Consolidated Financial Statements

For the years ended
December 31, 2017 and 2016

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Auditor

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Listing

TSX Venture Exchange: EVM
Shares Outstanding: 77,997,042 (April 17, 2018)

Evrim Resources Corp.

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Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF EVRIM RESOURCES CORP.

We have audited the accompanying consolidated financial statements of Evrim Resources Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Evrim Resources Corp. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw your attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 17, 2018

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

	Note		**December 31, 2017**		December 31, 2016
Assets					
Current assets					
Cash and cash equivalents	*8*	**$**	**6,283,430**	$	1,494,244
Marketable securities	*5*		**45,000**		-
Amounts receivable	*6, 14*		**79,329**		64,762
Prepaid expenses and deposits			**9,562**		12,633
			6,417,321		1,571,639
Non-current assets					
Prepaid rent deposit	*11*		**11,208**		11,208
Equipment	*7*		**37,141**		28,260
Reclamation bond	*8*		**30,500**		20,000
		$	**6,496,170**	$	1,631,107
Liabilities and Shareholders' Equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*9, 14*	**$**	**135,790**	$	67,271
Joint venture partner deposits	*8*		**2,930,256**		-
			3,066,046		67,271
Non-current liabilities					
Provision for environmental rehabilitation	*10*		**46,224**		27,919
			3,112,270		95,190
Shareholders' Equity					
Issued capital	*12*		**16,099,827**		12,314,112
Contributed surplus			**626,200**		16,851
Accumulated other comprehensive loss			**(5,000)**		-
Accumulated deficit			**(13,337,127)**		(10,795,046)
			3,383,900		1,535,917
		$	**6,496,170**	$	1,631,107

Approved and authorized for issue by the Board on April 17, 2018

Paul van Eeden
Director

David A. Caulfield
Director

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

EVRIM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Years Ended December 31,
(Expressed in Canadian Dollars)

Mineral Property Operations	Note		2017		2016
Revenue					
Option proceeds	8	$	181,115	$	131,270
Project management fees	8		55,629		5,090
			236,744		136,360
Expenses					
Acquisition expenditures	14(b)		154,488		93,347
Exploration expenditures	8		2,007,620		825,915
Exploration reimbursements			(1,154,001)		(50,902)
Exploration tax recovery			(27,460)		(13,191)
Government grant	8		(153,000)		-
Provision for environmental rehabilitation	10		18,305		-
			845,952		855,169
Loss from mineral property operations			(609,208)		(718,809)
Other operations					
Interest and other revenue			21,802		21,480
Expenses					
Accounting and legal			156,156		72,252
Depreciation	7		16,849		15,960
Foreign exchange loss			113,840		34,683
Gain on sale of equipment			-		(10,156)
General and administrative	14(b)		197,864		185,322
Investor services			31,126		19,884
Management and professional fees			116,500		114,000
Marketing services			47,717		26,029
Salaries and support services	14(b)		879,707		598,802
Share-based compensation	12(b),14(c)		283,858		-
Travel			111,058		84,925
			1,954,675		1,141,701
Loss from other operations			(1,932,873)		(1,120,221)
Net loss			(2,542,081)		(1,839,030)
Other Comprehensive Income					
Items that will be recycled to profit or loss:					
Loss on available-for-sale investment			(5,000)		-
Comprehensive loss for the year		$	(2,547,081)	$	(1,839,030)
Basic and diluted loss per share		$	(0.04)	$	(0.04)
Weighted average number of common shares outstanding			59,474,226		50,738,877

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

EVRIM RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

(Expressed in Canadian Dollars)

		2017		2016
Cash flows used in operating activities				
Net loss	$	(2,547,081)	$	(1,839,030)
Add (deduct) items not involving cash:				
Shares received as option payment		(50,000)		-
Loss on available-for-sale-investment		5,000		-
Depreciation		16,849		15,960
Gain on sale of equipment		-		(10,156)
Unrealized foreign exchange loss		33,495		(8,394)
Provision for environmental rehabilitation		18,305		-
Shares issued for mineral property interest		49,875		-
Share-based compensation		283,858		-
		(2,189,699)		(1,841,620)
Net change in non-cash working capital balances related to operations:				
Amounts receivable		(14,567)		38,925
Prepaid expenses and deposits		3,071		19,318
Accounts payable and accrued liabilities		68,519		(78,690)
Joint venture partner deposits		2,930,256		(123,291)
Net cash flow provided by (used in) operating activities		797,580		(1,985,358)
Cash flows used in investing activities				
Reclamation bond		(10,500)		12,456
Purchase of equipment		(25,730)		(26,512)
Proceeds on disposition of equipment		-		12,500
Net cash flow used in investing activities		(36,230)		(1,556)
Cash flows provided by financing activities				
Proceeds from private placement		4,304,928		-
Proceeds from exercise of warrants		864		81,778
Payment of share issue costs		(244,461)		(1,388)
Net cash flow provided by financing activities		4,061,331		80,390
Effects of foreign currency translation on cash and cash equivalents		(33,495)		8,817
Increase (decrease) in cash and cash equivalents		4,789,186		(1,897,707)
Cash and cash equivalents, beginning of year		1,494,244		3,391,951
Cash and cash equivalents, end of year	$	6,283,430	$	1,494,244
Cash and cash equivalents are comprised of:				
Cash	$	782,462	$	106,515
Cash restricted for exploration		2,930,256		-
Short-term money market instruments		2,570,712		1,387,729
	$	6,283,430	$	1,494,244
Supplemental cash flow information:				
Interest received	$	25,644	$	8,648

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

EVRIM RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31,

(Expressed in Canadian Dollars)

	Issued capital					
	Shares	Amount	Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Shareholders' equity
Balance, December 31, 2015	**50,484,802**	**$ 12,193,992**	**$ 56,581**	**$ -**	**$ (8,956,016)**	**$ 3,294,557**
Exercise of warrants	681,480	121,508	(39,730)	-	-	81,778
Share issue costs	-	(1,388)	-	-	-	(1,388)
Loss and comprehensive loss					(1,839,030)	(1,839,030)
Balance, December 31, 2016	**51,166,282**	**12,314,112**	**16,851**	**-**	**(10,795,046)**	**1,535,917**
Shares issued for cash	14,349,760	4,017,933	286,995	-	-	4,304,928
Exercise of warrants	7,200	1,306	(422)	-	-	864
Mineral property acquisition costs	200,000	49,875	-	-	-	49,875
Share issue costs	-	(283,399)	38,938	-	-	(244,461)
Share-based compensation	-	-	283,858	-	-	283,858
Loss and comprehensive loss	-	-	-	(5,000)	(2,542,081)	(2,547,081)
Balance, December 31, 2017	**65,723,242**	**$ 16,099,827**	**$ 626,200**	**$ (5,000)**	**$ (13,337,127)**	**$ 3,383,900**

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

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 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 December 31, 2017 of $13,337,127 (2016 - $10,795,046).

The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets, such as sale proceeds, royalty rights and equity interests. 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all years presented.

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (Evrim 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. (“Evrim 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 December 31, 2017	Proportion of ownership interest December 31, 2016	Principal activity
Evrim Exploration Canada Corp.	British Columbia	100%	100%	Mineral exploration
1124798 B.C. Ltd.	British Columbia	100%	-	Mineral exploration
Minera Evrim S.A de C.V.	Sonora, Mexico	100%	100%	Mineral exploration
Servicios Mineros Orotac S.A de C.V.	Sonora, Mexico	100%	100%	Service company
Evrim Resources USA Inc.	Nevada, USA	100%	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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Use of estimates, continued

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Share-based compensation

The fair value of share-based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, for which changes in subjective input assumptions can materially affect the fair value estimate.

(ii) Valuation of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

(iii) Provision for environmental rehabilitation

Under IFRS, provisions should be adjusted for changes in the discount rate. The Company has chosen not to discount the provision for environmental rehabilitation, as the amounts are not material (Note 3 (o)).

