



Evolve ETFs

**Evolve Gold Miners Fund, a class  
of shares of Evolve Fund Corp.  
(formerly Gold Miners Split Corp.)**

December 31, 2020

Annual Financial Statements



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)  
(the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable shares and statements of cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Gary Chin.

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada

March 24, 2021

## Management Responsibility Statement

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The financial statements of Evolve Gold Miners Fund, a class of shares of Evolve Funds Corp. (formerly Gold Miners Split Corp.) (the "Fund") has been prepared by Evolve Funds Group Inc. (the "Manager" of the Fund) and approved by the Board of Directors of the Fund.

The Manager is responsible for the information and representations contained in these financial statements and other sections of the annual report. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors of the Fund is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements. The Board carries out this responsibility through the Audit Committee.

The Manager, with the approval of its Board of Directors, has appointed Ernst & Young LLP as external auditor. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.



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**Raj Lala**  
Chief Executive Officer & Director



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**Elliot Johnson**  
Chief Operating Officer, Chief Investment  
Officer & Director

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# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Statements of Financial Position

(in Canadian dollars, except for number of shares)

As at (Note 1)	December 31, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments, at fair value	2,114,650	35,021,791
Cash	185,916	32,517
Interest, dividends and other receivables	1,078	15,670
Derivative assets	10,189	412,701
Other assets	100	100
	<b>2,311,933</b>	<b>35,482,779</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Distributions payable to holders of redeemable shares	8,839	-
Derivative liabilities	1,095	155,384
Accrued expenses	7,922	453,787
Common Shares (Note 5)	100	100
Preferred Shares (Note 5)	-	10,317,550
	<b>17,956</b>	<b>10,926,821</b>
<b>Net assets attributable to holders of ETF Shares</b>	<b>2,293,977</b>	<b>24,555,958</b>
<b>Redeemable shares outstanding (Note 5)</b>		
Preferred Shares	-	1,031,755
ETF Shares	147,317	1,031,755
<b>Net assets attributable to holders of redeemable shares per share</b>		
Preferred Shares	-	10.00
ETF Shares	15.57	23.80

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee:



**Raj Lala**  
Chief Executive Officer & Director



**Elliot Johnson**  
Chief Operating Officer, Chief Investment  
Officer & Director

# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Statements of Comprehensive Income

(in Canadian dollars, except for number of shares)

	December 31, 2020 (\$)	December 31, 2019 (\$)
For the periods ended (Note 1)		
<b>Income</b>		
Interest for distribution purposes	730	-
Securities lending income	2,308	29
Dividend income	231,873	216,148
<b>Changes in fair value of investments</b>		
Net realized gain (loss)	16,892,023	2,710,809
Net change in unrealized appreciation (depreciation)	(10,094,238)	9,810,703
<b>Changes in fair value of derivative financial instruments</b>		
Net realized gain (loss)	(246,406)	(528,627)
Net change in unrealized appreciation (depreciation)	(248,223)	257,317
<b>Other income (loss)</b>		
Net realized gain (loss) on foreign currency translations	66,719	346,972
Net change in unrealized appreciation (depreciation) on foreign currency translations	38	(45)
Miscellaneous income	-	2,946
<b>Total income (loss)</b>	<b>6,604,824</b>	<b>12,816,252</b>
<b>Expenses</b>		
Management fees (Note 4)	177,624	164,220
Performance fees (Note 4)	1,406,849	273,786
Service fees	13,918	4,096
Independent review committee fees	2,234	1,155
Legal fees	214,388	13,411
Shareholder reporting costs	30,761	8,587
Transfer and distribution agency cost	18,579	6,671
Audit fees	34,628	-
Listing fees	12,374	-
Other administrative expenses	8,943	-
Administrative fees (Note 4)	13,125	-
Interest expense and bank charges	936	64,834
Foreign withholding taxes (Note 6)	6,038	5,542
Custody transaction fees	7,125	7,492
Transaction costs (Note 2)	62,195	82,250
<b>Total operating expenses</b>	<b>2,009,717</b>	<b>632,044</b>
<b>Net investment income (loss) before distributions on Preferred Shares</b>	<b>4,595,107</b>	<b>12,184,208</b>
Distribution on Preferred Shares (Note 5)	(1,173,712)	(383,916)
Agent fees on Preferred Shares	-	(360,467)
<b>Increase (decrease) in net assets attributable to holders of ETF Shares</b>	<b>3,421,395</b>	<b>11,439,825</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares per share</b>		
ETF Shares	4.89	10.19

# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

(in Canadian dollars, except for number of shares)

