EVRIM RESOURCES CORP.

Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

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Non-Executive Directors

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David A. Caulfield
John Thompson

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Auditor

Smythe LLP
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Listing

TSX Venture Exchange: EVM
Shares Outstanding: 84,469,317 (April 18, 2019)

Evrim Resources Corp.

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Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF EVRIM RESOURCES CORP.

Opinion
We have audited the consolidated financial statements of Evrim Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,983,127 during the year ended December 31, 2018. As stated in Note 1, this event or condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 18, 2019

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

	Note		December 31, 2018		December 31, 2017
Assets					
Current assets					
Cash and cash equivalents	*5,9*	**$**	**7,087,898**	$	6,283,430
Short term investments	*5*		**7,021,863**		-
Marketable securities	*6*		**55,000**		45,000
Amounts receivable	*7,15*		**269,767**		79,329
Prepaid expenses and deposits			**15,919**		9,562
			14,450,447		6,417,321
Non-current assets					
Prepaid rent deposit	*12a*		**11,208**		11,208
Equipment	*8*		**96,226**		37,141
Reclamation bond	*9*		**53,000**		30,500
		$	**14,610,881**	$	6,496,170
Liabilities and Shareholders' Equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*10,15*	**$**	**205,979**	$	135,790
Joint venture partner deposits	*9*		**1,598,331**		2,930,256
			1,804,310		3,066,046
Non-current liabilities					
Provision for environmental rehabilitation	*11*		**66,525**		46,224
			1,870,835		3,112,270
Shareholders' Equity					
Issued capital	*13*		**27,179,476**		16,099,827
Contributed surplus			**885,824**		626,200
Accumulated other comprehensive gain/(loss)			**-**		(5,000)
Accumulated deficit			**(15,325,254)**		(13,337,127)
			12,740,046		3,383,900
		$	**14,610,881**	$	6,496,170

Approved and authorized for issue by the Board on April 18, 2019

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*		**2018**		2017
Revenue					
Option proceeds	*9*	**$**	**225,380**	$	181,115
Project management fees	*9*		**232,604**		55,629
Sale of property rights	*9*		**1,974,875**		-
			2,432,859		236,744
Expenses					
Acquisition expenditures	*15(b)*		**209,073**		154,488
Exploration expenditures	*9*		**5,438,957**		2,007,620
Exploration reimbursements			**(3,524,725)**		(1,154,001)
Exploration tax recovery			**(31,890)**		(27,460)
Government grant	*9*		**(183,000)**		(153,000)
Provision for environmental rehabilitation	*11*		**20,301**		18,305
			1,928,716		845,952
Gain/(loss) from mineral property operations			**504,143**		(609,208)
Other Operations					
Interest and other revenue	*6*		**119,643**		21,802
Expenses					
Accounting and legal			**333,569**		156,156
Depreciation	*8*		**51,845**		16,849
Foreign exchange loss			**30,231**		113,840
General and administrative	*15(b)*		**255,631**		197,864
Investor services			**70,132**		31,126
Management and professional fees			**120,000**		116,500
Marketing services			**85,285**		47,717
Salaries and support services	*15(b),(c)*		**1,097,646**		879,707
Share-based compensation	*13(b),15(c)*		**385,190**		283,858
Travel			**177,384**		111,058
			2,606,913		1,954,675
Loss from other operations			**(2,487,270)**		(1,932,873)
Net loss			**(1,983,127)**		(2,542,081)
Other Comprehensive Income					
Items that will be recycled to profit or loss:					
Loss on available-for-sale investment			**-**		(5,000)
Net Loss and Comprehensive loss for the year		**$**	**(1,983,127)**	$	(2,547,081)
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.04)
Weighted average number of common shares outstanding			**76,226,260**		59,474,226

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)

		2018		2017
Cash flows provided by (used in) operating activities				
Net loss	**$**	**(1,983,127)**	$	(2,547,081)
Add (deduct) items not involving cash:				
Shares received as option payment		**-**		(50,000)
(Gain)/loss on available-for-sale-investment		**(10,000)**		5,000
Depreciation		**51,845**		16,849
Unrealized foreign exchange (gain)/ loss		**(52,124)**		33,495
Provision for environmental rehabilitation		**20,301**		18,305
Shares issued for mineral property interest		**32,250**		49,875
Share-based compensation		**385,190**		283,858
		(1,555,665)		(2,189,699)
Net change in non-cash working capital balances related to operations:				
Amounts receivable		**(190,438)**		(14,567)
Prepaid expenses and deposits		**(6,357)**		3,071
Accounts payable and accrued liabilities		**70,189**		68,519
Joint venture partner deposits		**(1,331,925)**		2,930,256
Net cash flow provided by (used in) operating activities		**(3,014,196)**		797,580
Cash flows used in investing activities				
Purchase of short-term investments		**(7,021,863)**		-
Reclamation bond		**(22,500)**		(10,500)
Purchase of equipment		**(110,930)**		(25,730)
Net cash flow used in investing activities		**(7,155,293)**		(36,230)
Cash flows provided by financing activities				
Proceeds from private placement		**7,272,602**		4,304,928
Proceeds from exercise of warrants		**3,654,247**		864
Proceeds from exercise of options		**52,500**		-
Payment of share issue costs		**(57,516)**		(244,461)
Net cash flow provided by financing activities		**10,921,833**		4,061,331
Effects of foreign currency translation on cash and cash equivalents		**52,124**		(33,495)
Increase in cash and cash equivalents		**804,468**		4,789,186
Cash and cash equivalents, beginning of year		**6,283,430**		1,494,244
Cash and cash equivalents, end of year	**$**	**7,087,898**	$	6,283,430
Cash and cash equivalents are comprised of:				
Cash	**$**	**514,764**	$	782,462
Cash restricted for exploration		**2,523,134**		2,930,856
Short-term money market instruments		**4,050,000**		2,570,712
	$	**7,087,898**	$	6,283,430
Supplemental cash flow information:				
Interest received	**$**	**25,644**	$	25,644

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, 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	(442)	-	-	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**
Impact of IFRS 9 adoption (Note 3(r))	-	-	-	5,000	(5,000)	-
Shares issued for cash	4,848,401	7,272,602	-	-	-	7,272,602
Exercise of warrants	13,662,674	3,746,045	(91,798)	-	-	3,654,247
Exercise of options	210,000	86,268	(33,768)	-	-	52,500
Mineral property acquisition costs	25,000	32,250	-	-	-	32,250
Share issue costs	-	(57,516)	-	-	-	(57,516)
Share-based compensation	-	-	385,190	-	-	385,190
Loss and comprehensive loss	-	-	-	-	(1,983,127)	(1,983,127)
Balance, December 31, 2018	**84,469,317**	**$ 27,179,476**	**$ 885,824**	**$ -**	**$ (15,325,254)**	**$ 12,740,046**

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 (2018 - $1,983,127; 2017 - $2,542,081) and has an accumulated deficit as at December 31, 2018 of $15,325,254 (2017 - $13,337,127).

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., 1174610 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, 2018	Proportion of ownership interest December 31, 2017	Principal activity
Evrim Exploration Canada Corp.	British Columbia	100%	100%	Mineral exploration
1124798 B.C. Ltd.	British Columbia	100%	100%	Mineral exploration
1174610 B.C. Ltd.	British Columbia	100%	-	Holding Company
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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(f) Revenue recognition

The Company records revenue from joint venture agreements in accordance with the five-step model in IFRS 15 as follows:

(i) identify the contract with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price, which is the total consideration provided by the customer;
(iv) allocate transaction price among the performance obligations in the contract based on their relative fair values; and
(v) recognize revenue when the relevant criteria are met for each performance obligation.

Revenues from option payments and joint venture management fees is recognized when all the performance obligations identified in the agreements are satisfied.

(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

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss and transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that:

i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(n) Financial instruments, continued

Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

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.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

IFRS 9 *Financial Instruments*

The Company has adopted IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for the classification and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, with the exception that for financial liabilities designated at fair value through profit or loss, the change in fair value that is attributable to changes in credit risk of that liability is presented in other comprehensive income (loss) instead of in statement of operations as previously applied.

As a result of the adoption of IFRS 9, the Company has changed accounting policy for financial instruments retrospectively. The change did not result in a change in the carrying value of any of the financial instruments on transition date. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company reflected the retrospective impact of the adoption of IFRS 9 as an adjustment to opening equity as at January 1, 2018.

