



Condensed interim consolidated financial statements

**For the nine months ended
September 30, 2018 and 2017**

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.

Evrin Resources Corp.

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

	Note	September 30, 2018	December 31, 2017
Assets			
Current assets			
Cash and cash equivalents	4,9	\$ 9,611,978	\$ 6,283,430
Short-term investments	4	7,200,000	-
Marketable securities	6	85,000	45,000
Amounts receivable	7, 14	92,685	79,329
Prepaid expenses and deposits		26,927	9,562
		17,016,590	6,417,321
Non-current assets			
Prepaid rent deposit	12	11,208	11,208
Equipment	8	82,728	37,141
Reclamation bond	9	53,000	30,500
		\$ 17,163,526	\$ 6,496,170
Liabilities and Shareholders' Equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10, 14	\$ 793,784	\$ 135,790
Joint venture partner deposits	9	2,193,904	2,930,256
		2,987,688	3,066,046
Non-current liabilities			
Provision for environmental rehabilitation	11	46,224	46,224
		3,033,912	3,112,270
Shareholders' Equity			
Issued capital	13	27,104,769	16,099,827
Contributed surplus		845,196	626,200
Accumulated other comprehensive loss/(gain)		35,000	(5,000)
Accumulated deficit		(13,855,351)	(13,337,127)
		14,129,614	3,383,900
		\$ 17,163,526	\$ 6,496,170

Approved and authorized for issue by the Board on November 28, 2018

Paul van Eeden
Director

David A. Caulfield
Director

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

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

Nine Months Ended September 30,
(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Mineral Property Operations				
Revenue				
Option proceeds	\$ -	\$ 50,000	\$ 225,380	\$ 116,675
Sale of property rights	1,973,775	-	1,973,775	-
Project management fees	94,872	46,468	157,547	46,468
	2,068,647	96,468	2,356,702	163,143
Expenses				
Acquisition expenditures	76,062	(17,694)	166,425	83,393
Exploration expenditures	2,005,133	1,176,114	3,478,715	1,632,914
Government grant on exploration	(134,917)	(153,000)	(174,917)	(153,000)
Exploration reimbursements	(1,405,715)	(889,945)	(2,410,960)	(889,945)
	540,563	115,475	1,059,263	673,362
Gain/(Loss) from mineral property operations	1,528,084	(19,007)	1,297,439	(510,219)
Other operations				
Interest and other revenue	20,651	8,917	53,351	21,513
Expenses				
Accounting and legal	30,410	51,730	226,911	118,346
Depreciation	15,787	4,951	29,805	11,679
Foreign exchange (gain)/loss	(39,263)	72,497	98,244	169,797
General and administrative	54,811	49,504	180,309	146,227
Investor services	36,398	4,019	64,445	21,134
Management and professional fees	30,000	29,500	90,000	86,500
Marketing services	9,905	15,207	75,140	34,479
Salaries and support services	246,375	236,452	643,993	576,410
Share-based compensation	106,839	-	317,034	-
Travel	65,130	16,296	143,133	77,099
	556,392	480,156	1,869,014	1,241,671
Loss from other operations	(535,741)	(471,239)	(1,815,663)	(1,220,158)
Net gain/(loss)	992,343	(490,246)	(518,224)	(1,730,377)
Other Comprehensive Income				
Items that will be recycled to profit or loss:				
Gain on available-for-sale investment	30,000	-	40,000	-
Comprehensive gain/(loss) for the period	\$ 1,022,343	\$ (490,246)	\$ (478,224)	\$ (1,730,377)
Basic and diluted gain/(loss) per share	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	82,399,784	65,632,795	77,981,318	59,474,226