For the periods ended (Note 1)	December 31, 2020 (\$)	December 31, 2019 (\$)
<b>Net assets attributable to holders of ETF Shares - beginning of periods</b>		
ETF Shares	24,555,958	-
<b>Net assets attributable to holders of ETF Shares - beginning of period</b>	<b>24,555,958</b>	<b>-</b>
<b>Increase (decrease) in net assets attributable to holders of ETF Shares from operations</b>		
ETF Shares	3,421,395	11,439,825
	<b>3,421,395</b>	<b>11,439,825</b>
<b>Distributions to holders of ETF Shares from:</b>		
<b>Net investment income</b>		
ETF Shares	(26,516)	-
	<b>(26,516)</b>	<b>-</b>
<b>Net realized gains</b>		
ETF Shares	(8,168,955)	(1,826,245)
	<b>(8,168,955)</b>	<b>(1,826,245)</b>
<b>ETF Shares transactions:</b>		
Proceeds from sale of ETF Shares	1,676,908	18,023,325
	<b>1,676,908</b>	<b>18,023,325</b>
Reinvestments of distributions to holders of ETF Shares	-	1,826,245
	<b>-</b>	<b>1,826,245</b>
Retraction of ETF Shares	(19,164,813)	(3,556,725)
	<b>(19,164,813)</b>	<b>(3,556,725)</b>
Agents' fees and issuance cost paid on issuance of ETF Shares	-	(1,350,467)
	<b>-</b>	<b>(1,350,467)</b>
<b>Net increase (decrease) from ETF Shares transactions</b>	<b>(17,487,905)</b>	<b>14,942,378</b>
<b>Increase (decrease) in net assets attributable to holders of ETF Shares for the period</b>	<b>(22,261,981)</b>	<b>24,555,958</b>
<b>Net assets attributable to holders of ETF Shares - end of period</b>		
ETF Shares	2,293,977	24,555,958
<b>Net assets attributable to holders of ETF Shares - end of period</b>	<b>2,293,977</b>	<b>24,555,958</b>

# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Statements of Cash Flows

(in Canadian dollars, except for number of shares)

For the periods ended (Note 1)	December 31, 2020 (\$)	December 31, 2019 (\$)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	3,421,395	11,439,825
<b>Adjustments for:</b>		
Change in unrealized foreign exchange (gain) loss on currency	(48)	55
Realized (gain) loss on investments	(16,892,023)	(2,710,809)
Realized (gain) loss on derivatives	246,406	528,627
Change in unrealized (appreciation) depreciation in the value of investments	10,094,238	(9,810,703)
Change in unrealized (appreciation) depreciation in the value of derivatives	248,223	(257,317)
Purchases of investments and derivatives <sup>2</sup>	(38,890,280)	(36,105,890)
Proceeds from sale and maturity of investments and derivatives <sup>2</sup>	79,079,423	13,315,282
(Increase) decrease in interest, dividends and other receivables	14,592	(15,670)
Increase (decrease) in accrued expenses	(445,865)	453,787
<b>Net cash generated by (used in) operating activities</b>	<b>36,876,061</b>	<b>(23,162,813)</b>
<b>Cash Flows from (used in) financing activities</b>		
Distributions paid to holders of ETF Shares, net of reinvested distributions	(8,186,632)	-
Proceeds from issuance of ETF Shares <sup>2</sup>	946,285	17,785,027
Agents' fees and issuance cost paid on issuance of ETF Shares and Preferred Shares	-	(1,350,467)
Proceeds from issuance of redeemable Preferred Shares	-	10,317,550
Amounts paid for retraction of ETF Shares	(19,164,813)	(3,556,725)
Amounts paid for retraction of Preferred Shares	(10,317,550)	-
<b>Net cash generated by (used in) financing activities</b>	<b>(36,722,710)</b>	<b>23,195,385</b>
Change in unrealized foreign exchange gain (loss) on currency	48	(55)
Net increase (decrease) in cash	153,351	32,572
Cash (Bank overdraft) - beginning of period	32,517	-
<b>Cash (Bank overdraft) - end of period</b>	<b>185,916</b>	<b>32,517</b>
<b>Supplemental Information<sup>1</sup></b>		
Interest received, net of foreign withholding taxes	730	-
Dividends received, net of foreign withholding taxes	240,426	194,936
Distribution paid on Redeemable Preferred Shares (Note 5)	(1,173,712)	(383,916)

1 Included as part of Cash Flows from Operating Activities

2 Excludes in-kind transactions, if any

# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Schedule of Investment Portfolio

