



Application for Water Licence Renewal

Document Date: April 2013

Application Submission Date: December 20, 2019
Month/Day/Year

P.O. BOX 119
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NUNAVUT IMALIRIYIN KATIMAYIT
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

| | Description | Date |
|------|----------------------------------------------------------------------------|------------|
| (1) | Updated for public distribution as separate document from NWB Guide 7 | June 2010 |
| (2) | Updated NWB logos and reformatted table to allow rows to break across page | May 2011 |
| (3) | New NWB logo and request for background information | April 2013 |
| (4) | | |
| (5) | | |
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| (7) | | |
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| (9) | | |
| (10) | | |



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APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: *Licensee Requirements Following the Issuance of a Water Licence* for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-CRA1015

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: [North Country Gold Corp.](#)

Address: 600 - 1199 West Hastings Street, Vancouver, BC, V6E 3T5

Phone: [\(778\) 729 0600](#)

Fax: [\(778\) 729 0650](#)

e-mail: bryan.atkinson@aurynresources.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: Bryan Atkinson

Address: 600 - 1199 West Hastings Street, Vancouver, BC, V6E 3T5

Phone: [\(780\) 919 6086](#)

Fax: [\(778\) 729 0650](#)

e-mail: bryan.atkinson@aurynresources.com

[See Appendix 1](#)

3. NAME OF PROJECT

Is the name of the project the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the name of the project including the name of the location: [Committee Bay Project](#)

4. LOCATION OF UNDERTAKING

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Project Extents

| | |
|----------------------------------|--------------------------------|
| NW: Latitude: (67 ° 28 ' 38 " N) | Longitude: (093 ° 32 ' 27 " W) |
| NE: Latitude: (67 ° 28 ' 38 " N) | Longitude: (088 ° 37 ' 56 " W) |
| SE: Latitude: (66 ° 03 ' 58 " N) | Longitude: (088 ° 37 ' 56 " W) |
| SW: Latitude: (66 ° 03 ' 58 " N) | Longitude: (093 ° 32 ' 27 " W) |

Camp Location(s)

| | |
|---------------------------------------------|---------------------------------|
| Hayes Camp - Latitude: (66 ° 39 ' 30 " N) | Longitude: (091 ° 32 ' 11 " W) |
| Bullion Camp - Latitude: (66 ° 23 ' 39 " N) | Longitude: (093 ° 06 ' 55 " W) |
| Ingot Camp - Latitude: (66 ° 35 ' 40 " N) | Longitude: (092 ° 37 ' 34 " W) |
| Crater Camp - Latitude: (67 ° 22 ' 19 " N) | Longitude: (088 ° 51 ' 24 " W) |

5. MAP

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

☒ Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: _____ Map Name: _____ Map Scale: _____

[Please see Appendix 2](#)

6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

Commercial Lease 056J-11-1-2 – issued 30th June 2011, expiry 30th June 2021
Commercial Lease 056J-12-1-2 – issued 30th June 2011, expiry 30th June 2021

Surface

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

N2014C0005 – issued 29th April 2014, expires 28th April 2021
N2014C0002 – issued 24th April 2014, expires 23rd April 2021

☒ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ Date of expiry: _____

KTL314C003 – issued 25th May 2019, expires 24th May 2020

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____
Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin ☒ Keewatin
☐ South Baffin ☐ Sanikiluaq
☐ Akunnig ☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. [Project proposal was screened reviewed by the NPC on 27 February, 2007; 11 March 2010; January 29, 2015 and project conformed to Keewatin Regional Land Use Plan \(see attached letter - Appendix 3\). The 2014 amendment to the water licence was reviewed by the NPC and given a positive determination.](#)

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy.

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

[There is no change in the scope of works requested in this Water Licence renewal application.](#)

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. [The Committee Bay Project was initially screened by the NIRB on the 11th May 2007. Additional screening was completed by the NIRB on 26 February 2010 in conjunction with the issuance of 2BE-CRA1015 and again on the 28th of January 2011 in conjunction with 2BECRA1015 Amendment 1 and most recently on January 29, 2015 \(please see attached letter – Appendix 3\)](#)

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

[No additional screening by the NIRB is expected as there is no change in the scope of works requested in this Water Licence renewal application.](#)

9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal.

Please see attached Appendix 2

Plans/Drawings:

Committee Bay Project Location Map (1:5.5 million)

Committee Bay Project Overview (1:1 million)

Hayes Camp Infrastructure Layout – Camp and Airstrip (1:5000)

Hayes Camp Layout – 1:1000

Bullion Camp Layout – annotated photo, 1:1000

Ingot Camp Layout – annotated photo, schematic

Hayes Camp to Three Bluffs road Commercial Lease Boundary – 1:22,000

Drill Water Supply System – 1:25,000

10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

☐ Industrial

☐ Agricultural

☒ Mining and Milling (includes exploration/drilling/exploration camps)

☐ Conservation

☐ Municipal (includes camps/lodges)

☐ Recreational

☐ Power

☐ Miscellaneous (describe below):

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- | | |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <input checked="" type="checkbox"/> To obtain water for camp/ municipal purposes | |
| <input type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To divert a watercourse |
| <input checked="" type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To alter the flow of, or store water | <input type="checkbox"/> Flood control |
| <input checked="" type="checkbox"/> Other: Exploration Drilling | |

13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence?

☒ Yes

☐ No

Name of water source(s): [Please see camp maps \(Appendix 2\)](#)
(show location(s) on map)

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s):
[Water is regularly tested and is suitable for drinking.](#)

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes ☐ No

Provide the overall estimated quantity of water to be used: [295 m³/day](#)

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source:

[50 m³/day from Sandspit Lake to support Hayes Camp](#)
[245 m³/day to support drilling activities](#)

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc

[7 diamond drills = 35 m³/day each = 245 cubic m³/day](#)

[Up to 100 man camp \(including Hayes, Bullion, Ingot and Crater Camps = 50 m³/day](#)

Are the method(s) of extraction the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the method(s) of extraction: [Same as existing](#)

[Hayes Camp, Bullion Camp, Ingot Camp, Crater Camp – water is pumped from water source.](#)

[Drill Water System – water is pumped using floating submersible flight pump.](#)

[All pump intake lines are equipped with screens to prevent fish becoming entrained.](#)

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Estimated quantity(s) of water returned to source(s): [0 m³/day](#)

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): [Not applicable](#)

14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

- | | |
|-------------------------------------------------------------|--------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input checked="" type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

| Type of Waste | Composition | Quantity Generated | Treatment Method | Disposal Method |
|---------------------------|--------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Sewage / sludge | Raw sewage waste collected in pacto bags <u>or</u> from wash car toilets | up to 0.05 m ³ (~50 litres) | Treated by WWTS when camp sufficient size to operate WWTS. Pacto bags are incinerated. | Pacto bags are incinerated. Dried sewage sludge from WWTS is incinerated. |
| Grey water | Kitchen, bathing and laundry water | up to 14.95 m ³ (~14,950 litres) | Treated by WWTS when camp sufficient size to operate WWTS. In other instances grey water collected in covered sump. | Onsite treatment by WWTS or collection in sumps. |
| Hazardous waste | Contaminated fuels/soil, used oil, waste batteries | Variable | Stored in sealed containers and backhauled. | Backhauled to approved hazardous waste disposal facility. |
| Bulk items / scrap metals | Metals, empty drums | Variable | Stored and backhauled | Backhauled for recycling |
| Waste oils | Waste oil products | Variable (<0.005 m ³ ~ 5 litres/day) | Stored in sealed containers or burnt in waste oil furnace | Backhauled to approved recycling facility or burnt in waste oil furnace. |
| Solid wastes | Paper, plastic, wood, etc | Up to 2 m ³ (compressed) | Incinerated or sorted for recycling | Ash backhauled to approved disposal facility. Recyclables sorted and backhauled. |

16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

☒ Yes ☐ No

For each provide the following:

Authorization: [Quarry Permit \(to be renewed prior to ongoing quarrying\)](#)

Administering Agency: [AANDC](#)

Project Activity: [Quarrying of up to 10,000m³ of material from local borrow sites to generate ¾ inch crush to complete construction of the Hayes Camp airstrip.](#)

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☒ Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

☒ Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

NCGC met with the Kitikmeot Inuit Association board of directors in February and April 2019. No concerns were expressed at this time. NCGC was asked about the availability of jobs. NCGC will be hiring from local communities in the region on recommencement of work.

21. SECURITY INFORMATION

Is the financial security assessment the same as that considered in the existing water licence?

X Yes No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

Yes X No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

Please see NCGC Abandonment and Reclamation Plan for details. Reclamation costs have been updated for the current state of activities at site with costs updated to 2019 - See appendix 4.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an updated statement of financial security.

Please see attached appendix 5

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

Yes ☒ No ☐

Provide a list of the officers of the company.

Ivan Bebek (Executive Chairman and Director)

Shawn Wallace (President and Chief Executive Officer and Director)

Michael Henrichsen (Chief Operating Officer)

Stacy Rowa (Chief Financial Officer)

David Smthson (Vice President – Exploration)

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

Please see attached Appendix 6

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

AANDC Water Resources Officer completed inspection of Committee Bay Project in July 2018 and noted a number of minor deficiencies/licence contraventions. NCGC completed remedial action and provided a remedial action report (Please see Appendix 7)

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☒ Yes ☐ No

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: April 2020 Proposed Completion Date: September 2030
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation

☐ Winter ☒ Spring ☒ Summer ☒ Fall ☐ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? 3rd March 2020

Indicate the proposed term of the renewal (maximum of 25 years): 10 years

Requested date of renewal issuance: 1st March 2020 Requested Expiry Date: 1st March 2030
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

☒ Yes ☐ No If no, date expected _____

Updated plans, including designs and reports (see Block 23).

☒ Yes ☐ No If no, date expected _____

Updated security assessment (see Block 21).

☒ Yes ☐ No If no, date expected _____

Updated financial statement (see Block 22).

☒ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

☒ Yes ☐ No If no, date expected _____

English Summary of Renewal Application.

Yes X No If no, date expected __January 20th, 2020_____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

☒ Yes ☐ No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☒ Yes ☐ No If no, date expected _____

28. SIGNATURE

I, Bryan Atkinson (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.



Signature

December 20, 2019

Date

Appendix 1 -Authorization Letter



December 20, 2019

Licensing Department
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 0J0

RE: Authorization Letter for North Country Gold Corp. Water Licence NWB-2BE-CRA1520

To whom it may concern,

North Country Gold Corp. authorizes Bryan Atkinson to act as the company's licence representative.

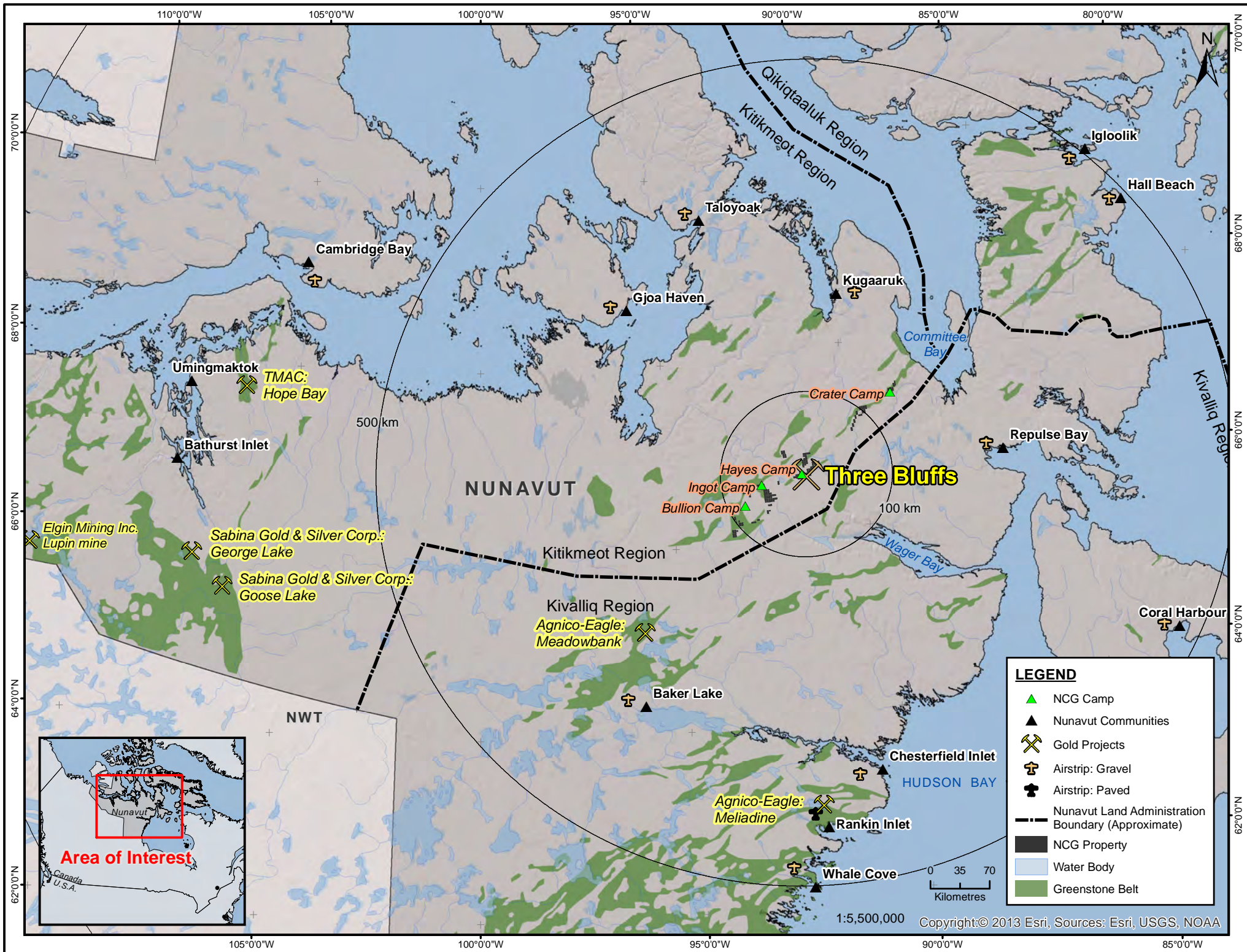
Sincerely,

North Country Gold Corp.