(c) Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

(i) Determination of functional currency

Several factors were considered in making the judgment that the primary economic environment for the Company and all subsidiaries is the Canadian dollar (“CAD”). The Mexican and US subsidiaries are not self-sustaining and require significant resources provided by Evrim. Evrim raises these funds by issuing shares in Canadian dollars. In addition, all option or joint venture agreements are denominated in either Canadian or US dollars (Notes 3 (d) and (e)).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(c) Critical accounting judgments, continued

(ii) Future taxable profits

Determination of the likelihood of future taxable profits to enable use of deferred tax assets requires consideration of current corporate strategies and likely outcomes with respect to taxable income. Present factors do not support the probability of deferred tax assets being recovered.

(iii) Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern exist.

(d) Presentation and functional currency

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

(e) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical exchange rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical exchange rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria must be met before revenue is recognized:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(f) Revenue recognition, continued

(i) Sale of services

Revenue from management services is recognized when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
  it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred in respect of the provision of services can be measured reliably.

(ii) Option proceeds

Revenue from property option proceeds is recognized when received.

(iii) Interest income

Interest income is recognized in profit or loss as it accrues.

(g) Share-based payments

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and non-employees. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received and is based on the fair value of the goods or services received or the fair value of the equity instruments issued if this is a more reliable measure. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of stock options expected to vest.

(h) Income taxes

Income tax consists of current and deferred tax expense. Income tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis and tax losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(h) Income taxes, continued

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period.

(j) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, bank deposits and highly liquid investments with an original maturity of three months or less.

(k) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. These assets are depreciated using the straight-line method based on estimated useful lives, which generally range from two to five years. Where an item of equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of equipment. The depreciation method, useful life and residual values are assessed annually.

Leasehold improvements are depreciated evenly over the remaining term of the lease. If the term of the lease is changed, the remaining balance will be depreciated over the new term of the lease or an impairment loss will be recognized if the lease is terminated early.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(k) Equipment, continued

The costs of day-to-day servicing are recognized in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs".

The estimated useful lives of equipment are:

Computer equipment	3 years
Computer software	2 years
Field equipment	5 years
Mobile equipment (trucks)	2.5 years
Office equipment and furniture	5 years
Leasehold improvements	Term of lease

(l) Mineral property interests

The Company's mineral property interests are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration expenditures or combinations thereof.

The Company accounts for its mineral property interests by charging all acquisition and exploration costs to operations as incurred, and crediting all property sales and option proceeds to operations. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit-of-production method following commencement of production.

(m) Joint venture partner deposits

The Company receives funds in advance of performing contractual exploration work. The Company transfers the advances to exploration reimbursements and project management fees as work is completed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(n) Financial instruments

Financial assets

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- loans and receivables; and
- available-for-sale ("AFS").
-

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL

Financial assets classified as FVTPL are stated at fair value with any subsequent change in fair value recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company's cash and cash equivalents are classified as FVTPL.

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, net of transaction costs, and amortized using the effective interest method. The Company does not have any assets classified as HTM investments.

(iii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at period-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

(iv) AFS financial assets

Short-term investments and other assets not otherwise designated are classified as AFS and stated at fair value on the date of acquisition and each subsequent consolidated statement of financial position date. Any change in fair value, other than impairment losses, is recognized as other comprehensive income or loss. The Company's marketable securities are classified as AFS investments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(n) Financial instruments, continued

Financial liabilities

(i) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and accrued liabilities and joint venture partner deposits as other financial liabilities.

(iii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

(iv) Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. There were no transfers between the levels during the year.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(o) Environmental rehabilitation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate. This liability is recognized at the time the environmental disturbance occurs. The provision for reclamation liabilities is estimated using expected cash flows for third party environmental rehabilitation. The estimated cash flow has not been discounted since the amount of the discount would not be material.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount of the future expenditures. These changes are recorded directly as an accretion adjustment with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. Changes are charged to profit or loss for the period.

Restoration expense arising from subsequent environmental disturbance, which is incurred on an ongoing basis during exploration, is charged to exploration expenditures as incurred. The costs of reclamation that were included in the rehabilitation provision are recorded against the provision as incurred.

(p) Reclamation bonds

Reclamation bonds are recorded at amortized cost and held by government agencies.

(q) Share capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date of issuance. Proceeds from the issuance of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of announcement of the placement and the balance, if any, is allocated to the attached warrants.

(r) Accounting standards issued but not yet effective

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

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*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(r) Accounting standards issued but not yet effective, continued

IFRS 9 *Financial Instruments*, continued

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.

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.

(Expressed in Canadian Dollars)

4. CAPITAL MANAGEMENT, CONTINUED

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 the date of issue, June 27, 2017	**$ 50,000**
Fair value adjustment	(5,000)
Fair market value as at December 31, 2017	**$ 45,000**

6. AMOUNTS RECEIVABLE

Amounts receivable is comprised of the following:

		December 31, 2017		December 31, 2016
Trade receivables	**$**	**24,300**	$	16,670
Other receivables		**9,610**		13,452
Current tax receivable		**45,419**		34,640
	$	**79,329**	$	64,762

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.

(Expressed in Canadian Dollars)

7. EQUIPMENT

Cost	Computer equipment and software	Field equipment	Leasehold improvements	Mobile equipment	Office equipment and furniture	Total
Balance as at December 31, 2015	**$ 105,902**	**$ 21,432**	**$ 16,995**	**$ 42,168**	**$ 23,636**	**$ 210,133**
Acquisitions	22,271	4,241	-	-	-	26,512
Disposals	-	-	-	(12,500)	-	(12,500)
Balance as at December 31, 2016	**128,173**	**25,673**	**16,995**	**29,668**	**23,636**	**224,145**
Acquisitions	25,730	-	-	-	-	25,730
Disposals	-	-	-	-	-	-
Balance as at December 31, 2017	**$ 153,903**	**$ 25,673**	**$ 16,995**	**$ 29,668**	**$ 23,636**	**$ 249,875**
Accumulated depreciation						
Balance as at December 31, 2015	**$ (100,320)**	**$ (17,506)**	**$ (12,687)**	**$ (38,820)**	**$ (20,748)**	**$ (190,081)**
Depreciation	(12,177)	(1,481)	(719)	(1,004)	(579)	(15,960)
Disposals	-	-	-	10,156	-	10,156
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)**
Carrying amounts						
December 31, 2015	$ 5,582	$ 3,926	$ 4,308	$ 3,348	$ 2,888	$ 20,052
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**

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

8. MINERAL PROPERTY INTERESTS

Exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. Many of the Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including 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 December 31, 2017, the Company is maintaining the Cumobabi project out of the nine projects acquired.

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.

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).

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. The Company settled a pre-existing selling document that gave mineral rights to a claim during the year ended December 31, 2016.

Harvest gold 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.

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).

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, the Company received $1,918,765 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, $1,542,006 is included in cash as at December 31, 2017.

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.

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 $7,500.

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, the Company received $1,270,100 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, $1,270,100 is included in cash as at December 31, 2017.

Jacobite Property

In November 2017, the Company acquired a 100% interest in the Jacobite property from Running Dog Resources Ltd. and Attunga Holdings Inc. (collectively "Potlickers"), 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.

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.

Evrim 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, the Company received $753,732 in advances from Newmont to be used on exploration expenditures. Of the advanced amounts, $118,150 is included in cash as at December 31, 2017.

Government Grant

During the year the Company received a government grant of $153,000 which was set off against its generative exploration work.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS, CONTINUED

Exploration Expenditures

During the years ended December 31, 2017 and 2016, the Company incurred the following exploration expenditures that were expensed as incurred:

	Year ended December 31, **2017**	2016
Camp and support	$ **203,092**	$ 69,158
Aircraft and helicopters	**455,964**	35,641
Chemical analysis	**118,775**	42,936
Data management and maps	**76,169**	36,581
Geological services	**841,170**	472,947
Geophysical surveys	**-**	55,623
Materials and supplies	**13,755**	9,152
Project Management	**24,995**	-
Recording and filing	**125,005**	46,037
Travel	**148,695**	57,840
	$ **2,007,620**	$ 825,915

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	December 31, 2016
Trade payables	$ **101,435**	$ 22,384
Accrued liabilities	**34,355**	34,228
Current tax payable	**-**	10,659
	$ **135,790**	$ 67,271

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 $46,224 (2016 - $27,919).