As at December 31, 2020

No. of Shares		Average Cost (\$)	Fair Value (\$)
<b>Materials (92.2%)</b>			
1,677	Agnico Eagle Mines Limited	177,403	150,515
4,627	Alamos Gold Inc., Class 'A'	54,568	51,535
3,670	AngloGold Ashanti Limited, ADR	127,050	105,670
12,605	Ascot Resources Limited	14,844	18,781
10,200	B2Gold Corporation	90,102	72,708
4,789	Barrick Gold Corporation	178,416	138,865
5,800	Centerra Gold Inc.	91,350	85,492
3,192	Compania de Minas Buenaventura SAA, ADR	51,517	49,529
2,300	Endeavour Mining Corporation	78,062	68,126
2,393	First Majestic Silver Corporation	30,724	40,939
797	Franco-Nevada Corporation	148,186	127,147
8,719	Gold Fields Limited, ADR	139,972	102,882
5,745	Hecla Mining Company	38,736	47,387
13,790	Kinross Gold Corporation	164,578	128,841
2,074	Kirkland Lake Gold Limited	134,852	108,953
8,138	New Gold Inc.	18,595	22,686
2,215	Newmont Corporation	184,298	168,858
4,115	Osisko Gold Royalties Limited	65,091	66,418
2,393	Pan American Silver Corporation	103,902	105,119
2,233	Pretium Resources Inc.	37,786	32,631
797	Royal Gold Inc.	127,049	107,902
2,712	SSR Mining Inc.	66,094	69,422
1,915	Teranga Gold Corporation	26,649	26,159
956	Torex Gold Resources Inc.	18,527	18,250
2,233	Wheaton Precious Metals Corporation	144,960	118,641
11,171	Yamana Gold Inc.	85,346	81,194
		<b>2,398,657</b>	<b>2,114,650</b>
	Transaction Costs	(472)	-
	<b>Total Investments (92.2%)</b>	<b>2,398,185</b>	<b>2,114,650</b>
	Derivative Assets (0.4%)*		10,189
	Derivative Liabilities (-0.0%)*		(1,095)
	Other Assets, less Liabilities (7.4%)		170,233
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>		<b>2,293,977</b>

# Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)

## Schedule of Investment Portfolio (cont'd)

As at December 31, 2020

### \*Forward Foreign Currency Contracts (0.4%) December 31, 2020

Counterparty	Counterparty Credit Rating	Settlement Date		Currency Buys Par Value		Currency Sells Par Value	Unrealized Gain/(Loss) (\$) (\$)
BNY Capital Markets Inc.	A-1+	22-Jan-21	CAD	1,746,043	USD	1,738,658	7,385
BNY Capital Markets Inc.	A-1+	22-Jan-21	CAD	240,514	ZAR	238,303	2,211
BNY Capital Markets Inc.	A-1+	22-Jan-21	CAD	52,991	PEN	52,398	593
<b>Total</b>							<b>10,189</b>
BNY Capital Markets Inc.	A-1+	22-Jan-21	USD	99,279	CAD	100,269	(990)
BNY Capital Markets Inc.	A-1+	22-Jan-21	ZAR	9,591	CAD	9,696	(105)
<b>Total</b>							<b>(1,095)</b>
<b>Total unrealized gain/(loss) on forward foreign currency contracts</b>							<b>9,094</b>

## Notes to Financial Statements

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

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### 1. ORGANIZATION

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Evolve Fund Corp. (the "Corporation") (formerly Gold Miners Split Corp.) was established on November 8, 2018 as a mutual fund corporation under the laws of the Province of Ontario. The Corporation commenced operations on May 24, 2019. The address of the Corporation's registered office is 40 King Street West, Suite 3404, Toronto, Ontario, M5H 3Y2.

At a special meeting of shareholders of the Corporation held on September 10, 2020, shareholders of the Corporation approved all matters relating to the proposed reorganization of the Corporation, including the payment of a capital gain distribution on the Class A Shares of the Corporation (the "Class A Shares"), the redemption of the Preferred Shares of the Corporation (the "Preferred Shares") and the re-designation of the Class A Shares not redeemed into exchange traded fund shares (the "ETF shares") of a new class of shares of the Corporation. The ETF Shares began trading on the NEO Exchange Inc. ("NEO") on September 25, 2020. Further information regarding the restructuring is available on the profiles on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The articles of the Corporation were amended on September 21, 2020 (a) to change the name of the Corporation from "Gold Miners Split Corp." to "Evolve Fund Corp."; (b) to increase the authorized capital of the Corporation to provide that the Corporation is authorized to issue an unlimited number of classes of non-voting shares, each issuable in an unlimited number of series, designated by any name or names as the Corporation may determine from time to time; (c) to designate previously outstanding shares as series of "Evolve Gold Miners Fund" (the "Fund") class; and (d) to create the exchange traded series of Evolve Gold Miners Fund, to be designated as the "ETF Shares". The Fund is a separate class within the Corporation established under the laws of the Province of Ontario and is an "alternative mutual fund" as defined in NI 81-102. Evolve Funds Group Inc. (the "Manager") is responsible for managing the affairs of the Corporation and the Fund and manages the Fund's portfolio and options program. CIBC Mellon Trust Company is the custodian of the assets of the Fund and is responsible for certain aspects of the day-to-day administration of the Fund, including preparation of daily valuations of the Fund.

The Fund invests in a portfolio comprised primarily of common shares of gold mining issuers included in the S&P/TSX Global Gold Index, the NYSE Arca Gold Miners Index and/or the MVIS Global Junior Gold Miners Index.

The financial statements were approved for issuance by the Board on March 30, 2021.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The following is a summary of significant accounting policies followed by the Fund:

#### Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared on a going concern basis using the historical cost convention except for financial assets and liabilities measured at fair value through profit or loss ("FVTPL").

#### Classification and Recognition of Financial Instruments

Financial instruments include financial assets and liabilities, derivatives, cash and other receivables and payables. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial assets are classified as FVTPL and financial liabilities are carried at amortized cost. Derivatives liabilities are classified as FVTPL.

All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. A financial asset is derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured as FVTPL with changes in fair value recognized in the Statements of Comprehensive Income.

