

EVOLVING GOLD
CORP

EVOLVING GOLD CORP.

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ANNUAL INFORMATION FORM

For the fiscal period ended March 31, 2014.

This Annual Information Form is dated June 27, 2014.

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Glossary

GLOSSARY OF GENERAL TERMS

In this annual information form, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms have the following meanings:

“**AIF**” means this annual information form of the Company dated June 27, 2014;

“**Board**” means the board of directors of the Company;

“**Carlin Property**” means the property located in Elko and Eureka counties, Nevada, that is the subject of the Humboldt and Carlin Technical Report;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as from time to time amended, and including any regulations promulgated thereunder;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” means Evolving Gold Corp.;

“**Evolving Gold Nunavut**” means 5210 Nunavut Ltd., a wholly-owned subsidiary of the Company incorporated under the laws of Nunavut;

“**Evolving Gold US**” means Evolving Gold Corp., a wholly-owned subsidiary of the Company incorporated under the laws of Nevada;

“**Golden Predator**” means Golden Predator Mines (US) Inc.;

“**Gustavson**” means Gustavson Associates, LLC, the company commissioned by the Company to complete the Jake Creek Technical Report;

“**Humboldt and Carlin Technical Report**” means the technical report on the Humboldt Property and the Carlin Property prepared in accordance with NI 43-101 dated January 23, 2012 by Steven R. Koehler, B.Sc., C.P.G. #10216, Chief Geologist of the Company;

“**Humboldt Property**” means the property located in Elko and Eureka counties, Nevada, that is the subject of the Humboldt and Carlin Technical Report;

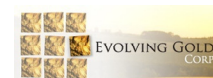
“**Jake Creek Property**” means the property comprised of approximately 1,035 claims, covering approximately 21,000 acres located near Battle Mountain, Nevada;

“**Jake Creek Technical Report**” means the technical report on the Jake Creek Property prepared in accordance with NI 43-101 dated June 19, 2012 by William J. Crowl, R.G., MMSA and Jennifer J. Brown, P.G., SME-RM of Gustavson;

“**Malone Property**” means the property comprised of 80 unpatented mineral claims, covering approximately 665 hectares located in Lordsburg, New Mexico;

“**Mineral Lease Agreement**” means the exploration lease and sublease agreement dated November 28, 2007 between Newmont USA and Evolving Gold US pursuant to which the Company acquired from Newmont USA the exclusive right to prospect and explore for minerals on the North Carlin Properties;

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“**Newmont USA**” means Newmont USA Limited, Newmont Capital Limited and Elko Land and Livestock Corporation;

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

“**NSR**” means net smelter return royalty;

“**Plan of Arrangement**” means the plan of the Company with respect to a proposed spin out of the Rattlesnake property as a separately listed entity.

“**Prosperity**” means Prosperity Goldfields Corp., a company incorporated under the CBCA;

“**Qualified Person**” means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101;

“**Rattlesnake Hills Property**” means the property located in Natrona County, Wyoming, that is the subject of the Rattlesnake Hills Technical Report;

“**Rattlesnake Hills Technical Report**” means the NI 43-101 compliant technical report on the Rattlesnake Hills Property entitled “Evolving Gold Corp. National Instrument 43-101 Technical Report on the Rattlesnake Hills Property, Natrona County, Wyoming USA”, dated February 1, 2012 prepared by Steven R. Koehler, B.Sc., C.P.G. #10216, Chief Geologist of the Company;

“**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c. 418, as from time to time amended, and including any regulations promulgated thereunder;

“**TSX**” means the Toronto Stock Exchange; and

“**TSXV**” means the TSX Venture Exchange.

Introductory Notes

DATE OF INFORMATION

All information in this AIF is as of June 27, 2014 unless otherwise indicated.

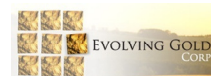
FORWARD-LOOKING STATEMENTS

Certain statements in this AIF are forward-looking statements or information (collectively “forward-looking statements”) within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information in this AIF includes, but is not limited to:

- information with respect to our future financial and operating performance and that of our affiliates and subsidiaries;
- our management’s skill and knowledge with respect to the exploration and development of mining properties in the United States and Canada, and the relevance of that skill and knowledge to the Company’s properties;
- our plan to pursue the exploration of our mineral properties;
- our ability to successfully obtain any necessary environmental permits or licenses;
- future exploration and development activities, and the costs and timing of those activities;
- timing and receipt of approvals, consents and permits under applicable legislation;
- our assessment of potential environmental liabilities;
- our assessment of potential political and economic uncertainties in the United States and Canada;
- results of future exploration and drilling;
- estimation of metallurgical response of ores to processing methods;
- metals prices;
- adequacy of financial resources;
- forward-looking information attributed to third party industry sources; and



- statements related to our expected executive compensation.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, the timely receipt of required approvals, the price of metals, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: changes in commodity prices and global demand for gold; exploration, development and operating risks; financing risks; currency fluctuations; substantial capital requirements and liquidity; title to mineral properties; infrastructure; reliance on management and dependence on key personnel; government regulations, licenses and permits; environmental risks; labour and employment matters; competition; and other factors beyond the control of the Company. See “Risk Factors”.

Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this AIF. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

CURRENCY

Unless otherwise stated, references herein to “\$” are to the United States dollar, as the Company reports its financial statements in United States dollars.

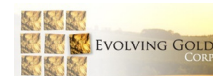
Corporate Structure

NAME AND INCORPORATION

Evolving Gold Corp. was incorporated under the CBCA on June 19, 2003 under the name “6109527 Canada Ltd.” On September 30, 2003, 6109527 Canada Ltd. changed its name to “Evolving Gold Corp.”

The head office of the Company is located at 605 – 1166 Alberni Street, Vancouver British Columbia, V6E 3Z3 and the registered office of the Company is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

At the annual meeting of shareholders of the Company held on September 30, 2010, the shareholders of the Company approved the repealing of the Company’s By-Law No. 1, in its entirety, relating generally to the regulation of business and affairs of the Company and approved the adoption of By-Law No. 2.



INTERCORPORATE RELATIONSHIPS

The Company's principal subsidiary, Evolving Gold US, is wholly-owned by the Company and was incorporated under the laws of Nevada. Evolving Gold US is engaged in the exploration and development of the Company's gold properties in the United States.

Evolving Gold Nunavut is a wholly-owned subsidiary of the Company and was incorporated under the laws of Nunavut. Evolving Gold Nunavut is a holding company.

Exemplar Gold Corp. is a wholly-owned subsidiary of the Company and was incorporated under the CBCA.

The intercorporate relationships among the Company and its subsidiaries, as at the date of this AIF, are described below:

- Evolving Gold Corp. (100%, Nevada, USA - Active)
- 5210 Nunavut Ltd. (100%, Nunavut, Canada - Inactive)
- Exemplar Gold Corp. (100%, Canada - Inactive)
- Rattlesnake Mining Corp. (100%, Canada - Inactive), and
- Rattlesnake Mining (Wyoming) Company (100%, Wyoming, USA - Active)

General Development of the Business

The Company is a gold exploration and development company with mineral property interests in the United States. It has current exploration properties in Nevada.

THREE YEAR HISTORY

Early in its operating history, the Company focused on acquiring resource properties and employing a strategy that involves acquisition, development and exploration of mineral properties.

Year ending March 31, 2012

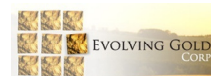
Effective April 1, 2011, the Company appointed William (Bill) Gee as the Chief Executive Officer of the Company and a member of the Board.

On May 4, 2011, the Company commenced trading on the OTC Markets Group Inc.'s OTCQX International tier, under the symbol "EVOGF".

On June 24, 2011, the Company entered into a joint venture agreement (the "**Rattlesnake JV Agreement**") with Agnico-Eagle Mines Limited and its operating subsidiaries (collectively "**Agnico-Eagle**") with respect to the Rattlesnake Hills Property. Pursuant to the Rattlesnake JV Agreement, Agnico-Eagle could earn up to a 70% interest in the Rattlesnake Hills Property over a seven-year period. Agnico-Eagle could earn an initial 51% interest in the Rattlesnake Hills Property by:

- (a) making cash payments of an aggregate of US\$12,000,000 over a four-year period;

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- (b) purchasing Common Shares totalling an aggregate \$9,000,000 over a four-year period; and
- (c) funding aggregate work expenditures on the Rattlesnake Hills Property of US\$26,000,000 over a five-year period.

Agnico-Eagle could then earn an additional 19% interest in the Rattlesnake Hills Property by:

- (a) purchasing Common Shares totalling an aggregate \$14,000,000 on or before June 2017;
- (b) funding aggregate work expenditures on the Rattlesnake Hills Property of US\$15,000,000 on or before June 2018; and
- (c) completing a feasibility study on the Rattlesnake Hills Property on or before June 2018.

During June 2012, Agnico-Eagle provided notice to the Company of its intention to terminate the Rattlesnake JV Agreement. The termination of the Rattlesnake JV Agreement was effective June 29, 2012.

On August 23, 2011, the Company completed a non-brokered private placement of 10,290,000 units at a price of \$0.56 per unit for gross proceeds of \$5,762,400 (US\$5,715,783). Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at a price of \$0.75 until February 23, 2013. In connection with the non-brokered private placement, the Company paid certain arm's length finders a cash commission equal to 6% of the gross proceeds raised by such finder and issued to the finders Common Share purchase warrants equal to 6% of the number units sold by such finder. Each warrant will entitle a finder to purchase one Common Share at a price of \$0.60 until February 13, 2013.

On November 9, 2011, the Company announced the resignation of Quinton Hennigh from the Board and on December 23, 2011 announced the resignation of R. Stuart (Tookie) Angus from the Board. Mr. Steven Koehler assumed the role of Chief Geologist with the Company following Mr. Hennigh's resignation. On February 27, 2012, the Company announced Mr. Hennigh had been appointed to the technical advisory board of the Company.

Effective February 22, 2012, R. Bruce Duncan succeeded William (Bill) Gee as the Chief Executive Officer of the Company. Mr. Gee stepped down from the Board and as the Chief Executive Officer of the Company to pursue other opportunities in the mining sector.

On March 12, 2012, the Company announced the closing of the first tranche of the sale of a portion of the Company's interest in Prosperity for gross proceeds of approximately \$2,812,500 (US\$2,820,094).

Year ending March 31, 2013

On April 25, 2012, the Company announced the completion of the final tranche of the sale of a portion of the Company's interest in Prosperity for gross proceeds of approximately \$1,200,000. Following the sale, the Company continues to hold approximately 3,975,000 common shares of Prosperity, representing 9.8% of the issued and outstanding common shares of Prosperity, and 1,667,000 Prosperity Warrants.

On June 6, 2012, the Company announced Agnico-Eagle had provided notice of its intention to terminate the Rattlesnake JV Agreement. The termination of the Rattlesnake JV Agreement will be effective June 29, 2012.

On August 13, 2012 the Company announced the completion of a non-brokered private placement of 12 million units at \$0.30 per unit for gross proceeds of \$3,600,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.40 per common share until August 13, 2015.

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The Company paid total cash commissions of \$14,700 and issued 49,000 finders warrants exercisable at \$0.30 per common share until August 13, 2014.

On December 31, 2012 the Company announced an agreement with Pinetree Capital Ltd. whereby the Company issued 5,555,555 common shares in consideration for the issuance of 1,176,470 common shares of Pinetree Capital All shares were subject to a four month hold period. This share issuance was valued at \$1,003,100 based on the quoted market price of Pinetree Capital on the transaction date.

On January 21, 2013 the Company announced that 5,145,000 previously issued common share purchase warrants which were to expire on February 23, 2013 were extended to February 23, 2014. The exercise price was further amended down from \$0.75 per common share to \$0.40 per common share.

On February 7, 2013 the Company announced, subject to shareholder and regulatory approval, a Plan of Arrangement (the "Arrangement") whereby Evolving's wholly owned subsidiary, Evolving US, would transfer specific Rattlesnake net assets to a newly incorporated US company named Rattlesnake Mining (Wyoming) Company ("Rattlesnake Wyoming"). Rattlesnake Wyoming's parent is Rattlesnake Mining Corp. ("RMC"), a wholly owned subsidiary of Evolving. The net assets transferred include the mineral interests in the Rattlesnake property and the related reclamation bond, and asset retirement obligation. Consideration for the transfer will be a note payable for \$11,700,000. The valuation of the assets was determined by an independent valuation, as a result of which capitalized exploration and evaluation expenditure were written down in these financial statements by \$11,110,245 to reflect fair market value.

RMC will issue 58,500,000 shares to Evolving in exchange for the Rattlesnake Wyoming Note with a value of \$11,700,000. Under the terms of the Arrangement, RMC shares will be distributed to Evolving's shareholders by way of the Arrangement on the basis of one share of Rattlesnake Mining Corp. for every ten Evolving common shares held. Shares received in excess of the distribution to Evolving Shareholders will be retained by Evolving.

As part of the Arrangement, holders of Evolving warrants and options who have not exercised as of the effective date of the Plan of Arrangement will be entitled to receive one share of RMC for every 10 Evolving warrants or options they exercise after the effective date.

Concurrent with the completion of the Plan of Arrangement, RMC will offer a minimum of 15,000,000 and a maximum of 25,000,000 units at a price of \$0.20 Cdn per unit, for minimum proceeds of \$3,000,000 Cdn and maximum proceeds of \$5,000,000 Cdn. Each unit will be comprised of one RMC share and one-half of a warrant, each whole warrant entitling the holder thereof to purchase an additional Rattlesnake share for \$0.30 Cdn per share, for a period of three years from issuance.

