



Gibson MacQuoid Project

Kivalliq Inuit Association: Land Use Permit KVL117B04 (expired)

NIRB Project Reference Number: 17EN029

INAC Land Use Permit: N2018C0016

NWB Licence: 2BE-GMB1823

Annual Report

2019

North Country Gold Corp.
October 2019

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DISTRIBUTION

Organization	Distribution Email
Indigenous and Northern Affairs Canada (INAC)	Aadnc.landsmining.aandc@canada.ca
Environment Canada (EC)	enviroinfo@ec.gc.ca
Government of Nunavut – Department of Environment (GN-DOE)	environment@gov.nu.ca
Kivalliq Inuit Association (KivIA)	lmanzo@kivalliqinuit.ca, bosmond@kivalliqinuit.ca, gkarlik@kivalliqinuit.ca
Nunavut Impact Review Board (NIRB)	info@nirb.ca
Nunavut Water Board (NWB)	licensing@nwb-oen.ca

2.0 **BACKGROUND**

Auryn Resources Inc. ('Auryn') is a Canadian based junior mineral exploration company focused on the acquisition and development of prospective mineral projects in established mining districts globally. North County Gold Corp. (NCGC) is a wholly own subsidiary of Auryn and is the operator of the Gibson-MacQuoid Project (GMP). Auryn's management team is highly experienced with an impressive track record of success in discovery and development, including the advancement of two gold projects located in West Africa and Mexico.

Auryn's exploration strategy for the Gibson MacQuoid Project is to identify deposits within the Gibson MacQuoid Belt via regional grassroots exploration. Innovative and cost-effective exploration techniques form a large part of the exploration strategy for the GMP. Unmanned Aerial Vehicles (UAV) photography is used to this end by minimizing the use of helicopters and reducing the overall environmental impact of the exploration activities.

The GMP is made up of mineral claims and prospecting permits located on Crown Land and surface Inuit Owned Lands (IOLs) which are subject to the Nunavut Land Claims Agreement (NLCA). See Table 1 for GMP permits and licences for grassroots exploration activities on the GMP. As per discussions with the Kivalliq Inuit Association, no work was conducted on Inuit Owned Lands at any time within the Core Calving or Post Calving Ranges. Additional measures were taken to further mitigate any unnecessary impact on the Caribou Calving ranges.

Organization	Description	Permit/Licence #
Nunavut Impact Review Board (NIRB)	Project Reference Number	17EN029
Kivalliq Inuit Association	Land Use Licence	KVL117B04 (expired)
Indigenous and Northern Affairs Canada (INAC)	Land Use Permit (Temporary camp)	N2018C0016
Nunavut Water Board (NWB)	Water Licence	2BE-GMB1823

Table 1: GMP Permits and Licences

3.0 **PROJECT DESCRIPTION**

A land package of 57 mineral claims and 19 prospecting permits currently comprise the GMP. An additional 36 claims were staked during the 2019 field program. These new claims overlap the most prospective portions of the Prospecting permits which are set to expire in early 2020. This land package lies within a 120-km long corridor of greenstone positioned sub-parallel to greenstone belts hosting Agnico Eagle's Meadowbank and Meliadine Mines, within the Kivalliq region of Nunavut Territory. The location and distance to local communities can be seen in Figure 1.

