drill program at Slättberg, along strike and down dip from historic mine workings in the area. These results included 2.8 meters averaging 1.05% nickel and 1125 ppm cobalt and 0.79% copper in hole SIE-18-3 (true width 60-70% of reported interval length) (see Sienna news release dated May 17, 2018). EMX provided technical assistance in 2018 for Sienna's drilling, geochemical sampling and geophysical survey work on a 100% reimbursed consulting basis.

Viscaria Property. EMX holds an effective 0.5% NSR royalty interest on Sunstone's Viscaria copper project located in the Kiruna mining district of northern Sweden. The Viscaria royalty was acquired by EMX from the purchase of the Phelps Dodge Exploration Sweden AB assets in 2010. Upon receipt of US\$12 million in royalty revenues, the royalty rate increases to a 1.0% NSR. Sunstone has a JORC (2012) mineral resource estimate and "scoping study" based upon a combination open pit and underground scenario (see Sunstone news releases dated December 16, 2015 and April 5, 2016). In 2018, Sunstone announced that the Viscaria project was being sold to Stockholm listed Copperstone Resources AB (see Sunstone ASX announcement dated December 21, 2018).

Royalty Generation Properties. EMX continued to pursue new acquisition opportunities in Scandinavia during 2018, with a focus on orogenic lode/intrusion-related gold, IOCG, VMS, carbonate replacement, and nickel-copper-cobalt projects. The Company also conducted early-stage geologic mapping, geochemical sampling, and geophysical surveys on existing projects in the royalty generation portfolio. These projects are available for partnership, and have attracted interest from a number of parties.

Serbia

EMX's royalty portfolio in Serbia initially resulted from prospect generation and organic royalty growth via the 2006 sale of its properties, including Brestovac West, to Reservoir Capital Corp, for uncapped NSR royalties of 2% for gold and silver and 1% for all other metals. Reservoir Capital Corp. later transferred those interests to Reservoir Minerals Inc. ("Reservoir").

Subsequently, EMX acquired 0.5% NSR royalty interests (note: the royalty percentage is subject to reduction only as provided in the royalty agreement) covering the Brestovac and Jasikovo-Durlan Potok properties held by Reservoir (see EMX news release dated February 4, 2014). Reservoir was acquired by Nevsun Resources Ltd. ("Nevsun") in 2016 (see Reservoir news release dated June 23, 2016). In Q4 2018 Nevsun announced that a friendly, all cash offer by Zijin Mining Group Co. Ltd. ("Zijin") to purchase all of the issued and outstanding Nevsun common shares for CDN \$6.00 per share (~US \$1.41 billion in total) had been successful (see Nevsun news release dated December 28, 2018). As a subsequent event, Nevsun was delisted from the Toronto Stock Exchange and the NYSE American Exchange in Q1 2019.

EMX's Brestovac and Brestovac West royalty properties are included in the Timok Project, with Brestovac covering the Cukaru Peki deposit's Upper Zone high sulfidation epithermal copper-gold project and the Lower Zone porphyry copper-gold project. Nevsun (now Zijin) 100% controls the Upper Zone, and is in a joint venture with Freeport on the Lower Zone. EMX notes that a) the original Brestovac and Brestovac West permits are now covered by the Brestovac Metonivca and Brestovac Zapad permits, and b) portions of a reconfigured Jasikovo-Durlan Potok permit (i.e., expanded in some areas and reduced in other areas) are not covered by the EMX royalty.



An Upper Zone Pre-Feasibility Study ("PFS") was announced in 2018 with a probable mineral reserve of 27 million tonnes at 3.3% copper and 2.1 grams per tonne gold based upon metal prices of \$3.00 per pound copper and \$1300 per ounce gold (see Nevsun news releases dated March 28, 2018 and SEDAR filed Technical Report). The PFS outlined a 10 year mine life that yields approximately 1.7 billion pounds of payable copper and 516 thousand ounces of payable gold, with an after tax NPV₈ of US\$1.82 billion valued at the start of construction. Initial Upper Zone production is estimated to be in 2022. As a step towards development, construction commenced on the Upper Zone exploration decline in Q2 (see Nevsun news release dated June 5, 2018). Subsequently, an initial inferred resource estimate was announced for the Lower Zone porphyry project at a \$25/tonne "dollar equivalent" cutoff of 1.659 billion tonnes averaging 0.86% copper and 0.18 g/t gold, and containing 31.5 billion pounds of copper and 9.6 million ounces of gold (see Nevsun news release dated June 26, 2018 and SEDAR filed Technical Report). The mining method is assumed to be by block cave. In addition to the Upper Zone PFS reserves and Lower Zone inferred resources, high grade copper-gold drill results from a discovery 500 meters east of the Timok Upper Zone was announced in Q1 2018 (see Nevsun news release dated January 16, 2018).

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

Qualified Person

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

Turkey

EMX has royalty and royalty generation property interests in Turkey's Western Anatolia and Eastern Pontides mineral belts. These properties include high sulfidation gold, gold-silver vein, polymetallic carbonate replacement, and porphyry gold-copper targets. Five of the seven EMX projects in Turkey are operated by partner companies. EMX has retained Dama Muhendislik Proje ve Maden San.Tic. A.S ("Dama"), a Turkish engineering company based in Ankara, to manage EMX's interests in Turkey.



Akarca Property

The Akarca royalty property covers a low sulfidation epithermal gold-silver district in the Western Anatolia mineral belt that was discovered by EMX in 2006. The project has six zones of gold-silver mineralization defined by drilling, geologic mapping, geochemical sampling, and geophysical survey programs.

EMX sold AES Madencilik A.S., the wholly-owned EMX subsidiary that controls the Akarca project, to Çiftay Insaat Taahhüt ve Ticaret A.S. ("Çiftay"), a privately owned Turkish company (see EMX news release dated August 8, 2016). Commercial terms of the sale are summarized as (gold payments to EMX can be as gold bullion or the cash equivalent):

- US\$2,000,000 cash payment to EMX upon closing of the sale (completed).
- Pre-production payments to EMX of 500 ounces of gold every six months commencing February 2, 2017 up to a cumulative total of 7,000 ounces of gold. In 2018, the third and fourth 500 ounce cash equivalent payments were made totaling ~US \$1,274,000. The first two pre-production payments were made in 2017 totaling US\$1,235,840. Receipt of these four payments leaves a pre-production total of 5,000 ounces of gold (or the cash equivalent) to be paid to EMX.
- Milestone gold payments of 7,000 ounces upon commencement of production (prior gold payments will be credited against this payment), 250 ounces upon production of 100,000 ounces of gold, and 250 ounces upon production of an aggregate of 500,000 ounces of gold.
 - A sliding-scale royalty in percentages of production returns after certain deductions ("Royalty"): a) for gold production 1.0% on the first 100,000 ounces, 2.0% on the next 400,000 ounces, and 3.0% on all production in excess of 500,000 ounces, and b) for all production other than gold production 3.0%.
- The Royalty is uncapped and cannot be bought out or reduced.

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

Çiftay has informed EMX that its planned 2018 exploration program was delayed while awaiting the required permits for drilling. Çiftay also advised it conducted various metallurgical, engineering and environmental base line studies on the property while awaiting the drill permits.

Sisorta Property

The Sisorta royalty property, located in the Eastern Pontides mineral belt, is a near-surface, volcanic-hosted, high sulfidation epithermal gold deposit. Exploration programs at Sisorta have included diamond drilling, geologic and alteration mapping, geochemical sampling, and geophysical surveys. This work has outlined a 1000 by 600 meter zone of shallow oxide gold mineralization with underlying copper and gold porphyry potential at depth.

EMX sold the wholly-owned EMX subsidiary that controlled the Sisorta property to Bahar Madencilik Sinayi ve Ticaret Ltd Sti ("Bahar"), a privately owned Turkish company, in 2016 (see EMX news release dated August 3, 2016). The terms of the sale provide for Bahar's staged payments to EMX as summarized below:

- US\$250,000 cash payment to EMX upon closing of the sale (completed).
- Annual payments of US\$125,000 on the anniversary of closing until commencement of commercial production.
- 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 NSR Payment is uncapped and cannot be bought out or reduced.
- The annual payments will be credited at a rate of 80% against the NSR Payment after commercial production commences.

Bahar advised EMX in Q2 2018 that it had commenced with Environmental Impact Assessment ("EIA") work as required under the mine permitting process in Turkey. Bahar also informed EMX that the EIA report was filed with the Turkish government agencies in Q4 2018. Once approved, Bahar intends to continue applying for other necessary permits for project development. Bahar advised that the permitting process is expected to take approximately 1-2 years.

Balya Property

The Balya royalty property is located in the historic Balya lead-zinc-silver mining district in northwestern Turkey. EMX holds an uncapped 4% NSR royalty that it retained from the sale of the property to Dedeman Madencilik San ve Tic. A.S. ("Dedeman"), a privately owned Turkish company, in 2006.

Dedeman advised EMX that it continued with limited, small scale underground development at the Hastanetepe deposit in 2018. Hastanetepe is a moderately dipping, 750 by 450 meter zone that extends from depths of 10-20 meters to 200-300 meters as multiple stacked horizons of lead-zinc-silver mineralization primarily developed along contacts between limestones and dacitic intrusions. Dedeman also advised that it commenced a 24,000 meter step-out drill campaign to fill in a ~500 meter long corridor between mineralization at Hastanetepe and the Southern Zone target area. Dedeman provided EMX with initial results from the program in Q3 2018, which included 12.75 meters averaging 11.39% lead, 5.92% zinc and 225.18 g/t silver in hole DB108-B (true width ~95% of intercept length), as well as other intercepts in nearby holes at Hastanetepe (see EMX news release dated August 13, 2018).

The Balya royalty due to EMX from 2017 production, which was paid in 2018, totaled ~US\$121,075. Dedeman advised EMX that it was considering processing and business development alternatives for the project going into 2019.

Aktutan Property

EMX has a royalty interest in the Aktutan polymetallic project sold to Dedeman in 2007 for consideration that included a 4% uncapped NSR royalty and annual advance royalty payments of US\$100,000 per year. Dedeman has asked to re-negotiate the annual advance royalty payments in light of discouraging exploration results. These negotiations are in process.

Golcuk Property

The Golcuk royalty property is located in the Eastern Pontides metallogenic belt of northeast Turkey. The mineralization at Golcuk primarily occurs as stacked, stratabound horizons with disseminated copper and silver hosted in volcanic units, as well as in localized cross-cutting fault-controlled veins and stockworks of bornite, chalcopyrite and chalcocite.

Pasinex Resources Ltd. ("Pasinex") signed an agreement in 2012 granting Pasinex an option to acquire 100% interest in the Golcuk property, with EMX retaining a 2.9% NSR royalty. In Q2 2018, Pasinex announced that it does not intend to further advance the Golcuk project (see Pasinex news release dated May 25, 2018). Pasinex is evaluating its options with respect to the property, which may include a sale to a Turkish company or returning the project to EMX.

Trab-23 Property

The Trab-23 property is located in northeast Turkey. The project hosts both porphyry gold (+copper-molybdenum) mineralization and epithermal quartz-barite-gold veins.

Tumad Madencilik Sanayi ve Ticaret A.S. (“Tumad”), a privately owned Turkish company, executed an option agreement in 2013 granting it an option to acquire Trab-23 from EMX. Tumad terminated the agreement in 2017, and in 2018 returned the property to 100% EMX control. Trab-23 is available for sale or partnership.

Alankoy Property

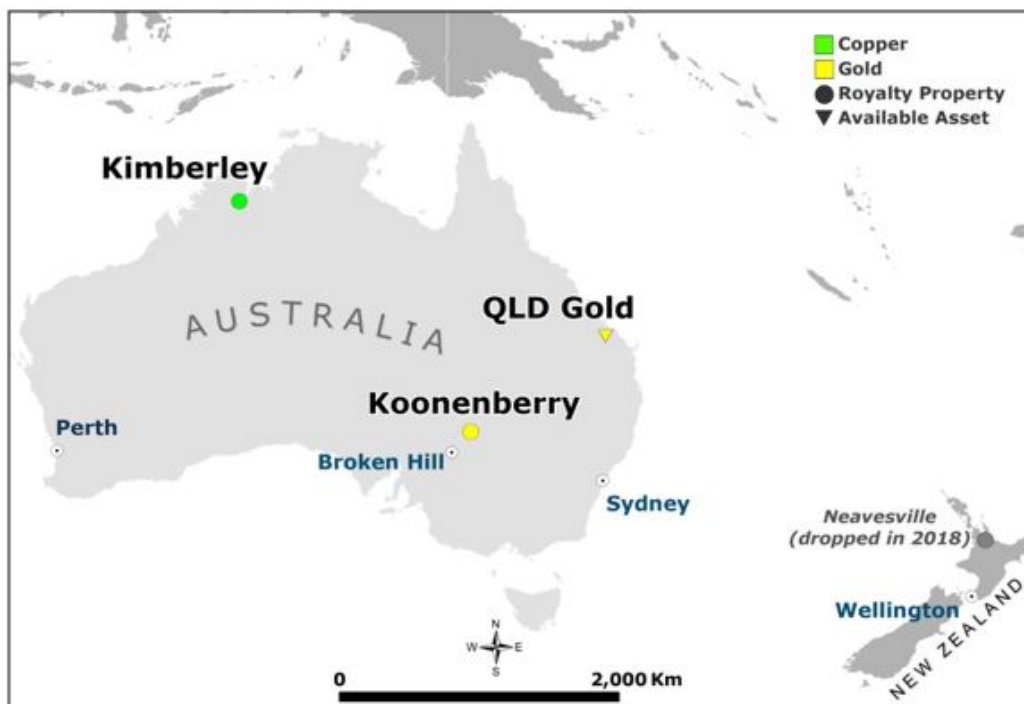
The Alankoy gold-copper property, located in the Biga Peninsula of northwestern Turkey, occurs in an area noted for discoveries characterized by high sulfidation style epithermal alteration and the development of vuggy silica lithocaps. EMX's work has outlined a six square kilometer area of lithocaps and quartz-alunite and argillic alteration with gold-copper mineralization, as well as skarn and replacement style mineralization, based upon geologic mapping, rock and soil sampling, spectral analyses, ground magnetics, and historic reconnaissance drill results. Alankoy is currently available for sale or partnership.

