



Condensed interim consolidated financial statements

**For the three months ended
March 31, 2017 and 2016**

Unaudited

Notice to Reader

NO AUDITOR REVIEW OF CONDENSED INTERIM CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

Evrin Resources Corp.

Table of Contents

| | |
|---|----|
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION | 4 |
| CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS | 5 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 6 |
| CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY | 7 |
| 1. NATURE OF OPERATIONS AND GOING CONCERN | 8 |
| 2. STATEMENT OF COMPLIANCE | 8 |
| 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 9 |
| 4. CAPITAL MANAGEMENT | 11 |
| 5. AMOUNTS RECEIVABLE | 11 |
| 6. EQUIPMENT | 12 |
| 7. MINERAL PROPERTY INTERESTS | 13 |
| 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | 17 |
| 9. PROVISION FOR ENVIRONMENTAL REHABILITATION | 17 |
| 9. PROVISION FOR ENVIRONMENTAL REHABILITATION, <i>CONTINUED</i> | 18 |
| 10. COMMITMENTS | 18 |
| 11. ISSUED CAPITAL | 18 |
| 11. ISSUED CAPITAL, <i>CONTINUED</i> | 19 |
| 12. RELATED PARTY TRANSACTIONS | 20 |
| 12. RELATED PARTY TRANSACTIONS, <i>Continued</i> | 21 |
| 13. SEGMENTED INFORMATION | 21 |
| 14. FINANCIAL RISK MANAGEMENT | 22 |
| 15. SUBSEQUENT EVENT | 25 |

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

| | <i>Note</i> | March 31, 2017 | December 31, 2016 |
|---|-------------|---------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 1,005,311 | \$ 1,494,244 |
| Amounts receivable | 5, 12 | 50,872 | 64,762 |
| Prepaid expenses and deposits | | 35,551 | 12,633 |
| | | 1,091,734 | 1,571,639 |
| Non-current assets | | | |
| Prepaid rent deposit | 10 | 11,208 | 11,208 |
| Equipment | 6 | 25,976 | 28,260 |
| Reclamation bond | 7 | 20,000 | 20,000 |
| | | \$ 1,148,918 | \$ 1,631,107 |
| Liabilities and Shareholders' Equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 8, 12 | \$ 61,949 | \$ 67,271 |
| Joint venture partner deposits | | - | - |
| | | 61,949 | 67,271 |
| Non-current liabilities | | | |
| Provision for environmental rehabilitation | 9 | 27,753 | 27,919 |
| | | 89,702 | 95,190 |
| Shareholders' Equity | | | |
| Issued capital | 11 | 12,314,112 | 12,314,112 |
| Contributed surplus | | 16,851 | 16,851 |
| Accumulated deficit | | (11,271,747) | (10,795,046) |
| | | 1,059,216 | 1,535,917 |
| | | \$ 1,148,918 | \$ 1,631,107 |

Approved and authorized for issue by the Board on May 29, 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.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Three Months Ended March 31,
(Expressed in Canadian Dollars)

| | <i>Note</i> | 2017 | 2016 |
|---|-------------|-------------------|---------------------|
| Mineral Property Operations | | | |
| Revenue | | | |
| Option proceeds | \$ | 66,675 | \$ 64,135 |
| Project management fees | | - | 5,090 |
| | | 66,675 | 69,225 |
| Expenses | | | |
| Acquisition expenditures | | 1,619 | 3,417 |
| Exploration expenditures | 7 | 223,681 | 186,979 |
| Exploration reimbursements | | - | (54,715) |
| | | 225,300 | 135,681 |
| Loss from mineral property operations | | (158,625) | (66,456) |
| Other operations | | | |
| Interest and other revenue | | 2,723 | 7,478 |
| Expenses | | | |
| Accounting and legal | | 21,918 | 21,020 |
| Depreciation | | 2,277 | 5,289 |
| Foreign exchange loss (gain) | | (13,643) | 7,660 |
| General and administrative | 12(b) | 40,274 | 45,838 |
| Investor services | | 8,764 | 9,694 |
| Management and professional fees | | 28,500 | 28,500 |
| Marketing services | | 14,144 | 14,580 |
| Salaries and support services | 12(b) | 190,992 | 142,064 |
| Travel | | 27,573 | 16,205 |
| | | 320,799 | 290,850 |
| Loss from other operations | | (318,076) | (283,372) |
| Net loss and comprehensive loss for the year | \$ | (476,701) | \$ (349,828) |
| Basic and diluted loss per share | \$ | (0.009) | \$ (0.007) |
| Weighted average number of common shares outstanding | | 51,166,282 | 50,484,802 |

