AURYN RESOURCES INC.

BUSINESS ACQUISITION REPORT

FORM 51-102F4

Item 1. Identity of Company

1.1 Name and Address of Company

Auryn Resources Inc. ("Auryn" or the "Company")
600 – 1199 West Hastings Street
Vancouver, British Columbia
V6E 3T5

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Peter Rees, Chief Financial Officer and Corporate Secretary
Telephone: 778-729-0600

Item 2. Details of Acquisition

2.1 Nature of Business Acquired

On September 25, 2015, the Company and North Country Gold Corp. ("North Country") completed the previously announced acquisition by the Company of North Country pursuant to a statutory plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) (the "Arrangement"). The Arrangement was approved by shareholders of North Country on September 18, 2015 and received final court approval on September 22, 2015.

The Arrangement was completed pursuant to the terms of an arrangement agreement dated August 13, 2015 between the Company and North Country (the "Arrangement Agreement"). Pursuant to the terms of the Arrangement Agreement, North Country became a wholly-owned subsidiary of the Company.

North Country is a corporation governed by the *Business Corporations Act* (Alberta). North Country's main business includes the Committee Bay project located in Nunavut, Canada.

Further information about the Arrangement and North Country can be found in the management information circular of North Country dated August 20, 2015 (the "Circular") sent to shareholders of North Country in connection with its shareholders meeting and in the Arrangement Agreement, copies of which have been filed under North Country's profile on SEDAR at www.sedar.com.

2.2 Date of Acquisition

The Company completed the Arrangement on September 25, 2015.

2.3 Consideration

Under the Arrangement, the Company acquired all of the issued and outstanding common shares of North Country (the “North Country Shares”) in exchange for common shares of Auryn (the “Auryn Shares”) with an exchange ratio of 0.1 of an Auryn Share for each North Country Share held (the “Exchange Ratio). In addition, each outstanding option to acquire North Country Shares was amended to convert into Auryn Shares with the number and price adjusted by the Exchange Ratio.

To give effect to the Arrangement, Auryn issued 13,838,894 Auryn Shares to former holders of North Country Shares.

Further particulars of the terms of the Arrangement can be found in the Circular and in the Arrangement Agreement, copies of which have been filed on SEDAR under North Country’s profile.

2.4 Effect on Financial Position

Upon the completion of the Arrangement, North Country became a wholly-owned subsidiary of the Company. The business and operations of North Country have been combined with those of the Company and are managed concurrently.

Except as disclosed in this business acquisition report and the Circular, the Company does not have any current plans for material changes in its business affairs or the affairs of North Country which may have a significant effect on the results of operations and financial position of the Company, including any proposal to liquidate the business of North Country, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to the business or corporate structure of the Company or North Country.

In connection with the Arrangement, certain directors and officers of North Country resigned. The executive management of the Company following the completion of the Arrangement is comprised as follows:

Executive Management

Shawn Wallace	President and Chief Executive Officer
Peter Rees	Chief Financial Officer and Corporate Secretary
Peter Kleespies	Vice President Exploration

For details on the pro forma effect of the Arrangement on Auryn, see Item 3.

The information set out above is a summary only and is qualified in its entirety by the information contained in the Circular and by the pro forma financial statements attached to this business acquisition report.

2.5 Prior Valuations

To the knowledge of Auryn, there has not been any valuation opinion obtained within the last twelve months by North Country required by securities legislation or a Canadian exchange or market to support the consideration paid by Auryn in connection with the Arrangement.

2.6 Parties to the Transaction

The acquisition was not with an informed person, associate or affiliate of Auryn as defined in Section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

2.7 Date of Report

November 5, 2015.

Item 3. Financial Statements

The following documents are attached to this business acquisition report as Appendix A:

i. the audited consolidated financial statements of North Country as at and for the years ended February 28, 2015 and 2014, together with the notes thereto and the auditors' report thereon. The auditors have not given their consent to include their audit report in this Report.;

ii. the unaudited interim consolidated condensed financial statements of North Country for the three months ended May 31, 2015 and 2014 and the notes thereto;

iii. the unaudited pro forma consolidated financial statements of Auryn giving effect to the acquisition of North Country, which are comprised of the following:

- the unaudited pro forma consolidated statement of financial position of the Company, giving effect to the Arrangement, as at March 31, 2015;
- the unaudited pro forma consolidated statement of operations of the Company, giving effect to the Arrangement, for the nine months ended March 31, 2015;
- the unaudited pro forma consolidated statement of operations of the Company, giving effect to the Arrangement, for the year ended June 30, 2014; and
- notes to the unaudited pro forma condensed consolidated financial statements.

APPENDIX A

NORTH COUNTRY GOLD CORP.

Consolidated Financial Statements

For the years ended February 28, 2015 and 2014

Independent Auditor's Report

Grant Thornton LLP
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Edmonton, AB
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To the Shareholders of North Country Gold Corp.

We have audited the accompanying consolidated financial statements of North Country Gold Corp., which comprise the consolidated statements of financial position as at February 28, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of North Country Gold Corp. as at February 28, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion we draw attention to Note 1 of the consolidated financial statements which indicates that the Company incurred a net loss of $967,696 during the year ended February 28, 2015 and, as of that date, the Company had an accumulated deficit of $12,202,100. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Edmonton, Canada

June 25, 2015

Grant Thornton LLP

Chartered Accountants

NORTH COUNTRY GOLD CORP.
Consolidated Statements of Financial Position

As at	February 28, 2015	February 28, 2014
ASSETS		
Current		
Cash and cash equivalents	**$ 307,617**	$ 615,939
Trade and other receivables (note 4)	**126,138**	468,162
Prepayments and deposits	**148,090**	209,876
	581,845	1,293,977
Investments (note 5)	**9,515**	36,557
Equipment (note 6)	**2,034,903**	3,021,572
Long-term receivable	**-**	25,258
Mineral properties (note 7)	**81,354,377**	80,281,338
TOTAL ASSETS	**$ 83,980,640**	$ 84,658,702
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 1,181,758**	$ 616,278
Current-portion of finance lease obligations (note 8)	**21,809**	64,673
	1,203,567	680,951
Asset retirement obligation (note 9)	**1,157,648**	1,520,186
Deferred taxes (note 10)	**6,583,031**	6,579,370
TOTAL LIABILITIES	**8,944,246**	8,780,507
EQUITY		
Share capital (note 11)	**83,071,117**	83,025,222
Share subscriptions received (note 11)	**100,000**	-
Option and warrant reserve	**4,067,377**	4,087,377
Deficit	**(12,202,100)**	(11,234,404)
TOTAL EQUITY	**75,036,394**	75,878,195
TOTAL LIABILITIES AND EQUITY	**$ 83,980,640**	$ 84,658,702

Approved by the Board of Directors

Director (signed by) *"John Williamson"*

Director (signed by) *"Sean Mager"*

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

NORTH COUNTRY GOLD CORP.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended	February 28, 2015	February 28, 2014
EXPENSES		
General and administration (note 13)	**$ 868,758**	$ 486,974
Finance costs	**46,438**	43,807
Share-based compensation (note 11)	**-**	65,000
Loss from operations	**(915,196)**	(595,781)
OTHER		
Gain on sale of investments	**31,381**	-
Impairment of accounts receivable (note 4)	**(174,241)**	-
Royalty income	**22,213**	27,407
Other income	**62,563**	31,079
Interest income	**17,498**	28,772
Foreign exchange loss	**(8,253)**	(34,385)
Loss on disposal of equipment	-	(26,865)
Foreign withholding tax	-	(10,946)
Impairment of investments	-	(49,930)
	(48,839)	(34,868)
Loss from operations before income taxes	**(964,035)**	(630,649)
Income tax (expense) recovery (note 10)	**(3,661)**	7,801
NET LOSS FOR THE YEAR	**(967,696)**	(622,848)
OTHER COMPREHENSIVE LOSS		
Unrealized gain (loss) on investments	**31,381**	(21,669)
Reclassification adjustment for impairment on available for sale financial assets included in profit and loss	**-**	21,669
Realized gain on sale of investments recognized in profit and loss	**(31,381)**	-
	-	-
COMPREHENSIVE LOSS FOR THE YEAR	**$ (967,696)**	$ (622,848)
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.01)**	$ (0.01)
Basic and diluted weighted average number of common shares	**122,134,073**	111,840,959

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

NORTH COUNTRY GOLD CORP.
Consolidated Statements of Changes in Equity

	Share capital	Share subscriptions received	Option and warrant reserve	Deficit	Total equity
Balance at February 28, 2013	$ 82,552,002	$ -	$ 4,022,377	$(10,611,556)	$ 75,962,823
Comprehensive loss	-	-	-	(622,848)	(622,848)
Private placements (note 11)	500,000	-	-	-	500,000
Share-based compensation	-	-	65,000	-	65,000
Share issuance costs	(26,780)	-	-	-	(26,780)
Balance at February 28, 2014	**$ 83,025,222**	**$ -**	**$ 4,087,377**	**$(11,234,404)**	**$ 75,878,195**
Comprehensive loss	-	-	-	(967,696)	(967,696)
Share subscriptions received (note 11)	-	100,000	-	-	100,000
Options exercised (note 11)	45,000	-	(20,000)	-	25,000
Share issuance costs recovery	895	-	-	-	895
Balance at February 28, 2015	**$ 83,071,117**	**$ 100,000**	**$ 4,067,377**	**$(12,202,100)**	**$ 75,036,394**

