Condensed interim consolidated financial statements

For the six months ended June 30, 2017 and 2016

Unaudited

Notice to Reader

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

Evrim Resources Corp.

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

	Note		June 30, 2017		December 31, 2016
Assets					
Current assets					
Cash and cash equivalents		$	4,856,895	$	1,494,244
Amounts receivable	*5, 12*		61,935		64,762
Prepaid expenses and deposits			75,631		12,633
			4,994,461		1,571,639
Non-current assets					
Prepaid rent deposit	*10*		11,208		11,208
Equipment	*6*		38,835		28,260
Reclamation bond	*7*		27,500		20,000
		$	5,072,004	$	1,631,107
Liabilities and Shareholders' Equity					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*8, 12*	$	50,592	$	67,271
Joint venture partner deposits			598,473		-
			649,065		67,271
Non-current liabilities					
Provision for environmental rehabilitation	*9*		27,751		27,919
			676,816		95,190
Shareholders' Equity					
Issued capital	*11*		16,087,581		12,314,112
Contributed surplus			342,784		16,851
Accumulated deficit			(12,035,177)		(10,795,046)
			4,395,188		1,535,917
		$	5,072,004	$	1,631,107

Approved and authorized for issue by the Board on August 28, 2017

Paul van Eeden
Director

David A. Caulfield
Director

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

EVRIM RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Six Months Ended June 30,
(Expressed in Canadian Dollars)

		Three months ended June 30,		Six months ended June 30,	
Mineral Property Operations	*Note*	2017	2016	2017	2016
Revenue					
Option proceeds		$ -	$ -	$ 66,675	$ 64,135
Project management fees		-	-	-	5,090
		-	-	66,675	69,225
Expenses					
Acquisition expenditures		99,468	915	101,087	4,332
Exploration expenditures		233,119	139,278	456,800	326,257
Exploration reimbursements		-	(750)	-	(55,465)
		332,587	139,443	557,887	275,124
Loss from mineral property operations		(332,587)	(139,443)	(491,212)	(205,899)
Other operations					
Interest and other revenue		9,873	5,091	12,596	12,569
Expenses					
Accounting and legal		44,698	45,679	66,616	66,699
Depreciation		4,451	3,239	86,728	8,543
Foreign exchange loss (gain)		110,943	(8,168)	97,300	(508)
General and administrative		56,449	48,616	96,723	94,439
Investor services		8,351	4,861	17,115	14,555
Management and professional fees		28,500	28,500	57,000	57,000
Marketing services		5,158	1,253	19,272	15,833
Salaries and support services		148,966	185,955	339,958	328,019
Travel		33,230	21,048	60,803	37,253
		440,746	330,983	761,515	621,833
Loss from other operations		(430,873)	(325,892)	(748,919)	(609,264)
Net loss and comprehensive loss for the period		$ (763,460)	$ (465,335)	$ (1,240,131)	$ (815,163)
Basic and diluted loss per share		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding		58,151,616	50,496,386	55,898,283	50,492,048

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

EVRIM RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended June 30,
(Expressed in Canadian Dollars)

		2017		2016
Cash flows used in operating activities				
Net loss	$	(1,240,131)	$	(815,163)
Add (deduct) items not involving cash:				
Depreciation		6,728		8,513
Shares issued for mineral property interest		26,000		-
Unrealized foreign exchange loss		(75,605)		(9,536)
		(1,283,008)		(816,186)
Net change in non-cash working capital balances related to operations:				
Amounts receivable		2,828		30,157
Prepaid expenses and deposits		(62,998)		(1,722)
Accounts payable and accrued liabilities		(16,680)		(69,222)
Joint venture partner deposits		598,473		(123,291)
Net cash flow used in operating activities		(761,385)		(980,264)
Cash flows used in investing activities				
Refund/(placement) of reclamation bond		(7,500)		11,742
Purchase of equipment		(17,303)		(24,597)
Net cash flow used in investing activities		(24,803)		(12,855)
Cash flows provided by financing activities				
Proceeds from issuance of shares		4,304,928		-
Proceeds from exercise of warrants		-		1,980
Payment of share issue costs		(231,526)		(1,388)
Net cash flow provided by financing activities		4,073,402		592
Effects of foreign currency translation on cash and cash equivalents		75,437		10,552
Increase (decrease) in cash and cash equivalents		(3,362,651)		(981,975)
Cash and cash equivalents, beginning of year		1,494,244		3,391,951
Cash and cash equivalents, end of the period	$	4,856,895	$	2,409,976
Cash and cash equivalents are comprised of:				
Cash	$	1,420,560	$	372,248
Short-term money market instruments		3,436,335		2,037,728
	$	4,856,895	$	2,409,976
Supplemental cash flow information:				
Income taxes paid	$	-	$	-
Interest received	$	19,495	$	12,569

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

EVRIM RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Six Months Ended June 30, 2017 and 2016,

