



**Condensed interim consolidated financial statements**

**For the three months ended  
March 31, 2018 and 2017**

**Unaudited**

## **NOTICE TO READER**

### **NO AUDITOR REVIEW OF CONDENSED INTERIM CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements.

# Evrin Resources Corp.

## Table of Contents

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....	4
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS .....	5
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS .....	6
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY .....	7
1. NATURE OF OPERATIONS AND GOING CONCERN .....	8
2. STATEMENT OF COMPLIANCE .....	8
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	9
4. CAPITAL MANAGEMENT .....	11
5. MARKETABLE SECURITIES.....	11
6. AMOUNTS RECEIVABLE .....	11
7. EQUIPMENT .....	12
8. MINERAL PROPERTY INTERESTS .....	13
9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES.....	20
10. PROVISION FOR ENVIRONMENTAL REHABILITATION .....	20
11. COMMITMENTS AND CONTINGENCIES .....	21
12. ISSUED CAPITAL .....	22
13. RELATED PARTY TRANSACTIONS .....	24
15. SEGMENTED INFORMATION.....	25
16. FINANCIAL RISK MANAGEMENT .....	25
17. SUBSEQUENT EVENT .....	29

**EVRIM RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	<i>Note</i>	March 31, 2018	December 31, 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	\$ 8,584,682	\$ 6,283,430
Marketable securities	5	45,000	45,000
Amounts receivable	6, 13	95,270	79,329
Prepaid expenses and deposits		56,042	9,562
		<b>8,780,994</b>	<b>6,417,321</b>
<b>Non-current assets</b>			
Prepaid rent deposit	11	11,208	11,208
Equipment	7	34,319	37,141
Reclamation bond	8	53,000	30,500
		<b>\$ 8,879,521</b>	<b>\$ 6,496,170</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9, 13	\$ 107,839	\$ 135,790
Joint venture partner deposits	8	2,819,172	2,930,256
		<b>2,927,011</b>	<b>3,066,046</b>
<b>Non-current liabilities</b>			
Provision for environmental rehabilitation	10	46,194	46,224
		<b>2,973,205</b>	<b>3,112,270</b>
<b>Shareholders' Equity</b>			
Issued capital	12	19,171,117	16,099,827
Contributed surplus		728,777	626,200
Accumulated other comprehensive loss		(5,000)	(5,000)
Accumulated deficit		(13,988,578)	(13,337,127)
		<b>5,906,316</b>	<b>3,383,900</b>
		<b>\$ 8,879,521</b>	<b>\$ 6,496,170</b>

Approved and authorized for issue by the Board on May 29, 2018

*Paul van Eeden*  
Director

*David A. Caulfield*  
Director

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

**EVRIM RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS**

Three Months Ended March 31,  
(Expressed in Canadian Dollars)

	<i>Note</i>	2018	2017
<b>Mineral Property Operations</b>			
<b>Revenue</b>			
Option proceeds	8	\$ 63,700	\$ 66,675
Project management fees	8	7,398	-
		<b>71,098</b>	<b>66,675</b>
<b>Expenses</b>			
Acquisition expenditures	13(b)	41,885	1,619
Exploration expenditures	8	267,373	223,681
Exploration reimbursements		(92,720)	-
		<b>216,538</b>	<b>225,300</b>
<b>Loss from mineral property operations</b>		<b>(145,440)</b>	<b>(158,625)</b>
<b>Other operations</b>			
Interest and other revenue		4,812	2,723
<b>Expenses</b>			
Accounting and legal		32,983	21,918
Depreciation	7	2,822	2,277
Foreign exchange gain		(9,024)	(13,643)
General and administrative	13(b)	43,292	40,274
Investor services		11,306	8,764
Management and professional fees		30,000	28,500
Marketing services		33,216	14,144
Salaries and support services	13(b)	237,081	190,992
Share-based compensation	12(b), 13(c)	104,517	-
Travel		24,630	27,573
		<b>510,823</b>	<b>320,799</b>
<b>Loss from other operations</b>		<b>(506,011)</b>	<b>(318,076)</b>
<b>Net loss</b>		<b>(651,451)</b>	<b>(476,701)</b>
<b>Other Comprehensive Income</b>			
Items that will be recycled to profit or loss:			
Loss on available-for-sale investment		-	-
<b>Comprehensive loss for the period</b>		<b>\$ (651,451)</b>	<b>\$ (476,701)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.01)</b>	<b>\$ (0.009)</b>
<b>Weighted average number of common shares outstanding</b>			
		<b>66,980,092</b>	<b>51,166,282</b>

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

**EVRIM RESOURCES CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

Three Months Ended March 31,  
(Expressed in Canadian Dollars)

	2018	2017
<b>Cash flows used in operating activities</b>		
Net loss	\$ (651,451)	\$ (476,701)
Add (deduct) items not involving cash:		
Depreciation	2,822	2,277
Unrealized foreign exchange gain	(11,371)	(12,881)
Share-based compensation	104,517	-
	<u>(555,483)</u>	<u>(487,305)</u>
Net change in non-cash working capital balances related to operations:		
Amounts receivable	(15,941)	13,890
Prepaid expenses and deposits	(46,480)	(22,918)
Accounts payable and accrued liabilities	(27,951)	(5,322)
Joint venture partner deposits	(111,084)	-
Net cash flow provided by (used in) operating activities	<u>(756,939)</u>	<u>(501,655)</u>
<b>Cash flows used in investing activities</b>		
Reclamation bond	(22,500)	-
Net cash flow used in investing activities	<u>(22,500)</u>	<u>-</u>
<b>Cash flows provided by financing activities</b>		
Proceeds from exercise of warrants	3,069,350	-
Net cash flow provided by financing activities	<u>3,069,350</u>	<u>-</u>
Effects of foreign currency translation on cash and cash equivalents	11,341	12,722
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,301,252</b>	<b>(488,933)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>6,283,430</b>	<b>1,494,244</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 8,584,682</b>	<b>\$ 1,005,311</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 1,115,440	\$ 486,711
Cash restricted for exploration	2,819,172	-
Short-term money market instruments	4,650,070	518,500
	<u>\$ 8,584,682</u>	<u>\$ 1,005,311</u>
<b>Supplemental cash flow information:</b>		
Interest received	\$ 3,001	\$ 12,499

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

**EVRIM RESOURCES CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

Three Months Ended March 31,  
(Expressed in Canadian Dollars)

	Issued capital		Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Shareholders' equity
	Shares	Amount				
Balance, December 31, 2016	51,166,282	\$ 12,314,112	\$ 16,851	-	\$ (10,795,046)	\$ 1,535,917
Loss and comprehensive loss	-	-	-	-	(476,701)	(476,701)
<b>Balance, March 31, 2017</b>	<b>51,166,282</b>	<b>\$ 12,314,112</b>	<b>\$ 16,851</b>	<b>-</b>	<b>\$ (11,271,747)</b>	<b>\$ 1,059,216</b>
Balance, December 31, 2017	65,723,242	\$ 16,099,827	\$ 626,200	\$ (5,000)	\$ (13,337,127)	\$ 3,383,900
Exercise of warrants	12,273,800	3,071,290	(1,940)	-	-	3,069,350
Share-based compensation	-	-	104,517	-	-	104,517
Loss and comprehensive loss	-	-	-	-	(651,451)	(651,451)
<b>Balance, March 31, 2018</b>	<b>79,997,042</b>	<b>\$ 19,171,117</b>	<b>\$ 728,777</b>	<b>\$ (5,000)</b>	<b>\$ (13,988,578)</b>	<b>\$ 5,906,316</b>

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

# EVRIIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Evrim Resources Corp. (the “Company” or “Evrim”) is a mineral exploration company. Evrim’s business plan involves generating a portfolio of prospective mineral properties and advancing exploration targets through option and joint venture agreements with industry partners to create shareholder value.

Evrim is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange under the symbol EVM.

The head office, principal registered and records office of the Company are located at 910 - 850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1.

These condensed interim consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to continue in operations and contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. However, the Company has no significant source of recurring revenue, has experienced recurring losses over the past several fiscal years (2017 - \$2,542,081; 2016 - \$1,839,030) and has an accumulated deficit as at March 31, 2018 of \$13,988,578 (December 31, 2017 - \$13,337,127).

The Company’s ability to continue as a going concern depends on its ability to obtain additional debt or equity financing or to derive material proceeds from the sale of mineral property interest. . These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements.

Except for cash flow information and financial instruments measured at fair value, these consolidated financial statements were prepared on a historical cost basis using the accrual basis of accounting.



# EVRIIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all periods presented and during the most recent fiscal year. Please refer to the annual audited financial statements for the year ended December 31, 2017 for a complete summary of significant accounting policies.

### (a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (Evrin Exploration Canada Corp. ("EEC"), 1124798 B.C. Ltd., Minera Evrim S.A. de C.V. ("Minera"), Servicios Mineros Orotac S.A de C.V. ("SMO") and Evrim Resources USA Inc. ("Evrin US")). Control is based on whether an investor has power over the investee and the ability to use its power over the investee to affect the amount of the returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

	Place of incorporation	Proportion of ownership interest March 31, 2018 and December 31, 2017	Principal activity
Evrin Exploration Canada Corp.	British Columbia	100%	Mineral exploration
1124798 B.C. Ltd.	British Columbia	100%	Mineral exploration
Minera Evrim S.A de C.V.	Sonora, Mexico	100%	Mineral exploration
Servicios Mineros Orotac S.A de C.V.	Sonora, Mexico	100%	Service company
Evrin Resources USA Inc.	Nevada, USA	100%	Mineral exploration

### (b) Use of estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(c) Presentation and functional currency

The Company's presentation currency is the CAD. The functional currency of Evrim and its subsidiaries is the CAD.

(d) Accounting standards issued and effective for the current fiscal year

The adoption of the following standards has not had a significant effect on the Company's financial position or performance.

### **IFRS 9 *Financial Instruments***

IFRS 9 includes requirements for recognition, measurement, and derecognition of financial instruments and hedge accounting. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 was originally issued in November 2009, reissued in October 2010, and then amended in November 2013. The current version of IFRS 9 is applicable to annual periods beginning on or after January 1, 2018.

### **IFRS 15 *Revenue from Contracts with Customers***

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*. The main features introduced by this new standard compared with predecessor IFRS are revenue is recognized based on a five-step model, and new disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers will be required.

The standard was issued in May 2014 and is effective for annual periods beginning on or after January 1, 2018.

(e) Accounting standards issued but not yet effective

The following accounting standard is issued but not yet effective. The Company has not early-adopted this revised standard and expects no significant effect on the Company's consolidated financial statements when adopted.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

## 4. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders comprising issued capital, contributed surplus and accumulated deficit. The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern and enable it to provide shareholder returns and benefits for all stakeholders in the development of its mineral property interests. These objectives remain unchanged from previous years. The Company manages and adjusts its capital structure in response to changes in the risk characteristics of its underlying assets and/or changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or other equity instruments. The Company is not subject to externally imposed capital requirements.

## 5. MARKETABLE SECURITIES

The Company received from Harvest Gold Corporation ("Harvest") one million common shares upon signing of the option agreement for the Cerro Cascaron property (Note 8).

Fair market value as at December 31, 2017	\$ 45,000
Fair value adjustment	Nil
Fair market value as at March 31, 2018	\$ 45,000

## 6. AMOUNTS RECEIVABLE

Amounts receivable is comprised of the following:

	March 31, 2018	December 31, 2017
Trade receivables	\$ 66,050	\$ 24,300
Other receivables	11,422	9,610
Current tax receivable	17,798	45,419
	\$ 95,270	\$ 79,329

All receivables are current (less than 30 days). No allowance for doubtful accounts or impairment has been recognized for these amounts, as the amounts are all considered recoverable.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 7. EQUIPMENT

	Computer equipment and software	Field equipment	Leasehold improvements	Mobile equipment	Office equipment and furniture	Total
<b>Cost</b>						
Balance as at December 31, 2016	\$ 128,173	\$ 25,673	\$ 16,995	\$ 29,668	\$ 23,636	\$ 210,133
Acquisitions	25,730	-	-	-	-	25,730
Disposals	-	-	-	-	-	-
Balance as at December 31, 2017	153,903	25,673	16,995	29,668	23,636	249,875
Acquisitions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	\$ 153,903	\$ 25,673	\$ 16,995	\$ 29,668	\$ 23,636	\$ 249,875
<b>Accumulated depreciation</b>						
Balance as at December 31, 2016	\$ (112,497)	\$ (18,987)	\$ (13,406)	\$ (29,668)	\$ (21,327)	\$ (195,885)
Depreciation	(14,452)	(1,337)	(598)	-	(462)	(16,849)
Disposals	-	-	-	-	-	-
Balance as at December 31, 2017	(126,949)	(20,324)	(14,004)	(29,668)	(21,789)	(212,734)
Depreciation	(2,268)	(290)	(152)	-	(112)	(2,822)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	\$ (129,217)	\$ (20,614)	\$ (14,156)	\$ (29,668)	\$ (21,901)	\$ (215,556)
<b>Carrying amounts</b>						
December 31, 2016	\$ 15,676	\$ 6,686	\$ 3,589	\$ -	\$ 2,309	\$ 28,260
December 31, 2017	\$ 26,954	\$ 5,349	\$ 2,991	\$ -	\$ 1,847	\$ 37,141
March 31, 2018	\$ 24,686	\$ 5,059	\$ 2,839	\$ -	\$ 1,735	\$ 34,319

Method of depreciation is described in Note 3 (k).

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS

Exploring for minerals involves a high degree of risk and there can be no assurance that current exploration expenditures will result in positive returns. Many of the Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including but not limited to increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements. These risks are not unique to foreign jurisdictions and apply equally to the Company's property interests in Canada.

### *Mexico Portfolio*

In an agreement dated September 17, 2010 (the "Kiska agreement"), Evrim acquired the Mexican operations of Kiska Metals Corporation ("Kiska") by issuing 2,000,000 common shares to Kiska. Under the terms of the Kiska agreement, the Company is required to complete the following for each mineral property that is being actively explored:

- (a) at any time, upon:
  - (i) the sale of at least a 51% interest in a project for at least \$5,000,000 in consideration; or
  - (ii) the exercise of an option or earn-in to acquire at least a 51% interest in and to a project,

the Company will issue 250,000 common shares and at the election of the Company, either pay \$250,000 cash or issue an additional 250,000 common shares; and

- (b) at any time, upon the announcement of a decision to put a project into commercial production based on a positive feasibility study, the Company will issue 1,000,000 common shares.

The Company acquired an interest in nine exploration projects in Sonora, Durango and Sinaloa states in Mexico. The nine projects are subject to a 2% net smelter royalty ("NSR") held by Mining Royalties Mexico S.A. de C.V. As of March 31, 2018, the Company is maintaining the Cumobabi project out of the nine projects acquired.

# EVIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Mexico Portfolio, continued*

#### **Ermitaño**

In January 2014, the Company entered into an agreement with SilverCrest Mines Inc., now First Majestic Silver Corp. ("First Majestic"), whereby First Majestic can earn a 100% interest in the Ermitaño property. To earn a 100% interest, First Majestic must make an initial payment of US\$75,000 and annual payments of US\$50,000 at each anniversary of the agreement, complete a minimum of US\$500,000 in exploration expenditures in the first year, and deliver a production notice specifying mine and construction plans with accompanying permits and economic forecast model before the end of the fifth anniversary of the agreement. Upon vesting, First Majestic will no longer be required to make the annual payments and Evrim will retain a 2% NSR. Ermitaño is located northeast of Hermosillo.

In November 2017, the Company received a purported production notice from First Majestic for the exercise of the Ermitaño option agreement. The Company considers the production notice to be not valid as the notice was not supported by a mining reserve or resource estimate, permits or any economic forecast. First Majestic has initiated arbitration proceedings in connection with its purported exercise of the option.

#### **Cumobabi**

In October 2014, the Company entered into an agreement with SilverCrest Mines Inc., now First Majestic, whereby First Majestic can earn a 100% interest in the Cumobabi property. To earn a 100% interest, First Majestic must make an initial payment of US\$75,000 and annual payments of US\$50,000 at each anniversary of the agreement, complete a minimum of US\$500,000 in exploration expenditures in the first year, and deliver a production notice specifying mine and construction plans with accompanying permits and an economic forecast model before the end of the fifth anniversary of the agreement. Upon vesting, First Majestic will no longer be required to make the annual payments and Evrim will retain a 1.5% NSR. Cumobabi is located northeast of Hermosillo.

In September 2014, the Company amended the agreement with Kiska, now Centerra Gold Inc. ("Centerra") regarding the share payment structure for Cumobabi. The Company will issue 50,000 shares on each of September 17, 2014 and 2015 (issued), 25,000 shares on each of September 17, 2017 (issued) and 2018 and 50,000 shares on September 17, 2019. In the event the property is put into commercial production (in which case it is acknowledged that the Company will receive an NSR in accordance with the terms of the First Majestic option agreement), Evrim will pay to Centerra one-third of all amounts Evrim receives under the NSR commencing on the date that is two years following the date on which the property commenced commercial production (as defined pursuant to the terms of the agreement governing the NSR).

# EVRIIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Mexico Portfolio, continued*

#### **Cerro Cascaron**

In January 2016, the Company acquired the Cerro Cascaron project in Chihuahua, Mexico. The project covers a historic colonial-era mining district that contains numerous gold and gold-silver prospects. The core claims contain a large portion of the Serpiente Dorada zone, which was staked by the Company in late 2015. Three surrounding claims were acquired under two separate agreements with a third party. In July 2016, the two agreements were consolidated. Under the terms of the consolidated agreement, the Company will pay \$280,000 over a five-year period to acquire a 100% interest. The agreement is subject to a 2% NSR of which 1% can be purchased for US\$2.5 million.

#### *Harvest Gold Corporation (“Harvest”) option agreement*

In June 2017, the Company entered into an agreement with Harvest, whereby Harvest can earn up to an 80% interest of the Cerro Cascaron property. To earn a 70% interest (“Initial interest”), Harvest must incur \$6 million in exploration expenditures, pay \$900,000 in cash and issue two million common shares over a four-year period (one million shares received). To earn an additional 10% interest, Harvest has to make a cash payment of \$200,000 (or issue 200,000 shares at Evrim’s election) and fund a National Instrument 43-101 compliant feasibility study over a five-year period. Minimum annual exploration expenditures of \$2 million are required during this period and a \$200,000 cash payment has to be made to Evrim if the minimum expenditures are not met during any given year.

During the Initial Interest period, Harvest can defer exploration expenditures at the end of the first, second or third anniversary for 12 months by making quarterly cash payments of \$25,000 to Evrim and maintaining all other cash payments and claim maintenance costs. If Evrim’s interest in Cerro Cascaron is diluted to 10% or less, its interest will convert into a 2% NSR. Evrim will retain the right to purchase half of a pre-existing 2% NSR from a property vendor for US\$2.5 million. Harvest will be responsible for all other claim maintenance and underlying vendor costs.

#### **Sarape**

In August 2017, the Company announced the acquisition of the Sarape gold-silver project in central Sonora, Mexico. Sarape was identified through Evrim’s generative programs with reconnaissance exploration completed in early 2017. The project is 100% owned by Evrim with no underlying royalties and is located near excellent infrastructure with roads and power crossing the 5,776-hectare property.

In February 2018, the Company signed an LOI with a subsidiary of Coeur Mining Inc. (“Coeur”). Coeur may acquire up to an 80% interest in Sarape by spending US\$16.5 million on exploration, making staged cash payments of US\$2.4 million, and completing a National Instrument 43-101 compliant Feasibility Study on a minimum measured and indicated resource estimate of 1,000,000 ounces of gold equivalent, within a ten-year period.

# EVIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Mexico Portfolio, continued*

#### **Callinan Royalties Corp. Alliance, now Altius Minerals Corp. (“Altius”)**

Effective December 18, 2012, the Company signed an agreement with Altius for a four-year, \$1.5 million, regional exploration alliance. The alliance initially focused on generating gold and silver targets within a 40,000 square kilometer area of interest (“AOI”) in prospective mineral belts with a firm commitment of \$500,000 in year one (paid). Evrim conducted generative exploration within the AOI to stake and acquire new projects (the “Projects”) and develop the Projects for joint venture purposes. Projects acquired within the AOI during the term of the alliance were 100% owned by Evrim and subject to a 1.5% NSR in the case of precious metals and a 1.0% NSR in the case of base metals to Altius. Altius has the right of first offer on the sale of any alliance Project royalties owned by Evrim.

**Llano del Nogal and Cuale** properties are subject to the regional exploration alliance with Altius.

### *Canada Portfolio*

#### **Ball Creek Property**

In June 2015, the Company acquired a 100% interest in the Ball Creek property from Paget Minerals Corp. (“Paget”), subject to a 2% NSR with an option to buy back 1% of the NSR for \$1 million.

To earn a 100% interest, the Company is required to make the following payments:

- (a) \$150,000 upon closing of the agreement (paid);
- (b) If the Company enters into an option agreement whereby the Company would receive payments related to the property at any time within the four years following the date of the agreement, the Company will be required to pay additional consideration of 40% of payments received during the first year, 30% of payments received during the second year, 20% of payments received during the third year and 10% of payments received during the fourth year; and
- (c) Milestone share payments (or cash equivalent at the Company's election) of:
  - (i.) 100,000 shares upon entering into a future option agreement (issued);
  - (ii.) 250,000 shares upon completion of 10,000 metres of drilling;
  - (iii.) 400,000 shares upon announcement of a measured or indicated mineral resource estimate (National Instrument 43-101 compliant) of at least 500 million tonnes at a grade of at least 0.50% copper equivalent; and
  - (iv.) 500,000 shares on the completion of a National Instrument 43-101 compliant feasibility study.

The property is located in northwest British Columbia. Both Evrim and Paget are each entitled to 50% of the existing bond in place, with Evrim's share being \$20,000 (2016 - \$20,000).



# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Canada Portfolio, continued*

#### *Ball Creek Antofagasta agreement*

In May 2017, the Company entered into an agreement with a wholly owned subsidiary of Antofagasta Plc. ("Antofagasta"), whereby Antofagasta can earn up to a 70% interest in the property by spending up to an aggregate of US\$31 million or delivering a prefeasibility study.

Antofagasta can earn an initial 51% interest ("Initial Interest") by spending US\$6 million over a six-year period. Once Antofagasta has earned its Initial Interest, it may elect to earn an additional 19% interest ("Additional Interest") by spending either US\$25 million or completing a prefeasibility study in compliance with National Instrument 43-101 (with expenditures capped at US\$25 million), over a seven-year period. If Antofagasta elects not to earn the Additional Interest, it will transfer a 1.01% interest to Evrim in exchange for a 0.25% NSR, and Evrim will regain a controlling interest in Ball Creek. Evrim will be the operator on the Ball Creek property during the Initial Interest phase.

During the year ended December 31, 2017, the Company received \$1,918,765 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, \$1,467,387 is included in cash as at March 31, 2018.

#### **Axe Property**

In December 2016, the Company acquired a 100% interest in the Axe property from Liberty Leaf Holdings Ltd. ("Liberty Leaf") and Bearclaw Capital Corp. ("Bearclaw"), subject to a 1% NSR covering 21 claims with an option to buy back the NSR for \$1.5 million, and a 2% NSR on four separate claims with an option to buy back the first 1% NSR for \$1 million and the remaining 1% NSR for \$2 million.

To earn a 100% interest, the Company is required to make the following payments:

- (a) \$30,000 (\$21,000 to Liberty Leaf and \$9,000 to Bearclaw) upon closing of the agreement (paid);
- (b) If the Company enters into an option agreement whereby the Company would receive payments related to the property at any time within the four years following the date of the agreement, the Company will be required to pay additional consideration of 40% of payments received during the first year, 30% of payments received during the second year, 20% of payments received during the third year and 10% of payments received during the fourth year; and
- (c) Milestone share payments (or cash equivalent at the Company's election) of:
  - (i.) 75,000 shares upon entering into a future option agreement (issued);
  - (ii.) 75,000 shares upon entering into a future agreement to drill 5,000 metres;
  - (iii.) 200,000 shares upon announcement of a measured or indicated mineral resource estimate (National Instrument 43-101 compliant) of at least 500 million tonnes at a grade of at least 0.40% copper equivalent; and
  - (iv.) 250,000 shares on the completion of a National Instrument 43-101 compliant feasibility study.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Axe Property, continued*

The property is located in south-central British Columbia. During the year, the Company has placed a reclamation bond in the amount of \$33,000.

### *Axe Antofagasta agreement*

In December 2017, the Company entered into an agreement with a wholly owned subsidiary of Antofagasta, whereby Antofagasta can earn up to a 70% interest in the property by spending up to an aggregate of US\$50 million, making cash payments of US\$800,000 and completing an National Instrument 43-101 compliant Preliminary Economic Analysis over a ten-year period.

Upon completing the terms of the Agreement, Evrim and Antofagasta will participate in a joint venture on a respective 30:70 basis. If either party's interest is diluted to 10% or less, it will convert to a 2% NSR. If Antofagasta terminates the Agreement prior to earning its 70% interest, it will receive a 0.50% NSR for exploration expenditures exceeding US\$10 million, an additional 0.25% NSR for expenditures in excess of US\$20 million and another 0.25% for expenditures in excess of US\$30 million, for a maximum of a 1% NSR. Evrim will be the operator for the first US\$10 million in exploration expenditures.