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

NORTH COUNTRY GOLD CORP.
Consolidated Statements of Cash Flows

For the years ended	February 28, 2015	February 28, 2014
Cash provided by (used in):		
Operating activities:		
Net loss	**$ (967,696)**	$ (622,848)
Items not affecting cash:		
Gain on sale of investments	**(31,381)**	-
Depreciation	**6,963**	11,483
Deferred taxes	**3,661**	(7,801)
Finance costs	**45,302**	37,681
Impairment of accounts receivable	**174,241**	-
Accrued interest income	-	(25,724)
Loss on disposal of equipment	**-**	26,865
Share-based compensation	**-**	65,000
Impairment of investments	-	49,930
	(768,910)	(465,414)
Changes in non-cash working capital	**748,180**	349,645
Cash used in operating activities	**(20,730)**	(115,769)
Investing activities		
Proceeds on sale of investments	**58,423**	-
Additions to mineral properties	**(429,046)**	(277,772)
Cash used in investing activities	**(370,623)**	(277,772)
Financing activities		
Proceeds from private placements	**-**	500,000
Advance share subscriptions received	**100,000**	-
Proceeds from exercise of options	**25,000**	-
Share issuance costs recovery (expense)	**895**	(26,780)
Repayment of finance lease obligation	**(42,864)**	(92,875)
Cash provided by financing activities	**83,031**	380,345
Net decrease in cash and cash equivalents	**(308,322)**	(13,196)
Cash and cash equivalents – beginning of year	**615,939**	629,135
Cash and cash equivalents – end of year	**$ 307,617**	$ 615,939
Non-cash transactions and supplemental disclosures		
Depreciation capitalized (note 6)	**$ 565,034**	$ 1,002,689
Change in estimate of asset retirement obligation (note 9)	**$ (407,840)**	$ 4,403
Contributed surplus adjustment on exercise of options (note 11)	**$ 20,000**	$ -
Interest paid	**$ (1,136)**	$ 6,125
Interest received	**$ 17,498**	$ 3,048

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

1. Nature of operations and going concern

North Country Gold Corp. (the “Company” or “NCG”) was incorporated in Alberta, Canada, on February 3, 2010 and the Company’s common shares began trading on the TSX Venture Exchange under the stock symbol “NCG” on April 15, 2010. The Company’s primary business is the acquisition, exploration, and development of mineral properties for sale or extraction. The Company’s registered office is 4500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta, Canada, T2P 4K7. The Company’s head office is at Suite 220, 9797 45 Avenue NW, Edmonton, Alberta, T6E 5V8.

On September 6, 2012 the Company’s common shares began trading on the OTCQX under the stock symbol “NCGDF”.

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) and on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at February 28, 2015, the Company has a working capital deficiency of $621,722 (2014 – working capital of $613,026), a deficit of $12,202,100 (2014 - $11,234,404) and the Company has not determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties cast significant doubt regarding the Company’s ability to continue as a going concern. At the current stage of the Company’s operations, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management is seeking out additional sources of funding, which may include equity financing, joint ventures on its mineral properties, sale of assets or any combination thereof. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments could be material.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on June 26, 2015.

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol “$” herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization (“ISO”) 3-letter symbol for such foreign currency.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Committee Bay North Ltd. (incorporated in the Northwest Territories) and CBR Australia Holdings Inc. (amalgamated in Alberta) and its wholly owned subsidiary Matador Mining Pty. Ltd. to April 30, 2014 (incorporated in Australia and wound-up on April 30, 2014). All intercompany balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on an historical cost basis with the exception of investments which are measured at fair value.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include, but are not limited to:

Estimates and assumptions

i) Share-based compensation

The fair value of share-based compensation is determined using the Black-Scholes Option Pricing Model based on estimated fair values at the date of grant. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the award. Changes in these assumptions can significantly affect the fair value estimate.

ii) Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the amount that is probable to be realized. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

iii) Impairment of assets

Mineral property expenditures: Recognition of mineral property expenditures requires judgment from management in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management is required to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established, and takes into considerations variables such as long-term commodity prices, exploration potential and extraction costs. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures are unlikely, the amounts capitalized are written off in profit or loss in the period when the new information becomes available.

Equipment: The carrying value of equipment is reviewed each reporting period to determine if there is any indication of impairment. Where an indicator of impairment exists, the asset is impaired to the higher of the fair value less costs to sell and value in use. The assessment of fair values requires the use of estimates and assumptions by management such as discount rates, operating costs, future capital requirements, and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

Investments: At each reporting period, management assesses whether there is objective evidence that an investment has been impaired, such as a significant or prolonged decline in the value of the investment. Should such evidence cause management to estimate that an impairment has arisen, an impairment loss is written off in profit or loss.

iv) Depreciation

The Company provides for depreciation using either the declining balance or straight line methods at rates designed to amortize the cost of individual items and their material components over their estimated useful lives. Management's judgment is involved in the determination of useful life and residual values for the calculation of depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from management's assumptions.

v) Asset retirement obligation

When providing for asset retirement obligations, the Company uses assumptions based on the current economic environment which management believes are reasonable upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to the liability from year to year. Actual costs to settle the liability will ultimately depend on the market condition at the time the costs are actually incurred.

Judgments

vi) Exploration and evaluation assets

The application of the Company's accounting policy for recognition of exploration and evaluation expenditures as assets included within "mineral properties" requires judgement in determining whether the Company has obtained the legal rights to explore a specific area to meet the criteria for capitalization. For exploration and evaluation expenditures, control of the resource by the Company that meets the definition of an asset exists where the Company has a legal right to explore the specified area to exploit any mineral deposits within it. This applies where the Company already owns the mining rights or has the power to obtain them in the future.

viii) Determination of functional currency

The determination of functional currency for each company requires an analysis of various indicators which IFRS splits between primary and additional indicators. The primary factors include analyzing (a) the currency that mainly influences sales prices for goods and services, (b) the currency of the country whose competitive forces and regulations mainly determine the sales price of its goods or services.

The additional factors for consideration under IFRS which include examining (a) the currency of the financing activities, (b) the currency in which the receipts from operating activities are usually retained, (c) whether the activities of foreign operations are carried out as an extension of the Company or operate with a large degree of autonomy, (d) whether the transactions between the entities is a high or low proportion of the foreign operation's activities, (e) whether cash flows from activities of a foreign operation directly affect the cash flows of the Company and (f) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations.

b) Cash and cash equivalents

Cash and cash equivalents is comprised of: cash on hand; cash on deposit with the Company's financial institution on which it earns variable amounts of interest, and; highly liquid investments with maturity dates of less than ninety days from purchase.

c) Financial instruments

Financial instruments are classified into one of five categories and, depending on the category, will either be measured at amortized cost using the effective interest method or fair value. Held to maturity investments, loans and receivables, and other financial liabilities are measured at amortized cost. Financial assets and liabilities classified as fair value through profit and loss and available for sale financial assets are carried on the consolidated statement of financial position at their fair values. Changes in the fair value of fair value through profit and loss financial instruments are recognized in net income (loss) in the period in which they occur, and changes in the fair value of available for sale financial assets are recognized as a component of other comprehensive income (loss) until the related financial assets are derecognized or impaired at which time accumulated changes in fair value in accumulated other comprehensive income (loss) are recognized in net income (loss). The Company classifies its cash and cash equivalents and receivables as loans and receivables. Investments in marketable securities are classified as available for sale. Accounts payable and accrued liabilities are classified as other financial liabilities.

The Company accounts for financial assets on the trade date, being the date on which the Company commits to buy or sell the financial asset. Transaction costs related to financial assets or financial liabilities classified as other than fair value through profit and loss will be added to the initial carrying value of the financial asset or liability. Transaction costs related to financial assets or financial liabilities classified as fair value through profit and loss are recognized immediately in net loss. Where transaction costs relate to available for sale financial assets they will be charged to other comprehensive income immediately after capitalization as available for sale assets are measured at fair value.

The Company assesses at each reporting date whether there is evidence that a financial asset or a group of financial assets is impaired. Evidence of impairment may include indications that the debtor or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when indicators suggest that there are measurable decreases in the estimated future cash flows.

d) Foreign currency

The Canadian dollar is the functional and presentation currency of each of the Company's subsidiaries as of February 28, 2015. Transactions in foreign currencies are translated into the functional currency at exchange rates in effect on the transaction date. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at exchange rates in effect on the date of the consolidated statement of financial position. Non-monetary items are translated at historical exchange rates, except where such items are carried at fair value, in which case they are translated at the exchange rate in effect at the date of the consolidated statement of financial position. The resulting foreign exchange gains or losses are recognized in net income (loss) in the periods in which they occur, except for foreign currency gains and losses arising from fluctuations in currency exchange rates on the net investment of the Company in its foreign operations, which is reported as a component of other comprehensive income until the Company's net investment in foreign operations changes, at which time the associated accumulated amount of foreign exchange gains and losses are reclassified from accumulated other comprehensive income to net income (loss).

e) Deferred taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax values (temporary differences) and loss carry forwards. Deferred tax assets and liabilities are measured using the tax rates expected to be in effect when temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is included in profit or loss in the period in which the change is substantively enacted. The amount of deferred tax assets recognized is limited to the amount of the benefit that is considered probable.

f) Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company; the amount of revenue can be measured reliably; and the costs incurred or to be incurred in respect of the transaction can be measured. The Company's royalty revenue relates to royalties earned on gravel extraction and sale and is recognized at the time of sale. The Company's interest revenue relates to its cash on deposit with the Company's financial institutions and is recognized as earned.

g) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. The Company provides for depreciation as cost less residual value over the life of the asset. Material residual values and estimates of useful life are reviewed and updated as required and at least annually. Rates and basis of depreciation applied to write-off the cost of equipment over the estimated useful lives are as follows:

Office equipment	20%	Declining balance
Mobile equipment	25-60%	Declining balance
Camp and field equipment	8-33%	Declining balance
Drilling equipment	8-33%	Declining balance

h) Asset retirement obligation

Asset retirement obligations encompass legal, statutory, contractual or constructive obligations associated with the retirement of a long-lived asset that results from the acquisition, construction, development or normal operation of a long-lived asset. The Company recognizes liabilities for asset retirement obligations associated with long-lived assets, which includes abandonment of mineral properties and returning property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability with a corresponding increase or decrease in the carrying value of the related long-lived asset.

i) Segmented information

Separate operating segments are identified when a component of the Company engages in business activities, the separate operating results of the component are regularly reviewed by the Company's chief operating decision maker, and discrete financial information for the component is available. The Company has a single reporting segment which is the exploration and development of mineral properties.

j) Mineral properties

Mineral property acquisition costs and exploration costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a mineral property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analysing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. All other costs, including administrative overhead are expensed as incurred.