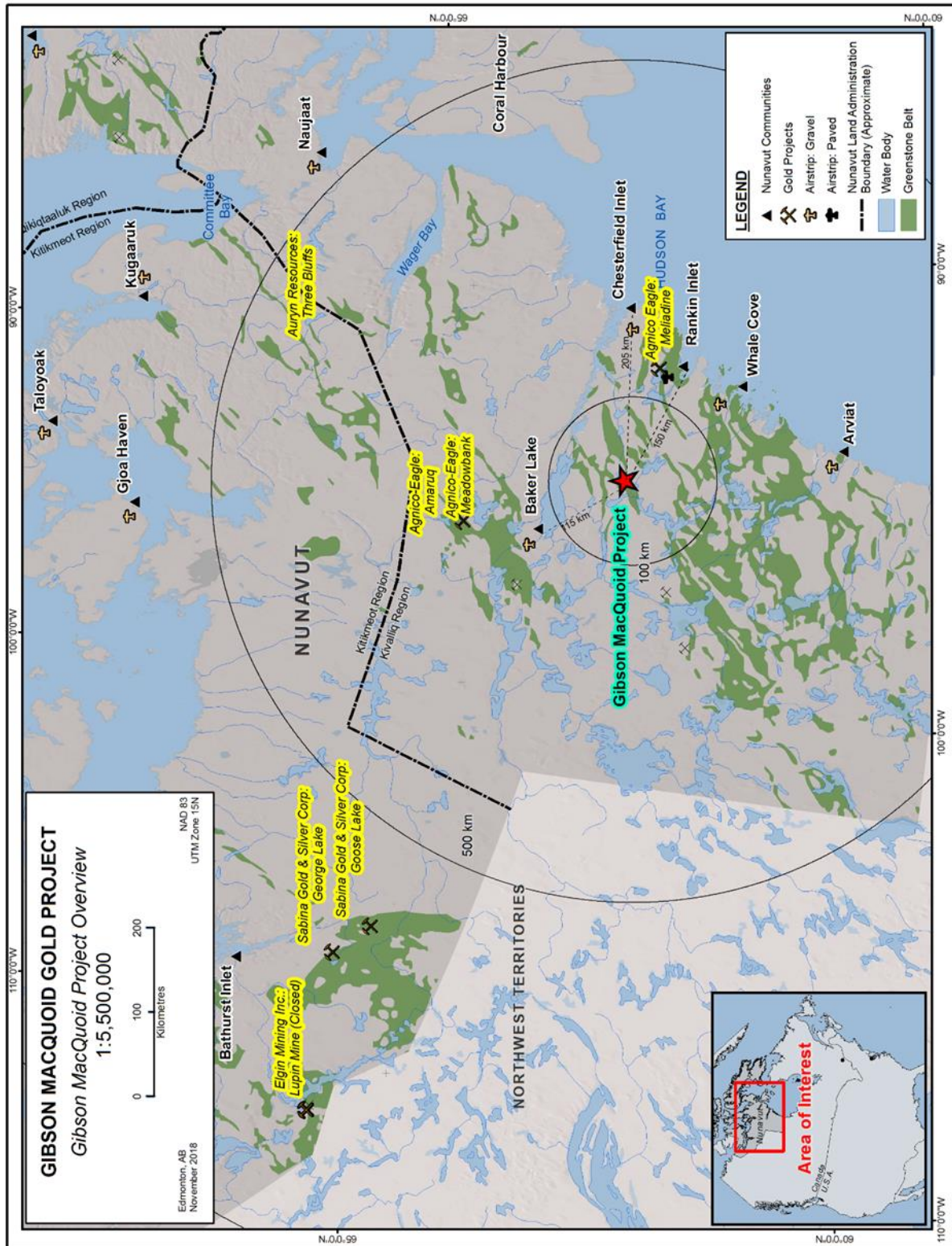


Figure 1: Gibson MacQuoid Project Overview

The GMP covers approximately 387,461 hectares with several gold occurrences in close proximity. The 19 Prospecting Permits will expire in February 2020, to that end Auryn staked 36 claims covering 42,640.70 ha in June 2019. The resulting land package comprises 66 claims covering a total of 73,784.09 ha. Historic sampling in the area has returned values up to 230 g/t Au. A temporary camp and esker airstrip were established on the GMP and was fully reclaimed at the end of the 2018 field program. The 2019 staking program was based out of Baker Lake.

3.1 Camps

A temporary tented camp was established during the 2018 exploration season and a temporary esker strip was used to ferry from Baker Lake and Rankin Inlet. Both were fully reclaimed at the end of the 2018 field season. The 2019 staking program was based out of Baker Lake.

Site	UTM Coordinates (NAD 83)			Latitude	Longitude
<i>Name</i>	<i>Zone</i>	<i>Easting (m)</i>	<i>Northing (m)</i>	<i>D°M'S"</i>	<i>D°M'S"</i>
GMP Temp Camp	15 N	446,071	7,078,015	63°49'31.2" N	94°05'44.8" W
GMP Temp Esker Strip	15 N	431,041	7,086,954	63°54'10.4" N	94°24'18.2" W

Table 2: GMP Temporary Camp and Esker Strip used during 2018

3.2 Caches

No caches were established during the 2019 exploration season.

3.3 Deposit

No deposits have been identified to date.

3.4 Regional Prospects

The GMP is a grassroots exploration stage project stretching over 120 km of prospective greenstone belt with several high-grade gold occurrences identified during historic exploration campaigns.

Agnico-Eagle's Meliadine producing gold mine situated to the southeast of the GMP area, is hosted by similar lithologies as encountered on the Gibson MacQuoid Greenstone Belt (Figure 2).