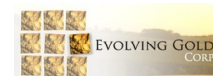
The proposed Plan of Arrangement is subject to Toronto Stock Exchange, TSXV, regulatory, and final court approval. Additional details of the proposed arrangement will follow upon completion of definitive documentation and will be described in detail in the information circular to be mailed to shareholders of EVG in connection with the EVG's Special Meeting at which approval by EVG's shareholders of the proposed Plan of Arrangement will be sought.

Year ending March 31, 2014

On April 2, 2013 at a special meeting of Securityholders, the shareholders of the Company approved the Plan of Arrangement announced on February 7, 2013. The POA remains subject to final court approval, financing and stock exchange approval of the listing.

On August 19, 2013, the Company announced a non-brokered private placement to raise gross proceeds of up to \$300,000. The Company authorized up to 6,000,000 units at \$0.05 with each unit consisting of one common share in the capital of the Company and one common Share purchase warrant, with each whole

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warrant being exercisable for the purchase of an additional Common Share for a period of three years from closing at \$0.08 per Common Share.

The Company also announced that Robert W. Barker had resigned as director of the Company.

On August 23, 2013, the Company announced the closing of the non-brokered private placement announced on August 19th. Gross proceeds of \$300,000 were raised through the issuance of 6,000,000 units at \$0.05. T securities issued in the Private Placement are subject to a statutory hold period expiring on December 22, 2013.

On September 30, 2013 the Company provided an update on its mineral properties. Due to market uncertainties, the Company re-evaluated the land position on its properties with a focus on refining its holdings to emphasize the strongest targets and assets.

The Rattlesnake Hills gold project in Wyoming remained as a core asset to the company and was unchanged. The Company has explored this property over the last 5 years with extensive drilling, surface mapping and rock and soil sampling,

The Carlin property and agreement with Newmont remained unchanged. The Arch Discovery at Carlin with its high grade gold mineralization and extensive gold system remains the cornerstone of Evolving Gold's exploration program in Nevada. The Carlin property is on the southern end of the prolific Carlin Trend.

Evolving Gold released the Humboldt property. This property which was adjoining the Carlin property and has a number of interesting geological and geophysical targets proved to be an untenable asset since ongoing expenses were beyond those the Company could justify with its current financial position and the state of the capital markets for junior explorers.

Evolving Gold's Jake Creek property is situated between Newmont's Carlin-style Twin Creeks Mine and the bonanza-grade epithermal gold deposit at Midas. Jake Creek exhibits characteristics of both deposit types and the focus of the preliminary exploration program has been on following the epithermal system and local high grade gold mineralization identified on the main part of the property. Using high resolution gravity and magnetic surveys in conjunction with detailed surface mapping program the Company has refined its claim package to focus on the strongest targets while minimizing expenses.

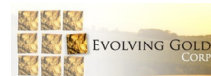
On October 25, 2013 the Company announced the grant of up to 2,900,000 stock options to Directors, Officers and employees of the Company, exercisable at a price of \$0.05 per share for a period of up to five years from the date of grant.

On March 5, 2014 the Company announced a non-brokered private placement of up to 10,000,000 units at \$0.03. The units consist of one common share and one half common Share purchase warrant, with each whole warrant being exercisable for the purchase of an additional Common Share for at \$0.05 per Common Share for the first 12 months and at \$0.10 thereafter.

The Company also announced that William F. Lindqvist had resigned as director of the Company, and that Mr. Robert Horsley had been appointed as a director.

On March 17, 2014 the Company announced that it has entered into a definitive agreement with NV Gold Corporation to option its 100% interest in the Rattlesnake Hills Project. Under the Agreement, NVX may acquire Rattlesnake Hills by completing the following:

- paying US\$100,000 as a non-refundable deposit;
- paying US\$300,000 as a down payment to EVG US;



- within 3 business days following receipt of TSX Venture Exchange acceptance of the option agreement, delivering US\$100,000 and issuing to the Company 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for 36 months from the date of issue;
- On or before August 1, 2014 paying US\$200,000;
- On or before September 15, 2014, issuing 1,000,000 common share purchase warrants to the Company, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share until September 15th, 2016;
- On or before November 1, 2014, paying US\$800,000;
- On or before the first anniversary of TSXV acceptance of this option agreement, paying US\$1,000,000 and 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for a period of 18 months from the date of issue; and
- On or before the second anniversary of the date of this option agreement, paying \$1,000,000 and issuing 1,000,000 common shares of NVX;

On March 17, 2014 the Company also announced that the private placement announced on March 5, 2014 had been cancelled.

Events subsequent to March 31, 2014

On April 28, 2014, the Company announced a private placement agreement with certain related parties of the Company. The Company will issue a total of 16,250,000 common shares at a deemed price of \$0.02 per share in consideration for settlement of debts of \$325,000. The agreement is subject to regulatory approval, and the common shares will be subject to a four-month hold. In connection with the settlement of debt for shares, Bruce Duncan, CEO and Chuck Jenkins, CFO have agreed to forgive certain amounts owing and to amend their existing management agreements to remove bonus and RRSP contribution obligations, reduce change in control benefits to 6 months and reduce management fees to \$7500 and \$5000 per month respectively. The Company intends to enter into additional debt settlement agreements with certain vendors, and to take additional steps as part of a repositioning plan to ensure the future viability of the Company. At the date of this listing application, these private placements have not been completed

Description of the Business

GENERAL

Since its incorporation, the Company's principal business has been the acquisition and exploration of natural resource properties, with the goal of moving key properties into production. Currently, the Company's focus is on projects in the United States, particularly in Nevada and Wyoming. The Company continues to emphasize the development of properties where management believes there is potential for the discovery of high grade deposits.

Products

The Company is not commercially producing. At this stage, the Company does not have an estimate of the costs and timing to reach commercial production.

Specialized Skill and Knowledge

The Company requires specialized skill and knowledge to conduct its exploration activities. Success in the mining industry requires its personnel to possess a very high level of technological sophistication and solid experience to meet the challenges of the industry. The officers and directors of the Company are industry professionals who have extensive expertise and highly-technical experience specific to the mining industry.

They provide a strong foundation of advanced field skills and advanced knowledge and specialized mineral exploration experience, complemented by their demonstrated ability to succeed in the management and administration of a mineral exploration company.

Competitive Conditions

The mining industry in the United States and Canada is highly competitive in all aspects, including the exploration for and development of new sources of supply; the acquisition of mineral interests; the construction and operation of processing facilities; and the refining, distributing and marketing of mineral products. The Company competes with numerous other companies in the search for and the acquisition of mineral properties. The Company's competitors include gold producing companies that have substantially greater financial resources, staff, and facilities than those of the Company. The Company's ability to successfully bid on and acquire additional property rights, discover reserves, participate in drilling opportunities, and identify and enter into commercial arrangements will depend upon developing and maintaining close working relationships with its future industry partners and joint operators, selecting and evaluating suitable properties, and consummating transactions in a highly competitive environment. The Company's ability to define mineral reserves in the future will depend not only on its ability to select and acquire suitable producing properties or prospects for exploratory drilling, but also on its ability to develop or continue development of its existing properties.

Cycles

The Company's business can be cyclical. The exploration and development of mineral properties is dependent on access to areas where production is to be conducted. Seasonal weather variations can affect access in certain circumstances.

Environmental Protection

The Company's operations are subject to environmental regulations (including regular environmental impact assessments and permitting) in the jurisdictions in which it operates. Such regulations cover a wide variety of matters, including, without limitation, the prevention of waste, pollution, and protection of the environment, labour regulations, and worker safety. Under such regulations, there are clean-up costs and liabilities for toxic or hazardous substances which may exist on or under any of the Company's properties or which may be produced as a result of its operations. Environmental legislation and legislation relating to exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Company's costs and have an adverse effect on results of operations. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Employees

The Company has 2 employees located at its Vancouver office. These employees are primarily devoted administrative functions.

The Company uses contract personnel to perform various professional and technical services, including but not limited to drilling, construction, site surveillance, environmental assessment, and field and on-site operating services. These services are intended to minimize the Company's development and operating costs as well as allow its management staff to focus on directing its exploration operations.

Foreign Operations

The majority of the Company's operations are based in the United States and the Company is largely focused upon these foreign operations. The Company's results are subject to financial market risk as a result of fluctuations in currency exchange rates. Expenses, capital expenditures and related net assets of the Company's operations outside Canada are primarily United States dollar denominated. Currency fluctuations may affect these operations.

Reorganizations

On March 3, 2011, the Company completed the transfer of all of its interest in the Kiyuk Lake Property to Prosperity in connection with the Spin-Out Transaction.

On April 25, 2012, the Company announced the completion of the sale of a portion of the Company's interest in Prosperity for gross proceeds of approximately \$4,000,000. Following the sale, the Company continues to hold approximately 3,975,000 common shares of Prosperity, representing 9.8% of the issued and outstanding common shares of Prosperity, and 1,667,000 Prosperity Warrants.

On March 17, 2014 the Company announced that it has entered into a definitive agreement with NV Gold Corporation to option its 100% interest in the Rattlesnake Hills Project.

RISK FACTORS

Readers should consider the risk factors set out below and other information included in this AIF. The risks and uncertainties described below are not the only ones the Company may face. Additional risks and uncertainties, including those that the Company is not aware of or that it currently deems immaterial, also may adversely affect the Company's business.

Changes in commodity prices and global demand for gold may have a material adverse impact on the Company's business

The price of the Common Shares, the Company's financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing countries throughout the world. The fluctuation in the price of gold in recent years and future serious price declines could cause development of and commercial production from the Company's properties to be impractical. Depending on the price of gold, cash flow from future mining operations may not be sufficient and the Company could be forced to discontinue production, may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold prices that are adequate to make these properties economic. Furthermore, reserve calculations and life-of-mine plans using significantly lower gold prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Company's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Economic market conditions may materially adversely affect the Company's ability to raise equity

The exploration for, and mining of, mineral resources requires substantial capital investment. The development and expansion plans of the Company may also result in increases in capital expenditures and commitments. The Company may require additional funding to develop its mineral projects and expand the business if internally generated cash resources and available bank facilities are insufficient to finance these activities. If the Company is unable to obtain adequate financing on acceptable terms, or at all, to satisfy its operating, development and expansion plans, its business and results of operations may be materially and adversely affected.

Conditions in the credit markets since June 2008 have restricted the ability of companies to access the credit markets. The Company's ability to raise debt or equity financing could be significantly influenced by, among other things, general economic conditions, developments in the credit markets, volatility in the equity markets and investors' desire to maintain cash and to assume additional levels of risk. If economic and credit conditions do not improve, the Company may not be able to raise debt or equity finance on attractive terms, or at all, and it may need to seek further financing from alternative sources. Alternative financing may also be on unfavourable terms. As a result, the Company's business, results of operations, financial condition and prospects could be materially adversely affected.

Exploration and Development involves a high degree of risk

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's continuing mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration and development programs, which may be adversely affected by a number of factors.

Substantial expenditures are required to establish mineral reserves through drilling, to evaluate metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

The Company is exposed to currency fluctuations that could have a material adverse impact on results

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. The Company's costs are incurred principally in United States dollars and Canadian dollars. The appreciation of United States or Canadian dollar currencies can increase the cost of exploration and capital expenditures. If there is an appreciation in the value of the U.S. currency against the Canadian dollar or prolonged periods of exchange rate volatility, these changes may have a material adverse impact on the Company's results of operations.

The Company's business and growth prospects may be negatively impacted by reductions in its capital expenditure program

The Company requires substantial capital to invest in mineral projects and to maintain and prolong the life and capacity of properties in which it has an interest. The Company may reduce its capital expenditure in light of various considerations such as expected global demand for products, the level of commodity pricing and the Company's resources, which may negatively impact the timing of the Company's growth and future prospects. If commodity markets improve, the Company's ability to take advantage of that improvement may be constrained by earlier capital expenditure restrictions and the long term value of its business could be adversely impacted. The Company's position in relation to its competitors may also deteriorate. Competitors may have sufficient funds or access to capital and be better positioned to respond quickly to changes in commodity prices or market conditions generally. The Company may also need to address commercial and political issues in relation to its reductions in capital expenditure in certain of the jurisdictions in which it operates. If the Company's interest in its joint ventures is diluted or it loses key concessions or if it is prevented from reducing capital expenditure commitments in the relevant jurisdiction, its growth could be constrained. Any of the foregoing could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Title to mineral properties can be uncertain, and the Company may risk loss of ownership of one or more of its properties

The Company's ability to explore and operate properties depends on the validity of title to that property. Some of the Company's properties in the United States consist of leases of unpatented mining claims, and unpatented mining and millsite claims. Unpatented mining claims provide only possessory title and their validity is often subject to contest by third parties or the federal government, which makes the validity of unpatented mining claims uncertain and generally more risky. These uncertainties relate to such things as the sufficiency of mineral discovery, proper posting and marking of boundaries, assessment work and possible conflicts with other claims not determinable from descriptions of record. Since a substantial portion of all mineral exploration and development in the United States occurs on unpatented mining claims, this uncertainty is inherent in the mining industry. The Company has not obtained a title opinion on all its United States property interests with the attendant risk that title to some claims, particularly title to undeveloped property, may be defective. There may be valid challenges to the title to any property which, if successful, could impair development or operations. The Company remains at risk that the mining claims may be forfeited either to the United States, or to rival private claimants due to failure to comply with statutory requirements as to location and maintenance of the claims or challenges to whether a discovery of a valuable mineral exists on every claim.