During the year ended December 31, 2017, the Company received \$1,270,100 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, \$1,258,863 is included in cash as at March 31, 2018.

### **Jacobite Property**

In November 2017, the Company acquired a 100% interest in the Jacobite property from Running Dog Resources Ltd. and Attunga Holdings Inc., subject to a 1% NSR.

To earn a 100% interest, the Company is required to make the following payments:

- (a) \$15,000 upon closing of the agreement (paid);
- (b) Milestone share payments (or cash equivalent at the Company's election) of:
  - (i.) \$7,500 upon entering into a future option agreement;
  - (ii.) \$20,000 upon drilling of 1,000 metres; and
  - (iii.) \$30,000 upon announcement of a measured, indicated or inferred mineral resource estimate (compliant with National Instrument 43-101).

The property is located in south-central British Columbia. During the year, the Company placed a reclamation bond of \$3,000 for the property.

# EVIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### Newmont Alliance

In July 2017, the Company announced signing of a two-year exploration alliance with Newmont Mining Corporation ("Newmont"). The alliance will focus on generating Greenfield exploration opportunities in terranes favorable for world-class gold orebodies. Evrim and Newmont will co-fund the US\$1,840,000 exploration program through a respective 30:70 allocation.

During the initial phase of the program, Evrim will undertake project identification, sampling and reconnaissance mapping with technical input from Newmont. The program will be further advanced by regional database compilation and target area geochemistry including Newmont's proprietary bulk leach extractable gold ("BLEG") analysis. The second-year program will be dependent on results obtained during the initial phase along with follow-up mapping and sampling.

At the end of the two-year alliance period, Newmont will have the right to designate one or more projects for option by making certain cash payments to Evrim and funding exploration on the project(s) for up to ten years, or until such time as it has defined a National Instrument 43-101 compliant pre-feasibility study on a minimum two-million-ounce gold resource. Newmont will then have increased their ownership in the designated project to 80%. Evrim will be the operator for the initial US\$5 million in exploration expenditures.

Evrin and Newmont will then form a joint venture on a respective 20:80 basis whereby Evrim can maintain its equity interest in the project or elect to have Newmont fund a positive National Instrument 43-101 compliant feasibility study and reduce Evrim's equity interest to 15%. At any point after the Alliance period, Evrim can elect to convert its equity interest in any project to a 2% NSR of which 0.5% NSR can be purchased for up to US\$10 million.

During the year ended December 31, 2017, the Company received \$753,732 in advances from Newmont to be used on exploration expenditures. Of the advanced amounts, \$92,922 is included in cash as at March 31, 2018.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 8. MINERAL PROPERTY INTERESTS, CONTINUED

### *Exploration Expenditures*

During the period ended March 31, 2018 and 2017, the Company incurred the following exploration expenditures that were expensed as incurred:

	Three months ended March 31,	
	2018	2017
Camp and support	\$ 51,383	\$ 11,357
Chemical analysis	8,497	13,440
Data management and maps	13,152	9,093
Geological services	145,377	151,609
Materials and supplies	3,014	892
Recording and filing	36,362	28,516
Travel	9,588	8,774
	<u>\$ 267,373</u>	<u>\$ 223,681</u>

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2018	December 31, 2017
Trade payables	\$ 63,245	\$ 101,435
Accrued liabilities	44,595	34,355
	<u>\$ 107,840</u>	<u>\$ 135,790</u>

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within the agreed-upon credit terms.

## 10. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Company's exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. Management's current estimate of reclamation and other future site restoration costs to be incurred for existing mineral property interests has been included in these consolidated financial statements as provision for environmental rehabilitation. The undiscounted amount of the estimated cash flows required to settle the obligations, which are expected to be paid over the next four years, is \$46,194 (December 31, 2017 - \$46,224).

Balance, December 31, 2016	\$	27,919
Revision in estimates		18,305
Balance, December 31, 2017		<u>46,224</u>
Foreign exchange effect		(30)
Balance, March 31, 2018	\$	<u>46,194</u>

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 11. COMMITMENTS AND CONTINGENCIES

- (a) On November 27, 2013, the Company signed a lease for its head office located at 910 - 850 West Hastings Street, Vancouver, British Columbia, effective March 1, 2014 to February 28, 2020. This lease is classified as an operating lease. The Company has made a security deposit equivalent to two months' rent. At March 31, 2018, the Company has future minimum annual lease commitments as follows:

	Less than one year	One to five years
Lease payment	\$ 40,236	\$ 36,883
Operating costs (estimate)	40,959	38,799
Total	\$ 81,195	\$ 75,682

- (b) The Company has leased a photocopier for the head office, which has been classified as an operating lease since the lease does not include a purchase clause and the term of the lease is not substantially all of the useful life of the asset. The following are the future minimum annual lease commitments:

	Less than one year	One to five years
Photocopier lease payment	\$ 2,160	\$ -

- (c) First Majestic initiated arbitration proceedings in connection with its purported exercise of the option pursuant to which First Majestic can earn a 100% interest in the Ermitaño property (note 8) subject to retention of the 2% NSR by Evrim. Management believes it is premature to estimate potential liability of the proceedings.

## 12. ISSUED CAPITAL

- (a) Authorized and issued

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

- (b) Incentive stock options

During 2017, the Company announced a new fixed incentive option plan ("Fixed Plan") to replace its long-term cash bonus plan. The Fixed Plan allows the board of directors to grant up to an aggregate of 6,000,000 stock options of the Company to encourage equity participation among senior officers, employees, consultants and directors through the acquisition of common shares of the Company.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 12. ISSUED CAPITAL, CONTINUED

### (b) Incentive stock options, continued

The board of directors has approved the grant of 5,825,000 stock options to officers, employees and consultants of the Company at a price of \$0.25 per share for a period of five years. The options vest over a five-year period for senior executives and three years for employees and consultants.

Changes in share purchase options during the period

	March 31, 2018		March 31, 2017	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at beginning of the year	5,925,000	\$ 0.25	100,000	\$ 0.18
Granted	-	\$ -	-	\$ -
Exercised	-	\$ -	-	\$ -
Forfeited/Expired	-	\$ -	-	\$ -
Outstanding at end of the period	5,925,000	\$ 0.25	100,000	\$ 0.18
Options exercisable at end of the period	1,450,000	\$ 0.25	100,000	\$ 0.18

The following share purchase options were outstanding at March 31, 2018.

Expiry date	Options outstanding (number of shares)	Options exercisable (number of shares)	Exercise price	Weighted average remaining life
May 13, 2020	100,000	100,000	\$ 0.18	2.12
November 9, 2022	5,825,000	1,350,000	\$ 0.25	4.61
	5,925,000	1,450,000	\$ 0.25	4.57

The weighted average grant-date fair value of the share purchase options granted was \$0.16 per share. The Company determines the fair value of the options using the Black-Scholes option pricing model and used the following weighted average assumptions: volatility of 79.89%, risk-free interest rate of 1.63%, an expected life of 5 years and a dividend yield of 0%. Volatility was estimated using historical prices of the Company's shares.

The total share-based compensation expense charged against operations for the period ended March 31, 2018 was \$104,517 (March 31, 2017 – \$Nil)

The Company did not issue any options during the period ended March 31, 2017.

# EVRIIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 12. ISSUED CAPITAL, CONTINUED

### (c) Warrants

#### Warrant exercise

During the three months ended March 31, 2018, 12,255,800 warrants and 18,000 finders' warrants were exercised with an exercise price of \$0.25 and \$0.30 for gross proceeds of \$3,069,350 and \$1,940 was reclassified from contributed surplus to capital stock.

Share purchase warrants outstanding at March 31, 2017 and 2016 are as follows:

Exercise price	Expiry date	Balance December 31, 2017	Expired unexercised	Exercised during the year	Balance March 31, 2018
\$0.25	December 16, 2020 <sup>(i)</sup>	12,568,800	(313,000)	(12,255,800)	-
\$0.50	May 19, 2020	7,174,880	-	-	7,174,880
\$0.30	November 19, 2018	565,704	-	(18,000)	547,704
		20,309,384	(313,000)	(12,273,800)	7,722,504
Weighted average exercise price		\$0.34		0.25	\$0.49
Weighted average remaining life		2.70			2.03

Exercise price	Expiry date	Balance December 31, 2016	Exercised during the year	Balance March 31, 2017
\$0.12	December 16, 2017	7,200	-	7,200
\$0.25	December 16, 2020 <sup>(i)</sup>	12,568,800	-	12,568,800
		12,576,000	-	12,576,000
Weighted average exercise price		\$0.25		\$0.25
Weighted average remaining life		3.96		3.66

- (i) If the shares of the Company trade higher than \$0.35 for 20 consecutive trading days after the four-month holding period, the exercise of these warrants may be accelerated to the date that is 20 days after the twentieth consecutive trading day.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 13. RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties are disclosed below.