(Expressed in Canadian Dollars)

10. PROVISION FOR ENVIRONMENTAL REHABILITATION, CONTINUED

Balance, December 31, 2015	**$**	**27,496**
Revision in estimates		
Reclamation refund		423
Balance, December 31, 2016		**27,919**
Revision in estimates		18,305
Balance, December 31, 2017	**$**	**46,224**

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 December 31, 2017, the Company has future minimum annual lease commitments as follows:

	Less than one year	One to five years
Lease payment	$ 39,917	$ 46,942
Operating costs (estimate)	40,562	49,337
Total	$ 80,479	$ 96,279

(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) Subsequent to the year-end, 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.

Issuance of common shares

On May 17, 2017, the Company issued 100,000 common shares to Paget pursuant to the Ball Creek agreement upon completion of the definitive agreement with Antofagasta.

On September 17, 2017, the Company issued 25,000 common shares to AuRico Gold Inc. (now Centerra) pursuant to the amended Cumobabi agreement.

On December 13, 2017, the Company issued 75,000 common shares to Liberty Leaf and Bearclaw pursuant to the Axe agreement upon completion of the definitive agreement with Antofagasta.

Financing

On May 19, 2017, the Company completed a non-brokered private placement issuing 14,349,760 units for gross proceeds of $4,304,928. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each full warrant is exercisable into one common share at a price of $0.50 for three years from the closing date.

Part of the financing was subject to finder's fees of 6% cash commission and 6% finder's warrants. Each finder warrant will be exercisable into one common share at a price of $0.30 for 18 months from the closing date. The Company incurred $169,711 cash finder's fees, $74,750 for regulatory and other related fees and issued 565,704 finder's fees warrants. Fair value of the finder's warrants issued was $60,706; $21,768 of the total share issuance cost has been allocated to the warrants issued in relation to the units offering during the year.

The weighted average grant-date fair value of the finder's warrants granted was $0.11 per share. The Company determines the fair value of the finder's warrants for the purposes of determining compensation expense using the Black-Scholes option pricing model and used the following weighted average assumptions: volatility of 85.85%, risk-free interest rate of 0.66%, an expected life of 1.5 years, and a dividend yield of 0%. Volatility was estimated using historical prices of the Company's shares.

(Expressed in Canadian Dollars)

12. ISSUED CAPITAL, CONTINUED

(a) Authorized and issued, continued

Warrant exercise

During the year ended December 31, 2017, 7,200 (2016 - 681,480) warrants were exercised with an exercise price of $0.12 (2016 - $0.12) for gross proceeds of $864 (2016 - $81,778), and $422 (2016 - $39,730) was reclassified from contributed surplus to capital stock.

(b) Incentive stock options

During the year, 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.

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 fiscal year

	December 31, 2017			December 31, 2016		
	Number of shares	**Weighted average exercise price**		Number of shares	Weighted average exercise price	
Outstanding at beginning of the year	**100,000**	**$**	**0.18**	**100,000**	**$**	**0.18**
Granted	**5,825,000**	**$**	**0.25**	**-**	**$**	**-**
Exercised	**-**	**$**	**-**	**-**	**$**	**-**
Forfeited/Expired	**-**	**$**	**-**	**-**	**$**	**-**
Outstanding at end of the year	**5,925,000**	**$**	**0.25**	**100,000**	**$**	**0.18**
Options exercisable at end of the year	**1,450,000**	**$**	**0.25**	**100,000**	**$**	**0.18**

(Expressed in Canadian Dollars)

12. ISSUED CAPITAL, CONTINUED

(b) Incentive stock options, continued

The following share purchase options were outstanding at December 31, 2017.

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	2.37
November 9, 2022	5,825,000	1,350,000	$	0.25	4.86
	5,925,000	1,450,000	$	0.25	4.82

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 year ended December 31, 2017 was $283,858 (2016 – $Nil)

The Company did not issue any options during the year ended December 31, 2016.

(c) Warrants

The Company issued 7,174,880 warrants as part of the unit offering completed on May 19, 2017 and 565,704 warrants as finder's fees related to the financing.

The weighted average grant-date fair value of the finder's warrants granted was $0.11 per share. The Company determines the fair value of the finder's warrants for the purposes of determining compensation expense using the Black-Scholes option pricing model and used the following weighted average assumptions: volatility of 85.85%, risk-free interest rate of 0.66%, an expected life of 2 years and a dividend yield of 0%. Volatility was estimated using historical prices of the Company's shares.

(Expressed in Canadian Dollars)

12. ISSUED CAPITAL, CONTINUED

(c) Warrants, continued

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

Exercise price	Expiry date	Balance December 31, 2016	**Issued during the year**	**Exercised during the year**	**Balance December 31, 2017**
$0.12	December 16, 2017	7,200		**(7,200)**	**-**
$0.25	December 16, 2020 (i)	12,568,800		**-**	**12,568,800**
$0.50	May 19, 2020	-	**7,174,880**	**-**	**7,174,880**
$0.30	November 19, 2018	-	**565,704**	**-**	**565,704**
		12,576,000	**7,740,584**	**(7,200)**	**20,309,384**
Weighted average exercise price		$0.25	**0.49**	**0.12**	**$0.34**
Weighted average remaining life		3.96			**2.70**

Exercise price	Expiry date	Balance December 31, 2015	Exercised during the year	Balance December 31, 2016
$0.12	December 16, 2017	688,680	(681,480)	7,200
$0.25	December 16, 2020 (i)	12,568,800	-	12,568,800
		13,257,480	(681,480)	12,576,000
Weighted average exercise price		$0.24	$0.12	$0.25
Weighted average remaining life		4.81		3.96

(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.

(Expressed in Canadian Dollars)

13. INCOME TAXES

(a) Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2016 - 26%) to loss before income taxes.

	December 31, 2017	December 31, 2016
Loss before tax	**$ (2,542,081)**	$ (1,839,030)
Statutory income tax rate	**26%**	26%
Expected income tax recovery	**(660,941)**	(478,148)
Items non-deductible for income tax purposes	**110,299**	71,413
Difference between Canadian and foreign tax rates	**(17,831)**	(29,000)
Other	**(45,714)**	(22,898)
Impact of foreign exchange on tax assets and liabilities	**(195,633)**	190,305
Unused tax losses and tax offsets not recognized in tax asset	**809,820**	268,328
Total income taxes	**$ -**	$ -

The Mexican corporate tax rate is to remain at 30% indefinitely.

(b) The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are as follows:

	December 31, 2017
Deferred income tax asset:	
Non-capital losses	**$ 30,437**
Deferred income tax liabilities:	
Property and equipment	**(29,837)**
Deposits	**(600)**
Total deferred income tax liabilities	**(30,437)**
Net deferred income tax liabilities	**$ -**

(Expressed in Canadian Dollars)

13. INCOME TAXES, CONTINUED

(c) The Company recognizes tax benefits on losses or other deductible amounts generated in countries where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	December 31, 2017	December 31, 2016
Non-capital losses	**$ 13,930,781**	$ 10,717,051
Mineral properties	**648,871**	592,943
Available for sale securities	**2,596**	
Share issue costs	**327,692**	113,469
Equipment	**142,761**	122,854
	$ 15,052,701	$ 11,546,317

The Company's unused non-capital tax losses have the following expiry years:

Year	Canada	Mexico	USA	Total
2018	$ -	$ 1,018,000	$ -	$ 1,018,000
2019	-	5,000	-	5,000
2020	-	7,000	-	7,000
2021	-	3,000	-	3,000
2024	-	823,000	-	823,000
2025	-	463,000	-	463,000
2026	-	750,000	-	750,000
2027	28,000	-	-	28,000
2029	127,000	-	-	127,000
2030	414,000	-	-	414,000
2031	1,256,000	-	1,000	1,257,000
2032	1,200,000		1,000	1,201,000
2033	1,240,000	-	55,000	1,295,000
2034	1,321,000	-	8,000	1,329,000
2035	1,101,000	-	-	1,101,000
2036	916,000	-	-	916,000
2037	1,652,000	-	-	1,652,000
	$ 9,255,000	**$ 3,069,000**	**$ 65,000**	**$ 12,389,000**

(Expressed in Canadian Dollars)

14. 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 December 31, 2017 was $4,919 (2016 - $1,050) 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 $154,172 during the year ended December 31, 2017 (2016 - $126,530), which was set off against the related costs. As at December 31, 2017, $13,700 (2016 - $14,113) is included in amounts receivable.