If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to profit or loss.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Equipment acquired directly for exploration activities are considered part of mineral properties and assessed for impairment with mineral properties. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

The Company has farm-out arrangements with third parties on certain of its mineral properties. The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

k) Comprehensive income (loss) and equity

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) (“OCI”). OCI represents changes in shareholders’ equity during a period arising from transactions and other events with non-owner sources. When applicable, components of OCI are recorded net of related income taxes. Cumulative changes in OCI are included in accumulated other comprehensive income (“AOCI”), which is presented as a category of equity in the consolidated statements of changes in equity.

l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

m) Income (loss) per share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

During the years ended February 28, 2015 and 2014, all the outstanding share options and warrants were anti-dilutive as the Company reported a net loss.

n) Share-based compensation

Share-based compensation related to the issuance of stock options to employees, consultants, directors, and officers pursuant to the Company's stock option plan is accounted for using the fair value method whereby compensation expense related to these programs is recorded in the statement of net income (loss) with a corresponding increase to option and warrant reserve in equity. Share-based compensation related to compensation warrants and options issued pursuant to private placements to non-employees are recorded at the fair value of the goods or services received and is recorded as share issue costs with a corresponding increase to option and warrant reserve. When the value of goods or services received in exchange for the share based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes Option Pricing Model.

Consideration paid on the exercise of stock options and warrants is credited to share capital. Upon the exercise of the stock options or compensation warrants, consideration received together with the amount previously recognized in option and warrant reserve is recorded as an increase to share capital. The Company incorporates an estimated forfeiture rate for stock options and agents warrants that may not vest. Option and warrant reserve related to stock options which expire unexercised remains in the option and warrant reserve.

o) Impairment of long-lived assets

The Company assesses the impairment of long-lived assets, which, for the Company, consists primarily of mineral properties and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may exceed the recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its recoverable amount. The amount of the impairment is charged to profit or loss in the period when the impairment is determined. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimated recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

p) Equity units issued in private placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

q) Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as finance lease obligations. Lease payments are analyzed between capital and interest. Finance leased assets are depreciated over the estimated useful life of the asset.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an “operating lease”), the total of rentals payable under the lease are changed to the statement of comprehensive loss on a straight-line basis over the term of the lease.

r) Future changes in accounting standards

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and has evaluated that no significant adjustments will be required on its consolidated financial statements upon adoption.

IFRS 9 - *Financial Instruments* replaces the current standard IAS 39 - *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. The Company will evaluate the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption. IFRS 9 has an effective date of January 1, 2018.

4. Trade and other receivables

As at	**February 28, 2015**	**February 28, 2014**
Accounts receivable	$ 113,731	$ 26,042
Receivable pursuant to sale of subsidiary	-	422,431
Accrued receivables	-	11,855
Goods and services tax credits receivable	12,407	7,834
	$ 126,138	**$ 468,162**

The Company’s accounts receivable relates to office rental, reimbursed expenses, and operating costs shared between several companies. The Company pays the total costs and bills each company for its share of the costs.

During the year ended February 28, 2015, the Company was monitoring progress on the collection of an amount due from a third party pursuant to the sale of a subsidiary in 2011. Since the sale of the subsidiary in 2011, the Company has been able to collect a substantial portion of the receivable, however, considering the age of the receivable, the Company recorded an impairment in the amount of $174,241, representing the principal balance, and interest, owing as at February 28, 2015. The Company also, considering the age of the receivable and uncertainty of collection, recorded an impairment in the amount of $169,654, representing the balance of an invoice to a third party. As the impaired receivable related to the reimbursement of expenditures incurred on the mineral property, the impairment is included in the mineral property balance.

5. Investments

As at	February 28, 2015	February 28, 2014
Marketable securities classified as available for sale financial assets	$ 9,515	$ 36,557

The Company holds securities of publically traded companies which it has classified as available for sale financial assets, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive income (loss) in equity, net of deferred taxes. During the year ended February 28, 2015, the Company recognized an impairment loss of $nil (2014 - $21,669) on securities classified as available for sale financial assets, as there had been a significant and/or prolonged decline in the market price of those securities.

6. Equipment

	Camp and field equipment	Drilling equipment	Mobile equipment	Office equipment	Total
Cost					
Balance, February 28, 2013	$ 3,896,481	$ 553,986	$ 1,818,151	$ 119,220	$ 6,387,838
Change in ARO (note 9)	30,036	-	-	-	30,036
Disposals	-	(28,792)	-	(26,592)	(55,384)
Balance, February 28, 2014	3,926,517	525,194	1,818,151	92,628	6,362,490
Change in ARO (note 9)	(414,672)	-	-	-	(414,672)
Balance, February 28, 2015	**$ 3,511,845**	**$ 525,194**	**$ 1,818,151**	**$ 92,628**	**$ 5,947,818**
Accumulated Depreciation					
Balance, February 28, 2013	$ (1,081,939)	$ (290,860)	$ (919,321)	$ (66,471)	$ (2,358,591)
Depreciation	(646,027)	(81,322)	(276,201)	(10,620)	(1,014,170)
Disposals	-	21,059	-	10,784	31,843
Balance, February 28, 2014	(1,727,966)	(351,123)	(1,195,522)	(66,307)	(3,340,918)
Depreciation	(322,561)	(52,221)	(190,252)	(6,963)	(571,997)
Balance, February 28, 2015	**$ (2,050,527)**	**$ (403,344)**	**$ (1,385,774)**	**$ (73,270)**	**$ (3,912,915)**
Net book value:					
Balance, February 28, 2014	$ 2,198,551	$ 174,071	$ 622,629	$ 26,321	$ 3,021,572
Balance, February 28, 2015	**$ 1,461,318**	**$ 121,850**	**$ 432,377**	**$ 19,358**	**$ 2,034,903**

During the year ended February 28, 2015, the Company capitalized $565,034 (2014 - $1,002,689) in depreciation to mineral properties. Included in camp and field equipment at February 28, 2015 is $199,268 (2014 – $249,085) of equipment under finance leases (note 8).

7. Mineral properties

	Committee Bay	Baffin Island	Total
February 28, 2013	$ 79,064,248	$ 11,688	$ 79,075,936
Acquisition and claim maintenance	59,186	-	59,186
Exploration costs	1,146,216	-	1,146,216
February 28, 2014	80,269,650	11,688	80,281,338
Acquisition and claim maintenance	2,377	-	2,377
Exploration costs	1,070,662	-	1,070,662
February 28, 2015	**$ 81,342,689**	**$ 11,688**	**$ 81,354,377**

The Committee Bay Greenstone Belt is located approximately 300 kilometers north of Baker Lake within Nunavut Territory, Canada. The Company is currently holds mineral title to more than 160,000 acres of land comprising 20 active mineral claims and 48 mineral leases. Portions of the property are subject to net smelter royalties ("NSR"s), ranging from 1.0% to 1.5%. At any point within two years commencement of commercial production the Company will have the right to purchase all or a portion of the 1.5% NSR for $2,000,000 for each one-third (0.5%) of the NSR.

The Company has provided $75,000 of cash as security to its financial institution for an irrevocable letter of credit of the same amount with respect to the performance of a third party under a land use license.

Subsequent to the year ended February 28, 2015, the Company and Auryn Resources Inc ("Auryn") jointly announced the execution of a definitive Joint Exploration Agreement (the "JEA") whereby Auryn has the option to spend $6,000,000 CDN over a 30-month period to earn a 51% interest in the mineral concessions comprising the Committee Bay Project at which time the parties will share costs pro-rata in a customary joint venture. Of this amount, $500,000 is a firm commitment to be incurred within the first 12 months. As a condition of the JEA, Auryn agreed to purchase 10,000,000 common shares of the Company at a price of $0.05 per common share as part of a non-brokered private placement of 20,000,000 common shares of the Company (note 11).

A technical committee will be formed to jointly plan and oversee exploration programs. Auryn will have ultimate discretion over the nature and manner of exploration undertaken during the earn-in period and will become the operator of the ensuing joint venture, while North Country will provide staff, equipment and consumables as the contractor to implement programs.

8. Finance lease obligations

Included in equipment are certain assets that the Company acquired pursuant to finance lease agreements. During each of the years ended February 28, 2015 and 2014, the Company negotiated a deferral of the remaining lease payments. Future minimum lease payments are as follows:

As at	February 28, 2015	February 28, 2014
2016	$ 22,000	$ -
2015	-	66,000
Total minimum lease payments	22,000	66,000
Less: interest portion	(191)	(1,327)
Finance lease obligations	**$ 21,809**	**$ 64,673**
Current portion	$ 21,809	$ 64,673
Non-current portion	-	-
Finance lease obligations	**$ 21,809**	**$ 64,673**

9. Asset retirement obligation

Balance, February 28, 2013	$ 1,478,102
Accretion of interest	37,681
Change in estimate	4,403
Balance, February 28, 2014	$ 1,520,186
Accretion of interest	45,302
Change in estimate	(407,840)
Balance, February 28, 2015	$ 1,157,648

During the year ended February 28, 2015, the Company has recorded an asset retirement obligation of $1,157,648 (2014 – $1,520,186), 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 used at the property as well as costs associated with the reclamation of the camp and work sites on the property. It is the Company's intention to continue exploration work on the property until at least the current mining leases expire, which is between 2026 and 2033. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

During the year ended February 28, 2015, management used a risk-free interest rate of 1.92% (2014 - 2.94%) to discount the obligation. The discounted amount of inflation-adjusted estimated future cash flows relating to removal of equipment is $706,239 (2014 – $1,088,475) and relating to reclamation of the camp and work sites is $451,409 (2014 – $431,711). Amounts related to the removal of equipment have been included in equipment (note 6) and amounts related to the reclamation of the camp and work sites have been included in mineral properties (note 7).

10. Deferred taxes

The components of deferred tax liability are as follows:

As at	February 28, 2015	February 28, 2014
Asset retirement obligation	$ (289,412)	$ (207,727)
Investments	(11,438)	(9,095)
Equipment	(889,711)	(643,044)
Mineral properties	9,348,126	8,948,928
Losses carried forward	(1,441,923)	(1,182,080)
Share issuance costs	(127,158)	(311,444)
Other	(5,453)	(16,168)
	$ 6,583,031	**$ 6,579,370**

The Company has a $7,439,009 (2014 - $7,439,009) deferred tax liability, resulting from a 2010 plan of arrangement, which has not been recognized as the initial recognition exemption applied to those temporary differences.