As at January 1, 2018, the impact of the adoption of IFRS 9 to the Company's financial instruments are as follows:

	Under IAS 39		**Under IFRS 9**	
	Classification	Carrying amount	Classification	Carrying amount
Financial Asset				
Cash and cash equivalents	Fair value through profit or loss ("FVPTL")	$ 6,283,430	FVPTL	$ 6,283,430
Marketable Securities	Available for sale	$ 45,000	FVPTL	$ 45,000
Amounts receivable	Loans and receivables	$ 79,329	Amortized cost	$ 79,329
Financial Liability				
Accounts payable and accrued liabilities	Other financial liabilities	$ 135,790	Amortized cost	$ 135,790

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(r) Accounting standards issued and effective for the current fiscal year, continued

The Company's marketable securities consist of investment in equity securities. For equity securities not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity securities as financial asset at FVTPL. Subsequent changes in fair value will be recognized in profit or loss. As a result of this change, the Company reclassified $5,000 of other comprehensive income to opening accumulated deficit.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets cash and amounts receivables and financial liabilities.

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 Company has adopted IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18, effective January 1, 2018 with retrospective application. The adoption of IFRS 15 did not result in any changes in the Company's accounting policies for revenue recognition and does not have any impact on the consolidated financial statements or opening balances.

(s) Accounting standards issued but not yet effective

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.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

IFRS 16 *Leases*

The Company has not early-adopted this revised standard and expects the assets and the related liability to be increased by $107,300 in the consolidated statement of financial position as of January 1, 2019.

4. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders comprising issued capital, contributed surplus and accumulated deficit. The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern and enable it to provide shareholder returns and benefits for all stakeholders in the development of its mineral property interests. These objectives remain unchanged from previous years.

The Company manages and adjusts its capital structure in response to changes in the risk characteristics of its underlying assets and/or changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or other equity instruments. The Company is not subject to externally imposed capital requirements.

5. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents include $3,037,898 (December 31, 2017 – 3,712,718) in the operating bank accounts and $4,050,000 (December 31, 2017 - $2,570,712) of guaranteed investment certificates ("GICs") cashable at any time. Short term investments are GICs placed with major banks, with maturities ranging from six to twelve months earning interest from 1.75% to 2%.

As of December 31, 2018, $6,573,134 of the total cash and cash equivalents and short-term deposits were restricted for exploration expenditures (December 31, 2017 - $2,930,256) of which $4,974,803 (December 31, 2017 - $Nil) were earmarked for the Cuale project (refer Note 13) and $1,598,332 (December 31, 2017 - $2,930,256) were related to other projects under joint venture.

6. 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 9).

Fair market value as at December 31, 2017	**$ 45,000**
Fair value adjustment	10,000
Fair market value as at December 31, 2018	**$ 55,000**

(Expressed in Canadian Dollars)

7. AMOUNTS RECEIVABLE

Amounts receivable is comprised of the following:

	December 31, 2018	December 31, 2017
Trade receivables	$ 14,461	$ 24,300
Other receivables	49,044	9,610
Current tax receivable	206,262	45,419
	$ 269,767	$ 79,329

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

8. EQUIPMENT

Cost	Computer equipment and software	Field equipment	Leasehold improvements	Mobile equipment	Office equipment and furniture	Total
Balance as at December 31, 2016	**$ 128,173**	**$ 25,673**	**$ 16,995**	**$ 29,668**	**$ 23,636**	**$ 224,145**
Acquisitions	25,730	-	-	-	-	25,730
Balance as at December 31, 2017	**153,903**	**25,673**	**16,995**	**29,668**	**23,636**	**249,875**
Acquisitions	102,948	-	-	-	7,982	110,930
Balance as at December 31, 2018	**$ 256,851**	**$ 25,673**	**$ 16,995**	**$ 29,668**	**$ 31,618**	**$ 360,805**
Accumulated depreciation						
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)
Balance as at December 31, 2017	**(126,949)**	**(20,324)**	**(14,004)**	**(29,668)**	**(21,789)**	**(212,734)**
Depreciation	(46,664)	(1,091)	(1,690)	-	(2,400)	(51,845)
Balance as at December 31, 2018	**$ (173,613)**	**$ (21,415)**	**$ (15,694)**	**$ (29,668)**	**$ (24,189)**	**$ (264,579)**
Carrying amounts						
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
December 31, 2018	**$ 83,238**	**$ 4,258**	**$ 1,301**	**$ -**	**$ 7,429**	**$ 96,226**

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

9. 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

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 subject to a 2% net smelter royalty ("NSR"). Ermitaño is located northeast of Hermosillo.

In September 2018, both parties signed a settlement agreement, whereby the 100% interest in the property was transferred to First Majestic for US$1,000,000 subject to the 2% NSR.

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 subject to a 1.5% NSR. Cumobabi is located northeast of Hermosillo.

In September 2018, both parties signed a settlement agreement, whereby the 100% interest in the property was transferred to First Majestic for US$500,000 subject to the 1.5% NSR.

Pursuant to the Cumobabi acquisition agreement (as amended) with Kiska Metals Corporation, now Centerra Gold Inc. ("Centerra"), the Company is required to issue further 25,000 and 50,000 shares on September 17, 2018 (issued) and 2019, respectively. 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).

9. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

Cerro Cascaron

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

Harvest Gold Corporation ("Harvest") option agreement

In June 2017, the Company entered into an agreement with Harvest, whereby Harvest can earn up to an 80% interest of the Cerro Cascaron property. To earn a 70% interest ("Initial interest"), Harvest must incur $6.0 million in exploration expenditures, pay $900,000 in cash and issue two million common shares over a four-year period (one million shares received in 2017). 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 $2.0 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.

In April 2018, the completion date to fulfil the first years' obligations was extended to December 31, 2018, for a fee of $30,000. During the year, the Company received $1,118,952 in advances from Harvest to be used on exploration expenditures. As at December 31, 2018, of the advanced amounts, $455,812 is included in cash and cash equivalents.

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.

9. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

Sarape, continued

In May 2018, the Company signed a definitive agreement with a subsidiary of Coeur Mining Inc. (“Coeur”). Coeur may acquire up to an 80% interest in Sarape by spending US$16.5 million on exploration, making staged cash payments of US$2.4 million, and completing a National Instrument 43-101 compliant Feasibility Study on a minimum measured and indicated resource estimate of 1,000,000 ounces of gold equivalent, within a ten-year period. The initial cash payment due upon signing of the agreement of US$100,000 was received in September 2018.

During the year, the Company received $482,266 in advances from Coeur to be used on exploration expenditures. As at December 31, 2018, of the advanced amounts, $179,600 is included in cash and cash equivalents.

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. Projects acquired 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 $1.0 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

9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Ball Creek Property*, continued*

(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).

Ball Creek Antofagasta agreement

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

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

During the year ended December 31, 2017, the Company received $1,918,765 in advances from Antofagasta to be used on exploration expenditures. As at December 31, 2018, of the advanced amounts, $745,650 (December 31, 2017 - $154,006) is included in cash and cash equivalents.

The agreement was terminated as at December 31, 2018. Subsequent to year-end the Company repaid the remaining joint venture deposit of $712,865 to the joint venture partner.

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.

9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Axe Property, continued

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.

The property is located in south-central British Columbia. As at December 31, 2018, the Company has placed a reclamation bond in the amount of $30,000 (December 31, 2017 - $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 a National Instrument 43-101 compliant Preliminary Economic Analysis over a ten-year period.

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

During the year ended December 31, 2017, the Company received $1,270,100 in advances from Antofagasta to be used on exploration expenditures. As at December 31, 2018, of the advanced amounts, $86,816 (December 31, 2017) is included in cash and cash equivalents.

9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Axe Antofagasta agreement, continued

The agreement was terminated as at December 31, 2018. Subsequent to year-end the Company repaid the remaining joint venture deposit of $48,672 to the joint venture partner.

Jacobite Property

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

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

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

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

Lemon Lake Property

In October 2018, the Company acquired a 100% interest in the Lemon Lake property from Metalogic Exploration Inc.

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:
  - $25,000 upon entering into a future option agreement;
  - $25,000 upon entering in to an agreement to drill 10,000 metres;
  - $150,000 upon announcement of a measured, indicated or inferred mineral resource estimate (compliant with National Instrument 43-101); and
  - $500,000 upon decision to bring the property into commercial production.

The property is located in south-central British Columbia.

9. MINERAL PROPERTY INTERESTS, CONTINUED

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 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 its 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 ended December 31, 2018, the Company received $822,144 (December 31, 2017 - $753, 732) in advances from Newmont to be used on exploration expenditures for the second year. As at December 31, 2018, of the advanced amounts, $130,453 (December 31, 2017 - $118,150) is included in cash and cash equivalents.

In March 2019, the Company announced the designation of the Astro project for option from the Newmont alliance. The 250 square kilometre Astro project is located in the Northwest Territoties, six kilometres north of the Mile 222 airstrip and 195 kilometres northeast of Ross River, providing seasonal road access to the southern boundary of the property.