Stacy Rowa
Chief Financial Officer
Stacy.rowa@aurynresources.com

APPENDIX 2

| Plan / Drawing | Scale |
|------------------------------------------------------------|-----------------|
| Location Map | 1:5,500,000 |
| Committee Bay Overview map | 1:1,000,000 |
| Hayes Camp infrastructure layout | 1:5,000 |
| Hayes Camp Layout | 1:1,000 |
| Bullion Camp Layout | Annotated Photo |
| Bullion Camp | 1:1,000 |
| Ingot Camp Layout | Annotated Photo |
| Ingot Camp | Schematic |
| Hayes Camp to Three Bluffs road Commercial Lease Boundary | 1:22,000 |
| Three Bluffs drill infrastructure (Drill water system etc) | 1:25,000 |

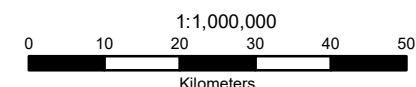


Legend

- ▲ NCG Camp
- ★ NCG Gold Occurrence
- ▤ IOL (Subsurface)
- ▨ IOL (Surface)
- NCG Claims
- NCG Leases
- Nunavut Land Administration Boundary (Approximate)

North Country Gold Corp

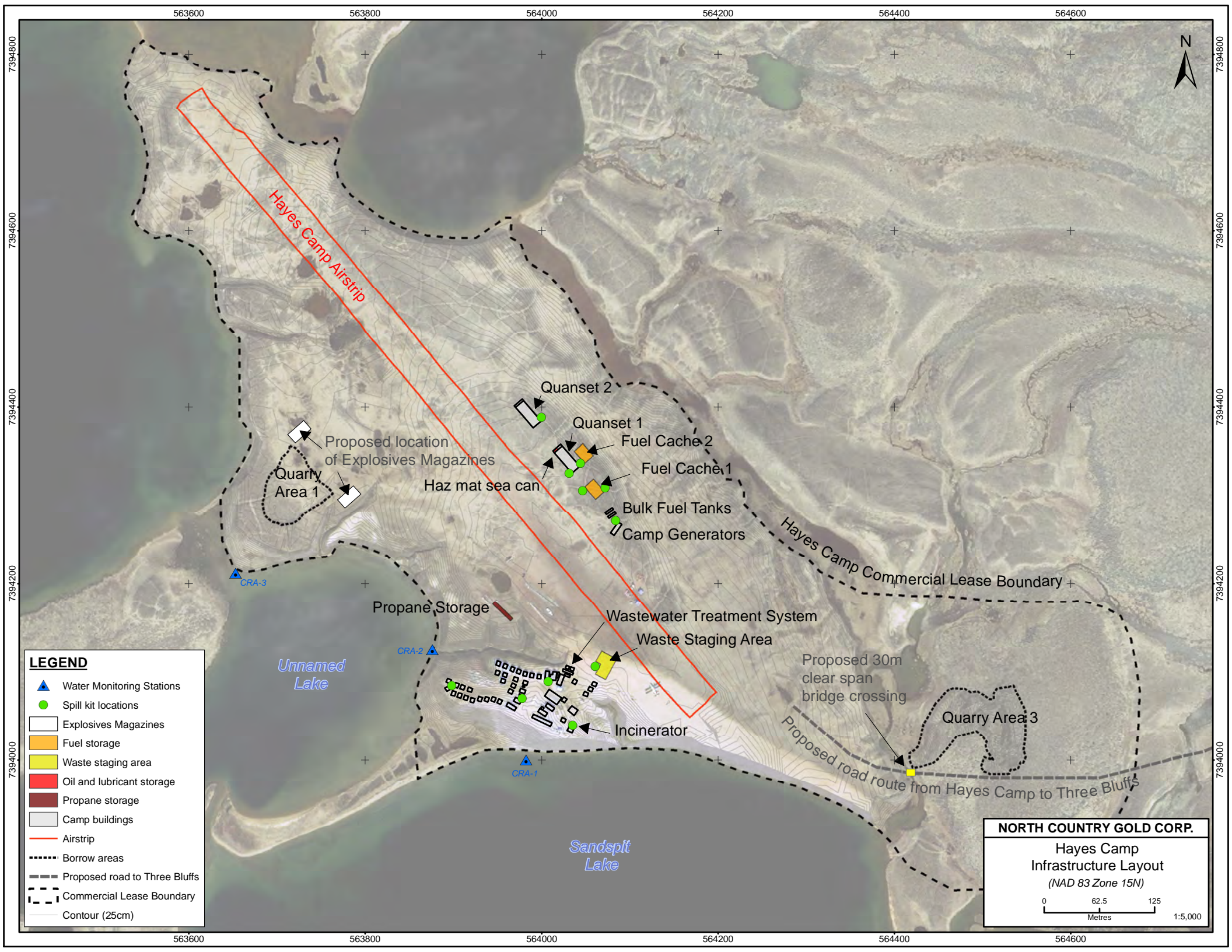
Committee Bay Project Overview

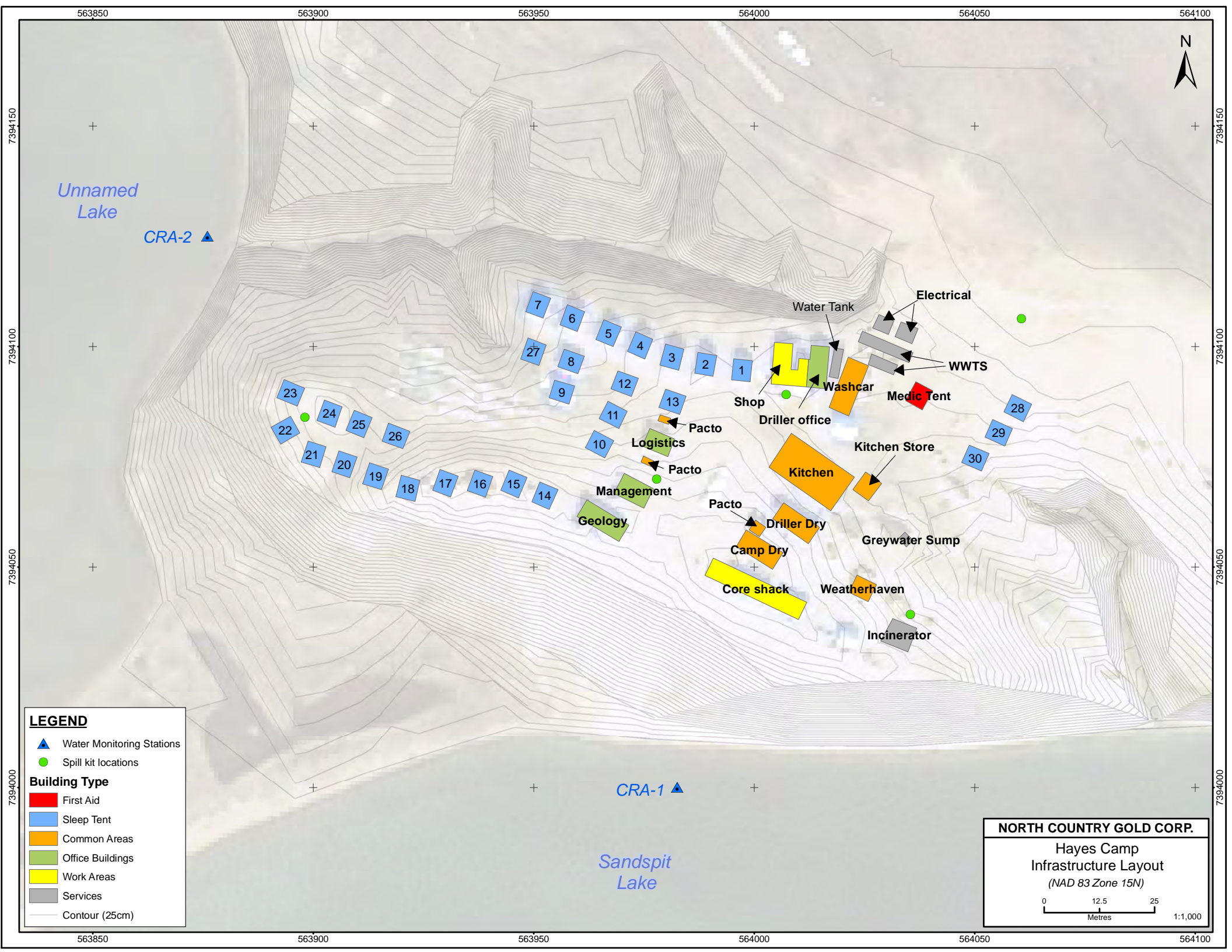


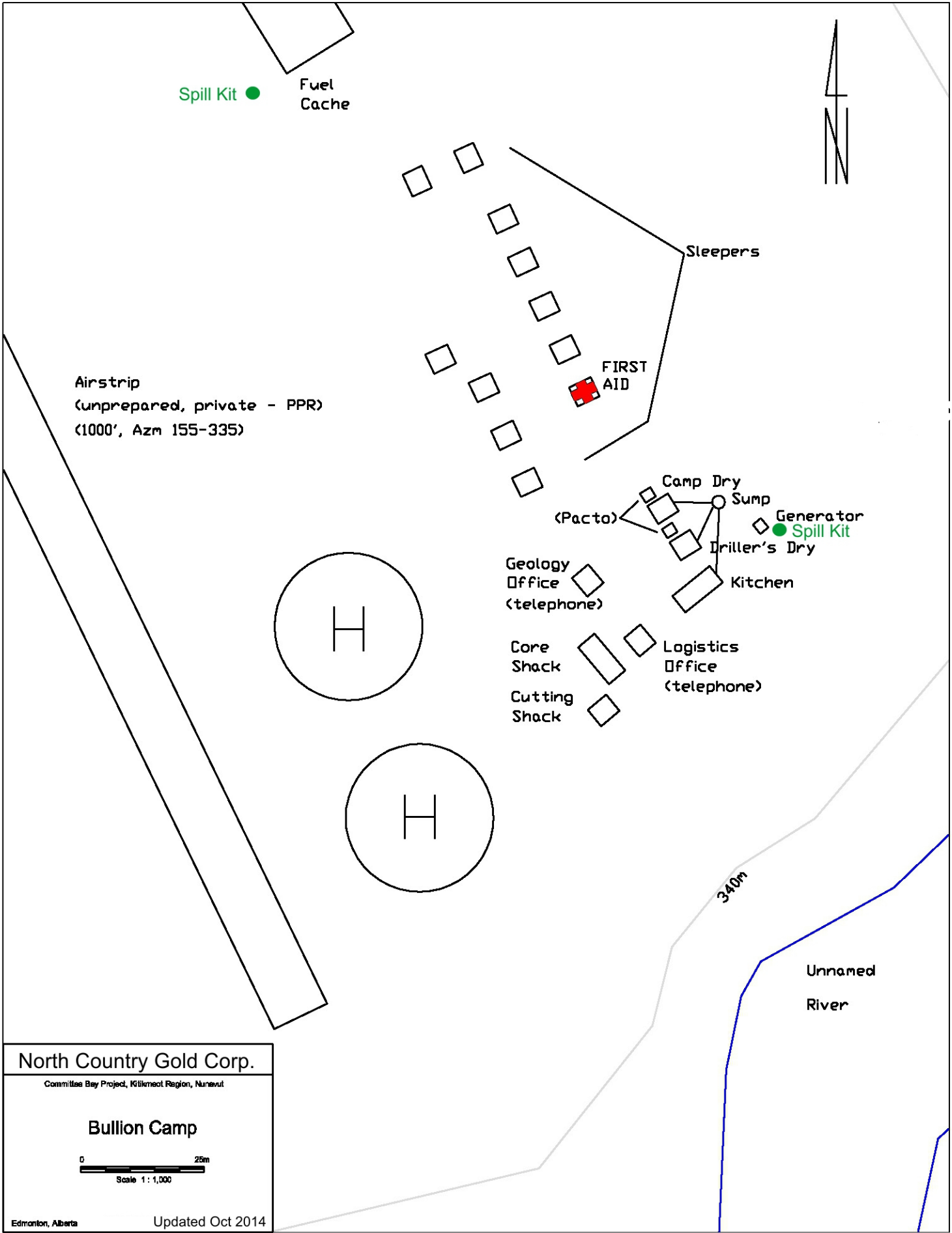
December, 2019

NAD 1983 Zone 15N

Source: Esri, DigitalGlobe, GeoEye, Earthstar G
AeroGRID, IGN, and the GIS User Community







North Country Gold Corp.

Committee Bay Project, Kitikmeot Region, Nunavut

Bullion Camp

025m

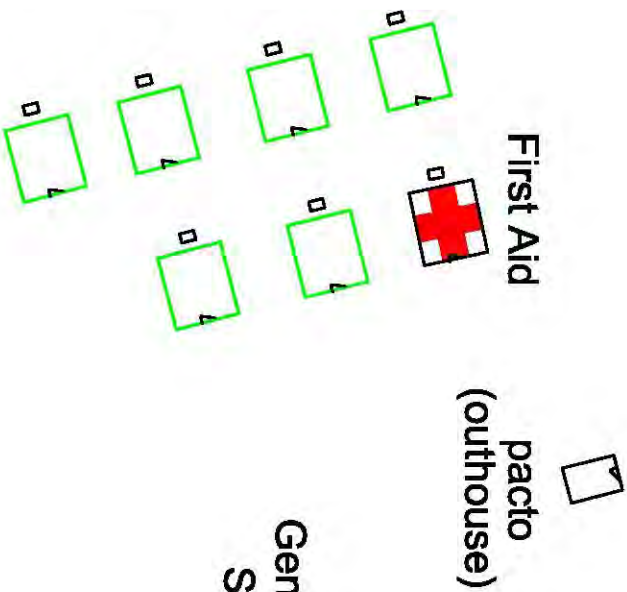
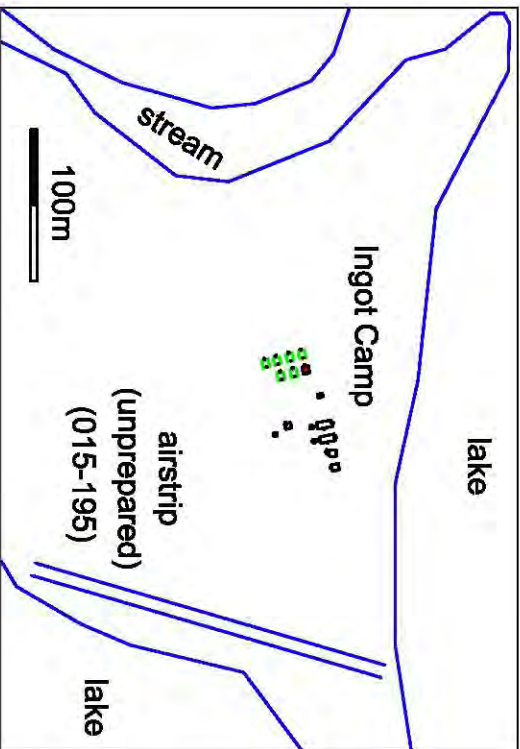
Scale 1 : 1,000

Edmonton, Alberta

Updated Oct 2014



Bullion Camp August 2019



Tent (temp) - Canvas
on Aluminum Frame



Tent/Shack - Canvas on
Wood Floor and Frame



fuel
drum

North Country Gold Corp.