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

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

	2018	2017
Cash flows used in operating activities		
Net loss	\$ (478,224)	\$ (1,730,377)
Add (deduct) items not involving cash:		
Depreciation	29,805	11,679
Unrealized foreign exchange gain	(24,094)	84,864
Fair value adjustment of marketable securities	(40,000)	-
Shares received for option proceeds	-	(50,000)
Shares issued for mineral property interest	32,250	32,250
Share-based compensation	317,034	-
	(163,229)	(1,651,584)
Net change in non-cash working capital balances related to operations:		
Amounts receivable	(13,356)	(12,429)
Prepaid expenses and deposits	(17,365)	(8,235)
Accounts payable and accrued liabilities	657,994	80,763
Joint venture partner deposits	(736,352)	425,724
Net cash flow provided by (used in) operating activities	(272,308)	(1,165,761)
Cash flows used in investing activities		
Purchase of short-term investments	(7,200,000)	-
Reclamation bond	(22,500)	(10,500)
Purchase of equipment	(75,392)	(23,623)
Net cash flow used in investing activities	(7,297,892)	(34,123)
Cash flows provided by financing activities		
Proceeds from exercise of warrants	3,643,222	540
Proceeds from exercise of options	15,833	-
Proceeds from issuance of shares	7,272,602	4,304,928
Payment of share issue costs	(57,003)	(244,461)
Net cash flow provided by financing activities	10,874,654	4,061,007
Effects of foreign currency translation on cash and cash equivalents	24,094	(84,964)
Increase (decrease) in cash and cash equivalents	3,328,548	2,776,159
Cash and cash equivalents, beginning of the year	6,283,430	1,494,244
Cash and cash equivalents, end of the period	\$ 9,611,978	\$ 4,270,403
Cash and cash equivalents are comprised of:		
Cash	\$ 4,711,978	\$ 1,428,643
Short-term money market instruments	4,900,000	2,841,760
	\$ 9,611,978	\$ 4,270,403
Cash restricted for exploration	\$ 7,973,677	\$ 425,724
Supplemental cash flow information:		
Interest received	\$ 60,940	\$ 24,598

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

EVRIM RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Nine Months Ended September 30,

(Expressed in Canadian Dollars)

	Issued capital			Accumulated other comprehensive (loss)/gain	Accumulated deficit	Shareholders' equity
	Shares	Amount	Contributed surplus			
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	-	(283,399)	38,938	-	-	(244,461)
Mineral property acquisition costs	125,000	32,250	-	-	-	32,250
Exercise of warrants	4,500	826	(286)	-	-	540
Loss and comprehensive loss	-	-	-	-	(1,730,377)	(1,730,377)
Balance, September 30, 2017	65,645,542	\$ 16,081,722	\$ 342,498	-	\$ (12,525,423)	\$ 3,898,797
Balance, December 31, 2017	65,723,242	\$ 16,099,827	\$ 626,200	\$ (5,000)	\$ (13,337,127)	\$ 3,383,900
Shares issued for cash	4,848,401	7,272,602	-	-	-	7,272,602
Payment of share issue costs	-	(57,003)	-	-	-	(57,003)
Mineral property acquisition costs	25,000	32,250	-	-	-	32,250
Exercise of warrants	13,625,924	3,731,076	(87,854)	-	-	3,643,222
Exercise of stock options	63,333	26,017	(10,184)	-	-	15,833
Share-based compensation	-	-	317,034	-	-	317,034
Loss and comprehensive loss	-	-	-	40,000	(518,224)	(478,224)
Balance, September 30, 2018	84,285,900	\$ 27,104,769	\$ 845,196	\$ 35,000	\$ (13,855,351)	\$ 14,129,614

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

EVIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(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 consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to continue in operations and contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. However, the Company has no significant source of recurring revenue, has experienced recurring losses over the past several fiscal years (2017 - \$2,542,081; 2016 - \$1,839,030) and has an accumulated deficit as at September 30, 2018 of \$13,855,351 (December 31, 2017 - \$13,337,127).

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

2. STATEMENT OF COMPLIANCE

These 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”) and in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements.