(a) Due to related parties

Included in accounts payable and accrued liabilities at March 31, 2018 was \$3,873 (March 31, 2017 - \$Nil) owing to a company with common directors.

(b) Transactions involving related parties

Effective March 1, 2016, the Company entered into an agreement with Mirasol Resources Ltd. to share Chief Financial Officer services, office administration support services and office sharing. Evrim received \$39,848 during the period ended March 31, 2018 (March 31, 2017 - \$38,145), which was set off against the related costs. As at March 31, 2018, \$13,988 (March 31, 2017 - \$14,183) is included in amounts receivable.

During the period ended March 31, 2018, the Company paid \$6,297 (March 31, 2017 - \$3,255) for community engagement services to a company with directors in common.

During the year ended December 31, 2017, the Company entered into an option agreement to purchase a 100% interest in the Jacobite property from a company with directors in common.

(c) Compensation of key management personnel

The remuneration paid to directors and other key management personnel during the period ended March 31, 2018 and 2017 were as follows:

	Period ended March 31,	
	2018	2017
Salaries of senior executives <sup>(i)</sup>	\$ 195,000	\$ 149,000
Short-term employee benefits <sup>(ii)</sup>	7,959	6,764
Non-executive directors' fees	28,500	28,500
Share-based compensation	76,257	-
	<u>\$ 307,716</u>	<u>\$ 184,264</u>

(i) Senior executives include the Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration, and Vice President, Technical Services.

(ii) Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended March 31, 2018 and 2017.



# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 14. SEGMENTED INFORMATION

During the period ended March 31, 2018 and 2017, the Company operated in one industry segment: mineral exploration; within three geographic segments: Canada, United States and Mexico. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office. The Company's non-current assets by geographic areas for the period ended March 31, 2018 and 2017 are as follows:

March 31, 2018	Canada	United States	Mexico	Total
Non-current assets				
Prepaid rent and deposits	\$ 11,208	\$ -	\$ -	\$ 11,208
Equipment	23,970	-	10,349	34,319
Reclamation bond	53,000	-	-	53,000
	<u>\$ 88,178</u>	<u>\$ -</u>	<u>\$ 10,349</u>	<u>\$ 98,527</u>

March 31, 2017	Canada	United States	Mexico	Total
Non-current assets				
Prepaid rent and deposits	\$ 11,208	\$ -	\$ -	\$ 11,208
Equipment	21,215	-	4,761	25,976
Reclamation bond	20,000	-	-	20,000
	<u>\$ 52,423</u>	<u>\$ -</u>	<u>\$ 4,761</u>	<u>\$ 57,184</u>

The Company's mineral property revenues by geographic areas for the period ended March 31, 2018 are as follows:

	March 31, 2018		
	Canada	Mexico	Total
Revenues			
Property option proceeds	\$ -	\$ 63,700	\$ 63,700
Project management fees	7,101	297	7,398
	<u>\$ 7,101</u>	<u>\$ 63,997</u>	<u>\$ 71,098</u>

The Company's property option proceeds were earned in Mexico during the period ended March 31, 2017.

## 15. FINANCIAL RISK MANAGEMENT

### (a) Fair value of financial instruments

The fair values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and joint venture partner deposits approximate their carrying values due to the short-term to maturities of these financial instruments.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 15. FINANCIAL RISK MANAGEMENT, CONTINUED

### (b) Categories of financial instruments

	March 31, 2018	December 31, 2017
<b>Financial assets</b>		
<i>FVTPL</i>		
Cash and cash equivalents	\$ 8,584,682	\$ 6,283,430
Marketable securities	45,000	45,000
<i>Loans and receivables</i>		
Amounts receivable	77,472	33,910
	<b>\$ 8,707,154</b>	<b>\$ 6,362,340</b>
<b>Financial liabilities</b>		
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	\$ 107,839	\$ 135,790
Joint venture partner deposit	2,819,172	2,918,046
	<b>\$ 2,972,011</b>	<b>\$ 3,053,836</b>

The Company's financial instruments are exposed to certain financial risks, which include foreign currency risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

### (c) Foreign currency risk

The Company incurs certain expenses in currencies other than the Canadian dollar. The Company is subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in US dollars and Mexican pesos ("MXN") to pay these foreign currency expenses as they arise. Receipts in foreign currencies are maintained in those currencies. The Company does not undertake currency hedging activities. The Company also does not attempt to hedge the net investment and equity of integrated foreign operations.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
 Three Months Ended March 31, 2018 and 2017  
 (Expressed in Canadian Dollars)

## 15. FINANCIAL RISK MANAGEMENT, CONTINUED

### (c) Foreign currency risk, continued

The carrying amount of the Company's foreign currency denominated monetary assets are as follows:

	March 31, 2017 (US*)	March 31, 2018 (MXN*)	December 31, 2017 (US*)	December 31, 2017 (MXN*)
Cash	\$ 1,197,051	\$ 223,344	\$ 1,450,022	\$ 89,290
Amounts receivable	-	-	-	-
Accounts payable and accrued liabilities	7,899	-	695	-
Joint venture partner deposits	-	-	-	-
Net assets denominated in foreign currencies	\$ 1,204,950	\$ 223,345	\$ 1,450,717	\$ 89,290

\*Figures in this table are Canadian dollars, converted from the foreign currency, at the closing exchange rate for that date.

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by 1.97% (December 31, 2017 – 1.59%).

The sensitivity of the Company's loss and comprehensive loss due to changes in the exchange rate between the Mexican peso and the Canadian dollar, and between the US dollar and the Canadian dollar are summarized in the tables below. The change, due to the effect of the exchange rate on financial instruments, is reported in the consolidated statements of loss and comprehensive loss as foreign exchange gains (losses).

Period ended March 31,	2018		2017	
	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate
Change in net loss and comprehensive loss	\$ 12,865	\$ Nil	\$ 14,930	\$ Nil

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 15. FINANCIAL RISK MANAGEMENT, CONTINUED

### (d) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and two short-term investments that earn interest at a fixed interest rate. Future cash flows from interest income on cash and cash equivalents will be affected by declining cash balances. The Company manages interest rate risk by investing in short-term fixed interest financial instruments with varying maturity periods when feasible to provide access to funds as required. The effect of a 1% change in interest rates on comprehensive income based on the cash and cash equivalents at the end of each period would be immaterial. Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

### (e) Credit risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty or third party to a financial instrument fails to meet its contractual obligations. To reduce credit risk, cash and cash equivalents are on deposit at major financial institutions. The Company is not aware of any counterparty risk that could have an impact on the fair value of such investments. The carrying value of the financial assets represents the maximum credit exposure.

The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	March 31, 2018	December 31, 2017
Short-term money market instruments	\$ 4,650,070	\$ 2,570,712
Cash bank accounts	3,934,612	3,712,718
Amounts receivable	77,472	33,910
Total	\$ 8,662,154	\$ 6,317,340

At March 31, 2018, the Company's short-term money market instruments were \$2,600,000, \$1,050,070 and \$1,000,000 term deposits earning interest at 1.05%, 0.6% and 1.4% per annum, respectively, and cashable at any time.

### (f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, including exploration plans. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and holdings of cash and cash equivalents.

# EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2018 and 2017  
(Expressed in Canadian Dollars)

## 15. FINANCIAL RISK MANAGEMENT, CONTINUED

(f) Liquidity risk, continued

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments. The Company staggers the maturity dates of its investments over different time periods when feasible to maximize interest earned. This strategy remains unchanged from prior years.

The following table summarizes the Company's significant liabilities and corresponding maturities.

Due Date	Accounts Payable and Accrued Liabilities	
	March 31, 2018	December 31, 2017
0 – 90 days	\$ 63,245	\$ 101,435
90 – 365 days	44,595	34,355
365 + days	-	-
Total	\$ 107,840	\$ 135,790

(g) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risk.

## 16. SUBSEQUENT EVENT

### Warrant exercise

Subsequent to the period end, 831,162 share purchase warrants and 490,703 finders' warrants with an exercise price of \$0.50 and \$0.30 per warrant respectively were exercised for gross proceeds of \$562,792.



**MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS**

**FOR THE THREE MONTHS ENDED  
MARCH 31, 2018**

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Introduction**

*This Management Discussion and Analysis – Quarterly Highlights (“MD&A - Quarterly Highlights”) of the financial position and results of Evrim Resources Corp. (the “Company” or “Evrin”) should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2018 and 2017. The MD&A - Quarterly Highlights was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release. Readers are cautioned that the MD&A - Quarterly Highlights contains forward-looking statements and that actual events may vary from management’s expectations. Readers are encouraged to read the Forward Looking Statement disclaimer included with this MD&A - Quarterly Highlights.*

*The audited consolidated financial statements, unaudited condensed interim consolidation financial statements and MD&A - Quarterly Highlights are presented in Canadian dollars, unless otherwise indicated and have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The statements and any summary of results presented in the MD&A - Quarterly Highlights were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Please consult the audited consolidated financial statements for the years ended December 31, 2017 and 2016, unaudited condensed interim consolidation financial statements for the three months ended March 31, 2018 and 2017 for more complete financial information.*

*All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.*

**About Evrim**

Evrin is a mineral exploration company with a diverse portfolio of quality copper, gold and silver exploration projects in Mexico, southwestern United States and western Canada. The Company also owns a geological database covering Mexico and portions of southwestern United States. Evrim's business plan is to generate and acquire exploration projects that it will advance through option and joint venture agreements with industry partners to create shareholder value. The projects generated and acquired to date form a solid foundation for Evrim's execution of the joint venture business model, which will be further enhanced by a pipeline of new projects being developed internally.

The Company was incorporated on May 11, 2005, as a capital pool company for the purposes of the policies of the TSX Venture Exchange (“Exchange”) and is a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario. The shares of the Company commenced trading on the Exchange under the symbol “EVM” on January 25, 2011.

**Date**

This MD&A - Quarterly Highlights has been prepared based on information available to the Company as of May 29, 2018.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Operational Highlights**

**Warrant Exercise**

In March 2018, the Company received \$3,063,950 from the exercise of 12,255,800 common share purchase warrants with an exercise price of \$0.25 as part of the December 16, 2015, private placement.

Subsequent to the quarter end, 1,276,365 warrants were exercised for gross proceeds of \$540,042.

**Option Agreements, Acquisitions and Exploration**

The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral property interests. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves.

**Sarape**

In February 2018, the Company announced an LOI with a subsidiary of Coeur Mining Inc. (“Coeur”) on the Company’s Sarape project in Sonora, Mexico.

Coeur may acquire an 80% interest in Sarape by spending US\$16.5 million on exploration, making staged cash payments of US\$2.4 million and completing a National Instrument (“NI”) 43-101 compliant Feasibility Study on a minimum measured and indicated resource estimate of 1,000,000 ounces of gold equivalent, within a ten-year period.

**Cuale**

In November 2017, the Company received formal title for the Cuale project and in December 2017, a trenching, mapping and sampling program was completed. The formal title covers 97 square kilometres. Cuale is an early stage exploration property prospective for high sulphidation epithermal gold-silver mineralization, located 185 kilometres west of Guadalajara.

Trenching was carried out at the La Gloria prospect located within an area of high temperature alteration and defined a mineralized zone of approximately 300 by 200 metres. First phase trench highlights include:

- Trench 1 returned 0.53 grams g/t gold over 25.4 metres
- Trench 2 returned 7.4 g/t gold over the entire 9.4 metre length of the trench
- Trench 3 returned 0.61 g/t gold over the entire 20.0 metre length of the trench

Trench one was completed in the northeast corner of the core La Gloria zone and the reported mineralized intersection is a subset of the 62.6 metre-long trench. Trench two was located 50 metres southwest of trench one and trench three is located 270 metres south-southwest of trench one.

A follow-up phase of trenching and induced polarization was completed in February, 2018. Trench one was extended 290 metres south-southwest and across trench three, trench two was extended 20 metres to the northwest, and trench four was completed 125 metres south-southwest of trench two.



**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Operational Highlights, continued**

**Option Agreements, Acquisitions and Exploration, continued**

<b>Trench</b>	<b>From</b>	<b>To</b>	<b>Width</b>	<b>Au (g/t)</b>	<b>Top Cut Au (g/t) [Cut at 30.0 g/t]</b>	<b>Comment</b>
<b>Trench 1</b>	0	351.8	351.8	1.28	n/a	Whole trench*
Including	44.6	307.8	263.2	1.67	n/a	
Including	92.3	285.8	193.5	2.09	n/a	
Including	113.8	121.8	8	5.77	n/a	
And	157.8	277.8	120	2.46	n/a	
Including	187.8	199.8	12	4.25	n/a	
Including	223.8	235.8	12	3.98	n/a	
and	269.8	277.8	8	5.22	n/a	
<b>Trench 2</b>	0	29.4	29.4	2.94	2.12	Whole trench
Including	11.5	29.4	17.9	4.55	3.21	
<b>Trench 3</b>	0	53.7	53.7	0.28	n/a	Whole trench*
Including	21.7	36.7	15	0.76	n/a	
<b>Trench 4</b>	0	135.6	135.6	10.72	3.03	Whole trench*
Including	29.4	135.6	106.2	13.61	3.80	
Including	38.6	63.6	25	4.12	n/a	
And	85.6	135.6	50	26.13	5.28	
Including	100.6	108.1	7.5	163.3	24.3	

**\*Whole trench includes non-mineralized zones.**

All intervals have been reported on an uncut basis. The 10 samples that returned greater than 10g/t gold in the original 30 gram fire assay analysis were retested with two 50 gram fire assays and a 50 gram metallic screen fire assay. Metallic screen assays reported acceptable repeatability with excellent repeatability at the highest gold grades. Metallic screen analysis reports coarse and fine gold mineralization separately and the results from these analyses suggest that gold grades are associated with fine disseminated mineralization with a minimal nugget effect.

Two east-west induced polarization (IP) lines were completed across the area of high temperature clay alteration. The induced polarization survey defined a 100 by 300 metre zone of high resistivity immediately beneath the trenching at the La Gloria zone with a possible extension 400 metres to the west. The second line was completed 500 metres to the north and outlined a 1,200 metre long and 50 to 120 metre deep highly resistive ledge that coincides well with an outcropping zone of massive to saccharoidal quartz alteration with minor gold anomalism in sparse rock chip sampling. An interpreted feeder target at depth was identified on each of the IP lines. A shallowly dipping, strongly conductive and weakly chargeable body beneath the ledge on each survey line may be clay and pyrite alteration. The entire surveyed area east of a mapped phyllite is marked by low chargeability and is interpreted to represent extensive oxidization to depth.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Operational Highlights, continued**

**Option Agreements, Acquisitions and Exploration, continued**

In May 2018, the Company announced the commencement of third phase of exploration that includes 3,000 metres of diamond drilling, additional trenching, soil analysis and a controlled source audio magnetotelluric (CSAMT) survey. The trenching and CSAMT survey are to better define targets for subsequent drilling. The drilling will follow up on trenching results from the phase one and two programs.

**Ermitaño**

Ermitaño is located 130 kilometres northeast of Hermosillo and consists of two claims covering 16,527 hectares. The primary targets at Ermitaño are epithermal gold-silver vein systems similar to the systems at First Majestic's Santa Elena Mine.

In January, 2014, the Company entered in to an agreement with SilverCrest Mines Inc., now First Majestic Silver Corp. ("First Majestic"), whereby First Majestic can earn a 100% interest in the Ermitaño property. To earn a 100% interest, First Majestic must make an initial payment of US\$75,000 and annual payments of US\$50,000 at each anniversary of the agreement, complete a minimum of US\$500,000 in exploration expenditures in the first year, and deliver a production notice specifying mine and construction plans with accompanying permits and an economic forecast before the end of the fifth anniversary of the agreement. Upon vesting, First Majestic will no longer be required to make the annual payments and Evrim will retain a 2% NSR.

In November 2017, the Company received a purported production notice from First Majestic for the exercise of the Ermitaño option agreement. The Company considers the production notice to be not valid as the notice was not supported by a mining reserve or resource estimate, permits or any economic forecast. First Majestic has initiated arbitration proceedings in connection with its purported exercise of the option.

In January 2018, the Company announced the results of the remaining six holes of a ten hole 3,156 metre diamond drilling program completed by First Majestic at the Ermitaño West vein in early 2017.