During the year ended December 31, 2017, the Company paid $23,530 (2016 - $8,575) for community engagement services to a company with two 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 a director in common and paid $7,500 pursuant to the agreement.

(c) Compensation of key management personnel

The remuneration paid to directors and other key management personnel during the years ended December 31, 2017 and 2016 were as follows:

	Year ended December 31,	
	2017	2016
Salaries of senior executives[i]	**$ 711,172**	$ 520,500
Short-term employee benefits[ii]	**28,289**	23,115
Non-executive directors' fees	**116,500**	114,000
Share-based compensation	**178,725**	-
Relocation fees[iii]	**-**	10,000
	$ 1,034,686	$ 667,615

(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 years ended December 31, 2017 and 2016.
(iii) One-time payment was paid to relocate an executive of the Company.

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION

During the years ended December 31, 2017 and 2016, 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 years ended December 31, 2017 and 2016 are as follows:

December 31, 2017	**Canada**	**United States**	**Mexico**	**Total**
Non–current assets				
Prepaid rent and deposits	**$ 11,208**	**$ -**	**$ -**	**$ 11,208**
Equipment	**25,985**	**-**	**11,156**	**37,141**
Reclamation bond	**30,500**	**-**	**-**	**30,500**
	$ 67,693	**$ -**	**$ 11,156**	**$ 78,849**

December 31, 2016	**Canada**	**United States**	**Mexico**	**Total**
Non –current assets				
Prepaid rent and deposits	$ 11,208	$ -	$ -	$ 11,208
Equipment	23,229	-	5,031	28,260
Reclamation bond	20,000	-	-	20,000
	$ 54,437	$ -	$ 7,375	$ 61,812

The Company's mineral property revenues by geographic areas for the twelve months ended December 31, 2017 are as follows:

		December 31, 2017	
	Canada	**Mexico**	**Total**
Revenues			
Property option proceeds	**$ -**	**$ 181,115**	**$ 181,115**
Project management fees	**35,821**	**19,808**	**55,629**
	$ 35,821	**$ 200,923**	**$ 236,744**

The Company's property option proceeds and project management fee revenues were earned in Mexico during the years ended December 31, 2016.

16. 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.

16. FINANCIAL RISK MANAGEMENT, CONTINUED

(b) Categories of financial instruments

		December 31, 2017		December 31, 2016
Financial assets				
FVTPL				
Cash and cash equivalents	**$**	**6,283,430**	$	1,494,244
Marketable securities		**45,000**		-
Loans and receivables				
Amounts receivable		**33,910**		30,122
	$	**6,362,340**	$	1,524,366
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**$**	**135,790**	$	67,271
Joint venture partner deposit		**2,918,046**		-
	$	**3,053,836**	$	67,271

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.

(Expressed in Canadian Dollars)

16. FINANCIAL RISK MANAGEMENT, CONTINUED

(c) Foreign currency risk, continued

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

	December 31, 2017 (US*)	**December 31, 2017 (MXN*)**	December 31, 2016 (US*)	December 31, 2016 (MXN*)
Cash	**$ 1,450,022**	**$ 89,290**	$ 25,774	$ 2,636
Amounts receivable	**-**	**-**	-	-
Accounts payable and accrued liabilities	**695**	**-**	-	(19,315)
Joint venture partner deposits	**-**	**-**	-	-
Net assets denominated in foreign currencies	**$ 1,450,717**	**$ 89,290**	$ 25,774	$ (16,679)

*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 1.59% (2016 – 0.02%).

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).

Years ended December 31,	**2017**		2016	
	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	**$ 40,317**	**$ -**	$ 81,746	$ 772

(Expressed in Canadian Dollars)

16. 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:

	December 31, 2017		December 31, 2016	
Short-term money market instruments	$	**2,570,712**	$	1,387,729
Cash bank accounts		**3,712,718**		106,515
Amounts receivable		**33,910**		30,122
Total	$	**6,317,340**	$	1,524,366

At December 31, 2017, the Company's short-term money market instruments were $1,270,712, $300,000 and $1,000,000 term deposits earning interest at 0.6%,0.9% 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.

(Expressed in Canadian Dollars)

16. 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.

	Accounts Payable and Accrued Liabilities			
Due Date		**December 31, 2017**		December 31, 2016
0 – 90 days	**$**	**101,435**	$	33,043
90 – 365 days		**34,355**		34,228
365 + days		**-**		-
Total	**$**	**135,790**	$	67,271

(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.

17. SUBSEQUENT EVENT

Warrant exercise

In March 2018, the Company announced the receipt of $3,063,950 from the exercise of 12,255,800 common share purchase warrants with an exercise price of $0.25 representing 98% of the warrants issued as part of the December 16, 2015 private placement.

EVRIM
RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
DECEMBER 31, 2017

Introduction

This Management Discussion and Analysis of the financial position and results of Evrim Resources Corp. (the "Company" or "Evrim 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 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.

The audited consolidated financial statements and MD&A 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 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, 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 and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

About Evrim

Evrim 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.

1.1 Date

This MD&A has been prepared based on information available to the Company as of April 17, 2018.

1.2 Overview

The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral properties. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See Section 1.15 “Risk Factors”, below.

Warrant Exercise

In March 2018, the Company announced receiving $3,063,950 from the exercise of 12,255,800 common share purchase warrants with an exercise price of $0.25 representing 98% of the warrants issued as part of the December 16, 2015, private placement.

Financing

In May 2017, the Company completed a non-brokered private placement issuing 14,349,760 units for gross proceeds of $4,304,928. Each Unit consisted of one common share and one-half non-transferable common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.50 until May 19, 2020.

Part of the financing was subject to finder’s fees of 6% cash commission and 6% finder’s warrants. Finder's fees of $169,711 were paid and 565,704 finder's warrants ("Finder Warrants") were issued in aggregate to Sprott Global Resource Investments, Ltd., Canaccord Genuity Corp., Haywood Securities Inc., and PI Financial Corp. Each Finder Warrant is exercisable into one common share at a price of $0.30 until November 19, 2018. The fair value of the Finder Warrants was $60,706. The Company incurred $74,750 of regulatory, legal, and other financing related costs.

Letter of Intent (“LOI”)

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

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 (“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.

Project acquisition

Cuale

In November 2017, the Company announced the acquisition of the Cuale gold property. The project was initially staked under the Callinan Royalties Generative Alliance (now owned by Altius Minerals Corporation (“Altius”)) with formal title granted to Evrim for 100% ownership. The project is subject to a 1.5% precious metal net smelter royalty (“NSR”) and a 1% base metal NSR payable to Altius.

Sampling, trenching, mapping, and an induced polarization survey were completed during January and February 2018.

1.2 Overview, continued

Jacobite

In November 2017, the Company announced the acquisition of the Jacobite project in south central British Columbia, Canada. To earn a 100% interest, the Company is required to make a $15,000 payment upon closing of the agreement (paid) and $ 57,500 milestone payments in shares or cash, at the discretion of the Company. The project is subject to a 1% NSR.

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 and is located near excellent infrastructure with roads and power crossing the 5,776 hectare property.

Option agreements

Axe

In December 2017, the Company signed 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$50 million, making cash payments of US$800,000 and completing an NI 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.

Cerro Cascaron

In June 2017, the Company signed an option agreement with Harvest Gold Corporation ("Harvest") on the Cerro Cascaron property. Harvest can earn a 70% interest in the property by spending up to an aggregate of $6 million in exploration expenses, making cash payments of $900,000 and issuing two million shares over a four year period (one million shares received upon signing). After earning a 70% interest, Harvest can earn an additional 10% interest by paying $200,000 or 200,000 shares at Evrim's election and funding of an NI 43-101 compliant feasibility study over a five year period. Minimum annual exploration expenditures of $2 million are required during this period or 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 up to 12 months by making quarterly cash payments of $25,000 to Evrim and maintaining all other cash payments and claim maintenance costs.

1.2 Overview, continued

If Evrim's interest in Cerro Cascaron is diluted to 10% or less it 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.

The first phase $225,000 field program of detailed geological mapping and geochemical soil sampling has been completed.

Ball Creek

In May 2017, the Company signed a definitive agreement with Antofagasta on the Ball Creek property. 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 (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.