#### Measurement of Financial Instruments

Financial instruments at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments are recognized directly in profit or loss.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

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Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in unrealized appreciation (depreciation) in the value of investments. The applicable period change in unrealized appreciation (depreciation) of investments is included in the Statements of Comprehensive Income.

For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by the Fund is added to the average cost of the portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of shares sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per share of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of shares held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in net income and are presented as a separate expense item in the financial statements. Realized gains and losses from the sale of portfolio investments are also calculated based on the average costs, excluding transaction costs, of the related investment.

The net asset value ("NAV") per share of the Fund is calculated each day the Fund is open for business as of regularly scheduled close of regular trading on the respective exchange of the Fund. NAV per share is calculated by dividing the net assets of the Fund by the number of shares outstanding of that Fund. In calculating the Fund's NAV, investments are valued under policies approved by the Board of Directors of the Manager. Equity securities (including preferred stock) listed or dealt in upon a stock exchange are valued at the last sale price or official closing price on the exchange or system on which they are principally traded when the price falls within the bid-ask spread range. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point that the bid-ask spread is most representative of fair value based on the specific facts and circumstances. Foreign currency contracts are valued based on the difference between the value of the contract on the valuation date and the value on the date the contract was originated.

### Classification of Redeemable Shares

IAS 32 *Financial Instruments*: Presentation, requires that securities of the Fund, which are considered puttable instruments, be classified as either financial liabilities or equity instruments. The shares of the Fund do not meet the criteria to be classified as equity instruments. Consequently, the Fund's outstanding redeemable shares are classified as financial liabilities in accordance with IAS 32.

### Fair Value Measurement

IFRS describe fair value as the price that the Fund would receive upon selling an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date. It established a three-tier hierarchy of inputs to be used when determining fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk — for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique.

Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities at measurement date.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (including Fund's assumptions in determining the fair value of investments).

The inputs or methodology used for valuation are not necessarily an indication of the risk associated with investing in those investments.

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2020 and 2019 in valuing the Fund's financial assets and liabilities carried at fair value:

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

### Financial Assets (Liabilities)

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>December 31, 2020</b>				
Equities	2,114,650	-	-	<b>2,114,650</b>
Derivative Assets	-	10,189	-	<b>10,189</b>
Derivative Liabilities	-	(1,095)	-	<b>(1,095)</b>
<b>Total</b>	<b>2,114,650</b>	<b>9,094</b>	-	<b>2,123,744</b>
<b>December 31, 2019</b>				
Equities	35,021,791	-	-	<b>35,021,791</b>
Derivative Assets	-	412,701	-	<b>412,701</b>
Derivative Liabilities	-	(155,384)	-	<b>(155,384)</b>
<b>Total</b>	<b>35,021,791</b>	<b>257,317</b>	-	<b>35,279,108</b>

For the periods ended December 31, 2020 and 2019, there were no transfers of securities between Level 1 and Level 2. There were no Level 3 securities as at or during the periods ended December 31, 2020 and 2019.

### Securities Lending

In order to generate additional returns, the Fund is authorized to enter into securities lending agreements with borrowers deemed acceptable in accordance with National Instrument 81-102, *Investment Funds*.

Aggregate market value of all securities loaned by a Fund cannot exceed 50% of the fair value of the assets of the Fund. The Fund receives collateral against the loaned securities in the form of debt obligations of the Government of Canada and Canadian provincial governments. The government of the United States of America or the government of one of the states of the United States of America. The government of the sovereign state of G7 countries, Austria, Belgium, Denmark, Finland, Netherlands, Spain, Sweden or Switzerland; or a permitted supranational agency of Organisation for Economic Co-operation and Development countries. The minimum allowable collateral is 102% of the fair value of the loaned securities. The aggregate closing market value of securities loaned, and collateral received and a reconciliation of the gross securities lending revenue to the securities lending revenue reported Fund in the Fund's Statements of Comprehensive Income are disclosed on the Securities Lending Transactions section.

Under a securities lending agreement, the borrower must pay the Fund a negotiated securities lending fee, provide compensation to the Fund equal to any distributions received by the borrower on the securities borrowed, and the Fund must receive an acceptable form of collateral in excess of the value of the securities loaned. Although such collateral is marked to market, the Fund may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

The table below presents a reconciliation of the securities lending income as presented in the Statements of Comprehensive Income for the periods ended December 31, 2020 and 2019. Gross amounts are shown generated from securities lending activities, less any taxes withheld, and amounts earned by parties entitled to receive payments out of the gross amount.

