

APPENDIX 2

Response to 2015 AANDC Water License Inspection Report



October 28th, 2015

VIA EMAIL

Eva Paul
Water Resources Officer
Aboriginal Affairs and Northern Development Canada
Nunavut Regional Office
Building 969, PO BOX 2200
IQALUIT, NUNAVUT XOA0H0

RE: 2015 Water License Inspection (Ref: 2BE-CRA1520)

Dear Ms. Paul,

This letter is to advise you that remedial work has been taken to address the “action items” outlined in your July 21, 2015 Inspection of the Committee Bay Project (NWB Licence # 2BE-CRA1520).

Remedial action completed included:

- Item 1
 - REQUEST: Please Submit photos of completed grease trap at Bullion.
 - ACTION TAKEN: An ‘improvised’ grease trap at Bullion Camp was completed on July 22, 2015. Photos are attached to this letter.
- Item 2
 - REQUEST: Please verify that Methyl Hydrate is included in Spill Plan and submit an addendum if necessary.
 - ACTION TAKEN: Methyl Hydrate was added was to the NCGC Spill Prevention and Response Plan (‘plan’) Revision 3. (Section 10.4, Page 20). A copy of the amended page of the plan is attached to this letter. A revised plan will be included as an Appendix to the 2015 Annual Report.
- Item 3
 - REQUEST: Please ensure proper documentation of the company name change and any change of contact information is submitted to the NWB.
 - ACTION: At this point in time North Country Gold Corp. remains the operator of the Committee Bay Project but is now a 100% owned subsidiary of Auryn Resources Inc. The NWB will be advised in the event of further company amalgamation or name changes but at this time, the Company will maintain the status quo. Simeon Robinson will remain as the primary point of contact (details attached).



I trust that this letter provides the necessary information required to satisfy the action items requested in the 2015 Water Licence Inspection.

Please do not hesitate to contact myself or Peter Rees (CFO and Corporate Secretary, Auryn Resources Inc.) should you have any questions regarding this matter using the contact details below.

Simeon Robinson
Email: Simeon.Robinson@AurynResources.com

Peter Rees
Email: Peter.Rees@AurynResources.com

Yours sincerely,

North Country Gold Corp.

Simeon Robinson, P.Geol.
Project Manager

cc:

Phyllis Beaulieu, Manager of Licensing, NWB
Erik Allain, Manager of Field Operations, AANDC
Tracey McCaie, Manager of Land Administration, AANDC
Peter Rees, CFO and Corporate Secretary, Auryn Resources Inc.

ITEM 1: Photos of Bullion grease trap.



ITEM 2: NCGC Spill Prevention and Response Plan (Section 10.4, Page 20).

10.4 Methyl Hydrate

Methyl hydrate is classified as a flammable substance (TDG class 3) and a poisonous substance (TDG class 6.1) therefore is reportable for spills 5 litres or greater.

- Take action only if safe to do so
- Eliminate ignition sources (methyl hydrate is extremely flammable)
- Stop the source flow/move containers from spill area if safe to do so
- Appropriate personal protective equipment (chemical resistant, impervious gloves, splash goggles, air purifying or air fed respirator, coveralls) should be worn at all times

On Land

Small spills

- Dilute with water and mop up, absorb with absorbent pads or absorb with dry absorbent material (sand, earth etc).
- Commence with the removal of any contaminated absorbent material using spark proof tools and explosion proof equipment
- Place contaminated material into drums for shipping offsite.

Large Spills

- Approach release from upwind
- Prevent entry into water courses using containment booms or by constructing earth berms
- Contain and collect spillage with non-combustible absorbent material (sand, earth, vermiculite or diatomaceous earth)
- Commence with the removal of any contaminated absorbent material using spark proof tools and explosion proof equipment
- Place contaminated material into drums for shipping offsite.

On Water

- Methyl Hydrate is completely soluble in water. Use of methyl hydrate proximal to water bodies should be avoided where possible.

On Ice and Snow

- Build a containment berm around spill using snow
- Remove spill using absorbent pads or non-combustible absorbent material
- The absorbent materials and contaminated ice and snow must be scraped and shovelled into plastic buckets or drums using spark proof tools and explosion proof equipment

Storage /Transfer

- Contaminated materials should be segregated and stored in sealed labelled containers
- Contaminated absorbent material may pose the same hazards as the spilled material
- Containers will be stored in accordance with NCGC Waste Management Plan