The Company's operations are resource intensive and changes in the cost or interruptions in the supply of key inputs could adversely affect their economic viability

The Company's operations are resource intensive and, as a result, its costs may be adversely affected by the availability or cost of energy, water, fuel or other key inputs. If carbon trading schemes or carbon taxes begin to apply to the Company's operations or if the Company experiences interruptions in, or constraints on, its supply of energy, water, fuel or other key inputs, the Company's costs could increase and its results could be materially adversely affected.

The Company is dependent on the continued services of key personnel

The Company's ability to maintain its competitive position and to implement its business strategy is dependent on the services of its personnel, including key managerial, financial and commercial personnel and the maintenance of good labour relations. The loss or diminution in the services of such key personnel, an inability to attract and retain additional staff, or the lack of a competitive remuneration structure, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's mining operations are vulnerable to natural disasters

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, such as inclement weather conditions, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Joint ventures may not be successful and non-managed projects and operations may not comply with the Company's standards

The Company participates in several joint venture arrangements and it may enter into further joint ventures in the future. Although the Company has, in relation to its existing joint ventures, sought to protect its interests, joint ventures necessarily involve special risks. Whether or not the Company holds majority interests or maintains operational control in its joint ventures, its partners may have economic or business interests or goals that are inconsistent with or opposed to those of the Company, exercise veto rights so as to block actions that the Company believes to be in its or the joint venture's best interests, take action contrary to the Company's policies or objectives with respect to its investments, or as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under the joint venture or other agreements, such as contributing capital to expansion or maintenance projects. Where projects and operations are controlled and managed by the Company's partners, the Company may provide expertise and advice, but it has limited control with respect to compliance with its standards and objectives. Improper management or ineffective policies, procedures or controls could adversely affect the value of the related non-managed projects and operations and, by association, damage the Company's reputation and thereby harm the Company's other operations and access to new assets.

Health, safety, environmental and other regulations, standards and expectations evolve over time and unforeseen changes could have an adverse effect on the Company's earnings and cash flows

The Company operates in an industry that is subject to numerous health, safety and environmental laws, regulations and standards as well as community and stakeholder expectations. The Company is subject to extensive governmental regulations. Operations are subject to general and specific regulations governing mineral exploration, mining, land tenure and use, environmental requirements (including site specific environmental licences, permits and statutory authorisations) and workplace health and safety. Evolving regulatory standards and expectations can result in increased litigation or increased costs, all of which can have a material and adverse effect on earnings and cash flows.

Permitting of exploration and development

The Company's operations in the United States are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company's operations currently have all required

permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property.

Legislation has been proposed that would significantly affect the mining industry

Periodically, members of the US Congress have introduced bills which would supplant or alter the provisions of the General Mining Law of 1872, which governs the unpatented claims that we hold on our properties in the United States. One such amendment has become law and has imposed a moratorium on patenting of mining claims, which reduced the security of title provided by unpatented claims such as those on our United States properties. If additional legislation is enacted, it could substantially increase the cost of holding unpatented mining claims by requiring payment of royalties, and could significantly impair the Company's ability to develop mineral resources on unpatented mining claims. Such bills have proposed, among other things, to make permanent the patent moratorium, to impose a federal royalty on production from unpatented mining claims and to declare certain lands as unsuitable for mining. Although it is impossible to predict at this time what royalties may be imposed in the future, the imposition of such royalties could adversely affect the potential for development of such mining claims, and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect the Company's business.

Competition from other mining companies may harm our business

The Company competes with other mining companies to attract and retain key executives, skilled labour, contractors and other employees. It also competes for the services of skilled personnel and contractors and for specialized equipment, components and supplies, such as drill equipment, necessary for exploration and development and for rights to mine properties containing gold and other minerals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected. The Company may be unable to continue to attract and retain skilled and experienced employees, to obtain the services of skilled personnel and contractors or specialized equipment or supplies, or to acquire additional rights to mine properties.

The Company will require significant additional capital to continue exploration activities, and, if warranted, to develop mining operations

Substantial expenditures will be required to determine if proven and probable reserves exist at any of the properties in which the Company has an interest, to develop metallurgical processes to extract metal or develop the mining and processing facilities and infrastructure at the Company's existing or newly-acquired properties. The Company will be required to expend significant amounts for geological and geochemical analysis, assaying, and, if warranted, feasibility studies with regard to the results of our exploration. The Company may not benefit from these investments if it is unable to identify commercially exploitable mineralized material. If it is successful in identifying reserves, it will require significant additional capital to construct a mill and other facilities necessary to extract those reserves. The Company's ability to obtain necessary funding, in turn, depends upon a number of factors, including the status of the national and worldwide economy and the price of gold. The Company may not be successful in obtaining the required financing for these or other purposes on terms that are favourable or at all, in which case, the Company's ability to continue operating would be adversely affected. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's potential interest in certain properties. The mining, processing, development and exploration of the Company's properties, may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration or development on

any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Inadequate infrastructure may affect the Company's operations

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Foreign operations pose additional risks of operation

The Company's operations are currently conducted in the United States, and as such the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism; expropriation; fluctuations in currency exchange rates; inflation; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, the United States. Changes, if any, in mining or investment policies or shifts in political attitude in the United States may adversely affect the Company's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations.

The feasibility of mining any property has not been established and the Company has not completed exploration or other work necessary to determine if it is commercially feasible to develop any property

The Company is currently an exploration stage company. It has no proven or probable mineral reserves on its properties. There are no assurances that we will be able to establish any mineral reserves on our properties. The mineralized material identified on our Rattlesnake Hills Property does not and may not have demonstrated economic viability. Substantial expenditures are required to establish mineral reserves through drilling and there is no assurance that mineral reserves will be established. The feasibility of mining on our properties has not been, and may never be, established. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. If we are unable to establish some or all of our mineralized material as proven or probable mineral reserves in sufficient quantities to justify commercial operations, we may not be able to raise sufficient capital to develop a mine, even if one is warranted. If we are unable to establish such mineral reserves, the market value of our securities may decline.

The Company has incurred substantial losses and may never be profitable

Since inception, the Company has not been profitable. To become profitable, the Company must identify additional mineralization and establish reserves on the properties, and then either develop the properties or

locate and enter into agreements with third party operators. It could be years before the Company receives any revenues from gold production, if ever. The Company may suffer significant additional losses in the future and may never be profitable. The Company does not expect to receive revenue from operations in the foreseeable future, if at all. Even if the Company does achieve profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis.

MINERAL PROPERTIES

For the purposes of this AIF, the Company has identified the Carlin Property and the Jake Creek Property as its material properties. The following is a description of the Company's material properties.

Newmont Mineral Properties

In September 2007, the Company signed a Letter of Intent to enter into an agreement with Newmont USA Limited, Newmont Capital Limited and Elko Land and Livestock Company (collectively "Newmont") concerning an exploration partnership on the Carlin Property and sundry other mineral properties which have been released by the Company over the intervening years.

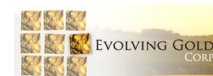
In addition, the Company acquired the Humboldt Properties adjacent to the above mentioned Carlin properties as well as additional properties which fell within the Carlin Agreement boundary.

A Mineral Lease, Sublease and Agreement which was signed effective November 28, 2007 continues to govern the Company's interest in the Carlin mineral property. Under the terms of this Agreement, Newmont would lease or sublease to the Company its interest in certain lands, unpatented mining claims and fee interests in these areas, subject to a back-in right in exchange for the Company:

- Assume all of Newmont's lease obligations insofar as they pertain to these project areas.
- Incur US\$3,500,000 in aggregate exploration expenditures (70% of exploration expenditures to be incurred for direct drilling) within the project area over five years. (Completed).
- Reimburse Newmont for all payments and filings necessary to keep the properties in good standing.
- Provide semi-annual reports to Newmont for each project area's work program and costs incurred
- After six years, in the event that US\$750,000 was not incurred on exploration expenditures during the preceding lease year on any project area, Evolving would pay annual rental on each project area calculated at \$10 per acre, escalating by 5% each year, for each project area so defined.
- Pay a 3% to 5% sliding scale net smelter return royalty on production from the property less any underlying royalties with a minimum of 2%

Newmont can elect to terminate the agreement and enter into one or more joint venture agreements with the Company covering all or a portion of each project area. Newmont may earn a 51% interest in each joint venture property by expending on the property 200% of the exploration expenditures made by the Company from the date of the agreement to the date Newmont elects to exercise its joint venture option and may elect to earn an additional 19% interest in the joint venture property by expending on the property an additional 150% of the Company's expenditures on the joint venture property. If the Company decides to commence mineral production of the project area and Newmont elects not to exercise the joint venture option or elects not to complete its earn-in expenditures, Newmont would agree to sell its interest in the project area property to the Company.

The Company has the right to provide sixty days written notice at any time to surrender the agreement as to all or any part of the property.



If Evolving decides to commence mineral production of any project area and Newmont elects not to exercise the joint venture option or elects not to complete its earn-in expenditures Newmont would agree to sell its interest in the project area property to Evolving.

Carlin Mineral Property

Overview

Carlin comprises approximately 10,880 acres, made up of a combination of Federal lode claims that were staked or leased by the Company, fee surface and mineral rights acquired or leased by the Company, and earn-in rights to both fee surface and mineral rights, as well as lode claims on Federal lands, held by Newmont.

The Company commenced a diamond drill program on the property on June 7, 2009 to test for favourable stratigraphy on its property in the south end of the Carlin Trend. Intercepts occur in calcareous units favourable for the development of high grade gold mineralization typical of other gold deposits in the highly productive Carlin Trend. Thickness, grades and depths are comparable to other gold deposits currently being mined underground on the Carlin Trend.

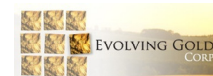
In September, 2010, the Company completed a Titan Magnetic Tellurics (MT) survey over the area around the CAR holes to evaluate the structural controls on the high grade gold values encountered. Based on these results, the Company continued to drill structural targets. Encouraging results confirmed the discovery of a significant, high grade zone of Carlin-style gold mineralization. A lower zone of extensive brecciation and low grade mineralization is blanket style and is currently interpreted as a source reservoir for the high grade gold mineralization in the favorable calcareous stratigraphy.

Drilling has identified a zone of high grade, open and thickening to the East/Southeast with the base of mineralization dipping steeply in this direction. The top of the mineralization appears to be lying relatively flat and coinciding with an internal fold structure within the carbonate package dipping shallowly to the East/Southeast.

To follow up on results the Company re-entered certain holes in March, 2011, to drill a series of wedge holes. This wedge indicated the discovery of a new elevated grade zone. Long intervals of gold mineralization have identified a large footprint for this gold system with total drilling outlining a 1,000m by 600m Carlin-style gold system that is open in all directions. High grade gold mineralization has been identified in two zones within what is identified by the Company as the Arch Zone or Arch target.

On November 14, 2012 the Company announced high grade gold intersections in drill holes at its Arch target. Gold mineralization is accompanied by decalcification of limestone host rocks, remobilized carbon, fine pyrite and realgar. The high grade zone projects to the east southeast and is open in that direction. The nearby Saddle (*Premier Gold*) and Rain (*Newmont Mining Corp*) deposits, about five kilometers to the south have similar orientation. Evolving Gold geologists believe that this drilling now shows that the Arch Zone high grade mineralization follows a structural corridor along the crest of a pronounced anticline in the underlying rocks and that high grades in certain holes and accompanying wedge holes are related to a similar structure.

On January 17, 2013 the Company announced the continuation of drilling in the extension of high grade gold mineralization at the Arch Zone discovery. These high grade gold intervals were distributed over a down hole length of approximately 139 meters, significantly longer than the 60-90 meters in other nearby drill holes. This expands one of two high grade zones in the Arch Zone to approximately 100 meters north-south and east-west. The strike direction of this high grade zone is interpreted as northwest-southeast, and it is open in all directions.



History and Geology

Steven R. Koehler, B.Sc., C.P.G. #10216, the former Chief Geologist of the Company prepared the Humboldt and Carlin Technical Report entitled "Evolving Gold Corp. National Instrument 43-101 Technical Report on the Carlin and Humboldt Projects, Elko and Eureka Counties, Nevada, USA" dated January 23, 2012. Steven R. Koehler is a qualified person under NI 43-101. The following is the summary of the Humboldt and Carlin Technical Report. The following summary is derived from the Humboldt and Carlin Technical Report and is qualified by reference to the Humboldt and Carlin Technical Report. Readers are encouraged to review the Humboldt and Carlin Technical Report which is available for review on the SEDAR website located at www.sedar.com under the Company's profile.

The exploration projects are a complex combination of privately-owned mineral rights and unpatented mining claims that cover approximately 145 km² on the Carlin Trend.

General geology of the project area includes unmineralized Quaternary sediments, Tertiary volcanic rocks, and Paleozoic siliciclastic rocks that overlie and obscure Paleozoic age carbonate rocks. Paleozoic carbonate rocks are the favorable host for bulk-tonnage, sediment-hosted gold deposits elsewhere on the Carlin Trend. The Company is exploring beneath unmineralized cover rocks for sediment-hosted gold deposits using systematic data compilation, geophysical surveys and drilling.

Carlin comprises approximately 10,880 acres, made up of a combination of Federal lode claims that were staked or leased by the Company, fee surface and mineral rights acquired or leased by the Company, and earn-in rights to both fee surface and mineral rights, as well as lode claims on Federal lands, held by Newmont.