In assessing whether the deferred tax assets are realizable, management considers whether it is probable that some portion or all of the deferred tax assets will be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. For the years ended February 28, 2015 and 2014, the Company has recognized deferred tax assets to the extent that they will be utilized against future taxable income. As at February 28, 2015, the Company did not recognize $1,368,236 (2014 - $1,397,545) in deferred tax assets as their realization was not probable.

The Company has Canadian non-capital losses of $10,688,726 for income tax purposes, of which the amount of $4,994,104 has not been recognized, which expire between 2015 and 2035. The Company has Canadian capital losses of $167,685 which can be carried forward indefinitely to offset future capital gains.

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the combined statutory income tax rate of approximately 25.00% (2014 – 25.00%) to the net loss before income taxes for the years as follows:

	February 28, 2015	February 28, 2014
Expected tax recovery from operations	$ 241,009	$ 157,662
Difference resulting from:		
Non-taxable items	(127)	(4,343)
Difference due to change in tax rates	(4,051)	(3,157)
Tax benefit not recognized	(240,492)	(142,361)
Income tax (expense) recovery	**$ (3,661)**	**$ 7,801**
Deferred income tax recovery (expense)	$ (3,661)	$ 7,801
Current income tax recovery	-	-
Income tax (expense) recovery	**$ (3,661)**	**$ 7,801**

11. Share capital

A summary of changes in common share capital is as follows:

	Number of shares	Weighted average issue price	Amount
Balance at February 28, 2013	111,813,562		$ 82,552,002
Shares issued through private placements	10,000,000	$ 0.05	500,000
Share issuance costs	-	-	(26,780)
Balance at February 28, 2014	121,813,562		83,025,222
Shares issued upon exercise of options	500,000	$ 0.05	25,000
Return to treasury	(60)	-	-
Reclassified from option and warrant reserve	-	-	20,000
Share issuance costs recovery	-	-	895
Balance at February 28, 2015	**122,313,502**		**$ 83,071,117**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value.

On February 27, 2014, the Company completed a non-brokered private placement for gross proceeds of $500,000 consisting of 10,000,000 common shares of the Company at a price of $0.05 per common share. The Company paid a 5% finder's fee in the amount of $5,000 on $100,000 of the gross proceeds raised.

Subsequent to the year ended February 28, 2015, the Company completed a non-brokered private placement for gross proceeds of $1,000,000 consisting of 20,000,000 common shares of the Company at a price of $0.05 per common share. $100,000 of the proceeds raised was received during the year, in advance of closing the private placement. The Company paid a 5% finder's fee in the amount of $14,375 on $287,500 of the gross proceeds raised. The common shares will be subject to a hold period, which will expire four months and one day from the date of closing, being July 20, 2015.

b) Warrants

A summary of share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, February 28, 2013	1,823,507	$ 1.25
Expired	(1,823,507)	1.25
Outstanding warrants, February 28, 2014 and 2015	**-**	**$ -**

c) Stock options

Pursuant to a stock option plan (the "Plan") for directors, officers, employees, and consultants last approved by shareholders on November 26, 2014, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee and on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2013	7,150,000	$ 0.51
Issued	2,000,000	0.13
Forfeited	(1,300,000)	0.76
Outstanding options, February 28, 2014	7,850,000	$ 0.37
Exercised	(500,000)	0.05
Forfeited	(150,000)	0.26
Outstanding options, February 28, 2015	**7,200,000**	**$ 0.40**

A summary of the options outstanding and exercisable is as follows:

February 28, 2015			February 28, 2014			
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)	Note
$ 0.47	5,200,000	0.6	$ 0.47	5,250,000	1.6	
$ 0.85	100,000	1.7	$ 0.85	100,000	2.7	
$ 0.25	500,000	2.8	$ 0.25	500,000	3.8	
-	-	-	$ 0.05	500,000	4.9	i
$ 0.15	1,400,000	3.9	$ 0.15	1,500,000	4.9	ii
$ 0.40	**7,200,000**	**1.4**	**$ 0.37**	**7,850,000**	**2.6**	

i) On January 16, 2014, the Company's Board of Directors granted stock options to acquire up to an aggregate 500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options were exercisable at a price of $0.05 per common share and had an expiry date of on January 16, 2019 or earlier in accordance with the terms of the Plan. During the year ended February 28, 2015, these stock options were exercised.

The estimated fair value of these options of $20,000, or $0.04 per option, has been recorded as share-based compensation expense in the 2014 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.06; expected life, 5 years; expected volatility, 80%; risk-free rate 1.71%; expected dividends, 0%. The options were issued with an exercise price less than the quoted market price of the Company's common shares on the date of issuance.

ii) On February 3, 2014, the Company's Board of Directors granted stock options to acquire up to an aggregate 1,500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.15 per common share and expire on February 3, 2019 or earlier in accordance with the terms of the Plan. During the year ended February 28, 2015, 100,000 of these stock options were forfeited.

The estimated fair value of these options of $45,000, or $0.03 per option, has been recorded as share-based compensation expense in the 2014 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.06; expected life, 5 years; expected volatility, 80%; risk-free rate 1.51%; expected dividends, 0%. The options were issued with an exercise price greater than the quoted market price of the Company's common shares on the date of issuance.

12. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations in Australia (up to the wind-up date of April 30, 2014) were denominated in Australian Dollars. Subsequent to the wind-up date, the Company had no foreign currency transactions and currency risk up to the date of the wind-up was minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's interest rates on its finance leases are fixed and do not fluctuate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

During the year ended February 28, 2015, the Company was monitoring progress on the collection of an amount due from a third party pursuant to the sale of a subsidiary in 2011. Since the sale of the subsidiary in 2011, the Company has been able to collect a substantial portion of the receivable, however, considering the age of the receivable, the Company has recorded an impairment in the amount of $174,241, representing the principal balance, and interest, owing as at February 28, 2015.

The remainder of the Company's accounts receivable balances are current as of February 28, 2015. The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis. The Company has determined its credit risk associated with its trade accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

At February 28, 2015, the Company's current liabilities consisted of: accounts payable and accrued liabilities of $520,490 due within the next three months, accounts payable and accrued liabilities of $661,268 due after the next three months but within the next year, and current portion of finance lease obligations of $21,809 due within the next year. The Company's cash and cash equivalents of $307,617 and trade and other receivables of $126,138, along with the $1,000,000 proceeds of a non-brokered private placement which was completed on March 20, 2015 are sufficient to pay these liabilities.

Determination of fair value

The Company categorizes its fair value measurements according to a three level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: no observable inputs for the asset or liability.

The available-for-sale investments of the Company are based on quoted prices and are therefore considered to be Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

13. General and administrative expenses

For the years ended	**February 28, 2015**	**February 28, 2014**
Depreciation	$ 6,963	$ 11,483
Conferences and travel	49,008	22,325
Consulting fees and benefits	402,834	67,952
Office and administration	121,532	246,739
Professional fees	157,252	88,113
Promotion and investor relations	120,687	35,841
Wages and employee benefits	10,482	14,521
	$ 868,758	**$ 486,974**

14. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the years ended	February 28, 2015	February 28, 2014
Management fees paid to corporations controlled by key management	$ 403,121	$ 55,521
Investor relations fees paid to a corporation controlled by a director	-	30,000
Capitalized consulting fees paid to a corporation controlled by a director	159,965	41,775
	$ 563,086	**$ 127,296**

As at February 28, 2015, accounts receivable included $15,913 (2014 – $7,437), relating to the reimbursement of shared office and staff costs, receivable from corporations controlled by common directors and officers and accounts payable and accrued liabilities included $362,103 (2014 – $52,246) payable to corporations controlled by common directors and officers for management and investor relations fees. All receivables and payables were settled subsequent to the year end.

During the year ended February 28, 2014, 800,000 options were issued to key management resulting in a non-cash share-based compensation expense of $24,000.

During the year ended February 29, 2012, the Company and a company with common directors entered into two five year office premises lease agreements. Basic rental payments, excluding operating costs, are approximately $170,000 to $180,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental. The Company's share of basic rental payments during the year ended February 28, 2015 was $22,422 (2014 – $31,148).

15. Subsequent events

Joint exploration agreement with Auryn Resources Inc. (note 7)

Subsequent to the year ended February 28, 2015, the Company and Auryn Resources Inc ("Auryn") jointly announced the execution of a definitive Joint Exploration Agreement (the "JEA") whereby Auryn has the option to spend $6,000,000 CDN over a 30-month period to earn a 51% interest in the mineral concessions comprising the Committee Bay Project at which time the parties will share costs pro-rata in a customary joint venture. Of this amount, $500,000 is a firm commitment to be incurred within the first 12 months. As a condition of the JEA, Auryn agreed to purchase 10,000,000 common shares of the Company at a price of $0.05 per common share as part of a non-brokered private placement of 20,000,000 common shares of the Company (note 11).

A technical committee will be formed to jointly plan and oversee exploration programs. Auryn will have ultimate discretion over the nature and manner of exploration undertaken during the earn-in period and will become the operator of the ensuing joint venture, while North Country will provide staff, equipment and consumables as the contractor to implement programs.

Non-brokered private placement (note 11)

Subsequent to the year ended February 28, 2015, on March 20, 2015, the Company completed a non-brokered private placement for gross proceeds of $1,000,000 consisting of 20,000,000 common shares of the Company at a price of $0.05 per common share. $100,000 of the proceeds raised was received during the year, in advance of closing the private placement. The Company paid a 5% finder's fee in the amount of $14,375 on $287,500 of the gross proceeds raised. The common shares will be subject to a hold period, which will expire four months and one day from the date of closing, being July 20, 2015.

Stock options granted

Subsequent to the year ended February 28, 2015, the Company granted stock options to acquire up to an aggregate 7,375,000 common shares of the Company under the Plan, vesting immediately upon issuance. 4,900,000 of the stock options granted are exercisable at a price of $0.10 per common share, and the remaining 2,475,000 of the stock options granted are exercisable at a price of $0.07 per common share. As of the date of filing, 5,675,000 of these stock options have been exercised, for gross proceeds to the Company of $499,250.