### Securities Lending Transactions

	(\$)	Percentage of Gross securities lending revenue (%)
<b>December 31, 2020</b>		
Gross Securities Lending Income	4,761	100.0
Withholding Taxes	(419)	(8.8)
Agent Fees - Canadian Imperial Bank of Commerce	(2,034)	(42.7)
<b>Net Securities Lending Income</b>	<b>2,308</b>	<b>48.5</b>
<b>December 31, 2019</b>		
Gross Securities Lending Income	68	100.0
Withholding Taxes	(10)	(14.7)
Agent Fees - Canadian Imperial Bank of Commerce	(29)	(42.7)
<b>Net Securities Lending Income</b>	<b>29</b>	<b>42.6</b>

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

The aggregate closing market value of securities loaned, and collateral received as at December 31, 2020 and 2019 was as follows:

	December 31, 2020 (\$)	December 31, 2019 (\$)
Fair Value of Securities on Loan	-	1,210,831
Fair Value of Cash Collateral Received	-	-
Fair Value of Securities Collateral Received	-	1,273,281

### Forward Foreign Currency Contracts

A forward foreign currency contract ("Forward Contract") involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are principally traded in the inter-bank market conducted directly between currency traders (usually large, commercial banks) and their customers. A Forward Contract generally does not require an initial margin deposit and no commissions are charged at any stage for trades. However, if the Fund is in an unrealized loss position on a Forward Contract, it may be required to pledge collateral (or additional collateral) to the counterparty.

Risks may arise upon entering into a Forward Contract from the potential inability of the counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currencies relative to the Canadian dollar.

A Forward Contract is valued at fair value of the gain or loss that would be realized on a valuation date if the position was to be closed out. Realized and unrealized gains (losses) on forward foreign currency contracts are recorded in realized gain (loss) on derivatives and change in unrealized appreciation (depreciation) in the value of derivatives in the Statements of Comprehensive Income.

### Options Contracts

Outstanding option positions are valued at an amount equal to the current fair value that would have the effect of closing the position. Any difference resulting from revaluation and gains or losses realized upon expiration or exercise of the options are recognized in the Statements of Comprehensive Income.

### Investment Transactions and Investment Income

Investment transactions are recorded as of the date that the securities are purchased or sold (trade date). Realized and unrealized gains and losses are calculated on an average cost basis. The cost of investments represents the amount paid for each security and is determined using the average cost method, excluding commissions and transaction costs. Transaction costs, such as brokerage commissions and settlement charges incurred in the purchase and sale of securities, are shown as a separate line item in the Statements of Comprehensive Income and are not part of the cost of investments. Dividend income is recognized on the ex-dividend date, gross of any foreign taxes withheld. The interest for distribution purposes shown on the Statements of Comprehensive Income represent the coupon interest received by the Fund accounted for on an accrual basis. Premiums received from writing options are included in the Statements of Financial Position as a liability and subsequently adjusted to fair value. When a written option expires unexercised, the Fund will realize a gain equal to the premium received. When a written option is closed, the Fund will realize a gain or loss equal to the difference between the cost at which the contract was closed and the premium received. Income earned from securities lending transactions in the form of securities lending fees payable by the borrower and, in certain circumstances, interest paid on cash or securities held as collateral. Revenue, if any, earned on securities lending transactions during the period is disclosed in the Fund's Statements of Comprehensive Income.

### Foreign Currency Translation

The Fund's functional and presentation currency is the Canadian dollar. The Canadian dollar is the currency of the primary economic environment in which the Fund operates. The Fund's performance is evaluated and their liquidity is managed in Canadian dollars. Therefore, the Canadian dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Foreign currencies, as well as investment securities and other assets and liabilities denominated in foreign currencies, are translated into Canadian dollars using exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains and losses on investments are included as a component of net realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments, respectively, on the Statements of Comprehensive Income. Net realized and unrealized foreign exchange gains (losses) arising from sales of foreign currencies, include: gains (losses) on forward foreign currency contracts, currency gains (losses) recognized between the trade and settlement dates on investment transactions, and the difference between the amounts of dividends and foreign withholding taxes recorded on the Fund's books and the Canadian dollar equivalent of the amounts actually received or paid. These gains (losses) are included in net realized gain (loss) and/or change in unrealized appreciation (depreciation) on foreign currency contracts and foreign currency translations in the Statements of Comprehensive Income.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

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### Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts recognized in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

### Classification and Measurement of Investments

In classifying and measuring financial instruments held by the Fund, the Manager has assessed the Fund's business model for managing their respective portfolios of investments and evaluating the performance on a fair value basis and concluded that these financial assets and liabilities should be measured at FVTPL in accordance with IFRS 9.

### Structured Entity

There are no investment details in the exchanged traded funds as at December 31, 2020. The Fund's investment details in the exchange traded funds as at December 30, 2019 is included in the following table:

### Structured Entity Table

	Fair Value of Fund's Investment (\$)	Percentage of Underlying Fund's Net Assets (%)
<b>December 31, 2019</b>		
High Interest Savings Account Fund Unhedged ETF Units	200,020	0.2

### 3. FINANCIAL INSTRUMENT RISKS

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The Fund's activities may expose it to a variety of financial risks associated with financial instruments, including concentration risk, market risk (which includes currency risk, interest rate risk and other price/market risk), liquidity risk and credit risk. The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio managers, by daily monitoring of the Fund's position and market events, and by diversifying the investment portfolio within the constraints of the investment objective.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

### Concentration Risk

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's significant concentrations by industry sector are as follows:

Portfolio by Category	Percentage of Net Asset Value December 31, 2020 (%)	Percentage of Net Asset Value December 31, 2019 (%)
<b>Equities</b>		
Materials	92.2	141.8
ETFs - Domestic Equity	-	0.8
Derivative Assets	0.4	1.7
Derivative Liabilities	(0.0)	(0.6)
Cash and Cash Equivalents	8.1	0.1
Other Assets, less Liabilities	(0.7)	(43.8)
	<b>100.0</b>	<b>100.0</b>

### Currency Risk

Currency risk arises from financial instruments that are denominated in foreign currencies. The Fund is exposed to the risk that the value of securities denominated in foreign currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

The Fund holds securities denominated in foreign currencies during the reporting period. The Fund may hedge its foreign currency exposures by entering into Forward Contracts to reduce currency risk.

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2020 and 2019 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2020 and 2019.

Currency	Financial Instruments, excluding Derivatives (\$)	Forward Foreign Currency Contracts (\$)	Net Currency Exposure (\$)	Impact on Net Assets (\$)
<b>December 31, 2020</b>				
United States Dollar	1,899,174	(1,639,379)	259,795	12,990
Peruvian New Sol	-	(52,398)	(52,398)	(2,620)
South African Rand	-	(228,712)	(228,712)	(11,436)
<b>Total</b>	<b>1,899,174</b>	<b>(1,920,489)</b>	<b>(21,315)</b>	<b>(1,066)</b>
<b>December 31, 2019</b>				
United States Dollar	25,153,608	(21,339,809)	3,813,799	190,690
Pound Sterling	888,635	(788,638)	99,997	5,000
Australian Dollar	3,769,350	(3,730,593)	38,757	1,938
Peruvian New Sol	-	(286,597)	(286,597)	(14,330)
South African Rand	-	(1,946,037)	(1,946,037)	(97,302)
<b>Total</b>	<b>29,811,593</b>	<b>(28,091,674)</b>	<b>1,719,919</b>	<b>85,996</b>

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

### Other Price/Market Risk

Other price/market risk is the risk that the fair values or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or all factors affecting all instruments traded in a market or market segment. All securities are exposed to other price/market risk. The maximum risk is equivalent to the financial instruments' fair value.

The table below summarizes management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2020 and 2019 with all other variables held constant:

	Impact on Net Assets (\$)	
	December 31, 2020 (\$)	December 31, 2019 (\$)
Fund		
Evolve Gold Miners Fund	211,465	2,470,424

### Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. The Funds generally maintain sufficient liquidity to meet expenses and redemption of shares by investing primarily in liquid securities. However, unexpected heavy demand for redemptions of shares could result in the Fund having to dispose of investments at a time when it is not optimal in order to meet such redemption requests. To manage the Fund's overall liquidity and enable the Fund to meet its obligations, the assets of the Fund are invested primarily in securities that are traded on active markets and that the Manager believes can be readily disposed of through market facilities under normal circumstances.

### Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. To help manage the credit risk of the Fund, the Manager carefully monitors the creditworthiness and operational robustness of counterparties that conduct transactions on behalf of the Fund.

### Leverage Risk

As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing. Investment decisions may be made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase the Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

Under the Fund's investment restrictions and those applicable to alternative mutual funds in NI 81-102, the aggregate value of all cash borrowing by the Fund shall not exceed 50% of the Fund's net asset value. If the aggregate value of all cash borrowing by the Fund exceeds 50% of the Fund's net asset value, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of all cash borrowing to 50% or less of the Fund's net asset value.

### Prime Broker Risk

Some of the assets of the Fund may be held in one or more margin accounts due to the fact that the Fund may borrow cash for investment purposes and post margin as collateral. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. As a result, the assets of the Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if a prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to the Fund.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

### Offsetting Financial Instruments

A Fund's risk of loss from counterparty credit risk on over-the-counter derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund. The Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honour their obligations and by monitoring the financial stability of those counterparties. For financial reporting purposes, financial assets and financial liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position.

In order to better define their contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement or similar agreement with its counterparties.

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2020 and 2019. The "Net Amount" column shows what the impact on the Fund's Statements of Financial Position would be if all set-off rights were exercised.

### Offsetting of Financial Instruments

	Amounts eligible for offset (\$)			Net Amount (\$)
	Gross Amounts of Recognized Financial Assets/Liabilities (\$)	Net Amounts of Financial Assets/Liabilities Presented in the Statements of Financial Position (\$)	Financial Instruments Eligible for Offset (\$)	
Financial Assets and Liabilities				
<b>December 31, 2020</b>				
Derivative assets	10,189	10,189	(1,095)	9,094
Derivative liabilities	(1,095)	(1,095)	1,095	-
	<b>9,094</b>	<b>9,094</b>	<b>-</b>	<b>9,094</b>
<b>December 31, 2019</b>				
Derivative Assets	412,701	412,701	(155,384)	257,317
Derivative Liabilities	(155,384)	(155,384)	155,384	-
<b>Total</b>	<b>257,317</b>	<b>257,317</b>	<b>-</b>	<b>257,317</b>

## 4. RELATED PARTY TRANSACTIONS

### Prior to Restructuring

#### Management Fees

The Manager received an annual management fee equal to 0.70% per annum of NAV, accrued daily and payable monthly in arrears, plus any applicable taxes. There was no duplication of fees payable by the Fund in connection with any investment by the Fund in exchange-traded funds managed by the Manager.