Kitikmeot Region, Nunavut, Canada

Ingot Camp

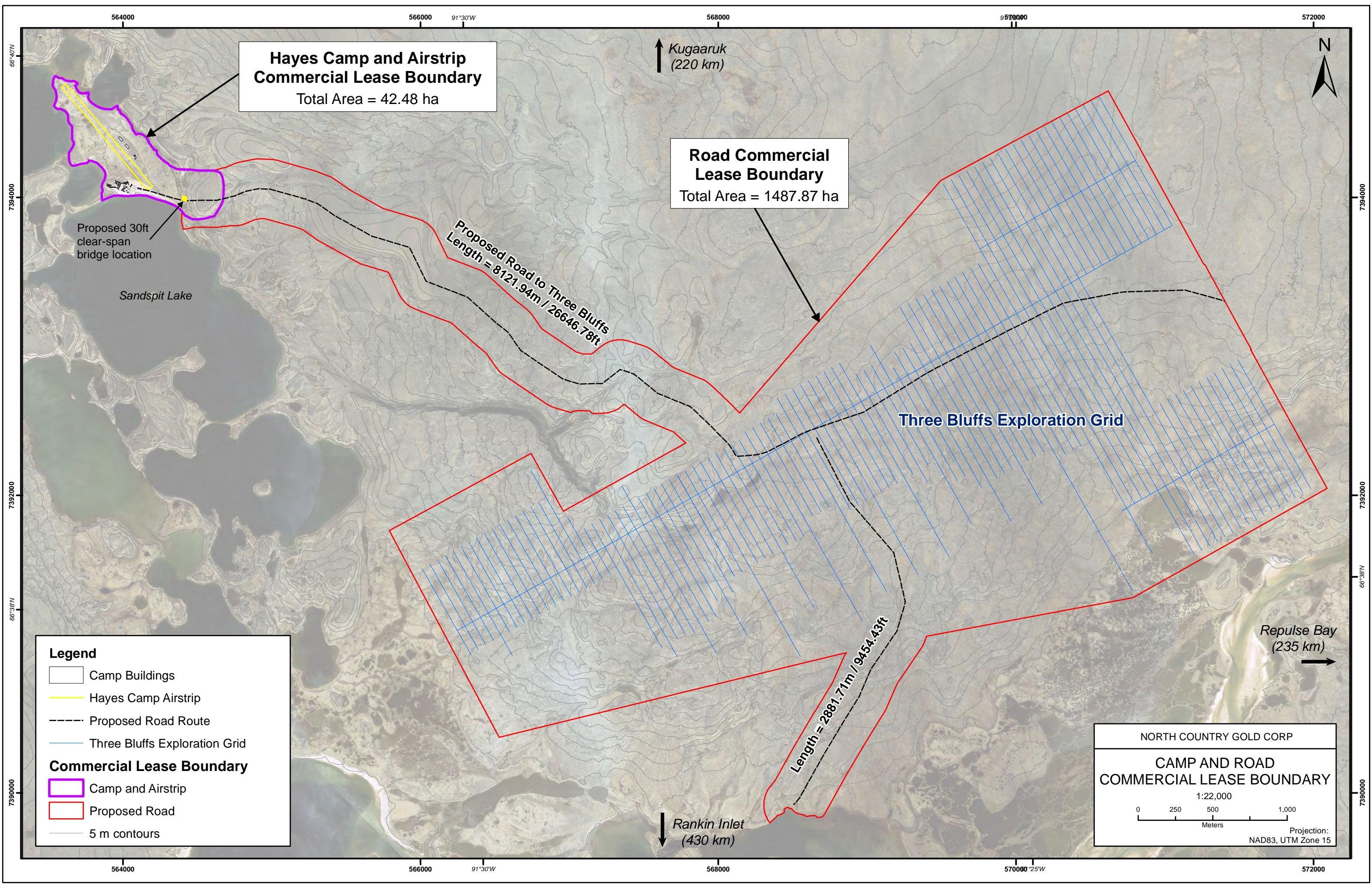


Edmonton, AB

Updated Oct 2014



Ingot Camp, July 2018



**Hayes Camp and Airstrip
Commercial Lease Boundary**
Total Area = 42.48 ha

**Road Commercial
Lease Boundary**
Total Area = 1487.87 ha

Proposed Road to Three Bluffs
Length = 8121.94m / 26646.78ft

Length = 2881.71m / 9454.43ft

Three Bluffs Exploration Grid

- Legend**
- Camp Buildings
 - Hayes Camp Airstrip
 - Proposed Road Route
 - Three Bluffs Exploration Grid
- Commercial Lease Boundary**
- Camp and Airstrip
 - Proposed Road
 - 5 m contours

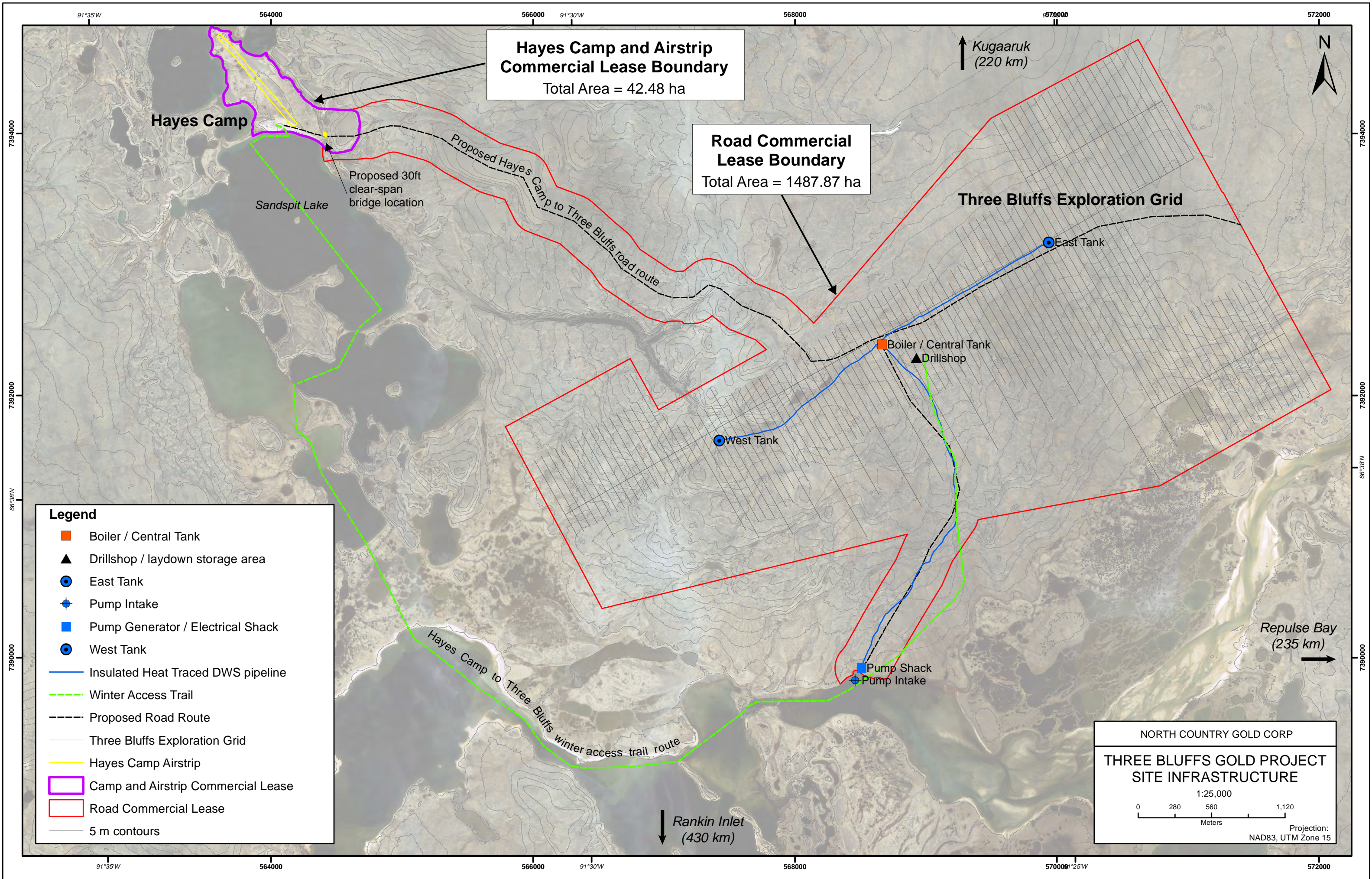
NORTH COUNTRY GOLD CORP

**CAMP AND ROAD
COMMERCIAL LEASE BOUNDARY**

1:22,000

0 250 500 1,000
Meters

Projection:
NAD83, UTM Zone 15



**Hayes Camp and Airstrip
Commercial Lease Boundary**
Total Area = 42.48 ha

**Road Commercial
Lease Boundary**
Total Area = 1487.87 ha

Three Bluffs Exploration Grid

Hayes Camp

Sandspit Lake

Proposed 30ft
clear-span
bridge location

Proposed Hayes
Camp to Three Bluffs road route

West Tank

Boiler / Central Tank
Drillshop

East Tank

Pump Shack
Pump Intake

Hayes Camp to Three Bluffs winter access trail route

Repulse Bay
(235 km)

Rankin Inlet
(430 km)

Kugaaruk
(220 km)

Legend

- Boiler / Central Tank
- Drillshop / laydown storage area
- East Tank
- Pump Intake
- Pump Generator / Electrical Shack
- West Tank
- Insulated Heat Traced DWS pipeline
- Winter Access Trail
- Proposed Road Route
- Three Bluffs Exploration Grid
- Hayes Camp Airstrip
- Camp and Airstrip Commercial Lease
- Road Commercial Lease
- 5 m contours

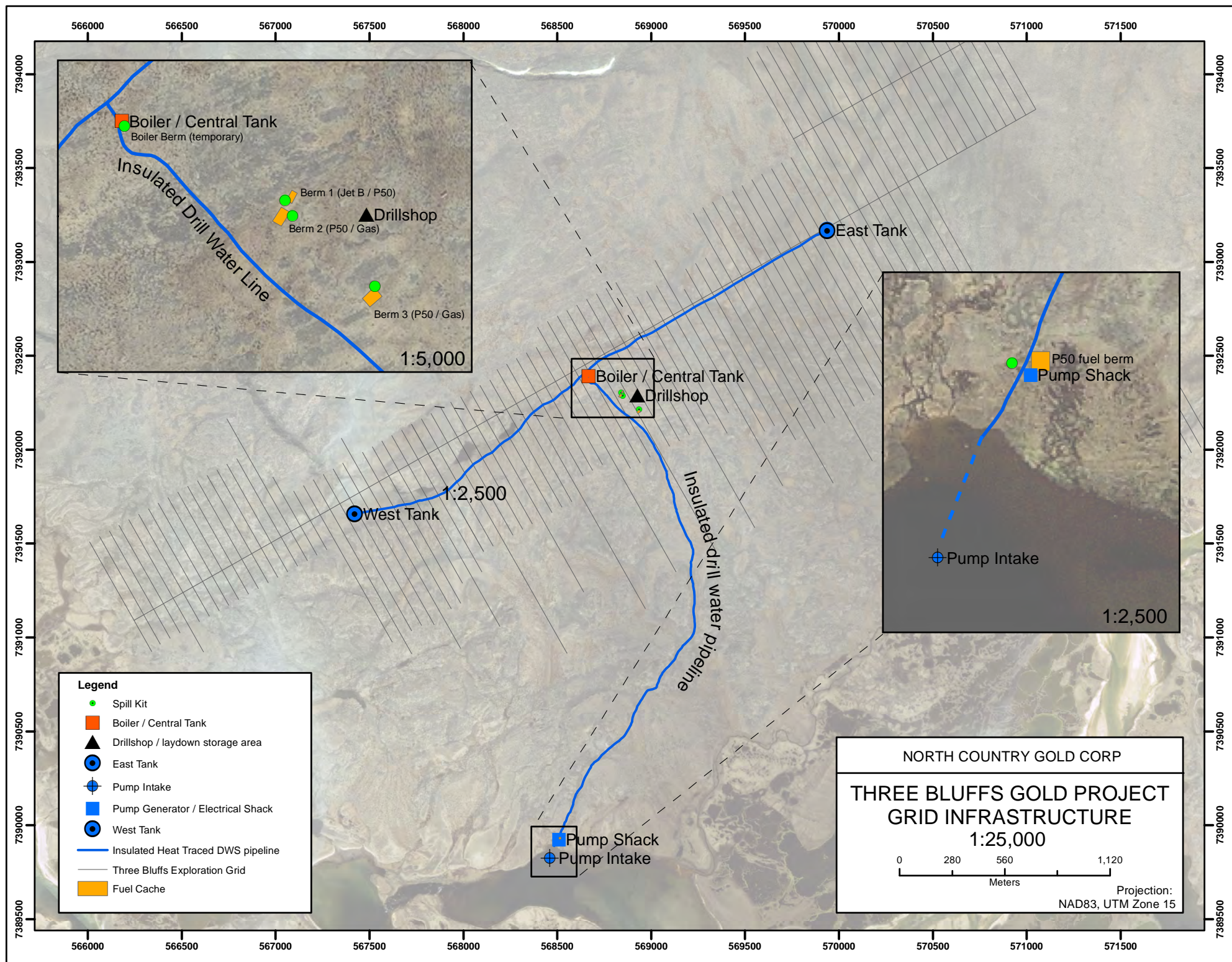
NORTH COUNTRY GOLD CORP

**THREE BLUFFS GOLD PROJECT
SITE INFRASTRUCTURE**

1:25,000

0 280 560 1,120
Meters

Projection:
NAD83, UTM Zone 15



Appendix 4 - 2015 NIRB Screening Decision



NIRB File No.: 07EN021

NWB File No.: 2BE-CRA1520

AANDC File Nos.: N2014C0002, N2014C0005

June 25, 2015

Thomas Kabloona, Chairperson
Nunavut Water Board
c/o Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

And

The Honorable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Tracey McCaie, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Sent via email: phyllis.beaulieu@nwb-oen.ca, licensing@nwb-oen.ca;
tracey.mccaie@aandc.gc.ca landsmining@aandc.gc.ca;

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: North Country Gold Corporation's "Committee Bay Project – Three Bluffs Deposit" project, Kitikmeot and Kivalliq Regions

Dear Phyllis Beaulieu and Tracey McCaie:

On May 5, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an amendment to Land Use Permit N2014C0005 for North Country Gold Corporation (NCG)'s "Committee Bay Project – Three Bluffs Deposit" project proposal. On May 13, 2015 the NIRB received an associated application from the Nunavut Water Board (NWB) for an amendment to Type B Water License 2BE-CRA1520 for the above mentioned project. On May 22, 2015 the NIRB received an additional application from AANDC for an amendment to Land Use Permit N2014C0002 for the project. On June 11, 2015 the Board received correspondence from the Nunavut Planning Commission (NPC) confirming that the previous conformity determination, issued on February 27, 2007, continue to apply to the current applications.