(Expressed in Canadian Dollars)

	Issued capital				
	Shares	Amount	Contributed surplus	Accumulated deficit	Shareholders' equity
Balance, December 31, 2015	50,484,802	$ 12,193,992	$ 56,581	$ (8,956,016)	$ 3,294,557
Share issue costs	-	(2,182)	-	-	(2,182)
Exercise of Warrants	16,500	1,980	(962)	962	1,980
Loss and comprehensive loss	-	-	-	(815,163)	(815,163)
Balance, June 30, 2016	50,501,302	$ 12,194,584	$ 55,619	$ (9,770,217)	$ 2,479,986
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
Payment of share issue costs	-	(270,464)	38,938	-	(231,526)
Mineral property acquisition costs	-	26,000	-	-	26,000
Loss and comprehensive loss	-	-	-	(1,240,131)	(1,240,131)
Balance, June 30, 2017	65,616,042	$ 16,087,581	$ 342,784	$ (12,035,177)	$ 4,395,188

The accompanying notes are an integral part of these condensed interim 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 condensed interim 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 (2016 - $1,839,030; 2015 - $2,091,051) and has an accumulated deficit as at June 30, 2017, of $12,035,177 (December 31, 2016 - $10,795,046).

The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets, such as sale proceeds, royalty rights and equity interests. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

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

Except for cash flow information and financial instruments measured at fair value, these condensed interim 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 condensed interim consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all periods presented and during the most recent fiscal year. Please refer to the consolidated financial statements for the year ended December 31, 2016 for a complete summary of significant accounting policies.

(a) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (Evrim Exploration Canada Corp. (“EEC”), Evrim Resources USA Inc. (“Evrim US”), Minera Evrim S.A. de C.V. (“Minera”), Servicios Mineros Orotac S.A de C.V. (“SMO”) and 1124798 B.C. Ltd.). 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 condensed interim 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 June 30, 2017 and December 31, 2016	Principal activity
Evrim Exploration Canada Corp.	British Columbia	100%	Mineral exploration
Minera Evrim S.A de C.V.	Sonora, Mexico	100%	Mineral exploration
Servicios Mineros Orotac S.A de C.V.	Sonora, Mexico	100%	Service company
Evrim Resources USA Inc.	Nevada, USA	100%	Mineral exploration
1124798 B.C. Ltd	British Columbia	100%	Mineral exploration

(b) Use of estimates

The preparation of condensed interim 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

(c) Presentation and functional currency

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

(d) Accounting standards issued but not yet effective

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

IFRS 9 *Financial Instruments*

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

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

IFRS 15 *Revenue from Contracts with Customers*

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

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

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian Dollars)

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. AMOUNTS RECEIVABLE

Amounts receivable is comprised of the following:

	June 30, 2017	December 31, 2016
Trade receivables	$ 23,122	$ 16,670
Other receivables	6,552	13,452
Current tax receivable	32,261	34,640
	$ 61,935	$ 64,762

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

(Expressed in Canadian Dollars)

6. EQUIPMENT

Cost		Computer equipment and software		Field equipment		Leasehold improvements		Mobile equipment		Office equipment and furniture		Total
Balance as at December 31, 2015	$	105,902	$	21,432	$	16,995	$	42,168	$	23,636	$	210,133
Acquisitions		22,271		4,241		-		-		-		26,512
Disposals		-		-		-		(12,500)		-		(12,500)
Balance as at December 31, 2016		128,173		25,673		16,995		29,668		23,636		224,145
Acquisitions		17,303		-		-		-		-		17,303
Disposals		-		-		-		-		-		-
Balance as at June 30, 2017	$	145,476	$	25,673	$	16,995	$	29,668	$	23,636	$	241,448
Accumulated depreciation												
Balance as at December 31, 2015	$	(100,320)	$	(17,506)	$	(12,687)	$	(38,820)	$	(20,748)	$	(190,081)
Depreciation		(12,177)		(1,481)		(719)		(1,004)		(579)		(15,960)
Disposals		-		-		-		10,156		-		10,156
Balance as at December 31, 2016		(112,497)		(18,987)		(13,406)		(29,668)		(21,327)		(195,885)
Depreciation		(5,530)		(669)		(300)		-		(229)		(6,728)
Disposals		-		-		-		-		-		-
Balance as at June 30, 2017	$	(118,027)	$	(19,656)	$	(13,706)	$	(29,668)	$	(21,556)	$	(202,613)
Carrying amounts												
December 31, 2015	$	5,582	$	3,926	$	4,308	$	3,348	$	2,888	$	20,052
December 31, 2016	$	15,676	$	6,686	$	3,589	$	-	$	2,309	$	28,260
June 30, 2017	$	27,449	$	6,017	$	3,289	$	-	$	2,080	$	38,835

Method of depreciation is described in Note 3 (k) to the audited financial statements for the years ended December 31, 2016 and 2015.