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

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (Evrin Exploration Canada Corp. ("EEC"), 1124798 B.C. Ltd., 1174610 B.C. Ltd., Minera Evrim S.A. de C.V. ("Minera"), Servicios Mineros Orotac S.A. de C.V. ("SMO") and Evrim Resources USA Inc. ("Evrin US")). Control is based on whether an investor has power over the investee and the ability to use its power over the investee to affect the amount of the returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

	Place of incorporation	Proportion of ownership interest June 30, 2018 and December 31, 2017	Principal activity
Evrin Exploration Canada Corp.	British Columbia	100%	Mineral exploration
1124798 B.C. Ltd.	British Columbia	100%	Mineral exploration
1174610 B.C. Ltd.	British Columbia	100%	Holding Company
Minera Evrim S.A de C.V.	Sonora, Mexico	100%	Mineral exploration
Servicios Mineros Orotac S.A de C.V.	Sonora, Mexico	100%	Service company
Evrin Resources USA Inc.	Nevada, USA	100%	Mineral exploration

(b) Use of estimates

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

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(c) Presentation and functional currency

The Company's presentation currency is the Canadian dollar ("CAD"). The functional currency of Evrim and its subsidiaries is the CAD.

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

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

IFRS 9 *Financial Instruments*

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

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

IFRS 15 *Revenue from Contracts with Customers*

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

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

(e) Accounting standards issued but not yet effective

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

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IFRS 16 Leases

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

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

4. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents include \$4,711,798 in the operating bank accounts and \$ 4,900,000 of guaranteed investment certificates ("GICs") cashable at any time.

Short term investments are GICs placed with major banks, with maturities ranging from six to twelve months.

As of September 30, 2018, \$7,973,677 were restricted for exploration expenditures of which \$5,779,733 were earmarked for the Cuale project (refer Note 13) and \$2,193,904 were related to other projects under joint venture.

5. 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.

EVRIIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

The Company received from Harvest Gold Corporation (“Harvest”) one million common shares upon signing of the option agreement for the Cerro Cascaron property (Note 9).

Fair market value as at December 31, 2017	\$ 45,000
Fair value adjustment	40,000
Fair market value as at September 30, 2018	\$ 85,000

7. AMOUNTS RECEIVABLE

Amounts receivable is comprised of the following:

	September 30, 2018	December 31, 2017
Trade receivables	\$ 74,107	\$ 24,300
Other receivables	4,760	9,610
Current tax receivable	13,818	45,419
	\$ 92,685	\$ 79,329

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

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
 Nine Months Ended September 30, 2018 and 2017
 (Expressed in Canadian Dollars)

8. EQUIPMENT

	Computer equipment and software	Field equipment	Leasehold improvements	Mobile equipment	Office equipment and furniture	Total
Cost						
Balance as at December 31, 2016	\$ 128,173	\$ 25,673	\$ 16,995	\$ 29,668	\$ 23,636	\$ 224,145
Acquisitions	25,730	-	-	-	-	25,730
Disposals	-	-	-	-	-	-
Balance as at December 31, 2017	153,903	25,673	16,995	29,668	23,636	249,875
Acquisitions	74,523	-	-	-	869	75,392
Disposals	-	-	-	-	-	-
Balance as at September 30, 2018	\$ 228,426	\$ 25,673	\$ 16,995	\$ 29,668	\$ 24,505	\$ 325,267
Accumulated depreciation						
Balance as at December 31, 2016	\$ (112,497)	\$ (18,987)	\$ (13,406)	\$ (29,668)	\$ (21,327)	\$ (195,885)
Depreciation	(14,452)	(1,337)	(598)	-	(462)	(16,849)
Disposals	-	-	-	-	-	-
Balance as at December 31, 2017	(126,949)	(20,324)	(14,004)	(29,668)	(21,789)	(212,734)
Depreciation	(25,722)	(825)	(1,568)	-	(1,690)	(29,805)
Disposals	-	-	-	-	-	-
Balance as at September 30, 2018	\$ (152,688)	\$ (21,149)	\$ (15,572)	\$ (29,668)	\$ (23,479)	\$ (242,539)
Carrying amounts						
December 31, 2016	\$ 15,676	\$ 6,686	\$ 3,589	\$ -	\$ 2,309	\$ 28,260
December 31, 2017	\$ 26,954	\$ 5,349	\$ 2,991	\$ -	\$ 1,847	\$ 37,141
September 30, 2018	\$ 75,755	\$ 4,524	\$ 1,423	\$ -	\$ 1,026	\$ 82,728

Method of depreciation is described in Note 3 (k) of the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016.