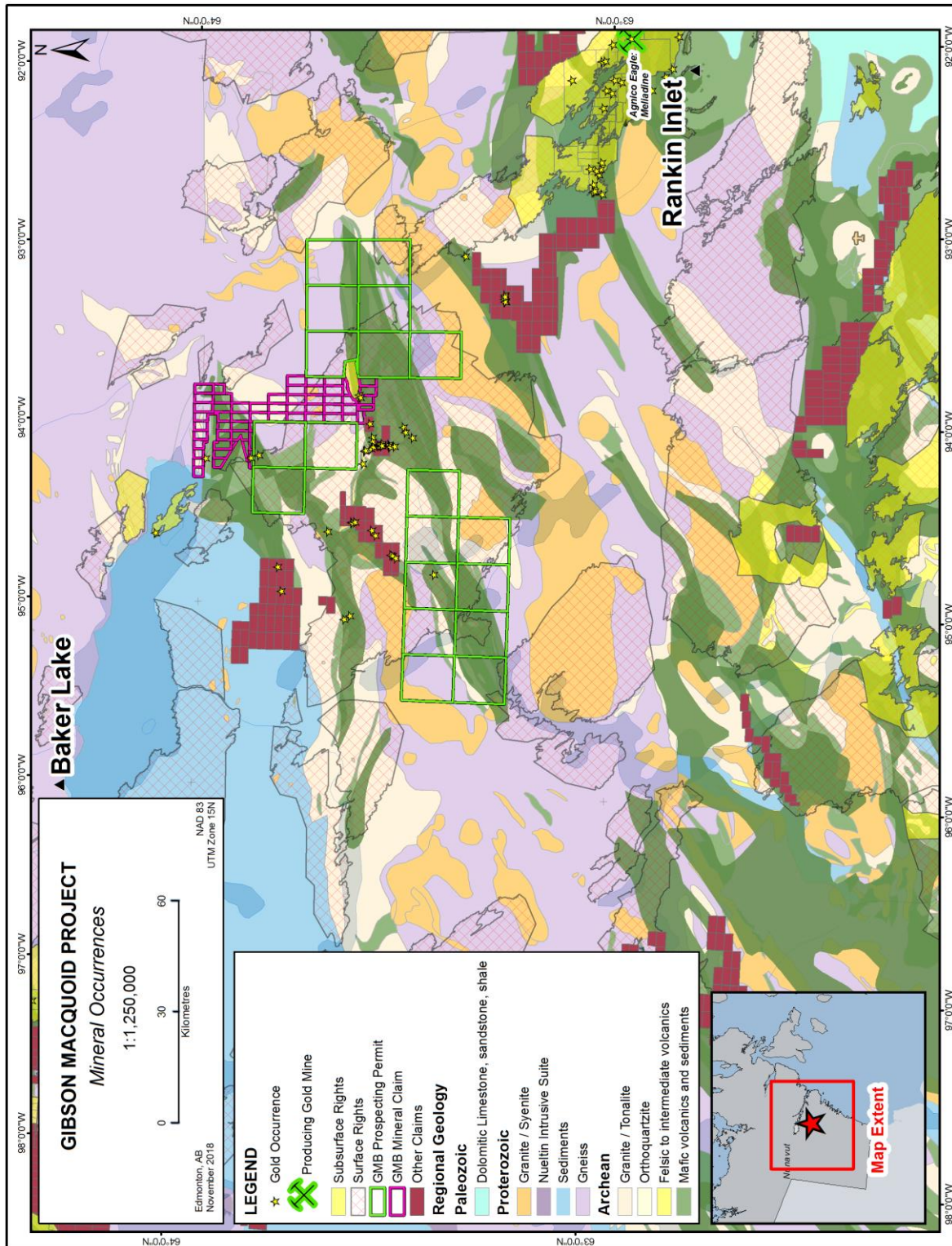


Figure 2: Gibson MacQuoid Project Mineral Occurrences

4.0 **2017 WORK ACTIVITIES**

The 2017 exploration program comprised regional till sampling and collection of high resolution imagery via Unmanned Aerial Vehicle (UAV) surveying, along with staking 57 new claims. Activities occurred on mineral claims and prospecting permits on both Crown and Inuit Owned surface lands.

4.1 Mineral Exploration Activities

4.1.1 Till Sampling

Regional till geochemical sampling was undertaken to identify anomalous zones for further exploration and potential drill targets. The regional till sampling program comprised 2,782 samples (Figure 4).