7. MINERAL PROPERTY INTERESTS

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

Mexico Portfolio

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

(a) On each anniversary until September 17, 2015, either:

- (i) issue 10,000 common shares per project; or
- (ii) issue 50,000 common shares per project
  1. that is subject to a valid, binding and continuing option, earn-in or joint venture with a third party; or
  2. on which the Company has expended an aggregate of at least $2,500,000 in exploration expenditures (which, for greater certainty excludes acquisition and holding expenditures, and any exploration expenditures expended by or for the benefit of third parties to the Company under options, earn-ins or joint ventures);

(b) at any time, upon:

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

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

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

7. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

The Company acquired an interest in nine exploration projects in Sonora, Durango and Sinaloa states in Mexico. The nine projects are subject to a 2% net smelter royalty ("NSR") held by Mining Royalties Mexico S.A. de C.V. As of June 30, 2017, the Company is maintaining one of the nine projects acquired.

The Company's Mexican portfolio includes the following properties, most of which are located near Hermosillo in Sonora State:

Ermitaño

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

Cumobabi

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

In September, 2014, the Company amended the agreement with AuRico regarding the share payment structure for Cumobabi. The Company will issue 50,000 shares to AuRico on each of September 17, 2014 and 2015 (issued), 25,000 shares on each of September 17, 2017 and 2018 and 50,000 shares on September 17, 2019. In the event the property is put into commercial production (in which case it is acknowledged that the Company will receive an NSR in accordance with the terms of the First Majestic option agreement), Evrim will pay to AuRico 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).

7. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

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.

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 option agreement

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

During the Initial Interest period, Harvest can defer exploration expenditures at the end of the first, second or third anniversary for 12 months by making quarterly cash payments of $25,000 to Evrim and maintaining all other cash payments and claim maintenance costs.

If Evrim's interest in Cerro Cascaron is diluted to 10% or less, its interest will convert into a 2% NSR. Evrim will retain the right to purchase half of a pre-existing 2% NSR from a property vendor for US$2.5 million. Harvest will be responsible for all other claim maintenance and underlying vendor costs.

7. MINERAL PROPERTY INTERESTS, CONTINUED

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

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

Llano del Nogal, is located northeast of Hermosillo. The property is subject to the regional exploration alliance with Altius.

Canada

Ball Creek Property

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

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

(a) $150,000 upon closing of the agreement (paid);

(b) If the Company enters into an option agreement whereby the Company would receive payment related to the property, at any time within the following four years from the date of the agreement, the Company will be required to pay additional consideration of 40% of payments received during the first year, 30% of payments received during the second year, 20% of payments received during the third year and 10% of payments received during the fourth year; and

(c) Milestone share payments (or cash equivalent at the Company’s election) of:
- (i.) 100,000 shares upon entering into a future option agreement (issued);
- (ii.) 250,000 shares upon completion of 10,000 metres of drilling;
- (iii.) 400,000 shares upon announcement of a measured or indicated mineral resource estimate (National Instrument 43-101 compliant) of at least 500 million tonnes at a grade of at least 0.50% copper equivalent; and
- (iv.) 500,000 shares on the completion of a National Instrument 43-101 compliant feasibility study.

The property is located in northwest British Columbia. Both Evrim and Paget are each entitled to 50% of the existing bond in place, with Evrim’s share being $20,000 (2015 - $20,000).

7. MINERAL PROPERTY INTERESTS, CONTINUED

Antofagasta agreement

In May 2017, the Company entered into an agreement with a wholly own 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 (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.

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 1% for $1 million and the remaining 1% for $2 million.

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

(a) $30,000 ($21,000 to Liberty Leaf and $9,000 to Bearclaw) upon closing of the agreement (paid);

(b) If the Company enters into an option agreement whereby the Company would receive payment related to the property, at any time within the following four years from 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;
    - (ii.) 75,000 shares upon entering in to 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. Evrim has placed a reclamation bond in the amount of $7,500.

(Expressed in Canadian Dollars)

7. MINERAL PROPERTY INTERESTS, CONTINUED

Newmont Alliance

In July, 2017, the Company announced signing of a two-year exploration alliance with Newmont Mining Corporation ("Newmont"). The Alliance will focus on generating Greenfield exploration opportunities in terranes favorable for world-class gold orebodies. Evrim and Newmont will co-fund the US$1,840,000 exploration program through a respective 30:70 funding 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 solely fund exploration on the project(s) for up to ten years, or until such time as it has defined a NI43-101 compliant pre-feasibility study on a minimum two million ounce gold resource. Newmont will then have increased their ownership 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 NI43-101 compliant feasibility study and reduce Evrim's equity interest to 15%. At any point after the Alliance period, Evrim can elect to switch its equity interest in any project to a 2% NSR of which 0.5% NSR can be purchased for up to US$10 million.