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

9. MINERAL PROPERTY INTERESTS

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

Mexico Portfolio

Ermitaño

In January 2014, the Company entered into an agreement with SilverCrest Mines Inc., now First Majestic Silver Corp. ("First Majestic"), whereby First Majestic can earn a 100% interest in the Ermitaño property subject to a 2% net smelter royalty ("NSR"). Ermitaño is located northeast of Hermosillo.

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

Cumobabi

In October 2014, the Company entered into an agreement with SilverCrest Mines Inc., now First Majestic, whereby First Majestic can earn a 100% interest in the Cumobabi property subject to a 1.5% NSR. Cumobabi is located northeast of Hermosillo.

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

Pursuant to the Cumobabi acquisition agreement (as amended) with Kiska Metals Corporation, now Centerra Gold Inc. ("Centerra"), the Company is required to issue further 25,000 and 50,000 shares on September 17, 2018 (issued) and 2019 respectively. In the event the property is put into commercial production (in which case it is acknowledged that the Company will receive an NSR in accordance with the terms of the First Majestic option agreement), Evrim will pay to Centerra one-third of all amounts Evrim receives under the NSR commencing on the date that is two years following the date on which the property commenced commercial production (as defined pursuant to the terms of the agreement governing the NSR). The project is subject to an additional 2% NSR payable to Mining Royalties Mexico S.A. de C.V.

EVIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

9. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

Cerro Cascaron

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

Harvest Gold Corporation (“Harvest”) option agreement

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

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

In April 2018, the completion date to fulfil the first years’ obligations was extended to December 31, 2018, for a fee of \$30,000. During the year, the Company received \$700,000 in advances from Harvest to be used on exploration expenditures. Of the advanced amounts, \$616,640 is included in cash as at September 30, 2018.

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.

EVRIM RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements
Nine Months Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

9. MINERAL PROPERTY INTERESTS, CONTINUED

Mexico Portfolio, continued

Sarape, continued

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

During the year, the Company received \$482,250 in advances from Coeur to be used on exploration expenditures. Of the advanced amounts, \$262,702 is included in cash as at September 30, 2018.

Callinan Royalties Corp. Alliance, now Altius Minerals Corp. ("Altius")

Effective December 18, 2012, the Company signed an agreement with Altius for a four-year, \$1.5 million, regional exploration alliance. Projects acquired during the term of the alliance were 100% owned by Evrim and subject to a 1.5% NSR in the case of precious metals and a 1.0% NSR in the case of base metals to Altius. Altius has the right of first offer on the sale of any alliance Project royalties owned by Evrim.

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

Canada Portfolio

Ball Creek Property

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

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

- (a) \$150,000 upon closing of the agreement (paid);
- (b) If the Company enters into an option agreement whereby the Company would receive payments related to the property at any time within the four years following the date of the agreement, the Company will be required to pay additional consideration of 40% of payments received during the first year, 30% of payments received during the second year, 20% of payments received during the third year and 10% of payments received during the fourth year; and

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9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Ball Creek Property, continued

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

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

Ball Creek Antofagasta agreement

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

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

During the year ended December 31, 2017, the Company received \$1,918,765 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, \$813,219 is included in cash as at September 30, 2018.

Axe Property

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

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

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

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9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Axe Property, continued

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

The property is located in south-central British Columbia. During the year, the Company has placed a reclamation bond in the amount of \$30,000.

Axe Antofagasta agreement

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

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

During the year ended December 31, 2017, the Company received \$1,270,100 in advances from Antofagasta to be used on exploration expenditures. Of the advanced amounts, \$143,752 is included in cash as at September 30, 2018.

Jacobite Property

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

EVRIIM RESOURCES CORP.

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9. MINERAL PROPERTY INTERESTS, CONTINUED

Canada Portfolio, continued

Jacobite Property, continued

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

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

The property is located in south-central British Columbia. During the period ended June 30, 2018, the Company placed a reclamation bond of \$3,000 for the property.