Every drill hole intersected a quartz vein with associated stockwork on either side hosted in strongly silicified rhyolite tuff or the contact between rhyolite tuff and andesite tuff. The quartz veins are composed of green to cream coloured, colloform banded, chalcedonic and locally crystalline quartz, common adularia bands, zones of quartz-healed breccia with milled vein fragments, iron oxides after sulphide and minor manganese oxide. Zones with better grades including holes EW16-04, EW16-06, and EW16-09 are in the core of an interpreted boiling zone and exhibit greater brecciation as well as quartz replacing bladed calcite.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

**Operational Highlights, continued**

**Option Agreements, Acquisitions and Exploration, continued**

**Ermitaño West Drilling Highlights**

Hole	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	Gold-Equiv (g/t)
EW16-01	96.6	105.4	8.8	0.8	10	0.9
EW16-02	157.1	170.3	13.2	1.1	29	1.5
<b>Including</b>	<b>164.0</b>	<b>168.2</b>	<b>4.2</b>	<b>2.5</b>	<b>58</b>	<b>3.3</b>
EW16-03	195.8	205.4	9.6	1.8	24	2.1
<b>Including</b>	<b>199.6</b>	<b>202.7</b>	<b>3.1</b>	<b>4.9</b>	<b>36</b>	<b>5.4</b>
EW16-04	224.5	242.5	18.0	11.4	86	12.6
<b>Including</b>	<b>228.1</b>	<b>240.1</b>	<b>12.0</b>	<b>15.7</b>	<b>107</b>	<b>17.1</b>
EW16-05	126.4	152.6	26.2	4.2	52	4.9
<b>Including</b>	<b>132.7</b>	<b>144.9</b>	<b>12.2</b>	<b>7.3</b>	<b>72</b>	<b>8.3</b>
EW16-06	268.8	301.6	32.8	3.8	187	6.3
<b>Including</b>	<b>271.3</b>	<b>279.5</b>	<b>8.2</b>	<b>11.5</b>	<b>633</b>	<b>19.9</b>
EW16-07	191.5	212.6	21.1	0.3	10	0.4
EW16-08	347.7	371.5	23.8	2.0	37	2.5
EW16-09	268.5	282.3	13.8	3.3	72	4.3
<b>Including</b>	<b>271.3</b>	<b>279.5</b>	<b>8.2</b>	<b>4.4</b>	<b>87</b>	<b>5.6</b>
and	318.0	321.3	3.3	6.2	27	6.6
EW16-10	147.4	163.8	16.4	2.2	35	2.6
<b>Including</b>	<b>147.4</b>	<b>152.9</b>	<b>5.5</b>	<b>4.8</b>	<b>65</b>	<b>5.7</b>

\*Note: Holes EW16-01 to EW16-04 were announced on January 17, 2017. Gold equivalent (“Gold-Equiv”) is calculated using a gold to silver ratio of 1:75. Recoveries of 100% are assumed for the calculation of gold-equivalent values.

Drill holes EW16-01 to EW16-10 intersected a wide, east-west trending, low-intermediate sulphidation epithermal vein with an accompanying hangingwall stockwork zone that has been mapped over a 1,200 by 600 metre area. The principal east-west striking vein has been traced by drilling for 590 metres in strike and up to 210 metres deep with an average thickness of approximately 11 metres. Mineralization remains open at depth and to the west.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Operational Highlights, continued**

**Option Agreements, Acquisitions and Exploration, continued**

In March, 2018, First Majestic announced an Inferred Resource on the Ermitaño West vein of 40.8 million silver equivalent ounces with average silver and gold grades of 68 g/t and 4.0 g/t, respectively. Mineral Resources have been classified in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into the NI 43-101.

Metal prices considered for Mineral Resource estimates were \$20 per ounce silver, \$1,450 per ounce gold, \$1.20 per pound lead and \$1.50 per pound zinc. All metal price assumptions, metallurgical recovery, and payable metal determinations were made by First Majestic and disclosed in its most recent Annual Information Form. Using First Majestic's metal prices along with other assumptions stated in its March 29, 2018 news release, the Company calculated the inferred resource to approximately 562,000 ounces gold equivalent.

**Ball Creek**

The project is subject to a joint venture with a wholly owned subsidiary of Antofagasta Plc. ("Antofagasta"). Ball Creek contains four known porphyry systems (Ball Creek, Rainbow North, South More and Mess Creek) and the 2017 program identified a new fifth porphyry target at Quash. A combination of mapping and rock chip sampling was undertaken at three of the systems and a soil grid undertaken between them to define new target areas. The previously-drilled Ball Creek porphyry is open to the northeast and southwest and 2017 mapping has demonstrated three sub-parallel porphyry alteration systems; two of which have been tested by limited drilling. Mapping in 2017 at the Rainbow North porphyry system identified high-grade gold and copper sheeted vein mineralization that is similar to the porphyry systems of the Maricunga belt of Chile. Soil sampling at South More in 2017 defined a large, 3.2 by 1.0 kilometre, copper, gold and molybdenum in soil anomaly that has never been drilled. Mineralization in this system is hosted by silica undersaturated syenite which is a setting similar to that found at the Galore Creek porphyry deposit. A broad 500 metre-spaced soil sampling program was undertaken in 2017 to search for new systems outside of areas of known mineralization and the survey identified a new 1.2 by 0.7 kilometre copper, gold, and molybdenum soil anomaly at the Quash Zone. The Quash Zone is associated with potassically-altered andesite float that hosts quartz veining, chalcopyrite, and bornite. Follow-up work at the Ball Creek, Rainbow North, South More and Quash areas will be completed in 2018.

**Axe**

The project is subject to a joint venture with Antofagasta. In May, the Company commenced a 3,000 metre drill program to test targets generated by the 2017 core re-logging and re-interpretation and inversion of 2012 airborne magnetic data. In addition to geologic mapping, 1,000 metres of reverse circulation drilling will test the till-covered area west of the South, Mid and West zones for additional centres of porphyry mineralization. The budget for this program is USD \$1,000,000.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Operational Highlights, continued**

Generative Initiatives

The Company allocated resources during the year to generate new projects in Canada and Mexico. Targeting focused on epithermal gold-silver and porphyry copper-related targets in Sonora, Chihuahua, Sinaloa, Durango and on porphyry copper-gold projects in British Columbia. As of March 31, 2018, twelve projects were reviewed and one site visits was undertaken.

Due diligence and sampling are underway on recommended projects. Favourable results could lead to the acquisition of new projects that the Company hopes to advance to the joint venture stage.

**Operational Highlights, continued**

**Technical Disclosure**

All technical disclosure covering the Company's mineral properties was prepared under the supervision of Stewart Harris, P.Geo. Vice President, Technical Services for the Company and a "Qualified Person" within the meaning of NI 43 -101.

**EVRIIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

**Operational Highlights, continued**

**Property Acquisitions and Exploration, continued**

The following table indicates the exploration undertaken on the Company's properties during the period ended March 31, 2018 and 2017. Results for minor properties which are not subject to option or alliance agreements have been aggregated to permit presentation of the results for the comparable period in the previous fiscal year.

	Optioned Properties										Alliance	
	Ermitaño		Cumobabi		Ball Creek		Axe		Cerro Cascaron		Newmont	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Acquisition costs	\$ -	\$ -	\$ -	\$ -	1,019	\$ 998	\$ 1,419	\$ -	\$ -	\$ 621	\$ -	\$ -
Exploration costs												
Camp and support	260	302	-	43	33,635	327	1,461	3,565	797	242	2,641	-
Chemical analysis	-	-	-	-	-	-	900	1,899	-	-	-	-
Data management and maps	-	-	-	-	3,280	2,847	-	804	74	-	4,832	-
Geological and engineering	-	1,149	1,690	-	22,407	10,850	9,078	25,783	2,292	4,851	30,550	-
Materials and supplies	-	-	-	-	-	10	-	733	-	-	-	-
Recording and filing	-	320	-	-	-	-	-	-	12,789	4,213	-	-
Travel	-	-	-	-	-	-	-	104	-	-	766	-
	260	1,771	1,690	43	59,322	14,034	11,439	32,888	15,952	9,306	38,789	-
Exploration reimbursements	-	-	-	-	(40,792)	-	(10,215)	-	(14,560)	-	(27,153)	-
Acquisition & exploration costs net of, reimbursements	260	1,771	1,690	43	18,530	14,034	1,224	32,888	1,392	9,306	11,636	-
Option proceeds	(63,700)	(66,675)	-	-	-	-	-	-	-	-	-	-
Net expenditures (recoveries), for the Period	(63,440)	(64,904)	1,690	43	19,549	15,032	2,643	32,888	1,392	9,927	11,636	-