Yamana Alliance

In October 2018, the Company signed a three-year exploration alliance with a subsidiary of Yamana Gold Inc. (“Yamana”). The alliance allows Evrim royalty free access to Yamana’s dataset in the western United States for gold and base metal project generation.

9. MINERAL PROPERTY INTERESTS, CONTINUED

Yamana Alliance*, continued*

During the alliance period, Evrim will compile a fully digital and comprehensive dataset to generate new targets and ideas within the designated area. Should Evrim acquire a project within the designated area, Yamana will have the exclusive right for 60 days to enter into an option agreement to earn a 75% interest on terms as follows:

- within the first two years, Yamana will fund (at least) US$1,000,000 for initial exploration expenditures, including any acquisition or land staking costs;
- solely fund additional exploration expenditures between years 3 and 10, or until such time as Yamana has defined a NI 43-101 compliant pre-feasibility study on a minimum 1.0 million ounce gold equivalent resource;
- make a cash payment of US$150,000 upon signing the option agreement and additional payments of US$100,000 on the first, second and third anniversaries;
- upon Yamana earning its interest and the formation of a joint venture, Yamana and Evrim will jointly fund programs on a respective 75%/25% basis;
- should Evrim's interest in a project fall below 10%, its interest will convert to a 2.5% NSR of which 1.25% NSR can be purchased by Yamana prior to production for US$5 million; and
- Evrim will be operator during the first US$10 million of exploration expenditures. The option period is independent of the alliance period and may extend beyond the three-year term. At the end of the Alliance, both parties will retain a copy of the digital database.

Government grant

During the year, the Company received a grant of $183,000 from the North West Territories Government (December 31, 2017 - $153,000) for the exploration work carried out in Canada.

(Expressed in Canadian Dollars)

9. MINERAL PROPERTY INTERESTS, CONTINUED

Exploration Expenditures

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

	Year ended December 31, 2018	Year ended December 31, 2017
Camp and support	**$ 498,037**	$ 203,092
Aircraft and helicopters	**572,971**	455,964
Chemical analysis	**539,831**	118,775
Data management and maps	**88,396**	76,169
Drilling and trenching	**982,662**	-
Geological services	**1,675,058**	841,170
Geophysical surveys	**510,228**	-
Materials and supplies	**134,931**	13,755
Project Management	**7,519**	24,995
Recording and filing	**166,260**	**125,005**
Travel	**263,064**	**148,695**
	$ 5,438,957	$ **2,007,620**

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018	December 31, 2017
Trade payables	$ **94,192**	$ **101,435**
Accrued liabilities	**111,787**	**34,355**
	$ **205,979**	$ **135,790**

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.

11. 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 a 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 $66,525 (2017 - $46,224).

(Expressed in Canadian Dollars)

11. PROVISION FOR ENVIRONMENTAL REHABILITATION, CONTINUED

Balance, December 31, 2016	**$**	**27,919**
Revision in estimates		18,305
Balance, December 31, 2017		**46,224**
Revision in estimates		20,301
Balance, December 31, 2018	**$**	**66,525**

12. 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, 2018, the Company has future minimum annual lease commitments as follows:

	Less than one year	One to five years
Lease payment	$ 40,236	$ 6,706
Operating costs (estimate)	42,152	7,185
Total	$ 82,388	$ 13,891

(b) The Company has leased a photocopier for the head office, which has been classified as an operating lease as 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	$ 2,580	7,740

(c) The Company has entered into a rental agreement with Javier Antonio García Penqueño, which includes the renting of the administrative offices in Hermosillo, Mexico. The annual rent totals $21,000. This agreement is for a period of three years and expires on December 31, 2020. The Company may terminate the agreement with a penalty equivalent to two months' rent payment.

13. 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 September 17, 2018, the Company issued 25,000 common shares to AuRico Gold Inc. (now Centerra) pursuant to the amended Cumobabi agreement.

Financing

During the year ended December 31, 2018, the Company completed a strategic private placement with Newmont. A total of 4,848,401 shares of the Company were issued to Newmont at a price of $1.50 per share for gross proceeds of $7,272,602.

Evrim and Newmont have entered into an investment agreement (the "Agreement") pursuant to which Newmont will complete the private placement and will have certain investment rights for a period ending on the earlier of the fifth anniversary from the date of closing or the date on which Evrim enters into an agreement to divest all or part of its interest in the Cuale project to Newmont or third parties, including the following:

- Voting support whereby Newmont will support matters recommended by Evrim's Board of Directors so long as those matters do not adversely prejudice Newmont's rights under the Agreement;
- Re-sale restriction on certain Newmont share dispositions;
- Newmont will retain participation rights in any future equity financings to maintain its pro rata ownership interest;
- Newmont will retain a Right of First Offer on the Cuale project in the event Evrim seeks to divest all or part of its interest in the Cuale project;
- The formation of a joint technical committee to advance the Cuale project; and
- Eighty percent (80%) of the gross proceeds from the private placement ($5,818,081) will be earmarked for the advancement of Cuale, unless Newmont and the Company mutually agree to re-allocate the funds elsewhere.

Newmont and Evrim have also agreed to a standstill clause whereby Newmont will be restricted from acquiring Evrim shares until February 28, 2020, subject to acceleration in the event Evrim enters into a transaction with respect to the Cuale project prior to that date.

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.

13. ISSUED CAPITAL, CONTINUED

(a) Authorized and issued, continued

Financing, continued

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 finders' fees, $74,750 for regulatory and other related fees and issued 565,704 finders' fees warrants. Fair value of the finders' 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 finders' warrants granted was $0.11 per share. The Company determines the fair value of the finders' 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.

Warrant exercise

During the year ended December 31, 2018, 13,662,674 (December 31, 2017 – 7,200) warrants were exercised with an exercise price ranging from $0.25 to $0.50 (December 31, 2017 - $0.12) for gross proceeds of $3,654,247 (December 31, 2017 - $864), and $91,798 (2016 - $442) was reclassified from contributed surplus to capital stock.

Stock options exercise

During the year ended December 31, 2018, 210,000 (December 31, 2017 – nil) stock options with an exercise price of $0.25 were exercised for gross proceeds of $52,590 and $33,678 was reclassified from contributed surplus to capital stock.

(b) Incentive stock options

The Company has a rolling stock option plan (the "Plan") that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares at any given time. The Plan allows the board of directors to grant 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 Company did not issue any stock options during the year ended December 31, 2018.

(Expressed in Canadian Dollars)

13. ISSUED CAPITAL, CONTINUED

(b) Incentive stock options, continued

In 2017, 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, 2018		December 31, 2017	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at beginning of the year	**5,925,000**	**$ 0.25**	**100,000**	**$ 0.18**
Granted	**-**	**-**	**5,825,000**	**$ 0.25**
Exercised	**(210,000)**	**$ 0.25**	**-**	**$ -**
Forfeited/Expired	**-**	**$ -**	**-**	**$ -**
Outstanding at end of the year	**5,715,000**	**$ 0.25**	**5,925,000**	**$ 0.25**
Options exercisable at end of the year	**2,640,000**	**$ 0.25**	**1,450,000**	**$ 0.25**

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

Expiry date	Options outstanding (number of shares)	Options exercisable (number of shares)	Exercise price	Weighted average remaining life
May 13, 2020	100,000	100,000	$ 0.18	1.37
November 9, 2022	5,615,000	2,540,000	$ 0.25	3.86
	5,715,000	2,640,000	$ 0.25	3.82

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, 2018 was $385,190 (2017 – $283,858).

(Expressed in Canadian Dollars)

13. ISSUED CAPITAL, CONTINUED

(c) Warrants

The Company did not issue any warrants during the year ended December 31, 2018.

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.

Share purchase warrants outstanding at December 31, 2018 and 2017 are as follows:

Exercise price	Expiry date	Balance December 31, 2017	**Issued during the year**	**Exercised/expired during the year**	**Balance December 31, 2018**
$0.25	December 16, 2020(i)	12,568,800	**-**	**(12,568,800)**	**-**
$0.50	May 19, 2020	7,174,800	**-**	**(841,171)**	**6,333,629**
$0.30	November 19, 2018	565,704	**-**	**(565,704)**	**-**
		20,309,304	**-**	**(13,975,675)**	**6,333,629**
Weighted average exercise price		$0.34			**$0.50**
Weighted average remaining life		2.70			1.38

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**

(Expressed in Canadian Dollars)

14. INCOME TAXES

(a) Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2017 - 26%) to loss before income taxes.