Figure 3: 2017 Drone Taking Off – GMP, August 2017

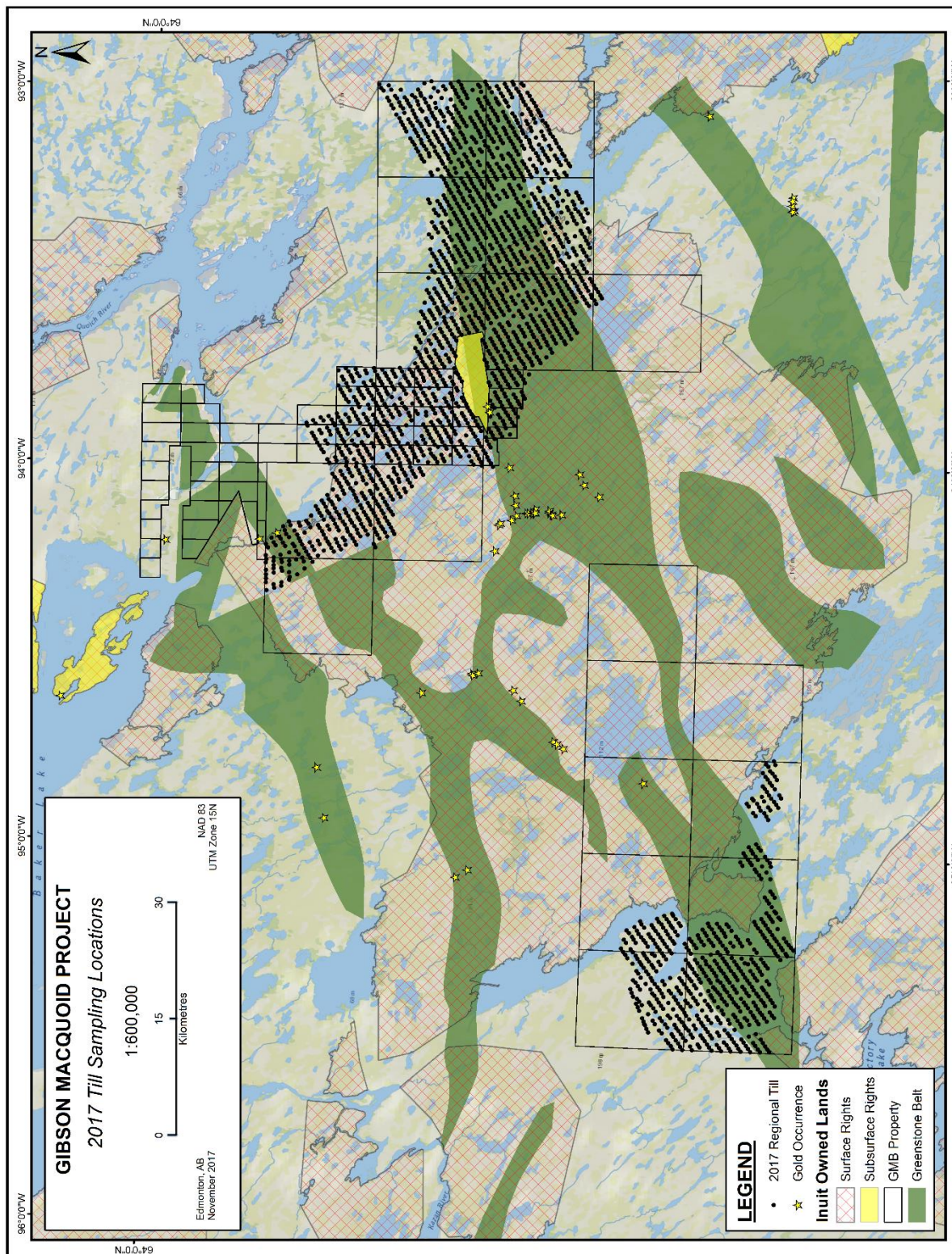


Figure 4: 2017 Till Sampling Coverage

4.1.2 Aerial Drone Imagery

An aerial drone survey was flown during the 2017 field season to provide high resolution imagery and digital terrain models covering the entire GMP (Figure 5). Approximately 1,081 km² of imagery and digital elevation data was collected at a resolution of approximately 10 cm.

