MAVERIX METALS INC. (FORMERLY MACMILLAN MINERALS INC.)

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE PERIOD FROM INCORPORATION (JANUARY 9, 2016) TO DECEMBER 31, 2016

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maverix Metals Inc.

We have audited the accompanying consolidated financial statements of Maverix Metals Inc. and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows and consolidated statement of changes in equity for the period from incorporation (January 9, 2016) to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Maverix Metals Inc. and its subsidiaries as at December 31, 2016, and their financial performance and cash flows for the period from incorporation (January 9, 2016) to December 31, 2016 in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 25, 2017

Maverix Metals Inc.
(Formerly MacMillan Minerals Inc.)

Consolidated Statement of Financial Position
(in thousands of Canadian dollars)

		December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	$	**12,761**
Accounts receivable		**3,004**
Prepaid expenses and other current assets		**15**
Total current assets		**15,780**
Non-current assets		
Building improvements and equipment		**18**
Stream and royalty interests (Notes 6, 7)		**98,155**
Total Assets	**$**	**113,953**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 16)	$	**4,850**
Tax liabilities		**94**
Total current and total liabilities		**4,944**
Equity		
Capital and reserves		
Share capital (Note 8a)		**107,536**
Share option reserve (Note 9)		**650**
Share warrant reserve (Note 8b)		**7,827**
Other comprehensive income		**1,319**
Deficit		**(8,323)**
Total Equity		**109,009**
Total Liabilities and Equity	**$**	**113,953**

Commitments and Contingencies (Note 19)
Contractual Obligations (Note 20)
Subsequent Events (Note 21)
See accompanying notes to the consolidated financial statements.

APPROVED BY THE BOARD ON April 25, 2017

"signed" *Geoff Burns, Director* *"signed"* *Robert Doyle, Director*

Maverix Metals Inc.
(Formerly MacMillan Minerals Inc.)

Consolidated Statement of Loss and Comprehensive Loss
(in thousands of Canadian dollars, except for earnings per share)

		The period beginning January 9, 2016 and ending December 31, 2016
Sales (Note 18)	$	**1,014**
Royalty revenue (Note 18)		**1,335**
Total revenue		**2,349**
Cost of sales, excluding depletion		**(518)**
Depletion and amortization (Note 7)		**(1,113)**
Total cost of sales		**(1,631)**
Gross profit		**718**
Administrative expenses (Note 10)		**(1,994)**
Loss from operations		**(1,276)**
Other income and expenses		
Foreign exchange gain		**40**
Finance income		**18**
Listing expense (Note 6)		**(4,435)**
Transaction costs (Note 6, 7)		**(2,598)**
Loss before taxes		**(8,251)**
Income tax expense (Note 17)		**(72)**
Total loss for the period	**$**	**(8,323)**
Foreign currency translation		1,319
Comprehensive loss for the period	**$**	**(7,004)**
Loss per share (Note 11)		
Basic and Diluted loss per share	**$**	**(0.20)**
Weighted average shares outstanding (in 000's) Basic and Diluted		**41,751**

See accompanying notes to the consolidated financial statements

Maverix Metals Inc.
(Formerly MacMillan Minerals Inc.)

Consolidated Statement of Cash Flows
(in thousands of Canadian dollars)

		The period beginning January 9, 2016 and ending December 31, 2016
Cash flow from operating activities		
Net loss for the period	**$**	**(8,323)**
Depreciation and amortization		**1,113**
Share-based compensation expense		**870**
Listing fees (Note 6)		**4,435**
Changes in non-cash operating working capital (Note 13)		**1,577**
Operating cash flows before interest and income taxes		**(328)**
Interest paid		**(6)**
Interest received		**18**
Income taxes paid		**(39)**
Net cash used in operating activities	**$**	**(355)**
Cash flow from investing activities		
Cash acquired upon reverse take-over (Note 6)		**5**
Cash used to acquire building improvement and equipment		**(18)**
Net cash from investing activities	**$**	**(13)**
Cash flow from financing activities		
Proceeds from issue of equity shares		**5,890**
Proceeds from exercise of warrants		**7,386**
Repayment of promissory notes		**(174)**
Net cash from financing activities	**$**	**13,102**
Increase in cash and cash equivalents		**12,734**
Impact of foreign exchange		**27**
Cash and cash equivalents at the beginning of the period		**-**
Cash and cash equivalents at the end of the period	**$**	**12,761**

Supplemental cash flow information (Note 13)
See accompanying notes to the consolidated financial statements.

Maverix Metals Inc.
(Formerly MacMillan Minerals Inc.)

Consolidated Statement of Changes in Equity
(in thousands of Canadian dollars, except for number of shares)

		Attributable to equity holders of the Company					
	Issued shares	Issued capital $	Share warrant reserve $	Share Option reserve $	Other Comprehensive Income $	Deficit $	Total equity $
Balance, January 9, 2016	-	-	-	-	-	-	-
Total comprehensive loss							
Net loss for the period	-	-	-	-	-	(8,323)	(8,323)
Foreign currency translation adjustment	-	-	-	-	1,319	-	1,319
Shares issued for formation	33,079,091	5,890	-	-	-	-	5,890
Shares issued for reverse takeover (Note 6)	3,644,165	3,887	-	-	-	-	3,887
Shares and warrants issued to Pan American for Royalties and streams (Note 6)	42,850,000	45,689	9,223	-	-	-	54,912
Shares and warrants issued to Gold Fields for Royalties (Note 7)	42,850,000	40,884	2,049	-	-	-	42,933
Share-based compensation options (Note 9)	-	-	-	650	-	-	650
Exercise of warrants	10,000,000	12,771	(5,250)	-	-	-	7,521
Issue inducement warrants	-	(1,805)	1,805	-	-	-	-
Shares issued as compensation (Note 8a)	264,600	220	-	-	-	-	220
Balance, December 31, 2016	**132,687,856**	**107,536**	**7,827**	**650**	**1,319**	**(8,323)**	**109,009**

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

Maverix Metals Inc. (formerly MacMillan Minerals Inc.) ("Maverix" or the "Company") was incorporated originally on September 5, 2008 under the Canada Business Corporations Act ("CBCA") for the purpose of carrying out mineral exploration and development. On July 11, 2016, the Company completed a statutory plan of arrangement with Pan American Silver Corp. ("Pan American") and Maverix Metals Inc. which fundamentally changed the Company's business. Maverix Metals Inc. which was a private company incorporated under British Columbia Business Corporations Act., was formed with the sole purpose of becoming a mining royalty, stream and payment agreement company ("Maverix Private Co."). Maverix Metals Inc.'s primary activity was the negotiation, financing and structuring for the acquisition of metal royalties and streams. The transaction pursuant to the statutory plan of arrangement with Pan American and MacMillan Minerals Inc. (Note 6) resulted in a reverse takeover ("RTO") of MacMillan Minerals Inc. by Maverix Private Co. These consolidated financial statements therefore represent the continuing financial statements of Maverix Private Co.