An exploration program of US$300,000 comprising geological mapping and geochemical soil sampling has been completed.

Alliance

Newmont Alliance

In July, 2017, the Company signed 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 on a 30:70 basis.

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 first year exploration program comprised regional-scale stream sediment sampling using Newmont's BLEG analysis and conventional analysis on ultrafine sediment fractions and mapping and prospecting.

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 an NI 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.

Evrim 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 NI 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.

1.3 Selected Annual Information

	Year ended December 31 2017	Year ended December 31 2016	Year ended December 31 2015
Revenue and interest income	$ 258,546	$ 157,840	$ 230,717
Net loss	(2,547,081)	(1,839,030)	(2,091,051)
Net loss per share	(0.04)	(0.04)	(0.04)
Total assets	6,496,170	1,631,107	3,591,305
Current liabilities	3,066,046	67,271	269,252
Long-term liabilities	46,224	27,919	27,496
Shareholder's equity	3,383,900	1,535,917	3,294,557
Cash dividends declared	Nil	Nil	Nil

1.4 Results of Operations

Exploration Projects

The Company's exploration activities are at an early stage and there are no known economically recoverable deposits of minerals on any of the Company's exploration properties. All activities of the Company are highly speculative in nature.

Mexico

Sarape

In August 2017, the Company announced the acquisition of the Sarape gold silver project in central Sonora, Mexico.

An initial exploration program has defined two major veins: the Sarape vein, a northwest trending vein measuring 6.0 kilometres in length and up to 12.0 metres in width, and the Chiltepin vein, a west trending vein measuring 2.6 kilometres in length and up to 3.0 metres in width. Both veins are located either side of a Laramide age horst block. Systematic channel sampling revealed that the western portion of both veins contains barren white quartz and calcite veins that are interpreted to represent late influx and boiling of meteoric fluids during the collapse of the hydrothermal system. The eastern portion of the veins are composed of a separate phase of low-temperature, tan-green quartz that consistently assayed from 0.10 to 0.36 g/t gold across sampled widths, with individual samples containing up to 3.6 g/t gold.

In February 2018, the Company announced singing an LOI with Coeur (Please refer section 1.2).

Cerro Cascaron

In January 2016, the Company acquired the Cerro Cascaron project in Chihuahua, Mexico. The project covers 6,842 hectares in a historic Colonial-era mining district hosting numerous gold and gold-silver prospects. The core claims include a large portion of the Serpiente Dorada zone and were staked by the Company in late 2016. Three surrounding claims were acquired under two separate agreements with a third party.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Mexico (continued)

The two agreements were consolidated in July 2016. 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.

In June 2017, the Company signed an option agreement with Harvest (Please refer section 1.2).

The first phase of a $225,000 field program incorporating detailed geological mapping and geochemical soil sampling has been completed. Detailed mapping and rock chip sampling carried out at the Cascarita prospect identified six sub-parallel northwest-trending veins in a 900 by 300 metre area. Four of these veins were chip-sampled and vein widths ranged from 0.8 to 3.3 metres wide. The veins contain polymetallic sulphides that returned significant silver and base metal values and the veins are interpreted as part of an intermediate sulphidation system. Sampling of these four structures returned weighted averages from 11.6 to 311.3 g/t silver and from 15.5 to 542 g/t silver-equivalent mineralization. Silver-equivalent calculations and assumptions are noted below.

Cascarita Sampling Highlights:

Sample Cut	Width (metres)	Silver (g/t)	Lead (%)	Zinc (%)	Ag-equivalent* (g/t)
C10	1.4	114	5.24	1.28	402
C11	2.0	127	8.73	0.54	524
C12	2.3	311	1.60	0.26	393
C13	2.1	245	6.42	0.49	542
C14	3.3	104	2.40	0.48	231

*Note: Silver-Equivalent Ag-Eq = Ag + (Pb%*22.046*Pb price*31.103/Ag price) + (Zn%*22.046*Zn price*31.103/Ag price). Metal prices used for this formula: Ag = $US 16.25/oz, Pb = $US 1.00/lb, Zn = $US 1.25/lb. Recoveries of 100% are assumed for the silver-equivalent values.

Soil sampling was conducted over the Cascaron vein field covering a 4.5 by 1.6 kilometre area to define the extension of the veins northward and at higher elevations. Gold and multi-element pathfinder soil geochemical anomalies are coincident with previously identified quartz veins and define strike lengths ranging from 600 metres to 1.8 kilometres. The veins that were sampled occur at higher elevations above the workings and the interpreted boiling zone. The mapping and sampling program defined two new areas of veining at El Salto and La Puerta.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Kiska Agreement (now owned by Centerra Gold Inc.)

In an agreement dated September 17, 2010, Evrim acquired an interest in nine exploration projects in Sonora, Durango, and Sinaloa States in Mexico and all of the outstanding shares in Minera Evrim S.A. de C.V. (“MGE”) from Kiska Metals Corporation (“Kiska”) by issuing 2,000,000 common shares of Evrim Resources Corp. In addition to the initial share payment, Kiska received annual payments of 10,000 or 50,000 shares per property, depending on the status of the property, for a maximum period of five years.

Kiska is also entitled to additional share and cash payments for certain milestones relating to each of the nine properties MGE held as of the date of the agreement. Kiska will receive a 1,000,000 share payment for every property that is advanced to a positive production decision.

The nine projects acquired are subject to a 2% NSR held by Mining Royalties Mexico S.A. de C.V. The projects were acquired for their porphyry copper-gold-molybdenum and epithermal gold-silver-base metal potential. Exploration development ranges from grassroots reconnaissance to previously completed drill programs. Since signing the agreement eight projects were relinquished. The Cumobabi project, which is subject to the Kiska agreement, has an active joint venture.

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 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.

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.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Mexico (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
Including	**164.0**	**168.2**	**4.2**	**2.5**	**58**	**3.3**
EW16-03	195.8	205.4	9.6	1.8	24	2.1
Including	**199.6**	**202.7**	**3.1**	**4.9**	**36**	**5.4**
EW16-04	224.5	242.5	18.0	11.4	86	12.6
Including	**228.1**	**240.1**	**12.0**	**15.7**	**107**	**17.1**
EW16-05	126.4	152.6	26.2	4.2	52	4.9
Including	**132.7**	**144.9**	**12.2**	**7.3**	**72**	**8.3**
EW16-06	268.8	301.6	32.8	3.8	187	6.3
Including	**271.3**	**279.5**	**8.2**	**11.5**	**633**	**19.9**
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
Including	**271.3**	**279.5**	**8.2**	**4.4**	**87**	**5.6**
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
Including	**147.4**	**152.9**	**5.5**	**4.8**	**65**	**5.7**

*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.

Every drill hole has 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 the interpreted boiling zone and exhibit greater brecciation as well as quartz replacing bladed calcite.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Mexico (continued)

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 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.

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.

Cumobabi

Cumobabi hosts a porphyry and breccia copper-molybdenum-silver target that is also prospective for epithermal gold-silver mineralization and is located 130 kilometres northeast of Hermosillo. The property consists of nine claims covering 18,615 hectares.

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 to Centerra 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).

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.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Mexico (continued)

Llano del Nogal

In February 2014, the Company was reimbursed for exploration and acquisition costs as part of the Callinan Royalties Generative Alliance and the project became subject to a 1.5% precious metal NSR and 1% base metal NSR payable to Altius.

Llano del Nogal hosts a porphyry copper and epithermal gold-silver target located approximately 180 kilometres north of Hermosillo and 60 kilometres southeast of Cananea. The property consists of two claims covering 10,436 hectares.

In October 2016, the Company announced the results of a geological mapping and ground magnetics survey. A new porphyry target was discovered at the Suanse prospect consisting of a donut shaped magnetic anomaly coincident with a 900 metre by 500 metre multi-element soil and rock geochemical anomaly. The central magnetic low is coincident with a quartz, iron-oxide breccia.

The Company interprets the prospect as representing the upper levels of a Laramide age porphyry system juxtaposed against windows of deeper potassic alteration due to post mineral faulting. In the southern portion of Llano del Nogal, predominantly northeast trending veins are interpreted to be transitional from Laramide in age to a younger Sierra Madre age system. These veins are also interpreted to represent a transition from deeper level base metal veins in the southwest to a high-level paleo-water table environment with epithermal veining in the northeast. The Company is focusing on attracting exploration partners for the project.