#### Performance Bonus

The Manager was entitled to a performance bonus, calculated as of (i) the termination date; (ii) the last day of each successive three-year term of the Fund, if any; and (iii) the final termination date of the Fund, if different from (i) or (ii) (each such calculation date covered by (ii) or (iii), a "subsequent calculation date", and together with the termination date, the "calculation dates"). The performance bonus equal to 15% of the amount by which (i) the NAV per Unit as at the applicable calculation date exceeds (ii) the Hurdle NAV (as hereinafter defined). The "Hurdle NAV" equal (i) in respect of the termination date, \$32.50, being the initial issuance price per Unit of \$25.00 multiplied by an annual non-compounded 10% rate of return; and (ii) in respect of a subsequent calculation date, the greater of (A) the initial issuance price per Unit of \$25.00; and (B) the NAV per Unit as at the prior calculation date multiplied by an annual non-compounded 10% rate of return. For greater certainty, any foregoing reference to an annual non-compounded 10% rate of return be pro-rated based on any fractional year periods. The performance bonus accrued accrue daily and be paid as of the applicable calculation date.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

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### Operating Expenses

The fund was responsible for all expenses incurred by the fund and by the Manager on behalf of the fund in connection with its operation and administration, including, but not limited to, ongoing custodian, transfer agent, legal, audit and independent review committee fees.

### Restructuring

#### Performance Bonus

As part of the Restructuring, the Manager was entitled to a Performance Bonus, calculated as of the termination date of the Corporation equal to 15% of the amount by which (i) the NAV per unit, exceeded (ii) the applicable hurdle NAV per unit. Upon completion of the Restructuring, the Manager was paid the Performance Bonus accrued as of such date, being 15% of the amount by which (i) the NAV per unit, exceeded (ii) the initial issuance price per unit, of \$25.00 multiplied by an annual non-compounded 10% rate of return as of such date (pro-rated based on any fractional year periods).

Performance Bonus was paid to the Manager on September 18, 2020, as a principal step of the Restructuring, in the amount of \$1,487,288 plus applicable taxes.

As a principal step of the restructuring, the fees were changed to eliminate the performance bonus of the Class A shares.

#### Subsequent to Restructuring with Effective date September 21, 2020

#### Administrative Fees

The Manager will receive an annual administrative fee equal to 0.15% per annum of NAV, accrued daily and payable monthly in arrears, plus any applicable taxes, to pay for the expenses incurred during the day-to-day operating of the Fund.

Subsequent to Restructuring with Effective date September 21, 2020

#### Management Fees

The Manager will receive an annual management fee equal to 0.70% per annum of NAV, accrued daily and payable monthly in arrears, plus any applicable taxes. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time. Expenses payable to the Manager and receivable on expenses waived by the Manager are disclosed in the Statements of Financial Position. There will be no duplication of fees payable by the Fund in connection with any investment by the Fund in exchange-traded funds managed by the Manager.

## 5. REDEEMABLE SHARES

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### Authorized

The Corporation is authorized to issue one class of voting shares in an unlimited number, designated as Common Shares, and an unlimited number of non-cumulative, redeemable, non-voting classes of shares issuable in an unlimited number of series (the "Shares"). Each class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments.

The Fund is the first mutual fund class of the Corporation and Shares currently consist of a single series of exchange traded shares (the "ETF Shares"), which includes the re-designated Class A Shares on restructuring of the Corporation (see Note 1).

### Common Shares

As of December 31, 2020, 100 shares were outstanding.

The holders of the Common Shares are not entitled to receive dividends while other classes of shares are outstanding and are entitled to one vote per share. The Common Shares are redeemable and retractable at a price of \$1.00 per Share.

During liquidation, dissolution or winding up of the Corporation, holders of Common Shares shall be entitled to receive from the assets of the Corporation \$1.00 for each Common Share held before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of Shares of any class of the Corporation ranking as to capital junior to the Common Shares. After payment to the holders of the Common Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

### Shares (including the re-designated Class A Shares on restructuring of the Corporation (see Note 1))

Holders of Shares are entitled to receive any dividends that the Board of Directors may declare. Depending on the underlying investments of the Fund, distributions on Shares may consist of ordinary dividend or capital gains dividends and may include returns of capital.

The Shares rank in priority to the Common Shares with respect to the payment of distributions. Each Share is entitled to one vote on certain shareholder matters.

Investors may buy or sell Shares on the NEO through registered brokers and dealers in the province or territory where the investor resides.

In addition to the ability to sell Shares on the NEO, shareholders may also (i) redeem Shares for cash at a redemption price per Share equal to 95% of the closing price for the Shares on the NEO on the effective day of redemption, subject to a maximum redemption price per Share equal to the NAV per Share on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a prescribed number of shares (or an integral multiple thereof) for baskets of securities and cash or, in certain circumstances, for cash.