Maverix is now a resource-based company that seeks to acquire gold and other precious metal purchase agreements ("Gold Streams" or "Silver Streams") and gross revenue ("GRR") or net smelter return ("NSR") and other royalties ("Royalties') from companies that have advanced stage development projects or operating mines. GRR and NSR interests are non-operating interests in mining projects that provide the right to the holder of a percentage of the gross revenue from metals produced from the project (a "GRR") or a percentage of the gross revenue from the metals produced from the project after deducting specified costs, if any (an "NSR"). In return for making an upfront payment to acquire a gold stream or silver stream or royalty, Maverix receives the right to purchase, at a fixed price per unit, a percentage of a mine's production for the life of the mine or some shorter defined period (in the case of a stream) or a portion of the revenue generated from the mine (in the case of a royalty). These consolidated financial statements include the Company's business activities as Maverix Private Co. prior to the completion of the plan of arrangement with Pan American and the associated change in the Company's business strategy. The Company's registered head office address is B2-125 the Queensway, Suite #147, Etobicoke, Ontario, M8Y 1H6.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2017.

2. BASIS OF PREPARATION

Statement of compliance

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

The accounting policies set out below have been applied consistently to the entire period presented.

Basis of preparation

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs. All amounts are presented in Canadian dollars unless otherwise noted.

The significant accounting policies used in the preparation of these consolidated financial statements are described in Note 3.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The principal subsidiaries of the Company, their activities, and their geographic locations as at December 31, 2016 were as follows:

Subsidiary	Principal Activity	Location	Proportion of Interest Held Directly and Indirectly by the Consolidated Company
Exploracion Mac-Ore S.A de C.V.	Mineral exploration	Mexico	100%
Minera MacMillan S.A. de C.V.	Mineral exploration	Mexico	100%
Maverix Metals (Australia) Pty Ltd.	Royalty investments	Australia	100%
Maverix Metals Inc.	Stream and Royalty Investments	Canada	100%
Maverix Metals (BVI) Limited	Holding Company	BVI	100%

The transactions among the entities within the consolidated group pertain to the transfer of funds and the payment of third party costs. All inter-company balances and transactions are eliminated on consolidation. The consolidated financial statements include all assets, liabilities, expenses and cash flows of the Company and its subsidiaries after eliminating inter-company balances and transactions. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passes. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. This occurs when the Company has existing rights that give it the current ability to direct the relevant activities, is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance and the ability to use its power over the investee to affect the amount of the investor's returns. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Company has control. Subsidiaries use the same reporting period and same accounting policies as the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2016.

Currency of Presentation

The financial statements are presented in Canadian Dollars for presentation purposes only. The functional currency of the Company and all of its subsidiaries is the United States Dollar ("US$"). All values are rounded to the nearest thousand except where otherwise indicated.

Reverse Acquisition

The Company recognizes the acquisition of assets in a reverse takeover transaction, whereby the purchase is initially recognized at cost, the cost is defined as the amount paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or, when applicable, the amount attributed to that asset when initially recognized in accordance with IFRS 2, share based payments. The cost is allocated to the identifiable assets and liabilities on the basis of fair value at the date of the acquisition with a corresponding increase to equity. When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded in the consolidated statement of loss. Incremental costs related to the reverse asset acquisitions are included as an element of cost when those costs are directly attributable to the acquisition of the asset.

Stream and Royalty Interests

Gold Stream or Silver Stream agreements for which settlements are called for in gold or other commodities the amount of which is based on production at the underlying mines to which the agreements relate, are capitalized on a property by property basis and recorded at cost less accumulated depletion and impairment loss, if any. Project evaluation costs that are not related to a specific agreement are expensed in the period incurred.

Depletion and Amortization

The cost of Gold Stream and Silver Stream and Royalty interests is separately allocated to reserves, resources and exploration potential. The value allocated to reserves is classified as depletable and is depleted on a unit-of-production basis over the estimated recoverable proven and probable reserves at the mine corresponding to the specific agreement. The value associated with resources and exploration potential is the value beyond proven and probable reserves at acquisition and is classified as non-depletable until such time as it is transferred to the depletable category as a result of the conversion of resources and/or exploration potential into reserves.

Producing Gold Stream and Silver Stream interests and Royalties are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available information of proven and probable reserves at the mine corresponding to the specific agreement. For those mineral interests that have commenced production, all costs associated with mineral interests are depleted.

Asset Impairment

Management reviews and evaluates its assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is normally assessed at the level of cash-generating units which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. In addition, an impairment loss is recognized for any excess of carrying amount over the fair value less costs to sell of a non-current asset or disposal group held for sale. When an impairment review is undertaken, recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell ("FVLCTS"). The best evidence of FVLCTS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCTS is based on the best information available to reflect the amount the Company could receive for the cash generating unit in an arm's length transaction. This is often estimated using discounted cash flow techniques.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed mine and/or production plans. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and which meet the requirements of IAS 36 "Impairment of Assets." The cash flow forecasts are based on best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, close down, restoration and environmental clean-up. These may include net cash flows expected to be realized from extraction, processing and sale of mineral resources that do not currently qualify for inclusion in proven or probable ore reserves. Such non reserve material is included where there is a high degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralization that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring costs earlier than is required for the efficient planning and operation of the mine.

Where the recoverable amount of a cash generating unit is dependent on the life of its associated ore, expected future cash flows reflect long term mine plans, which are based on detailed research, analysis and iterative modeling to optimize the level of return from investment, output and sequence of extraction. The mine plan takes account of all relevant characteristics of the ore, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore impacting on process recoveries and capacities of processing equipment that can be used. The mine plan is therefore the basis for forecasting production output in each future year and for forecasting production costs.

If it is determined that the recoverable amount is less than the carrying value then an impairment is recorded with a charge to net income (loss). An assessment is made at each reporting period if there is any indication that a previous impairment loss may no longer exist or has decreased.

If indications are present, the carrying amount of the mineral interest is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount net of depletion that would have been determined had no impairment loss been recognized for the mineral interest in previous periods.

The Company's cash flow forecasts are based on estimates of future commodity prices, which assume market prices will revert to the Company's assessment of the long term average price, generally over a period of three to five years. These assessments often differ from current price levels and are updated periodically.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted, including appropriate adjustments for the risk profile of the countries in which the individual cash generating units operate. The great majority of the Company's sales are based on prices denominated in USD. To the extent that the currencies of countries in which the Company produces commodities strengthen against the USD without commodity price offset, cash flows and, therefore, net present values are reduced. Non-financial assets other than goodwill that have suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are expensed as incurred. Exploration and evaluation expenditures include the costs of acquiring and maintaining mineral licenses and costs associated with exploration and evaluation activity. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are reclassified to mining property and development assets within property, plant and equipment.

Although the Company has taken steps to verify title to the properties on which it was conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements government licensing requirements, unregistered claims, indigenous claims and non-compliance with regulatory, environmental and social requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

Financial Assets and Liabilities

All financial instruments are classified into one of the following categories: at fair value through profit and loss, loans and receivables, held-to-maturity investments, available-for-sale ("AFS"), or financial liabilities. The Company determines the classification of its financial assets at initial recognition.