Cuale

In November 2017, the Company received formal title for the Cuale project and in December 2017, a trench 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 in the Cordillera Madre del Sur and is close to infrastructure with roads and powerlines crossing the property.

The property is located within a complex accreted arc terrane that developed during the Mesozoic Era and that hosts the majority of volcanogenic massive sulphide (VMS) deposits in Mexico. The accreted arc terrane comprises an interbedded sequence of rhyolitic volcanics and volcaniclastics that are weakly deformed. These units are intruded by the Cretaceous Puerto Vallarta batholith.

Mineralization is found in moderately to strongly silicified lithic tuff that contains up to 10% specular hematite as disseminations and boxworks that is interpreted to have formed after pyrite. Zones of pervasive silicification with strong clay alteration of phenocrysts and local vuggy quartz are observed but the distribution is not yet well understood. On the margin and at lower elevations, high temperature clays including pyrophyllite and dickite are noted before the system grades towards kaolinite with abundant specular hematite (up to 15%) distally and at lower elevations. The high temperature alteration covers an area measuring 2.3 by 2.2 kilometres.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Mexico (continued)

Trenching was carried out in the La Gloria zone located within the area of high temperature alteration and defined a mineralized area covering a 300 by 200 metre. 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 started at the La Gloria zone in February, 2018 and results have been received for the trenching. 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. Highlights for the extended trenches one through four are presented below.

Trench	From	To	Width	Au (g/t)	Top Cut Au (g/t) [Cut at 30.0 g/t]	Comment
Trench 1	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	
Trench 2	0	29.4	29.4	2.94	2.12	Whole trench
Including	11.5	29.4	17.9	4.55	3.21	
Trench 3	0	53.7	53.7	0.28	n/a	Whole trench*
Including	21.7	36.7	15	0.76	n/a	
Trench 4	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.**

1.4 Results of Operations (continued)

Exploration Projects (continued)

All intervals have been reported on an uncut basis. High grade gold samples (above 10 g/t) have been re-assayed. The original 30 gram fire assay was re-analyzed 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 surveyed across the area of high temperature clay alteration. The induced polarization survey has 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 surveyed 500 metres to the north and has 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.

Canada

Ball Creek

Ball Creek project is a copper porphyry and epithermal gold property comprising 52,442 hectares, located in the Golden Triangle, northwestern British Columbia in close proximity to infrastructure. The ground contains several porphyry copper-gold and epithermal gold systems associated with Jurassic intrusives.

To earn a100% interest on the property the Company paid $150,000 and has to pay additional consideration of cash or shares upon meeting certain exploration milestones or receipt of joint venture payments over a four year period. The property is subject to a 2% NSR with an option to buy back 1% for $1million.

Evrim holds the existing exploration bonds, subject to a refund of 50% to Paget Minerals Corp. of any proceeds relating to their release.

In May 2017, the Company signed a definitive agreement with Antofagasta (Please refer section 1.2).

An exploration program of US$300,000 comprising geological mapping and geochemical soil sampling has been completed.

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.

1.4 Results of Operations (continued)

Exploration Projects (continued)

Canada (continued)

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 unsaturated 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

In December 2016, the Company acquired a 100% interest in the Axe project in south central British Columbia, Canada. The project covers 4,938 hectares of gold-rich copper porphyry targets, within the Quesnel Terrane in the southern portion of the Intermontane Belt. The project has road access and a powerline crosses the property. The property hosts porphyry copper and gold mineralization hosted in Triassic volcanic rocks that are intruded by Triassic to Cretaceous intrusive rocks.

Under the terms of the agreement to acquire the project, the Company paid $30,000 and has to pay additional consideration of cash or shares upon meeting certain exploration milestones or receipt of joint venture payments over a four year period. Twenty one claims on the property are subject to a 1% NSR which can be purchased for $1.5 million. Four separate claims are subject to a 2% NSR of which 1% can be purchased for $1 million and the balance for $2 million.

The Axe property contains a four by two kilometre hydrothermal alteration footprint with multiple intrusive stocks including the previously drilled South, Mid, Adit, and West zones. An NI 43-101 resource of 71 million tonnes grading 0.38% copper at an indicated and inferred level was published in 2005. Gold was not included due to lack of historic assay data.

The project contains multiple untested targets including magnetic cores at the West and South zone and the unexplained source of the 1516 zone geochemical anomaly.

In March 2017, the Company completed a program of re-logging the historic core and a geophysical inversion of airborne magnetic data. The core re-logging program established better geological controls on mineralization in the West and South Zones. The mineralized systems in the West and South Zones are controlled by a predictable pattern of alteration and mineralization that includes an association between copper and gold mineralization with magnetite development and magnetic highs from the inverted airborne magnetic data. Alteration and mineralization zonation and the inverted magnetic data has defined targets in at least the West, South and Mid Zones that are untested by drilling.

1.4 Results of Operations (continued)

Exploration Projects (continued)

The 1516 zone is an unexplored copper, gold, molybdenum, bismuth and tungsten in soil anomaly immediately east of the Adit and South zones and covers a 1,000 metre by 500 metre area. The 1516 Zone has been tested by only four holes on its eastern edge and is associated with a quartz-sericite-pyrite altered gossan and coincident chargeability and conductivity highs.

In December 2017, the Company signed an agreement with Antofagasta (Please refer section 1.2).

Newmont Alliance

The Company completed data compilation to identify targets for a regional-scale stream-sediment sampling, mapping and prospecting program to identify geochemical signals similar to Carlin-style gold mineralization.

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 December 31, 2017, thirty two projects were reviewed and six site visits were 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.

The Company received a government grant of $153,000 which was set off against the generative exploration.

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.

1.4 Results of Operations (continued)

Exploration Projects (continued)

The following table indicates the exploration undertaken on the Company's properties during the twelve months ended December 31, 2017 and 2016. 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Acquisition costs	$ 2,142	$ -	$ 6,250	$ 376	38,675	$ -	$ 24,687	$ 30,015	$ 29,107	$ 61,628	$ 12,634	$ -
Exploration costs												
Aircraft and helicopter	-	-	-	-	69,252	35,641	-	-	-	-	386,712	-
Camp and support	4,728	2,035	118	1,120	39,238	10,109	9,164	-	9,236	24,803	107,657	-
Chemical analysis	-	-	-	-	13,010	-	2,636	-	48,401	21,189	21,959	-
Data management and maps	108	-	-	82	28,429	11,941	8,005	-	1,798	11,730	6,733	-
Geological and engineering	1,201	1,518	-	357	201,622	81,309	72,020	-	68,888	140,969	223,770	-
Geophysical Surveys	-	-	-	-	-	200	-	-	-	-	-	-
Project management	-	-	-	-	-	-	-	-	-	-	24,995	-
Materials and supplies	-	-	-	-	5,393	1,253	748	-	1,924	3,926	3,373	-
Recording and filing	5,620	-	-	-	-	(4,563)	-	-	17,059	27,374	1,871	-
Travel	-	349	-	-	25,430	12,671	1,316	-	8,378	21,294	75,013	-
	11,657	3,902	118	1,559	382,374	148,561	93,889	-	155,684	251,285	852,083	-
Exploration reimbursements	-	-	-	-	(350,623)	(13,191)	-	-	(198,076)	-	(605,302)	-
	11,657	3,902	118	1,559	31,751	135,370	93,889	-	(42,392)	251,285	246,781	-
Acquisition & exploration costs net of, reimbursements	13,799	3,902	6,368	1,935	70,426	135,370	118,576	30,015	(13,285)	312,913	259,415	-
Government grant and tax recovery	-	-	-	-	-	-	-	-	-	-	-	-
Provision for environmental rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-
Option proceeds	(66,675)	(67,135)	(64,440)	(64,135)	-	-	-	-	(50,000)	-	-	-
Net expenditures (recoveries), for the year	(52,876)	(63,233)	(58,072)	(62,200)	70,426	135,370	118,576	30,015	(63,285)	312,913	259,415	-

Projects continued on next page

1.4 Results of Operations (continued)

Exploration Projects (continued)