Newmont Alliance

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

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

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

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

During the period ended September 30, 2018, the Company received \$822,144 in advances from Newmont to be used on exploration expenditures for the second year. Of the advanced amounts, \$357,591 is included in cash as at September 30, 2018.

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9. MINERAL PROPERTY INTERESTS, CONTINUED

Government grant

The Company received a government grant of \$174,917 during the period ended September 30, 2018 (September 30, 2017 - \$153,000) for the exploration work carried out in Canada.

Exploration Expenditures

During the nine months ended September 30, 2018 and 2017, the Company incurred the following exploration expenditures that were expensed as incurred:

	Nine months ended September 30,	
	2018	2017
Air support	\$ 497,934	\$ 405,384
Camp and support	351,302	180,265
Chemical analysis	247,872	105,618
Data management and maps	43,145	63,333
Drilling	518,540	-
Geological services	1,180,005	703,204
Geophysical services	228,566	-
Materials and supplies	99,754	11,526
Project Management	7,519	-
Recording and filing	151,890	93,370
Travel	152,188	70,214
	\$ 3,478,715	\$ 1,632,914

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2018	December 31, 2017
Trade payables	\$ 425,065	\$ 101,435
Tax payable	339,937	-
Accrued liabilities	28,782	34,355
	\$ 793,784	\$ 135,790

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

EVRIM RESOURCES CORP.

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11. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Company's exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. Management's current estimate of reclamation and other future site restoration costs to be incurred for existing mineral property interests has been included in these consolidated financial statements as provision for environmental rehabilitation.

The undiscounted amount of the estimated cash flows required to settle the obligations, which are expected to be paid over the next four years, is \$46,224 (December 31, 2017 - \$46,224).

Balance, December 31, 2016	\$	27,919
Revision in estimates		18,305
Balance, December 31, 2017		46,224
Foreign exchange effect		-
Balance, September 30, 2018	\$	46,224

12. COMMITMENTS AND CONTINGENCIES

- (a) On November 27, 2013, the Company signed a lease for its head office located at 910 - 850 West Hastings Street, Vancouver, British Columbia, effective March 1, 2014 to February 28, 2020. This lease is classified as an operating lease. The Company has made a security deposit equivalent to two months' rent. At September 30, 2018, the Company has future minimum annual lease commitments as follows:

	Less than one year	One to five years
Lease payment	\$ 40,236	\$ 16,765
Operating costs (estimate)	41,754	17,723
Total	\$ 81,990	\$ 34,488

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

	Less than one year	One to five years
Photocopier lease payment	\$ 2,580	\$ 10,320

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13. ISSUED CAPITAL

(a) Authorized and issued

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

During the period ended September 30, 2018, the Company completed a strategic private placement with Newmont. A total of 4,848,401 shares of the Company were issued to Newmont at a price of \$1.50 per share for gross proceeds of \$7,272,602.

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

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

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

(b) Incentive stock options

The Company has a rolling stock option plan (the "Plan") that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares at any given time. The Plan allows the board of directors to grant stock options of the Company to encourage equity participation among senior officers, employees, consultants and directors through the acquisition of common shares of the Company.

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

EVRIM RESOURCES CORP.

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13. ISSUED CAPITAL, CONTINUED

(b) Incentive stock options, continued

Changes in share purchase options during the period

	September 30, 2018		September 30, 2017	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at beginning of the year	5,925,000	\$ 0.25	100,000	\$ 0.18
Granted	-	\$ -	-	\$ -
Exercised	(63,333)	\$ -	-	\$ -
Forfeited/Expired	-	\$ -	-	\$ -
Outstanding at end of the period	5,861,667	\$ 0.25	100,000	\$ 0.18
Options exercisable at end of the period	1,386,667	\$ 0.25	100,000	\$ 0.18

The following share purchase options were outstanding at September 30, 2018.

Expiry date	Options outstanding (number of shares)	Options exercisable (number of shares)	Exercise price	Weighted average remaining life
May 13, 2020	100,000	100,000	\$ 0.18	1.62
November 9, 2022	5,761,667	1,286,667	\$ 0.25	4.11
	5,861,667	1,386,667	\$ 0.25	4.07

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

Volatility was estimated using historical prices of the Company's shares.