Qualified Person

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

Australia and New Zealand

EMX's assets in Australia include the Koonenberry royalty property in New South Wales, the Kimberley property in Western Australia, and the QLD Gold property in Queensland. The agreement with E2 Metals Ltd. for the Neavesville royalty property in New Zealand was terminated in 2018. The Company's programs in the region continued to evaluate royalty generation and royalty acquisition opportunities.



Koonenberry Property

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

KNB gained significant momentum with its Koonenberry exploration initiatives in 2018. Geologic mapping and reconnaissance sampling confirmed the existence of palaeoplacer and reef gold showings across a number of prospect areas. In addition, KNB acquired drilling & support equipment, and was granted the required permits to drill test four priority target areas. Over 700 meters of diamond drilling were completed that identified a number of quartz vein sets prospective for gold mineralization. Future work will include delivery of a small scale gravity plant to allow mini-bulk sampling and assessment of the alluvial and palaeochannel targets. KNB engaged Mining Plus to provide geological, metallurgical and environmental consulting services to support advancement of the project.

Kimberley Property

The Kimberley copper project consists of the Menuairs Dome and Campbellmerry groups of exploration licenses in the Kimberley region of Western Australia. The licenses were acquired by EMX on open ground in 2018, and contain sediment-hosted copper targets developed in geologic dome structures.

EMX executed a purchase agreement with Enfield Exploration Corporation ("Enfield") in Q4 2018 for the Kimberley project (see EMX news release dated October 1, 2018). In order to give time to gain access for the commencement of work, the agreement has been deferred until the first half of 2019 to allow the monsoon season to abate and river levels to fall.

QLD Gold Property

EMX's QLD Gold project in southeastern Queensland, Australia contains multiple zones of intrusion related gold mineralization hosted by a suite of granodioritic and porphyritic felsic intrusions. These zones were the focus of exploration and drilling campaigns in the 1990s. The project hosts numerous historic mines, including the Monal Goldfields, which produced gold from bedrock sources in the late 1800s. The property also contains gold and copper-rich skarns and epigenetic, sediment hosted copper mineralization.

Activities for 2018 consisted of fulfilling statutory requirements to keep the project in good standing. The QLD Gold project is available for partnership.

Neavesville Property

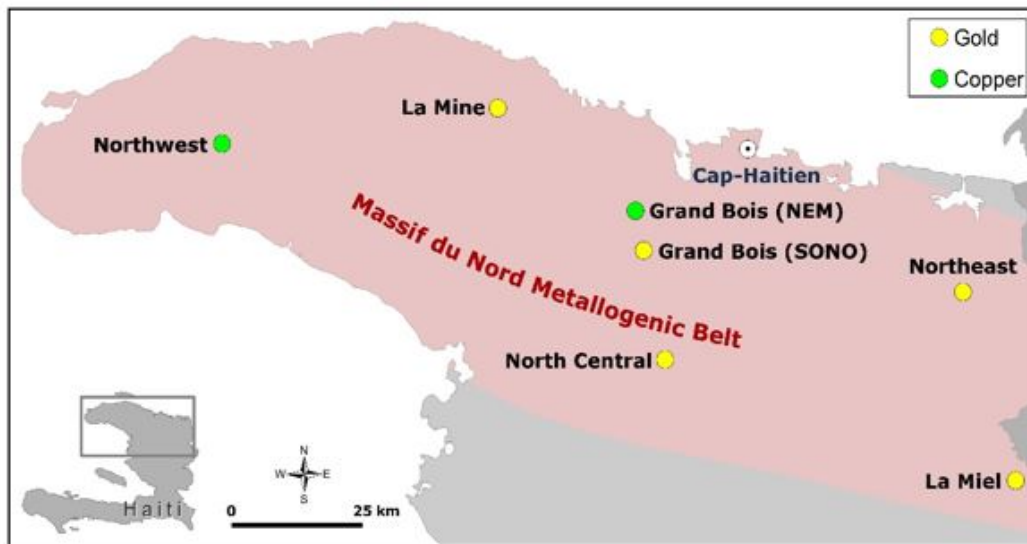
The Neavesville gold-silver property consisted of a single exploration permit in the Hauraki Goldfield of New Zealand's North Island. The project had been under a definitive agreement with ASX listed E2 Metals Ltd., which acquired the EMX subsidiary that controls the Neavesville property. E2 Metals terminated the agreement in October 2018. EMX elected not to exercise its right to have the property transferred back to the Company due to concerns of gaining social license to advance the project.

Qualified Person

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

Haiti

EMX's interests in Haiti have all been converted into NSR royalties. These royalty properties principally resulted from EMX and Newmont Ventures Limited (collectively, the "Joint Venture") exploring a land position along a 130 kilometer trend of Haiti's Massif du Nord mineral belt starting in 2008, with Newmont funding and managing the Joint Venture. In 2015, EMX sold its Haiti Joint Venture interests, which covered six designated exploration areas to Newmont. Pursuant to the transaction, Newmont acquired all of EMX's interest in the designated exploration areas on the following terms: a) Newmont paid US\$4 million in cash to EMX at closing, b) the Joint Ventures were terminated, c) EMX retains a 0.5% NSR royalty on the 49 Research Permit applications covering the designated exploration areas, and d) EMX retains the right to acquire any properties proposed to be abandoned or surrendered by Newmont.



In 2016, EMX sold the Grand Bois project, which was outside the Joint Venture with Newmont, to Sono Global Holdings Inc. ("Sono"), a privately held Nevada corporation. EMX retained a 0.5% NSR royalty interest in the Grand Bois project and the right to acquire any properties proposed to be abandoned or surrendered from the Grand Bois project in the future.

In mid-2018, 3D Resources Inc. ("3D"), an ASX listed company, called force majeure and terminated the agreement to acquire a 70% interest in Ayiti Gold Company SA, Sono's Haitian entity holding the Grand Bois license (see 3D news release dated June 25, 2018). According to 3D, "This decision has been taken because of the lack of progress achieved to date due to the Company's inability to obtain necessary permits to import equipment into Haiti to facilitate drilling necessary to complete feasibility studies." Subsequently, a new acquisition agreement was executed, whereby 3D Resources will acquire 100% ownership of Grand Bois, and Sono will receive a 25% net profit interest and other consideration (see 3D news release dated October 16, 2018). In late 2018, the acquisition remained subject to satisfaction of a number of conditions precedent, and a revised deadline of March 31, 2019 was announced by 3D in a December 6, 2018 news release.

To the Company's knowledge, there were no significant advancements in 2018 by the Haitian government on implementing a new mining law, a process which has been underway since 2013 when the Mining Convention process was suspended. As EMX understands, Newmont and Sono have kept the properties covered by EMX's royalty interests on care and maintenance status.

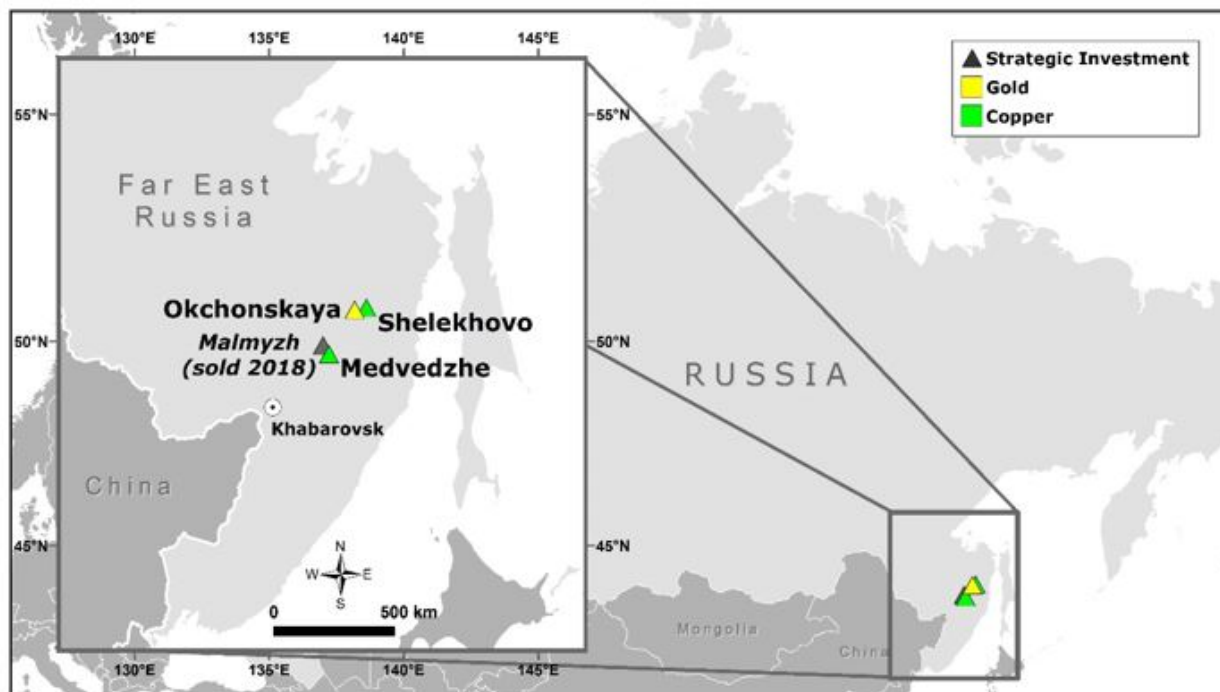
Qualified Person

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

Strategic Investments

IG Copper LLC

EMX is a strategic investor in IG Copper LLC ("IGC"), a privately held company with exploration properties in Khabarovsk Krai (administrative region) of Far East Russia. The Malmyzh copper-gold project, which was in a joint venture between IGC and Freeport (IGC 51%, Freeport 49%), was sold in 2018. IGC's other exploration properties were retained, and are 100% controlled by IGC. EMX was an early investor in IGC, and was its largest shareholder at the time of the Malmyzh sale, with approximately 42% of the issued and outstanding shares (39% equity position on a fully-diluted basis) from investments totaling approximately US\$13 million. The 2018 Malmyzh sale was a material event for EMX.



Malmyzh Project

Malmyzh is a district-scale discovery with over 14 porphyry copper-gold centers identified within a 16 by 5 kilometer intrusive corridor. The project, which occurs 220 kilometers northeast of the Russia-China border at Khabarovsk, has excellent logistical characteristics and available infrastructure. There were a number of significant project advancements from 2015 to 2017, including 1) a statement of initial inferred resources reported to NI 43-101 and CIM definition standards (see EMX's May 26, 2015 news release and SEDAR filed Technical Report), 2) Strategic Industries Law ("SIL") approval from Russia's Government Commission on Monitoring Foreign Investment for the joint venture to advance the Malmyzh project as a majority foreign owned business entity (see EMX news release dated July 25, 2016), and 3) exploration drilling that led to the discovery of significant breccia pipe hosted copper-gold mineralization that is not included in the current resource estimate (see EMX news release dated January 24, and July 25, 2017). These positive results led to the engagement of Scotiabank Europe plc, the U.K. subsidiary of The Bank of Nova Scotia, to assist with IGC's strategic business initiatives.

In Q2 2018, IGC advised that a definitive Share Purchase Agreement (the "Agreement") had been executed to sell the Malmyzh project for US \$200 million to Russian Copper Company ("RCC"), a privately held copper producer in the Russian Federation (the "Transaction") (see EMX news release dated June 14, 2018). The closing of the Transaction was contingent on RCC completing additional due diligence, including drilling and metallurgical studies, as well as receiving approval from the Russian Federal Anti-Monopoly Service. In early Q4, EMX announced all conditions precedent to complete the sale, as defined in the Agreement, had been fulfilled, and the US\$200 million completion consideration had been paid into escrow (see EMX news releases dated October 2, and October 11, 2018). 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 subsequent 12 months. The Company received its initial cash distribution of US\$65.15 million from the Malmyzh sale as announced in a October 30, 2018 news release. Cash distributions of up to US\$4 million will be made to EMX as funds are released from escrow in 2019.

In support of the Malmyzh sale, EMX borrowed US\$18.5 million from Sprott Private Resource Lending (Collector), LP (the "Sprott Loan"), and then loaned the US\$18.5 million to IGC (the "EMX Loan"). In connection with the Sprott Loan, EMX issued 381,321 common shares and paid cash fees of US\$550,000 and interest of US\$185,000 to Sprott. In connection with the EMX Loan, IGC issued EMX 37,000 units in IGC, reimbursed EMX for fees, interest payments and costs incurred under the Sprott Loan, and paid EMX a fee of US\$550,000 (this amount is included in the initial cash distribution of US\$65.15 million). Both the Sprott Loan and the EMX Loan were re-paid (see EMX news release dated October 11, 2018).