NORTH COUNTRY GOLD CORP.

Interim Consolidated Condensed Financial Statements

For the three months ended May 31, 2015 and May 31, 2014
(unaudited)

As at	May 31, 2015	February 28, 2015
ASSETS		
Current		
Cash and cash equivalents	**$ 886,691**	$ 307,617
Trade and other receivables (note 3)	**116,471**	126,138
Prepayments and deposits	**102,785**	148,090
	1,105,947	581,845
Investments (note 4)	**7,015**	9,515
Equipment (note 5)	**1,890,463**	2,034,903
Mineral properties (note 6)	**81,276,809**	81,354,377
	$ 84,280,234	$ 83,980,640
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 204,520**	$ 1,181,758
Current-portion of finance lease obligations (note 7)	**21,809**	21,809
	226,329	1,203,567
Asset retirement obligation (note 8)	**1,164,966**	1,157,648
Deferred taxes	**6,583,031**	6,583,031
	7,974,326	8,944,246
EQUITY		
Share capital (note 9)	**84,782,367**	83,071,117
Share subscriptions received (note 9)	-	100,000
Option and warrant reserve	**4,135,377**	4,067,377
Deficit	**(12,611,836)**	(12,202,100)
	76,305,908	75,036,394
	$ 84,280,234	$ 83,980,640

Approved by the Board of Directors

Director (signed by) *"John Williamson"*

Director (signed by) *"Sean Mager"*

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

For the three months ended	May 31, 2015	May 31, 2014
EXPENSES		
General and administration (note 11)	**$ 407,413**	$ 169,024
Finance costs	**7,318**	11,201
Loss from operations	**(414,731)**	(180,225)
OTHER		
Share-based compensation (note 9b)	**(295,000)**	-
Interest income	**2,753**	1,180
Foreign exchange loss	**(754)**	(772)
Other income (note 6)	**300,496**	12,030
Impairment of investments	**(2,500)**	(2,500)
	4,995	9,938
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (409,736)**	$ (170,287)
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.00)**	$ (0.00)
Basic and diluted weighted average number of common shares	**141,234,971**	121,813,562

	Share capital	Share subscriptions received	Option and warrant reserve	Deficit	Total equity
Balance at February 28, 2014	**$ 83,025,222**	**$ -**	**$ 4,087,377**	**$(11,234,404)**	**$ 75,878,195**
Comprehensive loss	-	-	-	(170,287)	(170,287)
Balance at May 31, 2014	**$ 83,025,222**	**$ -**	**$ 4,087,377**	**$(11,404,691)**	**$ 75,707,908**
Comprehensive loss	-	-	-	(797,409)	(797,409)
Share subscriptions received (note 9)	-	100,000	-	-	100,000
Options exercised (note 9)	45,000	-	(20,000)	-	25,000
Share issuance costs recovery	895	-	-	-	895
Balance at February 28, 2015	**$ 83,071,117**	**$ 100,000**	**$ 4,067,377**	**$(12,202,100)**	**$ 75,036,394**
Comprehensive loss	-	-	-	(409,736)	(409,736)
Private placement (note 9)	1,000,000	(100,000)	-	-	900,000
Options issued (note 9)	-	-	295,000	-	295,000
Options exercised (note 9)	726,250	-	(227,000)	-	499,250
Share issuance costs	(15,000)	-	-	-	(15,000)
Balance at May 31, 2015	**$ 84,782,367**	**$ -**	**$ 4,135,377**	**$(12,611,836)**	**$ 76,305,908**

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

NORTH COUNTRY GOLD CORP.
Interim Consolidated Statements of Cash Flows *(unaudited)*

For the three months ended	May 31, 2015	May 31, 2014
Cash provided by (used in):		
Operating activities:		
Net loss	**$ (409,736)**	$ (170,287)
Items not affecting cash:		
Depreciation	**19,358**	1,741
Finance costs	**7,318**	11,201
Impairment of investments	**2,500**	2,500
Share-based compensation (note 9b)	**295,000**	-
	(85,560)	(154,845)
Changes in non-cash working capital	**(922,266)**	(146,436)
Cash used in operating activities	**(1,007,826)**	(301,281)
Investing activities		
Additions to mineral properties	**(14,376)**	(77,726)
Project costs recovered	**217,026**	-
Cash provided by (used in) investing activities	**202,650**	(77,726)
Financing activities		
Proceeds from private placement (note 9)	**900,000**	-
Proceeds from exercise of options (note 9)	**499,250**	-
Share issuance costs	**(15,000)**	-
Cash provided by financing activities	**1,384,250**	-
Net increase (decrease) in cash and cash equivalents	**579,074**	(379,007)
Cash and cash equivalents – beginning of period	**307,617**	615,939
Cash and cash equivalents – end of period	**$ 886,691**	$ 236,932
Depreciation capitalized (note 5)	**$ 125,082**	$ 190,243
Contributed surplus adjustment on exercise of options (note 9)	**$ 227,000**	$ -
Interest received	**$ 2,753**	$ 1,180

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

1. Nature of operations and going concern

North Country Gold Corp. (the "Company" or "NCG") was incorporated in Alberta, Canada, on February 3, 2010 and the Company's common shares began trading on the TSX Venture Exchange under the stock symbol "NCG" on April 15, 2010. The Company's primary business is the acquisition, exploration, and development of mineral properties for sale or extraction. The Company's registered office is 4500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta, Canada, T2P 4K7. The Company's head office is at Suite 220, 9797 45 Avenue NW, Edmonton, Alberta, T6E 5V8. On September 6, 2012 the Company's common shares began trading on the OTCQX under the stock symbol "NCGDF".

These interim consolidated condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at May 31, 2015, the Company has working capital of $879,618 (February 28, 2015 – deficit of $621,722) and has a deficit of $12,611,836 (February 28, 2015 - $12,202,100) and the Company has not determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. At the current stage of the Company's operations, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management is seeking out additional sources of funding, which may include equity financing, joint ventures on its mineral properties, sale of assets or any combination thereof. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments could be material.

Subsequent to the period, on June 30, 2015, Auryn Resources Inc. ("Auryn") and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). More details can be found in note 13, Subsequent Events.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended February 28, 2015, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on July 30, 2015.

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization ("ISO") 3-letter symbol for such foreign currency.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Committee Bay North Ltd. (incorporated in the Northwest Territories) and CBR Australia Holdings Inc. (amalgamated in Alberta) and, in the prior period, its wholly owned subsidiary Matador Mining Pty. Ltd. (incorporated in Australia). All intercompany balances and transactions have been eliminated on consolidation.

These interim consolidated condensed financial statements have been prepared on an historical cost basis with the exception of investments which are measured at fair value.

3. Trade and other receivables

As at	May 31, 2015	February 28, 2015
Accounts receivable	**$ 103,280**	$ 113,731
Goods and services tax credits receivable	**13,191**	12,407
	$ 116,471	**$ 126,138**

The Company's accounts receivable relates to office rental, reimbursed expenses, and operating costs shared between several companies. The Company pays the total costs and bills each company for its share of the costs.

4. Investments

As at	May 31, 2015	February 28, 2015
Marketable securities classified as available for sale financial assets	$ **7,015**	$ 9,515

The Company holds securities of publically traded companies which it has classified as available for sale financial assets, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive income (loss) in equity, net of deferred taxes. During the three months ended May 31, 2015, the Company recognized an impairment loss of $2,500 (2014 - $2,500) on securities classified as available for sale financial assets, as there had been a significant and/or prolonged decline in the market price of those securities.

5. Equipment

	Camp and field equipment	Drilling equipment	Mobile equipment	Office equipment	Total
Cost					
Balance, February 28, 2014	$ 3,926,517	$ 525,194	$ 1,818,151	$ 92,628	$ 6,362,490
Change in ARO (note 8)	(414,672)	-	-	-	(414,672)
Balance, February 28, 2015	3,511,845	525,194	1,818,151	92,628	5,947,818
Balance, May 31, 2015	**$ 3,511,845**	**$ 525,194**	**$ 1,818,151**	**$ 92,628**	**$ 5,947,818**
Accumulated Depreciation					
Balance, February 28, 2014	$ (1,727,966)	$ (351,123)	$ (1,195,522)	$ (66,307)	$ (3,340,918)
Depreciation	(322,561)	(52,221)	(190,252)	(6,963)	(571,997)
Balance, February 28, 2015	$ (2,050,527)	$ (403,344)	$ (1,385,774)	$ (73,270)	$ (3,912,915)
Depreciation	(83,168)	(9,139)	(32,775)	(19,358)	(144,440)
Balance, May 31, 2015	**$ (2,133,695)**	**$ (412,483)**	**$ (1,418,549)**	**$ (92,628)**	**$ (4,057,355)**

Net book value:					
Balance, February 28, 2015	$ 1,461,318	$ 121,850	$ 432,377	$ 19,358	$ 2,034,903
Balance, May 31, 2015	**$ 1,378,150**	**$ 112,711**	**$ 399,602**	**$ -**	**$ 1,890,463**

Included in camp and field equipment at May 31, 2015 is $189,304 (February 28, 2015 – $199,268) of equipment under finance leases (note 7).

6. Mineral properties

	Committee Bay	**Baffin Island**	**Total**
Balance, February 28, 2014	$ 80,269,650	$ 11,688	$ 80,281,338
Acquisition and claim maintenance	2,377	-	2,377
Exploration costs	1,070,662	-	1,070,662
Balance, February 28, 2015	81,342,689	11,688	81,354,377
Exploration costs	139,458	-	139,458
Project costs recovered	(217,026)	-	(217,026)
Balance, May 31, 2015	**$ 81,265,121**	**$ 11,688**	**$ 81,276,809**

The Committee Bay Greenstone Belt is located approximately 300 kilometers north of Baker Lake within Nunavut Territory, Canada. The Company is currently holds mineral title to more than 160,000 acres of land comprising 20 active mineral claims and 48 mineral leases. Portions of the property are subject to net smelter royalties ("NSR"s), ranging from 1.0% to 1.5%. At any point within two years commencement of commercial production the Company will have the right to purchase all or a portion of the 1.5% NSR for $2,000,000 for each one-third (0.5%) of the NSR.