Please be advised that the original project proposal (NIRB File No.: 07EN021) was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on March 1, 2007 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On May 11, 2007 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests associated with the "Committee Bay Project – Three Bluffs Deposit" project have also been reviewed by the NIRB following screening of the original project proposal (File No. 07EN021). A summary of the additional applications associated with NIRB File No. 07EN021 is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 07EN021

| Authorization | Application | | | NIRB Decision | |
|-------------------------------------------|-----------------------|-------------------------|---------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------|
| | Date Received by NIRB | Type | Reason for Application | Date Issued | Type |
| NWB Water Licence (2BE-CRA0710) | February 29, 2008 | Amendment | Add drills and increase daily water use | March 28, 2008 | Reissued May 11, 2007 SDR |
| INAC LUP (N2007C0001; N2007C0002) | January 26, 2009 | Extension | Continue exploration activities | February 11, 2009 | Reissued May 11, 2007 SDR |
| INAC LUP (N2009C0018; N2009C0019) | February 2, 2010 | Amendment | Construction of winter trail between Hayes Camp and deposit | February 26, 2010 | New SDR: May 11, 2007 SDR with <i>additional</i> terms and conditions |
| INAC LUP (N2009C0018) | December 15&16, 2010 | Extension | Upgrade existing infrastructure, increase drilling, and construct all-weather road from Hayes Camp to deposit | January 28, 2011 | New SDR: February 26, 2010 SDR with <i>additional</i> terms and conditions |
| INAC Quarry Permit | | New Permit | | | |
| INAC Surface Lease (056J11001, 056J12002) | | Lease | | | |
| AANDC LUP (N2009C0019) | January 3, 2012 | Extension | Continue exploration activities with additional equipment | February 22, 2012 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2009C0018) | January 25, 2012 | Amendment and Extension | | | |
| GN Land Use Permit | July 19, 2012 | New Permit | Storage of fuel, core boxes and timber within the Municipality of Rankin Inlet | August 29, 2012 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2009C0019) | February 27, 2013 | Amendment and Extension | Continue exploration activities at 8 new mineral leases | March 6, 2013 | Reissued January 28, 2011 SDR |

| | | | | | |
|---------------------------------|-------------------|------------------------|---------------------------------|------------------|-------------------------------|
| AANDC LUP (N2014C0002) | February 3, 2014 | Replace LUP N2009C0019 | Continue exploration activities | April 22, 2014 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2014C0004) | February 5, 2014 | Replace LUP N2009C0018 | | | |
| NWB Water Licence (2BE-CRA1015) | December 29, 2014 | Renewal | Continue exploration activities | January 29, 2015 | Reissued January 28, 2011 SDR |

Notes: AANDC = Aboriginal Affairs and Northern Development Canada; GN = Government of Nunavut; INAC = Indian and Northern Affairs Canada; LUP = Land Use Permit; NIRB= Nunavut Impact Review Board; NWB = Nunavut Water Board; SDR= Screening Decision Report

The current NWB application, the original NIRB Screening Decision Report (File No. 07EN021) and related file information are available from the NIRB's online public registry at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN021-North%20Country%20Gold-Committee%20Bay/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 07EN021), the "Committee Bay Project - Camp and Airstrip" project was located within the Kitikmeot region, approximately 220 kilometres (km) southwest of Kugaaruk and 235 km west of Repulse Bay, near the northern border of Ukkusiksalik National Park. The Proponent had initially indicated that it intended to explore potential gold deposits along the Committee Bay Greenstone Belt seasonally from March 2007 to March 2009.

Project components/activities included the following:

- Use of existing seasonal exploration camps at Ingot, Crater, Hayes and Bullion camp sites between March and September;
- Construction of temporary ice strip on a lake at Hayes Camp;
- Use of existing airstrip at Crater Lake Camp;
- Landing of aircraft with tundra tires on an esker at Ingot Camp;
- Exploration activities as well as transport of personnel and supplies supported by snow machines, helicopters and Twin Otter aircraft;
- Exploration and drilling on ice and on land;
- Chemical storage of drilling fluids;
- Fuel transportation and storage;
- Geochemical soil sampling;
- Gridding and ground geophysical surveys;
- Geological mapping and prospecting, sampling (rock, till and water) and stacking;
- Consumption of water for drilling purposes;
- Generation of waste and wastewater;
- Preparation of landing site for helicopter; and,
- Baseline environmental work at Hayes Camp.

The components associated with the previous February 29, 2008 application for an amendment to the Type B Nunavut Water Board licence (No. 2BE-CRA0710) for the proposal included additional domestic water use for camps and a new drill site.

The January 26, 2009 extension request for AANDC Land Use Permits N2007C0001 and N2007C0002 involved activities to support continued exploration at the Committee Bay Greenstone Belt for an additional two years, between March 2009 and March 2011.

The activities and components associated with the previous February 2, 2010 amendment application for AANDC Land Use Permits N2009C0018 and N2009C0019 included:

- Exploration activities to continue between March 1, 2010 and October 30, 2011;
- Increase the number of drills from 3 to 6;
- 6 drills to be used concurrently with 2 of the 4 camps open at any one time; and,
- Construction of a temporary winter road approximately 10 kilometres long from Hayes Camp to the Three Bluffs deposit for hauling water, drills and related equipment and personnel to the deposit to enable spring exploration drilling.

The activities and components associated with the December 2010 extension request for AANDC Land Use Permit N2009C0018 and the addition of a quarry permit and surface lease included:

- Upgrade existing infrastructure in order to facilitate increased exploration activities in the project area from March 1, 2011 to October 15, 2016;
- Increase exploration activities, including use of additional drills, and updating camp accommodation and services at the present Hayes Camp:
 - Use of 7 diamond and 2 RC drills positioned on the Three Bluffs Deposit for drilling of up to 60,000 metres in 2011 and 2012,
 - Airborne and ground geophysics surveys,
 - Geological mapping and prospecting,
 - Infrastructure upgrade to accommodate up to 100 persons,
 - Adding vehicles, heavy equipment, infrastructure, waste water treatment plant, incinerator, and drilling equipment.
- Improve condition of and increase length of Hayes Camp airstrip:
 - Upgrade current esker airstrip to 3000 feet in length through levelling and grading,
 - Quarry approximately 5000 cubic metres of $\frac{3}{4}$ crush to top coat the airstrip.
- Build an all-weather road from Hayes Camp to the Three Bluffs Gold deposit including a 5000 foot airstrip:
 - Construct approximately 6-10 kilometre (km) of road connecting the Hayes Camp to the Three Bluffs Exploration Gold Deposit.
 - Temporary fuel storage for heavy equipment along the road corridor in 205 Litre drums with a maximum of 19 drums per cache, secured with berms and spill kits.
 - Installation of culverts as required for site drainage. Location of culverts to be determined based on 2011 hydrology survey.
 - Construction schedule:
 - April to June 2011, and Sept 2011: equipment mobilization

- June to Sept 2011: Study hydrology and geomorphology of the proposed road corridor to assess the best position of the all-weather road
- Sept 2011 to Aug 2013: road construction

The activities and components associated with the January 3 and January 25, 2012 requests included a proposal to extend the term of both of the AANDC Land Use Permits (N2009C0019, N2009C0018) until March 2014, as well as to amend AANDC Land Use Permit N2009C0018 to include the following additional components:

- Use of explosives for blasting of gravel and/or work for the purposes of obtaining crushed material and aggregate to complete the upgrades to the all-weather 3000 foot airstrip at Hayes Camp including the addition of 2 explosive magazines and a mini drill which will also require a new quarry permit;
- Addition of new equipment: 2 Huggland personnel carriers, 1 All Track, and 4 additional snow machines;
- Addition of 2 new skid mounted 35,000 litre double walled fuel tanks to compliment the 2 already in place at the Hayes Camp to further reduce the need for drummed fuel; and
- Total amount of fuel required for the 2012 season will remain at approximately 1,500,000 litres.

The activities and components associated with the July 19, 2012 application for a Land Use Permit issued by the Government of Nunavut, Community and Government Services were to stage materials within the Municipality of Rankin Inlet specifically:

- Temporary storage of 51,250 litres of diesel fuel secured in an insta-berm;
- Storage of 15 pallets of core boxes and one pallet of core box lids;
- Storage of four lifts of timber; and
- One sea can.

The activities and components associated with the previous February 27, 2013 amendment and extension included:

- Additional exploration at eight (8) pending mineral leases; and
- Removal of 33 mineral claims from the exploration program.

The activities associated with the previous February 3, 2014 and February 5, 2014 applications for the renewal and replacement of AANDC LUP (No. N2009C0019 with No. N2014C0002) and AANDC LUP (No. N2009C0018 with No. N2014C0004) to continue previously approved exploration activities.

The activities associated with the previous December 29, 2014 application for renewal to the NWB Type B water licence (2BE-CRA1015) were to continue previously approved exploration activities.

CURRENT APPLICATION:

NCG is currently proposing to extend/amend AANDC Land Use Permits N2014C0002 and N2014C0005 for a period of one year, and extend/amend the Type B water licence 2BE-CRA1520 for a period of five years, to continue previously approved geochemical and soil

sampling and use up to 12 additional short term, temporary camps, and water withdrawal from additional nearby sources to support the camps.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed renewal does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original January 28, 2011 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Kristina Benoit, Technical Advisor, at (867) 983-4607 or kbenoit@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Jo Price, North Country Gold
Simeon Robinson, North Country Gold
Geoff Clark, Kitikmeot Inuit Association
Luigi Torretti, Kitikmeot Inuit Association
Luis Manzo, Kivalliq Inuit Association

Enclosure: NIRB Screening Decision Report, File No.: 07EN021 (January 28, 2011)

Committee Bay Project - Reclamation Cost Estimate

| Activity | Units | Quantity | Unit Cost | Cost |
|--------------------------------------------|--------------|----------|---------------|-----------------|
| Exploration Activities | | | | |
| Drill Hole Reclamation | | | | |
| Site cleanup, cut anchors/casing, cement | Staff days | 10 | \$ 350.00 | \$ 3,500.00 |
| | | | Sub-total | \$ 3,500.00 |
| Disassembly / Pickup | | | | |
| <u>Equipment</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 60 | \$ 500.00 | \$ 30,000.00 |
| Camp support costs | days | 60 | \$ 50.00 | \$ 3,000.00 |
| <u>Buildings</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 139 | \$ 350.00 | \$ 48,650.00 |
| Camp support costs | days | 139 | \$ 50.00 | \$ 6,950.00 |
| Aircraft (Bullion Camp to Hayes) | flights | 15 | \$ 2,944.00 | \$ 44,160.00 |
| Aircraft (Ingot Camp to Hayes) | flights | 5 | \$ 1,472.00 | \$ 7,360.00 |
| Aircraft (Crater Camp to Hayes) | flights | 24 | \$ 1,943.00 | \$ 46,632.00 |
| <u>Infrastructure (Drill Water System)</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 100 | \$ 350.00 | \$ 35,000.00 |
| Camp support costs | days | 100 | \$ 50.00 | \$ 5,000.00 |
| | | | Sub-total | \$ 226,752.00 |
| Air Demobilization | | | | |
| <u>Fuel / Contaminated Soils</u> | | | | |
| Fuel | lbs | 566,713 | \$ 0.69 | \$ 393,128.81 |
| Fuel Drums | lbs | 21,676 | \$ 0.69 | \$ 15,036.64 |
| Contaminated soil | lbs | 20,000 | \$ 0.69 | \$ 13,874.00 |
| <u>Equipment</u> | | | | |
| Heavy Equipment | lbs | 399,581 | \$ 1.26 | \$ 502,113.48 |
| Drilling | lbs | 289,500 | \$ 1.26 | \$ 363,785.70 |
| Fixed plant (Incinerator, Generators etc) | lbs | 169,328 | \$ 1.26 | \$ 212,777.56 |
| Drill Water System | lbs | 40,000 | \$ 0.69 | \$ 27,748.00 |
| Buildings etc | lbs | 116,455 | \$ 0.69 | \$ 80,784.83 |
| | | | Sub-total | \$ 1,609,249.03 |
| Barge | | | | |
| Freight costs | lump sum | 1 | \$ 50,000.00 | \$ 50,000.00 |
| Personnel | Staff days | 30 | \$ 500.00 | \$ 15,000.00 |
| | | | Sub-total | \$ 65,000.00 |
| Reclamation | | | | |
| Personnel (rip, contour, scarify) | Staff days | 98 | \$ 500.00 | \$ 49,000.00 |
| Camp support costs | days | 98 | \$ 50.00 | \$ 4,900.00 |
| Fertilizer | lbs | 10,000 | \$ 0.60 | \$ 6,000.00 |
| Peat | m3 | 2500 | \$ 56.00 | \$ 140,000.00 |
| | | | Sub-total | \$ 199,900.00 |
| Project Management | | | | |
| Personnel | Staff days | 50 | \$ 600.00 | \$ 30,000.00 |
| | | | Sub-total | \$ 30,000.00 |
| Miscellaneous | | | | |
| Helicopter Support | Hours | 60 | \$ 2,060.60 | \$ 123,636.00 |
| Travel | Round trips | 33 | \$ 2,000.00 | \$ 66,000.00 |
| Aircraft mobilization (Herc + 737) | Mobilization | 1 | \$ 286,915.00 | \$ 286,915.00 |
| | | | Sub-total | \$ 476,551.00 |

Site Monitoring

| | | | | | |
|--------------------|----------|----|------------------|----|---------------------|
| Inspections | lump sum | 2 | \$ 8,000.00 | \$ | 16,000.00 |
| Sampling | lump sum | 2 | \$ 12,000.00 | \$ | 24,000.00 |
| Reporting | lump sum | 2 | \$ 2,000.00 | \$ | 4,000.00 |
| Helicopter support | hours | 16 | \$ 2,060.60 | \$ | 32,969.60 |
| | | | <i>Sub-total</i> | \$ | 76,969.60 |
| | | | TOTAL | \$ | 2,687,921.63 |

Assumptions:

- 1 Reclamation activities will be consistent with 2014 Abandonment and Reclamation Plan
- 2 Leaving the site will be a controlled exit undertaken over multiple seasons
- 3 All improvements and assets will be removed
- 4 Demobilization will be completed using Hercules aircraft to Baker Lake, then sold or barge
- 5 Post closure inspections / monitoring will occur over 2 seasons

Appendix 5 - November 2019 Auryn Resources Financial Statement



(An exploration stage company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended September 30, 2019 and 2018

UNAUDITED

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Financial Position

Unaudited (Expressed in thousands of Canadian dollars)

| | As at September 30, 2019 | As at December 31, 2018 |
|-----------------------------------------------------|-----------------------------|----------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 3,109 | \$ 1,653 |
| Marketable securities | 226 | 186 |
| Amounts receivable | 143 | 57 |
| Prepaid expenses and deposits | 867 | 717 |
| | 4,345 | 2,613 |
| Non-current assets: | | |
| Restricted cash and cash equivalents | 115 | 115 |
| Prepaid expenses and deposits | 162 | 198 |
| Mineral property interests (note 3(d)) | 40,041 | 39,072 |
| Equipment | 1,335 | 1,525 |
| | 41,653 | 40,910 |
| Total assets | \$ 45,998 | \$ 43,523 |
| Liabilities and Equity | | |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 1,695 | \$ 836 |
| Flow-through share premium liability (note 4) | 31 | 317 |
| Bridge loan (note 5) | 2,807 | - |
| | 4,533 | 1,153 |
| Non-current liabilities: | | |
| Provision for site reclamation and closure (note 6) | 2,157 | 1,891 |
| Total liabilities | \$ 6,690 | \$ 3,044 |
| Equity: | | |
| Share capital | \$ 129,297 | \$ 121,988 |
| Share option and warrant reserve | 9,467 | 6,937 |
| Accumulated other comprehensive income | 104 | 225 |
| Deficit | (99,560) | (88,671) |
| Total equity | \$ 39,308 | \$ 40,479 |
| Total liabilities and equity | \$ 45,998 | \$ 43,523 |