	December 31, 2018	December 31, 2017
Loss before tax	**$ (1,983,125)**	**$ (2,542,081)**
Statutory income tax rate	**27%**	**26%**
Expected income tax recovery	**(535,444)**	**(660,941)**
Items non-deductible for income tax purposes	**89,638**	**110,299**
Difference between Canadian and foreign tax rates	**8,715**	**(17,831)**
Other	**(26,629)**	**(45,714)**
Impact of foreign exchange on tax assets and liabilities	**(243,706)**	**(195,633)**
Unused tax losses and tax offsets not recognized in tax asset	**707,426**	**809,820**
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, 2018
Deferred income tax asset:	
Non-capital losses	**$ 29,203**
Deferred income tax liabilities:	
Property and equipment	**(28,408)**
Deposits	**(795)**
Total deferred income tax liabilities	**(29,203)**
Net deferred income tax liabilities	**$ -**

(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, 2018	December 31, 2017
Non-capital losses	**$15,794,386**	**$ 13,930,781**
Mineral properties	**3,508,013**	**648,871**
Available for sale securities	**2,500**	**2,596**
Share issue costs	**258,717**	**327,692**
Equipment	**184,553**	**142,761**
	$ 19,748,169	**$ 15,052,701**

(Expressed in Canadian Dollars)

14. INCOME TAXES, CONTINUED

(c) continued

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
2038	2,404,000	-	-	2,404,000
	$ 11,659,000	**$ 3,069,000**	**$ 65,000**	**$ 14,793,000**

15. 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, 2018 was $5,539 (2017 - $4,919) owing to a company with a director in common.

(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 $105,258 during the year ended December 31, 2018 (2017 - $154,172), which was set off against the related costs. As at December 31, 2018, $4,158 (2017 - $13,700) is included in amounts receivable. The Chief Financial Officer services ended June 30, 2018.

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS, CONTINUED

(b) Transactions involving related parties, continued

During the year ended December 31, 2018, the Company paid $55,727 (2017 - $23,530) for community engagement services to a company with a director 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 beneficially owned by a director.

(c) Compensation of key management personnel

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

	Year ended December 31,	
	2018	2017
Salaries of senior executives[(i)]	**$ 889,103**	$ 711,172
Short-term employee benefits[(ii)]	**32,025**	28,289
Non-executive directors' fees	**120,000**	116,500
Share-based compensation	**281,040**	178,725
	$ 1,322,168	$ 1,034,686

(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, 2018 and 2017.

(Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION

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

December 31, 2018	Canada	United States	Mexico	Total
Non–current assets				
Prepaid rent and deposits	$ 11,208	$ -	$ -	$ 11,208
Equipment	75,777	-	20,450	96,227
Reclamation bond	53,000	-	-	53,000
	$ 139,985	$ -	$ 20,450	$ 160,434

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

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

	December 31, 2018		
	Canada	Mexico	Total
Revenues			
Property option proceeds	$ 30,000	$ 195,380	$ 225,380
Sale of property rights	-	1,974,875	1,974,875
Project management fees	205,090	27,514	232,604
	$ 235,090	$ 2,197,769	$ 2,432,859

	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

17. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

The fair values of cash and cash equivalents, short term investments, 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.

(b) Categories of financial instruments

		December 31, 2018		December 31, 2017
Financial assets				
FVTPL				
Cash and cash equivalents	**$**	**7,087,898**	$	6,283,430
Short term investments		**7,021,863**		-
Marketable securities		**55,000**		45,000
Loans and receivables				
Amounts receivable		**63,505**		33,910
	$	**14,228,266**	$	6,362,340
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**$**	**205,979**	$	135,790
Joint venture partner deposit		**1,598,331**		2,918,046
	$	**1,804,310**	$	3,053,836

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)

17. 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, 2018 (US*)	**December 31, 2018 (MXN*)**	December 31, 2017 (US*)	December 31, 2017 (MXN*)
Cash	**$ 1,397,331**	**$ 49,728**	$ 1,450,022	$ 89,290
Amounts receivable	**-**	**-**	-	-
Accounts payable and accrued liabilities	**(561)**	**(2,842)**	695	-
Joint venture partner deposits	**(328,267)**	**-**	-	-
Net assets denominated in foreign currencies	**$ 1,068,503**	**$ 46,886**	$ 1,450,717	$ 89,290

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

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by 0.90% (2017 – 1.59%).

The sensitivity of the Company's loss and comprehensive loss due to changes in the exchange rate between the Mexican peso and the Canadian dollar, and between the US dollar and the Canadian dollar are approximated 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,	**2018**		2017	
	10% Increase in MXN : CAD rate	**10% Increase in USD : CAD rate**	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate
Change in net loss and comprehensive loss	**$ 278,000**	**$ 247,600**	$ 40,000	$ -

(Expressed in Canadian Dollars)

17. FINANCIAL RISK MANAGEMENT, CONTINUED

(d) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and GICs that earn interest at 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 approximately $200,000. 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 and short-term investments 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, 2018		December 31, 2017	
Short-term money market instruments	$	**11,071,863**	$	2,570,712
Cash bank accounts		**3,037,898**		3,712,718
Amounts receivable		**63,505**		33,910
Total	$	**14,173,266**	$	6,317,340

At December 31, 2018, the Company's short-term money market instruments were invested in GICs earning annual interest rates of 1.55% to 2.33%.

(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)

17. 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. The Company has invested part of the excess cash flow through a financial institution.

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

Accounts Payable and Accrued Liabilities				
Due Date		**December 31, 2018**		December 31, 2017
0 – 90 days	**$**	**116,464**	$	101,435
90 – 365 days		**193,188**		34,355
365 + days		**7,740**		-
Total	**$**	**317,392**	$	135,790

(g) Other price risk

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

18. SUBSEQUENT EVENT

Option grant

In February 2019, the Company granted 200,000 incentive stock options to employees under the terms of the Company's stock option plan. The stock options are exercisable at a price of $0.32 per share for a period of five years.

EVRIM RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

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 contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward-Looking Statement disclaimer included with this MD&A.

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, 2018 and 2017, for more complete financial information.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com 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 and western Canada. The Company also owns a geological database covering parts of Mexico and western 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 18, 2019.

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.

Financing

On August 31, 2018, the Company completed a strategic financing with Newmont Canada Corporation (“Newmont”) for gross proceeds of $7,272,602 at a price of $1.50 per share. The financing is subject to an investment agreement which will expire on the earlier of the fifth anniversary from the date of closing, or the date on which Evrim enters into an agreement to divest all or part of its interest in the Cuale project to Newmont or third parties. The financing includes the following provisions:

- voting support whereby Newmont will support matters recommended by Evrim’s Board of directors as long as those matters do not adversely prejudice Newmont’s rights under the investment agreement;
- re-sale restriction on certain Newmont share dispositions;
- Newmont will retain participation rights in any future equity financings to maintain its pro rata ownership interest;
- Newmont will retain a Right of First Offer on the Cuale project in the event Evrim seeks to divest all or part of its interest in the Cuale project;
- the formation of a joint technical committee to advance the Cuale project; and
- eighty percent of the gross proceeds from the private placement ($5,818,081) will be earmarked for the advancement of Cuale, unless Newmont and the Company mutually agree that funds can be spent elsewhere.

Warrant exercise

During the year, the Company received $3,654,247 from the exercise of common share purchase warrants, of which $3,063,950 relates to 12,255,800 common share purchase warrants with an exercise price of $0.25 issued as part of the December 16, 2015 private placement. The balance consists of 565,704 finders’ warrants with an exercise price of $0.30, and 841,171 common share purchase warrants with an exercise price of $0.50 issued as part of the May 19, 2017 private placement.

Stock option exercise

During the year, the Company received $52,500 from the exercise of 210,000 of stock options with an exercise price of $0.25.

Alliance and joint venture agreements

Exploration alliance in the western United States

On October 31, 2018, the Company announced a three-year exploration alliance with Meridian Gold Co., a wholly-owned subsidiary of Yamana Gold Inc. (“Yamana”). The alliance allows Evrim royalty free access to Meridian’s dataset in the western United States for gold and base metal project generation.

1.2 Overview, (continued)

Alliance and joint venture agreements, (continued)

Exploration alliance in the western United States, (continued)

During the alliance period, Evrim will compile a fully digital and comprehensive dataset to generate new targets and ideas within the designated area. Should Evrim acquire a project within the designated area, Yamana will have the exclusive right for 60 days to enter into an option agreement to earn a 75% interest on the following terms:

- within the first two years, Yamana will fund a minimum of US$1,000,000 for initial exploration expenditures, including any acquisition and/or land staking costs;
- solely fund additional exploration expenditures between years 3 and 10, or until such time as Yamana has defined a National Instrument (“NI”) 43-101 compliant pre-feasibility study on a minimum 1-million-ounce gold equivalent resource;
- make a cash payment of US$150,000 upon signing the option agreement and additional payments of US$100,000 on the first, second and third anniversaries;
- upon Yamana earning its interest and the formation of a joint venture, Yamana and Evrim will jointly fund programs on a respective 75%/25% basis;
- should Evrim’s interest in a project fall below 10%, its interest will convert to a 2.5% net smelter royalty ("NSR") of which 1.25% NSR can be purchased by Yamana prior to production for US$5 million; and
- Evrim will be the operator during the first US$10 million of exploration expenditures.