The Company commenced a diamond drill program on the property on June 7, 2009 to test for favourable stratigraphy on its property in the south end of the Carlin Trend. Results from a vertical hole, CAR-002, included 35.1 m @ 1.21 gpt Au (115 ft @ 0.035 opt Au) starting at 858.0 m and 22.8 m @ 1.11 gpt Au (75 ft at 0.032 opt Au) starting at 1420.4 m. Both intercepts occur in calcareous units favourable for the development of high grade gold mineralization typical of other gold deposits in the highly productive Carlin Trend. The Company subsequently drilled hole CAR-007 approximately 500 m northwest of CAR-002, to a depth of 1,312 m. CAR-007 intersected high grade gold mineralization including 18.3 meters at 11.7 grams per tonne (60 feet at 0.34 opt) gold. Such thickness, grades and depths are comparable to other gold deposits currently being mined underground on the Carlin Trend.

In September, 2010, the Company completed a Titan Magnetic Tellurics (MT) survey over the area around the CAR holes to evaluate the structural controls on the high grade gold values encountered in hole CAR-007. Based on these results, the Company continued to drill structural targets. Hole CAR-010 intersected 10.1 m at 11.09 grams per tonne (gpt) Au starting at 892 m, and a wedge hole, CAR-010.1, intersected 14.7 m at 8.76 gpt Au starting at 885 m. These encouraging results from CAR-010 coupled with the high grade results from CAR-007 confirmed the discovery of a significant, high grade zone of Carlin-style gold mineralization. A lower zone of extensive brecciation and low grade mineralization is blanket style and is currently interpreted as a source reservoir for the high grade gold mineralization in the favorable calcareous stratigraphy.

Holes Car-016 through CAR-019 were short step outs (50 meters maximum to the SE, SW, NE, and NW), designed to test the extent of mineralization around CAR-007 and CAR-010. Drilling has identified a zone of high grade, open and thickening to the East/Southeast with the base of mineralization dipping steeply in this direction. The top of the mineralization appears to be lying relatively flat and coinciding with an internal fold structure within the carbonate package dipping shallowly to the East/Southeast.

To follow up on results in hole CAR-002 the Company re-entered this hole in March, 2011, to drill a series of wedge holes. Results from these wedges include 15.7 m at 5.08 gpt Au in hole CAR-002.3.1 starting at 921 m. This wedge indicated the discovery of a new elevated grade zone in the vicinity of hole CAR-002. Long intervals of gold mineralization have identified a large footprint for this gold system with total drilling outlining a 1,000m by 600m Carlin-style gold system that is open in all directions. High grade gold

mineralization has been identified in two zones within what is identified by the Company as the Arch Zone or Arch target.

On November 14, 2012 the Company announced high grade gold intersections in drill holes CAR-016.2 and CAR-021 at its Arch target. Drill hole CAR-016.2 intersected 9.4 meters at 12.51 grams per tonne gold (30.8 ft at 0.365 opt Au), which included 3.4 meters at 28.22 grams per tonne gold (11.2 ft at 0.824 opt Au). Drill hole CAR-021 intersected an upper interval of 27.7 meters at 4.97 grams per tonne gold (90.9 ft at 0.145 opt Au) including 7.6 meters at 11.34 grams per tonne gold (24.9 ft at 0.331 opt Au), and a lower interval of 10.2 meters at 17.92 grams per tonne gold (33.5 ft at 0.523 opt Au): Gold mineralization in both holes is accompanied by decalcification of limestone host rocks, remobilized carbon, fine pyrite and realgar. The high grade zone projects to the east southeast and is open in that direction. The nearby Saddle (*Premier Gold*) and Rain (*Newmont Mining Corp*) deposits, about five kilometers to the south have similar orientation. Evolving Gold geologists believe that this drilling now shows that the Arch Zone high grade mineralization follows a structural corridor along the crest of a pronounced anticline in the underlying rocks and that high grades in hole CAR-002 and its accompanying wedge holes (approximately 700 meters southeast of CAR-007) are related to a similar structure.

On January 17, 2013 the Company announced the continuation of drilling in the extension of high grade gold mineralization at the Arch Zone discovery. Drill hole CAR-021.2 continued to expand the length of the high grade Arch Zone to the southeast, intersecting multiple intervals of high grade gold: 7.0 meters at 7.87 grams per tonne (gpt) gold that included 0.9 meters at 17.66 gpt gold, 0.4 meters at 18.92 gpt gold, and 1.5 meters at 11.32 gpt gold, followed by 1.5 meters at 20.59 gpt gold, and followed further by 2.7 meters at 14.62 gpt gold. These high grade gold intervals were distributed over a down hole length of approximately 139 meters, significantly longer than the 60-90 meters in other nearby drill holes. Drill hole CAR-021.2 expands one of two high grade zones in the Arch Zone to approximately 100 meters north-south and east-west. The strike direction of this high grade zone is interpreted as northwest-southeast, and it is open in all directions.

Humboldt Property

The Humboldt property lies adjacent to the Carlin project. It was 100% controlled by Evolving Gold and was not subject to any terms of the Newmont agreement described above. The Company carried out an aggressive exploration program on the Humboldt property in calendar 2010, including geophysics, mapping and drilling, and has generated numerous drill targets many of which are still untested by drilling. One hole, completed in early September, 2010 to a depth of 1,310 m, encountered favourable stratigraphic host rocks similar to those encountered in the CAR holes on the Company's Carlin property approximately 4.5 km northwest. Anomalous gold, arsenic and antimony were encountered between 1,115-1,150 meters. Two reverse circulation pre-collars were drilled in the western part of the property in late 2010. A core tail was completed on one of these pre-collars on June 16, 2011 to a depth of approximately 680 meters, but it did not reach its target depth of 1000 m and terminated in rocks above the prospective host horizon.

Additions to Carlin and Humboldt Land Packages

The company increased its mineral and surface rights with respect the Carlin and Humboldt Projects with a number of additions as follows:

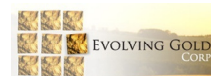
- On October 26, 2009 the Company signed a mineral lease and property option agreement comprising sixty-two unpatented mining claims located in Elko County, Nevada, part of the Humboldt property. In addition on February 28, 2010 the Company signed a mineral lease and royalty buy down agreement comprising eight unpatented mining claims located within the Carlin Project. Both agreements have a primary term of fifteen years and so long thereafter as exploration, development or mining is being conducted on the property but can be terminated at any time in whole or in part after the Company provides thirty days written notice. Pursuant to the terms of these two agreements the Company is required to pay:

- Cash of \$ 25,000 (paid)
- Advance royalty payments:
 - \$ 10,000 (paid)
 - \$ 12,500 on October 26, 2010 (paid)
 - \$ 15,000 on October 26, 2011 (paid)
 - \$ 17,500 on October 26, 2012 (paid)
 - \$ 20,000 on October 26, 2013 (deferred)
 - \$ 25,000 on October 26, 2014 and
 - \$ 25,000 consumer price index adjusted, to be paid annually on October 26, 2015 and each year thereafter for the duration of the lease
- Advance royalty payments:
 - \$ 10,000 on February 28, 2011 to 2015 (\$30,000 paid)
 - \$ 15,000 on February 28, 2016 to 2020
 - \$ 20,000 on February 28, 2021 and
 - \$ 20,000 consumer price index adjusted, to be paid annually on February 28, 2021 and each year thereafter for the duration of the lease
- Shares to be issued:
 - 50,000 shares to be issued (or cash equivalent) by October 26, 2014
 - 50,000 shares to be issued (or cash equivalent) by February 28, 2015
 - 200,000 shares to be issued (or cash equivalent), at commencement of production.
- Pay claim maintenance fees and filings to maintain the unpatented claims.

The agreements are subject to a royalty of 2.775% to 3% of net smelter returns which the Company can, with respect to the 8 unpatented claims, reduce to 2% with the payment of \$1,000,000 for each 0.5% reduction.

Pursuant to the terms of the October 26, 2009 Agreement, the Company has the right to acquire ownership of the 62 unpatented claims (and royalty) in exchange for a cash payment of \$4,000,000 subject to recoupment of any royalty payments made by the Company.

- On January 11, 2010 the Company signed a ten year surface lease agreement for the lands described as the Carlin property in exchange for cash of \$16,000 (paid) and \$10,000 payable annually on January 11, 2011 and each year thereafter. Prior to commencement of commercial production the Company is obligated to purchase the area for US\$2,000 per applicable acre. The agreement can be terminated by Evolving upon thirty days written notice and can be extended if certain conditions are met including providing compensation for surface area disturbance.
- On March 29, 2010 the Company signed a purchase option and royalty reservation agreement for a 50% undivided fee mineral interest in additional lands on the Carlin property in exchange for cash of \$10,000, cash of \$190,000 paid on completion of due diligence and the issue of non-interest bearing promissory notes for \$1,200,000 payable in annual \$300,000 instalments commencing May 27, 2011. The Company will be committed to pay up to 1.0% NSR on production. Also on March 29, 2010 the Company signed a purchase and royalty reservation agreement for a 50% undivided fee interest in additional mineral lands on the Humboldt property in exchange for cash paid of \$15,000, cash of \$285,000 paid on completion of due diligence, and the issue of non-interest bearing promissory notes for \$2,800,000 payable in annual \$700,000 instalments, commencing May 27, 2011. The Company was committed to pay up to 1.0% NSR on production. The Company paid the first promissory note instalment of \$700,000. At April 13, 2010 the Company also signed two other purchase agreements for a 100% undivided fee interest in additional adjacent lands in exchange for cash of \$20,000 paid, cash of \$480,000 paid on closing and the issue of promissory notes for \$1,800,000 and \$3,200,000 payable in annual \$450,000 and \$800,000 instalments respectively, commencing August 10, 2011. The Company was committed to pay up to 1.0% NSR on production The Company subsequently agreed with the vendor to



postpone the August 10, 2011 payment by six months in return for a payment of \$150,000. In 2009 and 2010 Evolving staked 602 unpatented lode claims within the Humboldt project.

- On April 13, 2010 the Company signed 1) an additional option purchase agreement for a 100% undivided fee interest in additional adjacent lands in exchange for cash paid on signing of \$10,000, cash of \$290,000 paid on completion of due diligence and the issue of promissory notes for \$2,200,000 payable in annual \$550,000 instalments, commencing August 10, 2011. The Company will be committed to pay up to 1.0% NSR on production. During the year, the Company renegotiated the terms of the Carlin Property promissory note to a \$2,200,000 bearing an interest rate of 4% until February 10, 2016, at which time the interest rate shall be the Wall Street Journal bank prime lending rate plus 1%. Payments of \$360,000 are due on February 10, 2012 (paid) and each year thereafter until February 10, 2018 at which time the balance remaining shall become due and payable; 2) a ten year surface lease agreement to obtain access to drill over fee ground within the Carlin and Humboldt project areas in exchange for cash of \$42,503 on execution and on each anniversary thereafter if acreage is not decreased. The Company will also pay a one-time payment of \$1,500 for each drill site and \$100 per acre per year for other surface disturbance if ranching and grazing is not possible. One half of these costs have been allocated to each of the Carlin and Humboldt properties; and 3) an additional two mineral lease agreements encompassing a total of 4,635.76 acres of additional lands in the Elko and Eureka counties in Nevada in exchange for cash paid for advance mineral royalties of \$55,725. One half of these costs have been allocated to each of the Carlin and Humboldt properties. Future royalties will be payable annually based on the amount of acreage utilized but will be at least \$20,000. The term of each lease is ten years which can be extended if certain conditions are achieved. Pursuant to the terms of both leases the Company can decrease the leased acreage or can otherwise terminate the lease after thirty days written notice is provided and has also been granted the right of first refusal to purchase either property. The agreements are subject to a non-participating production royalty of 5% of net smelter returns.
- 8 Additional unpatented lode claims were staked, amounting to approximately 150 acres.
- During the 2010, the Company re-negotiated the terms of the Humboldt Property promissory notes to the following: 1) a \$3,200,000 bearing an interest rate of 4% until February 10, 2016, at which time the interest rate shall be the Wall Street Journal bank prime lending rate plus 1%. Payments of \$523,000 are due on February 10, 2012 (paid) and each year thereafter until February 10, 2018 at which time the balance remaining shall become due and payable; and 2) a \$1,800,000 bearing an interest rate of 4% until February 10, 2016, at which time the interest rate shall be the Wall Street Journal bank prime lending rate plus 1%. Payments of \$295,000 are due on February 10, 2012 (paid) and each year thereafter until February 10, 2018 at which time the balance remaining shall become due and payable.

Exploration and Evaluation Assets Impairment

During the 2013 -14 fiscal year, the Company notified certain property vendors, in particular those that involved the notes payable under the agreements dated March 29 and April 13, 2010 that it would be unable to comply with payment obligations on their due dates. Subsequently, the Company received notices of default. The Company approached the vendors to discuss the renegotiation of the terms of the agreements, but ultimately decided not to hold the properties. As a result, substantially all of the Humboldt property was written off during the period, aside from certain claims immediately adjacent to the Carlin project.

At March 31, 2014, the Company assessed the carrying amount of its Carlin and Jake Creek properties for indicators of impairment such as changes in (1) the period for which the entity cannot explore in the specific area or whether these rights have expired during the period or will expire in the near future, and is not expected to be renewed and (2) whether substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The

recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected cash flows) of the relevant assets. In this particular case the recoverable amount is considered to be \$Nil due to the uncertainties of the asset's fair value and any expected future cash flows. As a result, the Company recorded an impairment charge of \$17,787,223 in the Comprehensive Statement of Loss for the year ended March 31, 2014 in respect of the Carlin and Jake Creek properties

The conclusion for the impairment of the exploration and evaluation assets is based on the fact that the Company let certain claims lapse during the year and no longer has the right to explore the property subject to these claims and that no substantive expenditure on further exploration and evaluation of mineral resources in the Carlin and Jake Creek properties is budgeted due to market conditions and the difficulty of raising funds under these conditions.