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

EVRIM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

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

| | 2017 | | 2016 |
|--|---------------------|-----------|------------------|
| Cash flows used in operating activities | | | |
| Net loss | \$ (476,701) | \$ | (349,828) |
| Add (deduct) items not involving cash: | | | |
| Depreciation | 2,277 | | 5,289 |
| Unrealized foreign exchange loss | (12,881) | | (9,355) |
| | (487,305) | | (353,894) |
| Net change in non-cash working capital balances related to operations: | | | |
| Amounts receivable | 13,890 | | 26,781 |
| Prepaid expenses and deposits | (22,918) | | (21,570) |
| Accounts payable and accrued liabilities | (5,322) | | (72,011) |
| Joint venture partner deposits | - | | (70,181) |
| Net cash flow used in operating activities | (501,655) | | (490,875) |
| Cash flows used in investing activities | | | |
| Purchase of equipment | - | | (2,465) |
| Net cash flow used in investing activities | - | | (2,465) |
| Cash flows provided by financing activities | | | |
| Payment of share issue costs | - | | (2,182) |
| Net cash flow provided by financing activities | - | | (2,182) |
| Effects of foreign currency translation on cash and cash equivalents | 12,722 | | 10,212 |
| Increase (decrease) in cash and cash equivalents | (488,933) | | (485,310) |
| Cash and cash equivalents, beginning of year | 1,494,244 | | 3,391,951 |
| Cash and cash equivalents, end of the period | \$ 1,005,311 | \$ | 2,906,641 |
| Cash and cash equivalents are comprised of: | | | |
| Cash | \$ 486,711 | \$ | 868,913 |
| Short-term money market instruments | 518,600 | | 2,037,728 |
| | \$ 1,005,311 | \$ | 2,906,641 |
| Supplemental cash flow information: | | | |
| Interest received | \$ 12,499 | \$ | 30 |

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

EVRIM RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2017 and 2016,
(Expressed in Canadian Dollars)

| | Issued capital | | Contributed surplus | Accumulated deficit | Shareholders' equity |
|--------------------------------|-------------------|----------------------|---------------------|------------------------|----------------------|
| | Shares | Amount | | | |
| 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) |
| Loss and comprehensive loss | - | - | - | (349,828) | (349,828) |
| Balance, March 31, 2016 | 50,484,802 | \$ 12,191,810 | \$ 56,581 | \$ (9,305,844) | \$ 2,942,547 |
| Balance, December 31, 2016 | 51,166,282 | \$ 12,314,112 | \$ 16,851 | \$ (10,795,046) | \$ 1,535,917 |
| Loss and comprehensive loss | - | - | - | (476,701) | (476,701) |
| Balance, March 31, 2017 | 51,166,282 | \$ 12,314,112 | \$ 16,851 | \$ (11,271,747) | \$ 1,059,216 |

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

EVIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Evrin Resources Corp. (the “Company” or “Evrin”) is a mineral exploration company. Evrin’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.

Evrin 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 March 31, 2017, of \$11,271,747 (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.

EVRIIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(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 (Evrilm Exploration Canada Corp. (“EEC”), Evrilm Resources USA Inc. (“Evrilm US”), Minera Evrilm S.A. de C.V. (“Minera”) and Servicios Mineros Orotac S.A de C.V. (“SMO”). 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 March 31, 2017 and December 31, 2016 | Principal activity |
|--------------------------------------|------------------------|---|---------------------|
| Evrilm Exploration Canada Corp. | British Columbia | 100% | Mineral exploration |
| Minera Evrilm S.A de C.V. | Sonora, Mexico | 100% | Mineral exploration |
| Servicios Mineros Orotac S.A de C.V. | Sonora, Mexico | 100% | Service company |
| Evrilm Resources USA Inc. | Nevada, USA | 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.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

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.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(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:

| | March 31, 2017 | December 31, 2016 |
|------------------------|------------------|-------------------|
| Trade receivables | \$ 25,579 | \$ 16,670 |
| Other receivables | 3,675 | 13,452 |
| Current tax receivable | 21,618 | 34,640 |
| | <u>\$ 50,872</u> | <u>\$ 64,762</u> |

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

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
 Three Months Ended March 31, 2017 and 2016
 (Expressed in Canadian Dollars)

6. EQUIPMENT

| | Computer equipment and software | Field equipment | Leasehold improvements | Mobile equipment | Office equipment and furniture | Total |
|-------------------------------------|---------------------------------------|--------------------|---------------------------|---------------------|--------------------------------------|--------------|
| Cost | | | | | | |
| 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 | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Balance as at March 31, 2017 | \$ 128,173 | \$ 25,673 | \$ 16,995 | \$ 29,668 | \$ 23,636 | \$ 224,145 |
| 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 | (1,684) | (334) | (150) | - | (114) | (2,282) |
| Disposals | - | - | - | - | - | - |
| Balance as at March 31, 2017 | \$ (114,181) | \$ (19,321) | \$ (13,556) | \$ (29,668) | \$ (21,441) | \$ (198,167) |
| 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 |
| March 31, 2017 | \$ 13,992 | \$ 6,352 | \$ 3,439 | \$ - | \$ 2,195 | \$ 25,978 |

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

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

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

- (a) 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.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

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 December 31, 2016, 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 Kiska regarding the share payment structure for Cumobabi. The Company will issue 50,000 shares to Kiska 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 Kiska 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).

EVIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

7. 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.

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

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

7. MINERAL PROPERTY INTERESTS, CONTINUED

Canada, 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;
 - (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).

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 for \$1.5 million and 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 RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

7. MINERAL PROPERTY INTERESTS, CONTINUED

Exploration Expenditures

During the three months ended March 31, 2017 and 2016, the Company incurred the following exploration expenditures that were expensed as incurred:

| | Three Months Ended March 31, | |
|--------------------------|------------------------------|-------------------|
| | 2017 | 2016 |
| Camp and support | \$ 11,357 | \$ 14,633 |
| Chemical analysis | 13,440 | 14,241 |
| Data management and maps | 9,093 | 9,994 |
| Geological services | 151,609 | 92,753 |
| Geophysical surveys | - | 14,582 |
| Materials and supplies | 892 | 4,920 |
| Recording and filing | 28,516 | 20,929 |
| Travel | 8,774 | 14,927 |
| | <u>\$ 223,681</u> | <u>\$ 186,979</u> |

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | March 31, 2017 | December 31, 2016 |
|---------------------|------------------|-------------------|
| Trade payables | \$ 16,740 | \$ 22,384 |
| Accrued liabilities | 44,576 | 34,228 |
| Current tax payable | 633 | 10,659 |
| | <u>\$ 61,949</u> | <u>\$ 67,271</u> |

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

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 \$27,919 (2015 - \$27,496).

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

9. PROVISION FOR ENVIRONMENTAL REHABILITATION, CONTINUED

| | | |
|-----------------------------|----|--------|
| Balance, December 31, 2015 | \$ | 27,496 |
| Reclamation refund | | 423 |
| Balance, December 31, 2016 | | 27,919 |
| Foreign exchange difference | | 166 |
| Balance, March 31, 2017 | \$ | 27,753 |

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

| | Less than one year | One to five years |
|----------------------------|--------------------|-------------------|
| Lease payment | \$ 38,800 | \$ 77,120 |
| Operating costs (estimate) | 42,900 | 87,208 |
| Total | \$ 81,700 | \$ 164,328 |

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

| | Less than one year | One to five years |
|---------------------------|--------------------|-------------------|
| Photocopier lease payment | \$ 2,160 | \$ 540 |

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.