Exploration Expenditures

During the six months ended June 30, 2017 and 2016, the Company incurred the following exploration expenditures that were expensed as incurred:

	Six Months Ended June 30,	
	2017	2016
Camp and support	$ 23,635	$ 27,953
Chemical analysis	27,602	19,783
Data management and maps	35,794	15,756
Geological services	294,757	194,952
Geophysical surveys	-	14,582
Materials and supplies	1,232	6,206
Recording and filing	51,082	20,888
Travel	22,698	26,137
	$ 456,800	$ 326,257

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2017		December 31, 2016
Trade payables	$	25,239	$	22,384
Accrued liabilities		25,353		34,228
Current tax payable		-		10,659
	$	50,592	$	67,271

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

9. 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 condensed interim consolidated financial statements as provision for environmental rehabilitation. The undiscounted amount of the estimated cash flows required to settle the obligations, which are expected to be paid over the next four years, is $27,751 (December 2016 - $27,919).

Balance, December 31, 2015	$	27,496
Reclamation refund		423
Balance, December 31, 2016		27,919
Foreign exchange difference		(168)
Balance, June 30, 2017	$	27,751

10. COMMITMENTS

On November 25, 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 June 30, 2017, the Company has future minimum annual lease commitments as follows:

		Less than one year		One to five years
Lease payment	$	39,280	$	67,060
Operating costs (estimate)		42,900		76,484
Total	$	82,180	$	143,544

11. ISSUED CAPITAL

(a) Authorized and issued

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

Issuance of common shares

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

Financing

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

Part of the financing was subject to finder's fees of 6% cash commission and 6% finder's warrants. Each finder warrant will be exercisable into one common share at a price of $0.30 for 18 months from the closing date. The Company incurred $169,711 cash finders' fees, $61,815 for regulatory and other related fees and issued 565,704 finders' fees warrants. Fair value of the finders fees issued was $38,938. The weighted average grant-date fair value of the finders warrants granted was $0.058 per share. The Company determines the fair value of the finder's warrants for the purposes of determining compensation expense using the Black-Scholes option pricing model and used the following weighted average assumptions: volatility of 85.85%, risk-free interest rate of 0.66%, an expected life of 1.5 years, and a dividend yield of 0%. Volatility was estimated using historical prices of the Company's shares.

No shares were issued during the six months ended June 30, 2016.

(b) Incentive stock options

The Company has a fixed number stock option plan that permits the Company to issue up to 1,000,000 options to purchase common shares. The purpose of the plan is to permit one-time grants of options to new directors of the Company at the time they are elected or appointed to fill a vacancy on the board.

(Expressed in Canadian Dollars)

11. ISSUED CAPITAL, CONTINUED

Changes in share purchase options during the fiscal year

	June 30, 2017			June 30, 2016		
	Number of shares	Weighted average exercise price		Number of shares	Weighted average exercise price	
Outstanding at beginning of the year	100,000	$	0.18	100,000	$	0.18
Granted	-	$	-	-		-
Exercised	-	$	-	-		-
Forfeited/Expired	-	$	-	-		-
Outstanding at end of the period	100,000	$	0.18	100,000	$	0.18
Options exercisable at end of the period	100,000	$	0.18	100,000	$	0.18

The following share purchase options were outstanding at June 30, 2017.

Expiry date	Options outstanding (number of shares)	Options exercisable (number of shares)	Exercise price		Weighted average remaining life
May 13, 2020	100,000	100,000	$	0.18	3.12

The Company did not issue any options during the six months ended June 30, 2017 and 2016.

(c) Warrants

Share purchase warrants outstanding at June 30, 2017 and 2016 are as follows:

Exercise price	Expiry date	Balance December 31, 2016	Issued during the period	Balance June 30, 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	20,316,584
Weighted average exercise price		$0.25		$0.34
Weighted average remaining life		3.96		3.20

(Expressed in Canadian Dollars)

11. ISSUED CAPITAL, CONTINUED

(c) Warrants, continued

Exercise price	Expiry date	Balance December 31, 2015	Balance March 31, 2016
$0.12	December 16, 2017	688,680	688,680
$0.25	December 16, 2020(i)	12,568,800	12,568,800
		13,257,480	13,257,480
Weighted average exercise price		$0.24	$0.24
Weighted average remaining life		4.81	4.56

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

12. RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties are disclosed below.

(a) Due to related parties

At June 30, 2017 and 2016, there were no balances owning to related parties

(b) Transactions involving related parties

Effective March 1, 2016, the Company entered into an agreement with Mirasol Resources Ltd. to share CFO services, office administration support services and office sharing. Evrim received $81,302 during the six months ended June 30, 2017 (June 30, 2016 - $52,240), which was set off against the related costs.