Current work focuses on reworking existing data and targeting for upcoming exploration and marketing. A program to follow up on recent high grade intercepts on Carlin with 3 full hole tests and 3-5 wedges and test the Eastern expression of mineralization with a further 2 holes would require approximately \$5 million.

Jake Creek Mineral Property

Overview

In late December, 2007 the Company acquired by staking approximately 435 claims totalling approximately 8,900 acres 6 kilometres east of Twin Creeks mine in north-central Nevada. A mercury vapour study was completed at Jake Creek in August, 2008. Results from this survey defined at least four drill targets for possible buried Carlin-style mineralization. In September, 2010, the Company drilled two reverse circulation drill holes on two of these mercury vapour targets both of which intersected sedimentary rocks considered favourable for hosting Carlin type gold deposits beneath volcanic cover. Anomalous gold and alteration continued into the underlying Paleozoic sedimentary units. The Company subsequently increased its land holdings at Jake Creek to approximately 21,000 acres.

The 2011 Jake Creek reverse-circulation (RC) drilling program included 3,580.8 meters of drilling in eleven holes to the west and east. Results of the eleven-hole program included 39.6m of 0.873 g/t gold in JC-002, 19.8m of 0.676 g/t gold in JC-006, and 1.5m of 3.1 g/t gold within 16.7m of 0.605 g/t gold in JC-013. This drilling outlined an epithermal, volcanic-hosted gold system containing sub-horizontal and laterally extensive low-grade gold mineralization. Gold mineralization includes locally banded epithermal veins and gold in quartz-stockwork zones up to 11.3 g/t. The drilling indicates a gold system over 550 meters wide east-west that remains open to the north, south and east.

On June 28, 2012 the Company released a 43-101 report on the property prepared by Gustavson Associates, an independent consulting company.

History and Geology

William J. Crowl, R.G., MMSA and Jennifer J. Brown, P.G., SME-RM prepared the Jake Creek Technical Report entitled "NI 43-101 Technical Report on Exploration, Jake Creek Gold Project, Humboldt County, Nevada" dated June 19, 2012. William J. Crowl and Jennifer J. Brown are qualified persons under NI 43-101. The following is the summary of the Jake Creek Technical Report. The entire Jake Creek Technical Report is incorporated by reference into this listing statement. The following summary is derived from the Jake Creek Technical Report and is qualified by reference to the Jake Creek Technical Report. Readers are encouraged to review the Jake Creek Technical Report which is available for review on the SEDAR website located at www.sedar.com under the Company's profile.

The Jake Creek Property is located in northern Humboldt County, Nevada, approximately 45 miles northeast of Winnemucca. The Jake Creek Property consists of 699 generally contiguous, unpatented mining claims covering a total of approximately 14,405 acres. The claim block is situated among the buttes and adjoining slopes of the western foothills of the Snowstorm Mountains, along a north-northwest

trending structural corridor known as the Jake Creek Trend. Local terrain is gentle to relatively steep, with elevations ranging from roughly 5,000 to 5,800 feet above mean sea level.

The Company is the sole owner of the Jake Creek Property claim block and holds an undivided, 100% interest in the Jake Creek Property.

The Jake Creek Property is located along the western margin of the north-northwest trending Northern Nevada Rift, the presumed source of local mid-Miocene igneous activity and related precious metal mineralization. A series of slightly younger, east-northeast oriented faults dissect the Jake Creek Property, and may provide structural control of gold mineralization within the project area. The geology of the Jake Creek Property is dominated by bi-modal, mid-Miocene extrusive rocks, including felsic (rhyolite) to intermediate (dacite) flows and welded tuffs. Within the project area, these Tertiary volcanic rocks unconformably overlie Paleozoic sedimentary rocks at depths of 300 to 1,000 feet. Gold mineralization at the Jake Creek Property is known to occur in the Tertiary volcanic rocks near the unconformable contact, and in association with basaltic intrusive rocks interpreted as probable feeder dikes.

In late December, 2007 the Company acquired by staking approximately 435 claims totalling approximately 8,900 acres 6 kilometres east of Twin Creeks mine in north-central Nevada. A mercury vapour study was completed at Jake Creek in August, 2008. Results from this survey defined at least four drill targets for possible buried Carlin-style mineralization. In September, 2010, the Company drilled two reverse circulation drill holes on two of these mercury vapour targets both of which intersected sedimentary rocks considered favourable for hosting Carlin type gold deposits beneath volcanic cover.

Hole JC-005 intersected 45.7 meters at 0.97 gpt Au, including 28.9 meters at 1.33 gpt Au, and 1.5 meters at 11.3 gpt Au in the volcanic units. Anomalous gold and alteration continued into the underlying Paleozoic sedimentary units.

The Company subsequently increased its land holdings at Jake Creek to approximately 21,000 acres.

The 2011 Jake Creek reverse-circulation (RC) drilling program included 3,580.8 meters of drilling in eleven holes to the west and east from drill hole JC-005. Results of the eleven-hole program included 39.6m of 0.873 g/t gold in JC-002, 19.8m of 0.676 g/t gold in JC-006, and 1.5m of 3.1 g/t gold within 16.7m of 0.605 g/t gold in JC-013. This drilling outlined an epithermal, volcanic-hosted gold system containing sub-horizontal and laterally extensive low-grade gold mineralization. Gold mineralization includes locally banded epithermal veins and gold in quartz-stockwork zones up to 11.3 g/t. The drilling indicates a gold system over 550 meters wide east-west that remains open to the north, south and east.

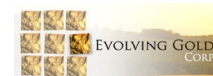
On June 28, 2012 the Company released a 43-101 report on the property prepared by Gustavson Associates, an independent consulting company.

Rattlesnake Hills Mineral Property

Overview

In July, 2007, the Company entered into a Letter of Intent with Golden Predator Mines, Inc. and Golden Predator Mines (US) Inc. (collectively "GPM") for the acquisition of Golden Predator's mining option on a 100% interest in Bald Mountain Mining Company's ("BMM") Rattlesnake Hills mineral property located in Natrona County, Wyoming. An amended and restated Option Agreement was signed on December 11, 2007 between GPM and BMM. In January, 2008 a Letter of Agreement was signed to formalize the terms by which BMM would assign its interest in the underlying option agreement between itself and Golden Predator. Also in January, 2008 Evolving signed a property option agreement with GPM. Pursuant to the terms of this Agreement Evolving subsequently acquired its interest in the property option. As part of the agreement GPM retains a 0.5% net smelter return royalty ("NSR") with respect to the property. The production is currently subject to a 4% production royalty payable to the underlying owners. The production

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royalty is equal to the gross proceeds less all milling, smelting, refining, treatment and other processing costs.

Subsequent to entering into the Rattlesnake Hills Option Agreement and the Rattlesnake Hills Letter Agreement, the Company acquired, through staking and filing lode mining claims an additional 10,700 acres thereby increasing its total Rattlesnake Hills Property land position to approximately 14,500 acres.

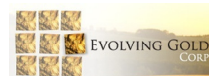
The Rattlesnake Hills area is host to an alkaline volcanic center comprised of over 40 intrusions and diatremes and gold is closely associated with these alkaline volcanic and intrusive rocks. The Rattlesnake Hills project has been the focus of an extensive drill campaign by the Company designed to test three sizeable targets evident on the property. The Phase One drilling began on June 21, 2008, with 6,524 m (21,405 feet) of drilling in fifteen holes. Phase 2 drilling began May 22, 2009, and the Company drilled total of approximately 29,500 m in 78 holes. Beginning in June, 2010, the Company commenced a third diamond drill program, completing 25,600 m in 63 drill holes. Approximately 35% of the 2010 drilling targeted new areas including deep porphyry style mineralization. .

On June 24, 2011 the Company entered into a definitive Joint Venture and Subscription agreement with Agnico-Eagle Mines Limited and its operating subsidiaries (collectively "Agnico-Eagle") for exploration at its Rattlesnake Hills property. The Joint Venture completed 8,193 m (26,880 ft) of core drilling in 24 holes during 2011. Significant results included extension of the North Stock target to depth and to the south west. Drilling between the North Stock and Antelope Basin gold deposits encountered broad intersections of gold mineralization with the potential to form a connection between the two deposits. The Joint Venture also initiated an extensive surface exploration effort and a district-wide airborne magnetic and radiometric survey. Drilling during 2011 also identified high grade gold mineralization at a new target at South Stock, identified a new porphyry target at Northeast Stock with intense alteration below cover, expanded the North Stock mineralization, and confirmed the porphyry target, including mineralized stockwork veining and intense potassic alteration between North Stock and Antelope Basin. During the course of the Joint Venture, the Company partner made \$1 million in cash payments to the Company, and funded approximately \$3 million of exploration work, including 24 diamond drill holes drilled for approximately 8,000 meters. On June 29, 2012 Agnico-Eagle terminated the joint venture due to economic conditions not related to the property.

Surface work, including 371 rock chip samples and 4,175 soil samples covered approximately half of the large land package. This surface work identified eight new, untested gold targets. Follow up prospecting and surface sampling by the Company identified high gold values in two new target areas, including rock chip samples of 1.97 grams per tonne at the Black Jack target, and 3.97, 5.17 and 7.45 grams per tonne gold at the Bald Mountain target. The rock chip gold values at Bald Mountain are the highest grades identified in any surface sampling at Rattlesnake Hills. At Black Jack the gold is associated with strong potassic alteration and occurs as both disseminated and stockwork vein mineralization. At Bald Mountain, the gold is tied to Tertiary breccias and associated faulting with the target partially covered by late, post mineral alluvium.

On December 18, 2012, an independent 43-101 technical report prepared by David Turner, M.Sc., P. Geo. dated December 13, 2012 was posted to SEDAR.

On February 7, 2013, the Company announced, subject to shareholder and regulatory approval, a Plan of Arrangement (the "Arrangement") whereby Evolving's wholly owned subsidiary, Evolving US, would transfer specific Rattlesnake net assets to a newly incorporated US company named Rattlesnake Mining (Wyoming) Company ("Rattlesnake Wyoming"). Rattlesnake Wyoming's parent is Rattlesnake Mining Corp. ("RMC"), a wholly owned subsidiary of Evolving. The net assets transferred include the mineral interests in the Rattlesnake property and the related reclamation bond, and asset retirement obligation. Consideration for the transfer was to be a note payable for \$11,700,000. The valuation of the assets was determined by an independent valuation, as a result of which capitalized exploration and evaluation expenditure were written down in these financial statements by \$11,110,245 to reflect fair market value.



Subsequent to March 31, 2013, as a result of interest in purchasing the Rattlesnake property by third parties, and reflecting the difficult market conditions existing to date, the Company initiated a plan to potentially sell its Rattlesnake Hills mineral property.

On March 17, 2014 the Company announced that it has entered into a definitive agreement with NV Gold Corporation to option its 100% interest in the Rattlesnake Hills Project. Under the Agreement, NVX may acquire Rattlesnake Hills by completing the following:

- paying US\$100,000 as a non-refundable deposit;
- paying US\$300,000 as a down payment to EVG US;
- within 3 business days following receipt of TSX Venture Exchange acceptance of the option agreement, delivering US\$100,000 and issuing to the Company 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for 36 months from the date of issue;
- On or before August 1, 2014 paying US\$200,000;
- On or before September 15, 2014, issuing 1,000,000 common share purchase warrants to the Company, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share until September 15th, 2016;
- On or before November 1, 2014, paying US\$800,000;
- On or before the first anniversary of TSXV acceptance of this option agreement, paying US\$1,000,000 and 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for a period of 18 months from the date of issue; and
- On or before the second anniversary of the date of this option agreement, paying \$1,000,000 and issuing 1,000,000 common shares of NVX;

History and Geology

David Turner, M.Sc., PGeoscientist #33785 (British Columbia) and # 16927 (Saskatchewan), prepared the Rattlesnake Hills Technical Report entitled: "Independent Technical Report on the Rattlesnake Hills Property, Natrona County, Wyoming, USA" dated December 13, 2012. David Turner is a qualified person under NI 43-101. The following is the summary of the Rattlesnake Hills Technical Report. The following summary is derived from the Rattlesnake Hills Technical Report and is qualified by reference to the Rattlesnake Hills Technical Report. Readers are encouraged to review the Rattlesnake Hills Technical Report which is available for review on the SEDAR website located at www.sedar.com under the Company's profile.

The Rattlesnake Hills Property lies in Natrona County, Wyoming in Section 6, T31N, R87W; Sections 1, 2, 3, and 4, T31N, R88W; Sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 22, 23, 29, 30, and 31, T32N, R87W; and Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 33, 34, 35, and 36, T32N, R88W. The Rattlesnake Hills Property is located approximately 47 miles west-southwest of Casper and is easily accessible from Wyoming State Highway 220. Access to the Rattlesnake Hills Property is made by turning north onto Natrona County Road 323, also known as the Dry Creek Road, approximately 48 miles west of Casper at UTM 328400 – 4712440 (NAD27 CONUS). After approximately 16 miles, the Rattlesnake Hills Property is reached via a turn-off in Section 36, T32N, R88W.

Golden Predator retains a 0.5% net smelter royalty (NSR) on any future production from the Rattlesnake Hills Property.