During the three months ended March 31, 2017, and 2016 no shares were issued.

(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.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
 Three Months Ended March 31, 2017 and 2016
 (Expressed in Canadian Dollars)

11. ISSUED CAPITAL, CONTINUED

(b) Incentive stock options, Continued

Changes in share purchase options during the fiscal year

| | March 31, 2017 | | March 31, 2016 | |
|--|------------------|---------------------------------|------------------|---------------------------------|
| | Number of shares | Weighted average exercise price | Number of shares | Weighted average exercise price |
| Outstanding at beginning of the year | 100,000 | \$ 0.18 | 100,000 | \$ 0.18 |
| Granted | - | \$ - | - | - |
| 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 March 31, 2017.

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

The Company did not issue any options during the three months ended March 31, 2017 and 2016.

(c) Warrants

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

| Exercise price | Expiry date | Balance | Balance |
|---------------------------------|----------------------------------|-------------------|----------------|
| | | December 31, 2016 | March 31, 2017 |
| \$0.12 | December 16, 2017 | 7,200 | 7,200 |
| \$0.25 | December 16, 2020 ⁽ⁱ⁾ | 12,568,800 | 12,568,800 |
| | | 12,576,000 | 12,576,000 |
| Weighted average exercise price | | \$0.25 | \$0.25 |
| Weighted average remaining life | | 3.96 | 3.96 |

EVIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

11. ISSUED CAPITAL, CONTINUED

(c) Warrants, continued

| Exercise price | Expiry date | Balance | Balance |
|---------------------------------|----------------------------------|-------------------|----------------|
| | | December 31, 2015 | 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 20th consecutive trading day.

12. RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties are disclosed below.

(a) Due to related parties

At March 31, 2017 and 2016, there were no balances owing 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 \$38,145 during the three months ended March 31, 2017 (March 31, 2016 - \$13,060), which was set off against the related costs. As at March 31, 2017, \$14,183 (March 31, 2016 - \$Nil) is included in amounts receivable.

During the three months ended March 31, 2017, the Company paid \$3,255 (March 31, 2016 - \$Nil) for community engagement services to a company with two directors in common.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
 Three Months Ended March 31, 2017 and 2016
 (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 months ended March 31, 2017 and 2016 were as follows:

| | Three Months Ended March 31, | |
|--|------------------------------|-------------------|
| | 2017 | 2016 |
| Salaries of senior executives ⁽ⁱ⁾ | \$ 149,000 | \$ 96,500 |
| Short-term employee benefits ⁽ⁱⁱ⁾ | 6,764 | 4,703 |
| Non-executive directors' fees | 28,500 | 28,500 |
| | \$ 184,264 | \$ 126,203 |

- (i) Senior executives include the Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration, and Vice President, Technical Services.
 (ii) Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended March 31, 2017 and 2016.

13. SEGMENTED INFORMATION

During the three months ended March 31, 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 three months ended March 31, 2017 and 2016 are as follows:

| March 31, 2017 | Canada | United States | Mexico | Total |
|---------------------------|------------------|---------------|-----------------|------------------|
| Non-current assets | | | | |
| Prepaid rent and deposits | \$ 11,208 | \$ - | \$ - | \$ 11,208 |
| Equipment | 21,215 | - | 4,761 | 25,976 |
| Reclamation bond | 20,000 | - | - | 20,000 |
| | \$ 52,423 | \$ - | \$ 4,762 | \$ 57,184 |
| December 31, 2016 | Canada | United States | 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 three months ended March 31, 2017 and the year ended December 31, 2016.