After the sale of Malmyzh, and the initial distribution of funds to its share holding members, EMX's ownership was reduced to 19.9% of IGC. EMX's investment in IGC is no longer considered to be material to the Company. As EMX is an investor in IGC, there are no direct holding costs to the Company.

Revelo Resources Corp.

EMX has a strategic investment in Revelo Resources Corp. (TSX-V: RVL "Revelo"), a company focused on the acquisition and exploration of mineral properties in the prolific metallogenic belts of northern Chile. Revelo has a combination of wholly-owned projects (available for option, JV or sale), option agreements, royalty interests (non-producing to date), and equity interests in mining and exploration companies.

Qualified Person

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

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Years Ended December 31, 2018, 2017 and 2016

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at March 26, 2019 and should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2018, 2017 and 2016 and the related notes thereto.

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

The Company and its subsidiaries operate as a royalty and prospect generator engaged in 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, Australia, and New Zealand. See Item 4.D. "Property, Plant and Equipment".

The Company's working capital position at December 31, 2018 was \$88,902,976. With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and royalty generation programs from the date of this Form 20-F, management believes it will require additional working capital to undertake its current business plan. The Company has incurred recurring losses and has an accumulated deficit of \$41,524,458. 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. These uncertainties may cast doubt upon the Company's ability to continue as a going concern.

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, the holder of a royalty income stream whose functional currency is the United States dollar.

DESCRIPTION OF BUSINESS

EMX Royalty Corporation is in the business of organically generating royalties derived from a portfolio of mineral property interests. The Company augments royalty generation with carefully selected royalty acquisitions and strategic investments. EMX's portfolio mainly consists of properties in North America, Europe, Turkey, Haiti, and Australia. The Company's common shares are listed on the TSX Venture Exchange and the NYSE American Exchange under the symbol EMX. The three key components of the Company's business strategy are summarized as:

- **Royalty Generation.** EMX's sixteen year track record of successful exploration initiatives has developed into an avenue to organically generate mineral property royalty interests. The strategy is to leverage in-country geologic expertise to acquire prospective properties on open ground, and to build value through low cost work programs and targeting. These properties are sold or optioned to partner companies for retained royalty interests, advance minimum royalty payments, project milestone payments, and other considerations that may include equity interests. Pre-production payments provide early-stage cash flows to EMX, while the operating companies build value through exploration and development. EMX participates in project upside at no additional cost, with the potential for future royalty payments upon the commencement of production.
- **Royalty Acquisition.** EMX has been acquiring royalty property interests since 2012. The purchase of royalty interests allows EMX to acquire quality assets that range from producing mines to development projects. These purchases are designed to "jump start" the organic royalty portfolio growth process by providing EMX with immediate to near term royalty revenue. The timely identification of acquisition opportunities is often informed by the Company's in-country royalty generation initiatives.
- **Strategic Investment.** An important complement to EMX's royalty generation and royalty acquisition initiatives comes from strategic investment in companies with under-valued mineral assets that have upside exploration potential. Exit strategies can include equity sales, royalty positions, or a combination of both.

EMX is focused on increasing revenue streams from royalties, pre-production and other cash payments, and strategic investments. This approach provides a foundation for supporting EMX's growth and increasing shareholder value over the long term.

5.A. Operating Results

Year ended December 31, 2018, 2017, and 2016

The net income for the year ended December 31, 2018 (“FY18”) was \$62,117,601 compared to a net loss of \$7,393,384 for the prior year (“FY17”), and a net loss of \$2,683,482 for the year ended December 31, 2016 (“FY16”). The net income for FY18 was made up of a net royalty income of \$307,665 (FY17 – \$455,033; FY16 – loss \$47,265) after depletion and related tax, net exploration expenditures of \$5,949,094 (FY17 - \$4,471,074; FY16 - \$4,999,959), general and administrative expenditures of \$4,139,498 (FY17 - \$3,765,029; FY16 - \$3,220,339) and other gains totaling \$68,215,261 (FY17 - loss \$2,102,216; FY16 - gain \$4,144,749) offset by a deferred income tax recovery of \$3,683,267 (FY17 - \$2,489,902 ; FY16 - \$1,439,332). Key items in “other income and losses” include: gains in an associated company (IGC) of \$80,310,549 (“FY18”) (FY17 - loss \$491,005; FY16 - loss \$312,934), impairment of royalty interest in FY18 of \$7,256,340 (FY17 - \$Nil; FY16 - \$Nil), discretionary success bonus of \$5,224,284 (FY17 - \$Nil; FY16 - \$Nil) and a write-down of goodwill of \$1,879,356 (FY17 - \$2,709,239; FY16 - \$1,518,328).

Revenues

In FY18, the Company earned \$2,131,947 (FY17 - \$2,857,927 ; FY16 - \$2,227,322) of royalty income. This included royalty income earned for 1,116 (FY17 - 1,308; FY16 - 1,361) ounces of gold totaling \$2,131,947 (FY17 - \$2,857,927; FY16 - \$2,227,322). In FY18, the average realized gold price for the Leeville royalty was US\$1,270 per ounce, which is comparable to the US\$1,255 received for FY17, and US\$1,250 for FY16. Royalty income offset by gold tax and depletion of \$1,824,282 (FY17 - \$2,402,894 ; FY16 - \$2,274,587) for a net royalty gain of \$307,665 (FY17 - \$455,033; FY16 – loss \$47,265).

Exploration Expenditures

Exploration expenditures (gross) increased by \$1,807,549 in FY18 compared to FY17, and decreased by \$81,414 in FY17 compared to FY16. Recoveries increased by \$329,5291 in FY18 compared to FY17, and increased by \$447,471 in FY17 compared to FY16 for a net increase in exploration expenditures of \$1,478,020 in FY18 compared to FY17, and a net decrease in exploration expenditures of \$528,885 in FY17 compared to FY16. Exploration expenditures and recoveries vary from period to period depending on the level of activity incurred and comparison between periods does not accurately reflect the activity with the Company. See Item 4B for royalty and project review of current activities.

General and Administrative

General and administrative expenses (“G&A”) of \$4,139,498 were incurred compared to \$3,765,029 in FY17, and \$3,220,339 in FY16. Some changes between FY18 and FY17 to note are:

- Investor relations increased by \$140,129 in FY18 compared to FY17, and increased by \$114,256 in FY17 compared to FY16. With the increase in market activity and interest in the mining sector, the Company attended more industry trade shows in FY18.
- Salaries and consultants increased in FY18 by \$133,760 compared to FY17, and increased by \$129,665 in FY17 compared to FY16. It should be noted that many of our personnel expenditures companywide are denominated in United States dollars (“USD”) and an increase or decrease in the value of the USD compared to the Canadian dollar, which is our reporting currency, will increase or decrease expenditures.
- Share-based payments included in general and administrative expenses increased by \$355,697 in FY18 compared to FY17 and increased by \$208,115 in FY17 compared to FY16, mainly due to the to the increase in the fair value of stock options granted during the year.

Other

- During FY18, the Company realized a significant gain of \$80,310,549 (2017 – loss \$491,005; 2016 - \$312,934) related to its investment in IGC. The significant gain is the result of the Company’s share of IGC’s income of \$98,919,337 (2017 - loss \$994,548; 2016 - loss \$1,295,568), offset by a dilution loss of \$577,963 (2017 - gain \$503,543; 2016 - gain \$982,634), and loss on the derecognition of IGC as an investment in an associated entity of \$18,030,825 (2017 - \$Nil; 2016 - \$Nil).

- The Company recognized a net gain on the sale of certain exploration and evaluation assets during the year of \$346,529 compared to \$1,305,237 in the prior year, and \$6,834,999 in FY16. In FY17, the gain on sale was the result of the Boreal transaction, offset by a small loss on the sale of EMX Australia Pty. In FY16 the gain resulted from the sale of two significant assets in Turkey including \$6,683,560 related to the sale of AES to Çiftay.
- Discretionary bonuses were awarded to management and staff totaling \$5,224,284 (2017 - \$Nil, 2016 - \$Nil) 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 7.5% of the after- tax profits of an individual investment could be paid as a bonus. As part of the bonus calculation, the Company's cost basis was increased annually by 10% to reflect the time value of the investment.
- 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 these adjustments, the Company recorded \$7,256,340 (2017 - \$Nil, 2016 - \$Nil) in impairment charges for the year ended December 31, 2018 related to the Carlin Trend Royalty Claim Block. Also related to the valuation of the Leeville royalty is a writedown of goodwill in the amount of \$1,879,356 (FY17 - \$2,709,239; FY16 - \$1,518,328).
- The Company recorded a deferred income tax recovery of \$3,683,267 compared to \$2,489,902 in FY17, and \$1,439,332 in FY16, and a net increase in deferred tax assets of \$3,424,345 (FY17 – decrease in tax liability of \$2,933,017 ; decrease in tax liability FY16 - \$1,748,562). A significant component of the deferred tax recovery and decrease in the related liability is the result of any impairment of the royalty interest partially offset by a cumulative translation loss as a result of the strengthening \$USD compared to \$CAD. During FY18 the Company recognized an impairment of the Leeville royalty of \$7,256,340 (FY17 - \$Nil; FY16 - \$Nil). The increase in the deferred income tax recovery for FY17 compared to FY16 was mainly the result of a decrease in the long term expected federal tax rates for the US operations, which decreased from 35% to 21%.

SIGNIFICANT INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

During the year ended December 31, 2018, the Company derecognized a 39.99% (2017 – 41%; 2016 – 39%) equity investment in IGC and reallocated the fair value of the remaining investment to FVTPL.

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\$13,137,000 towards its investment (2017 - US\$11,355,000; 2016 – US\$8,967,000). 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 (2017 - \$7,578,989; 2016 - \$4,992,823). The Company's share of the net income for the year ended December 31, 2018 was \$98,919,337 (2017 – Loss of \$994,548; 2016 – loss of \$1,295,568).

The changes in the investment in IGC for the years ended December 31, 2018, 2017, and 2016 are as follows:

	IGC
Balance - December 31, 2015	\$ 3,333,491
Additional investments in IGC	1,972,266
Dilution gain	982,634
Share of equity loss	(1,295,568)
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 a associated entity	(18,030,825)
Derecognized as an investment in associated entity	(911,477)
Balance - December 31, 2018	\$ -

The aggregate assets, aggregate liabilities and net loss for IGC has not been disclosed for the year ended December 31, 2018 as the investment was derecognized as an investment in associated entity during the year ended December 31, 2018.

As at December 31, 2017, associated companies' aggregate assets, aggregate liabilities and net loss for the year ended are as follows:

December 31, 2017	IGC
Aggregate as sets	\$ 6,127,735
Aggregate liabilities	(1,108,694)
Loss for the year	(2,713,490)
The Company's ownership %	41%
The Company's share of loss for the year	(994,548)

As at December 31, 2016, associated companies' aggregate assets, aggregate liabilities and net loss for the year are as follows:

December 31, 2016	IGC
Aggregate as sets	\$ 6,884,378
Aggregate liabilities	(1,471,260)
Loss for the year	(3,216,120)
The Company's ownership %	39%
The Company's share of loss for the year	(1,295,568)

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 at the time of sale transaction, the Company received its initial cash distribution of \$84,246,645 (US\$65.15 million). A second cash distribution to the Company of \$5,243,291 (US\$4 million) has been accrued as a receivable 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.

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 to EMX.

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.

During the year ended December 31, 2018, the Company recognized a dilution loss of \$577,963 (2017 – gain of \$503,543; 2016 – gain of \$982,634) related to the Company’s change in ownership percentage as a result of IGC’s share issuance for cash proceeds and loan conversions.

SELECTED ANNUAL INFORMATION

As at	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Financial positions				
Working capital	\$ 88,902,976	\$ 6,535,893	\$ 6,002,318	\$ 5,787,109
Exploration and evaluation assets (net)	1,612,901	1,841,966	2,145,000	2,381,540
Royalty interest	14,346,403	21,943,743	25,831,152	28,798,980
Total assets	114,851,522	45,750,784	47,843,555	50,624,129
Share capital	125,231,209	124,062,091	117,504,585	117,000,052
Deficit	(41,524,458)	(104,382,744)	(96,989,360)	(94,305,878)
	Year Ended	Year ended	Year ended	Year ended
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Financial results				
Royalty income	\$ 2,131,947	\$ 2,857,927	\$ 2,227,322	\$ 1,609,553
Exploration expenditures (net)	5,949,094	4,471,074	4,999,959	4,364,675
Loss from operations	(9,780,927)	(7,781,070)	(8,267,563)	(8,087,982)
Income (loss) for the year	62,117,601	(7,393,384)	(2,683,482)	(6,875,857)
Basic earnings (loss) per share	0.78	(0.09)	(0.04)	(0.09)
Diluted earnings (loss) per share	0.77	(0.09)	(0.04)	(0.09)

Significant items to note for the year ended December 31, 2018 include the significant equity income of \$98,919,337 (2017 – loss of \$994,548; 2016 – loss of \$1,295,568) related to the Company’s investment in IGC. The equity income was offset by a dilution loss of \$577,963 (2017 – gain of \$503,543; 2016 – gain of \$982,634), and a loss on derecognition of the investment as an associated entity of \$18,030,825 (2017 - \$Nil; 2016 - \$Nil). Other significant items to note in the year ended December 31, 2018 include an impairment charge of \$7,256,340 (2017 - \$Nil; 2016 - \$Nil) on the royalty interests, a related write-down of goodwill of \$1,879,356 (2017 - \$2,709,239; 2016 - \$1,518,328), and a recovery of \$3,683,267 (2017 - \$2,489,902; 2016 - \$1,439,332) of deferred income taxes, offset by a foreign exchange gain of \$3,482,540 (2017 – loss of \$659,473; 2016 – loss of \$159,862) as a result of holding US cash. Another item having a significant impact on the net income for the respective fiscal years include the payment of discretionary success bonuses of \$5,224,284 (2017 - \$Nil; 2016 - \$Nil).