David Miller, agent and legal representative of the 30 original claim owners, has an approximately 4% production royalty interest on the net smelter returns for all gold and silver "products". Processing costs are deductible before the royalty is calculated so the gross royalty equivalent will be less than 4% by an amount dependent on the ratio between recovered grade and processing cost/ton. Surface rights in areas covered by unpatented lode mining claims at the Rattlesnake Hills Property are vested with the Bureau of

Land Management (“BLM”). Surface rights on Wyoming State lease lands are vested with the State of Wyoming. Environmental permits are applied for and obtained from both the BLM and State of Wyoming.

The Rattlesnake Hills Property is 100% owned by the Company, subject to the option described below. The Rattlesnake Hills Property consists of 30 unpatented lode mining claims that were staked between 1985 and 1987, 97 unpatented lode mining claims that were staked in 2006, 515 unpatented lode claims that were staked in 2008 and 2009, and approximately 515 hectares of Wyoming State lease lands. The Company signed the Rattlesnake JV Agreement with Agnico-Eagle in 2011. During June 2012, Agnico-Eagle provided notice to the Company of its intention to terminate the Rattlesnake JV Agreement. The termination of the Rattlesnake JV Agreement was effective June 30, 2012.

The Rattlesnake Hills Property is located within the Rattlesnake Hills Alkalic Intrusive (“RAI”) Complex, one of many alkalic centers occurring along the eastern margin of the Rocky Mountains from New Mexico to Canada. Alkalic settings are host to many, multi-million-ounce gold deposits, including Cripple Creek (Colorado), Bald Mountain (South Dakota), and Golden Sunlight (Montana). The Rattlesnake Hills of central Wyoming lie along the north-eastern edge of the Granite Mountains. The Granite Mountains consist primarily of Archean rocks. During the Eocene, Archean rocks in the Rattlesnake Hills were intruded by the RAI Complex that hosts the most important mineralization in the area. Approximately 50 mid-Tertiary alkalic and felsic stocks, domes, and dikes, as well as coeval pyroclastic, volcanoclastic, flow, and diatreme breccia facies rocks scattered over a roughly 10 by 15 mile area comprise the complex.

Four volumetrically major and eight minor alteration types are recognized in drill core from the Rattlesnake Hills Property. Major alteration types in relative order of abundance include carbonate, potassic (adularia), clay, and Fe/Mn oxide-hydroxide alterations. Subordinate alteration styles include silica, bleaching, actinolite-riebeckite-magnetite, roscoelite, anhydrite, talc, epidote/hematite, garnet-pyroxene, and potassic (biotite).

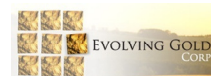
Two deposits have thus far been identified - North Stock and Antelope Basin. North Stock is about 400m by 200m wide, trends north-northeast, and is open at depth and along strike. Mineralization has been followed to as much as 500m below the surface.

Mineralization at Antelope Basin has been identified in an area of 200m by 350m to a depth of 200m, trends northeast, and is open along strike.

The Rattlesnake Hills Property gold mineralization styles include:

- Archean massive sulphide/exhalative horizons predominantly south and west of South Stock;
- quartz monzodiorite-hosted veinlet mineralization at the Antelope Basin area;
- adularia + sulfide veinlet mineralization at the North Stock area;
- late, higher-grade, carbonate-associated vein/breccia cement mineralization at the North Stock area; and
- disseminated and stockwork sulfide mineralization associated with alkalic porphyry dikes and other intrusions south and east of North Stock.

Late carbonate-associated gold mineralization at North Stock is by far the most important style of gold mineralization. Adularia+sulfide mineralization is locally important at North Stock. Quartz monzodiorite-hosted mineralization dominates Antelope Basin mineralization. Archean massive sulphide mineralization occurs predominantly outside the area of interest but is an exploration target. Porphyry style disseminated and stockwork sulphide mineralization has been identified outboard and between North Stock and Antelope Basin and is a target for additional exploration. This suggests the presence of a porphyry target below the North Stock – Antelope Basin areas.



Exploration of the area probably began in the early 1900s when a number of shallow trenches and shafts were excavated. None of these workings amounted to significant commercial production.

In the 1970s, American Copper and Nickel Company (“ACNC”) explored the area for gold associated with Archean iron formations. In the early 1980s ACNC returned and was apparently the first company to conduct a widespread exploration effort on the Rattlesnake Hills Property. Geologic mapping, surface geochemistry, and geophysical surveys were completed in 1983 and 1984. ACNC continued exploration through 1987 by completing more geologic mapping, as well as some surface geochemical sampling and geophysical surveys. This was accompanied by test drill programs in 1985, 1986, and 1987, and a total of 9,815 feet in 32 reverse circulation (“RC”) drill holes were completed.

Canyon Resources acquired the Rattlesnake Hills Property in 1992 and performed additional geologic mapping and surface rock chip sampling; the results of this work are currently unavailable.

Between 1993 and 1995, Newmont Exploration Limited (“NEL”) completed extensive geologic mapping, soil, road cut, and trench geochemical sampling, as well as some geophysical surveying and drilling of 13 RC and two core drill holes.

In 2003 Bald Mountain Mining Co. (“BMMC”) leased 30 unpatented lode-mining claims from David Miller and Dick Fruchey of Riverton, Wyoming and all available geologic, geochemical, geophysical, and drill data gathered by ACNC and NEL were entered into database files.

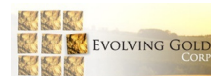
In July, 2007, the Company entered into a Letter of Intent with Golden Predator Mines, Inc. and Golden Predator Mines (US) Inc. (collectively “GPM”) for the acquisition of Golden Predator’s mining option on a 100% interest in Bald Mountain Mining Company’s (“BMM”) Rattlesnake Hills mineral property located in Natrona County, Wyoming. An amended and restated Option Agreement was signed on December 11, 2007 between GPM and BMM.

In January, 2008 a Letter of Agreement was signed to formalize the terms by which BMM would assign its interest in the underlying option agreement between itself and Golden Predator in exchange for a cash payment of \$200,000 (paid) and the issue of 400,000 shares (issued). Also in January, 2008 Evolving signed a property option agreement with GPM. Pursuant to the terms of this Agreement Evolving subsequently acquired its interest in the property option in exchange for the issue of 3,000,000 shares over approximately a two year period. As part of the agreement GPM retains a 0.5% net smelter return royalty (“NSR”) with respect to the property. Evolving had the option to purchase one-half of the NSR royalty for \$ 375,000, reducing the royalty to 0.25%, however this option has expired. The property is currently subject to a 4% production royalty payable to the underlying owners. The production royalty is equal to the gross proceeds less all milling, smelting, refining, treatment and other processing costs. A finder’s fee was paid by the issue of 75,000 shares in connection with this transaction. Prior to the Company completing the acquisition of this mineral property option, GPM had the right to purchase up to 10% of the shares offered in private placements undertaken by the Company, such purchases to be at the same terms and conditions as other purchasers participating in the offering. Pursuant to these terms 1,000,000 units were issued to GPM in April, 2008 for proceeds of C\$1,000,000 and an additional 1,234,578 units were issued as part of the November, 2009 private placement for proceeds of C\$1,111,120. Each unit was comprised of one common share and one-half of a share purchase warrant. The 500,000 warrants attached to the April, 2008 unit issue have expired.

Subsequent to entering into the Rattlesnake Hills Option Agreement and the Rattlesnake Hills Letter Agreement, the Company acquired, through staking and filing lode mining claims an additional 10,700 acres thereby increasing its total Rattlesnake Hills Property land position to approximately 14,500 acres.

Modern exploration in the Rattlesnake Hills includes geological mapping, surface rock sampling, geophysical surveys, and RC and core drilling by a number of operators.

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ACNC and NEL drilled RC and core holes in the area. This data is available to the Company but the Company has not been able to verify it. Use of this data has been limited to exploration planning.

The Company has drilled 156 core holes (62,398.67m) in the area. Drilling procedures are consistent with industry best practices. Under the Rattlesnake JV Agreement (2011 and 2012 drilling), the Company and Agnico-Eagle drilled 26 core holes (28,494.4 ft or 8,685.1 m) in the area. The Rattlesnake JV Agreement was terminated by EVG in 2012.

Geological logging of all core is performed by the Company and/or Agnico-Eagle personnel and consists of descriptions of lithology, mineralogy, structure, and alteration.

Collar and downhole surveys have been performed to industry standards for all drill holes completed by the Company and/or Agnico-Eagle.

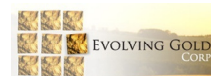
The Rattlesnake Hills area is host to an alkaline volcanic center comprised of over 40 intrusions and diatremes and gold is closely associated with these alkaline volcanic and intrusive rocks. The Rattlesnake Hills project has been the focus of an extensive drill campaign by the Company designed to test three sizeable targets evident on the property. The Phase One drilling began on June 21, 2008, with 6,524 m (21,405 feet) of drilling in fifteen holes. Assay intervals of significance include 146 m grading 2.92 gpt Au (480 ft @ 0.085 opt Au) including 27.4 m grading 5.98 gpt Au (90 ft @ 0.175 opt Au) in hole RSC-003, 131 m grading 2.84 gpt Au (430 ft @ 0.083 opt Au) in hole RSC-007 and an aggregate composite interval of 360 m grading 0.90 gpt Au (1180 ft @ 0.026 opt Au) in hole RSC-012 (North Stock target). An interval of 36.5 m grading 1.46 gpt Au (120 ft @ 0.043 opt Au) including 9.3 m grading 3.21 gpt Au (30 ft @ 0.094 opt Au) was also encountered in hole RSC-001 in the Antelope Basin target.

Phase 2 drilling began May 22, 2009, and the Company intersected a high grade interval of 67 m grading 10.8 gpt in hole RSC-20. During 2009 the Company drilled total of approximately 29,500 m in 78 holes. Assay results for Phase 2 drilling included 175.3 m grading 1.86 gpt Au (575 ft @ 0.054 opt Au) in hole RSC-039, 141.7 m grading 1.56 gpt Au (465 ft @ 0.046 opt Au) in hole RSC-041 and 158 meters grading 2.64 gpt Au (520 ft @ 0.077 opt Au) in hole RSC-089 for the North Stock target. Drilling intersected a new zone of gold mineralization associated with a trachytic porphyry dike swarm southeast of the diatreme complex. At Antelope Basin, hole RSC-019 intersected 163.1 m grading 1.25 gpt Au (535 ft @ 0.037 opt Au) and hole RSC-042 intersected 76.2 m grading 1.70 gpt Au (250 ft @ 0.050 opt Au).

Beginning in June, 2010, the Company commenced a third diamond drill program, completing 25,600 m in 63 drill holes. Approximately 35% of the 2010 drilling targeted new areas including deep porphyry style mineralization. Additional significant results from 2010 included 161.5 m at 1.84 gpt Au in hole RSC-126 and 313 m at 1.94 gpt Au in hole RSC-145.

On June 24, 2011 the Company entered into a definitive Joint Venture and Subscription agreement with Agnico-Eagle Mines Limited and its operating subsidiaries (collectively "Agnico-Eagle") for exploration at its Rattlesnake Hills property. Under these agreements, Agnico-Eagle had the option to earn up to a 70% interest in the Rattlesnake Hills project over a seven year period. Agnico-Eagle was required to fund 100% of the exploration program.

The Joint Venture completed 8,193 m (26,880 ft) of core drilling in 24 holes during 2011. Significant results included extension of the North Stock target to depth and to the south west. Drill hole RSC-160 intersected 282.9 m at 1.08 g/t Au (927.9 ft at 0.031 oz/t), including 39.6 m at 2.57 g/t Au (129.4 ft. at 0.075 oz./t), confirming vertical continuity of gold mineralization to below a depth of 300 meters. Drilling between the North Stock and Antelope Basin gold deposits encountered broad intersections of gold mineralization with the potential to form a connection between the two deposits. The Joint Venture also initiated an extensive surface exploration effort and a district-wide airborne magnetic and radiometric survey. Drilling during 2011 also identified high grade gold mineralization at a new target at South Stock, including 3.1 m of 9.30g/t Au, identified a new porphyry target at Northeast Stock with intense alteration below cover, expanded the North Stock mineralization, and confirmed the porphyry target, including mineralized stockwork veining and intense potassic alteration between North Stock and Antelope Basin.



During the course of the Joint Venture, the Company partner made \$1 million in cash payments to the Company, and funded approximately \$3 million of exploration work, including 24 diamond drill holes drilled for approximately 8,000 meters. On June 29, 2012 Agnico-Eagle terminated the joint venture due to economic conditions not related to the property. The Company is actively considering its options for this property, which we believe continues to present the potential for economic deposits. Surface work, including 371 rock chip samples and 4,175 soil samples covered approximately half of the large land package. This surface work identified eight new, untested gold targets. Follow up prospecting and surface sampling by the Company identified high gold values in two new target areas, including rock chip samples of 1.97 grams per tonne at the Black Jack target, and 3.97, 5.17 and 7.45 grams per tonne gold at the Bald Mountain target. The rock chip gold values at Bald Mountain are the highest grades identified in any surface sampling at Rattlesnake Hills. At Black Jack the gold is associated with strong potassic alteration and occurs as both disseminated and stockwork vein mineralization. At Bald Mountain, the gold is tied to Tertiary breccias and associated faulting with the target partially covered by late, post mineral alluvium. The Company plans to drill test both targets.