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

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

| | March 31, 2017 | December 31, 2016 |
|--|---------------------|----------------------|
| Financial assets | | |
| <i>FVTPL</i> | | |
| Cash and cash equivalents | \$ 1,005,311 | \$ 1,494,244 |
| <i>Loans and receivables</i> | | |
| Amounts receivable | 29,254 | 30,122 |
| | <u>\$ 1,034,565</u> | <u>\$ 1,524,366</u> |
| Financial liabilities | | |
| <i>Other financial liabilities</i> | | |
| Accounts payable and accrued liabilities | \$ 61,316 | \$ 56,612 |
| | <u>\$ 61,316</u> | <u>\$ 56,612</u> |

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

(c) Foreign currency risk

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

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
 Three Months Ended March 31, 2017 and 2016
 (Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT, CONTINUED

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

| | March 31, 2017 (US*) | March 31, 2017 (MXN*) | December 31, 2016 (US*) | December 31, 2016 (MXN*) |
|--|----------------------------|-----------------------------|-------------------------------|--------------------------------|
| Cash | \$ 24,865 | \$ 63,979 | \$ 25,774 | \$ 2,636 |
| Amounts receivable | - | 8,747 | - | - |
| Accounts payable and accrued liabilities | - | - | - | (19,315) |
| Joint venture partner deposits | - | - | - | - |
| Net assets denominated in foreign currencies | \$ 24,865 | \$ 72,726 | \$ 25,774 | \$ (16,679) |

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

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by 1% (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).

| Years ended March 31, | 2017 | | 2016 | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 10% Increase in MXN : CAD rate | 10% Increase in USD : CAD rate | 10% Increase in MXN : CAD rate | 10% Increase in USD : CAD rate |
| Change in net loss and comprehensive loss | \$ 14,930 | \$ Nil | \$ 81,746 | \$ 772 |

EVRIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(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 two short-term investments that earn interest at a fixed interest rate. Future cash flows from interest income on cash and cash equivalents will be affected by declining cash balances. The Company manages interest rate risk by investing in short-term fixed interest financial instruments with varying maturity periods when feasible to provide access to funds as required. The effect of a 1% change in interest rates on comprehensive income based on the cash and cash equivalents at the end of each period would be immaterial. Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

(e) Credit risk

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

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

| | March 31, 2017 | December 31, 2016 |
|-------------------------------------|----------------|-------------------|
| Short-term money market instruments | \$ 518,710 | \$ 1,387,729 |
| Cash bank accounts | 486,601 | 106,515 |
| Amounts receivable | 29,254 | 30,122 |
| Total | \$ 1,034,565 | \$ 1,524,366 |

At March 31, 2017, the Company's short-term money market instruments were \$513,364 and \$5,346 term deposits earning interest at 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.

EVIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(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.

| Due Date | Accounts Payable and Accrued Liabilities | |
|---------------|--|-------------------|
| | March 31, 2017 | December 31, 2016 |
| 0 – 90 days | \$ 16,740 | \$ 22,384 |
| 90 – 365 days | 44,576 | 34,228 |
| 365 + days | - | - |
| Total | \$ 61,316 | \$ 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.

15. SUBSEQUENT EVENTS

Definitive agreement

On May 15, 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.

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.

EVRIIM RESOURCES CORP.

Notes to the Condensed interim consolidated financial statements
Three Months Ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

15. SUBSEQUENT EVENTS, CONTINUED

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 \$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 for 18 months from the closing date at \$0.30. The Company incurred \$179,400 cash finders' fees and issued 598,000 finders' fees warrants.



Management Discussion and Analysis – Quarterly Highlights

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

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 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 “Evrin”) should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 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 three months ended March 31, 2017 and 2016 for more complete financial information.

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

About Evrim

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

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

Date

This MD&A - Quarterly Highlights has been prepared based on information available to the Company as of May 29, 2017.

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 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 \$179,400 were paid and 598,000 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. in conjunction with the private placement. Each Finder Warrant is exercisable into one common share at a price of \$0.30 until November 19, 2018.

Property 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.

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% net smelter return royalty ("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

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 NI 43-101 resource of 71 million tonnes grading 0.38% copper at an indicated and inferred level was published in 2005. Gold was not included due to lack of historic assay data.