The total share-based compensation expense charged against operations for the period ended September 30, 2018 was \$317,034 (September 30, 2017 – \$Nil). The Company did not issue any options during the period ended September 30, 2017.

(c) Share purchase warrants

Warrant exercise

During the nine months ended September 30, 2018, 13,096,970 warrants and 528,954 finders' warrants were exercised with an exercise price range of \$0.25 to \$0.50 for gross proceeds of \$3,643,222 and \$87,854 was reclassified from contributed surplus to capital stock.

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13. ISSUED CAPITAL, CONTINUED

(c) Share purchase warrants, continued

The following share purchase warrants were outstanding at September 30, 2018 and 2017.

Exercise price	Expiry date	Balance December 31, 2017	Expired unexercised	Exercised during the period	Balance September 30, 2018
\$0.25	December 16, 2020 ⁽ⁱ⁾	12,568,800	(313,000)	(12,255,800)	-
\$0.50	May 19, 2020	7,174,880	-	(841,171)	6,333,629
\$0.30	November 19, 2018	565,704	-	(528,954)	36,750
		20,309,384	(313,000)	(13,625,925)	6,370,379
Weighted average exercise price		\$0.34	0.25	0.27	\$0.50
Weighted average remaining life		2.70			1.63

Exercise price	Expiry date	Balance December 31, 2016	Issued during the year	Exercised during the year	Balance September 30, 2017
\$0.12	December 16, 2017	7,200	-	(4,500)	2,700
\$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	(4,500)	20,316,584
Weighted average exercise price		\$0.25	0.49	0.12	\$0.34
Weighted average remaining life		3.96			3.20

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

14. RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties are disclosed below.

(a) Due to related parties

At September 30, 2018 and 2017, there were no balances owing to related parties.

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14. RELATED PARTY TRANSACTIONS, CONTINUED

(b) Transactions involving related parties

Effective March 1, 2016, the Company entered into an agreement with Mirasol Resources Ltd. to share Chief Financial Officer services, office administration support services and office sharing. Evrim received \$93,378 during the period ended September 30, 2018 (September 30, 2017 - \$114,818), which was set off against the related costs. As at September 30, 2018, \$4,445 (September 30, 2017 - \$13,691) is included in amounts receivable. The Chief Financial Officer services ended in June 30, 2018.

During the period ended September 30, 2018, the Company paid \$37,495 (September 30, 2017 - \$14,217) for community engagement services to a company with a director in common.

During the year ended December 31, 2017, the Company entered into an option agreement to purchase a 100% interest in the Jacobite property from a company beneficially owned by a director.

(c) Compensation of key management personnel

The remuneration paid to directors and other key management personnel during the period ended September 30, 2018 and 2017 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Salaries of senior executives ⁽ⁱ⁾	\$ 195,000	\$ 170,000	\$ 585,000	\$ 470,833
Short term employee benefits ⁽ⁱⁱ⁾	7,959	7,641	23,877	20,774
Non-executive directors' fees	30,000	29,500	90,000	86,500
Stock base compensation	77,951	-	231,312	-
	\$ 310,910	\$ 207,141	\$ 930,189	\$ 578,107

- (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 September 30, 2018 and 2017.

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15. SEGMENTED INFORMATION

During the period ended September 30, 2018 and 2017, the Company operated in one industry segment: mineral exploration; within three geographic segments: Canada, United States and Mexico. The Company and all subsidiaries are operated as one entity with a common management located at the Company's head office. The Company's non-current assets by geographic areas for the period ended September 30, 2018 and 2017 are as follows:

September 30, 2018	Canada	United States	Mexico	Total
Non-current assets				
Prepaid rent and deposits	\$ 11,208	\$ -	\$ -	\$ 11,208
Equipment	69,945	-	12,783	82,728
Reclamation bond	53,000	-	-	53,000
	<u>\$ 134,153</u>	<u>\$ -</u>	<u>\$ 12,783</u>	<u>\$ 146,936</u>