The option period is independent of the alliance period and may extend beyond the three-year term. At the end of the alliance, both parties will retain a copy of the digital database.

Sarape

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

Coeur may acquire an 80% interest in Sarape by spending US$16.5 million on exploration, making staged cash payments of US$2.55 million and completing an 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.

Exercise of Ermitaño and Cumobabi option agreements

On September 10, 2018, the Company announced that First Majestic Silver Corp. (“First Majestic”) and Evrim exercised option agreements of Ermitaño and Cumobabi projects in Sonora, Mexico where First Majestic completed its 100% earn-in for both projects. In connection with the exercise, First Majestic has made a US$1.5 million cash payment to Evrim and granted Evrim a 2% NSR in the case of the Ermitaño project and a 1.5% NSR in the case of the Cumobabi project.

1.2 Overview, (continued)

Exercise of Ermitaño and Cumobabi option agreements, (continued)

On March 29, 2019, First Majestic announced a resource update at Ermitaño as follows:

- a total of 8.81 million silver-equivalent ounces (approximately 119,000 gold-equivalent ounces) has been upgraded to indicated status from the 2018 inferred resources;
- additional Inferred resources of 48.98 million silver-equivalent ounces (approximately 659,000 gold-equivalent ounces) representing a 20% increase over the 2018 maiden resource; and
- First Majestic is planning to complete 16,000 metres of drilling in 2019 to investigate the continuity of mineralization at shallow depths that may be amenable to open pit extraction.

Metal prices used by First Majestic for mineral resource estimates were US$17.50 per ounce silver and US$1,300 per ounce gold.

1.3 Selected Annual Information

	Year ended December 31 2018	Year ended December 31 2017	Year ended December 31 2016
Revenue and interest income	$ 2,552,502	$ 253,546	$ 157,840
Net loss	(1,983,127)	(2,547,081)	(1,839,030)
Net loss per share	(0.03)	(0.04)	(0.04)
Total assets	14,610,881	6,496,170	1,631,107
Current liabilities	1,804,310	3,066,046	67,271
Long-term liabilities	66,525	46,224	27,919
Shareholders' equity	12,740,046	3,383,900	1,535,917
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. In June 2018, the Company joint ventured the project to Coeur. Coeur may acquire up to an 80% interest in Sarape by spending US$16.5 million on exploration, making staged cash payments of US$2.4 million, and completing an 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.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Mexico, (continued)

Sarape, (continued)

The project consists of 5,349 hectares of mineral tenure which hosts the 6 kilometre long and 12 metre wide Sarape vein and the 2.6 kilometre long and 3 metre wide Chiltepin vein. In February 2019, the Company announced the commencement of a 2,500 metre drill program to test the two vein targets.

Work completed in 2018 included detailed mapping of the veins and surrounding area, sampling, and an airborne magnetic and radiometric survey. Systematic channel sampling has shown that the western portion of both veins contains barren white quartz and calcite that are interpreted to be a late, shallow part of the system. The eastern portion of the Sarape vein includes a separate phase of low-temperature, tan green quartz that grades from 0.10 to 3.63 grams per tonne ("g/t") gold and individual samples at the Chiltepin vein assay from trace to 3.66 g/t gold.

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 were staked by the Company in late 2016 and three surrounding claims were subsequently acquired under two separate agreements with a third party.

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 Gold Corporation ("Harvest") on the Cerro Cascaron property. Harvest can earn a 70% interest (the "Initial Interest") in the property by spending 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 were received upon signing).

After earning the Initial Interest, Harvest can earn an additional 10% interest (the "Additional Interest") by paying $200,000 or 200,000 shares at Evrim's election and funding an NI 43-101 compliant feasibility study over a five-year period. Minimum exploration expenditures of $2 million, or a $200,000 cash payment are required each 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.

In April 2018, the completion date to fulfil the first years' obligations was extended to December 31, 2018, for a fee of $30,000. Effective January 31, 2019, the agreement was extended to March 31, 2019 by mutual agreement of both parties.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Mexico, (continued)

Cerro Cascaron, (continued)

As of April 1, 2019, Harvest is in default of Section 4 (b) of the Cerro Cascaron agreement and it is anticipated that both parties will attempt to negotiate an amenable outcome.

In 2018, the Company completed a ten-hole, 2,255 metre drill program at Cerro Cascaron designed to test the Cascarita, Serpiente Dorada and San Pedro areas. Drilling at Serpiente Dorada tested a structural corridor over a strike length of 180 metres at approximately 100 metres below surface. Mineralization was intersected within broad zones of quartz veining and silicification where the structure intersects interpreted hydrothermal breccias and a contact between andesitic and rhyolitic volcanic rocks. Drill hole SPT18-01 returned 1.0 metre grading 20.1 g/t gold and 22.5 g/t silver from 225.5 metres downhole.

Drilling at San Pedro intersected a banded quartz vein hosted in rhyolitic tuff and andesite, containing multi-episodal chalcedonic quartz and quartz breccias. Drill hole SPED19-02 intersected 0.35 metres grading 5.39 g/t gold and a separate 4.8 metre interval grading 1.02 g/t gold. The textures identified in SPED19-02 and SPED19-03 (see results below) are interpreted to be located above a boiling zone where the best mineralization is expected. Hole SPED19-04 tested a deeper part of the system and intersected a zone of pervasive silicification and quartz veinlets with anomalous gold and pathfinder elements without a well developed quartz fissure vein.

Four drill holes at Cascarita intersected a predominately rhyolitic tuff sequence with zones of silicification and veining throughout each hole. Veinlets are predominantly crystalline quartz with rare colloform quartz and no significant results were intersected. Significant Intersections are tabulated below:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
SPED19-02	141.0	145.8	4.8	1.02	13.0
and	154.45	154.8	0.35	5.39	23.7
SPED19-03	162.5	166.0	3.5	0.74	26.5
including	162.5	164.9	2.4	0.98	36.6
SPT18-01	224.5	231.0	6.5	3.29	6.3
Including	225.5	226.5	1.0	20.1	22.5
SPT19-02	119.5	131.0	11.5	0.48	3.9
and	219.0	220.0	1.0	1.57	1.2

All intervals given for mineralized intervals are core lengths and the true widths of the intersections are not known.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Mexico, (continued)

Cuale

Cuale is an early stage exploration property prospective for copper and gold mineralization, located 185 kilometres west of Guadalajara, Mexico. In November 2017, the Company received formal title for 97 square kilometres of the Cuale project and commenced exploration in December 2017. The project is subject to a 1.5% precious metal NSR and 1% base metal NSR payable to Altius Minerals Corporation ("Altius").

Three phases of mapping, soil sampling, rock chip sampling, hand trenching, and geophysical surveys were completed. An anomalous gold-rich zone with grades greater than 0.01 grams per tonne ("g/t") gold in a 2,300 metre by 800 metre area was defined that coincides with quartz and advanced argillic alteration characteristic of a high sulphidation hydrothermal system. Within this anomaly a central corridor of 1,700 metres by 300 metres greater than 0.1 g/t gold in soils was identified with abundant rock chip samples greater than 0.5 g/t gold.

A total of 760 metres of trenching was completed in eight trenches at the La Gloria prospect. Mineralization is hosted within a debris flow containing rhyolite tuff and rhyolite fragments. The unit is pervasively altered to quartz-pyrophyllite with a hematite matrix interpreted to be the wreathing and oxidation of hypogene pyrite. Significant trench results are tabulated below:

Trench	From	To	Width	Au (g/t)	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	
And	269.8	277.8	8.0	5.22	n/a	
Trench 2	0	184.1	184.1	0.85	0.72	Whole trench
Including	162.5	184.1	21.6	4.18	3.07	
Trench 3*	0	53.7	53.7	0.28	n/a	Whole trench
Trench 4	0	156.2	156.2	9.57	2.90	Whole trench
Including	29.4	150.2	120.8	12.30	3.67	
And	85.6	150.2	64.6	20.85	4.71	
Trench 5	0	174.0	174.0	0.62	n/a	Whole trench
Including	114.0	154.0	40.0	1.45	n/a	
Trench 6	0	158.8	158.8	1.00	n/a	Whole trench
Including	142.0	156.8	14.8	5.19	n/a	
Trench 7	46.0	187.1	141.1	0.72	n/a	
Including	107.1	187.1	80.0	1.02	n/a	
Trench 8	22.0	46.0	24.0	0.23	n/a	

All intervals were reported on an uncut basis. The 10 samples that returned greater than 10 g/t gold in the original 30 gram fire assay analysis were retested with two 50 gram fire assays and a 50 gram metallic screen fire assay.