OUTSTANDING SHARE DATA

At March 26, 2019, the Company had 80,991,155 common shares issued and outstanding. There were also 6,322,400 stock options outstanding with expiry dates ranging from April 25, 2019 to December 14, 2023, and 2,623,306 warrants outstanding expiring on April 12, 2019.

Critical Accounting Policies and Estimates**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.

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.

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.

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

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.

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.

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.

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-employees 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 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.

a) Royalty interest and related depletion

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

b) Goodwill

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

c) Exploration and Evaluation Assets

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

d) Taxation

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

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

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

a) Functional Currencies

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

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

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

5.B. Liquidity and Capital Resources

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

As at December 31, 2018, the Company had working capital of \$88,902,976 (2017 - \$6,535,893; 2016 - \$6,002,318). The Company has sufficient working capital for the next 12 months. 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 was covered by a general security agreement against the Company's assets. The loan was fully repaid in November 2018 from distributions received from IGC.

In October 2018 EMX's former investment in associated entity, IGC notified EMX that the sale of the Malmyzh project for US\$200 million has closed. For its 39% 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 \$5,243,291 (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.

Operating Activities

Cash used in operations was \$5,955,848 for the year ended December 31, 2018 (2017 - \$3,441,424; 2016 - \$5,315,543) and represents expenditures primarily on mineral property exploration and general and administrative expense for both periods, offset by royalty income received in the year.

Financing Activities

The total cash used by financings during the year ended December 31, 2018 was \$69,008 (2017 – cash provided of 6,992,928; cash provided by 2016 - \$127,800). The proceeds in the current period were comprised of loan proceeds of \$6,298,166 and loan repayments of \$6,553,274 including fees and interest from a US\$5,000,000 credit facility with Sprott, and \$186,000 from the exercise of stock options. During the comparative year ended December 31, 2017, the Company received a net of \$6,907,228 from the proceeds of a private placement net of costs, and \$85,700 (2016 - \$127,800) from the exercise of stock options.

Investing Activities

During the year ended December 31, 2018, the Company generated \$84,970,039 (2017 – used \$3,391,319) from investing activities. Some of the significant cash investment activities during the year ended December 31, 2018 include:

- The receipt of cash distributions totalling \$84,246,645 from its investment in IGC (2017 - \$Nil) related to the IGC sale of Malmyzh.
- The Company receiving net repayments of \$25,084,851 including loan fees of \$717,537 (US\$550,000) related to a credit facility with IGC for \$23,268,241 (US\$18,500,000) loaned to IGC in support of the Malmyzh sale.
- The Company receiving loan proceeds of \$23,268,241 and made loan repayments of \$24,367,314 including fees and interest from a US\$18,500,000 credit facility.
- The Company receiving \$456,301 as repayment of a US\$300,000 loan and related interest to IGC.
- The Company purchasing equity in IGC in the amount \$1,781,642 (2017 - \$2,059,631).

- The Company receiving annual option payments of US\$100,000 (2017 – US\$100,000) from Kennecott related to the Superior West property, and US\$75,000 (2017 – US\$75,000) from Mason Resources related to the Yerington property.
- The Company advancing \$Nil (2017 - \$1,005,277) to an associated company pursuant to a convertible loan agreement.
- The company also receiving \$1,084,980 (2017 - \$139,365) from the sale of marketable securities.

5.C. Research and Development, Patents and Licenses, etc.

See subtopic “Exploration Expenditures” under “Item 5.A., Operating Results”.

5.D. Trend Information

See “Property Overview” under “Item 5, Operating and Financial Review and Prospects”, and “Other” under “Item 5.A., Operating Results”.

5.E. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

5.F Tabular Disclosure of Contractual Obligations

The Company has no Contractual Obligations.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT, AND EMPLOYEES 6.A. Directors and Senior Management

Directors and Senior Management

Name	Position	Age	Date of First Election Or Appointment
David M. Cole	President, CEO, Director	57	November 24, 2003
Brian E. Bayley ⁽¹⁾⁽²⁾⁽³⁾	Director	66	May 13, 1996
Brian K. Levet ⁽¹⁾⁽²⁾	Director	66	March 18, 2011
Larry Okada ⁽¹⁾⁽²⁾⁽³⁾	Director	70	June 11, 2013
Michael D. Winn ⁽³⁾	Director and Chairman	57	November 24, 2003
Christina Cepeliauskas	Chief Financial Officer	55	September 18, 2008
Lori Pavle	Corporate Secretary	58	November 28, 2018

(1) Member of Audit Committee

(2) Member of the Compensation Committee

(3) Member of Corporate Governance Committee

David M. Cole (President, CEO and Director)

Mr. Cole has over 30 years of industry experience, coming to EMX Royalty Corp. in 2003 from Newmont Mining Company. At Newmont, he held a number of management and senior geologic positions, gaining extensive global experience as a project, mine, and generative exploration geologist in Nevada, Southeast Asia, South America, Europe, and Central Asia. Mr. Cole's success as part of Newmont's exploration team includes contributions at the world class Carlin Trend, Yanacocha, and Minahasa mines. Subsequently, he established and managed Newmont's exploration programs in Turkey while also identifying early-stage acquisition targets in Eastern Europe. Mr. Cole specializes in developing new exploration ideas and opportunities, based upon solid technical expertise coupled with a keen business sense. He studied under Dr. Tommy Thompson at Colorado State University, earning an M.S. in Geology.

Michael D. Winn (Director and Chairman)

Mr. Winn is President of Seabord Capital Corp., which provides investment analysis and financial services to companies operating in the energy and mining sectors. He is also President of Seabord Services Corp., a Canadian company that provides management, administrative, and regulatory services to private and public mining companies. Prior to starting Seabord Capital in January 2013, Mr. Winn was President of Terrasearch Inc. (1997 to 2012) a predecessor company to Seabord Capital. He also worked as an analyst for Global Resource Investments Ltd. (1993 to 1997) where he specialized in the evaluation of emerging oil and gas and mining companies. Mr. Winn has worked in the oil and gas industry since 1983 and the mining industry since 1992, and is currently a director and officer of several companies operating in Canada, Latin America, Europe and Africa. Mr. Winn received a B.Sc. in Geology from the University of Southern California.

Brian Bayley (Director)

Mr. Bayley is currently the President of Earlston Management Corp., formerly Ionic Management Corp. (private management company) since December 1996. From June 2003 to July 2013, Mr. Bayley was director of Quest Capital Corp. (a predecessor company to Sprott Resource Lending Corp.), a publicly traded resource lending company listed on the TSX and NYSE American. Mr. Bayley was also the Resource Lending Advisor from September 2010 to June 2013, President and Chief Executive Officer from May 2009 to September 2010, Co-chairman from January 2008 to May 2009, Chief Executive Officer from June 2003 to March 2008, and President from June 2003 to January 2008. Mr. Bayley is also a director and officer of several other public companies and holds an MBA from Queen's University.

Brian Levet (Director)

Mr. Levet draws on over 35 years of diversified executive and management experience in mineral exploration, project startup, and mine development and operations. He began his career with Rio Tinto Rhodesia and Zimbabwe Iron and Steel Company. The majority of Mr. Levet's career was with Newmont Mining Company, most recently as the Group Executive for Worldwide Exploration, and after 27 years of service he announced his retirement in early 2011. His distinguished career has been built upon a track record of team-oriented discovery success, with a number of these discoveries currently in production. He is recognized within the mining industry for exploration expertise and team leadership that resulted in a number of major discoveries, including the Batu Hijau and Elang copper-gold deposits in Indonesia, the North Lanut gold deposit in North Sulawesi, Indonesia, the McPhillamys gold deposit in New South Wales, Australia, as well as playing a significant role in the identification of Yanacocha as a world-class gold mining camp. Mr. Levet has a B.Sc. in Geology from the University of London.

Larry Okada (Director)

Larry Okada is a semi-retired CPA, CA professional accountant in British Columbia and Alberta, as well as a Certified Public Accountant in Washington State. He has been in public practice with Deloitte's, his own firm, and PwC for over 35 years. For more than 30 years, the majority of Mr. Okada's clients have been public mining companies listed on the TSX-V. Larry currently sits on a committee with the Institute of Chartered Accountants of British Columbia. As an independent director, Mr. Okada's extensive experience in accounting, finance, and corporate governance will further strengthen the Company's Board of Directors in these key areas.

Christina Cepeliauskas (Chief Financial Officer)

Ms. Cepeliauskas is a CPA, CGA professional accountant with more than 20 years of financial accounting and treasury experience in the mineral exploration and mining industry. She also has her ICD.D designation from the Institute of Corporate Directors. She is currently the Chief Financial Officer of EMX Royalty Corp. and Reservoir Capital Corp. and was formerly a Director and Chairperson of the Audit Committee of Revelo Resources Corp. Ms. Cepeliauskas also holds the volunteer position of Chair of the Governance Committee of Fraserside Community Services Society, an organization committed to helping people overcome challenges.

Lori Pavle (Corporate Secretary)

Ms. Pavle has over 25 years of public company administration predominantly in the resource sector. She has served as Corporate Secretary for several publicly traded companies including Bayfield Ventures Corp., Cypress Development Corp., Aben Resources Ltd., Skyharbour Resources Ltd., Gold Reach Resources Ltd., Cuba Ventures Corp. and International Samuel Exploration Corp. Prior to this, she worked for several years at Hunter Dickinson Inc. as Treasury Manager. Ms.

Pavle gained her early knowledge working as a paralegal for legal firms specializing in the practice area of corporate and securities law.

The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/ByLaws of the Company.

No Director and/or Senior Management had been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court or competent jurisdiction, revoking or suspending for cause any license, permit or other authority of such person or of any Company of which he is a Director and/or Senior Management, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any Company of which he is an officer or director from engaging in or continuing any conduct/practice/employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security or any aspect of the securities business or of theft or of any felony.

There are no family relationships between any two or more Directors or Senior Management.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

6.B. Compensation

The following table contains a summary of the compensation paid to the Directors and NEOs during the last three financial years.

Summary Compensation Table

Name and Principal Position	Annual Compensation				Long-Term Compensation		LTIP Payouts \$	All Other Comp. \$
	Year	Salary \$	STIP Payouts	Other Annual Compensation \$	Awards	Payouts		
					Securities Under Options/S ARs Granted	Bonus Shares or Restricted Share Units		
David M. Cole President & CEO	2018	448,143	Nil	14,023 ⁽¹⁾	200,000	100,000 ⁽²⁾	Nil	1,498,530 ⁽³⁾
	2017	478,853	Nil	14,019 ⁽¹⁾	200,000	100,000 ⁽²⁾	Nil	Nil
	2016	529,738	Nil	14,046 ⁽¹⁾	150,000	Nil	Nil	Nil
Michael D. Winn Chairman & Director	2018	77,726	Nil	Nil	100,000	Nil	Nil	1,362,300 ⁽³⁾
	2017	77,882	Nil	Nil	100,000	Nil	Nil	Nil
	2016	79,228	Nil	Nil	75,000	Nil	Nil	Nil
Christina Cepeliauskas ⁽³⁾ CFO	2018	86,250 ⁽⁴⁾	Nil	Nil	75,000	37,500 ⁽²⁾	Nil	238,402 ⁽³⁾
	2017	86,250 ⁽⁴⁾	Nil	Nil	75,000	37,500 ⁽²⁾	Nil	Nil
	2016	86,250 ⁽⁴⁾	Nil	Nil	55,000	Nil	Nil	Nil
Brian E. Bayley Director	2018	24,000	Nil	Nil	50,000	Nil	Nil	Nil
	2017	24,000	Nil	Nil	75,000	Nil	Nil	Nil
	2016	24,000	Nil	Nil	50,000	Nil	Nil	Nil
Brian K. Levet Director	2018	24,000	Nil	Nil	50,000	Nil	Nil	Nil
	2017	24,000	Nil	Nil	75,000	Nil	Nil	Nil
	2016	24,000	Nil	Nil	50,000	Nil	Nil	Nil

Larry M. Okada Director	2018	24,000	Nil	Nil	50,000	Nil	Nil	Nil
	2017	24,000	Nil	Nil	75,000	Nil	Nil	Nil
	2016	24,000	Nil	Nil	50,000	Nil	Nil	Nil
Lori Pavle Corporate Secretary (5)	2018	7,500	Nil	Nil	60,000	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marien Segovia Former Corporate Secretary(5)	2018	63,000	Nil	Nil	60,000	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) For officers and employees in the United States, the Company pays 4% of the annual salary each year to the officer or employees' 401(k) retirement plan effective January 1, 2012.
- (2) RSUs granted under the Company's RSU Plan. The vesting date and payout date for RSUs is January 1, 2020, for the 2017 RSU's and January 1, 2021, for the 2018 RSU's subject to performance criteria.
- (3) This amount was a strategic investment success bonus awarded for the successful completion of the IG Copper LLC transaction. (Refer to the section below entitled "Strategic Investment Success Bonus") for further details.
- (4) Pursuant to a Management Services Agreement between the Company and Seabord Services Corp. ("Seabord"), Ms. Cepeliauskas' remuneration is paid by Seabord.
- (5) Ms. Segovia resigned as Corporate Secretary on October 12, 2018; Ms Pavle was appointed Corporate Secretary on November 26, 2018.