The Company has provided $75,000 of cash as security to its financial institution for an irrevocable letter of credit of the same amount with respect to the performance of a third party under a land use license.

On March 20, 2015, the Company and Auryn Resources Inc ("Auryn") jointly announced the execution of a definitive Joint Exploration Agreement (the "JEA") whereby Auryn has the option to spend $6,000,000 CDN over a 30-month period to earn a 51% interest in the mineral concessions comprising the Committee Bay Project at which time the parties will share costs pro-rata in a customary joint venture. Of this amount, $500,000 is a firm commitment to be incurred within the first 12 months. As a condition of the JEA, Auryn agreed to purchase 10,000,000 common shares of the Company at a price of $0.05 per common share as part of a non-brokered private placement of 20,000,000 common shares of the Company (note 9).

A technical committee was formed to jointly plan and oversee exploration programs. Auryn has ultimate discretion over the nature and manner of exploration undertaken during the earn-in period and will become the operator of the ensuing joint venture, while North Country provides staff, equipment and consumables as the contractor to implement programs. The Company invoices Auryn for the usage of the Company's consumables, which were initially capitalized as mineral property expenditures, and records the recovery against its mineral property balance. Additionally, the Company invoices Auryn for the usage of the Company's equipment and records this amount as other income.

Subsequent to the period, on June 30, 2015, Auryn and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). More details can be found in note 13, Subsequent Events.

7. Finance lease obligations

Included in equipment are certain assets that the Company acquired pursuant to finance lease agreements. Future minimum lease payments are as follows:

As at	**May 31, 2015**	**February 28, 2015**
2016	$ 22,000	$ 22,000
Total minimum lease payments	22,000	22,000
Less: interest portion	(191)	(191)
Finance lease obligations	**$ 21,809**	**$ 21,809**
Current portion	$ 21,809	$ 21,809
Non-current portion	-	-
Finance lease obligations	**$ 21,809**	**$ 21,809**

8. Asset retirement obligation

Balance, February 28, 2014	$ 1,520,186
Accretion of interest	45,302
Change in estimate	(407,840)
Balance, February 28, 2015	$ 1,157,648
Accretion of interest	7,318
Balance, May 31, 2015	**$ 1,164,966**

During the quarter ended May 31, 2015, the Company has recorded an asset retirement obligation of $1,164,966 (February 28, 2015 – $1,157,648), 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 used at the property as well as costs associated with the reclamation of the camp and work sites on the property. It is the Company's intention to continue exploration work on the property until at least the current mining leases expire, which is between 2026 and 2033. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

During the quarter ended May 31, 2015, management used a risk-free interest rate of 1.92% (February 28, 2015 – 1.92%) to discount the obligation. The discounted amount of inflation-adjusted estimated future cash flows relating to removal of equipment is $710,654 (February 28, 2015 – $706,239) and relating to reclamation of the camp and work sites is $454,312 (February 28, 2015 – $451,409). Amounts related to the removal of equipment have been included in equipment (note 5) and amounts related to the reclamation of the camp and work sites have been included in mineral properties (note 6).

9. Share capital

A summary of changes in common share capital is as follows:

	Number of shares	Weighted average issue price	Amount
Balance at February 28, 2014	121,813,562		$ 83,025,222
Shares issued upon exercise of options	500,000	$ 0.05	25,000
Return to treasury	(60)	-	-
Reclassified from option and warrant reserve	-	-	20,000
Share issuance costs recovery	-	-	895
Balance at February 28, 2015	121,313,502		83,071,117
Private placement	20,000,000	$ 0.05	1,000,000
Shares issued upon exercise of options	5,675,000	$ 0.09	499,250
Reclassified from option and warrant reserve	-	-	227,000
Share issuance costs	-	-	(15,000)
Balance, May 31, 2015	**147,988,502**		**$ 84,782,367**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value.

On March 19, 2015, the Company completed a non-brokered private placement for gross proceeds of $1,000,000 consisting of 20,000,000 common shares of the Company at a price of $0.05 per common share. $100,000 of the proceeds raised was received during the year ended February 28, 2015, in advance of closing the private placement. The Company paid a 5% finder's fee in the amount of $15,000 on $300,000 of the gross proceeds raised. The common shares will be subject to a hold period, which will expire four months and one day from the date of closing, being July 20, 2015.

b) Stock options

Pursuant to a stock option plan (the "Plan") for directors, officers, employees, and consultants last approved by shareholders on November 26, 2014, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee and on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2014	7,850,000	$ 0.37
Exercised	(500,000)	0.05
Forfeited	(150,000)	0.26
Outstanding options, February 28, 2015	7,200,000	$ 0.40
Issued	7,375,000	0.09
Exercised	(5,675,000)	0.09
Outstanding options, May 31, 2015	**8,900,000**	**$ 0.34**

A summary of the options outstanding and exercisable is as follows:

May 31, 2015			February 28, 2015			
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)	Note
$ 0.47	5,200,000	0.3	$ 0.47	5,200,000	0.6	
$ 0.85	100,000	1.5	$ 0.85	100,000	1.7	
$ 0.25	500,000	2.5	$ 0.25	500,000	2.8	
$ 0.15	1,400,000	3.7	$ 0.15	1,400,000	3.9	
$ 0.07	200,000	4.8	-	-	-	i
$ 0.10	1,000,000	4.8	-	-	-	ii
$ 0.10	500,000	4.9	-	-	-	iii
$ 0.34	**8,900,000**	**1.8**	**$ 0.40**	**7,200,000**	**1.4**	

i) On March 26, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 2,475,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.07 per common share and expire on March 26, 2020 or earlier in accordance with the terms of the Plan. 2,275,000 of these options were exercised during the period.

The estimated fair value of these options of $99,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.86%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

ii) On March 26, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 4,400,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.10 per common share and expire on March 26, 2020 or earlier in accordance with the terms of the Plan. 3,400,000 of these options were exercised during the period.

The estimated fair value of these options of $176,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.86%; expected dividends, 0%. The options were issued with an exercise price higher than the quoted market price of the Company's common shares on the date of issuance.

iii) On April 29, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.10 per common share and expire on April 29, 2020 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of $20,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.98%; expected dividends, 0%. The options were issued with an exercise price higher than the quoted market price of the Company's common shares on the date of issuance.

10. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

<u>General objectives, policies and processes</u>

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations in Australia (up to the wind-up date of April 30, 2014) were denominated in Australian Dollars. Subsequent to the wind-up date, the Company had no foreign currency transactions and currency risk up to the date of the wind-up was minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's interest rates on its finance leases are fixed and do not fluctuate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

The Company's accounts receivable balances are current as of May 31, 2015. The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis. The Company has determined its credit risk associated with its trade accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

At May 31, 2015, the Company's current liabilities consisted of accounts payable and accrued liabilities of $204,520 due within the next three months and current portion of finance lease obligations of $21,809 due within the next year. The Company's cash and cash equivalents of $886,691 and trade and other receivables of $116,471 are sufficient to pay these current liabilities.

Determination of fair value

The Company categorizes its fair value measurements according to a three level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: no observable inputs for the asset or liability.

The available-for-sale investments of the Company are based on quoted prices and are therefore considered to be Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

11. General and administrative expenses

For the three months ended	**May 31, 2015**	**May 31, 2014**
Depreciation	$ 19,358	$ 1,741
Conferences and travel	12,147	24,365
Consulting fees and benefits	265,036	61,374
Office and administration	38,638	45,827
Professional fees	57,093	11,476
Promotion and investor relations	7,127	16,070
Wages and employee benefits	8,014	8,171
	$ 407,413	**$ 169,024**

12. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended	**May 31, 2015**	**May 31, 2014**
Management fees paid to corporations controlled by key management	$ 260,229	$ 48,500
Capitalized fees paid to a corporation controlled by key management	7,000	41,775
	$ 267,229	**$ 90,275**

As at May 31, 2015, accounts payable included $12,409 (February 28, 2015 - $362,103) relating to consulting fees payable and accounts receivable included $39,728 (February 28, 2015 – $15,913), relating to the reimbursement of shared office and staff costs, receivable from corporations controlled by a common directors and officers.

During the period ended May 31, 2015, 1,405,000 options were issued to directors, officers, and key management resulting in a non-cash share-based compensation expense of $56,200.

During the year ended February 29, 2012, the Company and a company with common directors entered into two five year office premises lease agreements. Basic rental payments, excluding operating costs, are approximately $170,000 to $180,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental. The Company's share of basic rental payments during the period ended May 31, 2015 was $3,432 (2014 – $7,787).

13. Subsequent events

Auryn Resources Inc. to acquire North Country Gold Corp

On June 30, 2015, Auryn and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). The consideration for 100% of the Company's outstanding common shares which Auryn does not already own will be the issuance of approximately 13.8 million Auryn common shares valued at approximately $20,400,000 based on $1.48 per share volume weighted average price of Auryn shares on the TSX Venture Exchange for the 20-day period ending June 29, 2015. Under the proposed Arrangement, the Company's shareholders will receive one Auryn common share for each ten North Country common shares held at the time of completion of the Arrangement.

The acquisition price represents a premium of 65.5% to the volume weighted average price of the Company's common shares on the TSX Venture Exchange for the 20-day period ending June 30, 2015 and a 48% premium to the June 29, 2015 closing price. The 10:1 exchange ratio will be preserved regardless of either the Company's or Auryn's share price upon closing.

The letter agreement requires that directors and officers of North Country (representing an aggregate of approximately 4.5% of the Company's issued and outstanding common shares) will enter into support agreements concurrently with execution of a definitive arrangement agreement to be entered into between Auryn and the Company within approximately 30 days. The support agreements will provide that these key shareholders will, amongst other things, support the transaction and vote their North Country shares in favour of the Arrangement.

AURYN RESOURCES

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2015, for nine months ended March 31, 2015
and for the year ended June 30, 2014

Unaudited

(Expressed in Canadian dollars, unless otherwise stated)

Auryn Resources Inc.