Work on Rattlesnake Hills during the 2013 field season focused on surface exploration (soil and rock samples, mapping, and prospecting), reclamation verification and certification, and site improvements at the Casper core shed). Future work on the Rattlesnake Hills Property might include an initial mineral resource estimate, drilling, continued rock chip and soil sampling, and geophysics to search for new targets and sharpen up existing ones.

Rattlesnake Plan of Arrangement and Sale

On February 7, 2013, the Company announced, subject to shareholder and regulatory approval, a Plan of Arrangement (the "Arrangement") whereby Evolving's wholly owned subsidiary, Evolving US, would transfer specific Rattlesnake net assets to a newly incorporated US company named Rattlesnake Mining (Wyoming) Company ("Rattlesnake Wyoming").

Subsequently, as a result of interest in purchasing the Rattlesnake property by third parties, and reflecting the difficult market conditions existing to date, the Company initiated a plan to potentially sell its Rattlesnake Hills mineral property. Discussions with various potential purchasers continued throughout 2013. The Rattlesnake Hills property and its associated asset retirement obligation were accounted for as discontinued operations and classified in the consolidated financial statements as held for sale.

On March 17, 2014 the Company announced that it has entered into a definitive agreement with NV Gold Corporation to option its 100% interest in the Rattlesnake Hills Project. Under the Agreement, NVX may acquire Rattlesnake Hills by completing the following:

- paying US\$100,000 as a non-refundable deposit;
- paying US\$300,000 as a down payment to EVG US;
- within 3 business days following receipt of TSX Venture Exchange acceptance of the option agreement, delivering US\$100,000 and issuing to the Company 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for 36 months from the date of issue;
- On or before August 1, 2014 paying US\$200,000;
- On or before September 15, 2014, issuing 1,000,000 common share purchase warrants to the Company, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share until September 15th, 2016;
- On or before November 1, 2014, paying US\$800,000;

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- On or before the first anniversary of TSXV acceptance of this option agreement, paying

US\$1,000,000 and 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for a period of 18 months from the date of issue; and

- On or before the second anniversary of the date of this option agreement, paying \$1,000,000 and issuing 1,000,000 common shares of NVX;

Malone Mineral Property

On April 17, 2006 the Company entered into a quitclaim deed and royalty agreement with Newmont North America Exploration Limited whereby the Company was granted all rights, title, estate and interest in 80 unpatented mineral claims covering 665 hectares located in Lordsburg, New Mexico, United States of America in exchange for payment of US\$ 20,000 (paid). The agreement is subject to a royalty of 2% of net smelter returns.

An amended technical NI 43-101 report on the Malone property was filed on SEDAR in November, 2007. The report was prepared by Gerald E. Ray, Ph.D. as the qualified person.

By January 2008, the Company completed detailed mapping, surveying, sampling and a diamond drill program, including 950 meters of shallow drilling in 10 holes. All ten holes encountered significant gold and silver mineralization. The Company completed Phase Two drilling in April, 2009 for an additional 2,000 m in eleven holes to test the gold and silver mineralization to depths up to 300 meters.

During the year ended March 31, 2014, the Company decided not to pursue any further activities on the Malone property, and accordingly the property was dropped and written off in the financial statements.

Dividends

DIVIDENDS

Dividends are declared at the discretion of the Board. No dividends have been declared and paid for as at the date of this AIF.

Description of Capital Structure

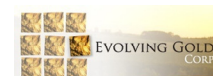
DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares without par value. As at June 27, 2014, there were 162,924,000 Common Shares issued and outstanding.

Common Shares

Holders of the Common Shares are entitled to notice of, to attend, and vote at any meeting of the shareholders of the Company, and to one vote per share on a ballot. Shareholders will be entitled to receive dividends as and when declared by the Board as a class, subject to prior satisfaction of all preferential rights to dividends attached to other classes of shares ranking in priority to the Common Shares in respect of dividends. Shareholders shall be entitled in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets among its shareholder for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital upon dissolution attached to all shares of other classes of shares ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of

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shares of any class of shares ranking equally in respect of return of capital, in such assets of the Company as are available for distribution.

Warrants

The following table sets forth all options to purchase Common Shares of the Company that are outstanding as at the date of this AIF:

| Date of Issue | Warrants Outstanding | Exercise Price (\$) | Expiration Date |
|----------------------|-----------------------------|----------------------------|------------------------|
| August 13, 2012 | 12,000,000(1) | \$0.40 | August 13, 2015 |
| August 13, 2012 | 49,000(2) | \$0.30 | August 13, 2014 |
| August 23, 2014 | 6,000,000(1) | \$0.08 | August 23, 2016 |
| Total | 18,049,000 | | |

Notes:

(1) These Common Share purchase warrants were issued to subscribers pursuant to the non-brokered private placements which closed on August 23, 2014 and August 13, 2012 respectively.

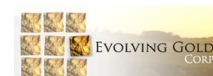
(2) These Common Share purchase warrants were issued to certain finders in connection with the non-brokered private placement which closed on August 13, 2012.

Options

The following table sets forth all options to purchase Common Shares of the Company that are outstanding as at the date of this AIF:

| Persons holding Options (as a group) | Number of Shares under Option | Purchase Price of Shares under Option | Expiration Date |
|---|--------------------------------------|--|------------------------|
|---|--------------------------------------|--|------------------------|

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| Persons holding Options (as a group) | Number of Shares under Option | Purchase Price of Shares under Option | Expiration Date |
|---|----------------------------------|--|-------------------|
| Executive officers(1) | 350,000 | \$0.92 | May 21, 2015 |
| | 500,000 | \$0.97 | January 24, 2016 |
| | 200,000 | \$0.94 | February 2, 2016 |
| | 850,000 | \$0.37 | February 27, 2017 |
| | 1,050,000 | \$0.32 | July 12, 2017 |
| | 1,200,000 | \$0.05 | October 25, 2018 |
| Directors (who are not also executive officers)(2) | 100,000 | \$1.25 | November 30, 2014 |
| | 800,000 | \$0.94 | February 2, 2016 |
| | 300,000 | \$0.37 | February 27, 2017 |
| | 85,500 | \$0.17 | November 14, 2018 |
| | 100,000 | \$0.35 | January 15, 2019 |
| | 300,000 | \$0.32 | February 12, 2017 |
| | 400,000 | \$0.05 | October 25, 2018 |
| Consultants and Employees | 155,000 | \$1.25 | November 30, 2014 |
| | 105,000 | \$1.14 | December 2, 2015 |
| | 495,000 | \$0.37 | February 27, 2017 |
| | 350,000 | \$0.42 | May 26, 2019 |
| | 50,000 | \$0.35 | April 15, 2019 |
| | 900,000 | \$0.32 | February 12, 2017 |
| | 1,500,000 | \$0.05 | October 25, 2018 |
| Total | 8,990,500 | \$0.39 | |

Notes:

(1) Consists of R. Bruce Duncan (Chief Executive Officer) and Charles Jenkins (Chief Financial Officer and Corporate Secretary).

(2) Consists of William Majcher and Robert Horsley.

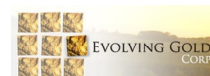
Market for Securities

TRADING PRICE AND VOLUME

The Common Shares trade on the TSX under the symbol “EVG”. The following table shows the high and low trading prices and monthly trading volume of the Common Shares on the TSX for the periods listed.

| Period | High (\$) | Low (\$) | Volume |
|--------------|-----------|----------|------------|
| 2014 | | | |
| June 1 to 26 | 0.02 | 0.01 | 2,496,900 |
| May | 0.02 | 0.01 | 1,959,400 |
| April | 0.02 | 0.01 | 2,555,300 |
| March | 0.05 | 0.02 | 26,770,400 |

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| Period | High (\$) | Low (\$) | Volume |
|-------------|-----------|----------|-----------|
| February | 0.05 | 0.03 | 2,025,200 |
| January | 0.05 | 0.03 | 1,984,600 |
| 2013 | | | |
| December | 0.03 | 0.02 | 1,200,700 |
| November | 0.04 | 0.02 | 936,900 |
| October | 0.05 | 0.04 | 970,000 |
| September | 0.07 | 0.04 | 1,142,200 |
| August | 0.07 | 0.04 | 2,912,700 |
| July | 0.07 | 0.04 | 1,665,600 |
| June | 0.09 | 0.05 | 1,814,000 |
| May | 0.10 | 0.06 | 1,124,100 |
| April | 0.13 | 0.08 | 1,443,900 |
| March | 0.14 | 0.10 | 2,746,100 |
| February | 0.18 | 0.10 | 2,849,200 |
| January | 0.20 | 0.17 | 1,164,700 |

PRIOR SALES

During the financial year ended March 31, 2014, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

| Date of Issue | Type of Securities | No. of Securities | Exercise Price | Expiry Date |
|------------------|--------------------|-------------------|----------------|------------------|
| August 23, 2013 | Warrants | 6,000,000 | \$0.08 | August 23, 2016 |
| October 25, 2013 | Options | 2,700,000 | \$0.05 | October 25, 2018 |

Escrowed Securities

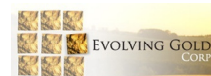
The Company has no securities held in escrow or subject to contractual restrictions on transfer.

Directors and Officers

NAME, OCCUPATION AND SECURITY HOLDING

The following are the names and jurisdiction of residence of the directors and executive officers of the Company the positions and offices they hold with the Company and their principal occupations. The directors are elected at the Annual General Meeting for a period of one year. Each director will hold office until the next annual general meeting of the Company unless his office is earlier vacated in accordance with the CBCA and the articles of the Company.

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| Name, Jurisdiction of Residence and Position with the Company | Date Appointed as a Director | Number and Percentage of Common Shares owned or Controlled ⁽¹⁾ | Principal Occupation During the Last Five Years |
|---|------------------------------|---|---|
| R. Bruce Duncan, Ontario, Canada Chief Executive Officer and Director | May 21, 2010 | 235,000 (0.14%) | Mr. Duncan's principal occupation is president of West Oak Capital Partners Inc. Prior to this, he was with Gordon Capital Corporation. Mr. Duncan currently sits on the boards of several private companies and is the President and CEO of Bolero Resources Corp. and he is also the former President and CEO of AusPotash Corp., an Australian potash company. |
| Charles Jenkins, CPA, CGA British Columbia, Canada Chief Financial Officer and Corporate Secretary | N/A | Nil | Mr. Jenkins's principal occupation is as the CFO of the Company. Previously he has been the CFO of a number of public mining companies, including Aurcana Corporation, Oremex Resources Corp. and White Mountain Titanium Corporation. He is currently also a director and CFO of Naturally Splendid Enterprises Ltd. and CFO of Rock Tech Lithium Inc. |
| William Majcher, Hong Kong, China Director | September 21, 2007 | 50,000 (0.03%) | Mr. Majcher has been an executive director of China Investment Fund since October 2007, and a director of Canfe Ventures Ltd. since January 2008. Mr. Majcher is the managing director for International Business, Baron International Limited, a Hong Kong based merchant bank. |
| Robert Horsley British Columbia, Canada | March 5, 2014 | Nil | Mr. Horsley has over eight years of public issuer experience in investor relations, exploration management and merger & acquisitions. He is a co-founder and a consultant to several private mining companies. |

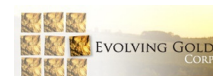
Notes:

(1) Based on the total of 162,609,000 Common Shares issued and outstanding as at June 28, 2013, on an undiluted basis.

The directors and officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 315,000 Common Shares, representing approximately 0.17% of the issued and outstanding Common Shares (on an undiluted basis).

The Company's audit committee is comprised of Messrs. Majcher and Horsley. All of the members of the audit committee are independent. All members are considered financially literate.

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The Company’s compensation committee is comprised of Messrs. Majcher and Horsley. All of the members of the compensation committee are independent.

The Company’s corporate governance committee is comprised of Messrs. Majcher and Horsley. All of the members of the corporate governance committee are independent.

The following sets out the principal occupation of the directors and executive officers of the Company who act as officers of a company other than the Company or its subsidiaries, with the principal business of the company as also set forth below:

| Name | Company | Official Title | Principal Business of the Company |
|------------------------|-------------------------------------|---------------------------------------|--|
| R. Bruce Duncan | West Oak Capital Partners Inc. | President | Strategic advisory services for public companies |
| | Bolero Resources Corporation | President and Chief Executive Officer | Mineral exploration and development |
| Charles Jenkins | Naturally Splendid Enterprises Ltd. | Chief Financial Officer and Director | Natural Food Products |
| | Rock Tech Lithium Inc. | Chief Financial Officer | Mineral exploration and development |

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

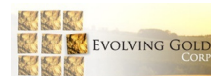
Except as disclosed below, as at the date of this AIF and within ten years before the date of this AIF, no director or executive officer of the Company is or has been a director, chief executive officer or chief financial officer of any person or company, that while such individual was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Mr. Jenkins was formerly a director and officer of White Mountain Titanium Corporation (“**White Mountain**”), a U.S. incorporated and OTCBB quoted company conducting exploration on a wholly-owned Chilean rutile property. White Mountain was subject to a cease trade order by the British Columbia Securities Commission (the “**BCSC**”) from January 16, 2008 to April 30, 2008 due to a failure to file a technical report in compliance with NI 43-101 to support a previously disclosed, internally prepared mineral resource estimate. The cease trade order was lifted on April 30, 2008 upon the acceptance by the BCSC of a complete, independent technical report filed by White Mountain with the BCSC on February 29, 2008. This technical report confirmed White Mountain’s mineral resource estimate. White Mountain is not listed on any Canadian stock exchange and was not a reporting issuer in British Columbia during the time the cease trade order was in effect. Under provisions relating to OTCBB quoted companies contained in British Columbia Policy 51-509 - *Issuers Quoted in the US Over-The-Counter Markets* which came into effect September 15, 2008, White Mountain is currently deemed a reporting issuer in British Columbia.