Metallic screen assays reported acceptable repeatability including 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.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Mexico, (continued)

Cuale, (continued)

In February 2019, the Company announced the results from ten diamond drill holes totaling 2,179 metres. The drill program was designed to test an exposed high sulphidation gold target defined by quartz-pyrophyllite-hematite alteration with high grade gold over significant lengths in trenches, pit sampling, rock chips and soils. The drilling confirmed the alteration, but gold results diminished notably beneath the trenches.

A mid-January review of the drilling indicates that the host sequence is dominated by submarine volcanic rocks with a lower stratabound copper rich-horizon and an upper gold rich horizon with high-sulphidation alteration. The overall setting identified by drilling is interpreted as a laterally extensive Volcanic Massive Sulphide ("VMS") style system. The upper gold rich horizon is interpreted to have undergone lateritic weathering and mechanical concentration to produce the high gold grades in the trenches that do not extend to depth.

The significant drill intersections are tabulated below:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)
GLR18-01	0	14.0	14.0	1.92	-
Including	1.0	11.0	10.0	2.51	-
And	238.8	249.0	10.2	-	1.58
GLR18-02	0	17.0	17.0	0.52	-
And	213.0	216.0	3.0	-	0.76
GLR18-03	6.0	35.0	29.0	0.87	-
Including	33.0	34.0	1.0	11.3	-
GLR18-04	0	32.0	32.0	0.83	-
Including	0	22.0	22.0	1.06	-
And	78.0	90.0	12.0	-	0.34
GLR18-05	26.0	28.0	2.0	0.85	-
GLR18-07	1.0	7.0	6.0	0.14	-
GLR18-09	36.0	47.0	11.0	0.31	-
GLR18-10	6.0	7.0	1.0	0.43	-
And	136.0	140.0	4.0	-	0.42%

The Company is currently evaluating the project for further reconnaissance style exploration or for a possible joint venture partnership.

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 ten claims covering 9,795 hectares.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Mexico, (continued)

Llano del Nogal, (continued)

Work carried out by the Company discovered a new porphyry target 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.

Canada

Ball Creek

Ball Creek is a copper porphyry and epithermal gold project 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 a 100% interest on the property the Company paid $150,000 and must 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 $1 million.

The project was subject to a joint venture with a wholly owned subsidiary of Antofagasta Plc. (“Antofagasta”). Ball Creek contains four known porphyry systems (Ball Creek, Rainbow North, South More and Mess Creek) and the 2017 program identified a new fifth porphyry target at Quash. A combination of mapping and rock chip sampling was undertaken at three of the systems and a soil grid undertaken between them to define new target areas. The previously-drilled Ball Creek porphyry is open to the northeast and southwest and 2017 mapping has demonstrated three sub-parallel porphyry alteration systems; two of which have been tested by limited drilling.

Exploration at Ball Creek in 2017 and 2018 comprised mapping, coarse and detailed grid soil sampling and rock sampling on seven separate targets: the Quash zone, North and South More targets, the Rainbow North target, the ME/Goat targets, the Cliff zone and the Ball Creek porphyry, as well as a remote sensing assessment and a detailed airborne magnetic and radiometric survey.

The Quash zone is marked by distal porphyry alteration and geochemistry related to Golden Ridge Resources’ Williams porphyry discovery, located approximately 200 metres to the southeast.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Canada, (continued)

Ball Creek, (continued)

The North and South More targets are significant alkalic porphyry alteration zones where anomalous soil and rock geochemistry extend over four kilometres by one kilometre although a defined drill target was not identified. North of the Ball Creek Porphyry a strong stockwork zone with B-type quartz veins containing pyrite, chalcopyrite, bornite and molybdenite returned a rock chip sample grading 0.30% copper and 0.67 g/t gold. The Cliff zone south of the Ball Creek porphyry contains quartz, sericite and pyrite alteration superimposed over deeper level alteration.

Rainbow North is a gold target where a 2017 rock sample that returned 17 g/t gold and 0.66% copper was collected 32 metres north of historic drill hole RN11-01 which intersected 91 metres grading 0.05% copper and 0.76 g/t gold, including 42.9 metres of 0.06% copper and 0.99 g/t gold. There is no drilling to the northeast and southwest of this intersection.

As of December 31, 2018, Antofagasta, relinquished their option on the project. The Company plans to re-option the project to prospective exploration partners.

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.

In July 2018, the Company completed a 4-hole 2,114 metre diamond drill program to test targets generated by the 2017 core re-logging and re-interpretation and inversion of 2012 airborne magnetic data. In addition to geologic mapping, 695 metres of reverse circulation drilling in 41 holes tested the till-covered area west of the South, Mid and West zones for additional centres of porphyry mineralization. Diamond drill holes were completed at the West, South, Adit and newly-identified Ohio zone targets.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Canada, (continued)

Axe, (continued)

Drilling at the West zone targeted a strong magnetic high beneath and adjacent to gold and copper mineralization associated with a magnetite skarn assemblage on the edge of a porphyry intrusion. Drill hole AXD18-01 intersected discontinuous mineralization throughout the hole including 28.8 metres of 0.52 g/t gold and 0.13% copper from 2.6 metres.

The South zone represents another strong magnetic high beneath historic drilling with copper mineralization and drill hole AXD18-02 intersected an intensely altered porphyritic intrusion with a weak sulphide content.

Drill hole AXD18-03 intersected magnetic potassic alteration with no significant sulphides at the Ohio zone magnetic target. Mapping defined the Adit zone as a higher priority target with a 200 metre wide zone of chalcopyrite mineralization overprinted by sericite alteration. The target was tested by drill hole AXD18-04, which intersected a porphyritic intrusion containing zones of fine-grained chalcopyrite largely overprinted by sericite alteration. This mineralization includes 63.0 metres grading 0.20% copper with narrow intervals of high copper grades as tabled below:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)
AXD18-01	2.6	31.4	28.8	0.52	0.13
And	76.55	87.0	10.45	0.72	0.30
And	192.9	210.0	17.1	0.71	0.08
And	242.55	263.0	20.45	0.13	0.32
And	278.9	300.0	21.1	0.07	0.18
And	367.0	398.5	31.5	0.34	0.06
AXD18-02	156.0	192.14	36.14	0.07	0.18
And	278.0	302.47	24.47	0.05	0.21
And	596.32	633.0	36.68	0.08	0.29
AXD18-03	No Significant Intersections				
AXD18-04	196.0	224.0	28.0	0.14	0.23
And	248.0	266.0	18.0	0.04	0.15
And	270.0	333.0	63.0	0.03	0.20
Including	311.0	319.0	8.0	0.04	0.63
And	341.0	363.0	22.0	0.01	0.15
And	432.0	439.0	7.0	0.01	0.70

As of December 31, 2018, Antofagasta, relinquished their option on the project.

Astro

In March 2019, the Company announced the designation of the Astro project for option from the Newmont Exploration Alliance. Under the terms of the option agreement, Newmont can earn up to an 80% interest by making staged cash payments totaling US$600,000 and solely funding exploration until it has defined an NI 43-101 compliant pre-feasibility study on a minimum two-million-ounce gold resource within a ten-year period. Evrim will be the operator for the initial US$5 million in exploration expenditures.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Canada, (continued)

Astro, (continued)

Evrim may then elect to form a joint venture with Newmont on a 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%. Thereafter, Evrim may elect to contribute its pro-rata share of adopted programs and budgets or convert to a 2% NSR of which 0.5% may be purchased by Newmont for US$10 million.

The 250 square kilometre Astro project is located in the Northwest Territories, six kilometres north of the Mile 222 airstrip and 195 kilometres northeast of Ross River, providing seasonal road access.

Soil sampling within the Astro project defined a 9.5 kilometre north-northwest trending corridor of gold anomalism that includes limited surface sampling of the high-grade Radio and Microwave gossans:

- chip sampling at the Radio prospect returned 11.6 g/t gold over 18.0 metres including 32.1 g/t gold over 6.0 metres;
- chip sampling at the Microwave prospect returned 4.68 g/t gold over 7.5 metres including 6.73 g/t gold over 3.0 metres;
- approximately 40 metres east of the Microwave prospect is a second zone of mineralization grading 2.25 g/t gold over 11.0 metres; and
- the mineralized intersections at the Radio and Microwave prospects are open along strike in both directions.

Jacobite Property

In November 2017, the Company acquired a 100% interest in the Jacobite property subject to a 1% NSR. To earn a 100% interest on the property the Company paid $15,000 and is required to make $57,500 in staged payments, in cash or shares, at the Company's election upon meeting certain milestones. The property is located in south-central British Columbia.