Pro forma Consolidated Statement of Financial Position
Unaudited - (Expressed in Canadian dollars)

	Auryn Resources Inc. *March 31, 2015*	North Country Gold Corp. *February 28, 2015*	Pro forma adjustments	note 4	Pro forma consolidated Auryn Resources Inc. *March 31, 2015*
Assets					
Current assets					
Cash	$ 7,615,624	$ 307,617	$ -		$ 7,923,241
Investment in North Country	700,000	-	(700,000)	(i)	-
Amounts receivable	83,628	126,138	-		209,766
Prepaid expenses and deposits	30,253	148,090	-		178,343
Deferred acquisition costs	108,539	-	-		108,539
	8,538,044	581,845	(700,000)		8,419,889
Investments	-	9,515	-		9,515
Equipment	-	2,034,903	-		2,034,903
Mineral property interests	519,318	81,354,377	(64,657,640)	(i)	16,811,449
			(404,606)	(v)	
Total Assets	**$ 9,057,362**	**$ 83,980,640**	**$ (65,762,246)**		**$ 27,275,756**
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities	$ 249,876	$ 1,181,758	$ 145,000	(i)	$ 2,606,634
			100,000	(ii)	
			930,000	(iv)	
Current portion of finance lease obligations	-	21,809	-		21,809
Committed expenditures	404,606	-	(404,606)	(v)	-
	654,482	1,203,567	770,394		2,628,443
Non-current liabilities					
Asset retirement obligation	-	1,157,648	-		1,157,648
Deferred tax liability	-	6,583,031	(6,583,031)	(i)	-
Total Liabilities	**$ 654,482**	**$ 8,944,246**	**$ (5,812,637)**		**$ 3,786,091**
Equity					
Share capital	$ 12,704,104	$ 83,071,117	$ (83,071,117)	(i)	$ 28,722,539
			16,018,435	(i)	
Share subscription received	-	100,000	(100,000)	(iii)	
Equity reserves	759,107	4,067,377	(4,067,377)	(iii)	857,457
			98,350	(i)	
Deficit	(5,060,331)	(12,202,100)	12,202,100	(iii)	(6,090,331)
			(100,000)	(ii)	
			(930,000)	(iv)	
Total Equity	**8,402,880**	**75,036,394**	**(59,949,609)**		**23,489,665**
Total Liabilities and Equity	**$ 9,057,362**	**$ 83,980,640**	**$ (65,762,246)**		**$ 27,275,756**

See accompanying notes to the pro forma consolidated financial statements

Auryn Resources Inc.

Pro Forma Consolidated Statement of Operations
Unaudited - (Expressed in Canadian dollars, unless otherwise stated)

	Auryn Resources Inc. *nine months March 31, 2015*	North Country Gold Corp. *nine months February 28, 2015 (Schedule A)*	Pro forma adjustments	note 4	Pro forma consolidated Auryn Resources Inc. *nine months March 31, 2015*
Administration Expenses	$ 1,161,191	$ 699,734	$ -		$ 1,860,925
Finance Costs	-	35,237	-		35,237
Other (Income) Expenses					
Gain on investments	(200,000)	(31,381)	-		(231,381)
Project investigation costs	403,661	-	-		403,661
Royalty income	-	(22,213)	-		(22,213)
Interest and other income	(15,114)	(66,851)	-		(81,965)
Acquisition related costs	-	-	100,000	(ii)	100,000
Severance payments	-	-	930,000	(iv)	930,000
Foreign exchange loss	5,373	7,481	-		12,854
Impairments	-	171,741	-		171,741
Income tax expense	-	3,661	-		3,661
Net Loss and Comprehensive Loss for the Period	**$ 1,355,111**	**$ 797,409**	**$ 1,030,000**		**$ 3,182,520**
Weighted average number of common shares outstanding basic and diluted	23,417,631			note 5	43,934,248
Loss per share - basic and diluted	$ 0.06				$ 0.07

See accompanying notes to the pro forma consolidated financial statements

Auryn Resources Inc.

Pro Forma Consolidated Statement of Operations
Unaudited - (Expressed in Canadian dollars, unless otherwise stated)

	Auryn Resources Inc. *year ended June 30, 2014*	North Country Gold Corp. *twelve months May 31, 2014 (Schedule B)*	Pro forma adjustments	note 4	Pro forma consolidated Auryn Resources Inc. *year ended June 30, 2014*
Administration Expenses	$ 1,333,757	$ 489,072	$ -		$ 1,822,829
Finance Costs	-	43,096	-		43,096
Other (Income) Expenses					
Project investigation costs	768,551	-	-		768,551
Royalty income	-	(27,407)	-		(27,407)
Interest and other income	(21,277)	(63,078)	-		(84,355)
Transaction costs	-	-	100,000	(ii)	100,000
Severance payments	-	-	930,000	(iv)	930,000
Other expenses	-	6,659	-		6,659
Foreign exchange (gain) loss	(1,238)	3,690	-		2,452
Impairments	-	18,424	-		18,424
Loss on disposal of equipment	-	26,865	-		26,865
Income tax recovery	-	(7,801)	-		(7,801)
Net Loss for the Year	$ 2,079,793	$ 489,520	$ 1,030,000		$ 3,599,313
Unrealized loss on investments	-	743	-		743
Reclassification adjustment for impairment on available for sale financial assets included in profit and loss	-	(11,669)	-		(11,669)
Loss and Comprehensive Loss for the Year	**$ 2,079,793**	**$ 478,594**	**$ 1,030,000**		**$ 3,588,387**
Weighted average number of common shares outstanding basic and diluted	16,579,869			note 5	41,629,949
Loss per share - basic and diluted	$ 0.13				$ 0.09

See accompanying notes to the pro forma consolidated financial statements

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statements of operations of Auryn Resources Inc. ("Auryn" or the "Company") as at March 31, 2015, for the nine months ended March 31, 2015 and for the year ended June 30, 2014 have been prepared by management after giving effect to the proposed transactions and assumptions as described in these notes to the unaudited pro forma consolidated financial statements.

These unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and give effect to the proposed acquisition of North Country Gold Corp. ("North Country") as if the transactions had been completed on March 31, 2015 pursuant to the assumptions described in note 4. The unaudited pro forma consolidated statement of financial position as at March 31, 2015 gives effect to the acquisition of North Country as if it had occurred on that date. The unaudited pro forma consolidated statement of operations for the nine months ended March 31, 2015 gives effect to the acquisition of North Country as if it had occurred as at July 1, 2014. The unaudited pro forma consolidated statement of operations for the year ended June 30, 2014 gives effect to the acquisition of North Country as if it had occurred as at July 1, 2013.

The pro forma consolidated financial statements are not necessarily indicative of the operating results or financial condition that would have been achieved if the acquisition had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or financial position of the consolidated entities for any future period or as of any future date. The pro forma consolidated financial statements do not reflect any special items such as payments pursuant to integration costs that were incurred as a result of the acquisition, reorganization or adoption of new accounting standards. Any potential synergies that may be realized after consummation of the proposed acquisition have been excluded from the unaudited pro forma consolidated financial statement information.

The pro forma adjustments and allocations of the purchase price consideration for the acquisition of North Country are based in part on estimates of the fair value of assets acquired and liabilities assumed. The final purchase price allocation will be completed after asset and liability valuations are finalized as of the date of the completion of the acquisition estimated to be on or before September 30, 2015.

In preparing the unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statements of operations, the following information was used:

(a) the unaudited consolidated interim statement of financial position of Auryn as at March 31, 2015, and the unaudited consolidated interim statement of loss and comprehensive loss for the nine months ended March 31, 2015;

(b) the audited consolidated statements of loss and comprehensive loss of Auryn for the year ended June 30, 2014;

(c) the audited consolidated statement of financial position of North Country as at February 28, 2015, and the audited consolidated statements of loss and comprehensive loss for the years ended February 28, 2015 and 2014; and

(d) the unaudited consolidated interim statements of loss and comprehensive loss of North Country for the three months ended May 31, 2014 and 2013.

1. Basis of presentation (continued)

These unaudited pro forma consolidated financial statements have been prepared by management for the purposes of North Country's Notice of Special Meeting and Information Circular for the Special Meeting of Shareholders of North Country to be held on September 18, 2015, dated August 20, 2015, in accordance with International Financial Reporting Standards ("IFRS") using the same accounting policies as described in the Company's most recent annual financial statements presented as at February 28, 2015 and 2014. In the opinion of management, all adjustments necessary for the fair presentation of the acquisitions and transactions described in note 2 are reflected in the unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements of Auryn and North Country for the periods referred to above which are available on SEDAR at www.sedar.com.

The financial statements referred in Note 1 (a, b, c and d) have been prepared under IFRS as issued by the International Accounting Standards Board ("IASB"). Financial statements referred as to "Interim" financial statements were prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee.

2. Acquisition of North Country

On June 30, 2015, Auryn and North Country announced that they have entered into a letter agreement pursuant to which Auryn will acquire North Country under a plan of arrangement (the "Arrangement"). The consideration for 100% of the North Country shares which Auryn does not already own will be the issuance of approximately 13.8 million Auryn shares valued at approximately $20.4 million based on $1.48 per share volume weighted average price of Auryn shares on the TSXV for the 20-day period ending June 29, 2015. Under the proposed Arrangement, North Country shareholders will receive one Auryn share for each ten North Country common shares held at the time of completion of the Arrangement. The acquisition price represents a premium of 65.5% to the volume weighted average price of North Country shares on the TSX Venture Exchange for the 20-day period prior to June 30, 2015 and a 48% premium to the June 29, 2015 closing price of North Country (June 29, 2015 being the last trading day prior to announcement of the transaction).

For the purposes of these pro forma consolidated financial statements, management applied IFRS 3 – Business Combinations and determine that the acquisition of North Country represents an acquisition of an asset and accounted for this transaction based on IFRS 6 – Exploration and Evaluation Expenditures and IFRS 2 — Share-based Payments.

The cost of the acquisition represents the fair value of 13,798,850 Auryn common shares valued at $1.16 per share for a total of share consideration of $16,018,435 plus the fair value of the equity investment equivalent to 10,000,000 North Country common shares held by Auryn prior to the announcement of the Arrangement at an estimated fair value of $700,000. The Company also estimated transaction related costs in the amount of $145,000 on behalf of Auryn, which have been capitalized and included in the purchase price consideration and the fair value of $98,350 related to 890,000 share purchase options granted to North Country option holders on the date of the acquisition.