	Llano del Nogal		Cuale		Sarape		Generative		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Acquisition costs	$ 5,727	$ 915	$ 954	$ -	$ -	$ -	$ 17,658	$ -	$ 16,654	$ 413	$ 154,488	$ 93,347
Exploration costs												
Aircraft and helicopter	-	-	-	-	-	-	-	-	-	-	455,964	35,641
Camp and support	2,478	2,820	5,306	-	2,328	-	21,237	25,918	1,602	2,353	203,092	69,158
Chemical analysis	-	1,542	-	-	-	-	27,623	20,205	5,146	-	118,775	42,936
Data management and maps	461	1,782	178	-	491	-	17,868	9,741	12,098	1,305	76,169	36,581
Geological and engineering	6,618	30,933	28,160	243	17,211	-	193,228	206,978	28,452	10,640	841,170	472,947
Geophysical Surveys	-	40,841	-	-	-	-	-	-	-	14,582	-	55,623
Project management	-	-	-	-	-	-	-	-	-	-	24,995	-
Materials and supplies	-	144	1,267	-	89	-	895	3,742	66	87	13,755	9,152
Recording and filing	54,244	3,989	18,055	-	2,978	-	25,178	19,237	-	-	125,005	46,037
Travel	2,057	4,406	4,404	-	2,369	-	29,728	17,030	-	2,090	148,695	57,840
	65,858	86,457	57,370	243	25,466	-	315,757	302,851	47,364	31,057	2,007,620	825,915
Exploration reimbursements	-	-	-	-	-	-	-	-	-	(50,902)	(1,154,001)	(64,093)
	65,858	86,457	57,370	243	25,466	-	315,757	302,851	47,364	(19,845)	853,619	761,822
Acquisition & exploration costs net of, reimbursements	71,585	87,372	58,324	243	25,466	-	333,415	302,851	64,018	(19,432)	1,008,107	855,169
Government grant and tax recovery	-	-	-	-	-	-	(180,460)	-	-	-	(180,460)	-
Provision for environmental rehabilitation	-	-	-	-	-	-	-	-	18,305	-	18,305	-
Option proceeds	-	-	-	-	-	-	-	-	-	-	(181,115)	(131,270)
Net expenditures (recoveries), for the year	71,585	87,372	58,324	243	25,466	-	152,955	302,851	64,018	(19,432)	664,837	723,899

1.4 Results of Operations (continued)

Financial Results

For the year ended December 31, 2017 (“2017”), Evrim incurred a net loss of $2,547,081 ($0.04 per share) compared to a net loss of $1,839,030 ($0.04 per share) for the year ended December 31, 2016 (“2016”). The increase in net loss in 2017 is due an increase in operating activates of the Company and an increase in foreign exchange loss for the year.

Share based costs, loss on available for sale investment, and depreciation are non-cash items. Excluding the non-cash items, the net loss for 2017 is $2,241,374 (2016: $1,823,070)

The Company reported a $609,208 loss from its mineral property operations in 2017, compared to $718,809 in 2016. The Company incurred $2,007,620 in exploration expenditures in 2017, compared to $825,915 in 2016. Two active joint ventures and an alliance contributed to the increase in the exploration costs. The Company received $1,154,001 in exploration reimbursements in 2017, compared to $50,902 in 2016. Management fee revenue increased by $50,539 in 2017 as a result of the increased exploration related to the joint ventures.

The largest component of administrative expenditures is salaries and support services (2017: $879,707; 2016: $598,802) for the permanent staff of the Company. The increase in 2017 is due to an increase in gross salary for some of the permanent staff members and increase in number of staff members of the Company. Travel expenses (2017: $111,058; 2016: $84,925) increased in 2017 due to an increase in travel related to trade shows and corporate activities. Marketing expenses (2017: $47,717; 2016: $26,029) increased in 2017 due to replacement of the corporate booth and increased activity levels related to marketing initiatives. The accounting and legal expenditures (2017: $156,156; 2016: $72,252) and general and administration expenses (2017: $197,864; 2016: $185,322) increased due to an increase in professional services obtained and administrative expenses incurred by the Company as a result of the increase in operation and business development activities. Expenditures related to management and professional fees were consistent in 2017 with that of 2016. Investor services (2017: $31,126; 2016: $19,884) include the costs of maintaining a listing on the TSX Venture Exchange as well as transfer agent fees. The Company experienced a foreign exchange loss of $113,840 in 2017, compared to a loss of $34,683 in 2016.

1.5 Summary of Quarterly Results

Selected quarterly information for each of the eight most recently completed financial periods is set out below. All results were compiled using IFRS.

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Revenues	$ 73,890	$ 105,385	$ 9,873	$ 69,398	$ 54,245	$ 21,801	$ 5,091	$ 76,703
Net loss	(1,149,261)	(490,246)	(430,873)	(476,701)	(456,826)	(567,041)	(465,335)	(349,828)
Loss per common share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

The differences shown above are primarily the result of variation in exploration due to factors such as partner funding, project acquisition, and timing differences. The Company has a portfolio of

1.5 Summary of Quarterly Results (continued)

exploration properties on which it has undertaken significant exploration as well as paying on-going claim maintenance costs. During 2017, most of the exploration was focused on properties subject to option agreements or alliances and, therefore, total exploration expenditures decreased. However, increased activity levels resulted in an overall cost increase for the year.

1.6 Liquidity

The Company's cash and cash equivalents at December 31, 2017, were $6,283,430 compared to $1,494,244 at December 31, 2016. The Company had working capital of $3,351,275 at December 31, 2017, compared to working capital of $1,504,368 at December 31, 2016. The increase in working in capital is attributable to the private placement completed in May 2017.

During the year, $797,580 of net cash inflow was generated in operating activities compared to an outflow of $1,985,358 in 2016. The difference is due to receipt of joint venture partner funding for planned exploration work. Financing activities generated $4,060,467 from private placements net of share issuance costs (2016: $Nil) and $864 from exercise of warrants (2016: $80,390).

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

The Company has no long-term debt.

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 $80,479 for lease and operating costs, and the estimates for 2019 to 2020 total $96,279. The Company has leased a photocopier for the head office with commitment outstanding of $2,160 for the fiscal year 2018. Effective March 1, 2016, the Company entered into an agreement with Mirasol Resources Ltd. to share the office space, CFO services, and administration services, as a cost saving measure.

Subsequent to the year end, 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. The management believes it is premature to estimate potential liability of the proceedings.

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. See Section 1.15 "Risk Factors", below.

1.7 Capital Resources

The Company had 65,723,242 issued and outstanding common shares as of December 31, 2017, (December 31, 2016 – 51,166,282).

In May 2017, the Company completed a non-brokered private placement issuing 14,349,760 units for gross proceeds of $4,304,928.

1.7 Capital Resources (continued)

Each Unit consisted of one common share and one-half non-transferable share purchase warrant. Each whole warrant is exercisable into one common share at a price $0.50 until May 19, 2020.

In March 2018, the Company announced receiving $3,063,950 from the exercise of 12,255,800 common share purchase warrants with an exercise price of $0.25 representing 98% of the warrants issued as part of the December 16, 2015 private placement.

Proceeds from the private placement and warrant exercise are being used for exploration and working capital purposes.

1.8 Off-Balance Sheet Arrangements

As a policy, the Company does not enter into off-balance sheet arrangements with special-purpose entities in the normal course of business, nor does it have any unconsolidated affiliates.

1.9 Transactions with Related Parties

Effective March 1, 2016, the Company entered in to an agreement with Mirasol Resources Ltd. to share CFO services, office administration support services and office sharing. Evrim received $154,172 during the period ended December 31, 2017 (2016 - $126,530) which were set off against the related costs. As at December 31, 2017, $13,700 is included in amounts receivable (2016 - $14,113).

During the year ended December 31, 2017, the Company paid $23,530 (2016 – $8,575) for community engagement services to a company with two directors in common. As at December 31, 2017, $4,919 is included in accounts payable and accrued liabilities (2016 –$1,050).

During the year ended December 31, 2017, the Company entered into an option agreement to purchase 100% interest in Jacobite property from a company with a director in common and paid $7,500 pursuant to the agreement.

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 audited 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, Vice President Technical Services) and non-executive directors. The Company incurred higher salaries and benefits for the year ended December 31, 2017, compared to December 31, 2016.