Financial Assets
Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the end of the reporting period, which are classified as non-current assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has classified cash and cash equivalents and accounts receivable as loans and receivables.

Financial Assets at Fair Value Through Profit or Loss
An instrument is classified at fair value through profit or loss if it is held for trading. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has not designated any financial assets at fair value through profit or loss.

Available-for-sale Financial Assets
Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company has not designated any financial assets as available-for-sale.

Financial Liabilities
Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit and loss are expensed as incurred. The Company's financial liabilities consist of accounts payable and accrued liabilities.

The Company's financial assets and liabilities include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

Transaction costs associated with fair value through profit and loss financial assets and financial liabilities are expensed as incurred, while transaction costs associated with all other financial assets and other financial liabilities are included in the initial carrying amount of the asset or the liability.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

The Company assesses at the end of each reporting date whether there are indicators of impairment present for financial assets other than financial assets valued through profit and loss. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For certain categories of financial assets, such as accounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through the statement of loss and comprehensive loss are not reversed through the statement of loss and comprehensive loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity. The Company does not have any derivative financial instruments.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in profit or loss.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Revenue Recognition

Revenue associated with the sale of commodities is recognized when all significant risks and rewards of ownership of the asset sold are transferred to the customer, usually when insurance risk and title has passed to the customer and the commodity has been delivered to the shipping agent. At this point the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the commodities and the costs incurred, or to be incurred, in respect of the sale, can be reliably measured. Revenue is recognized at the fair value of the consideration receivable, to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Sales revenue is recognized at the fair value of consideration received, which in most cases is based on invoiced amounts.

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements are based on production, sales and/or other measures and are recognized by reference to the underlying agreement. 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. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

Foreign Currency Translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. For the Company and its subsidiaries, the functional currency is the US$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the foreign exchange component is also recognized in profit or loss.

For presentation in the consolidated financial statements, all functional currency denominated assets and liabilities of the Company and its subsidiaries are translated into Canadian dollars at the rate of exchange prevailing at the reporting date. US dollar profit and loss items are translated at average exchange rate for the period, except for items determined by the Company as being individually significant, which are translated at exchange rates prevailing at the dates of the transactions. The exchange difference arising on translation for the presentation into Canadian dollars, is recognized within other comprehensive income. On disposal of a foreign operation, the foreign currency revaluation reserve relating to the specific foreign operation is reclassified to statement of loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. As at December 31, 2016, all of the Company’s cash and cash equivalents was held in regular checking and savings bank accounts.

Income Taxes

Taxation on the earnings or loss for the period comprises current and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted at the reporting date.

Deferred tax is recognized on the estimated future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities.

Deferred income tax assets and liabilities are measured using income tax rates in effect for the period in which those temporary differences are expected to be recovered or settled based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred income tax assets and liabilities of a change in income tax rates or laws is recognized as part of the provision for income taxes in the period the changes are considered substantively enacted. Judgements are required about the application of income tax legislation. These judgements 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 the statement of loss.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share Equity and Share Purchase Warrants Issued

Share purchase warrants issued with an exercise price denominated in the Company's functional currency (US dollars) are considered equity instruments with the consideration received reflected within shareholders' equity under the classification of share purchase warrants reserve. Upon exercise, the original consideration is reallocated from share purchase warrants reserve to issued share capital along with the associated exercise price.

The fair value of common shares issued for goods and services is based on the fair value of the goods or services received, unless the fair value cannot be readily determined. If the fair value cannot be readily determined, the Company uses the market closing price on the date the shares are issued while the fair value of share purchase warrants is estimated using the quoted market price or if the warrants are not traded, using the Black-Scholes Model ("BSM") as of the date of issuance. Equity instruments issued to agents as financing costs are measured at their fair value at the date the services were provided.

Earnings (Loss) Per Share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated assuming that outstanding share options and share purchase warrants, with an average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year.

Share Based Payments

The Company makes share-based awards, including free shares and options, to certain employees.

For equity-settled awards, the fair value is charged to the statement of loss and credited to equity over the vesting period, after adjusting for the estimated number of awards that are expected to vest. The fair value of the equity-settled awards is estimated at the date of grant. Non-vesting conditions and market conditions, such as a target share price upon which vesting is conditioned, are factored into the determination of fair value at the date of grant. All other vesting conditions are excluded from the determination of fair value and included in management's estimate of the number of awards ultimately expected to vest.

The fair value of stock options is determined by using option pricing models. At each statement of financial position date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed (after adjusting for non-market performance conditions). The movement in cumulative expense is recognized in the statement of loss with a corresponding entry within equity. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification, over the remainder of the new vesting period.

Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' results are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently evaluating the impact of the financial reporting standard and amendments on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"): In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard. On April 28, 2015, the IASB decided to defer the effective date of IFRS 15 to January 1, 2018. The Company is currently evaluating the impact of the financial reporting standard and amendments on its consolidated financial statements.

IAS 7, Statement of Cash Flows ("IAS 7"): Amendments to IAS 7, were issued in January 2016 as part of the IASB's Disclosure Initiative. The amendments require certain enhanced disclosures of the cash and non-cash components of changes in liabilities resulting from financing activities and are required to be applied for years beginning on or after January 1, 2017. The Company is currently evaluating the impact of the amendments on its consolidated financial statements.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRS 2, Share Based Payments ("IFRS 2"): The IASB issued amendments to IFRS 2 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company is currently evaluating the potential effect of these amendments.

IFRS 16 Leases ("IFRS 16"): IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles of the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of low-value assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-to-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-to-use asset.

Lessees will also be required to measure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessees will generally recognize the amount of the re-measurement of the lease liability as an adjustment to right-to-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from the current accounting model under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019. Early application is permitted but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Company will assess the application of the standard upon entering into significant lease arrangements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- **Functional currency**
  The functional currency for the Company is the currency of the primary economic environment in which it operates. The Company has determined that its functional currency is the US$. The determination of functional currency requires judgement to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

- **Acquisition date fair value of stream and royalty interests**
  The Company's stream and royalty interests pertain to projects ranging from early stage exploration to producing mines. For assets with producing mines, or are in a later stage of their development cycle, the Company uses the discounted cash flow model approach to estimate their acquisition date fair values. For assets in the earlier stage of their life cycle, the Company uses comparable transactions to estimate fair values.

For producing mines or deposits about to go into production, the Company reviews mine data, including mineral reserves, mine plans, costs, and production statistics. When possible proposed and actual operations are visited and assessed to obtain a thorough understanding of the mining operation, its production capacity, and costs. Parameters used in the discounted cash flow model include, estimates of mineral reserves and mineral resources for the life of the mine, estimated metallurgical recovery and payable metal or net smelter return, estimated metal prices, and applicable taxes, financing costs, if applicable, and estimated discount rates.