Strategic Investment Success Bonus

The Board awarded discretionary bonuses to EMX's management and staff in respect of their seven years of effort to monetize the Company's investment in IG Copper LLC ("IGC"). Their efforts included:

- (1) identification of the investment opportunity;
- (2) providing significant technical oversight towards the discovery of a world class copper deposit at Malmyzh;
- (3) raising the capital necessary to advance Malmyzh despite challenging markets and jurisdictional risks;
- (4) coordinating the sales effort for Malmyzh over a period of several years;
- (5) managing an exit with Freeport, including arranging an US\$18.5 million bridge loan, which led to a greater return for all of IGC's shareholders, not the least of which was EMX 40% shareholding; and
- (6) assisting IGC with the successful sale of Malmyzh to a wholly owned subsidiary of Russian Copper Company ("RCC") in October for US\$200 million.

Prior to the Malmyzh sales transaction, the Company's management had developed a bonus plan for strategic investments whereby 7.5% of the after-tax profits of an individual investment could be paid as a bonus to management and staff. As part of the bonus calculation, the Company's cost basis was increased annually by 10% to reflect the time value of the investment.

The strategic investment bonus calculation, along with management's recommended allocation of bonuses, was then submitted to the Compensation Committee for its review. The Compensation Committee is comprised of three independent directors. The Committee met several times over the past four months, both with management and independently of management, as part of the approval process. The Committee recommended the US\$3.8 million bonus pool and allocation to the Company's Board. The independent members of the Board unanimously approved the bonus pool and allocation with Dave Cole and Michael Winn abstaining from voting.

The Board awarded the bonuses to the Company's Chairman, management and staff.

The following Stock Options were granted to directors and NEOs during the fiscal year ended December 31, 2018:

Name	Number Of Options Granted	Exercise Price Per Share	Grant Date	Expiration Date	Mkt. Value of Securities Underlying Options on Date of Grant
David M. Cole	200,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Michael D. Winn	100,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Christina Cepeliauskas	75,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Brian E. Bayley	50,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Brian K. Levet	50,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Larry Okada	50,000	\$1.30	July 10, 2018	July 10, 2023	\$1.30
Lori Pavle	60,000	\$1.57	November 11, 2018	November 11, 2023	\$1.57

The following RSUs were granted to NEOs during the fiscal year ended December 31, 2018;

Name	Number of RSUs Granted	Date of Grant	Vesting Period / Vesting Date	Expiration Date / Payout Date
David M. Cole	100,000	August 27, 2018	3 years / January 1, 2021	January 1, 2021
Christina Cepeliauskas	37,500	August 27, 2018	3 years / January 1, 2021	January 1, 2021

Outstanding Share-Based and Option-Based Awards

The following table sets out all option-based and share-based awards outstanding for each Director and NEO as at December 31, 2018.

Name	Option-based Awards				Share-based Awards (RSUs)		
	Number of Securities Underlying Unexercised options (vested-unvested)	Option Exercise price (\$ per share)	Option Expiration date (m/d/y)	Value of unexercised "in-the-money" options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of shares vested but not paid out (\$)
David M. Cole	200,000 - 0	1.30	8/10/2023	42,000	100,000 ⁽²⁾	Nil	Nil
	200,000 - 0	1.20	8/28/2022	62,000	100,000 ⁽³⁾		
	150,000 - 0	1.30	10/18/2021	31,500			
	150,000 - 0	0.66	6/8/2020	127,500			
	150,000 - 0	1.20	4/25/2019	46,500			
Christina Cepeliauskas	75,000 - 0	1.30	8/10/2023	15,750	37,500 ⁽²⁾	Nil	Nil
	75,000 - 0	1.20	8/28/2022	23,250	37,500 ⁽³⁾		
	55,000 - 0	1.30	10/18/2021	11,550			
	55,000 - 0	0.66	6/8/2020	46,750			
	55,000 - 0	1.20	4/25/2019	17,050			

Michael D. Winn	100,000 - 0	1.30	8/10/2023	21,000	Nil	Nil	Nil
	100,000 - 0	1.20	8/28/2022	31,000			
	75,000 - 0	1.30	10/18/2021	15,750			
	75,000 - 0	0.66	6/8/2020	63,750			
	75,000 - 0	1.20	4/25/2019	23,250			
Brian E. Bayley	50,000 - 0	1.30	8/10/2023	10,500	Nil	Nil	Nil
	75,000 - 0	1.20	8/28/2022	23,250			
	50,000 - 0	1.30	10/18/2021	10,500			
	50,000 - 0	0.66	6/8/2020	42,500			
	50,000 - 0	1.20	4/25/2019	15,500			
Brian K. Levet	50,000 - 0	1.30	8/10/2023	10,500	Nil	Nil	Nil
	75,000 - 0	1.20	8/28/2022	23,250			
	50,000 - 0	1.30	10/18/2021	10,500			
	50,000 - 0	0.66	6/8/2020	42,500			
	50,000 - 0	1.20	4/25/2019	15,500			
Larry Okada	50,000 - 0	1.30	8/10/2023	10,500	Nil	Nil	Nil
	75,000 - 0	1.20	8/28/2022	23,250			
	50,000 - 0	1.30	10/18/2021	10,500			
	50,000 - 0	0.66	6/8/2020	42,500			
	50,000 - 0	1.20	4/25/2019	15,500			
Lori Pavle	60,000	1.57	11/28/2023	Nil	Nil	Nil	Nil

- (1) The closing price of the Company's common shares on the TSX-V on December 31, 2018 was \$1.51.
- (2) RSUs granted under the Company's RSU Plan on August 28, 2017. The vesting date and payout date for RSUs granted on August 28, 2017, is January 1, 2020,, subject to performance criteria.
- (3) RSUs granted under the Company's RSU Plan on August 27, 2018. The vesting date and payout date for RSUs granted on August 27, 2018 is January 1, 2021,, subject to performance criteria.

Director Compensation.

The fees payable to the independent directors of the Company are for their services as directors and as members of committees of the Board as follows:

Board or Committee Name	Annual Retainer (\$)	Meeting Stipend (\$)	Per diem fees (\$)
Board of Directors	24,000	Nil	Nil

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors.

Change of Control Remuneration.

Chief Executive Officer

The Company is a party to an employment agreement with David M. Cole, President and CEO of the Company, effective June 1, 2017. Under the agreement, Mr. Cole receives US\$ 325,000 per year. The agreement may be terminated by the Company without reason by written notice and a lump sum payment equal to 24 months of salary and benefits and all unvested stock options and grants. Mr. Cole may terminate the agreement for any reason upon two months' notice to the Company during which time he will continue to receive his usual remuneration and benefits.

If Mr. Cole's agreement is terminated or his duties and responsibilities are materially changed within 6 months following a change in control of the Company, he is entitled to receive a lump sum payment equal to 24 months of his salary and benefits and all unvested stock options and grants.

Other Executive Officers

The Company has not entered into another employment or consulting contracts with its other Executive Officers.

For the purposes of this section, the following terms have the following meanings:

"Change of control" means an event occurring after the effective date of this agreement pursuant to which:

- a) a merger, amalgamation, arrangement, consolidation, reorganization or transfer takes place in which securities of EMX possessing more than 50% of the total combined voting power of the EMX's outstanding voting securities, respectively, are acquired by a person or persons (other than one or more members of the EMX Group) different from the person holding those voting securities immediately prior to such event, and the composition of the Board of Directors of EMX or following such event is such that their directors prior to the transaction constitute less than 50% of the Board membership following the event;
- b) any person (other than a member of the EMX Group), or any combination of persons (none of which is a member of the EMX Group) acting jointly or in concert by virtue of an agreement, arrangement, commitment or understanding acquires, directly or indirectly, 50% or more of the voting rights attached to all outstanding voting securities or the right to appoint a majority of the directors of EMX ; or
- c) EMX sells, transfers or otherwise disposes of all or substantially all of its assets, except that no Change of Control will be deemed to occur if such sale or disposition is made to a member of the EMX Group.

"Termination of Employment" means any voluntary, involuntary or coerced resignation, retirement or other termination of employment of any Covered Employee directly or indirectly resulting from a Change of Control and includes the occurrence of any of the following events after a Change of Control, if the Covered Employee does not consent thereto:

- (a) a material change in office held or employment;
- (b) a material change in the nature or scope of duties;
- (c) a reduction in remuneration;
- (d) a withdrawal of benefits or privileges of employment; or
- (e) exclusion from any incentive compensation plans in which the Covered Employee was a participant.

Pension/Retirement Benefits. For the officers and employees in the United States, the Company pays 4% of the annual salary each year to the officer or employees' 401(k) retirement plan effective January 1, 2012.

6.C. Board Practices

6.C.1. Terms of Office.

Refer to Item 6.A.1.

6.C.2. Directors' Service Contracts.

Not applicable.

6.C.3. Board of Director Committees.

The Company has an Audit Committee, which recommends to the Board of Directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company.

The current members of the Audit Committee are: Brian Bayley, Brian Levet and Larry Okada (Chairman). The Audit Committee met four times during Fiscal year 2018.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation paid (including stock options granted under the Option Plan and RSU's issued under the RSU Plan. by the Company to the Board, officers and employees of the Company and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation. The current members of the Compensation Committee are: Brian Levet (Chairman), Brian Bayley and Larry Okada.

Corporate Governance Committee: The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Company and the Board and monitoring whether they comply with such procedures. The current members of the Corporate Governance Committee are: Michael Winn (Chairman), Brian Bayley and Larry Okada.

The Corporate Governance Committee evaluates the effectiveness of the Board and its committees. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its Charter, the performance of the committee as a whole and will submit a Committee Annual Report to the Corporate Governance Committee, including recommendations. In addition, the Board will conduct an annual review of its performance.

6.D. Employees/ Consultants

As of December 31, 2018, EMX had 39 employees and consultants working at various locations throughout the world.

As of March 26, 2019, the Chief Financial Officer, Corporate Secretary, Controller, Payroll & Benefits Administrator and Accounts Payable are all based in Vancouver, Canada. The President & CEO, Chief Legal Officer, Chief Geologist, General Manager of Exploration, Investor Relations Director, General Manager of Corporate Development, Manager of Project Marketing, two geologists and a senior administrative assistant are all based in the Company's office in Littleton, Colorado through the Company's wholly-owned subsidiary, EMX USA. There are eight employees located in Arizona including seven geologists and one office manager. The Company has one consultant in Haiti, one consultant in Australia, 2 consultants in Turkey and 3 consultants in Scandinavia.

See Item 6 – Directors, Senior Management & Employees for a description of their job responsibilities.

6.E. Share Ownership

The table below lists, as of March 26, 2019, Directors and Senior Management who beneficially own the Company's voting securities, consisting solely of Common Shares, and the amount of the Company's voting securities owned by the Directors and Senior Management as a group.

Shareholdings of Directors and Senior Management
Shareholdings of 5% Shareholders

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
Common	David M. Cole ⁽²⁾	4,011,388	4.96%
Common	Michael D. Winn ⁽³⁾	1,390,208	1.72%
Common	Christina Cepeliauskas ⁽⁴⁾	648,551	0.80%
Common	Brian E. Bayley ⁽⁵⁾	486,375	0.60%
Options	Brian K. Levet ⁽⁶⁾	500,000	0.62%
Common	Larry Okada ⁽⁷⁾	315,000	0.39%
Common	Paul H. Stephens ⁽⁸⁾	15,408,491	19.04%

- (1) Based on 80,911,155 shares outstanding as of March 26, 2019.
(2) Of these shares, 1,365,015 are represented by currently exercisable share purchase options, warrants and RSUs.
(3) Of these shares, 557,100 are represented by currently exercisable share purchase options and warrants.
(4) Of these shares, 480,000 are represented by currently exercisable share purchase options and RSUs.
(5) Of these shares, 350,000 are represented by currently exercisable share purchase options.
(6) Share purchase options.
(7) Of these shares, 305,000 are represented by currently exercisable share purchase options and warrants.
(8) Of these shares, nil are represented by currently exercisable share purchase options.

Stock Option Plan.

The Board established the Option Plan to attract and motivate the directors, officers and employees of the Company (and any of its subsidiaries), employees of any management company and consultants to the Company (collectively the "Optionees") and thereby advance the Company's interests by providing them an opportunity to acquire an equity interest in the Company through the exercise of stock options granted to them under the Option Plan.

Pursuant to the Option Plan, the Board, based on the recommendation of the Compensation Committee, may grant options to Optionees in consideration of them providing their services to the Company or a subsidiary. The number of Common Shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase Common Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Company notice and payment of the exercise price for the number of Common Shares to be acquired.

The Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of Common Shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of the outstanding Common Shares.
2. The number of Common Shares subject to issuance upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations
 - (a) no Optionee can be granted options during a 12 month period to purchase more than
 - (i) 5% of the issued Common Shares unless disinterested Shareholder approval has been obtained (such approval has not been sought), or
 - (ii) 2% of the issued Common Shares, if the Optionee is a consultant, and
 - (b) the aggregate number of Common Shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Unless the Option Plan has been approved by disinterested Shareholders (such approval has not been obtained), options granted under the Option Plan, together with all of the Company's previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, shall not result, at any time, in

- (a) the number of Common Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the outstanding Common Shares at the time of granting,
 - (b) the grant to insiders, within a one year period, of options to purchase that number of Common Shares exceeding 10% of the outstanding Common Shares, or
 - (c) the issuance to any one insider and such insider's associates, within a one year period, of Common Shares totaling in excess of 5% of the outstanding Common Shares.
 4. The exercise price of the options cannot be set at less than the greater of \$0.10 per Common Share and the closing trading price of the Common Shares on the day before the granting of the stock options. If the Optionee is subject to the tax laws of the United States of America and owns (determined in accordance with such laws) greater than 10% of the Common Shares, the exercise price shall be at least 110% of the price established as aforesaid.
 5. The options may be exercisable for up to 10 years.
 6. There are not any vesting requirements unless the Optionee is a consultant providing investor relations services to the Company, in which case the options must vest over at least 12 months with no more than one-quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the Exchange, may authorize all unvested options to vest immediately. If there is a potential "change of control" of the Company due to a take-over bid being made for the Company or a similar event, all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.
 7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer or employee of, or consultant to, the Company or any subsidiary or is an employee of the Company's management Company and within a period thereafter not exceeding the earlier of:
 - (a) the original expiry date;
 - (b) 90 days after ceasing to be a director, officer or employee of, or consultant at the request of the Board or for the benefit of another director or officer to, the Company unless the Optionee is subject to the tax laws of the United States of America, in which case the option will terminate on the earlier of the 90th day and the third month after the Optionee ceased to be an officer or employee; and
 - (c) if the Optionee dies, within one year from the Optionee's death.
- If the Optionee is terminated "for cause", involuntarily removed or resigns (other than at the request of the Board or for the benefit of another director or officer) from any such positions, the option will terminate concurrently.
8. The options are not assignable except to a wholly-owned holding company. If the option qualifies as an "incentive stock option" under the United States Internal Revenue Code, the option is not assignable to a holding company.
 9. No financial assistance is available to Optionees under the Option Plan.
 10. Any amendments to outstanding stock options are subject to the approval of the TSX-V and NYSE American and, if required by either exchange or the Option Plan, of the Shareholders of the Company, possibly with only "disinterested Shareholders" being entitled to vote. Disinterested Shareholder approval must be obtained for the reduction of the exercise price of options (including the cancellation and re-issuance of options within a one year period so as to effectively reduce the exercise price) of options held by insiders of the Company. The amendment to an outstanding stock option will also require the consent of the Optionee.
 11. Any amendments to the Option Plan are subject to the approval of the TSX-V and NYSE American and, if required by either exchange or the Option Plan, of the Shareholders of the Company, possibly with only "disinterested Shareholders" being entitled to vote.

No options have been granted under the Option Plan which are subject to Shareholder approval. The Option Plan does not permit stock options to be transformed into stock appreciation rights.

Outstanding Stock Options

Name	Number of Shares of Common Stock	Exercise Price	Grant Date	Expiration Date
Officers & Directors:				
David M. Cole	200,000	\$1.30	07/10/2018	07/10/2023
	200,000	\$1.20	08/28/2017	08/28/2022
	150,000	\$1.30	10/18/2016	10/18/2021
	150,000	\$0.66	06/08/2015	06/08/2020
	150,000	\$1.20	04/25/2014	04/25/2019
Michael D. Winn	100,000	\$1.30	07/10/2018	07/10/2023
	100,000	\$1.20	08/28/2017	08/28/2022
	75,000	\$1.30	10/18/2016	10/18/2021
	75,000	\$0.66	06/08/2015	06/08/2020
	75,000	\$1.20	04/25/2014	04/25/2019
Christina Cepeliauskas	75,000	\$1.30	07/10/2018	07/10/2023
	75,000	\$1.20	08/28/2017	08/28/2022
	55,000	\$1.30	10/18/2016	10/18/2021
	55,000	\$0.66	06/08/2015	06/08/2020
	55,000	\$1.20	04/25/2014	04/25/2019
Brian E. Bayley	50,000	\$1.30	07/10/2018	07/10/2023
	75,000	\$1.20	08/28/2017	08/28/2022
	50,000	\$1.30	10/18/2016	10/18/2021
	50,000	\$0.66	06/08/2015	06/08/2020
	50,000	\$1.20	04/25/2014	04/25/2019
Brian K. Levet	50,000	\$1.30	07/10/2018	07/10/2023
	75,000	\$1.20	08/28/2017	08/28/2022
	50,000	\$1.30	10/18/2016	10/18/2021
	50,000	\$0.66	06/08/2015	06/08/2020
	50,000	\$1.20	04/25/2014	04/25/2019
Larry Okada	50,000	\$1.30	07/10/2018	07/10/2023
	75,000	\$1.20	08/28/2017	08/28/2022
	50,000	\$1.30	10/18/2016	10/18/2021
	50,000	\$0.66	06/08/2015	06/08/2020
	50,000	\$1.20	04/25/2014	04/25/2019
Lori Pavle	60,000	\$1.57	23/11/2018	23/11/2023
Consultants/Employees	20,000	\$1.42	12/14/2018	12/14/2023
	75,000	\$1.57	11/28/2018	11/28/2023
	75,000	\$1.42	09/20/2018	09/20/2023
	980,000	\$1.30	07/10/2018	07/10/2023
	840,000	\$1.20	08/28/2017	08/28/2022
	760,000	\$1.30	10/18/2016	10/18/2021
	635,000	\$0.66	06/08/2015	06/08/2020
	60,000	\$0.87	12/22/2014	12/22/2019
467,400	\$1.20	04/25/2014	04/25/2019	

Total for all Officers and Directors	2,345,000
Total for all Employees and Consultants	3,912,400
Total for all Officers, Directors, Employees and Consultants	6,257,400

RSU Plan

The RSU Plan was adopted by the Board for the same reasons as it adopted the Option Plan set out above.

The RSU Plan provides that RSUs may be granted by the Board, based on the advice of the Compensation Committee, to officers, directors and employees of, and consultants to, the Corporation ("Eligible Persons") as a discretionary payment in consideration for significant contributions to the short-term (one year or less) and long-term (one to three years) successes of the Corporation. The Board may, in its sole discretion, set vesting conditions on RSUs granted to Eligible Persons, which conditions will be primarily based on the performance criteria set by the Compensation Committee.

The aggregate maximum number of Common Shares reserved for issuance under the RSU Plan in combination with the aggregate number of Common Shares issuable under all of the Corporation's other equity incentive plans in existence from time to time, including the Option Plan, shall not exceed 10% of the issued and outstanding Common Shares.

In addition, the RSU Plan provides that the number of Common Shares which may be issuable under the RSU Plan and all of the Corporation's other previously established or proposed share compensation arrangements, including the Option Plan, within a 12 month period, to:

- (a) any one Eligible Person shall not exceed 5% of the total number of issued and outstanding Common Shares on the date of the grant on a non-diluted basis;
- (b) Insiders as a group within a 12 month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis; and
- (c) any one consultant, or Eligible Person engaged in providing investor relations services to the Corporation, shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the date of the grant on a non-diluted basis.

Unless redeemed earlier in accordance with the RSU Plan, the RSUs of each Eligible Person will be redeemed on or within 30 days after the RSU Payment Date (as defined below) for cash or Common Shares, as determined by the Board, for an amount equal to the Fair Market Value (the closing market price of the Common Shares on the TSX-V on the day prior to redemption) of an RSU, less applicable withholding taxes, and as increased or decreased by a "performance factor" determined by the Board in its sole discretion. The "RSU Payment Date" in respect of any RSU means a date not later than December 15th of the third year following the year in which such RSU was granted to the Eligible Person, unless (i) an earlier date has been approved by the Board as the RSU Payment Date in respect of such RSU, or (ii) there is a "Change of Control" of the Corporation (as defined in the RSU Plan), the RSU Plan is terminated or upon an Eligible Person's death or termination of employment.

Under the RSU Plan, the Board may from time to time amend or revise the terms of the RSU Plan or may discontinue the RSU Plan at any time. Subject to receipt of requisite disinterested Shareholder, TSX-V and NYSE American approvals, the Board may make amendments to the RSU Plan to

- change the maximum number of Common Shares issuable under the RSU Plan,
- change the method of calculation of the redemption of RSUs held by Eligible Persons, and
- provide an extension to the term for the redemption of RSUs held by Eligible Persons.

All other amendments to the RSU Plan may be made by the Board without obtaining shareholder approval.

If an Eligible Person ceases to be an Eligible Person for any reason (excluding death), all of the Eligible Person's RSUs which have vested at the time of such cessation shall be redeemed for cash or Common Shares and the remainder shall be cancelled. No amount shall be paid by the Corporation to the Eligible Person in respect of the RSUs so cancelled. If an Eligible Person ceases to be an Eligible Person due to death, any of the Eligible Person's RSUs which would otherwise vest within the next year following the date of death shall be redeemed for cash or Common Shares as determined by the Board.

In the event of a Change of Control, then the Corporation may redeem, subject to prior approval of the TSX-V and NYSE American, all of the RSUs granted to the Eligible Persons and outstanding under the RSU Plan for that number of Common Shares equal to the number of RSUs then held by the Eligible Persons. If the employment of an Eligible Person is terminated within six months following a Change of Control, all RSUs held by such Eligible Person shall become vested and be redeemed for cash or Common Shares.

Stock Grant Program.

The Board created the Incentive Stock Grant Program for the benefit of key officers and directors of the Company in 2010. The grants have a two-year vesting period.

The purpose of the Stock Grant Program is as follows. Firstly, to reward and provide an incentive to such persons for the ongoing efforts towards the continuing successes and goals of the Company as many of its successes directly result from their very significant efforts. Secondly, to provide such persons with a long-term incentive to remain with the Company. Finally, from time to time, the Company may provide additional compensation in the form of stock grants as part of annual salaries.

The Stock Grant Program provides that, following the approval of the independent members of the Compensation Committee, up to 300,000 Common Shares may be awarded in each year. The Common Shares awarded will vest and be issued in three separate tranches over a two year period – on the date of grant, and on the first and second anniversaries of the initial grant. None of the 300,000 Common Shares not awarded in one year can be rolled over or awarded in subsequent years. If the recipient ceases to be a director or officer of the Company before the relevant anniversary, he or she will not be entitled to receive any further Common Shares under the Stock Grant Program, including Common Shares previously awarded for issuance on such anniversary.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders.

7.A.1.a. Holdings By Major Shareholders.

The Company is aware of one person who beneficially own 5% or more of the Registrant's voting securities. The table below lists as of March 8, 2019, persons and/or companies holding 5% or more beneficial interest in the Common Shares.

Title of Class	Name of Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
Common	Paul H. Stephens	15,408,491	19.04%

(1) Based on 80,911,155 shares outstanding as of March 26, 2019.

7.A.1.b. Significant Changes in Major Shareholders' Holdings.

Not applicable.

7.A.1.c. Different Voting Rights.

The Company's major shareholders do not have different voting rights.

7.A.2. Canadian Share Ownership.

On March 26, 2019, the Company's shareholders' list showed 80,911,155 common shares outstanding and 268 registered shareholders. The Company has researched the indirect holdings by depository institutions and other financial institutions estimates that there are 17 "holders of record" resident in Canada representing 39,382,954 Common Shares, 251 "holders of record" resident in the USA representing 41,109,932 Common Shares, and 34 "holders of record" resident internationally representing 388,269 Common Shares.

The Company is a foreign private issuer for its current fiscal year. As of the last business day of the Company's second fiscal quarter, the majority of the Company's executive officers and directors were not US citizens or residents, the majority of the Company's assets are not in the United States, and the Company is administered principally in Canada. The Company's major shareholders in common shares have the same voting rights as other holders of common shares. The Company is not directly or indirectly owned or controlled by another corporation, a foreign government or any other natural or legal persons severally or jointly. There are no arrangements known to the Company which may result in a change of control of the Company.

7.A.3. Control of the Company.

The Company is a publicly owned Canadian Company, the shares of which are owned by U.S. residents, Canadian residents and other foreign residents. The Company is not controlled by any foreign government or other person(s) except as described in Item 4.A., "History and Growth of the Company", and Item 6.E., "Share Ownership".

7.A.4. Change of Control of Company Arrangements.

Not applicable.

7.B. Related Party Transactions

The aggregate value of transactions and outstanding balances relating to key management personnel and directors 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

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

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.

Shareholder Loans

Not applicable.

Amounts Owing to Senior Management/Directors

Included in accounts payable and accrued liabilities at December 31, 2018 is \$3,365,005 (2017 - \$30,744; 2016 - \$23,472) owed to key management personnel and other related parties. Included in amounts due to related parties for the year ended December 31, 2018 was \$3,339,365 for discretionary success bonuses paid in fiscal 2019.

Other than as disclosed above, there have been no transactions since December 31, 2018, or proposed transactions, which have materially affected or will materially affect the Company in which any director, executive officer, or beneficial holder of more than 5% of the outstanding common shares, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest. Management believes the transactions referenced above were on terms at least as favorable to the Company as the Company could have obtained from unaffiliated parties.

Other Related Party Transactions

In October 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 is re - negotiating the terms of repayment.