In the future, if additional series of shares of the Fund are added, a shareholder may switch Shares of the Fund for shares of another series of shares of the Fund (a "Switch") through the facilities of Clearing and Depository Services Inc. ("CDS") by contacting their financial advisor or broker.

Issued	Number of Shares Outstanding 2020	Number of Shares Outstanding 2019
Redeemable Class A Shares, outstanding at January 1	1,031,755	-
Issuance of redeemable Class A Shares	-	1,201,555
Retraction of redeemable Class A Shares	(244,771)	(169,800)
Redeemable Class A Shares, outstanding at December 31	-	1,031,755
Class A Shares outstanding re-designated as ETF Shares effective September 21	786,984	-
Issuance of Redeemable ETF Shares	55,000	-
Redemption of Redeemable ETF Shares	(694,667)	-
Redeemable ETF Shares, outstanding as at December 31	147,317	-

On May 24, 2019, the Fund issued 1,201,555 Class A Shares at a price of \$13.95 per share for proceeds, net of agents' fees. Agent fees accounted for \$1,261,634.

During the year ended December 31, 2020, pursuant to the monthly and annual retraction option, 244,771 Class A Shares were retracted, and 786,984 Class A Shares were re-designated as ETF Shares effective September 21, 2020.

On December 31, 2020, the ETF Share's closing market price was \$15.54 per share.

### Preferred Shares

As part of the restructuring all of the Preferred Shares were redeemed at a price of \$11.15 effective September 21, 2020.

Issued	Number of Shares Outstanding 2020	Number of Shares Outstanding 2019
Redeemable Preferred Shares, outstanding at January 1	1,031,755	-
Issuance of redeemable Preferred Shares	-	1,201,555
Retraction of redeemable Preferred Shares	(240,133)	(169,800)
Redeemable Preferred Shares, redeemed effective September 21	(791,622)	-
Redeemable Preferred Shares, outstanding at December 31	-	1,031,755

On May 24, 2019, the Fund issued 1,201,555 Preferred Shares at a price of \$10 per share for proceeds of \$12,015,550.

During the year ended December 31, 2020, pursuant to the monthly and annual retraction option, 240,133 Preferred Shares were retracted, and 791,622 Preferred Shares were redeemed effective September 21, 2020.

## Notes to Financial Statements (cont'd)

As at and for the periods as disclosed in the financial statements (Note 1) December 31, 2020

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### 6. CAPITAL MANAGEMENT

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The Fund's capital is comprised of its Net Assets attributed to holders of redeemable shares.

The Fund seeks to provide holders of Shares with long-term capital appreciation by investing primarily in a diversified mix of equity securities of gold mining issuers located domestically or internationally.

The Fund is an alternative mutual fund within the meaning of National Instrument 81-102 – Investment Funds (“NI 81-102”), and has the ability to use investment strategies that are not permitted for other types of mutual funds. The specific features that differentiate the Fund from other types of mutual funds include the increased use of leverage through cash borrowing. In accordance with the Fund's investment restrictions and NI 81-102, the aggregate value of all cash borrowing by the Fund shall not exceed 50% of the Fund's net asset value. While these strategies will only be used in accordance with the Fund's investment objectives, strategies and restrictions, during certain market conditions they may accelerate the risk that an investment in shares decreases in value.

In order to generate sufficient income to cover the cost of the Fund, the Manager employs an option strategy whereby it writes covered call options on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. It is the Manager's belief that utilizing the option strategy will assist in providing shareholders with lower volatility and potentially enhanced returns as compared to owning the individual securities in the portfolio directly. The Manager expects that under normal market conditions 15% of the portfolio will be subject to covered call writing.

The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to shareholders or return capital to shareholders.

### 7. INCOME TAXES

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The Fund intends at all relevant times to qualify as a “mutual fund corporation” as defined in the Income Tax Act, Canada (“the Act”). As a mutual fund corporation, the Fund will be entitled in certain circumstances to a refund of tax paid or payable by it in respect of its net realized capital gains. As a mutual fund corporation, the Fund is generally subject to a refundable tax of 38 1/3% under Part IV of the Act on taxable dividends received by the Fund from taxable Canadian corporations. This tax is refundable upon the payment by the Fund of sufficient taxable dividends other than capital gain dividends. Interest income and foreign dividends, net of applicable expenses, are taxed at corporate rates applicable to mutual fund corporations, with certain credits for foreign taxes paid.

The Fund also qualifies as a “financial intermediary corporation” as defined in the Act and, thus, is not subject to under Part IV.1 of the Act on dividends received by the Fund and is not generally liable to tax on dividends under Part V1.1 paid by the Fund on taxable preferred shares.

Given the investment and dividend policy of the Fund and taking into account the deduction of expenses and taxable dividends on shares of taxable Canadian corporations, the Fund does not expect to be subject to any appreciable amount of non-refundable Canadian income tax.



**Evolve ETFs**

**Evolve Gold Miners Fund, a class of shares of Evolve Fund Corp. (formerly Gold Miners Split Corp.)**