Significant assumptions used in the discounted cash flow model for determining the fair value of the stream and royalty interests as at the date of acquisition that cannot be obtained through publicly available documents filed by the counterparties, were as follows:

- Discount rates ranging from 4%to 5% of assets that are in production and ranging from 7% to 15% of assets not in production.
- Metal prices based on consensus forecasts by independent financial institutions.

- **Mineral reserve estimates**

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43 -101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators and in accordance with "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines – adopted November 23, 2003", prepared by the CIM Standing Committee on Reserve Definitions. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control, including the fact that the majority of these estimates are not prepared by the Company and the Company is often relying on a counterparty, which owns and operates the assets to which the company has a stream or royalty interest. 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 and of the assumptions made and judgments used in engineering and geological interpretation. Differences between the counterparty's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

- **Estimation of depletion**

The Company's stream and royalty interests are separately allocated to reserves, resources and exploration potential. The value allocated to reserves is classified as depletable and is depleted on a unit-of-production basis over the estimated recoverable proven and probable reserves at the mine corresponding to the specific agreement. To make this allocation, the Company estimates the recoverable reserves, resources and exploration potential at each mining operation. These calculations require the use of estimates and assumptions, including the amount of contained silver and gold or other mineral, the recovery rates and payable rates for the contained gold and silver or other mineral being treated through a milling or refining process. Changes to these assumptions may impact the estimated recoverable reserves, resources or exploration potential which could directly impact the depletion rates used. Changes to depletion rates are accounted for prospectively.

- **Impairment of stream or royalty interests**

While assessing whether any indications of impairment exist for stream or royalty interests, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of stream or royalty interests. Internal sources of information include the Company's plans with respect to the individual stream and royalty interests. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's stream or royalty interests, costs to sell the stream or royalty interests and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's stream or royalty interests.

- **Income taxes and recoverability of potential deferred tax assets**
  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- **Share-based payments**
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

6. PLAN OF ARRANGEMENT

Reverse Asset Acquisition and Acquisition of portfolio of Gold Stream and NSR interests from Pan American Silver Corp

On July 11, 2016 MacMillan, Maverix Private Co. and Pan American completed the Plan of Arrangement (the "Arrangement") which launched the Company as a new publicly traded royalty and streaming company.

Under the terms of the Arrangement, MacMillan acquired all of the issued and outstanding securities of Maverix Private Co. Concurrently, MacMillan purchased a package of thirteen NSR's, precious metal streams, and payment agreements from Pan American (collectively, the "Pan American Portfolio").

Upon closing of the Arrangement, MacMillan was renamed Maverix Metals Inc. The Arrangement set out the terms of the RTO involving MacMillan, Maverix Private Co., the shareholders of MacMillan and Maverix Private Co, and Pan American and included among other things:

- After consolidating its share capital on a two-for-one basis (the "Share Consolidation") MacMillan had issued and outstanding 3,644,165 common shares;
- MacMillan then exchanged common shares for all of the outstanding common shares of Maverix Private Co. at a ratio of one MacMillan common share for each one common share of Maverix Private Co., representing a total aggregate issuance of 33,079,091 common shares of MacMillan to Maverix Private Co.;
- MacMillan also concurrently acquired the Pan American Portfolio from Pan American in exchange for 42,850,000 common shares of MacMillan and 20,000,000 common share purchase warrants to acquire common shares of MacMillan;

Post the RTO transaction, Pan American held approximately 54% of the issued and outstanding common shares of Maverix, Maverix's Private Co.'s shareholders held approximately 41% of the issued and outstanding common shares of Maverix and MacMillan's shareholders held the remaining 5% of issued and outstanding common shares of Maverix. After the Arrangement was completed, Maverix had a total of approximately 79.9 million shares issued and outstanding.

In addition, Pan American received 20,000,000 common share purchase warrants of Maverix (the "PAS Warrants"). The PAS Warrants are exercisable for five years after closing of the Arrangement. One-half of the PAS Warrants were exercisable for USD$0.546 ($0.716) per share and one-half are exercisable for USD$0.78 ($1.023) per share. Pan American Silver Corp. has exercised 10,000,000 warrants for USD $0.546 ($0.716) on December 23, 2016.

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

The estimated cost in accordance with the Arrangement was $58.8 million and included the estimated fair value of the following items as at July 11, 2016:

a) 42.85 million Maverix common shares at $1.07 per share for a total estimated fair value of $45,689. In assessing the fair value of the portfolio, the Company used discounted cash flow models with discount rates ranging from 4% to 5% of assets that are in production and ranging from 7% to 15% of assets not in production. Metal prices were based on consensus forecasts by independent financial institutions; and
b) 20.0 million Maverix warrants at an average price of $0.46 per warrant for a total estimated fair value of $9,223 determined using the Black-Scholes option pricing model; and
c) 3.6 million Maverix common shares at $1.07 per share for total fair value of $3,887 for acquisition of MacMillan Minerals Inc. and;
d) Transaction costs of $0.8 million have been charged to consolidated statement of loss.

The following assumptions were used for the Black-Scholes option pricing model for fair value of the PAS Warrants:

Expected Dividend yield	0%
Expected volatility	40%
Risk free interest rate	1.0%
Expected life	5 years

The transactions were accounted for as an asset purchase and the fair value of each Gold Stream, Royalty or payment agreement acquired in the Pan American Portfolio was determined based on its estimated fair value at the time of acquisition.

The acquisition of MacMillan Minerals Inc. was accounted for as an RTO that was not a business combination and effectively a capital transaction of the Company. Maverix Private Co (legal subsidiary) was considered the accounting parent while MacMillan Minerals Inc. (legal parent) was considered the accounting subsidiary. As Maverix Private Co. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Maverix's results of operations have been included from the date of the RTO. The legal capital continues to be that of MacMillan Minerals Inc., the legal parent. These financial statements are a continuation of those of Maverix Private Co. which was incorporated on January 9, 2016 and therefore no comparative information has been included.

The purchase price allocation for the RTO is summarized in the table below:

Consideration:		
3.6 million shares of Maverix issued to MacMillan	$	3,887
42.85 million shares of Maverix issued to Pan American		45,689
20.0 million Warrants of Maverix issued to Pan American		9,223
	$	58,799
Allocation of acquisition costs:		
Stream and royalty interests (Note 7)	$	54,912
Cash and cash equivalents		5
Accounts receivable and prepaid expenses		9
Accounts payable and accrued liabilities		(297)
Notes payable		(265)
Listing expense		4,435
	$	58,799

7. STREAM AND ROYALTY INTERESTS

Carrying Values

The following table summarizes the Company's Gold Stream and Royalty interests as at December 31, 2016:

	Country	Cost	Accumulated Depletion	Impairment	Foreign Exchange	Net
(in thousands)		$	$	$	$	$
Stream Interests						
La Colorada	MEX	22,620	(306)	-	733	23,047
La Bolsa	MEX	4,680	-	-	154	4,834
Total Stream Interests		27,300	(306)	-	887	27,881
NSR and GSR Royalty Interests						
San Jose Mine	MEX	7,150	(420)	-	221	6,951
Moose River	CAN	4,810	-	-	158	4,968
Shalipayco Project	PERU	4,290	-	-	141	4,431
Tres Cruces	PERU	4,680	-	-	154	4,834
Calcatreu	ARG	2,860	-	-	94	2,954
Pico Machay	PERU	1,560	-	-	51	1,611
Jojoba	MEX	1,495	-	-	49	1,544
Mt. Carlton	AUS	12,772	(166)	-	(88)	12,518
Beta Hunt – Gold and Nickel	AUS	14,422	(27)	-	(92)	14,303
Lightning Nickel	AUS	575	-	-	(7)	568
Vivien	AUS	4,457	(194)	-	(43)	4,220
Panton Sill	AUS	1,060	-	-	(25)	1,035
Dominator	CHILE	598	-	-	(8)	590
Romero	DR	6,984	-	-	(46)	6,938
Other	Various	2,758	-	-	51	2,809
Total Royalty Interests		70,471	(807)	-	610	70,274
Balance, December 31, 2016(1)		97,771	(1,113)	-	1,497	98,155

(1) Total stream and royalty interests includes $4.9 million of assets in Canada, $36.4 million in Mexico, $10.4 million in Peru, $2.9 million in Argentina, $32.6 million in Australia, $0.6 million in Chile, $6.9 million in the Dominican Republic and $2.5 million in other countries.

Pan American Portfolio:

Gold Stream and Royalty Interests acquired by the Company pursuant to the Arrangement (Note 6) are as follows:

a) La Colorada Mine Gold Stream (Durango, Mexico) –The economic equivalent of one hundred percent (100%) of the gold produced from Pan American's operating La Colorada silver mine, less an ongoing price that is the lessor of US$650 per ounce and the spot price per ounce of gold for the life of the mine. This agreement is for a period of 20 years with an opportunity to extend for an additional 10 years at the Company's option. The fair value of this gold stream at acquisition was estimated at $22.6 million (US$17.4 million).

b) San José Mine Net Smelter Return Royalty (Oaxaca, Mexico) – Net smelter return royalty ("NSR") of one and one-half percent (1½%) on all metal sales from the Taviche Oeste concession at Fortuna Silver Mines' operating San José silver and gold mine. The fair value of this royalty at acquisition was estimated at $7.2 million (US$5.5 million).

c) Moose River Project NSR (Nova Scotia, Canada) – NSR of three percent (3%), subject to a $2.5 million option to repurchase 2% of the NSR, on the Touquoy deposit at Atlantic Gold Corporation's Moose River open pit gold project. The fair value of this royalty at acquisition was estimated at $4.8 million (US$3.7 million).

d) Shalipayco Project NSR (Junin, Peru) – NSR of one percent (1%) on all metal production from the Shalipayco zinc development project. Shalipayco is an underground, pre-feasibility stage project that has been advanced by a joint venture lead by Votorantim Metals, Compañia Minera Milpo S.A., and Pan American. The fair value of this royalty at acquisition was estimated at $4.3 million (US$3.3 million).

e) La Bolsa Project Gold Stream (Sonora, Mexico) – Agreement to purchase five percent (5%) of the future life of mine gold production at a fixed price of US$450 per ounce from the feasibility stage La Bolsa project. This agreement is for a period of 20 years with an opportunity to extend for an additional 10 years at the Company's option. The fair value of this gold stream at acquisition was estimated at $4.7 million (US$3.6 million).

f) Calcatreu Project NSR (Rio Negro, Argentina) – NSR of one and one-quarter percent (1¼%), or its equivalent, on all metals produced from the pre-feasibility stage Calcatreu open pit/milling gold/silver project. The fair value of this royalty at acquisition was estimated at $2.9 million (US$2.2 million).

g) Tres Cruces Project NSR (La Libertad, Peru) – NSR of one and one-half percent (1½%) on the Tres Cruces concessions held by New Oroperu Resources Inc. Tres Cruces is under option and is being explored by Barrick Gold Corporation. The fair value of this royalty at acquisition was estimated at $4.7 million (US$3.6 million).

h) Pico Machay Project NSR (Huancavelica, Peru) – NSR of one percent (1%) on the scoping stage Pico Machay open pit/heap leach gold project. The fair value of this royalty at acquisition was estimated at $1.6 million (US$1.2 million).

i) Taviche Este Project NSR (Oaxaca, Mexico) – NSR of one and one-half percent (1½%) on Aura Silver Resources Inc.'s early stage Taviche Este exploration project. The fair value of this royalty at acquisition was estimated at $0.3 million (US$0.25 million).

j) Quiruvilca Mine NSR (La Libertad, Peru) – A right to receive 50% of all revenue received, including any sales proceeds, from Pan American's two percent (2%) NSR on all metal production from the Quiruvilca zinc/silver mine owned and currently operated by Sociedad Minera Quiruvilca Inversiones S.A. The fair value of this royalty at acquisition was estimated at $0.3 million (US$0.2 million).

k) Jojoba Project NSR (Sonora, Mexico) – NSR of two percent (2%) on the exploration stage Jojoba gold/silver deposit. The project is currently held by GFM Minera S.A.P.I. de C.V., a private Mexican company. The fair value of this royalty at acquisition was estimated at $1.5 million (US$1.15 million).

l) Queylus Project NSR (Quebec, Canada) – NSR of one and one-half percent (1½%) on Copper One Inc.'s early stage Queylus copper/gold project. The fair value of this royalty at acquisition was estimated at $0.1 million (US$0.04 million).

m) Maria Cecilia Project NSR (Peru) – NSR of one and one-half percent (1½%) on Stellar Mining's early stage Maria Cecilia gold/silver project. The fair value of this royalty at acquisition was estimated at $0.1 million (US$0.1 million).

Total transaction costs incurred to acquire the Gold Stream and Royalty interests from Pan American amounted to $0.8 million.

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

Gold Fields Royalty Portfolio:

On December 23, 2016, the Company completed an agreement with Gold Fields Netherlands Services BV (a wholly owned subsidiary of Gold Fields Limited) and certain of its affiliates (collectively, "Gold Fields") pursuant to which, in exchange for 42,850,000 common shares of Maverix and 10,000,000 warrants to purchase common shares of Maverix, the Company acquired a portfolio of eleven (11) royalties from Gold Fields (the "Gold Fields Royalty Portfolio"). The common share purchase warrants issued to Gold Fields are exercisable for five years from the date of issuance at US$1.204 ($1.60) per common share.

The total acquisition cost of the Gold Fields Royalty Portfolio was determined to be $42.9 million, being the fair value of the royalty interests acquired. In assessing the fair value of the portfolio the company used discounted cash flow models with discount rates ranging from 4% to 6% of assets that are in production and ranging from 5% to 10% of assets not in production. Metal prices were based on consensus forecasts by independent financial institutions. The fair value was allocated to the consideration transferred as follows: $40,884 to common shares and $2,050 to share purchase warrants.