Other than as disclosed above, there have been no transactions or loans between the Company and (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company giving them significant influence over the Company, and close members of any such individual's family; (d) key management personnel and close members of such individuals' families; and (e) enterprises substantially owned or controlled, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

7.C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION**8.A. Consolidated Statements and Other Financial Information**

The Company's financial statements are stated in Canadian Dollars and are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

See "Item 18. Financial Statements" for our Annual Audited Consolidated Financial Statements, related notes and other financial information filed with this annual report on Form 20-F.

8.A.7. Legal/Arbitration Proceedings

The Directors and the management of the Company do not know of any material active or pending, legal proceedings; nor is the Company involved as a plaintiff in any material proceeding or pending litigation.

8.A.8. Dividends.

The Company has not declared or paid any dividends on our Common Shares. Our current business plan requires that for the foreseeable future, any future earnings be reinvested to finance the growth and development of our business. We do not intend to pay cash dividends on the Common Shares in the foreseeable future. We will not declare or pay any dividends until such time as our cash flow exceeds our capital requirements and will depend upon, among other things, conditions then existing including earnings, financial condition, restrictions in financing arrangements, business opportunities and conditions and other factors, or our Board determines that our shareholders could make better use of the cash.

8.B. Significant Changes

There have been no significant changes to the Company's financial condition since the end of the fiscal year.

ITEM 9. THE OFFER AND LISTING**9.A. Common Share Trading Information**

The Common Shares began trading on the TSX-V on November 23, 2003 and the Common Shares began trading on the NYSE American on January 30, 2012. The trading symbol is "EMX" for both exchanges.

ITEM 10. ADDITIONAL INFORMATION**10.A. Share Capital**

Not applicable.

10.B. Memorandum and Articles of Association***New British Columbia Corporations Act******Background***

Effective March 29, 2004, the Business Corporations Act (British Columbia) (the “New Act”) replaced the previous Company Act (British Columbia) (the “Old Act”). As a consequence, all British Columbia companies are now governed by the New Act. The New Act is intended to modernize and streamline company law in British Columbia.

Objects and Purposes

The Articles of EMX place no restrictions upon the type of business that the Company may engage in.

***Disclosure of Interest of Directors,
Part 17 of the Articles***

17.1 A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and the extent provided in the *Business Corporations Act*.

17.2 A director who holds a disclosable interest in a contract into which the Company has entered or proposes to enter is not entitled to vote on any directors’ resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual’s duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to their office of director for a period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No director or intended director is disqualified by their office from contracting with the Company either with regard to the holding or any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 A director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and the director or officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer or employee of, or from their interest in, such other person.

Powers and Duties of Directors
Part 16 of the Articles

16.1 The directors must, subject to the Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by the Articles, required to be exercised by the shareholders of the Company.

16.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the director to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

Borrowing Powers of Directors,
Part 8 of the Articles

8.1 The directors, if authorized by the directors, may:

- (1) borrow money in such manner and amount, on the security, from the sources and upon the terms and conditions as they consider appropriate;
- (2) issue bonds, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other persons or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

Remuneration of Directors
Part 13 of the Articles

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If they so decide, the remuneration, if any, of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 The Company must reimburse each director for the reasonable expenses they may incur in and about the business of the Company.

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, they may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that they may be entitled to receive.

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to their spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Required Ownership of Capital by Directors
Part 13 of the Articles

13.4. A director is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

Dividend Rights

Part 22 of the Articles

22.2 The directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

Special Rights and Restrictions

Part 9 and 10 of the Articles

9.2 The Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, unless any of those shares have been issued in which case the Company may do so only by special resolution; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, unless any of those shares have been issued in which case the Company may do so only by ordinary resolution.

Rules pertaining to annual general and special general meetings of shareholders are described in Sections Ten of the Company's Articles. These rules are summarized as follows:

10.1 The Company must, unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, hold its first annual general meeting following incorporation, amalgamation or continuation within 18 months after the date on which it was incorporated or otherwise created and recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors; and

10.2 If all the shareholders entitled to vote at an annual general meeting consent by unanimous resolution under the *Business Corporations Act* to all of the business required to be transacted at that annual general meeting, the meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 The directors may, whenever they think fit, call a meeting of shareholders to be held in British Columbia, Calgary, Alberta or Toronto, Ontario or at such other location as may be approved by the Registrar of Companies at such time and place as may be determined by the directors.

10.4 The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided by these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been give or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, it is 5:00 p.m. on the business day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 The accidental omission to send notice of any meetings to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of such meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company' records office, or at such other reasonably accessible location in British Columbia as is specified in such notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Proceedings at Meetings of Shareholders

Part 11 of the Articles

11.1 At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of the auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (i) any other business under which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 The majority of votes required for the Company to pass a special resolution at a meeting of shareholders are two-thirds of the votes cast on the resolution.

11.3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two shareholders present in person or represented by proxy.

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum of one person who is, or who represents by proxy, that shareholder; and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 The following individuals are entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the first of the following individuals to agree to act as chair: the president, if any.

11.10 If, at any meeting of shareholders, the chair of the board or president are not present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, one of the chief executive officer, the chief financial officer, a vice-president, the secretary or the Company's legal counsel may act as chair of the meeting and, failing them, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person at the meeting to chair the meeting.

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at any adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered into the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favor of or against the resolution.

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:

- (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
 - (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and their determination made in good faith is final and conclusive.

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll had been demanded.

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting at its records office, and, during that period, makes them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

Votes of Shareholders Part 12 of the Articles

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Other Issues

Neither the Company's articles nor British Columbia law permit: staggered terms for Directors; cumulative voting; shareholder approval of corporate matter by written consent; the adoption of various "poison pill" measures precluding shareholders from realizing a potential premium over the market value of their shares. Neither the Company's articles nor British Columbia law require retirement or non-retirement of directors under an age limit requirement.

There are no limitations on the rights to own securities.

There is no provision of the Company's articles that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

Shareholder ownership must be disclosed to the British Columbia Securities Commission and the TSX-V by any shareholder who owns more than 10% of the Company's common stock.

10.C. Material Contracts

Pursuant to a management service agreement dated February 13, 2014 as amended December 1, 2015 and February 12, 2018 between the Company and Seabord Services Corp. of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation pays \$37,000 per month to Seabord in consideration of Seabord providing the services of the CFO and Corporate Secretary and office, reception, secretarial, accounting and corporate records services to the Company. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

Seabord is a private company wholly-owned by Michael D. Winn, the Chairman and director of the Company.

10.D. Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the Company's securities, except as discussed in Item 10, "Taxation" below.

Restrictions on Share Ownership by Non-Canadians - There are no limitations under the laws of Canada or in the organizing documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the Investment Canada Act may require review and approval by the Minister of Industry (Canada) of certain acquisitions of "control" of the Company by a "non-Canadian". The threshold for acquisitions of control is generally defined as being one-third or more of the voting shares of the Company. "Non-Canadian" generally means an individual who is not a Canadian citizen, or a Company, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

10.E. Taxation

Canadian Federal Income Tax Considerations

The following is a brief summary of some of the principal Canadian federal income tax consequences to a holder of common shares of the Company (a "U.S. Holder") who deals at arm's length with the Company, holds the shares as capital property and who, for the purposes of the Income Tax Act (Canada) (the "Act") and the Canada – United States Income Tax Convention (the "Treaty"), is at all relevant times resident in the United States, is not and is not deemed to be resident in Canada and does not use or hold and is not deemed to use or hold the shares in carrying on a business in Canada. Special rules, which are not discussed below, may apply to a U.S. Holder that is an insurer that carries on business in Canada and elsewhere.

Under the Act and the Treaty, a U.S. Holder of common shares will generally be subject to a 15% withholding tax on dividends paid or credited or deemed by the Act to have been paid or credited on such shares. The withholding tax rate is 5% where the U.S. Holder is a Company that beneficially owns at least 10% of the voting shares of the Company and the dividends may be exempt from such withholding in the case of some U.S. Holders such as qualifying pension funds and charities.

In general, a U.S. Holder will not be subject to Canadian income tax on capital gains arising on the disposition of shares of the Company unless (i) at any time in the five-year period immediately preceding the disposition, 25% or more of the shares of any class or series of the capital stock of the Company was owned by (or was under option of or subject to an interest of) the U.S. holder or persons with whom the U.S. holder did not deal at arm's length, and (ii) the value of the common shares of the Company at the time of the disposition derives principally from real property (as defined in the Treaty) situated in Canada. For this purpose, the Treaty defines real property situated in Canada to include rights to explore for or exploit mineral deposits and other natural resources situated in Canada, rights to amounts computed by reference to the amount or value of production from such resources, certain other rights in respect of natural resources situated in Canada and shares of a Company the value of whose shares is derived principally from real property situated in Canada.

The US Internal Revenue Code provides special anti-deferral rules regarding certain distributions received by US persons with respect to, and sales and other dispositions (including pledges) of stock of, a passive foreign investment company. A foreign Company, such as the Company, will be treated as a passive foreign investment company if 75% or more of its gross income is passive income for a taxable year or if the average percentage of its assets (by value) that produce, or are held for the production of, passive income is at least 50% for a taxable year. The Company believes that it was a passive foreign investment company as at December 31, 2018.

Dividends

A Holder will be subject to Canadian withholding tax ("Part XIII Tax") equal to 25%, or such lower rate as may be available under an applicable tax treaty, of the gross amount of any dividend paid or deemed to be paid on common shares. Under the Canada-U.S. Income Tax Convention (1980) as amended by the Protocols signed on 6/14/1983, 3/28/1984, 3/17/1995, and 7/29/1997 (the "Treaty"), the rate of Part XIII Tax applicable to a dividend on common shares paid to a Holder who is a resident of the United States and who is the beneficial owner of the dividend, is 5%. If the Holder is a company that owns at least 10% of the voting stock of the Company paying the dividend, and, in all other cases, the tax rate is 15% of the gross amount of the dividend. The Company will be required to withhold the applicable amount of Part XIII Tax from each dividend so paid and remit the withheld amount directly to the Receiver General for Canada for the account of the Holder.

Disposition of Common Shares

A Holder who disposes of a common share, including by deemed disposition on death, will not normally be subject to Canadian tax on any capital gain (or capital loss) thereby realized unless the common share constituted "taxable Canadian property" as defined by the *Tax Act*. Generally, a common share of a public Company will not constitute taxable Canadian property of a Holder if the share is listed on a prescribed stock exchange unless the Holder or persons with whom the Holder did not deal at arm's length alone or together held or held options to acquire, at any time within the five years preceding the disposition, 25% or more of the shares of any class of the capital stock of the Company. The Canadian Venture Exchange is a prescribed stock exchange under the *Tax Act*. A Holder who is a resident of the United States and realizes a capital gain on a disposition of a common share that was taxable Canadian property will nevertheless, by virtue of the Treaty, generally be exempt from Canadian tax thereon unless (a) more than 50% of the value of the common shares is derived from, or from an interest in, Canadian real estate, including Canadian mineral resource properties, (b) the common share formed part of the business property of a permanent establishment that the Holder has or had in Canada within the 12 month period preceding the disposition, or (c) the Holder is an individual who (i) was a resident of Canada at any time during the 10 years immediately preceding the disposition, and for a total of 120 months during any period of 20 consecutive years, preceding the disposition, and (ii) owned the common share when he ceased to be resident in Canada.

A Holder who is subject to Canadian tax in respect of a capital gain realized on a disposition of a common share must include three quarters of the capital gain (taxable capital gain) in computing the Holder's taxable income earned in Canada. The Holder may, subject to certain limitations, deduct three-quarters of any capital loss (allowable capital loss) arising on a disposition of taxable Canadian property from taxable capital gains realized in the year of disposition in respect to taxable Canadian property and, to the extent not so deductible, from such taxable capital gains realized in any of the three preceding years or any subsequent year.

Certain United States Federal Income Tax Considerations

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of common shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership, and disposition of common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the acquisition, ownership, and disposition of common shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of common shares.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of this Summary

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Treaty, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of common shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of common shares that is not a U.S. Holder or is a partnership. This summary does not address the U.S. federal income tax consequences to non-U.S. Holders arising from and relating to the acquisition, ownership, and disposition of common shares. Accordingly, a non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences (including the potential application of and operation of any income tax treaties) relating to the acquisition, ownership, and disposition of common shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) acquired common shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold common shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) are required to accelerate the recognition of any item of gross income with respect to Securities as a result of such income being recognized on an applicable financial statement; or (i) own or have owned (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of the outstanding shares of EMX. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold common shares in connection with carrying on a business in Canada; (d) persons whose common shares constitute "taxable Canadian property" under the Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Treaty. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of common shares.

If an entity or arrangement that is classified as a partnership (or "pass-through" entity) for U.S. federal income tax purposes holds common shares, the U.S. federal income tax consequences to such partnership and the partners (or owners) of such partnership generally will depend on the activities of the partnership and the status of such partners (or owners). This summary does not address the tax consequences to any such partnership or partner (or owner). Partners (or owners) of entities or arrangements that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of common shares.

Passive Foreign Investment Company Rules

If EMX were to constitute a "passive foreign investment company" (a "PFIC"), as defined below, within the meaning of Section 1297 of the Code, for any year during a U.S. Holder's holding period, then certain different and potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of common shares. In addition, in any year in which EMX is classified as a PFIC, such holder will be required to file an annual report with the IRS containing such information as Treasury Regulations or other IRS guidance may require. A failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

PFIC Status of EMX

EMX generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of EMX is passive income (the "income test"), or (b) 50% or more of the value of EMX's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "asset test"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a foreign corporation's commodities are stock in trade of such foreign corporation or other property of a kind which would properly be included in inventory of such foreign corporation, or property held by such foreign corporation primarily for sale to customers in the ordinary course of business and certain other requirements are satisfied.