1.10 Fourth Quarter

The Company carried out its regular generative exploration work and partner funded exploration work during the fourth quarter. During the period the Company acquired the Cuale property, Jacobite property, and entered in to a joint venture agreement with Antofagasta for Axe property. The officers, employees, and consultants of the Company received 5,825,000 stock options with an exercise prices of $0.25 per share expiring November 9, 2022. The Company recognized share based compensation expenses of $283,858 during the fourth quarter. The Company received US$ 50,000 pursuant to the Cumobabi option agreement.

1.11 Proposed Transactions

The Company has a business plan that includes identifying and acquiring exploration projects, conducting initial exploration and optioning the projects to partners. Acquisitions and dispositions are an essential and on-going part of this plan.

1.12 Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make certain estimates that affect the amounts reported in the consolidated financial statements. The accounting estimates considered to be significant include the recognition of deferred income tax assets and share-based compensation.

Deferred income tax assets

The Company does not believe it is likely that current tax losses will be utilized before they expire, therefore related deferred tax assets have not been recognized in the consolidated financial statements. When the situation changes, such that the future tax benefits of unused tax losses and other deductions carried forward are more likely to be realized, the deferred tax assets will be recorded in the accounts of the Company.

Share-based compensation

Calculating share-based compensation requires estimates of expected volatility in the share price, risk-free interest rates, number of options expected to vest, and a determination that standard option pricing models such as Black-Scholes fairly represent the actual compensation associated with options. Share price volatility is calculated using the Company's own trading history. The risk-free interest rate is obtained from the Bank of Canada zero coupon bond yield for the expected life of the options. The Company believes that the Black-Scholes option pricing model is appropriate for determining the compensation cost associated with the grant of options.

1.13 Changes in Accounting Policies including Initial Adoption

Accounting standards issued but not yet effective:

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

IFRS 9 Financial Instruments

IFRS 9 includes requirements for recognition, measurement, and de-recognition 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.

1.13 Changes in Accounting Policies including Initial Adoption (continued)

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.

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.

1.14 Financial Instruments and Other Instruments

The Company's activities expose it to a variety of financial risks, which include foreign currency risk, interest rate risk, credit risk and liquidity 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.

Foreign Currency Risk

The Company incurs certain expenses in currencies other than the Canadian dollar. The Company is subject to foreign exchange risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in US dollars and Mexican pesos to pay 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.

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 fixed interest rate.

1.14 Financial Instruments and Other Instruments (continued)

Due to the short-term fixed interest rate nature of these financial instruments, fluctuations in market rates do not have an impact on estimated fair values as of December 31, 2017. Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. The Company manages interest rate risk by investing in short-term financial instruments with varying maturity periods.

Interest Rate Risk, Continued

The effect of a 1% change in interest rates on comprehensive loss 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.

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 the cash and cash equivalents. 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 prior to entering in to such agreements.

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.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments. This strategy remains unchanged from prior years.

Sensitivity Analysis

The Company measures the effect on total assets or total receipts of reasonably foreseen changes in interest rates and 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 1% change in interest rates or a 10% change in foreign exchange rates would be immaterial. Actual financial results for the coming year will vary since the balances of financial assets are expected to change as funds may be raised through equity offering and are used for Company expenses.

1.15 Other Requirements

Risks Factors and Uncertainties

Overview

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.

Competition

Other exploration companies, including those with greater financial resources than the Company, could adopt or may have adopted the same business strategies and thereby compete directly with the Company, or may seek to acquire and develop mineral claims in areas targeted by the Company. While the risk of direct competition may be mitigated by the Company's experience and technical capabilities, there can be no assurance that competition will not increase or that the Company will be able to compete successfully.

Access to Capital

The exploration and subsequent development of mineral properties is capital intensive. Should it not be possible to raise additional equity funds when required, the Company may not be able to continue to fund its operations which would have a material adverse effect on the Company's potential profitability and ability to continue as a going concern. At present, the Company has cash resources to fund planned exploration for the next twelve months. Timing of additional equity funding will depend on market conditions as well as exploration requirements.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. These conditions may persist for an indeterminate period of time.

Foreign Operations and Political Risk

The Company's mineral properties are located in Canada and Mexico. In foreign jurisdictions, mineral exploration and mining activities may be affected in varying degrees by political or economic instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may materially adversely affect its business, or if significant enough, may make it impossible to continue to operate in certain countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and exploration health and safety. These risks are not unique to foreign jurisdictions and apply equally to the Company's property interest in Canada.

1.15 Other Requirements (continued)

Risks Factors and Uncertainties (continued)

Mineral Property Tenure and Permits

The Company has completed a review of its mineral property titles and believes that all requirements have been met to ensure continued access and tenure for these titles. However, ongoing requirements are complex and constantly changing so there is no assurance that these titles will remain valid. The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

Although the Company acquired the rights to some or all of the resources in the ground subject to the tenures that it acquired, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. It is necessary, as a practical matter, to negotiate surface access.

There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with existing landowners for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Joint Venture Risks

A key aspect of the Company's business is to enter into joint venture agreements with reputable mining companies to advance its projects. Often this results in the Company holding a minority ownership interest in the projects and the Company does not always act as operator of the project, meaning it must rely on the decisions and expertise of its project partners regarding operational matters. The interests of the Company and its project partners are not always aligned, and it may be difficult or impossible for the Company to ensure that the projects are operated in the best interest of the Company. The Company may also be dependent on its project partners for information such as the results of mineral exploration programs. The Company may also experience disputes with project partners regarding operational decisions or the interpretation of agreements in connection with its projects. While the Company strives to maintain effective channels of communication and positive working relationships with all its project partners, there can be no assurance that disputes will not arise that may lead to legal action and could result in significant costs to the Company.

Speculative Nature of Mineral Exploration and Development

The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of the Company's properties.

1.15 Other Requirements (continued)

Risks Factors and Uncertainties (continued)

Even if commercial quantities of ore are discovered, there is no assurance that the mineral property will be brought into production. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size, grade, metallurgy, and proximity to infrastructure; commodity prices, which have fluctuated widely in recent years; and government regulations, including those relating to taxes, royalties, land tenure, land use, aboriginal rights, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, and the Company's business may be adversely affected by its inability to advance projects to commercial production.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's evaluation of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and operating activities.

Commodity Prices

The prices of gold, silver, copper, lead, zinc, molybdenum, and other minerals have fluctuated widely in recent years and are affected by a number of factors beyond the Company's control, including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, consumption patterns, and speculative activities and increased production due to improved exploration and production methods. Fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies and the willingness of companies to participate in joint ventures with the Company and the level of their financial commitment. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors, officers, and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may also compete with the Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such director will abstain from voting on the matter. In accordance with the *Business Corporations Act (BC)*, the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

1.15 Other Requirements (continued)

Risks Factors and Uncertainties (continued)

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors including its ability to attract and retain additional key personnel in exploration, marketing, joint venture operations and finance. This will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel, and consultants can be particularly intense.

Government Regulation

The Company operates in an industry which is governed by numerous regulations, including but not limited to, environmental regulations as well as occupational health and safety regulations. Most of the Company's mineral properties are subject to government reporting regulations. The Company believes that it is in full compliance with all regulations and requirements related to mineral property interest claims.

However, it is possible that regulations or tenure requirements could be changed by the respective governments resulting in additional costs or barriers to development of the properties. This would adversely affect the value of properties and the Company's ability to hold onto them without incurring significant additional costs. It is also possible that the Company could be in violation of, or non-compliant with, regulations it is not aware of.

Additional Disclosure for Venture Issuers without Significant Revenue

The significant components of general and administrative expenditures are presented in the consolidated financial statements. Significant components of mineral property expenditures are included in Section 1.4 Results of Operations.

Outstanding Share Data

As of the date of this MD&A, the Company had 77,997,042 issued and outstanding common shares. In addition, the Company has 5,925,000 options outstanding that expire through November 9, 2022 and 7,722,579 warrants outstanding that expire through May 19, 2020. Details of issued share capital are included in Note 12 of the audited consolidated financial statements for the years ended December 31, 2017 and 2016.

Other Information

All technical reports on material properties, press releases and material change reports are filed on SEDAR at 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.