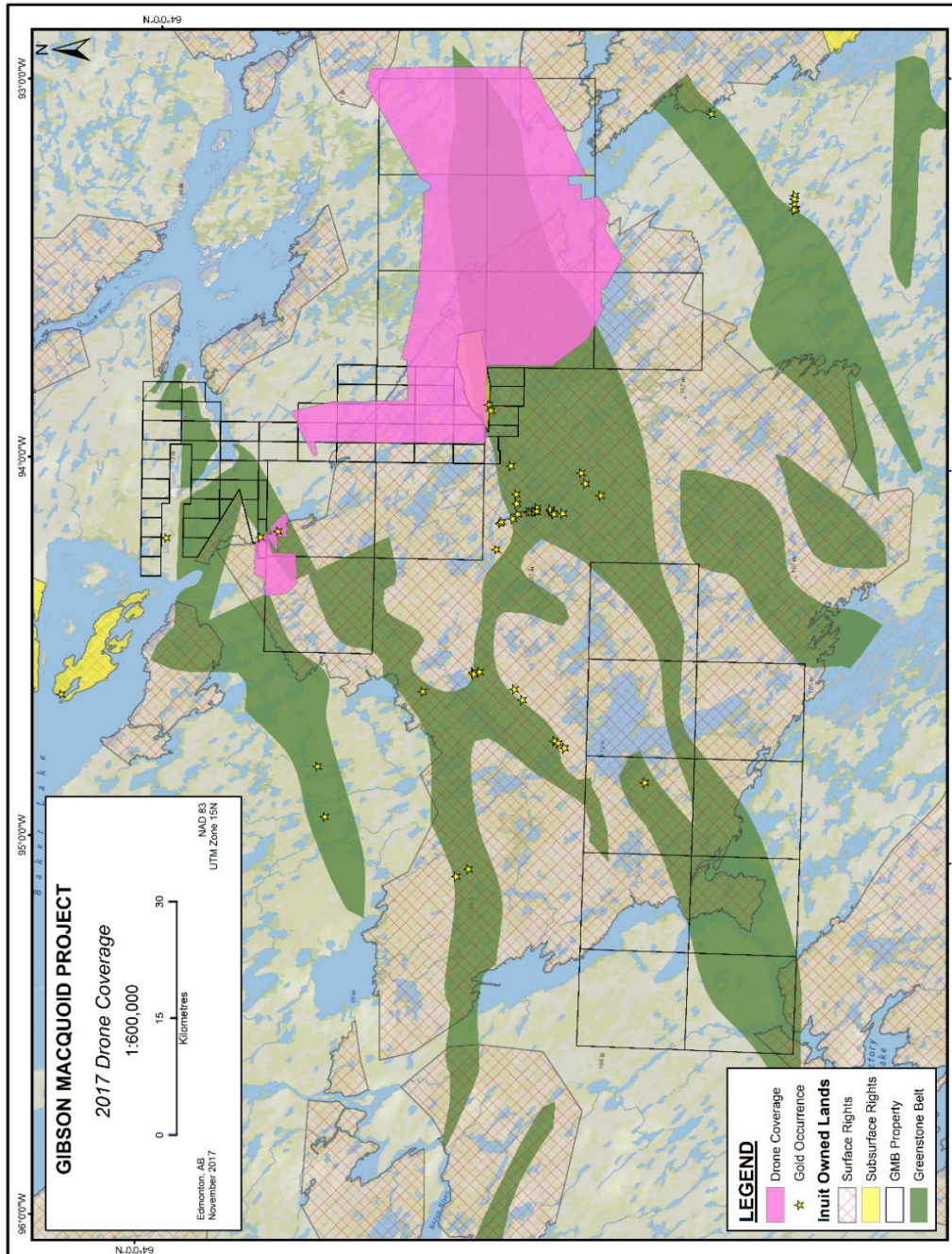


Figure 5: 2017 UAV coverage

5.0 **2018 WORK ACTIVITIES**

The 2018 exploration program comprised detailed infill till sampling and rock grab samples from outcrop and boulders. Activities occurred on mineral claims and prospecting permits on both Crown and Inuit Owned surface lands.

5.1 Mineral Exploration Activities

5.1.1 Infill Till Sampling

Detailed infill till geochemical sampling was undertaken to identify anomalous zones for further exploration and potential drill targets. The infill till sampling program comprised the collection of 2,926 samples (Figure 3 and 4).



Figure 6: Typical Infill Till Sampling Station

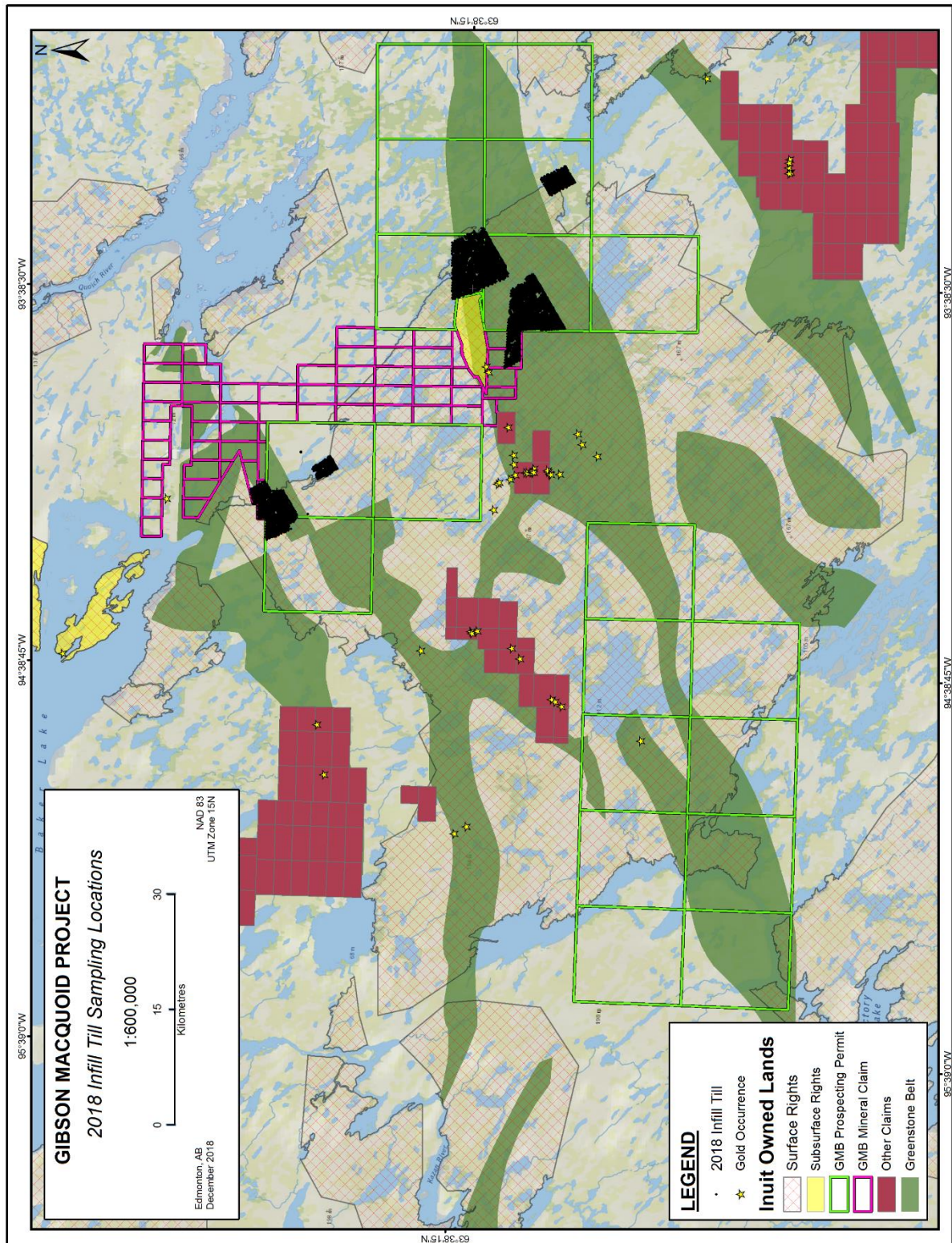


Figure 7: 2018 Infill Till Sampling Coverage

5.1.2 Rock Sampling

A boulder and outcrop geochemical sampling program containing 121 samples was undertaken during the 2018 field season shown in Figure 5 and 6.