During the six months ended June 30, 2017, the Company paid $10,217 (June 30, 2016 – $Nil) for community engagement services to a company with two directors in common.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS, CONTINUED

(c) Compensation of key management personnel

The remuneration paid to directors and other key management personnel during the three and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Salaries of senior executives(i)	$ 151,833	$ 129,000	$ 300,833	$ 225,500
Short term employee benefits(ii)	6,368	4,208	13,132	7,651
Non-executive directors' fees	28,500	28,500	57,000	57,000
Relocation fees(iii)	-	10,000	-	10,000
	$ 186,701	$ 171,708	$ 370,965	$ 300,151

(i) Senior executives include the Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration, and Vice President, Technical Services.
(ii) Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended June 30, 2017 and 2016.
(iii) Onetime payment was paid to relocate an executive of the Company.

13. SEGMENTED INFORMATION

During the six months ended June 30, 2017 and year ended December 31, 2016, the Company operated in one industry segment: mineral exploration; within two geographic segments: Canada, and Mexico. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office. The Company's non-current assets by geographic areas for the six months ended June 30, 2017 and 2016 are as follows:

June 30, 2017	Canada	Mexico	Total
Non–current assets			
Prepaid rent and deposits	$ 11,208	$ -	$ 11,208
Equipment	34,340	4,494	38,835
Reclamation bond	27,500	-	27,500
	$ 73,048	$ 4,494	$ 77,543

December 31, 2016	Canada	Mexico	Total
Non –current assets			
Prepaid rent and deposits	$ 11,208	$ -	$ 11,208
Equipment	23,229	7,375	30,604
Reclamation bond	20,000	-	20,000
	$ 54,437	$ 7,375	$ 61,812

The Company's property option proceeds and project management fee revenues were earned in Mexico during the six months ended June 30, 2017 and the year ended December 31, 2016.

14. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

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

(b) Categories of financial instruments

		June 30, 2017		December 31, 2016
Financial assets				
FVTPL				
Cash and cash equivalents	$	4,856,895	$	1,494,244
Loans and receivables				
Amounts receivable		29,674		30,122
	$	4,886,569	$	1,524,366
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	$	50,592	$	56,612
Joint Venture partner Deposits		598,474		-
	$	649,066	$	56,612

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)

14. FINANCIAL RISK MANAGEMENT, CONTINUED

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

	June 30, 2017 (US*)	June 30, 2017 (MXN*)	December 31, 2016 (US*)	December 31, 2016 (MXN*)
Cash	$ 2,286,737	$ 161,754	$ 25,774	$ 2,636
Amounts receivable	-	8,756	-	-
Accounts payable and accrued liabilities	-	-	-	(19,315)
Joint venture partner deposits	(366,881)	-	-	-
Net assets denominated in foreign currencies	$ 1,919,856	$ 170,510	$ 25,774	$ (16,679)

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

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by 5% (2015 – 0.5%).

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

Periods ended June30,	2017		2016	
	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate
Change in net loss and comprehensive loss	$ 64,025	$ 146,696	$ 25,751	$ 138

(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT, CONTINUED

(d) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and short-term investments that earn interest at a fixed interest rate. Future cash flows from interest income on cash and cash equivalents will be affected by declining cash balances. The Company manages interest rate risk by investing in short-term fixed interest financial instruments with varying maturity periods when feasible to provide access to funds as required. The effect of a 1% change in interest rates on comprehensive income based on the cash and cash equivalents at the end of each period would be 0.72%. Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

(e) Credit risk

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

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

		June 30, 2017		December 31, 2016
Short-term money market instruments	$	3,436,335	$	1,387,729
Cash bank accounts		1,420,560		106,515
Amounts receivable		29,674		30,122
Total	$	4,886,569	$	1,524,366

At June 30, 2017, the Company's short-term money market instruments were $1,500,000, $318,710 and US$1,250,000 term deposits earning interest from 0.75% to 0.9% per annum and cashable at any time.

(f) Liquidity risk

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

(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT, CONTINUED

(f) Liquidity risk, continued

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

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

	Accounts Payable and Accrued Liabilities	
Due Date	June 30, 2017	December 31, 2016
0 – 90 days	$ 25,239	$ 22,384
90 – 365 days	25,353	34,228
365 + days	-	-
Total	$ 50,592	$ 56,612

(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.

EVRIM RESOURCES CORP.

Management Discussion and Analysis – Quarterly Highlights

For the six months ended
June 30, 2017

Introduction

This Management Discussion and Analysis – Quarterly Highlights ("MD&A - Quarterly Highlights") of the financial position and results of Evrim Resources Corp. (the "Company" or "Evrim") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the six months ended June 30, 2017 and 2016. The MD&A - Quarterly Highlights was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to its release. Readers are cautioned that the MD&A - Quarterly Highlights contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward Looking Statement disclaimer included with this MD&A - Quarterly Highlights.