Projects continued on next page

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

**Operational Highlights, continued**

**Property acquisitions and Exploration, continued**

	Llano del Nogal		Cuale		Sarape		Generative		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Acquisition costs	\$ -	\$ -	\$ 7,797	\$ -	\$ 705	\$ -	\$ 30,945	\$ -	\$ -	\$ -	\$ 41,885	\$ 1,619
Exploration costs												
Camp and support	2,226	823	9,040	136	97	-	1,070	5,832	156	87	51,383	11,357
Chemical analysis	2,292	-	5,305	-	-	-	-	8,940	-	2,601	8,497	13,440
Data management and maps	227	-	2,227	-	-	-	2,512	5,442	-	-	13,152	9,093
Geological and engineering	18,952	1,493	33,984	695	1,042	-	25,382	83,624	-	23,164	145,377	151,609
Materials and supplies	331	-	2,683	28	-	-	-	55	-	66	3,014	892
Recording and filing	16,254	17,584	7,319	-	-	-	-	6,399	-	-	36,362	28,516
Travel	3,131	355	5,388	106	-	-	303	8,209	-	-	9,588	8,774
	43,413	20,255	65,946	965	1,139	-	29,267	118,501	156	25,918	267,373	223,681
Exploration reimbursements	-	-	-	-	-	-	-	-	-	-	(92,720)	-
Acquisition & exploration costs net of, reimbursements	43,413	20,255	65,946	965	1,139	-	29,267	118,501	156	25,918	174,653	223,681
Option proceeds	-	-	-	-	-	-	-	-	-	-	(63,700)	(66,675)
Net expenditures (recoveries), for the Period	43,413	20,255	73,743	965	1,844	-	60,212	118,501	156	25,918	152,838	158,625

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Trends**

Seasonality and market fluctuations have a minor impact on the expenditure patterns of the Company. The Company's exploration activities are carried out in Mexico and Canada. Companywide expenditures consist of expenses incurred on mineral property operations, administration and business development.

The level of spending is largely determined by the Company's ability to secure financing through the sale of equity, sale of assets and joint venture or alliance agreements with industry partners.

**Financial Condition – Three months ended March 31, 2018**

For the three months ended March 31, 2018 ("2018"), Evrim incurred a net loss of \$651,451 (\$0.01 per share) compared to a net loss of \$476,701 (\$0.009 per share) for the three months ended March 31, 2017 ("2017"). The increase in net loss in 2018 is due an increase in salaries and support services, share-based compensation and marketing services.

Share-based compensation and depreciation are non-cash items. Excluding the non-cash items, the net loss for 2018 is \$544,112 (2016: \$476,474).

The Company reported a \$145,440 loss from its mineral property operations in 2018, compared to \$158,625 in 2017. The Company incurred \$309,258 in exploration and acquisition expenditures in 2018, compared to \$225,300 in 2017. Two active joint ventures in Canada and an alliance resulted in the increase in the exploration costs. The Company received \$92,720 in exploration reimbursements in 2018, compared to \$Nil in 2017. Management fee revenue of \$7,398 was earned during 2018 (\$Nil in 2017).

The largest component of administrative expenditures is salaries and support services (2018: \$237,081; 2016: \$190,992) for the permanent staff of the Company. The increase in 2018 is due to an increase in gross salary for some of the permanent staff members of the Company. Marketing expenses (2018: \$33,216; 2017: \$14,144) increased in 2018 due to increased participation in trade shows. Investor services (2018: \$11,306; 2017: \$8,764) include the costs of maintaining a listing on the TSX Venture Exchange as well as transfer agent fees. Increase in the cost is due to change of the transfer agent. The Company experienced a foreign exchange gain of \$9,024 in 2018 compared to a gain of \$13,643 in 2017.

**Cash Flow and Liquidity**

The Company's cash and cash equivalents at March 31, 2018, were \$8,584,682 compared to \$6,283,430 at December 31, 2017. The Company had working capital of \$5,853,983 at March 31, 2018, compared to working capital of \$3,351,275 at December 31, 2017. The increase in working in capital is attributable to the warrants being exercised during the period.

During the period, \$756,939 was used in operating activities compared to \$501,665 in 2017. The increase is due to an increase in salaries and support services, joint venture partner funded exploration work and marketing and business development expenses of the Company.

The Company's financial instruments are cashable at any time without restriction.

The Company has no long-term debt.



**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Cash flow and Liquidity, continued**

As the Company has limited revenues, its ability to fund operations is dependent upon its ability to secure financing through the sale of equity or assets. The value of any mineral property is dependent upon the existence of economically recoverable mineral reserves, or the possibility of discovering such reserves, or proceeds from the disposition of such properties.

Exercise of warrants during 2018 substantially increased the cash flow of the Company.

**Contractual Obligations and Contingencies**

The Company has leased premises for its head office at 910-850 West Hastings Street, Vancouver, British Columbia, effective March 1, 2014 to February 28, 2020. Commitments outstanding for the 2018 fiscal year total \$70,698 for lease and operating costs, and the estimates for 2019 to 2020 total \$86,179. Effective March 1, 2016, the Company entered into an agreement with Mirasol to share the office space, CFO services, and administration services, as a cost saving measure.

First Majestic initiated arbitration proceedings in connection with its purported exercise of the option pursuant to which First Majestic can earn a 100% interest in the Ermitaño property subject to retention of the 2% NSR by Evrim. Management believes it is premature to estimate potential liability of the proceedings

**Capital Resources**

The Company had 77,997,042 issued and outstanding common shares as of March 31, 2018.

The Company could obtain additional capital if the outstanding warrants are exercised.

**Marketable Securities**

The Company received one million common shares from Harvest upon signing of the option agreement for the Cerro Cascaron property. The fair value of the shares as of March 31, 2017 was \$45,000.

**Transactions with Related Parties**

Other than the related party transactions discussed below, there are no current transactions with related parties.

***a) Transactions with related parties***

Effective March 1, 2016, the Company entered into an agreement with Mirasol Resources Ltd. to share Chief Financial Officer services, office administration support services and office sharing. Evrim received \$39,848 during the period ended March 31, 2018 (March 31, 2017 - \$38,145), which was set off against the related costs. As at March 31, 2018, \$13,988 (March 31, 2017 - \$14,183) is included in amounts receivable.

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

**Transactions with Related Parties, continued**

During the period ended March 31, 2018, the Company paid \$6,297 (March 31, 2017 - \$3,255) for community engagement services to a company with directors in common.

During the year ended December 31, 2017, the Company entered into an option agreement to purchase a 100% interest in the Jacobite property from a company with directors in common.

***b) Due to a related party***

Included in accounts payable and accrued liabilities at March 31, 2018 was \$3,873 (March 31, 2017 - \$Nil) owing to a company with directors in common.

***c) Compensation of key management personnel***

IFRS requires that compensation of key management personnel be included as a transaction with related parties. In Note 13 (c) of the condensed interim consolidated financial statements, a table is included which details compensation paid to the senior officers of the Company (Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration and Vice President, Technical Services) and non-executive directors. The salaries and benefits increased for the three months ended March 31, 2018, compared to March 31, 2017. The increase is due to general increase in salaries and wages and recognition of the stock base compensation for the vested stock options.

**Other Requirements**

***Risks Factors and Uncertainties***

The Company is subject to many risks that may affect future operations over which the Company has little control. These risks include, but are not limited to, intense competition in the resource industry, market conditions and the Company's ability to access new sources of capital, mineral property title, results from property exploration and development activities, and currency fluctuations. The Company has a history of recurring losses and there is no expectation that this situation will change in the foreseeable future.

Please refer to the section 1.15 Other Requirements, "Risk Factors and Uncertainties" in the annual MD&A of the Company dated April 18, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).

**EVRIM RESOURCES CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

---

***Additional Disclosure for Venture Issuers without Significant Revenue***

The significant components of general and administrative expenditures are presented in the condensed interim consolidated financial statements. Significant components of mineral property expenditures are included in operational highlights under property acquisition and exploration.

***Outstanding Share Data***

As of the date hereof, the Company had 81,318,907 issued and outstanding common shares. In addition, the Company has 5,925,000 options outstanding that expire through November 10, 2023, and 6,400,639 warrants outstanding that expire through May 19, 2020. Details of issued share capital are included in Note 12 and Note 16 of the condensed interim consolidated financial statements for the three months ended March 31, 2018 and 2017.

***Other Information***

All technical reports on material properties, press releases and material change reports are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

***Forward-Looking Statements***

*This document includes certain forward looking statements concerning the future performance of the Company's business, its operations, its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties. Factors that may cause actual results to vary from forward looking statements include, but are not limited to, the Company's ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, as described in more detail in this document under "Risk Factors and Uncertainties". Statements relating to estimates of reserves and resources are also forward-looking statements as they involve risks and assumptions (including, but not limited to, assumptions with respect to future commodity prices and production economics) that the reserves and resources described exist in the quantities and grades estimated and are capable of being economically extracted. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon.*