Nature of operations (note 1)

Approved on behalf of the Board of Directors:

"Shawn Wallace"
Chief Executive Officer

"Steve Cook"
Director

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---------------------------------------------------------------------------|----------------------------------|-----------------|---------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Operating expenses | | | | |
| Exploration and evaluation costs (note 7) | \$ 3,335 | \$ 7,821 | \$ 6,535 | \$ 13,384 |
| Fees, salaries and other employee benefits | 839 | 596 | 3,240 | 1,897 |
| Insurance | 76 | 73 | 229 | 234 |
| Legal and professional fees | 58 | 78 | 230 | 216 |
| Marketing and investor relations | 214 | 279 | 906 | 1,022 |
| Office and administration | 85 | 95 | 338 | 313 |
| Regulatory, transfer agent and shareholder information | 38 | 49 | 182 | 189 |
| | 4,645 | 8,991 | 11,660 | 17,255 |
| Other expenses (income): | | | | |
| Project investigation costs | 18 | 34 | 104 | 91 |
| Accretion of provision for site reclamation and closure | 10 | 9 | 32 | 28 |
| Interest and other income | (14) | (31) | (34) | (77) |
| Finance expense related to bridge loan (note 5) | 26 | — | 26 | — |
| Amortization of flow-through share premium | (733) | (1,621) | (843) | (2,236) |
| Loss (gain) on marketable securities | 13 | 95 | (40) | 253 |
| Foreign exchange loss | 7 | 11 | 38 | 9 |
| | (673) | (1,503) | (717) | (1,932) |
| Net loss before income taxes | 3,972 | 7,488 | 10,943 | 15,323 |
| Deferred income tax recovery | (54) | — | (54) | — |
| Loss for the period | \$ 3,918 | \$ 7,488 | \$ 10,889 | \$ 15,323 |
| Other comprehensive (income) loss, net of tax | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Unrealized currency (gain) loss on translation of foreign operations | (47) | 57 | 121 | (100) |
| Other comprehensive (income) loss for the period | (47) | 57 | 121 | (100) |
| Total comprehensive loss for the period | \$ 3,871 | \$ 7,545 | \$ 11,010 | \$ 15,223 |
| Basic and diluted loss per share (note 13) | \$ 0.04 | \$ 0.08 | \$ 0.12 | \$ 0.18 |
| Basic and diluted weighted average number of shares outstanding (note 13) | 95,101,241 | 88,304,840 | 93,545,909 | 84,552,131 |

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Equity

Unaudited (Expressed in thousands of Canadian dollars, except share amounts)

| | Number of common shares | Share capital | Share option and warrant reserve | Accumulated other comprehensive income (loss) | Deficit | Total |
|------------------------------------------------------------------------------------------|----------------------------|-------------------|-------------------------------------|-----------------------------------------------------|--------------------|---------------|
| Balance at December 31, 2017 | 78,746,230 | \$ 105,870 | \$ 6,046 | \$ (60) | \$ (70,997) | 40,859 |
| Comprehensive income (loss) for the period | — | — | — | 100 | (15,323) | (15,223) |
| Shares issued pursuant to offering, net of share issue costs and flow-through liability | 11,406,586 | 15,732 | — | — | — | 15,732 |
| Share options exercised (note 8 (b) vi) | 70,000 | 70 | (35) | — | — | 35 |
| Warrants exercised (note 8 (b) vii) | 15,000 | 33 | (12) | — | — | 21 |
| Share-based compensation (note 9 (a)) | — | — | 832 | — | — | 832 |
| Balance at September 30, 2018 | 90,237,816 | \$ 121,705 | \$ 6,831 | \$ 40 | \$ (86,320) | 42,256 |
| Balance at December 31, 2018 | 90,387,816 | \$ 121,988 | \$ 6,937 | \$ 225 | \$ (88,671) | 40,479 |
| Comprehensive loss for the period | — | — | — | (121) | (10,889) | (11,010) |
| Shares issued pursuant to offerings, net of share issue costs and flow-through liability | 3,917,709 | 6,350 | — | — | — | 6,350 |
| Share options exercised (note 8 (b) iii) | 876,875 | 959 | (457) | — | — | 502 |
| Fair value of warrants issued, net of tax (note 5) | — | — | 144 | — | — | 144 |
| Share-based compensation (note 9 (a)) | — | — | 2,843 | — | — | 2,843 |
| Balance at September 30, 2019 | 95,182,400 | \$ 129,297 | \$ 9,467 | \$ 104 | \$ (99,560) | 39,308 |

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows

Unaudited (Expressed in thousands of Canadian dollars)

| | Three months ended September 30, | | Nine months ended September 30, | |
|------------------------------------------------------------------------------|----------------------------------|-----------------|---------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash (used in) provided by: | | | | |
| Operating activities: | | | | |
| Loss for the period | \$ (3,918) | \$ (7,488) | \$ (10,889) | \$ (15,323) |
| Items not involving cash: | | | | |
| Interest income | (14) | (31) | (34) | (77) |
| Accretion of provision for site reclamation and closure | 10 | 9 | 32 | 28 |
| Finance expense related to bridge loan (note 5) | 26 | — | 26 | — |
| Loss (gain) on marketable securities | 13 | 95 | (40) | 253 |
| Amortization of flow-through share premium | (733) | (1,621) | (843) | (2,236) |
| Unrealized foreign exchange loss (gain) | — | (50) | (3) | 8 |
| Share-based compensation (note 9(a)) | 744 | 393 | 2,843 | 832 |
| Depreciation of fixed assets | 62 | 66 | 189 | 195 |
| Deferred income tax recovery | (54) | — | (54) | — |
| Changes in non-cash working capital: | | | | |
| Amounts receivable | (52) | (183) | (85) | 347 |
| Prepaid expenses and deposits | (119) | 30 | (121) | 91 |
| Accounts payable and accrued liabilities | 623 | 1,491 | 784 | 1,498 |
| Cash used in operating activities | (3,412) | (7,289) | (8,195) | (14,384) |
| Investing activities: | | | | |
| Interest received | 14 | 31 | 34 | 77 |
| Purchase of equipment | — | (49) | — | (109) |
| Mineral property acquisition costs | (480) | (77) | (842) | (1,104) |
| Increase in reclamation bond | — | — | — | (53) |
| Cash used in investing activities | (466) | (95) | (808) | (1,189) |
| Financing activities: | | | | |
| Proceeds from issuance of common shares, net of cash share issuance costs | 1,863 | 6,931 | 6,983 | 18,221 |
| Proceeds from bridge loan, net of transactions costs (note 5) | 2,979 | — | 2,979 | — |
| Proceeds from share option and warrant exercises (note 8(b)) | 17 | — | 502 | 56 |
| Cash provided by financing activities | 4,859 | 6,931 | 10,464 | 18,277 |
| Effect of foreign exchange rate changes on cash | 2 | 46 | (5) | 15 |
| Increase (decrease) in cash | 983 | (407) | 1,456 | 2,719 |
| Cash, beginning of the period | 2,126 | 5,600 | 1,653 | 2,474 |
| Cash, end of the period | \$ 3,109 | \$ 5,193 | \$ 3,109 | \$ 5,193 |

Supplemental cash flow information (note 11)

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

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

1. Nature of operations

Auryn Resources Inc. (the "Company" or "Auryn") was incorporated on June 9, 2008, under the British Columbia Business Corporations Act. The head office and principal address of Auryn is located at 1199 West Hastings Street, Suite 600, Vancouver, British Columbia, V6E 3T5.

The Company trades on the Toronto Stock Exchange under the symbol AUG.TO, and on the NYSE-American under the symbol AUG. The Company's principal business activity is the acquisition, exploration and development of resource properties in Canada and Peru.

The Company, through its wholly owned subsidiaries, owns the mineral concessions comprising the Committee Bay and Gibson MacQuoid mineral properties both located in Nunavut, Canada (note 3 (b)), as well as the Homestake Ridge Project in northwestern British Columbia, Canada (note 3 (c)). The Company has also secured rights to various mining concessions in southern Peru (note 3 (a)) which include the Sombrero, Curibaya and Huilacollo projects.

As a company focused on the acquisition, exploration and development of mineral properties, Auryn does not generate revenues and thus finances its activities through equity and debt financings. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The Company's mineral property interests recorded on its statement of financial position reflect historical acquisition costs incurred, and while the carrying values are assessed at each reporting period for indicators of impairment, their recoverability is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to continue exploration and development of these assets, and ultimately on future profitable operations or the sale of such mineral properties.

At September 30, 2019, the Company has a working capital deficit of \$188 (December 31, 2018 - working capital of \$1,460) and an accumulated deficit of \$99,560 (December 31, 2018 - \$88,671). During the three and nine months ended September 30, 2019, Auryn incurred losses of \$3,918 and \$10,889, respectively (three and nine months ended September 30, 2018 - \$7,488 and \$15,323, respectively) and expects to continue to incur operating losses in relation to exploration activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. As at September 30, 2019, the second \$3,000 tranche of the Bridge Loan (see note 5) remains available to the Company; however, the ability to continue as a going concern remains dependent upon its ability to obtain the financing necessary to continue to fund its mineral properties through the issuance of capital stock, the realization of future profitable production and/or proceeds from the disposition of its mineral interests. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and/or disposition of mineral properties and may elect to draw on the second tranche of the Bridge Loan if necessary in the short term as there is no assurance that other forms of financing will be successful. These interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. These interim condensed consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended December 31, 2018 except as follows:

- Leases

In January 2016, the IASB published a new accounting standard, IFRS 16 - Leases ("IFRS 16") which supersedes IAS 17 - Leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset during the term of the lease. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

The Company has made the following elections under IFRS 16:

- to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets; and
- to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

The adoption of IFRS 16 did not have a material impact on the Company's financial statements. Due to the seasonality of the Company's exploration programs, its exploration and other contracts are short-term in nature and therefore are exempt from the recognition provisions of IFRS 16.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018, which were filed under the Company's profile on SEDAR at www.sedar.com.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of the Company on November 12, 2019.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

2. Basis of presentation (continued)

(b) Basis of preparation and consolidation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities that have been measured at fair value. The presentation currency is the Canadian dollar; therefore, all amounts, with the exception of per share amounts, are presented in thousands of Canadian dollars unless otherwise noted.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

| Subsidiary | Place of incorporation | Functional Currency | Beneficial Interest |
|----------------------------------------------|------------------------|---------------------|---------------------|
| North Country Gold Corp. ("North Country") | BC, Canada | CAD | 100% |
| Homestake Resource Corporation ("Homestake") | BC, Canada | CAD | 100% |
| Corisur Peru, S.A.C. ("Corisur") | Peru | USD | 100% |
| Sombrero Minerales, S.A.C. ("Sombrero") | Peru | USD | 100% |
| Homestake Royalty Corporation (inactive) | BC, Canada | CAD | 100% |

All intercompany balances and transactions have been eliminated.

(c) Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the condensed consolidated interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgments and estimates were presented in note 2 of the audited annual consolidated financial statements for the year ended December 31, 2018 and have been consistently applied in the preparation of these condensed consolidated interim financial statements. No new estimates and judgements were applied for the periods ended September 30, 2019 and 2018 except as discussed below:

i. Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability or equity instrument depending on the substance of the contractual arrangement. Judgement is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition. For financial instruments that do not have quoted market prices or observable inputs, judgements are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

Upon initial recognition of the Bridge Loan (note 5), management had to estimate the Company's effective interest rate which was needed in order to fair value the debt component and determine the residual amount to be allocated to the warrants.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

3. Mineral property interests

(a) Peruvian exploration projects

Sombrero

The Sombrero copper-gold project, located in southern Peru, covers approximately 130,000 hectares acquired through a combination of staking and option agreements which are outlined below:

i) Alturas Option

On June 28, 2016, the Company entered into an option agreement (the "Alturas Option") with Alturas Minerals Corp ("Alturas") to acquire an 80% or 100% interest in the Sombrero concessions held by Alturas. In order to exercise the Alturas Option and acquire an 80% interest in the project, the Company must incur US\$2.1 million in work expenditures within a five-year period. As of September 30, 2019, the Company has incurred US\$1.7 million in work expenditures and made cash payments totalling US\$0.2 million to Alturas. Upon the Company's completion of the requirements to earn an 80% interest in the Sombrero Project, the parties shall form a 80:20 Joint Venture. For a period of one year after the formation of the Joint Venture, Alturas' 20% interest shall be "free carried" and the Company shall have a right to acquire the Alturas 20% interest for US\$5.0 million.

ii) Mollecruz Option

On June 22, 2018 the Company entered an option agreement (the "Mollecruz Option") giving the Company the right to acquire a 100% interest in the Mollecruz concessions which are located in the northern area of the Sombrero project. Under the Mollecruz Option, the Company may acquire a 100% interest, subject to a 0.5% Net Smelter Royalty ("NSR"), through a combination of work expenditures and cash payments as detailed below.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|--------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Effective Date (June 22, 2018) | Completed | 50 | - |
| June 22, 2019* | Deferred* | 50 | 150 |
| June 22, 2020* | | 100 | 150 |
| June 22, 2021* | | 200 | 500 |
| June 22, 2022* | | 300 | 700 |
| June 22, 2023* | | 900 | 1,500 |
| Total | | 1,600 | 3,000 |

* Effective May 20, 2019, the Company formally declared the existence of a force majeure event under the Mollecruz Option thereby deferring the Company's obligation to make the June 22, 2019 property payment and any subsequent property payments and work expenditures for a maximum of 24 months from the declaration date. To date, the Company has not been able to reach an access agreement with the local community in order to commence work in the region but has continued to have open communications with the community and continues to negotiate in good faith to obtain access to the property.

iii) Aceros Option

On December 13, 2018, the Company entered a series of agreements (the "Aceros Option") with Corporacion Aceros Arequipa S.A. ("Aceros") giving the Company the right to option three key mineral concessions located within the Company's Sombrero project. If the Aceros Option is exercised, a joint venture would be formed in which the Company would hold an 80% interest (Aceros – 20%). The joint venture would combine the 530 hectare Aceros concessions plus 4,600 hectares of Auryn's Sombrero land position. Below is a schedule of work expenditures and cash payments required under the agreement of which US\$0.3 million in work expenditures has been completed to date.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Effective Date (December 13, 2018) | Completed | 140 | - |
| December 13, 2019 | | 60 | 150 |
| December 13, 2020 | | 250 | 500 |
| December 13, 2021 | | 350 | 1,500 |
| December 13, 2022 | | - | 3,000 |
| Total | | 800 | 5,150 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

3. Mineral property interests (continued)

(a) Peruvian exploration projects (continued)

Curibaya

On August 2, 2019, the Company acquired the rights to the Sambalay and Salvador mineral concessions adjacent to its wholly owned Curibaya property in southern Peru. Collectively, the Curibaya project now covers approximately 11,000 hectares and is located 53 km from the provincial capital, Tacna, and 11km from the regional Incapuquio fault.