For purposes of the PFIC income test and asset test described above, if EMX owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, EMX will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued by EMX from certain "related persons" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

EMX currently expects that it will be classified as a passive foreign investment company ("PFIC") for the tax year ending December 31, 2018 and expects to be a PFIC in future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of EMX as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by EMX concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of EMX.

Default PFIC Rules Under Section 1291 of the Code

If EMX is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of common shares will depend on whether such U.S. Holder makes an election to treat EMX as a "qualified electing fund", or "QEF", under Section 1295 of the Code, or a "QEF Election", or a mark-to-market election under Section 1296 of the Code, or a "Mark-to-Market Election". A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder".

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code with respect to, (a) any gain recognized on the sale or other taxable disposition of common shares, and (b) any excess distribution received on common shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for common shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of common shares and any "excess distribution" received on common shares must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective common shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest", which is not deductible.

If EMX is a PFIC for any tax year during which a Non-Electing U.S. Holder holds common shares, EMX will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether EMX ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such common shares were sold on the last day of the last tax year for which EMX was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its common shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its common shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of, (a) the net capital gain of EMX, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of EMX, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (i) net long-term capital gain over (ii) net short-term capital loss, and "ordinary earnings" are the excess of (i) "earnings and profits" over (ii) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which EMX is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by EMX. However, for any tax year in which EMX is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest", which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to EMX generally, (a) may receive a tax-free distribution from EMX to the extent that such distribution represents "earnings and profits" of EMX that were previously included in income by the U.S. Holder because of such QEF Election, and (b) will adjust such U.S. Holder's tax basis in common shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of common shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for common shares in which EMX was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for common shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder also makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such common shares were sold for their fair market value on the day the QEF Election is effective.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, EMX ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which EMX is not a PFIC. Accordingly, if EMX becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which EMX qualifies as a PFIC.

For each tax year that EMX qualifies as a PFIC, EMX intends to: (a) make available to U.S. Holders, upon their written request, a "PFIC Annual Information Statement" as described in Treasury Regulation Section 1.1295 -1(g) (or any successor Treasury Regulation) and (b) upon written request, use commercially reasonable efforts to provide all additional information that such U.S. Holder is required to obtain in connection with maintaining such QEF Election with regard to EMX. EMX may elect to provide such information on its website, www.EMXRoyalty.com. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed U.S. federal income tax return. However, if EMX does not provide the required information with regard to EMX, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the common shares are marketable stock. Common shares generally will be "marketable stock" if the common shares are regularly traded on, (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that, (i) such foreign exchange has trading volume, listing, financial disclosure, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced, and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If EMX's common shares are traded on such a qualified exchange or other market, the common shares generally will be "regularly traded" for any calendar year during which common shares are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its common shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such common shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for common shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, common shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which EMX is a PFIC, an amount equal to the excess, if any, of (i) the fair market value of common shares, as of the close of such tax year over (ii) such U.S. Holder's tax basis in such common shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (i) such U.S. Holder's adjusted tax basis in common shares, over (ii) the fair market value of such common shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in common shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of common shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (i) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A U.S. Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed U.S. federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless common shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of common shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which common shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if EMX is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example under Section 1298(b)(6) of the Code, a U.S. Holder that uses common shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such common shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

Ownership and Disposition of Common Shares

The following discussion is subject to the rules described above under the heading "Passive Foreign Investment Company Rules".

Distributions on Common Shares

Subject to the PFIC rules discussed above, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to common shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of EMX, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if EMX is a PFIC. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of EMX, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in common shares and thereafter as gain from the sale or exchange of such common shares. See "Sale or Other Taxable Disposition of Common Shares" below. However, EMX may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by EMX with respect to common shares will constitute ordinary dividend income. Dividends received on common shares generally will not be eligible for the "dividends received deduction". Subject to applicable limitations and provided EMX is eligible for the benefits of the Treaty, dividends paid by EMX to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that EMX not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Subject to the PFIC rules discussed above, upon the sale or other taxable disposition of common shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder's tax basis in such common shares sold or otherwise disposed of. Subject to the PFIC rules discussed above, gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, common shares have been held for more than one year.

Preferential tax rates apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Additional Tax on Passive Income

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income", which includes dividends on the common shares and net gains from the disposition of the common shares. Further, excess distributions treated as dividends, gains treated as excess distributions under the PFIC rules discussed above, and mark-to-market inclusions and deductions are all included in the calculation of net investment income.

Treasury Regulations provide, subject to the election described in the following paragraph, that solely for purposes of this additional tax, that distributions of previously taxed income will be treated as dividends and included in net investment income subject to the additional 3.8% tax. Additionally, to determine the amount of any capital gain from the sale or other taxable disposition of common shares that will be subject to the additional tax on net investment income, a U.S. Holder who has made a QEF Election will be required to recalculate its basis in the common shares excluding QEF basis adjustments.

Alternatively, a U.S. Holder may make an election which will be effective with respect to all interests in a PFIC for which a QEF Election has been made and which is held in that year or acquired in future years. Under this election, a U.S. Holder pays the additional 3.8% tax on QEF income inclusions and on gains calculated after giving effect to related tax basis adjustments. U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of the common shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of common shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on common shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to common shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their common shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, common shares will generally be subject to information reporting and backup withholding tax, at the rate of 24%, if a U.S. Holder, (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

10.F. Dividends and Paying Agents

Not applicable.

10.G. Statement by Experts

Not applicable.

10.H. Documents on Display

Copies of the documents referenced in this annual report are available at the Company's office located at Suite 501, 543 Granville Street, Vancouver, British Columbia, Canada.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET 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 convertible promissory notes.

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. Fluctuations 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 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.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management is responsible for establishing and maintaining disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), by others within those entities on a timely basis so that appropriate decisions can be made regarding public disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and our Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Exchange Act) as of December 31, 2018. The CEO and CFO concluded that the disclosure controls and procedures as of December 31, 2018 were effective to give reasonable assurance that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for designing, establishing and maintaining a system of internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f)) to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with GAAP. The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements. Management reviewed the results of their assessment with the Company's Audit Committee.

Because of its inherent limitations, the Company's internal control over financial reporting may not prevent or detect all possible misstatements or frauds. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

To evaluate the effectiveness of the Company's internal control over financial reporting, Management has used the Internal Control - Integrated Framework (2013), which is a suitable, recognized control framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management has assessed the effectiveness of the Company's internal control over financial reporting and concluded that such internal control over financial reporting is effective as of December 31, 2018.

Limitations on the Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that our Disclosure Controls or our Internal Controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

As a non-accelerated filer, the Company is not required to provide the registered public accounting firm's attestation report on management's assessment of the Company's internal control over financial reporting.

Changes in Internal Controls Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the period covered by this Form 20-F, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board has determined that Messrs. Levet, Bayley and Okada qualify as audit committee financial experts (as defined in Item 407(d)(5) of Regulation S-K under the U.S. Exchange Act), are financially sophisticated (as determined in accordance with Section 803B(2)(iii) of the NYSE American Company Guide), and are independent (as determined under U.S. Exchange Act Rule 10A-3 and Section 803A of the NYSE American Company Guide).

ITEM 16B. CODE OF ETHICS

The Board of Directors of the Company has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems. To facilitate meeting this responsibility, the Board of Directors seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board has:

- adopted a written Code of Business Conduct and Ethics (the "Code") for its directors, officers, employees and consultants and a written Code of Business Conduct and Ethics for its CEO and Senior Financial Officers.
- established a whistleblower policy which details complaint procedures for financial concerns.

Copies of the Code are available without charge to any person upon request from the Company's CFO at www.EMXRoyalty.com or at the Company's headquarters at Suite 501, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8.

The Board must also comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or Executive Officer has a material interest.

ITEM 16C. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees
December 31, 2018	\$115,000	\$4,000	0	0
December 31, 2017	\$117,000	0	0	0

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column. These fees are related to the auditor's reviews of the Company's Form 20F and the Company's first quarter interim financial statements in relation to the compliance and conversion to International Financial Reporting Standards.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice, and tax planning.

The audit committee has established policies and procedures that are intended to control the services provided by the Company's external auditors and to monitor their continuing independence. Under these policies, no services may be undertaken by the auditors, unless the engagement is specifically approved by the audit committee or the services are included within a category which has been pre-approved by the audit committee. The maximum charge for services is established by the audit committee when the specific engagement is approved or the category of services pre-approved. Management is required to notify the audit committee of the nature and value of pre-approved services undertaken.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE COMPANY/AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Common Shares are listed on the NYSE American and the TSX-V. Under the rules of the NYSE American, listed companies are generally required to have a majority of their Board of Directors independent as defined by the NYSE American Company Guide Rules. Currently, as permitted under applicable Canadian regulations, the Company's Board consists of 5 directors, of which 3 are considered to be independent.

Other than in the composition of the Board of Directors as described above, in the opinion of management the Company's corporate governance practices do not differ in any significant way from those required of U.S. domestic companies listed on the NYSE American.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

The Company's financial statements are stated in Canadian Dollars and are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This Form 20-F Annual Report contains the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2018, 2017 and 2016 with the Report of Independent Registered Public Accounting Firm, comprised of:

- a) Consolidated Statements of Financial Position at December 31, 2018, 2017 and 2016.
- b) Consolidated Statements of Comprehensive Loss for the years ended December 31, 2018, 2017 and 2016.
- c) Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016.
- d) Consolidated Statements of Shareholders Equity for the years ended December 31, 2018, 2017 and 2016.
- e) Notes to Consolidated Financial Statements

ITEM 19. EXHIBITS

1.1	Articles of EMX Royalty Corporation (formerly Eurasian Minerals Inc.) – Incorporated by reference to Exhibit 99.1 to Form 6-K filed on July 16, 2014.
1.2	Certificate of Change of Name and Notice of Articles dated July 19, 2017 – Previously filed with the SEC on Form 6-K on July 19, 2017.
4.1	Services Agreement between the Company and Seabord Services Corp., dated December 1, 2015 - Previously filed with the SEC on Form 20-F Annual Report on April 30, 2015.
6. B	Employment Agreement with David Cole dated June 1, 2017.
6. C	Stock Option Plan.
8.1	List of Significant Subsidiaries - Included under Item 4.C, Organizational Structure.
12.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a)
12.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a)
13.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350
13.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350
15.1	Consent of Qualified Person – Eric P. Jensen
15.2	Consent of Qualified Person - Dean D. Turner
15.4	Audit Committee Charter
101.	XBRL Interactive Data Files

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

EMX ROYALTY CORPORATION

/s/ Christina Cepeliauskas

Christina Cepeliauskas
Chief Financial Officer

DATED: April 1, 2019



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

December 31, 2018

DAVIDSON & COMPANY LLP

Chartered Professional Accountants

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



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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 through 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 through 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)
Changes in non-cash working capital items (Note 21)	(12,037,498)	(5,973,815)	(5,430,267)
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)

	Number of common shares	Capital stock	Commitment to issue shares	Reserves		Deficit	Total
				Share-based payments	Accumulated other comprehensive gain (loss)		
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

	Number of common shares	Capital stock	Commitment to issue shares	Reserves		Deficit	Total
				Share-based payments	Accumulated other comprehensive gain (loss)		
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		Deficit	Total
				Share-based payments	Accumulated other comprehensive gain (loss)		
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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

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.

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(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

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.

EMX ROYALTY CORPORATION

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For the Year Ended December 31, 2018

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.

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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

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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.

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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.

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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.

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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-employees 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 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.

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

Income (loss) per share (Continued)

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.

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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:

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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

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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For the Year Ended December 31, 2018

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 foreseeable 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 and 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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

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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).

EMX ROYALTY CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

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 of America	Superior West, Arizona		736,341		867,096
	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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

9. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended December 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%.

EMX ROYALTY CORPORATION

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(Expressed in Canadian Dollars)

For the Year Ended December 31, 2018

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: Ik,

- 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.

Njuggträskliden and Mjövattnet 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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

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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.

EMX ROYALTY CORPORATION

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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 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.

EMX ROYALTY CORPORATION
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9. EXPLORATION AND EVALUATION ASSETS (Continued)

United States (continued)

Superior West, Arizona (continued)

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 December 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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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 Snaat Taahhüt ve Ticaret A.S. ("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;

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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:
 - o 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;
 - o 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 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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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9. EXPLORATION AND EVALUATION ASSETS (Continued)**Turkey (continued)****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.

EMX ROYALTY CORPORATION

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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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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For the Year Ended December 31, 2018

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					Total	Turkey	Australia and New Zealand	Other	Total
		Kennecott Exploration	Anglo American	Antofagasta	South 32	Other USA					
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.

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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

EMX ROYALTY CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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			Total	Turkey			Asia Pacific			Other	Total
		Kennecott Exploration	Desert Star Resources	Other USA		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.

EMX ROYALTY CORPORATION

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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.

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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

EMX ROYALTY CORPORATION
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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.

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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).

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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	-	-	-

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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.

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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 discretionary 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)

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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.

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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.

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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.

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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 receivables	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;

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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

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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.

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