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

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

Operational Highlights, continued

Property Acquisitions and Exploration, continued

Axe, continued

In March 2017, the Company completed a program of re-logging of historic core. The Company is reviewing the results of this program.

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 | To | Interval | Au | Ag |
|-------------|-----------------|-----------------|-----------------|--------------|--------------|
| | (metres) | (metres) | (metres) | (g/t) | (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.

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. Mineralization is absent at surface but 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.

**EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017**

Operational Highlights, continued

Property Acquisitions and Exploration, continued

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.

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 March 31, 2017, twelve projects were reviewed and three 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.

EVIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

Operational Highlights, continued

Property Acquisitions and Exploration, continued

The following table indicates the exploration undertaken on the Company's properties during the three months ended March 31, 2017 and 2016. Results for minor properties which are not subject to option or alliance agreements have been aggregated to permit presentation of the results for the comparable period in the previous fiscal year.

| | Optioned Properties | | | | | | Alliance | | | | |
|--|---------------------|----------|----------|------|------------|---------|-----------------|------|-----------------|-------|------|
| | Ermitaño | | Cumobabi | | Ball Creek | | Southern Mexico | | Llano del Nogal | | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Acquisition costs | \$ - | \$ - | \$ - | \$ - | 998 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Exploration costs | | | | | | | | | | | |
| Camp and support | 302 | 68 | 43 | 412 | 327 | - | 136 | - | 823 | 5 | |
| Chemical analysis | - | - | - | - | - | - | - | - | - | - | |
| Data management and maps | - | - | - | - | 2,847 | - | - | - | - | 370 | |
| Geological and engineering | 1,149 | 36 | - | 193 | 10,850 | 2,895 | 695 | - | 1,493 | 597 | |
| Geophysical surveys | - | - | - | - | - | - | - | - | - | - | |
| Materials and supplies | - | - | - | - | 10 | - | 28 | - | - | 6 | |
| Recording and filing | 320 | - | - | - | - | - | - | - | 17,584 | 3,257 | |
| Travel | - | - | - | - | - | - | 106 | - | 355 | - | |
| | 1,771 | 104 | 43 | 605 | 14,034 | 2,895 | 965 | - | 20,255 | 4,235 | |
| Exploration reimbursements | - | - | - | - | - | (3,813) | - | - | - | - | |
| | 1,771 | 104 | 43 | 605 | 14,034 | (918) | 965 | - | 20,255 | 4,235 | |
| Acquisition & exploration costs net of, reimbursements | 1,771 | 104 | 43 | 605 | 15,032 | (918) | 965 | - | 20,255 | 4,235 | |
| Option proceeds | (66,675) | (64,135) | - | - | - | - | - | - | - | - | |
| Net expenditures (recoveries), for the period | (64,904) | (64,031) | 43 | 605 | 15,032 | (918) | 965 | - | 20,255 | 4,235 | |