The audited consolidated financial statements, unaudited condensed interim consolidation financial statements and MD&A - Quarterly Highlights are presented in Canadian dollars, unless otherwise indicated, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The statements and any summary of results presented in the MD&A - Quarterly Highlights were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Please consult the audited consolidated financial statements for the years ended December 31, 2016 and 2015, unaudited condensed interim consolidation financial statements for the six months ended June 30, 2017 and 2016 for more complete financial information.

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

About Evrim

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

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

Date

This MD&A - Quarterly Highlights has been prepared based on information available to the Company as of August 28, 2017.

Operational Highlights

Financing

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

Part of the financing was subject to finder's fees of 6% cash commission and 6% finder's warrants. Finder's fees of $169,711 were paid and 565,704 finder's warrants ("Finder Warrants") were issued in aggregate to Sprott Global Resource Investments, Ltd., Canaccord Genuity Corp., Haywood Securities Inc., and PI Financial Corp. Each Finder Warrant is exercisable into one common share at a price of $0.30 until November 19, 2018. The fair value of the Finders Warrants was $38,938. The Company incurred $61,815 of regulatory, legal and other financing related costs.

Option Agreements, Acquisitions and Exploration

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

Evrim/Newmont Alliance

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

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

At the end of the two-year alliance period, Newmont will have the right to designate one or more projects for option by making certain cash payments to Evrim and solely fund exploration on the project(s) for up to ten years, or until such time as it has defined a National Instrument ("NI") 43-101 compliant pre-feasibility study on a minimum two million ounce gold resource. Newmont will then have increased their ownership 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 NI43-101 compliant feasibility study and reduce Evrim's equity interest to 15%. At any point after the Alliance period, Evrim can elect to switch its equity interest in any project to a 2% net smelter royalty ("NSR") of which 0.5% NSR can be purchased for up to US$10 million.

Cerro Cascaron

In June 2017, the Company announced signing of an option agreement with Harvest Gold Corporation ("Harvest") on the Cerro Cascaron property. Harvest can earn a 70% interest by incurring $6 million in exploration expenses, paying $900,000 in cash and issuing two million shares over a four year period. Harvest can earn an additional 10% interest by paying $200,000 or 200,000 shares at Evrim's election and funding a NI43-101 compliant feasibility study over five year period post earning 70% interest. Minimum annual exploration expenditures of $2.0 million are required during this period or a $200,000 cash payment has to be made to Evrim if the minimum expenditures are not met during any given year.

Due diligence carried out by Harvest supported the work completed by Evrim. The first phase of a $225,000 field program of detailed geological mapping and geochemical soil sampling is currently underway.

Ball Creek

In May 2017, the Company announced signing of the definitive agreement with Antofagasta Plc. ("Antofagasta") on the Ball Creek property. Antofagasta can earn an initial 51% interest ("Initial Interest") by spending US$6 million over a six year period. Once Antofagasta has earned its Initial Interest, it may elect to earn an additional 19% interest ("Additional Interest") by spending either US$25 million or completing a prefeasibility study (with expenditures capped at US$25 million), over a seven year period. If Antofagasta elects not to earn the Additional Interest, it will transfer a 1.01% interest to Evrim in exchange for a 0.25% NSR, and Evrim will regain a controlling interest in Ball Creek. Evrim will be the operator on the Ball Creek property during the Initial Interest phase.

Phase one exploration program comprising geological mapping and geochemical soil sampling is currently underway.

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. Under the terms of the agreement, the Company paid $30,000 and has to pay additional consideration of cash or shares over a four year period upon meeting certain exploration milestones or receipt of joint venture payments. 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. A NI43-101 resource of 71 million tonnes grading 0.38% copper at an indicated and inferred level was published in 2005. Gold was not included due to lack of historic assay data.

The project contains multiple untested targets including magnetic cores to the West and South zones and the unexplained source of the 1516 zone soil geochemistry anomaly.

Operational Highlights, continued

Property Acquisitions and Exploration, continued

Axe, continued

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

The Company is focusing on attracting exploration partners for the project.

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.

The Company is focusing on attracting exploration partners for the project.

Ermitaño – optioned to First Majestic Silver Corp. ("First Majestic")

In January 2017, the Company reported drill results from the first four holes of a ten-hole diamond drill program at the Ermitaño West prospect totaling 947 metres carried out by First Majestic.

Ermitaño West Drilling Highlights

Hole	From (metres)	To (metres)	Interval (metres)	Au (g/t)	Ag (g/t)
EW-16-01	96.6	105.4	8.8	0.8	9
EW-16-02	157.1	170.3	13.2	1.1	29
including	165.2	168.2	3.0	2.9	72
EW-16-03	195.8	205.4	9.6	1.8	24
including	199.6	202.7	3.1	4.9	36
EW-16-04	224.5	242.5	18.0	11.4	86
including	233.1	236.4	3.3	34.6	242

g/t: grams per tonne

True widths are estimated to be 70% to 90% of reported intervals.