Preparatory field work for a 2019 program of IP geophysics, mapping and soil sampling was carried out in October 2018.

Lemon Lake Property

In October 2018, the Company acquired a 100% interest in the Lemon Lake property. To earn a 100% interest, the Company paid $15,000 and is required to make $700,000 of staged payments in cash or shares, at the Company's election, upon meeting certain milestones. The property is located in south-central British Columbia.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Canada, (continued)

Lemon Lake Property, (continued)

A program of mapping and soil sampling was carried out over a historic IP chargeability anomaly that was tested by one historic drill hole and returned 21 metres grading 0.25% copper. Mapping identified alteration consistent with porphyry copper-gold mineralization and soil sampling confirmed a copper-gold geochemical anomaly associated with the historic chargeability anomaly. The Company is focusing on attracting exploration partners for the project.

Newmont Alliance

In July 2017, the Company signed a two-year exploration alliance with Newmont Mining Corporation (“Newmont”). The alliance focus is on generating greenfield exploration opportunities in terranes favorable for world-class gold orebodies. Evrim and Newmont have been co-funding the US$1,840,000 exploration program on a 30:70 basis.

During the initial phase of the program, Evrim undertook 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 2017 exploration program comprised regional-scale stream sediment sampling using Newmont’s BLEG analysis and conventional analysis on ultrafine sediment fractions, mapping and prospecting. The 2018 exploration program followed up the 2017 program with additional regional-scale stream sediment sampling, soil sampling, mapping, prospecting and rock sampling. Combined the 2017 and 2018 exploration programs included 1,046 stream sediment samples, 400 rock chip samples, 2,300 soil samples, detailed mapping, and staking of 891 square kilometres of claims.

At the end of the alliance, Newmont has 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.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

United States

Yamana Alliance

In October 2018, the Company announced a three-year exploration alliance with a subsidiary of Yamana Gold Inc. ("Yamana"). The alliance allows Evrim royalty free access to Yamana's dataset in the western United States for gold and base metal project generation.

During the alliance period, Evrim will compile a fully digital and comprehensive dataset to generate new targets and ideas within the designated area. Should Evrim acquire a project within the designated area, Yamana will have the exclusive right for 60 days to enter into an option agreement to earn a 75% interest on terms as follows:

- within the first two years, Yamana will fund minimum of US$1,000,000 for initial exploration expenditures, including any acquisition or land staking costs;
- solely fund additional exploration expenditures between years 3 and 10, or until such time as Yamana has defined a NI 43-101 compliant pre-feasibility study on a minimum 1-million-ounce gold equivalent resource;
- make a cash payment of US$150,000 upon signing the option agreement and additional payments of US$100,000 on the first, second and third anniversaries;
- upon Yamana earning its interest and the formation of a joint venture, Yamana and Evrim will jointly fund programs on a respective 75:25 basis;
- should Evrim's interest in a project fall below 10%, its interest will convert to a 2.5% NSR of which 1.25% NSR can be purchased by Yamana prior to production for US$5 million; and
- Evrim will be operator during the first US$10 million of exploration expenditures. The option period is independent of the alliance period and may extend beyond the three-year term. At the end of the Alliance, both parties will retain a copy of the digital database.

The Company commenced compilation of the dataset in March 2019.

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

Generative Initiatives

The Company allocated resources during the year to generate new projects in Canada and Mexico. Targeting focused on epithermal gold-silver and porphyry copper targets in Sonora, Chihuahua, Sinaloa, Durango and on porphyry copper-gold projects in British Columbia. As of December 31, 2018, 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 grant of $183,000 from the Northwest Territories Government, 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, 2018 and 2017. Results for minor properties which are not subject to option or alliance agreements have been aggregated to permit presentation of the results for the comparable period in the previous fiscal year.

	Optioned Properties										**Alliance**	
	Ermitaño		Cumobabi		Ball Creek		Axe		Cerro Cascaron		Newmont	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Acquisition costs	**$ 36,946**	$ 2,142	**$ 30,018**	$ 6,250	**$ 4,743**	$ 38,675	**$ 2,050**	$ 24,687	**$ 19,265**	$ 29,107	**$ 19,651**	$ 12,634
Exploration costs												
Aircraft and helicopter	**-**	-	**-**	-	**185,656**	69,252	**-**	-	**-**	-	**317,194**	386,712
Camp and support	**808**	4,728	**-**	118	**104,893**	39,238	**141,862**	9,164	**43,072**	9,236	**82,129**	107,657
Chemical analysis	**-**	-	**-**	-	**28,096**	13,010	**74,108**	2,636	**20,420**	48,401	**150,425**	21,959
Data management and maps	**-**	108	**-**	-	**12,259**	28,429	**14,706**	8,005	**845**	1,798	**17,979**	6,733
Drilling and trenching	**-**	-	**-**	-	**-**	-	**529,716**	-	**233,623**	-	**-**	-
Geological and engineering	**51**	1,201	**1,690**	-	**304,461**	201,622	**301,920**	72,020	**151,492**	68,888	**472,705**	223,770
Geophysical Surveys	**-**	-	**-**	-	**70,175**	-	**-**	-	**-**	-	**-**	-
Project management	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**37,796**	24,995
Materials and supplies	**-**	-	**-**	-	**8,942**	5,393	**28,307**	748	**13,306**	1,924	**7,519**	3,373
Recording and filing	**-**	5,620	**-**	-	**-**	-	**-**	-	**28,190**	17,059	**-**	1,871
Travel	**534**	-	**-**	-	**27,517**	25,430	**30,750**	1,316	**67,493**	8,378	**54,437**	75,013
	1,393	11,657	**1,690**	118	**741,999**	382,374	**1,121,369**	93,889	**558,441**	155,684	**1,140,184**	852,083
Exploration reimbursements	**-**	-	**-**	-	**(725,763)**	(350,623)	**(1,098,031)**	-	**(613,896)**	(198,076)	**(811,883)**	(605,302)
	1,393	11,657	**1,690**	118	**16,236**	31,751	**23,338**	93,889	**(55,455)**	(42,392)	**328,301**	246,781
Acquisition & exploration costs net of, reimbursements	**38,339**	13,799	**31,708**	6,368	**20,979**	70,426	**25,388**	118,576	**(36,190)**	(13,285)	**347,952**	259,415
Government grant	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Provision for environmental rehabilitation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Option proceeds	**(63,700)**	(66,675)	**-**	(64,440)	**-**	-	**-**	-	**(30,000)**	(50,000)	**-**	-
Net expenditures (recoveries), for the year	**(25,361)**	(52,876)	**31,708**	(58,072)	**20,979**	70,426	**25,388**	118,576	**(66,190)**	(63,285)	**347,952**	259,415

Projects continued on next page

1.4 Results of Operations, (continued)

Exploration Projects, (continued)

	Llano del Nogal		Cuale		Sarape		Generative		Other		**Total**	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Acquisition costs	**$ 19**	$ 5,727	**$ 25,158**	$ 954	**$ 6,090**	$ -	**$ 38,416**	$ 17,658	**$ 26,717**	$ 16,654	**$ 209,073**	$ 154,488
Exploration costs												
Aircraft and helicopter	**-**	-	**70,121**	-	**-**	-	**-**	-	**-**	-	**572,971**	455,964
Camp and support	**2,508**	2,478	**98,709**	5,306	**8,365**	2,328	**4,363**	21,237	**11,328**	1,602	**498,037**	203,092
Chemical analysis	**2,292**	-	**219,114**	-	**18,418**	-	**-**	27,623	**26,958**	5,146	**539,831**	118,775
Data management and maps	**447**	461	**14,812**	178	**1,803**	491	**22,492**	17,868	**3,053**	12,098	**88,396**	76,169
Drilling and trenching	**-**	-	**213,682**	-	**-**	-	**-**	-	**5,641**	-	**982,662**	-
Geological and engineering	**29,801**	6,618	**241,578**	28,160	**61,410**	17,211	**48,791**	193,228	**61,159**	28,452	**1,675,058**	841,170
Geophysical Surveys	**-**	-	**290,862**	-	**149,191**	-	**-**	-	**-**	-	**510,228**	-
Project management	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**37,796**	24,995
Materials and supplies	**331**	-	**40,841**	1,267	**3,682**	89	**644**	895	**1,082**	66	**104,654**	13,755
Recording and filing	**29,789**	54,244	**86,556**	18,055	**9,946**	2,978	**8,676**	25,178	**3,103**	-	**166,260**	125,005
Travel	**3,131**	2,057	**62,804**	4,404	**7,428**	2,369	**3,106**	29,728	**5,864**	-	**263,064**	148,695
	68,299	65,858	**1,339,079**	57,370	**260,243**	25,466	**88,072**	315,757	**118,188**	47,364	**5,438,957**	2,007,620
Exploration reimbursements	**-**	-	**-**	-	**(275,152)**	-	**-**	-	**-**	-	**(3,524,725)**	(1,154,001)
	68,299	65,858	**1,339,079**	57,370	**(14,909)**	25,466	**88,072**	315,757	**118,188**	47,364	**1,914,232**	853,619
Acquisition & exploration costs net of, reimbursements	**68,318**	71,585	**1,364,237**	58,324	**(8,819)**	25,466	**126,488**	333,415	**144,905**	64,018	**2,123,305**	1,008,107
Government grant and tax recovery	**-**	-	**-**	-	**-**	-	**(183,000)**	(153,000)	**(31,890)** -	27,460	**(214,890)**	(180,460)
Provision for environmental rehabilitation	**-**	-	**-**	-	**-**	-	**-**	-	**20,301**	18,305	**20,301**	18,305
Option proceeds	**-**	-	**-**	-	**(131,680)**	-	**-**	-	**-**	-	**(225,380)**	(181,115)
Net expenditures (recoveries), for the year	**68,318**	71,585	**1,364,237**	58,324	**(140,499)**	25,466	**(56,512)**	180,415	**133,316**	54,863	**1,703,336**	664,837