As at the date of this AIF and within ten years before the date of this AIF, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Company is or has been a director or executive officer of a company, that while that person was acting in that capacity:

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- (a) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Corporation, or a shareholder holding sufficient securities of the Company to affect materially the control of the Corporation, has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

No director or executive officer of the Company, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making an investment decision.

CONFLICTS OF INTEREST

To the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among the Company, its directors, officers or other members of management of the Corporation as a result of their outside business interests, except that certain of the directors, officers and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director, officer, promoter or member of management of such other companies. Any decision made by any of such directors and officers involving the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting in any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA or other applicable corporate legislation.

Promoters

PROMOTER

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of the Corporation or a subsidiary of the Company, as such term is defined in the Securities Act.

Legal Proceedings and Regulatory Actions

LEGAL PROCEEDINGS

To the best of the Corporation's knowledge, there are no legal proceedings that the Company is or was a party to, or that any of its property is or was the subject of, during the Corporation's most recently completed financial year.

REGULATORY ACTIONS

To the best of the Company's knowledge, there are no (a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year, (b) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, or (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year.

Interest of Management and Others in Material Transactions

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years ended March 31, 2012, 2013 and 2014, no director, executive officer or 10% shareholder of the Company or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or its subsidiaries.

Transfer Agents and Registrars

TRANSFER AGENTS AND REGISTRARS

The Registrar and Transfer Agents for the Company are:

Computershare Trust Company of Canada
2nd Floor, 510 Burrard Street
Vancouver, B.C. V6C 3B9

Computershare Trust Company of Canada
100 University Ave, 9th Floor
Toronto, ON M5J 2Y1

Material Contracts

MATERIAL CONTRACTS

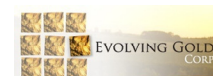
The following are material contracts of the Company:

- (a) On April 17, 2006, the Company entered into a quitclaim deed and royalty reservation agreement with Newmont North American Exploration Limited related to the Malone Property. Pursuant to the terms of the agreement, the Company acquired all rights, title, estate and interest in the Malone Property. The agreement is subject to a 2% NSR;



- (b) On November 28, 2007, the Company entered into a mineral lease, sublease and agreement with Newmont USA Limited, Newmont Capital Limited and Elko Land and Livestock Company related to the North Carlin Properties. Pursuant to the terms of the agreement, the Company was granted a lease and sublease of the North Carlin Properties;
- (c) On January 15, 2008, the Company entered into a letter of agreement with Bald Mountain Mining Company (“BMMC”) related to the Rattlesnake Hills Property. Pursuant to the terms of the agreement, BMMC assigned its interest in a property option agreement between BMMC and Golden Predator Mines, Inc. related to the Rattlesnake Hills Property;
- (d) On January 16, 2008, the Company entered into a property option agreement with Golden Predator Mines, Inc. related to the Rattlesnake Hills Property. Pursuant to the terms of the agreement, the Company was granted an option to acquire up to a 100% interest in the Rattlesnake Hills Property;
- (e) On October 26, 2009, the Company entered into a mineral lease and property option agreement related to the Humboldt Property. Pursuant to the terms of the agreement, the Company was granted the option to acquire 62 unpatented claims on the Humboldt Property;
- (f) On February 28, 2010, the Company entered into a mineral lease and royalty buy down agreement related to the Carlin Property. Pursuant to the terms of the agreement, the Company acquired an interest in eight unpatented mining claims on the Carlin Property;
- (g) On March 29, 2010, the Company entered into a purchase and royalty reservation agreement related to the Humboldt Property. Pursuant to the terms of the agreement, the Company acquired a 50% interest in additional lands on the Humboldt Property;
- (h) On March 29, 2010, the Company entered into a purchase and royalty reservation agreement related to the Carlin Property. Pursuant to the terms of the agreement, the Company acquired a 50% interest in additional lands on the Carlin Property;
- (i) On April 13, 2010, the Company entered into two purchase agreements related to the Humboldt Property. Pursuant to the terms of the agreements, the Company acquired a 100% undivided fee interest in additional lands adjacent to the Humboldt Property;
- (j) On April 13, 2010, the Company entered into an option purchase agreement related to the Carlin Property. Pursuant to the terms of the agreement, the Company acquired a 100% undivided fee interest in lands adjacent to the Carlin Property;
- (k) On April 13, 2010, the Company entered into a ten-year surface lease agreement related to the Carlin Property and the Humboldt Property. Pursuant to the terms of the agreement, the Company obtained access to drill over fee ground on the Carlin Property and the Humboldt Property;
- (l) On April 13, 2010, the Company entered into two mineral lease agreements related to the Carlin Property and the Humboldt Property. Pursuant to the terms of the agreements, the Company acquired additional lands on the Carlin Property and the Humboldt Property;
- (m) Effective August 23, 2010, the Company entered into a purchase and sale agreement and quitclaim deed related to the Siesta Property. Pursuant to the terms of the agreement, the Company transferred all of its interest in the Siesta Property, subject only to retaining a 2% NSR; and
- (n) On June 24, 2011, the Company entered into the Rattlesnake JV Agreement with Agnico-Eagle with respect to the Rattlesnake Hills Property. As announced by the Company on June 6, 2012, the Rattlesnake JV Agreement terminated effective June 30, 2012.

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- (o) On March 17, 2014 the Company announced that it has entered into a definitive agreement with NV Gold Corporation to option its 100% interest in the Rattlesnake Hills Project. Under the Agreement, NVX may acquire Rattlesnake Hills by completing the following:
- paying US\$100,000 as a non-refundable deposit;
 - paying US\$300,000 as a down payment to EVG US;
 - within 3 business days following receipt of TSX Venture Exchange acceptance of the option agreement, delivering US\$100,000 and issuing to the Company 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for 36 months from the date of issue;
 - On or before August 1, 2014 paying US\$200,000;
 - On or before September 15, 2014, issuing 1,000,000 common share purchase warrants to the Company, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share until September 15th, 2016;
 - On or before November 1, 2014, paying US\$800,000;
 - On or before the first anniversary of TSXV acceptance of this option agreement, paying US\$1,000,000 and 1,000,000 common share purchase warrants, each such warrant exercisable to acquire one common share of NVX at CDN\$0.10 per share for a period of 18 months from the date of issue; and
 - On or before the second anniversary of the date of this option agreement, paying \$1,000,000 and issuing 1,000,000 common shares of NVX;
- (p) On April 28, 2014, the Company announced the amendment of management contracts. Bruce Duncan, CEO and Chuck Jenkins, CFO have agreed to forgive certain amounts owing and to amend their existing management agreements to remove bonus and RRSP contribution obligations, reduce change in control benefits to 6 months and reduce management fees to \$7500 and \$5000 per month respectively.

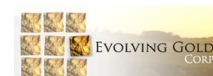
Interests of Experts

NAMES OF EXPERTS

The following persons, firms and companies are named as having prepared or certified a report, valuation statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Company during, or relating to, its most recently completed financial year and whose profession or business gives authority to the report, valuation statement or opinion made by the person, firm or company:

| Name | Description |
|--|--|
| BDO Canada LLP Chartered Accountants | Independent Auditor, Auditors' Report for years ended March 31, 2011, 2012, and 2013 |
| Steven R. Koehler, B.Sc., C.P.G. | Author, Technical Report dated February 1, 2012 in respect of the Rattlesnake Hills Property |

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|--|--|
| Steven R. Koehler, B.Sc., C.P.G. | Author, Technical Report dated January 23, 2012 in respect of the Humboldt and Carlin Properties |
| William J. Crowl, R.G., MMSA-QP | Author, Technical Report dated June 19, 2012 in respect of the Jake Creek Property |
| Jennifer J. Brown, P.G., SME-RM | Author, Technical Report dated June 19, 2012 in respect of the Jake Creek Property |
| David Turner, M.Sc. , PGeoscientist | Author, Technical report dated December 13, 2012 in respect of the Rattlesnake Hills Property |

INTERESTS OF EXPERTS

BDO Canada LLP has advised the Company that it is independent of the Company within the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Mr. Koehler was an employee of the Company acting as Chief Geologist at the time of preparing of the Humboldt and Carlin Technical Report and the Rattlesnake Hills Technical Report. The Company does not currently expect to elect or appoint Mr. Koehler as a director or officer of the Company or of any associate or affiliate of the Company.

To the Company's knowledge, each of the aforementioned firms or persons held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports.

Other than as disclosed herein, none of such experts and no director, officer or employee of such experts is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Additional Information

ADDITIONAL INFORMATION

Additional information relating to the Company as filed with Canadian securities regulatory authorities, including this AIF, can be found online under the Company's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans is contained in the management information circular for the Company's most recent annual meeting of shareholders held on September 30, 2011, which is available on SEDAR at www.sedar.com.

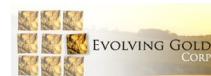
Additional financial information is provided in the Company's Consolidated Financial Statements and Management's Discussion and Analysis for its most recently completed financial year also filed on SEDAR at www.sedar.com.

Audit Committee Information

AUDIT COMMITTEE CHARTER

The audit committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

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The audit committee's charter sets out its mandate and responsibilities, and is attached to this AIF as Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

The Company has an audit committee, which advises the Board with respect to the engagement of the independent auditors of the Company and reviews the scope and results of the Company's audits with the independent auditors, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company. The current members of the audit committee are Robert Horsley and William Majcher. William Majcher is the Chairman of the audit committee. Mr. Horsley and Mr. Majcher are independent as defined in National Instrument 52-110 – *Audit Committees*, the Canadian regulatory policy respecting audit committees. The audit committee typically meets each quarter. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

RELEVANT EDUCATION AND EXPERIENCE

Each member of the Audit Committee has:

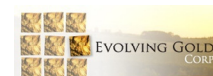
- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

William Majcher

Mr. Majcher is presently Managing Director of the Baron Group, a Hong Kong-based merchant bank and is also a director of China Investment Fund (Hong Kong Stock Exchange). Mr. Majcher is on the Advisory Board of the FMS Group, a Singapore-based institutional investor group and fund manager. Mr. Majcher has over 20 years of combined experience in public service, international finance, and capital markets. His background includes management, public stewardship, structured finance, emerging markets, product development, strategic planning and risk management. Mr. Majcher was employed for twenty years with the Royal Canadian Mounted Police. Mr. Majcher retired with the rank of Inspector and Officer in charge of all capital markets enforcement in Western Canada. Mr. Majcher has experience as a futures and options broker and trader and has lectured extensively on abuse within the international capital markets, including sophisticated money laundering.

Robert Horsley

Mr. Horsley has over eight years of public issuer experience in investor relations, exploration management and merger & acquisitions. He is a co-founder and a consultant to several private mining companies



RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Issuer’s most recently completed financial year has the Issuer relied on any of the following exemptions in National Instrument 52-110 – *Audit Committees*:

- (a) section 2.4 (*De Minimis Non-audit Services*);
- (b) section 3.2 (*Initial Public Offerings*);
- (c) section 3.3(2) (*Controlled Companies*);
- (d) section 3.4 (*Events Outside Control of Member*);
- (e) section 3.5 (*Death, Disability or Resignation of Audit Committee Member*);
- (f) section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*);
- (g) section 3.8 (*Acquisition of Financial Literacy*); or
- (h) an exemption, in whole or in part, granted under Part 8 (*Exemptions*).

AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Company’s most recently completed financial year, the audit committee has not made any recommendations to the Board to nominate or compensate any external auditor, which were not adopted by the Board.

PRE-APPROVAL POLICIES AND PROCEDURES

See the audit committee charter, attached to this AIF as Schedule “A”, for specific policies and procedures adopted by the audit committee for the engagement of non-audit services.

EXTERNAL AUDITOR SERVICE FEES

Set forth below are details of fees billed by the Company’s external auditor in each of the last two fiscal years for audit services:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|-----------------------|------------|--------------------|----------|----------------|
| March 31, 2014 | \$49,980 | Nil | \$4,750 | Nil |
| March 31, 2013 | \$138,766 | Nil | \$13,200 | Nil |

Schedule “A” to the AIF of Evolving Gold Corp. (the “Company”)

AUDIT COMMITTEE CHARTER

Mandate

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Company’s business, operations and risks.

Composition

The Board will appoint from among their membership an audit committee after each annual meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

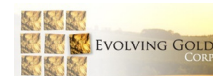
Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

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- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

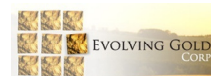
Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public; and

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- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Statements

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - i. the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - ii. the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

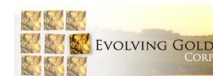
- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - i. the pre-approval policies and procedures are detailed as to the particular service;
 - ii. the audit committee is informed of each non-audit service; and
 - iii. the procedures do not include delegation of the audit committee's responsibilities to management.

Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

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- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

Guidance – Roles and Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

Internal Control

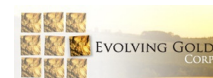
- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

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Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - i. actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - ii. changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Company's operations and financing practices;
 - iii. generally accepted accounting principles have been consistently applied;
 - iv. there are any actual or proposed changes in accounting or financial reporting practices;
 - v. there are any significant or unusual events or transactions;
 - vi. the Company's financial and operating controls are functioning effectively;
 - vii. the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - viii. the interim financial statements contain adequate and appropriate disclosures.

Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

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- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

Other Responsibilities

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.