The following assumptions were used for the Black-Scholes option pricing model for the fair value of the warrants issued to Gold Fields:

Expected Dividend yield	0%
Expected volatility	40%
Risk free interest rate	1.0%
Expected life	5 years

The individual royalties in the Gold Fields Royalty Portfolio acquired by the Company are as follows:

a) Mt. Carlton NSR (Queensland, Australia) - a two and a half percent (2.5%) NSR royalty payable quarterly by Evolution Mining on revenue from production minus allowable charges from certain tenements at the high-grade, open pit Mt. Carlton Mine. The fair value of this royalty at acquisition was estimated to be $12.8 million (US$9.4 million).

b) Beta/Hunt GRR (Western Australia, Australia) – a six percent (6%) GRR payable quarterly on all gold production and one percent (1%) NSR royalty payable quarterly on all revenue from nickel production minus allowable charges, from certain tenements at the underground Beta Hunt Mine. The Beta Hunt royalties (gold and nickel) are payable by RNC Minerals Corporation. The fair value of these royalties at acquisition was estimated to be $14.4 million (US$10.7 million).

c) Vivien GRR (Western Australia, Australia) – a three percent (3%) to four and a half percent (4.5%) GRR payable quarterly by Ramelius Resources on all products mined from the relevant tenements at the Vivien Gold Mine. The maximum rate of 4.5% applies in respect of the first 25,000 ounces produced. The rate will then reduce to three and a half percent (3.5%) or, if the ore is treated at the mill at the Agnew gold mining operation, three percent (3%). The fair value of this royalty at acquisition was estimated to be $4.5 million (US$3.3 million).

d) Lightening Nickel Royalty (Western Australia, Australia) – a variable sliding scale royalty of 0.65% to five percent (5%) of the value of the imputed nickel in concentrate contained in each monthly delivery payable by Independence Group on nickel mined from certain tenements comprising part of their Long mine. The fair value of this royalty at acquisition was estimated to be $0.6 million (US$0.4 million).

e) Romero NSR Royalty (San Juan and other provinces, Dominican Republic) – a one and a quarter percent (1.25%) NSR royalty payable by GoldQuest Mining Corp. on all minerals mined from certain concessions. The fair value of this royalty at acquisition was estimated to be $7.0 million (US$5.2 million).

f) Dominator NSR Royalty (Antofagasta, Chile) – a two percent (2%) NSR (or one percent (1%) NSR in respect of minerals extracted from the area named the "Angelina Property"), payable quarterly by Yamana Gold on revenue from production minus allowable charges from the Dominator concession at the El Penon mine. The fair value of this royalty at acquisition was estimated to be $0.6 million (US$0.4 million).

g) Kisenge Royalty (Katanga Province, Democratic Republic of Congo) – a one and a half percent (1.5%) NSR royalty payable on all commercial production mined from the Kisenge Project (including the Mpokoto Gold Project which is 80% held (directly and indirectly) by Armadale Capital Plc. The Mpokoto Gold Project is currently in the pre-feasibility stage. The fair value of this royalty at acquisition was estimated to be $1.2 million (US$0.9 million).

h) Panton Sill NSR Royalty (Western Australia, Australia) – a two percent (2%) NSR royalty once production exceeds 100,000 ounces on platinum group metals mined from certain tenements in the Panton PGM Project held indirectly by Panoramic Resources Ltd. The project is currently in the scoping stage. The fair value of this royalty at acquisition was estimated to be $1.1 million (US$0.8 million).

i) Scotia Gold Royalty (Western Australia, Australia) – upon production of 200,000 ounces of gold from relevant tenements, a payment of AUD $1.20 per dry tonne of ore milled from any gold mining operations carried out upon the relevant tenements forming part of the Scotia Gold and Nickel Project (currently in the early exploration stage). This royalty is payable by Minotaur Exploration Limited. The fair value of this royalty at acquisition was estimated to be $0.2 million (US$0.1 million).

j) Wayamaga Net Returns Royalty (Saint Laurent du Manoni, French Guiana) – one percent (1%) of net returns royalty ("NRR") payable by Golden Star Resources Minieres S.A.R.L. on gold and other metals mined from the early stage exploration project. The fair value of this royalty at acquisition was estimated to be $0.1 million (US$0.1 million).

k) Committee Bay Project Diamond Sales Returns Royalty (Nunavut Territory, Canada) – a one percent (1%) of sales returns royalty is payable in respect of sales of diamonds mined from the relevant mineral titles forming part of the early stage exploration Committee Bay Project. The fair value of this royalty at acquisition was estimated to be $0.01 million (US$0.01 million).

Total transaction costs incurred to acquire the Gold Fields Royalty Portfolio amounted to $1.8 million which have been expensed to the consolidated statement of loss.

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

8. SHARE CAPITAL

a) Authorized, Issued and Outstanding shares

The Company's authorized capital consists of an unlimited number of common shares without par value.

A summary of common shares outstanding as at December 31, 2016 and changes during the period then ended are presented below:

	Shares \#	Amount $
Balance at January 9, 2016	**-**	**-**
Issued on formation (i)	33,079,091	5,890
Issued on RTO (ii)	3,644,165	3,887
Issued on purchase of assets from Pan American (iii)	42,850,000	45,689
Issued as compensation (iv)	264,600	220
Issued for acquisition of Gold Fields Royalties (v)	42,850,000	40,884
Issued upon exercise of warrants (vi)	10,000,000	10,966
Balance at December 31, 2016	**132,687,856**	**107,536**

(i) 33,079,091 common shares were issued to Maverix Metals Inc. shareholders upon formation and from a private placement for gross proceeds of $5.9 million.
(ii) On July 11, 2016, 3,644,165 common shares were issued to MacMillan Minerals Inc. shareholders as part of the RTO (see Note 6).
(iii) On July 11, 2016, 42,850,000 common shares were issued in accordance with the plan of arrangement agreement, see Note 6.
(iv) On July 11, 2016, the Board of Maverix issued 264,600 common shares for $220 in stock compensation to directors based on a $0.54 share price, net of payroll tax liability of 35%.
(v) On December 23, 2016, common shares were issued to Gold Fields in exchange for the Gold Fields Royalty Portfolio (Note 8).
(vi) On December 23, 2016, the Company entered into an early warrant exercise incentive arrangement with Pan American. As a result, 10,000,000 previously granted warrants were exercised by Pan American for $7.4 million (US$5.46 million) the Company granted additional 6,500,000 warrants to Pan American (the "Early Incentive Warrants"). The Early Incentive Warrants are exercisable at US$1.204 ($1.60) per common share of the Company and expire on July 8, 2021.

b) Share Purchase Warrants

A summary of warrants outstanding as at December 31, 2016 and changes during the period then ended are presented below:

	Warrants \#	Grant date Strike price $USD/(CAD)
Balance at January 9, 2016	**-**	**-**
Plan of Arrangement (i)	10,000,000	$0.546 ($0.73)
Plan of Arrangement (i)	10,000,000	$0.78 ($1.02)
Exercise (ii)	(10,000,000)	$0.546 ($0.73)
Incentive warrants (ii)	6,500,000	$1.20 ($1.60)
Gold Fields Royalty Portfolio (iii)	10,000,000	$1.20 ($1.60)
Balance December 31, 2016	**26,500,000**	**$1.04 ($1.38)**

(i) On July 11, 2016, 20,000,000 warrants were issued to Pan American in accordance with the plan of arrangement see Note 6.
(ii) The Company entered into an early warrant exercise incentive arrangement with Pan American. As a result of the exercise of 10,000,000 previously granted warrants to Pan American for $7.4 million (US$5.46 million), the Company granted

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

additional 6,500,000 warrants to Pan American (the "Early Incentive Warrants") . The Early Incentive Warrants are exercisable at US$1.204 ($1.60) per common share of the Company and expire on July 8, 2021.