Operational Highlights, continued

Property Acquisitions and Exploration, continued

The first four holes drilled at the Ermitaño West prospect defined a significantly mineralized system with potentially economic intersections in quartz veins ranging from 8.8 to 18.0 metres. Economic Mineralization is absent at surface but the vein transitions into a boiling environment below surface at 100 to 200 metres depth as defined by quartz pseudomorphs of bladed calcite, adularia and chaotic rebrecciation. The drilling indicates a system open to the east, west and at depth. The high gold to silver ratios and low temperature quartz minerals are interpreted to represent only the highest level of an epithermal ore shoot.

In April 2017, the Company announced an update on the Ermitaño project. Additional drill results will be made available once First Majestic has completed its community engagement process.

Llano del Nogal

In October 2016, the Company announced the results of a geological mapping and ground magnetics survey. This exploration defined a new porphyry target at the Suanse prospect with 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 north-east trending mapped veins are interpreted to be 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 in the northeast.

The Company is focusing on attracting exploration partners for the project.

Generative Initiatives

The Company allocated resources during the year to generate new projects in British Columbia and Mexico. Targeting focused on epithermal gold-silver and porphyry copper-related targets in Sonora, Chihuahua, Sinaloa, Durango and on porphyry copper-gold projects in British Columbia. As of June 30, 2017, twenty one projects were reviewed and six site visits were undertaken.

Due diligence and sampling is 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.

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.

Operational Highlights, continued

Property Acquisitions and Exploration, continued

The following table indicates the exploration undertaken on the Company's properties during the six months ended June 30, 2017 and 2016. Results for minor properties which are not subject to option or alliance agreements have been aggregated to permit presentation of the results for the comparable period in the previous fiscal year.

	Optioned Properties						Alliance			
	Ermitaño		Cumobabi		Ball Creek		Southern Mexico		Llano del Nogal	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Acquisition costs	$ 1,812	$ -	$ -	$ -	38,675	$ -	$ -	$ -	$ 123	$ 915
Exploration costs										
Camp and support	774	505	43	563	-	-	215	-	1,265	107
Chemical analysis	-	-	-	-	-	-	-	-	-	-
Data management and maps	108	-	-	82	16,817	-	-	-	-	1,338
Geological and engineering	1,149	665	-	357	28,292	12,574	1,658	243	3,069	1,242
Geophysical surveys	-	-	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	10	-	28	-	-	6
Recording and filing	5,620	-	-	-	-	-	-	-	17,584	3,257
Travel	-	115	-	-	-	-	106	-	853	-
	7,651	1,285	43	1,002	45,119	12,574	2,007	243	22,771	5,950
Exploration reimbursements	-	-	-	-	-	(4,563)	-	-	-	-
	7,651	1,285	43	1,002	45,119	8,011	2,007	243	22,771	5,950
Acquisition & exploration costs net of, reimbursements	9,463	1,285	43	1,002	83,794	8,011	2,007	243	22,894	6,865
Option proceeds	(66,675)	(64,135)	-	-	-	-	-	-	-	-
Net expenditures (recoveries), for the period	(57,212)	(62,850)	43	1,002	83,794	8,011	2,007	243	22,894	6,865

Projects continued on next page

Operational Highlights, continued

Property acquisitions and Exploration, continued

	Axe		Cerro Cascaron		Generative		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Acquisition costs	$ -	$ -	$ 7,678	$ 3,123	$ 13,548	$ -	$ 39,251	$ 294	$ 101,087	$ 4,332
Exploration costs										
Camp and support	4,276	-	1,764	17,579	13,548	1,521	1,750	7,678	23,635	27,953
Chemical analysis	1,899	-	953	11,004	17,725	5,254	7,025	3,525	27,602	19,783
Data management and maps	4,679	-	-	7,671	13,231	2,649	959	4,016	35,794	15,756
Geological and engineering	59,816	-	12,060	123,289	108,839	7,916	79,874	48,666	294,757	194,952
Geophysical surveys	-	-	-	-	-	-	-	14,582	-	14,582
Materials and supplies	748	-	-	3,370	380	2,483	66	347	1,232	6,206
Recording and filing	-	-	4,213	17,351	23,665	-	-	280	51,082	20,888
Travel	506	-	1,565	18,404	17,990	2,379	1,678	5,239	22,698	26,137
	71,924	-	20,555	198,668	195,378	22,202	91,352	84,333	456,800	326,257
Exploration reimbursements	-	-	-	-	-	-	-	(50,902)	-	(55,465)
	71,924	-	20,555	198,668	195,378	22,202	91,352	33,431	456,800	270,792
Acquisition & exploration costs net of, reimbursements	71,924	-	28,233	201,791	208,926	22,202	130,603	33,725	557,887	275,124
Option proceeds	-	-	-	-	-	-	-	-	(66,675)	(64,135)
Net expenditures (recoveries), for the period	71,924	-	28,233	201,791	208,926	22,202	130,603	33,725	491,212	210,989

Trends

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

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

Financial Condition – Six months ended June 30, 2017

For the six months ended June 30, 2017 ("2017"), Evrim incurred a net loss of $1,240,131 ($0.02 per share) compared to a net loss of $815,163 ($0.02 per share) for the six months ended June 30, 2016 ("2016"). The increase in net loss in 2017 is due an increase in operating activates of the Company.