Figure 8: Typical Rock Sampling Outcrop

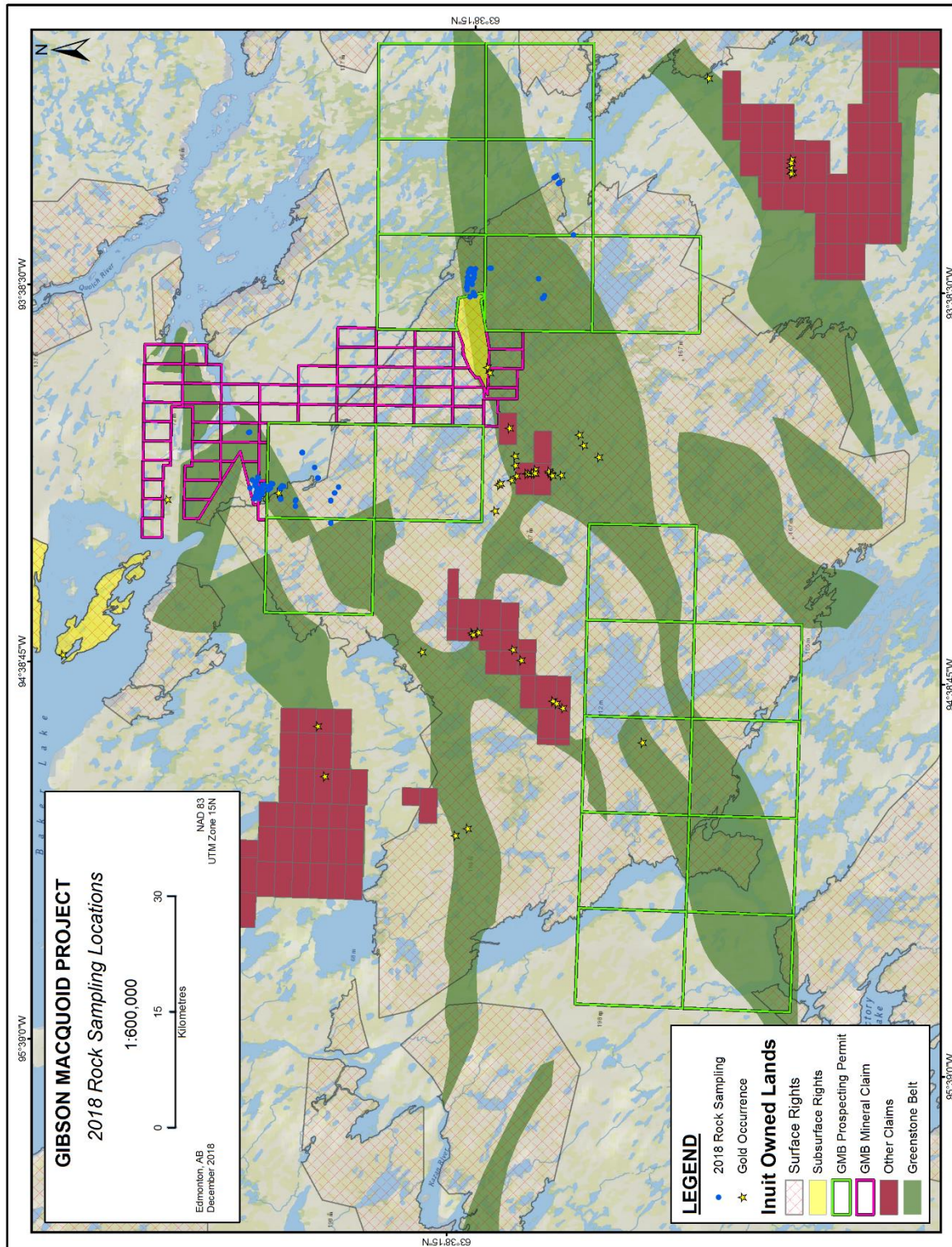


Figure 9: 2018 Rock Sampling Coverage

5.2 Camp Usage

The temporary camp that was established during 2018 was inhabited from August 30, 2018 until total demobilization on September 27, 2018.

5.3 Local Hiring

Auryn hired a total of 5 local workers from Rankin Inlet to take part in the 2018 GMP field season (Table 3). The total local payroll expenditure for the program was \$31,824.00 for 97 days of work.

Community	Rankin Inlet	
Position	Days	\$
Wildlife Monitor	41	13,416.00
Site Services L1	56	18,408.00
Grand Total	97	31,824.00

Table 3: Local Community Hires by Position and Community - 2018

Auryn considers its work force of local personnel hired from the nearby communities to be an integral part of the success of its exploration. Local knowledge of the land, climate and environment brought to the team by residents of the region factor heavily into all Auryn's operational decisions.

This year, as in past seasons, local employees were engaged in a number of capacities including camp support managers and assistants, carpenters, wildlife monitors and kitchen helpers. Auryn provides both practical 'on the job' training and certificate-based training for local workers.

The company looks forward to recommencing explorations activities at GMP in 2019 and to the continued hiring and training of a local workforce.