(iii) On December 23, 2016, the Company issued 10,000,000 warrants to Gold Fields in exchange for the Gold Fields Royalty Portfolio, (Note 7). These warrants are exercisable for five years at US$1.204 ($1.60) per common share.

9. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company adopted a stock option and compensation share plan (the "Plan"), which provides that the Board of Directors may, at its discretion, grant directors, officers, employees and consultants, non-transferable stock options to purchase common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date of which the option is granted. Under this plan, the aggregate number of common stock options shall not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the plan expires or terminates for any reason in accordance with the terms of the plan without being exercised, that option shall again be available for the purpose of the plan. All options vest over a period determined by the Board of Directors and expire up to five years after issuance.

Stock option and share compensation plan

Pursuant to the stock option and share compensation plan approved by shareholders at the June 17, 2016 shareholders meeting, the Company granted 2,907,000 options exercisable at $0.54 expiring April 2021, and vest in two equal parts over two years on the anniversary date of the grant. The Board also approved the issuance of 264,600 common shares to directors as part of their compensation for director fees. These were issued on July 11, 2016.

A summary of options outstanding as at December 31, 2016 and changes during the period then ended are presented below:

	Options Outstanding #	Weighted average exercise price per option $
Balance at January 9, 2016	**-**	**-**
Granted	2,907,000	0.54
Balance at December 31, 2016	**2,907,000**	**0.54**
Options exercisable at December 31, 2016	**-**	**-**

On July 11, 2016, the Company granted 2,907,000 stock options exercisable at $0.54 with an expiry date of July 11, 2021. The grant included 1,275,000 options to officers and employees, and 1,632,000 options to directors of the Company. The fair value of these options of approximately $1.7 million was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected yield of 0%; expected volatility of 40%; risk-free interest rate of 1.0%; and an expected life of 5 years. These options are five year options which vest in two instalments, the first 50% vest on the first anniversary date of the grant and a further 50% vest on the second anniversary date of the date of grant.

10. GENERAL AND ADMINISTRATIVE EXPENSES

	The period beginning January 9 and ending December 31, 2016 $
Salaries and benefits	681
Administrative and office	366
Non cash stock-based compensation – options	900
Travel	33
Investor relations	14
Total Administrative Expenses	**1,994**

11. LOSS PER SHARE

a) Basic

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares issued and outstanding during the period.

	The period beginning January 9 and ending December 31, 2016
Net loss for the period	$(8,323)
Weighted average number of common shares outstanding (000)	41,751
Net loss per share	$(0.20)

b) Diluted

Diluted loss per common share is equal to basic loss per share as any share purchase warrants and stock options outstanding for the period beginning January 9, 2016 and ending December 31, 2016 are anti-dilutive.

12. CAPITAL RISK MANAGEMENT

The capital of the Company consists of share capital, share option reserve and share warrant reserve. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition of stream and royalty interests. The Company attempts to manage its capital structure in a manner that will provide sufficient funding for activities. The Company and its subsidiaries are not subject to externally imposed capital requirements.

Funds are primarily secured through equity capital raised by way of private placements or through the public markets. There can be no assurances that the Company will be able to raise equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period from January 9, 2016 ending December 31, 2016. The Company's shareholders' equity at December 31, 2016 was $109.0 million.

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

13. SUPPLEMENTAL CASH FLOW INFORMATION

The following table summarizes the significant non-cash investing and financing activities:

	The period beginning January 9 and ending December 31, 2016 $
Shares and warrants issued for acquisition of stream and royalty interests pursuant to the Arrangement (Note 6)	54,912
Shares and warrants issued for acquisition of Gold Fields Royalty Portfolio (Note 7)	42,933
Shares issue to purchase MacMillan under the RTO (Note 6)	3,887
Inducement warrants issued	1,805

Change in non-cash operating working capital pertained to the following:

	The period beginning January 9 and ending December 31, 2016 $
Accounts receivable	(2,993)
Prepaid expenses and other current assets	(15)
Accounts payable and accrued liabilities	4,453
Income tax liabilities	132
Change in non-cash operating working capital	1,577

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair Value of Financial Assets and Cash Equivalents and Liabilities
The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.
The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	Carrying Amount	Fair Value
	As at December 31, 2016	
	$	$
Cash in banks	12,761	12,761
Accounts receivable	3,004	3,004
Accounts payable and accrued liabilities	(4,850)	(4,850)

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

Risk Management
The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There were no changes in the risks, objectives, policies and procedures during the period from January 9, 2016 to December 31, 2016.

Credit Risk
The Company's credit risk is limited to cash and cash equivalents, trade receivables and other in the ordinary course of business. The Company's trade receivables and other is subject to the credit risk of the counterparties who own and operate the mines underlying Maverix's royalty portfolio. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets and maintains its cash deposits in several high-quality financial institutions Included in accounts receivable at December 31, 2016 is $2.7 million owing from three operators, each of whom comprise greater than 10% of the outstanding accounts receivable balance.

Liquidity Risk
The Company prepares budgets on an ongoing basis to determine the amount of funds required to support the Company's operations and acquisition activities. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's liquid assets at December 31, 2016 consisted of cash of $12.8 million and accounts receivable of $3.0 million.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's shareholders' equity at December 31, 2016 was $109.0 million.

The following table summarizes the contractual maturities of the Company's financial liabilities, and operating and capital commitments at December 31, 2016:

	2017	2018	2019	2020	2021 and Beyond	Total
Accounts payable and accrued liabilities	$ 4,850	$ -	$ -	$ -	$ -	$ 4,850
	$ 4,850	$ -	$ -	$ -	$ -	$ 4,850

Market Risk
Revenue, cash flow, and profits from any of the Company's streams will be influenced by precious and/or base metal prices and by the relationship of such prices to the pre-determined cost of purchasing the precious metal.. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

Foreign Exchange Risk
The Company's functional currency is the US dollars. The Company presents its financial statements in Canadian dollars. The Company earns its sales and royalty revenue primarily in US dollars and certain of the Company's expenses are incurred in US dollars and other foreign currencies and the Company is therefore subject to gains or losses due to fluctuations in exchange rates. As at December 31, 2016, the Company had the following balances in foreign currencies:

	December 31, 2016	
	US$	$CAD
Cash		
USD- Bank Account	$6,015	$8,076

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

The Company does not undertake currency hedging activities to mitigate its foreign currency risk. If the US dollar denominated financial instrument balances had remained consistent throughout the period, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the loss for the period beginning January 9, 2016 and ending December 31, 2016 by $808.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A sensitivity analysis has determined that an interest rate fluctuation of 1% would not have resulted in significant fluctuation in the interest income during the period from January 9, 2016 to December 31, 2016.