The Company reported a $491,212 loss from its mineral property operations in 2017, compared to $205,899 in 2016. To date, a reduction in exploration reimbursements and increase in exploration expenses increased the loss from mineral property operations.

The largest component of administrative expenditures is salaries and support services (2017: $339,958; 2016: $328,019) for the permanent staff of the Company. The increase in 2017 is due to an increase in gross salary of some of the permanent staff members of the Company. Travel expenses (2017: $60,803; 2016: $37,253) increased in 2017 due to an increase in travel related trade show and corporate activities. Marketing expenses (2017: $19,272; 2016: $15,833) increased in 2017 due to replacement of the corporate booth. Expenditures related to legal and accounting expenses, management and professional fees and general and administrative were consistent in 2017 with that of 2016. Investor services (2017: $17,115; 2016: $14,555) include the costs of maintaining a listing on the TSX Venture Exchange as well as transfer agent fees. The Company experienced a foreign exchange loss of $97,300 in 2017 compared to a gain of $508 in 2016. Subsequent to the private placement, 40% of the corporate treasury comprised cash held in US dollars. Strengthening Canadian dollar against US dollar resulted in an exchange loss for the period.

Cash Flow and Liquidity

The Company's cash and cash equivalents at June 30, 2017, were $4,856,895 compared to $1,494,244 at December 31, 2016. The Company had working capital of $4,345,396 at June 30, 2017, compared to working capital of $1,504,368 at December 31, 2016. The increase in working in capital is attributable to the private placement completed in May 2017.

During the period, $761,385 was used in operating activities compared to $980,264 in 2016. This difference is due to receipt of joint venture partner funding for planned exploration work.

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

Cash flow and Liquidity, continued

The Company has no long-term debt.

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

A private placement that closed in May, 2017 substantially increased the cash flow of the Company and has placed the Company in a strong financial position.

Contractual Obligations

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 2017 fiscal year total $42,641 for lease and operating costs, and the estimates for 2018 to 2020 total $183,083. Effective March 1, 2016, the Company entered into an agreement with Mirasol to share the office space, CFO services, and administration services, as a cost saving measure.

Capital Resources

The Company had 65,616,042 issued and outstanding common shares as of June 30, 2017.

In May 2017, the Company completed a non-brokered private placement issuing 14,349,760 common shares for gross proceeds of 4,304,928 (refer Financing under Operational Highlights).

Proceeds from the private placements will be used for exploration and working capital purposes.

The Company will obtain additional capital in the event warrants are exercised.

In May 2017, Company issued 100,000 common shares to Paget Mineral Corp., pursuant to the Ball Creek agreement up on completion of the definitive agreement with Antofagasta.

Transactions with Related Parties

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

a) Transactions with related parties

I. Effective March 1, 2016, the Company entered in to an agreement with Mirasol to share CFO services, Office administration support services and office sharing. Evrim received $81,302 during the six months ended June 30, 2017 (June 30, 2016 - $52,240) which were set off against the related costs.

II. During the six months ended June 30, 2017, the Company paid $10,217 (June 30, 2016 - $Nil) to a company for community engagement services, where David Caulfield and Paul van Eeden are common directors.

b) Due to a related party

At June 30, 2017 and 2016, there were no balances owning to related parties.

c) Compensation of key management personnel

IFRS requires that compensation of key management personnel be included as a transaction with related parties. In Note 12 (c) of the condensed consolidated interim financial statements, a table is included which details compensation paid to the senior officers of the Company (Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration and Vice President, Technical Services) and non-executive directors. The salaries and benefits increased for the six months ended June 30, 2017, compared to June 30, 2016. The increase is due to the addition of the Vice President New Opportunities and Exploration and general increase in salaries and wages.

Other Requirements

Risks Factors and Uncertainties

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

Please refer to the section 1.15 Other Requirements, "Risk Factors and Uncertainties" in the annual MD&A of the Company dated April 28, 2017, available on SEDAR at www.sedar.com.

Additional Disclosure for Venture Issuers without Significant Revenue

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

Outstanding Share Data

As of the date hereof, the Company had 65,616,042 issued and outstanding common shares. In addition, the Company has 100,000 options outstanding that expire May 13, 2020, and 20,316,584 warrants outstanding that expire through December 16, 2020. Details of issued share capital are included in Note 11 of the condensed interim consolidated financial statements for the six months ended June 30, 2017 and 2016.

Other Information

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

Forward-Looking Statements

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