5.4 Consultation

On April 23, 2018 a public meeting was held in Rankin Inlet to inform the community on the planned activities at GMP for the 2018 field season activities. Similar public meetings were held in Chesterfield Inlet on April 24, 2018 and in Baker Lake on April 25, 2018.

6.0 **2019 WORK ACTIVITIES**

During June 2019 a small staking program was completed at the GMP to secure prospective lands currently covered by Prospecting Permits which expire in February 2020. A total of 36 claims covering 42,640.70 hectares were staked over a two day period (Figure 10).

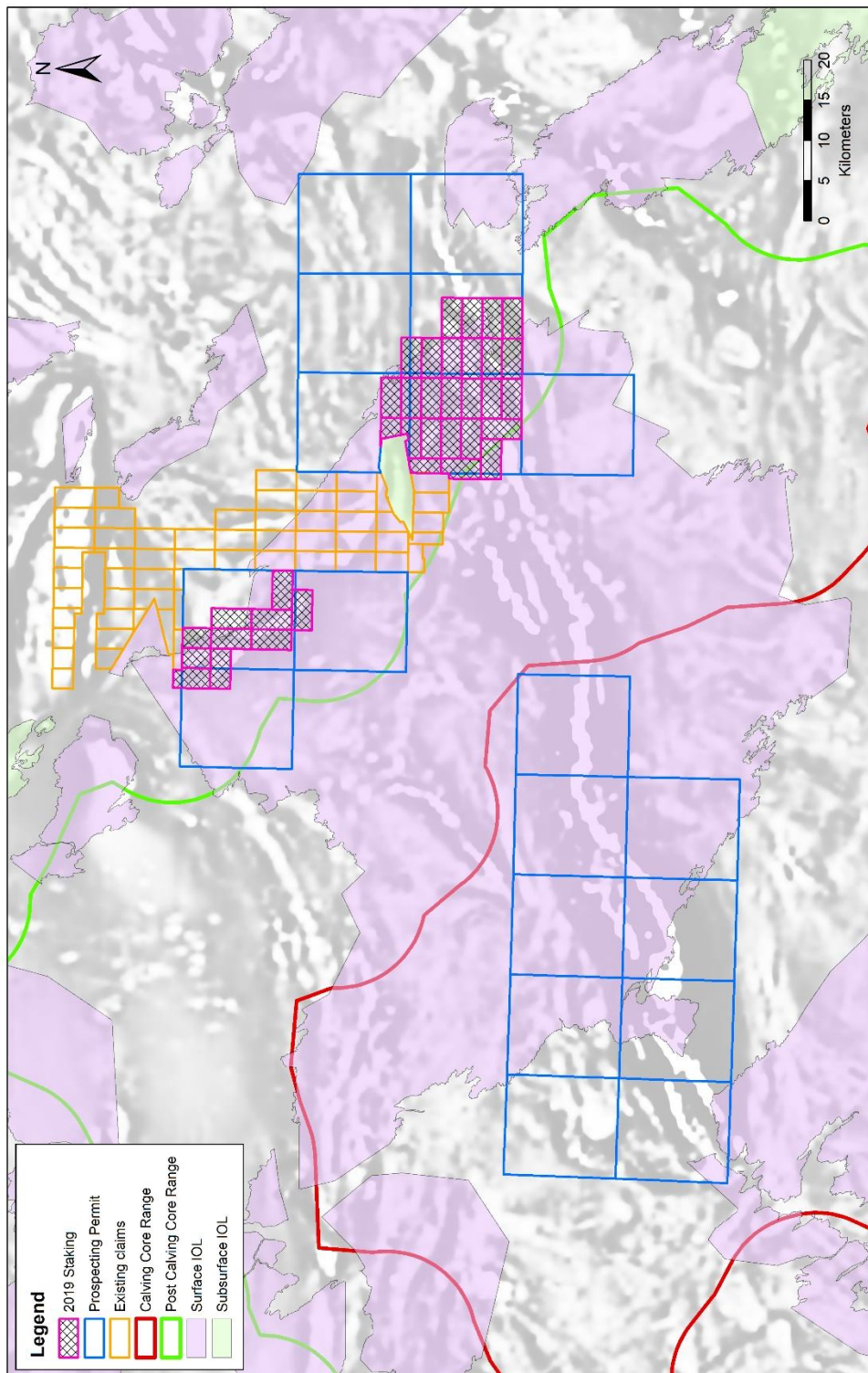


Figure 10: 2019 Staking Program

6.1 Expenditure

Approximately \$80,000 was expended with northern businesses and the employment of local workers. This accounts for ~65% of the total \$123,000 in expenditures during the 2019 field season. Northern businesses involved in the 2019 program included:

- Baker Lake Lodge
- Calm Air International LP
- Exploration Tents and Arctic Camp
- Kitikmeot Helicopters
- Kitikmeot BBE Expediting Ltd
- Ookpik Aviation Inc.
- SK Construction Ltd
- Summit Air Ltd.

7.0 LAND USE INSPECTIONS

CIRNAC completed an inspection of the GMP 2018 camp and airstrip on August 6th, 2019. The only concerns noted were a small tarp and pylons left at the strip. These concerns have been addressed with the tarp and pylons being picked up. A copy of the inspection report is included as appendix 1.