September 30, 2017	Canada	United States	Mexico	Total
Non-current assets				
Prepaid rent and deposits	\$ 11,208	\$ -	\$ -	\$ 11,208
Equipment	30,162	-	10,041	40,204
Reclamation bond	30,500	-	-	30,500
	<u>\$ 71,870</u>	<u>\$ -</u>	<u>\$ 10,041</u>	<u>\$ 81,912</u>

The Company's mineral property revenues by geographic areas for the period ended September 30, 2018 and 2017 are as follows:

	September 30, 2018		
	Canada	Mexico	Total
Revenues			
Property option proceeds	\$ -	\$ 225,380	\$ 225,380
Sale of property rights	-	1,973,775	1,973,775
Project management fees	144,897	12,650	157,547
	<u>\$ 144,897</u>	<u>\$ 2,211,805</u>	<u>\$ 2,356,702</u>

	September 30, 2017		
	Canada	Mexico	Total
Revenues			
Property option proceeds	\$ -	\$ 116,675	\$ 116,675
Project management fees	33,824	12,644	46,468
	<u>\$ 33,824</u>	<u>\$ 129,319</u>	<u>\$ 163,143</u>

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16. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

The fair values of cash and cash equivalents, short term investments, amounts receivable, accounts payable and accrued liabilities, and joint venture partner deposits approximate their carrying values due to the short-term to maturities of these financial instruments. The fair value of the marketable based on the closing price at the end of the quarter.

(b) Categories of financial instruments

	September 30, 2018	December 31, 2017
Financial assets		
<i>FVTPL</i>		
Cash and cash equivalents	\$ 9,611,978	\$ 6,283,430
Short term investments	7,200,000	-
Marketable securities	85,000	45,000
<i>Loans and receivables</i>		
Amounts receivable	78,868	33,910
	\$ 16,975,846	\$ 6,362,340
Financial liabilities		
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	\$ 453,847	\$ 135,790
Joint venture partner deposit	2,193,904	2,918,046
	\$ 2,647,751	\$ 3,053,836

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

(c) Foreign currency risk

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

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16. FINANCIAL RISK MANAGEMENT, CONTINUED

(c) Foreign currency risk, continued

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

	September 30, 2018 (US*)	September 30, 2018 (MXN*)	December 31, 2017 (US*)	December 31, 2017 (MXN*)
Cash	\$ 3,189,472	\$ 86,424	\$ 1,450,022	\$ 89,290
Amounts receivable	-	-	-	-
Accounts payable and accrued liabilities	(15,221)	(1,085)	695	-
Joint venture partner deposits	(311,496)	-	-	-
Net assets denominated in foreign currencies	\$ 2,862,755	\$ 85,340	\$ 1,450,717	\$ 89,290

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

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by 2.05% (December 31, 2017 – 1.59%).

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

Period ended September 30,	2018		2017	
	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate	10% Increase in MXN : CAD rate	10% Increase in USD : CAD rate
Change in net loss and comprehensive loss	\$ 116,189	\$ 229,917	\$ 49,492	\$ 163,922

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16. FINANCIAL RISK MANAGEMENT, CONTINUED

(d) Interest rate risk

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

(e) Credit risk

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

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

	September 30, 2018	December 31, 2017
Short-term money market instruments	\$ 12,100,000	\$ 2,570,712
Cash bank accounts	4,711,978	3,712,718
Amounts receivable	78,868	33,910
Total	\$ 16,890,846	\$ 6,317,340

At September 30, 2018, the Company's short-term money market instruments were invested in GICs earning annual interest rates of 1.55% to 2.33%.

(f) Liquidity risk

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

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16. FINANCIAL RISK MANAGEMENT, CONTINUED

(f) Liquidity risk, continued

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments. The Company staggers the maturity dates of its investments over different time periods when feasible to maximize interest earned. The Company has invested part of the excess cash flow through a financial institution.

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

Due Date	Accounts Payable and Accrued Liabilities	
	September 30, 2018	December 31, 2017
0 – 90 days	\$ 425,065	\$ 101,435
90 – 365 days	28,782	34,355
365 + days	-	-
Total	\$ 453,847	\$ 135,790

(g) Other price risk

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