1.4 Results of Operations, (continued)

Financial Results

For the year ended December 31, 2018 ("2018"), Evrim incurred a net loss of $1,983,127 ($0.03 per share) compared to a net loss of $2,547,081 ($0.04 per share) for the year ended December 31, 2017 ("2017"). The decrease in net loss in 2018 is due to the sale of property rights related to the Ermitaño and Cumobabi projects for US$1,500,000 ($1,973,775) and increased exploration activities related to joint ventures.

Excluding the non-cash items, the net loss for 2018 is $1,535,791 (2017: $2,223,069). Non-cash items include share-based compensation, loss on available for sale investment, provision for environmental rehabilitation and depreciation.

The Company reported a $504,143 gain from its mineral property operations in 2018, compared to a loss of $609,208 in 2017. Option proceeds, sale of property rights and management fee revenue of $2,432,859 was earned during 2018 ($236,744 in 2017). The Company incurred $5,438,957 in exploration expenditures in 2018, compared to $2,007,620 in 2017. Four active Company operated joint ventures and an alliance resulted in the increase in the exploration costs. The Company received $3,524,725 in exploration reimbursements in 2018, compared to $1,154,001 in 2017. The Company received a $183,000 ($153,000 in 2017) government grant and $31,890 ($27,460 in 2017) in exploration tax credits for exploration work carried out in Canada.

The largest component of administrative expenditures is salaries and support services (2018: $1,097,646; 2017: $879,707) for the permanent staff of the Company. The increase in 2018 is due to an increase in gross salary for some of the permanent staff members, increase in bonuses and termination of the CFO sharing services with Mirasol Resources Ltd.("Mirasol") as of June 2018. Accounting and legal fees (2018: $333,569; 2017: $156,156) increased in 2018 due to costs related to the arbitration process with First Majestic. The general administrative cost (2018: $255,631; 2017: $197,864) increased in 2018 due to a new office in Mexico, increase in the insurance coverage to meet limits required by the joint venture partners and expenses related to software upgrades. Travel expenses (2018: $177,384; 2017: $111,058) increased in 2018 due to an increase in travel related to trade shows, site visits and corporate activities. Marketing expenses (2018: $85,285; 2017: $47,717) increased in 2018 due to increased participation in trade shows, site visits and institutional meetings. Investor services (2018: $70,132; 2017: $31,126) include the costs of maintaining a listing on the TSX Venture Exchange and DTC status, as well as transfer agent fees. Increase in the cost is due to a change in transfer agents and costs incurred to obtain DTC eligibility. The Company experienced a foreign exchange loss of $30,231 in 2018 compared to a loss of $113,840 in 2017.

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 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenues	$ 142,449	$ 2,089,298	$ 244,845	$ 75,910	$ 73,890	$ 105,385	$ 9,873	$ 69,398
Net gain/(loss)	(1,464,903)	992,343	(859,116)	(651,451)	(1,149,261)	(490,246)	(430,873)	(476,701)
Loss per common share	$ (0.02)	$ 0.01	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)

The differences shown above are primarily the result of variations in factors such as partner funding, project acquisition, sale of property rights and timing differences. The Company has a portfolio of exploration properties on which it has undertaken significant exploration as well as paying on-going claim maintenance costs. 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, 2018, were $7,087,898 compared to $6,283,430 at December 31, 2017. Short-term investments at December 31, 2018, were $7,021,863 ($ Nil December 31, 2017). The Company had working capital of $12,646,137 at December 31, 2018, compared to working capital of $3,351,275 at December 31, 2017. The increase in working capital is attributable to the sale of property rights, financing with Newmont and warrants being exercised during the year.

As of December 31, 2018, $4,974,803 of the working capital was earmarked for exploration expenditures at the Cuale project as per the Newmont investment agreement.

During the year, $3,014,196 of net cash flow was used in operating activities compared to an inflow of $797,580 in 2017. The difference is due to an increase in the exploration and general and administration costs of the Company. Financing activities generated $7,215,086 from private placements net of share issuance costs (2017: $4,060,467), $3,654,247 from exercise of warrants (2017: $864) and $52,500 from exercise of options (2017: $Nil).

The Company's financial instruments are cashable at any time without restriction except for the short-term investments of which $4,000,000 is cashable in March 2019 and $3,021,863 is cashable in September 2019.

The Company has no long-term debt.

1.6 Liquidity, (continued)

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 2019 fiscal year total $82,388 for lease and operating costs, and the estimates for 2020 total $13,891. The Company has leased a photocopier for the head office with commitment outstanding of $2,580 for the fiscal year 2019, and the estimates for 2020 to 2023 total $7,740. 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. The CFO services were terminated effective June 30, 2018.

The Company has entered into a rental agreement with Javier Antonio García Penqueño, which includes the renting of the administrative offices in Hermosillo, Mexico. The annual rent totals $21,000. This agreement is for a period of three years and expires on December 31, 2020. The Company may terminate the agreement with a penalty equivalent to two months' rent payment.

The Company received one million common shares from Harvest Gold upon signing of the option agreement for the Cerro Cascaron property. The fair value of the shares as of December 31, 2018 was $55,000.

As the Company has no substantial 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".

1.7 Capital Resources

The Company had 84,469,317 issued and outstanding common shares as of December 31, 2018, (December 31, 2017 – 65,723,242).

During the year the Company issued shares for private placement, exercise of warrants, exercise of options and acquisition of mineral property rights.

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 $105,258 during the period ended December 31, 2018 (2017 - $154,172) which were set off against the related costs. As at December 31, 2018, $4,158 is included in amounts receivable (2017 - $13,700).

1.9 Transactions with Related Parties, (continued)

Compensation of key management personnel

During the year ended December 31, 2018, the Company paid $55,727 (2017 - $23,530) for community engagement services to a company with a director in common. As at December 31, 2018, $5,539 is included in accounts payable and accrued liabilities (2017 – $4,919).

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 beneficially owned by a director.

IFRS requires that compensation of key management personnel be included as a transaction with related parties. In Note 15 (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, 2018, compared to December 31, 2017.

1.10 Fourth Quarter

The Company carried out its regular generative exploration work, a drill program at the Cuale project and partner funded exploration work during the fourth quarter. The Company announced a three-year exploration alliance with Yamana during the quarter. The Company recognized share-based compensation expenses of $68,156 during the fourth quarter. The Company received $31,890 of mineral exploration tax credit and $75,057 of management fees during the fourth quarter.

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. Accounting estimates considered to be significant were used in Deferred Income Tax Assets and Share-Based Compensation.

<u>*Deferred Income Tax Assets*</u>

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.

1.12 Critical Accounting Estimates, (continued)

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:

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.

The Company has not early adopted this revised standard and expects the assets and the related liability to be increased by $107,300 in the consolidated statement of financial position as of 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.

1.14 Financial Instruments and Other Instruments, (continued)

Interest Rate Risk

The Company's cash and cash equivalents and short-term investments consist of cash held in bank accounts and GICs that earn interest at fixed interest rates. 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.

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 into 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 material. Readers are cautioned to refer to Note 17 (c) and (d) of the annual audited consolidated financial statements of the Company for the years ended December 31, 2018 and 2017. 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 84,469,317 issued and outstanding common shares. In addition, the Company has 5,915,000 options outstanding that expire through February 13, 2024 and 6,333,705 warrants outstanding that expire through May 19, 2020. Details of issued share capital are included in Note 13 of the audited consolidated financial statements for the years ended December 31, 2018 and 2017.

Other Information

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

1.15 Other Requirements, (continued)

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.