Under the terms of the mining concession transfer agreement with Wild Acre Metals (Peru) S.A.C., the Company paid US\$250,000 on transfer of the concessions in favour of Corisur. The Sambalay concessions are subject to a combined 3% NSR royalty, 0.5% of which is buyable for US\$1.0 million. The Salvador concessions are subject to a 2% NSR royalty and a US\$2.0 million production payment, payable at the time a production decision is made, and to secure payment of such consideration a legal mortgage is recorded in the registry files of the Salvador concessions.

Huilacollo

On June 2, 2016, the Company acquired the rights to the Huilacollo epithermal property in the Tacna province of southern Peru, which is comprised of 2,000 hectares of intense hydrothermal alteration. The rights were acquired through an option agreement (the "Huilacollo Option") with a local Peruvian company, Inversiones Sol S.A.C., under which the Company may acquire 100% interest (subject to a 1.5% NSR on precious metals buyable for US\$2.5 million and a 2.5% NSR on base metals buyable for US\$7.0 million) through a combination of work expenditures and cash payments as outlined in the table below. As of May 11, 2019, the Company had completed US\$4.5 million of work expenditures under the Huilacollo Option and thus did not satisfy the accumulated work expenditure requirement of US\$5.0 million at that date. As permitted by the Huilacollo Option, the Company instead made a cash payment of US\$0.3 million equal to 50% of the shortfall at the due date to keep the option in good standing.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|-------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Effective Date (May 11, 2016) | Completed | 250 | - |
| May 11, 2018 | Completed | 500 | 2,000 |
| May 11, 2019 | Completed | - | 3,000 |
| May 11, 2020 | | 250 | - |
| May 11, 2021 | | 250 | 2,000 |
| May 11, 2022 | | 7,500 | - |
| Total | | 8,750 | 7,000 |

During 2017, the Company acquired the rights to certain mineral claims adjacent to the Huilacollo property known as Andamarca claims and Tacora claims. Under the terms of the acquisition agreements, the Company paid US\$0.65 million on transfer of the concessions in favour of Corisur. The Andamarca concession is subject to a 1.5% NSR of which 50% is buyable for US\$2.5 million and the Tacora concession is subject to a 0.5% NSR of which 50% is buyable for US\$0.5 million.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

3. Mineral property interests (continued)

(a) Peruvian exploration projects (continued)

Baños del Indio

On September 26, 2016, the Company announced it had entered into an option agreement (the "Baños Option") with a local Peruvian company, Exploandes S.A.C to earn a 100% interest in the Baños del Indio gold project located in the Tacna province of southern Peru, just 10 km to the north of the Company's Huilacollo project.

Under the Baños Option, the Company may acquire a 100% interest, subject to a 3.0% NSR (50% being buyable for US\$ 6.0 million), through a combination of work expenditures and cash payments as detailed in the table below.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Effective Date (September 22, 2016) | Completed | 100 | - |
| September 22, 2017 | Completed | 100 | - |
| September 22, 2018* | Deferred* | 100 | 200 |
| September 22, 2019* | | 200 | 250 |
| September 22, 2020* | | 150 | 1,000 |
| September 22, 2021* | | 2,500 | 2,000 |
| Total | | 3,150 | 3,450 |

* Effective September 7, 2018, the Company declared the existence of a force majeure event under the Baños del Indio option thereby deferring the Company's obligation to make the September 22, 2018 property payment and any subsequent property payments and work expenditures for a maximum of 24 months from the date of declaration. Despite the Company acting in good faith in its negotiations with the community, the Company, to date, has been unable to reach an access agreement in order to initiate its exploration program on the Baños properties.

(b) Nunavut exploration projects

Committee Bay

The Company, through its wholly owned subsidiary North Country, owns a 100% interest in the Committee Bay project located in Nunavut, Canada. The Committee Bay project includes approximately 300,000 hectares situated along the Committee Bay Greenstone Belt located within the Western Churchill Province of Nunavut. The Committee Bay project is subject to a 1% NSR on gold production, with certain portions subject to an additional 1.5% NSR. The 1.5% NSR is payable on only 7,596 hectares and can be purchased by the Company within two years of commencement of commercial production for \$2,000 for each one-third (0.5%) of the NSR.

Gibson MacQuoid

In 2017, the Company acquired a number of prospecting permits and mineral claims along the Gibson MacQuoid greenstone belt in Nunavut, Canada and staked additional claims in June 2019. The permits and claims, which are located between the Meliadine deposit and Meadowbank mine, cover approximately 120 km of strike length of the prospective greenstone belt and total 375,000 hectares collectively.

(c) Homestake Ridge

The Company, through its wholly owned subsidiary Homestake, owns a 100% interest in the Homestake Ridge project subject to various royalty interests held by third parties not exceeding 2%. The project covers approximately 7,500 hectares and is located in the Kitsault Mineral district in north western British Columbia.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

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3. Mineral property interests (continued)

(d) Costs capitalized as mineral property interests:

The following is a continuity of the Company's mineral property acquisition costs:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|------------------------------------------------------------------------------|------------------------------------|--------------------|-----------------|------------------|
| Balance at December 31, 2017 | \$ 18,681 | \$ 16,060 | \$ 2,517 | \$ 37,258 |
| Additions | - | - | 1,392 | 1,392 |
| Change in estimate of provision for site reclamation and closure (note 6) | 190 | - | - | 190 |
| Currency translation adjustment | - | - | 232 | 232 |
| Balance at December 31, 2018 | \$ 18,871 | \$ 16,060 | \$ 4,141 | \$ 39,072 |
| Additions | 11 | - | 831 | 842 |
| Change in estimate of provision for site reclamation and closure (note 6) | 234 | - | - | 234 |
| Currency translation adjustment | - | - | (107) | (107) |
| Balance at September 30, 2019 | \$ 19,116 | \$ 16,060 | \$ 4,865 | \$ 40,041 |

4. Flow-through share premium liability

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On July 11, 2019, the Company completed a non-brokered private placement (the "July 2019 Flow-Through Offering") for gross proceeds of \$1,900 through the issuance of 633,334 flow-through shares (the "2019 Flow-Through Shares") at a price of \$3.00 per share (note 8(i)). The 2019 Flow-Through Shares were issued at a premium of \$0.88 per share.

As at September 30, 2019, the Company has a flow-through share premium liability of \$31 (December 31, 2018 - \$317) which relates to funds remaining from the non-brokered flow-through private placement completed on July 11, 2019.

Below is a summary of the 2018 and 2019 flow-through financings and the related flow-through share premium liability generated by each financing:

| | Shares issued | Flow-through share price | Premium per flow- through share | Flow-through premium liability |
|----------------------|------------------|-----------------------------|------------------------------------|-----------------------------------|
| March 23, 2018* | 1,091,826 | \$2.35 | \$0.67 | \$ 737 |
| August 16, 2018 | 4,299,375 | \$1.60 - \$1.87 | \$0.30 - \$0.57 | 1,742 |
| Total 2018 | 5,391,201 | | | \$ 2,479 |
| July 11, 2019 | 633,334 | \$3.00 | \$0.88 | \$557 |

* Note that the March 23, 2018 flow-through shares were priced in USD with a flow-through price per share of US\$1.82 and a flow-through premium of US\$0.52 per share.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

4. Flow-through share premium liability (continued)

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

| | Flow-through funding and expenditures | | | Flow-through premium liability |
|--------------------------------------|---------------------------------------|---------------|-----------------|--------------------------------|
| | BC | Nunavut | Total | |
| Balance at December 31, 2017 | \$ 693 | \$ - | \$ 693 | \$ 185 |
| Flow-through funds raised | 1,870 | 8,023 | 9,893 | 2,479 |
| Flow-through eligible expenditures | (1,826) | (7,590) | (9,416) | (2,347) |
| Balance at December 31, 2018 | \$ 737 | \$ 433 | \$ 1,170 | \$ 317 |
| Flow-through funds raised | - | 1,900 | 1,900 | 557 |
| Flow-through eligible expenditures | (737) | (2,227) | (2,964) | (843) |
| Balance at September 30, 2019 | \$ - | \$ 106 | \$ 106 | \$ 31 |

5. Bridge Loan

On September 12, 2019, the Company entered a bridge loan facility (the "Bridge Loan") for up to \$6,000 with a private lender (the "Lender"). The Bridge Loan consists of two tranches of \$3,000, with the first having been received and the second being conditional upon the mutual agreement of the parties. The Bridge Loan bears interest at 10%, payable annually or on repayment of the principal, and has a term of one year from the date of advancement (the "Maturity Date"), however, can be repaid without penalty at any time after 90 days of advancement at the discretion of the Company. The Bridge Loan is secured by a first charge general security agreement over all of the Company's present and future assets.

In connection with the Bridge Loan, the Company issued 500,000 bonus warrants to the Lender which have a term of three years from the date of issue. Each warrant is exercisable into one common share of the Company at a price of \$2.00 per common share but cannot be exercised until after the Maturity Date.

The Bridge Loan has been identified as a compound instrument with separate components, being the debt and the warrants, which have been classified as a financial liability and an equity instrument, respectively.

On initial recognition, the proceeds from the Bridge Loan were allocated between the debt and equity components by first determining the fair value of the debt, discounted at an effective interest rate of 18%, and allocating the residual value, net of deferred taxes, to the equity component. Transaction costs of \$21, were allocated proportionately to the debt and equity components.

The following table reflects the carrying values of the liability and equity components on initial recognition:

| | Liability Component | Equity Component | Total |
|-------------------------------------------|---------------------|------------------|----------|
| Loan advance received | \$ 2,801 | \$ 199 | \$ 3,000 |
| Transaction costs | (20) | (1) | (21) |
| Deferred tax impact | - | (54) | (54) |
| Impact on statement of financial position | \$ 2,781 | \$ 144 | \$ 2,925 |

As at September 30, 2019 the Bridge Loan has an amortized cost of \$2,807 and the Company has recognized a finance expense of \$26 through the condensed consolidated statement of loss for the three and nine month periods then ended.

The following table is a continuity of the Bridge Loan after initial recognition:

| | |
|---------------------------------------|----------|
| Net proceeds from Bridge Loan | \$ 2,781 |
| Finance expense | 26 |
| Closing balance at September 30, 2019 | \$ 2,807 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

6. Provision for site reclamation and closure

The Company recognizes a provision for site reclamation and closure, which reflects the present value of the estimated amount of cash flows required to satisfy the asset retirement obligation in respect of the Committee Bay property. The components of this obligation are the removal of equipment currently being used at the site as well as costs associated with the reclamation of the camp housing and work sites on the property. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

The key assumptions on which the present value of the future estimated cash flows is based are:

- Undiscounted cash flow for site reclamation of \$2,621 (December 31, 2018 - \$2,545)
- Expected timing of future cash flows is based on mining leases expiration, which is between 2026 and 2035
- Annual inflation rate 2% (December 31, 2018 - 2%)
- Risk-free interest rate 1.53% (December 31, 2018 - 2.41%)

The present value of the liability for the site reclamation and closure provision at Committee Bay project is as follows:

| | September 30, 2019 | December 31, 2018 |
|--------------------|--------------------|-------------------|
| Opening balance | \$ 1,891 | \$ 1,662 |
| Accretion | 32 | 39 |
| Change in estimate | 234 | 190 |
| Closing balance | \$ 2,157 | \$ 1,891 |

7. Exploration and evaluation costs

For the three months ended September 30, 2019, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|------------------------------------------------------------|---------------------------------|-----------------|---------------|-----------------|
| Assaying | \$ 134 | \$ 32 | \$ 17 | \$ 183 |
| Exploration Drilling | 232 | - | - | 232 |
| Camp cost, equipment and field supplies | 141 | 126 | 59 | 326 |
| Geological consulting services | 113 | 67 | 59 | 239 |
| Geophysical analysis | 143 | 169 | - | 312 |
| Permitting, environmental and community costs | 43 | 5 | 196 | 244 |
| Expediting and mobilization | 90 | 24 | 5 | 119 |
| Salaries and wages | 387 | 83 | 67 | 537 |
| Fuel and consumables | 29 | 40 | 5 | 74 |
| Aircraft and travel | 638 | 182 | 18 | 838 |
| Share based compensation | 80 | 38 | 113 | 231 |
| Total for the three months ended September 30, 2019 | \$ 2,030 | 766 | \$ 539 | \$ 3,335 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

7. Exploration and evaluation costs (continued)

For the three months ended September 30, 2018, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|------------------------------------------------------------|----------------------------------------------------|----------------------------|---------------|-----------------|
| Assaying | \$ 501 | \$ 67 | \$ 44 | \$ 612 |
| Exploration drilling | 1,124 | 390 | - | 1,514 |
| Camp cost, equipment and field supplies | 350 | 206 | 193 | 749 |
| Geological consulting services | 317 | 52 | 346 | 715 |
| Geophysical analysis | - | - | 111 | 111 |
| Permitting, environmental and community costs | 102 | 8 | 95 | 205 |
| Expediting and mobilization | 145 | 55 | 8 | 208 |
| Salaries and wages | 773 | 164 | 31 | 968 |
| Fuel and consumables | 94 | 66 | 6 | 166 |
| Aircraft and travel | 1,956 | 460 | 33 | 2,449 |
| Share based compensation | 56 | 26 | 42 | 124 |
| Total for the three months ended September 30, 2018 | \$ 5,418 | \$ 1,494 | \$ 909 | \$ 7,821 |

For the nine months ended September 30, 2019, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|-----------------------------------------------------------|----------------------------------------------------|----------------------------|-----------------|-----------------|
| Assaying | \$ 154 | \$ 43 | \$ 66 | 263 |
| Exploration drilling | 353 | - | - | 353 |
| Camp cost, equipment and field supplies | 273 | 136 | 223 | 632 |
| Geological consulting services | 144 | 79 | 479 | 702 |
| Geophysical analysis | 143 | 169 | - | 312 |
| Permitting, environmental and community costs | 52 | 9 | 1,069 | 1,130 |
| Expediting and mobilization | 102 | 26 | 24 | 152 |
| Salaries and wages | 576 | 146 | 299 | 1,021 |
| Fuel and consumables | 36 | 40 | 20 | 96 |
| Aircraft and travel | 701 | 186 | 91 | 978 |
| Share based compensation | 201 | 100 | 595 | 896 |
| Total for the nine months ended September 30, 2019 | \$ 2,735 | \$ 934 | \$ 2,866 | \$ 6,535 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

7. Exploration and evaluation costs (continued)

For the nine months ended September 30, 2018, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|-----------------------------------------------------------|---------------------------------------|--------------------|-----------------|------------------|
| Assaying | \$ 605 | \$ 94 | \$ 145 | \$ 844 |
| Exploration drilling | 1,252 | 390 | 307 | 1,949 |
| Camp cost, equipment and field supplies | 706 | 258 | 709 | 1,673 |
| Geological consulting services | 444 | 192 | 802 | 1,438 |
| Geophysical analysis | - | - | 212 | 212 |
| Permitting, environmental and community costs | 247 | 62 | 776 | 1,085 |
| Expediting and mobilization | 222 | 96 | 27 | 345 |
| Salaries and wages | 1,337 | 296 | 275 | 1,908 |
| Fuel and consumables | 104 | 66 | 15 | 185 |
| Aircraft and travel | 2,889 | 464 | 98 | 3,451 |
| Share based compensation | 119 | 36 | 139 | 294 |
| Total for the nine months ended September 30, 2018 | \$ 7,925 | \$ 1,954 | \$ 3,505 | \$ 13,384 |

8. Share capital

(a) Authorized

Unlimited common shares without par value.