For the purposes of the pro forma consolidated financial statements, the estimated fair value of the issuance of the Auryn common shares was determined to be $1.16 per share, which represents the five-day trade weighted average of the common shares right before March 31, 2015, the deemed acquisition date under these pro forma consolidated financial statements.

2. Acquisition of North Country (continued)

(a) Significant assets to be acquired

The significant assets of North Country consist of the mineral concessions comprising the Committee Bay mineral property. The Committee Bay Project is comprised of 66,160 hectares situated along the Committee Bay Greenstone Belt (the "CBGB") approximately 180 km NE of the Meadowbank mine operated by Agnico Eagle Mines Limited and extends more than 300 km northeast.

The CBGB comprises one of a number of Archean aged greenstone belts occurring within the larger Western Churchill province of northeastern Canada. The character and history of rock packages, and the timing and nature of mineralization occurring within the CBGB is considered to be equivalent to that of other significant gold bearing Archean greenstones within the Western Churchill Province, which hosts deposits such as Meadowbank, Meliadine and the newly discovered Amuraq.

High-grade gold occurrences are found throughout the 300 km strike length with the most advanced being the Three Bluffs deposit that contains resources as listed in the table below: *(refer to NI43-101 report dated May 18, 2012 filed under North Country's profile at www.sedar.com).

Class	Cut Off Grade (g/t Au)	Tonnes (000)	Gold Grade (g/t Au)	Contained Au (oz)
Indicated*	3.5	1,837.9	8.43	497,800
Inferred*	3.5	2,486.8	8.11	648,300

** See Appendix G of this information circular for cautionary language concerning mineral resources*

North Country Option and JV Agreement

On March 16, 2015, the Company entered into a joint exploration agreement with North Country whereby Auryn can earn a 51% interest in the Committee Bay Project in Nunavut, (the "Option"). Under the terms of the Option, the Company must complete $6,000,000 in exploration expenditures within a 30-month period with $500,000 committed within the first 12 months. If Auryn elects to exercise its option, the two parties will then form a customary joint venture to advance the project. As of the date of this Information Circular, Auryn has incurred approximately $ 5 million in exploration expenditures on the project and has met the minimum commitment under the Option.

Additionally, as a condition of the Option, Auryn purchased 10,000,000 North Country common shares at a price of $0.05 for a total cost of $500,000.

(b) Purchase price allocation

The allocation of the purchase price consideration is based upon management's estimates and certain assumptions with respect to the fair value associated with the assets acquired and the liabilities assumed. The actual fair values of the assets and liabilities will be determined upon completion of the Company's consolidated interim financial statements as at and for the three months ended September 30, 2015 and may differ materially from the amounts disclosed below in the assumed pro forma purchase price allocation because of changes in the assumptions use to determined the fair values of the assets and liabilities at the date of the transaction, and as further analysis (including of identifiable intangible assets, for which no amounts have been estimated and included in the preliminary amounts shown below) is completed. Consequently, the actual allocation of the purchase price will likely result in different adjustments than those in the unaudited pro forma consolidated statements.

Unaudited - (Expressed in Canadian dollars, unless otherwise stated)

2. Acquisition of North Country (continued)

(b) Purchase price allocation (continued)

The preliminary purchase price consideration assumed in these pro forma consolidated financial statements is subject to change and is summarized as follows:

Purchase price consideration determination:	
13,798,850 common shares of Auryn at $ 1.16	$ 16,018,435
Fair value of 890,000 share purchase option of Auryn	98,350
Fair value of 10,000,000 common shares of North Country	700,000
Estimated transaction related costs	145,000
	$ 16,961,785

The preliminary purchase price allocation is subject to change and is summarized as follows:

Allocation of the purchase price consideration:	
Cash	$ 307,617
Amounts Receivables	126,138
Prepaid expenses and deposits	148,090
Investment	9,515
Equipment	2,034,903
Mineral properties interests	16,698,387
Other liabilities	(21,809)
Accounts payable and accrued liabilities	(1,181,758)
Asset retirement obligation	(1,157,648)
	$ 16,961,785

3. Private Placements

On December 11, 2014, the Company completed a non-brokered private placement for gross proceeds of $7,313,300 by issuing 11,251,230 common shares of the Company at a price of $0.65 per common share. The common shares were subject to a four-month hold period expiring April 11, 2015. Related to this share issuance, the Company incurred costs in the amount of $134,871, which included cash commission of $96,423, and other legal and regulatory costs of $38,449.

4. Effect of transactions on the pro forma consolidated financial statements

The pro forma consolidated financial statements incorporate the following pro forma assumptions:

(i) The pro forma adjustment reflects the acquisition of 100% of the outstanding common shares of North Country by the Company through:

a. the issuance of 13,798,850 of its common shares to North Country shareholders at an estimated fair value of $16,018,435 (note 2(b));
b. the 10,000,000 North Country common shares held by Auryn prior to the effective date of the Arrangement at a fair value of $700,000;
c. the issuance of 890,000 share purchase options granted to North Country option holders at a fair value of $98,350; and,
d. the estimated acquisition costs of $145,000 to be incurred by Auryn in connection with the Arrangement.

Unaudited - (Expressed in Canadian dollars, unless otherwise stated)

4. Effect of transactions on the pro forma consolidated financial statements (continued)

This gives a rise to the fair value of assets and liabilities components as follows:

Book value of net assets acquired	$ 75,036,394
Mineral property interests (note 2(a))	(64,657,640)
Deferred taxes	6,583,031
Purchase price consideration	$ 16,961,785

The fair value of the share purchase options was estimated using the Black-Scholes option pricing method and the following assumptions:

Risk-free interest rate	0.49%
Expected share price volatility	84.99%
Expected life	0.42 years
Expected dividend yield	0%

(ii) The pro forma adjustment reflects an estimated total of $245,000 in acquisition related costs. Of this amount, $145,000 was incurred by Auryn, which is capitalized and included in the purchase price consideration, and $100,000 was incurred by North Country and has been included in North Country's deficit.

(iii) The pro forma adjustment eliminates the existing equity accounts and accumulated deficit of North Country.

(iv) The pro forma adjustment reflects the estimated severance payments due to certain executives of North Country that will become payable upon completion of the Arrangement, which for this pro forma is considered March 31, 2015. This amount (being $930,000) has been included in North Country's deficit.

(v) The pro forma adjustment reflects the elimination of $404,606 in committed expenditures required under the Option. Upon completion of the Arrangement, the Option will be terminated and the ownership of the Committee Bay mineral interests will revert to North County as a wholly owned subsidiary of Auyrn.

5. Pro forma weighted average number of common shares outstanding

The weighted average number of shares used in the computation of pro forma basic and diluted loss per share has been determined as follows:

	Nine months ended March 31, 2015
Weighted average number of common shares outstanding of Auryn	23,417,631
Impact of private placement prior to the Arrangement (note 3)	6,717,767
Shares issued to acquire North Country (note 2)	13,798,850
Pro forma basic and diluted weighted average number of common shares of Auryn	43,934,248

Unaudited - (Expressed in Canadian dollars, unless otherwise stated)

5. Pro forma weighted average number of common shares outstanding (continued)

	Year ended June 30, 2014
Weighted average number of shares outstanding of Auryn	16,579,869
Impact of private placement prior to the Arrangement (note 3)	11,251,230
Shares issued to acquire North Country (note 2)	13,798,850
Pro forma basic and diluted weighted average number of common shares of Auryn	41,629,949

The pro forma adjustment reflects the impact of the private placement (note 3) and the shares issued by Auryn pursuant to the Arrangement on the weighted average shares outstanding of Auryn for the nine months ended March 31, 2015 and the year ended June 30, 2014 as if these events had occurred on the first day of the corresponding fiscal period.

Schedule A

North Country Gold Corp.

Pro Forma Consolidated Statement of Operations
Unaudited - (Expressed in Canadian dollars)

		Year ended February 28, 2015 *A*		Three months ended May 31, 2014 *B*		Nine months ended February 28, 2015 *(A - B)*
Administration Expenses	$	868,758	$	169,024	$	699,734
Finance Costs		46,438		11,201		35,237
Other (Income) Expenses						
Gain on investments		(31,381)		-		(31,381)
Royalty income		(22,213)		-		(22,213)
Interest and other income		(80,061)		(13,210)		(66,851)
Foreign exchange loss		8,253		772		7,481
Impairments		174,241		2,500		171,741
Income tax expense		3,661		-		3,661
Net Loss for the Period	$	967,696	$	170,287	$	797,409
Unrealized loss on investments		(31,381)		-		(31,381)
Reclassification adjustment for impairment on available for sale financial assets included in profit and loss		31,381		-		31,381
Loss and Comprehensive Loss for the Period	**$**	**967,696**	**$**	**170,287**	**$**	**797,409**

Schedule B

North Country Gold Corp.

Pro Forma Consolidated Statement of Operations
Unaudited - (Expressed in Canadian dollars)

	Year ended February 28, 2014 A	Three months ended May 31, 2014 B	Three months ended May 31, 2013 C	Twelve months ended May 31, 2014 (A + B - C)
Administration Expenses	$ 551,974	$ 169,024	$ 231,926	$ 489,072
Finance Costs	43,807	11,201	11,912	43,096
Other (Income) Expenses				
Royalty income	(27,407)	-	-	(27,407)
Interest and other income	(59,851)	(13,210)	(9,983)	(63,078)
Other expenses	10,946	-	4,287	6,659
Foreign exchange loss	34,385	772	31,467	3,690
Impairments	49,930	2,500	34,006	18,424
Loss on disposal of equipment	26,865	-	-	26,865
Income tax recovery	(7,801)	-	-	(7,801)
Net Loss for the Year	$ 622,848	$ 170,287	$ 303,615	$ 489,520
Unrealized loss on investments	21,669	-	20,926	743
Reclassification adjustment for impairment on available for sale financial assets included in profit and loss	(21,669)	-	(10,000)	(11,669)
Loss and Comprehensive Loss for the Year	**$ 622,848**	**$ 170,287**	**$ 314,541**	**$ 478,594**