Projects continued on next page

EVRIIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

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 | \$ - | \$ - | \$ 621 | \$ 3,417 | \$ - | \$ - | \$ - | \$ - | \$ 1,619 | \$ 3,417 |
| Exploration costs | | | | | | | | | | |
| Camp and support | 3,565 | - | 242 | 10,274 | 5,832 | 1,521 | 87 | 2,353 | 11,357 | 14,633 |
| Chemical analysis | 1,899 | - | - | 8,987 | 8,940 | 5,254 | 2,601 | - | 13,440 | 14,241 |
| Data management and maps | 804 | - | - | 5,670 | 5,442 | 2,649 | - | 1,305 | 9,093 | 9,994 |
| Geological and engineering | 25,783 | - | 4,851 | 69,439 | 83,624 | 7,916 | 23,164 | 11,677 | 151,609 | 92,753 |
| Geophysical surveys | - | - | - | - | - | - | - | 14,582 | - | 14,582 |
| Materials and supplies | 733 | - | - | 2,344 | 55 | 2,483 | 66 | 87 | 892 | 4,920 |
| Recording and filing | - | - | 4,213 | 17,672 | 6,399 | - | - | - | 28,516 | 20,929 |
| Travel | 104 | - | - | 10,458 | 8,209 | 2,379 | - | 2,090 | 8,774 | 14,927 |
| Exploration reimbursements | 32,888 | - | 9,306 | 124,844 | 118,501 | 22,202 | 25,918 | 32,094 | 223,681 | 186,979 |
| | - | - | - | - | - | - | - | (50,902) | - | (54,715) |
| Acquisition & exploration costs net of, reimbursements | 32,888 | - | 9,306 | 124,844 | 118,501 | 22,202 | 25,918 | (18,808) | 223,681 | 132,264 |
| Option proceeds | - | - | - | - | - | - | - | - | 225,300 | 135,681 |
| | - | - | - | - | - | - | - | - | (66,675) | (64,135) |
| Net expenditures (recoveries), for the period | 32,888 | - | 9,927 | 128,261 | 118,501 | 22,202 | 25,918 | - 18,808 | 158,625 | 71,546 |

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

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 – Three months ended March 31, 2017

For the three months ended March 31, 2017 ("2017"), Evrim incurred a net loss of \$476,701 (\$0.009 per share) compared to a net loss of \$349,828 (\$0.007 per share) for the three months ended March 31, 2016 ("2016"). The increase in net loss in 2017 is due an increase in operating activates of the Company.

The Company reported a \$158,625 loss from its mineral property operations in 2017, compared to \$66,456 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: \$190,992; 2016: \$142,064) for the permanent staff of the Company. The increase in 2017 is due to an increase in the number of full time permanent staff members of the Company. General administrative expenses (2017: \$40,274; 2016: \$45,838) decreased due to strategic cost saving initiatives by the management. Travel expenses (2017: \$27,573; 2016: \$16,205) increased in 2017 due to an increase in travel related trade show and corporate activities. Expenditures related to legal and accounting expenses, management and professional fees and marketing services were consistent in 2017 with that of 2016. Investor services (2017: \$8,764; 2016: \$9,694) include the costs of maintaining a listing on the TSX Venture Exchange as well as transfer agent fees. Interest revenue decreased in 2017, as the Company's treasury had limited funds to invest in short term liquid investments.

Cash Flow and Liquidity

The Company's cash and cash equivalents at March 31, 2017, were \$1,005,311 compared to \$1,494,244 at December 31, 2016. The Company had working capital of \$1,029,785 at March 31, 2017, compared to working capital of \$1,504,368 at December 31, 2016. The decrease in working in capital is attributable to use of funds for exploration and operating activities of the Company.

During the period, \$501,655 was used in operating activities compared to \$490,875 in 2016. This difference resulted from a reduction in joint venture partner funding.

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

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

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 subsequent to March 31, 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 \$63,960 for lease and operating costs, and the estimates for 2018 to 2020 total \$182,068. The Company has leased a photocopier for the head office with commitment outstanding of \$1,620 for the 2017 fiscal year and estimates for 2018 of \$540. 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 51,166,282 issued and outstanding common shares as of March 31, 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 \$38,145 during the three months ended March 31, 2017 (March 31, 2016 - \$13,060) which were set off against the related costs.

EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017

Transactions with Related Parties, continued

- II. During the three months ended March 31, 2017, the Company paid \$3,255 (March 31, 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 March 31, 2017 and 2016, there were no balances owing 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 financial statements, a table is included which details compensation paid to the senior officers of the Company (Chief Executive Officer, Chief Financial Officer, Vice President, New Opportunities and Exploration and Vice President, Technical Services) and non-executive directors. The salaries and benefits increased for the three months ended March 31, 2017, compared to March 31, 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 20,348,880 warrants outstanding that expire through December 16, 2020. Details of issued share capital are included in Note 11 and Note 15 of the condensed interim consolidated financial statements for the three months ended March 31, 2017 and 2016.

**EVRIM RESOURCES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
For the three months ended March 31, 2017**

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.