Unlimited preferred shares - nil issued and outstanding.

(b) Share issuances

Nine months ended September 30, 2019:

- i. On July 11, 2019, the Company completed a non-brokered flow-through private placement. The placement consisted of 633,334 flow-through common shares priced at \$3.00 per flow-through share for gross proceeds of \$1,900 which were to be used exclusively for exploration on the Committee Bay project.

Share issue costs related to the flow-through private placement totaled \$44. No commissions were paid. A reconciliation of the impact of the July 2019 Flow-Through Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|------------------------------------------------|----------------------------|----------------------------|
| Flow-through shares issued at \$3.00 per share | 633,334 | \$ 1,900 |
| Cash share issue costs | - | (44) |
| Proceeds net of share issue costs | 633,334 | 1,856 |
| Flow-through share premium liability | - | (557) |
| | 633,334 | \$ 1,299 |

- ii. On March 27, 2019, the Company completed a non-brokered private placement for gross proceeds of \$5,255. The placement consisted of 3,284,375 common shares (the "Shares") priced at \$1.60 per Share (the "March 2019 Offering"). The Shares issued under the March 2019 Offering were subject to a four-month hold period and were not registered in the United States.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

8. Share capital (continued)

(b) Share issuances (continued)

Share issue costs related to the 2019 Offering totaled \$200, which included \$110 in commissions, and \$90 in other issuance costs. A reconciliation of the impact of the March 2019 Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|------------------------------------------|----------------------------|----------------------------|
| Common shares issued at \$1.60 per share | 3,284,375 | \$ 5,255 |
| Cash share issue costs | - | (200) |
| Proceeds net of share issue costs | 3,284,375 | \$ 5,055 |

- iii. During the nine months ended September 30, 2019, 876,875 shares were issued as a result of share options being exercised with a weighted average exercise price of approximately \$0.57 for gross proceeds of \$502 and \$457 attributed to these share options was transferred from the equity reserves and recorded against share capital.

Nine months ended September 30, 2018:

- iv. On August 16, 2018 the Company completed a non-brokered flow-through private placement (the "August 2018 Offering") for gross proceeds of \$7,331. The proceeds from the sale of the August 2018 flow-through shares are to be used exclusively for exploration on the Company's Committee Bay, Gibson MacQuoid and Homestake Ridge projects.

Share issue costs related to the August 2018 Offering totalled \$400, which included \$350 in commissions, and \$50 in other issuance costs. A reconciliation of the impact of the August 2018 Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|----------------------------------------------------------------|----------------------------|----------------------------|
| Nunavut flow-through shares issued at \$1.60 per share | 2,084,375 | \$ 3,335 |
| Nunavut charity flow-through shares issued at \$1.75 per share | 1,215,000 | 2,126 |
| BC charity flow-through shares issued at \$1.87 per share | 1,000,000 | 1,870 |
| Share issue costs | - | (400) |
| Proceeds net of share issue costs | 4,299,375 | 6,931 |
| Flow-through share premium liability | - | (1,742) |
| | 4,299,375 | \$ 5,189 |

- v. On March 23, 2018, the Company closed the "March 2018 Offering" by issuing a total of 6,015,385 common shares of the Company at a price of US\$1.30 per share for gross proceeds of US\$7.8 million. The March 2018 Offering was completed pursuant to an underwriting agreement dated March 13, 2018 among the Company and Cantor Fitzgerald Canada Corporation and a syndicate of underwriters. The proceeds from the sale of the March 2018 flow-through shares were used exclusively for exploration on the Company's Committee Bay project.

Share issue costs related to the March 2018 Offering totaled \$1,340, which included \$756 in commissions, and \$584 in other issuance costs. A reconciliation of the impact of the March 2018 Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|--------------------------------------------------|----------------------------|----------------------------|
| Common shares issued at US\$1.30 per share | 6,015,385 | \$ 10,054 |
| Flow-through shares issued at US\$1.82 per share | 1,091,826 | 2,561 |
| Share issue costs | - | (1,340) |
| Proceeds net of share issue costs | 7,107,211 | 11,275 |
| Flow-through share premium liability | - | (737) |
| | 7,107,211 | \$ 10,538 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

8. Share capital (continued)

(b) Share issuances (continued)

- vi. During the nine months ended September 30, 2018, 70,000 shares were issued as a result of share options being exercised with a weighted average exercise price of \$0.51 for gross proceeds of \$35 and \$35 attributed to these share options was transferred from the equity reserve and recorded against share capital.
- vii. During the nine months ended September 30, 2018, 15,000 shares were issued as a result of share purchase warrants being exercised with a weighted average exercise price of \$1.40 for gross proceeds of \$21 and \$12 attributed to these share purchase warrants was transferred from the share option and warrant reserve and recorded against share capital.

9. Share option and warrant reserves

(a) Share-based payments

The Company maintains a Rolling Share Option Plan providing for the issuance of share options up to 10% of the Company's issued and outstanding common shares at the time of the grant. The Company may grant share options from time to time to its directors, officers, employees and other service providers. The share options vest as to 25% on the date of the grant and 12½% every three months thereafter for a total vesting period of 18 months.

The continuity of the number of share options issued and outstanding is as follows:

| | Number of share options | Weighted average exercise price |
|---------------------------------|-------------------------|---------------------------------|
| Outstanding, December 31, 2017 | 4,810,000 | \$1.97 |
| Granted | 1,775,000 | 1.42 |
| Exercised | (220,000) | 0.91 |
| Expired | (103,750) | 2.35 |
| Forfeited | (56,250) | 1.60 |
| Outstanding, December 31, 2018 | 6,205,000 | \$ 1.85 |
| Granted | 3,065,000 | 1.92 |
| Exercised | (876,875) | 0.57 |
| Expired | (215,000) | 2.36 |
| Forfeited | (21,250) | 1.80 |
| Outstanding, September 30, 2019 | 8,156,875 | \$ 2.00 |

As at September 30, 2019, the number of share options outstanding and exercisable was:

| Expiry date | Outstanding | | | Exercisable | | |
|---------------|-------------------|----------------|------------------------------------|-------------------|----------------|------------------------------------|
| | Number of options | Exercise price | Remaining contractual life (years) | Number of options | Exercise price | Remaining contractual life (years) |
| Aug 17, 2020 | 915,000 | \$ 1.30 | 0.88 | 915,000 | \$ 1.30 | 0.88 |
| June 21, 2021 | 2,085,000 | 2.63 | 1.72 | 2,085,000 | 2.63 | 1.72 |
| Jan 10, 2022 | 440,000 | 3.22 | 2.28 | 440,000 | 3.22 | 2.28 |
| June 20, 2023 | 776,250 | 1.42 | 3.72 | 683,125 | 1.42 | 3.72 |
| June 26, 2023 | 900,000 | 1.42 | 3.74 | 787,500 | 1.42 | 3.74 |
| Feb 7, 2024 | 200,625 | 1.36 | 4.36 | 95,625 | 1.36 | 4.36 |
| Apr 24, 2024 | 2,770,000 | 1.96 | 4.53 | 1,044,375 | 1.96 | 4.53 |
| Aug 21, 2024 | 70,000 | 1.82 | 4.90 | 17,500 | 1.82 | 4.90 |
| | 8,156,875 | \$ 2.00 | 3.12 | 6,068,125 | \$ 2.04 | 2.66 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

9. Share option and warrant reserves (continued)

(a) Share-based payments (continued)

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and other service providers. During the three and nine months ended September 30, 2019 and 2018 the Company recognized share-based compensation expense as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|--------------------------------------------------------|-------------------------------------|---------------|------------------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| Recognized in net loss: | | | | |
| Included in exploration and evaluation costs | \$ 231 | \$ 124 | \$ 896 | \$ 294 |
| Included in fees, salaries and other employee benefits | 504 | 249 | 1,900 | 508 |
| Included in project investigation costs | 9 | 20 | 47 | 30 |
| | \$ 744 | \$ 393 | \$ 2,843 | \$ 832 |

During the three and nine months ended September 30, 2019, the Company granted 70,000 and 3,065,000 share options, respectively, to directors, officers, employees and other service providers. The weighted average fair value per option of these share options was calculated as \$0.62 and \$1.16, respectively, using the Black-Scholes option valuation model at the grant date.

During the three and nine months ended September 30, 2018, the Company granted nil and 1,775,000 share options to directors, officers, employees and other service providers. The weighted average fair value per option of these share options was calculated as \$0.75 using the Black-Scholes option valuation model at the grant date.

The fair value of the share-based options granted during the three and nine months ended September 30, 2019 and 2018 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

| | Three months ended September 30, | | Nine months ended September 30, | |
|--------------------------|----------------------------------|------|---------------------------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Risk-free interest rate | 1.35% | - | 1.60% | 1.97% |
| Expected dividend yield | Nil | - | Nil | Nil |
| Share price volatility | 53% | - | 62% | 67% |
| Expected forfeiture rate | 0% | - | 0% | 0% |
| Expected life in years | 3.30 | - | 4.32 | 4.36 |

The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the share-based options. The expected volatility assumption is based on the historical and implied volatility of the Company's common shares. The expected forfeiture rate and the expected life in years are based on historical trends.

(b) Share purchase warrants

On September 12, 2019, the Company issued 500,000 bonus warrants in connection with the Bridge Loan (note 5). The warrants have a term of three years from the date of issue and each warrant is exercisable into one common share of the Company at a price of \$2.00 per common share, but cannot be exercised until after the Maturity Date. As the Bridge Loan was identified as a compound instrument with debt and equity components, the fair value of the share purchase warrants was determined as the residual value net of deferred taxes after the fair value of the debt component was determined (note 5).

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

9. Share option and warrant reserves (continued)

(b) Share purchase warrants (continued)

The continuity of the number of share purchase warrants is as follows:

| | Warrants outstanding | Exercise price |
|---------------------------------|----------------------|----------------|
| Outstanding, December 31, 2017 | 27,716 | \$ 1.40 |
| Expired | (12,716) | 1.40 |
| Exercised | (15,000) | 1.40 |
| Outstanding, December 31, 2018 | - | \$ - |
| Issued | 500,000 | 2.00 |
| Outstanding, September 30, 2019 | 500,000 | \$ 2.00 |

10. Related party balances and transactions

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

(a) Related parties

| | Three months ended September 30, | | Nine months ended September 30, | |
|-----------------------------------------------------|-------------------------------------|--------|------------------------------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| Universal Mineral Services Ltd. ¹ | | | | |
| Exploration and evaluation costs: | | | | |
| Committee Bay and Gibson MacQuoid | \$ 97 | \$ 184 | \$ 264 | \$ 467 |
| Homestake | 71 | 64 | 124 | 108 |
| Peru | 34 | 18 | 163 | 117 |
| Fees, salaries and other employee benefits | 63 | 59 | 254 | 362 |
| Insurance | - | - | - | 1 |
| Legal and professional fees | - | - | - | 6 |
| Marketing and investor relations | 21 | 23 | 61 | 41 |
| Office and administration | 65 | 68 | 265 | 239 |
| Project investigation costs | 7 | - | 22 | 6 |
| Total transactions for the period | \$ 358 | \$ 416 | \$ 1,153 | \$ 1,347 |

1. Universal Mineral Services Ltd., ("UMS") is a private company with certain directors and officers in common. Pursuant to an agreement dated March 30, 2012 and as amended on December 30, 2015, UMS provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis.

The outstanding balance owing at September 30, 2019 was \$248 (December 31, 2018 – \$262). In addition, the Company had \$150 on deposit with UMS as at September 30, 2019 (December 31, 2018 - \$150).

(b) Compensation of key management personnel

During the period, compensation to key management personnel, being the Company's six executives and five non-executive directors, was as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|------------------------------------------------|-------------------------------------|--------|------------------------------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| Short-term benefits provided to executives | \$ 259 | \$ 305 | \$ 1,177 | \$ 1,312 |
| Directors fees paid to non-executive directors | 36 | 33 | 119 | 119 |
| Share-based payments | 440 | 229 | 1,908 | 455 |
| | \$ 735 | \$ 567 | \$ 3,204 | \$ 1,886 |

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

11. Supplemental cash flow information

| | Three months ended September 30, | | Nine months ended September 30, | |
|---------------------------------------------------------------------------------|-------------------------------------|-------|------------------------------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Increase (decrease) in cash related to: | | | | |
| Mineral property acquisition and deferred acquisition costs in accounts payable | \$ (11) | \$ 10 | \$ - | \$ 10 |
| Share issue costs reclassified from deferred financing costs | - | - | - | 10 |
| Share issue costs in accounts payable | 76 | - | 76 | - |

12. Segmented information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral resource properties.

Geographic segmentation of non-current assets is as follows:

| September 30, 2019 | Canada | Peru | Total |
|--------------------------------------------|-----------|----------|-----------|
| Restricted cash and cash equivalents | \$ 115 | \$ - | \$ 115 |
| Prepaid expenses and deposits, non-current | - | 162 | 162 |
| Equipment, net | 1,258 | 77 | 1,335 |
| Mineral property interests | 35,176 | 4,865 | 40,041 |
| | \$ 36,549 | \$ 5,104 | \$ 41,653 |

| December 31, 2018 | Canada | Peru | Total |
|--------------------------------------------|-----------|----------|-----------|
| Restricted cash and cash equivalents | \$ 115 | \$ - | \$ 115 |
| Prepaid expenses and deposits, non-current | - | 198 | 198 |
| Equipment, net | 1,428 | 97 | 1,525 |
| Mineral property interests | 34,931 | 4,141 | 39,072 |
| | \$ 36,474 | \$ 4,436 | \$ 40,910 |

13. Loss per share

| | Three months ended September 30, | | Nine months ended September 30, | |
|-----------------------------------------------|-------------------------------------|------------|------------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net loss | \$ 3,918 | \$ 7,488 | \$ 10,889 | \$ 15,323 |
| Weighted average number of shares outstanding | 95,101,241 | 85,304,840 | 93,545,909 | 84,552,131 |
| Basic and diluted loss per share | \$ 0.04 | \$ 0.08 | \$ 0.12 | \$ 0.18 |

All of the outstanding share options and share purchase warrants at September 30, 2019 and 2018 were anti-dilutive for the periods then ended as the Company was in a loss position.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three and nine months ended September 30, 2019 and 2018

14. Financial instruments

The Company's financial instruments consist of cash, marketable securities, amounts receivable, deposits, accounts payable and accrued liabilities, and the Bridge Loan. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at September 30, 2019 and December 31, 2018 the only financial instruments measured at fair value were the Company's marketable securities, which were classified under level 1 of the fair value hierarchy. The Bridge Loan, on initial recognition, was measured at fair value under level 2 of the fair value hierarchy and was subsequently measured at amortized cost. No transfer occurred between the levels during the period.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk. As at September 30, 2019 the primary risks were as follows:

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at September 30, 2019, the Company has a working capital deficit of \$188 and will require additional capital to satisfy its current obligations (note 1).

Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the Company is exposed are as follows:

(i) Foreign currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at September 30, 2019 and December 31, 2018 the Company's foreign currency exposure related to its financial assets and liabilities held in US dollars as follows:

| | September 30, 2019 | December 31, 2018 |
|---------------------------------------------------------|--------------------|-------------------|
| Financial assets denominated in foreign currencies | \$ 87 | \$ 89 |
| Financial liabilities denominated in foreign currencies | (102) | (57) |
| Net exposure | \$ (15) | \$ 32 |

A 10% increase or decrease in the US dollar exchange rate would not have a material impact on the Company's net loss.

(ii) Other price risk

Other price risk is the risk arising from the effect of changes in market conditions on the Company's marketable securities. The Company is exposed to other price risk through its investment in Bravada Gold Corporation ("BVA"), which is listed on the TSX Venture Exchange.

A 10% increase or decrease in the BVA share price would not have a material impact on the Company's net loss.

Appendix 6 - NCGC Certificate of Amalgamation

DUPLICATE

Number: BC1091633



CERTIFICATE OF AMALGAMATION

BUSINESS CORPORATIONS ACT

I Hereby Certify that COMMITTEE BAY NORTH HOLDINGS LTD., incorporation number C1091579, and NORTH COUNTRY GOLD CORP., incorporation number C1090973 were amalgamated as one company under the name NORTH COUNTRY GOLD CORP. on October 1, 2016 at 12:01 AM Pacific Time.

*Issued under my hand at Victoria, British Columbia
On October 1, 2016*

CAROL PREST
Registrar of Companies
Province of British Columbia
Canada



Appendix 7 - 2018 AANDC Land Use and Water Licence Inspection



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

| | | | |
|------------------------------------------|----------------------------------------------|---------------------------------|--------------------------------------------------|
| Licensee | | Licensee Representative | |
| North Country Gold/Auryn Resources | | Bryan Atkinson | |
| Licence No. / Expiry | | Representative's Title | |
| 2BE-CRA1520 | | Exploration Manager | |
| Land / Other Authorizations | | Land / Other Authorizations | |
| LUP N2014C0005 | | Lease 56J/11-1-2 | |
| Date of Inspection | | Inspector | |
| 29 July 2018 | | Baba Pedersen | |
| Activities Inspected | | | |
| <input checked="" type="checkbox"/> Camp | <input checked="" type="checkbox"/> Drilling | <input type="checkbox"/> Mining | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Roads/Hauling | <input type="checkbox"/> Other: | <input type="checkbox"/> Other: | <input checked="" type="checkbox"/> Reclamation |
| | | | <input checked="" type="checkbox"/> Fuel Storage |

| | | | | | | | |
|------------------------------------------------------------------------------------------|---|----------------|-------------|------------------------------|---------------------|--------------------|---------|
| Conditions: | | A - Acceptable | C - Concern | U - Unacceptable | NA – Not Applicable | NI – Not Inspected | |
| Water Use | | Condition | Comment | Site Conditions | | Condition | Comment |
| Intake/Screen | A | | | Water Management Structures | | | |
| Flow Measure. Device | A | | | Culverts / Bridges | | | |
| Source: | A | | | Drainage | | | |
| Water Use: | A | | | Erosion / Sediment | | A | 3 |
| Recirculation (y /n) | | | | Mitigation Measures | | A | 2 |
| | | | | Reclamation Activities | | A | 6 |
| | | | | Materials Storage | | A | |
| Waste Disposal | | | | Signage | | A | |
| Waste Water | A | | | | | | |
| Solid Waste | A | | | Monitoring | | | |
| Hazardous Waste | A | | | Sample Collection / Analysis | | | |
| | | | | | | | |
| *The number in the comments field will correspond with specific comments provided below. | | | | | | | |
| Samples taken by Inspector: | | Location(s): | | | | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | |

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------|
| SECTION 1 | <input checked="" type="checkbox"/> Comments (s. __) | <input type="checkbox"/> Non-Compliance with Act or Licence (s. __) | <input type="checkbox"/> Action Required (s. __) |
| I Inspected 3 locations belonging to North Country Gold/Auryn Resources on July 29, 2018. I Saw the Hayes Camp (Photos 1 to 12) @ N 66°39'30" W 91°32'11", the RAB Drill Site (Photos 13 to 16) @ 66°54'46.9" W 91°23'46.2" and the Diamond Drill Site (Photos 17 to 20) @ N 66°45'05.1" W 91°26'06.5". I was accompanied by Auryn Exploration Manager, Bryan Atkinson. | | | |
| SECTION 2 | <input checked="" type="checkbox"/> Comments | <input type="checkbox"/> Non-Compliance with Act or Licence | <input type="checkbox"/> Action Required |
| At the Hayes Camp I saw 1. Two different Types of Secondary Containment (Photos 3 & 4) behind individual Cabins, 2. The Grease Trap (Photos 5 & 6) installed under the Kitchen Building, 3. The Coconut Matting (Photo 7) installed for Erosion Control, 4. The Fuel Drums and Secondary Containment used for the Incinerator (Photo 8), 5. Waste Drum Storage Berm #2 (Photos 9 & 10), 6. The old Quarry Area (Photos 11 & 12). 7. At the RAB Drill Site (Photos 13 to 16) I got to see how this type of System works. 8. At the Diamond Drill Sites (Photos 17 to 20) I saw 1 Drill in Operation, 1 Drill being Set-up and a 3 rd location being prepared to Set-up. | | | |
| SECTION 3 | <input type="checkbox"/> Comments | <input type="checkbox"/> Non-Compliance with Act or Licence | <input checked="" type="checkbox"/> Action Required |
| 1. Very Nice Secondary Containment on all Individual Drums, Thank you very much. 2. Thank you for Installing the Grease Trap as per a previous Inspection request. 3. Thank you for Installing the Coconut Matting for Erosion Control as per previous Inspection request. 4. The Secondary Containment under the 4 Drums used for the Incinerator MUST be changed to a larger one so it completely encloses the bottom, send photos to the Inspector once complete to verify this 5. The Waste Drum Berm #2 Secondary Containment MUST be repaired, send photos to the Inspector once complete to verify this. 6. It was mutually agreed that the reclamation of the old Quarry is a Long-Term Reclamation Project, the Proponent will fill in the low spots and channel the drainage to its original location. The Proponent is to Update the Progress of this Reclamation in each Annual Report. 7. All was well at the RAB Drill Site, I have no concerns. 8. All was well at the Diamond Drill Site, I have no concerns. | | | |

| | |
|----------------------------|-------------------------|
| Licensee or Representative | Inspector's Name |
| | Baba Pedersen |
| Signature | Signature |
| | Signed Original on File |
| Date | Date |
| | 19 September 2018 |

| | | |
|------------------|--------------------------------------------|---------------------------------------------------------------------|
| Office Use Only: | Follow-up report to be issued by Inspector | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|------------------|--------------------------------------------|---------------------------------------------------------------------|



cc. CIRNAC, Manager Field Operations, Iqaluit, justin.hack@canada.ca

Nunavut Water Board, Manager of Licensing, Gjoa Haven, licensing@nwb-oen.ca

Gov't of Nunavut, Municipal Engineer, Cambridge Bay, salam@gov.nu.ca

PHOTO LOG

| Date | Camera | Inspector | Authorization |
|----------------------|----------------|---------------------|--------------------------|
| 29 July 2018 | Sony DSC-HX50V | Baba Pedersen | 2BE-CRA1520 & N2014C0005 |
| Photo Log # DSC03556 | | Location Hayes Camp | |

Photo 1



Description: Aerial View #1 of Hayes Camp

| | |
|----------------------|---------------------|
| Photo Log # DSC03732 | Location Hayes Camp |
|----------------------|---------------------|

Photo 2



Description: Aerial View #2 of Hayes Camp



Photo Log # DSC03565

Location Hayes Camp

Photo 3



Description: Type 1 of Secondary Containment on Individual Drums behind each Cabin – VERY NICE!

Photo Log # DSC03566

Location Hayes Camp

Photo 4



Description: Type 2 of Secondary Containment on Individual Drums behind each Cabin – VERY NICE!



Photo Log # DSC03581

Location Hayes Camp

Photo 5



Description: Kitchen Grease Trap installed as per Inspector Eva Paul's direction from last Inspection – Thank You

Photo Log # DSC03580

Location Hayes Camp

Photo 6



Description: Close-up of Kitchen Grease Trap installed as per Inspector Eva Paul's direction from last Inspection – Thank You



Photo Log # DSC03583

Location Hayes Camp

Photo 7



Description: Coconut Matting installed for Erosion Control as per Eva Paul's Direction from last Inspection – also visible in Photo #2

Photo Log # DSC03592

Location Hayes Camp

Photo 8



Description: Fuel Drums for Incinerator – Needs Larger Secondary Containment

Photo 9



Description: Waste Berm #2 – Needs Repairs on Secondary Containment

Photo 10



Description: Waste Berm #2 – Needs Repairs on Secondary Containment



Photo Log # DSC03631

Location Hayes Camp

Photo 11



Description: Old Quarry Area to be added to Long Term Reclamation Plan

Photo Log # DSC03644

Location Hayes Camp

Photo 12



Description: Old Quarry Area to be added to Long Term Reclamation Plan – Aerial View



Photo Log # DSC03650

Location RAB Drill Site

Photo 13

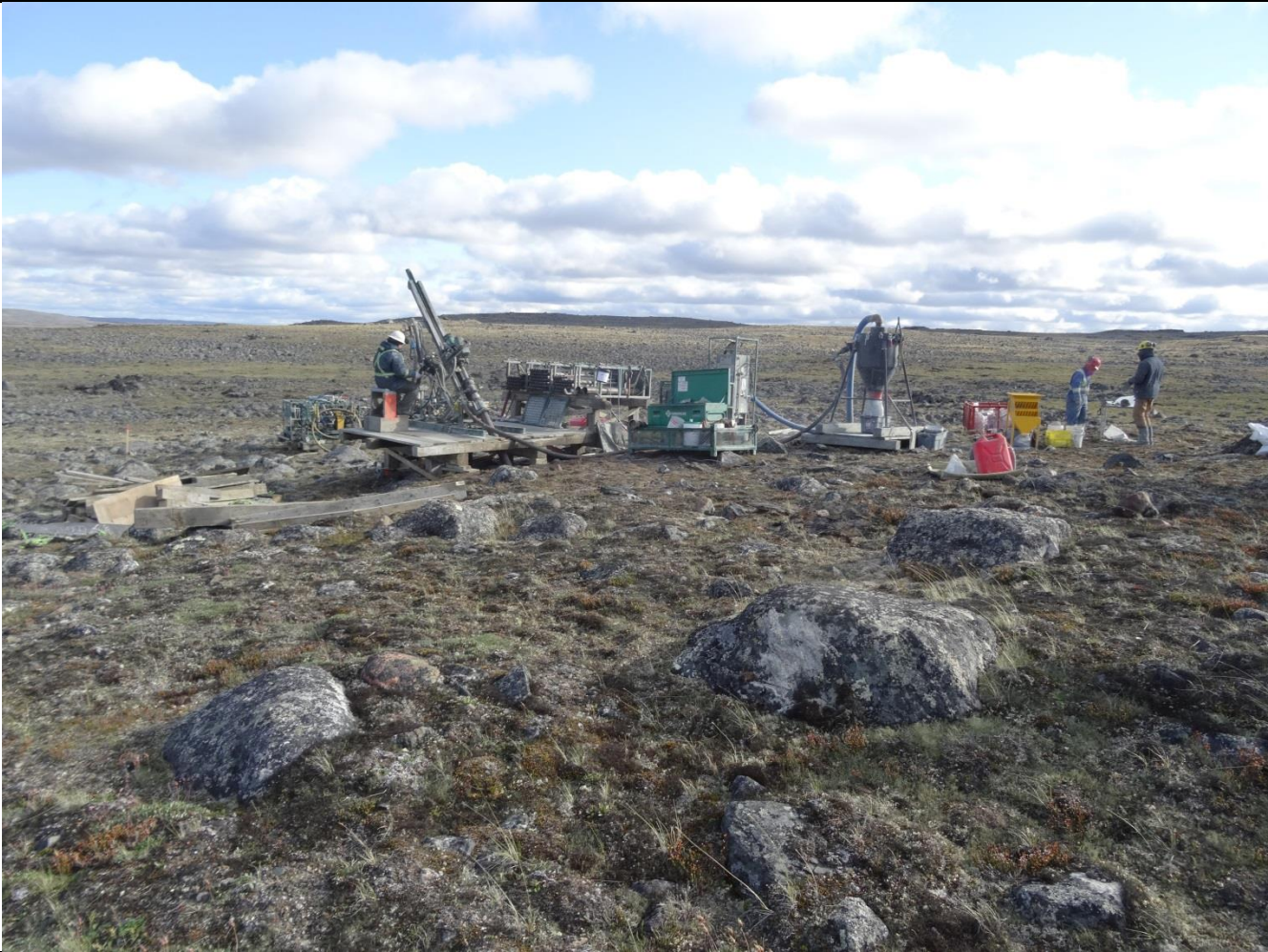


Description: Aerial View of RAB Drill Site

Photo Log # DSC03655

Location RAB Drill Site

Photo 14



Description: RAB Drill Site showing compact Foot Print



Photo Log # DSC03670

Location RAB Drill Site

Photo 15



Description: RAB Drills produce Dust (not Core) which is poured through this Sifter into Bags

Photo Log # DSC03672

Location RAB Drill Site

Photo 16



Description: These Bags of Powder are what is produced by the RAB Drill Process

Photo Log # DSC03691

Location Diamond Drill Site

Photo 17



Description: Aerial View of 2 Diamond Drill Rigs side-by-side with Water Source shown in the top right

Photo Log # DSC03695

Location Diamond Drill Site

Photo 18



Description: Aerial View of Water Pump at Source



Photo Log # DSC03727

Location Diamond Drill Site

Photo 19



Description: Close-up of Sump in Natural Depression in Rock Pile

Photo Log # DSC03729

Location Diamond Drill Site

Photo 20



Description: Sump Line from Diamond Drill Rig in background