8.0 WATER

8.1 Water Use

A grand total of 33.1 cubic metres of domestic water was used during the 2018 field season. The water usage during the 2018 field season was for camp and kitchen use at the GMB Camp. No water usage occurred during the 2017 or 2019 field programs.

8.2 Water Sampling

A water sample was taken from the nearby lake used for pumping from during the 2018 program for the GMB Camp. Results were provided in the 2018 GMP Annual Report.

9.0 **WILDLIFE**

NCGC recognizes that the GMP is located within a diverse ecosystem with abundant flora and fauna. As part of our efforts to mitigate any impact on the local wildlife populations NCGC has a wildlife reporting system in place.

Species	Recorded sightings
Wolverine	2 Large, 3 Small
Wolf	1
Arctic Fox	2
Cariboo	1
Muskox	2 herds
Grizzly Bear	1

Table 4: Wildlife sightings - 2017

Two personnel were employed from Rankin Inlet as Wildlife Monitors and their observations are summarized in Table 5 by species sighted for the Summer/Fall 2018 field season.

Species	Recorded sightings
Red Fox	2
Fox	4
Wolf	12
Bald Eagle	2
Cariboo	54
Muskox	>190
Geese	Several flocks
Ptarmigan	15
Sik-sik	1

Table 5: Wildlife sightings - 2018

During the 2019 claim staking program wildlife sightings were noted and recorded as presented in Table 6.

X	Y	Date	Time	Animal	Adults	Young	Total	Activity
439120	7080300	6/27/2019	12:15	Caribou	2	1	3	walking NE
442675	7069945	6/27/2019	13:45	Swans	2	0	2	swimming
479750	7041850	6/27/2019	17:30	Musk Ox	6	3	9	grazing
464085	7050840	6/28/2019	10:00	Musk Ox	9	2	11	grazing
484450	7045350	6/28/2019	10:40	Musk Ox	4	1	5	grazing
484650	7043075	6/28/2019	10:45	Swans	2	0	2	swimming
479750	7041850	6/28/2019	11:00	Musk Ox	20	6	26	grazing
462585	7053250	6/28/2019	11:30	Musk Ox	20	5	25	grazing
476800	7044000	6/28/2019	12:50	Caribou	5	2	7	walking N
474640	7051550	6/28/2019	14:00	Caribou	3	1	4	walking N
469800	7044830	6/28/2019	16:00	Musk Ox	8	2	10	grazing
478225	7048825	6/28/2019	14:30	Caribou	4	1	5	walking E

Table 6: Wildlife sightings - 2019

NCGC is committed to continue to monitor wildlife throughout the GMP in order to mitigate any and all effects on wildlife.

10.0 **SPILLS**

No spills occurred during any of the field programs.

Appendix 1: 2019 CIRNAC Land Use Inspection Report



☒ Original
☐ Follow-Up Report

LAND USE PERMIT INSPECTION FORM

Permittee	Representative
North Country Gold Corp.	Bryan Atkinson
Permit No. / Expiry	Representative's Title
N2018C0016/ July 10 th 2023	Exploration Manager
Other Authorizations	Land / Other Authorizations
2BE-GMB1823	--
Date of Inspection	Inspector
08/01/2019	RMO Wilson
Activities Inspected	
<input type="checkbox"/> Camp <input type="checkbox"/> Drilling <input checked="" type="checkbox"/> Mining <input type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage	
<input type="checkbox"/> Roads/hauling <input checked="" type="checkbox"/> :Other: Airstrip	

Conditions:	A- Acceptable	U-Unacceptable	C-Concern	NI-Not Inspected	NA- Not applicable
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Section:	Term No.	Condition	Observation No.
31 (1)(a) Location and Area	1	A	1,2
31 (1)(b) Time	9	A	---
31 (1)(c) Equipment	---	---	---
31 (1)(e) Type location, capacity and operation of facility	---	---	---
31 (1)(f) Control or prevent of flooding, erosion, and subsidence of Land	---	---	---
31 (1)(g) Use, storage, handling and disposal of chemical or toxic materials	31	C	3
31 (1)(h) Wildlife and fisheries habitat	---	---	---
31 (1)(k) Petroleum fuel storage	---	---	---
31 (1)(m) Matters not inconsistent with the regulations	---	---	---

SECTION 1	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
On August 1 st , 2019 a land use permit inspection of N2018C0016 was conducted by Crown-Indigenous Relations and Northern Affairs Canada. Two locations were inspected a temporary camp (located on IOL) and the airstrip. The following report was produced with information from the 2018 annual report, the findings of this inspection and post inspection discussions with the Permittee.			
Observations			
1. Nothing is noted at the temporary camp location N63° 49' 31.2", W94° 05' 44.8".			
2. The airstrip is located on an esker at the approximate location N63° 54' 40.11" W94° 23' 51.55".			
3. There is a black tarp and some pylons at the airstrip.			

SECTION 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Act or Regulations	<input type="checkbox"/> Action Required
None at this time			

SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Regulations	<input checked="" type="checkbox"/> Action Required
The Permittee plans to return to the airstrip to remove the items noted and provide photographic evidence to the inspector.			

Licensee or Representative	Inspector's Name
	RMO Wilson
Signature	Signature
	Original signed on file
Date	Date
	August 8 th , 2019

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