15. NOTES PAYABLE

Prior to the RTO, MacMillan Minerals Inc. had obtained two loans from two unrelated non-insider third parties in order to meet its ongoing liquidity needs. The total amount of these two loans were $115 and $59, respectively, plus accrued interest, with interest of 1.5% per month, or part month (18% per annum) due by July 30, 2016.

There were provisions in all the loan agreements for the interest rate to increase to 2% per month or part month (24% per annum) in the case of early repayment or an Event of Default as defined in the loan agreements. The Event of Default provisions included the sale of significant assets by the Company or the completion of financings by the Company. These loans were secured by Promissory notes which were ranked ahead of all other liabilities of the Company.

These loans including accrued interest totaling $177 were repaid during the period ended December 31, 2016, subsequent to the RTO transaction.

16. RELATED PARTY TRANSACTIONS

Related parties include officers, the Board of Directors, and enterprises which are controlled by these individuals.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of officers and directors of the Company for the period from January 9, 2016 and ending December 31, 2016:

	$
Share based compensation	**900**
Salaries and benefits	**682**
Total compensation	**1,582**

The Company granted 2,907,000 options to officers, employees and/or directors during the period beginning January 9, 2016 and ending December 31, 2016.

As at December 31, 2016, the Company owed $0.2 million to related parties. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

17. TAXATION

The tax charge shown in the statement of loss differs from the amount obtained by applying the statutory rate to the income before taxes due to the following:

		Period beginning January 9, 2016 and ending December 31, 2016
loss before tax for the period	$	(8,251)
Statutory tax rate		26.00%
Expected recovery of income taxes		(2,145)
Adjustments to the benefit arising from:		
Share based compensation		234
Listing expenses		1,153
Withholding taxes paid on Royalty interest		(72)
Change in benefit not recognized		780
Other		(22)
Income tax expense	$	(72)

The Company's deductible temporary differences were as follows:

		December 31, 2016	**Expiry date**
Non-capital losses	$	3,047	2036
Non-capital losses – (Mexico)		198	2020-2024
Resource property (Mexico)		5,056	
Capital losses		-	
Stream and royalty interests		-	
Total unrecognized temporary differences	$	8,301	

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. No deferred tax asset is recognized in respect of the above items as the Company is in an early stage of its business development and recognizes the uncertainties of achieving future taxable income against which it can utilize the related benefits.

18. SEGMENT INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance, are summarized in the tables below:

	Sales	**Royalty Revenue**	**Costs of sales excluding depletion**	**Depletion**	**Income (Loss) before taxes**	**Cash from (used) in operations**
(in thousands)	**$**	**$**	**$**	**$**	$	$

(Expressed in thousands of Canadian Dollars, unless stated otherwise)

	Sales	Royalty Revenue	Costs of sales excluding depletion	Depletion	Income (Loss) before taxes	Cash from (used) in operations
Stream Interests						
La Colorada	1,014	-	(518)	(316)	180	698
NSR and GRR Royalty Interests						
San Jose Mine	-	725	-	(434)	291	515
Mt. Carlton	-	268	-	(165)	103	-
Vivien	-	297	-	(171)	126	-
Beta Hunt	-	45	-	(27)	18	-
Corporate					(8,969)	(1,568)
Balance, December 31, 2016	1,014	1,335	(518)	(1,113)	(8,251)	(355)

19. COMMITMENTS AND CONTINGENCIES

Executive Termination Agreements
The Company currently has employment agreements with the provision of termination and change of control benefits with senior employees of the Company. The agreements for these employees provide that in the event that employment is terminated (i) by the Company for any reason other than just cause or death; or (ii) in the case of officers, by a change of control, the employees shall be entitled to an aggregate amount of up to two times factored salaries. As a triggering event has not taken place, the contingent payments have not been recorded in these consolidated financial statements.

Environmental Contingencies
The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations comply with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

20. CONTRACTUAL OBLIGATIONS

The Company has committed to purchase the following gold streams:

	Percent of life of mine gold production	Per ounce cash payment: Lesser of amount below and the then prevailing market price of gold
Stream interests		
La Colorada	100%	USD$650
La Bolsa	5%	USD$450

21. SUBSEQUENT EVENTS

Resource Income Fund transaction
On February 1, 2017, the Company announced that it had entered into a Royalty Purchase and Sale Agreement (the "RIF Agreement") with Resource Income Fund, L.P. ("RIF"), a wholly owned subsidiary of Auramet Trading, LLC, pursuant to which Maverix agreed to:

- acquire two NSR royalty contracts, one on the Florida Canyon mine and one on the Beta Hunt mine from RIF (the "Royalties");
- issue to RIF a total of 8,500,000 common shares from its treasury (the "Consideration Shares"); and
- pay to RIF US$5,000,000 in cash, all in accordance with the terms and conditions of the RIF Agreement (the "Transaction").

On February 21, 2017 the Company and RIF completed the Transaction.

The Royalties are on the following mines:

Florida Canyon NSR Royalty (Nevada, USA) - a three and one quarter percent (3.25%) NSR royalty payable quarterly by Rye Patch Gold Corporation ("Rye Patch") on revenue from production of all metals and other materials, less allowable deductions, from the Florida Canyon open pit heap leach gold mine located in Pershing Co., Nevada, United States.

Beta Hunt NSR Royalties (Western Australia, Australia) - a one and one-half percent (1.5%) NSR royalty payable quarterly on all gold production, and a one-half percent (0.5%) NSR royalty payable quarterly on all revenue from nickel production, less allowable deductions, from certain tenements at the underground Beta Hunt mine located 600 km from Perth in Kambalda, Western Australia. The Beta Hunt royalties (gold and nickel) are payable by RNC Minerals Corporation.

Silvercorp Metals Inc. transaction

On April 5, 2017 the Company entered into a Royalty Purchase and Sale Agreement with 0875786 B.C. Ltd. (the "Seller"), a wholly owned subsidiary of Silvercorp Metals Inc. (SVM.TO), pursuant to which Maverix agreed to acquire from the Seller (the "Transaction") a 2.5% net smelter return royalty on the Silvertip Mine (the "Royalty") for up to 6,600,000 Common shares in the capital of Maverix payable as follows:

- 3,800,000 Common shares of Maverix (the "Consideration Shares") on closing of the Transaction ("Closing"); and
- 2,800,000 Common shares of Maverix (the "Contingency Shares") when the Silvertip Mine achieves (i) commercial production, and (ii) a cumulative throughput of 400,000 tonnes of ore through the processing plant (together, as the "Milestone Events").