AURYN RESOURCES

Formerly Georgetown Capital Corp.
(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

Three and Six months ended December 31, 2014 and 2013

(Expressed in Canadian dollars unless otherwise stated)

AURYN RESOURCES INC.

(the "Company")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and Six months ended December 31, 2014 and 2013

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company have been

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the entity's auditor.

February 27, 2015

Auryn Resources Inc.
Formerly Georgetown Capital Corp.
Consolidated Statements of Financial Position

(Expressed in Canadian dollars, unless otherwise stated)

		At December 31, 2014		At June 30, 2014
Assets				
Current assets:				
Cash and cash equivalents (note 8)	$	8,666,239	$	2,377,144
Amounts receivable		115,471		51,772
Prepaid expenses and deposits		26,445		25,632
Deferred Acquistion Costs		108,539		–
Total assets	**$**	**8,916,694**	**$**	**2,454,548**
Liabilities and Equity				
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	133,967	$	133,871
Equity				
Share capital (note 3)		12,687,735		5,503,012
Equity reserves (note 4)		718,612		522,885
Deficit		(4,623,620)		(3,705,220)
		8,782,727		2,320,677
Total liabilities and equity	**$**	**8,916,694**	**$**	**2,454,548**

Subsequent events (note 9)

Approved on behalf of the Board of Directors:

"Ivan Bebek"
Director

"Shawn Wallace"
Director

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

Auryn Resources Inc.

Formerly Georgetown Capital Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, unless otherwise stated)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Administration expenses:				
Consulting fees, directors' fees, wages and benefits (note 5)	$ 165,062	$ 119,776	$ 292,082	$ 152,136
Legal and professional fees	8,520	28,529	24,271	44,786
Office, rent and administration	65,284	37,979	100,011	65,395
Regulatory, transfer agent and shareholder information	3,852	8,390	6,528	9,481
Share-based compensation (note 4)	67,552	–	171,150	–
Travel, promotion and investor relations	49,080	84,289	64,487	113,374
	359,350	278,963	658,529	385,172
Other expenses (income):				
Project investigation costs	179,446	129,401	270,366	235,863
Interest and other income	(4,983)	(4,477)	(11,301)	(8,122)
Foreign exchange loss (gain)	1,246	(4,402)	806	(3,424)
	175,709	120,522	259,871	224,317
Loss and Comprehensive loss for the period	**$ (535,059)**	**$ (399,485)**	**$ (918,400)**	**$ (609,489)**
Basic and diluted loss per share	$ (0.03)	$ (0.03)	$ (0.05)	$ (0.04)
Weighted average number of shares outstanding	21,354,287	15,894,165	20,109,682	14,607,895

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

Auryn Resources Inc.

Formerly Georgetown Capital Corp.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, unless otherwise stated)

	Number of common shares		Share capital (note 3)		Equity reserves (note 4)		Deficit		Total
Balance at June 30, 2013	**13,335,605**	**$**	**2,768,786**	**$**	**19,717**	**$**	**(1,625,427)**	**$**	**1,163,076**
Net loss for the year	–		–		–		(609,489)		(609,489)
Issued pursuant to a private placement at $0.50 per share (note 3(b))	4,393,000		2,164,997		–		–		2,164,997
Balance at December 31, 2013	**17,728,605**		**4,933,783**		**19,717**		**(2,234,916)**		**2,718,584**
Balance at June 30, 2014	18,878,605	$	5,503,012	$	522,885	$	(3,705,220)	$	2,320,677
Net loss for the year	–		–		–		(918,400)		(918,400)
Share-based compensation	–		–		198,835		–		198,835
Stock options exercised (note 4)	6,250		3,188		–		–		3,188
Fair value of stock options allocated to share capital issued on exercise (note 4)	–		3,108		(3,108)		–		–
Issued pursuant to private placements at $0.65 per share (note 3(b))	11,251,230		7,178,427		–		–		7,178,427
Balance at December 31, 2014	**30,136,085**	**$**	**12,687,735**	**$**	**718,612**	**$**	**(4,623,620)**	**$**	**8,782,727**

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

Auryn Resources Inc.
Formerly Georgetown Capital Corp.
Consolidated Statements of Cash Flows

(Expressed in Canadian dollars, unless otherwise stated)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Cash (used in) provided by:				
Operating activities:				
Loss for the year	$ (535,059)	$ (399,485)	$ (918,400)	$ (609,489)
Items not involving cash:				
Interest income classified as investing activity	(4,983)	(4,477)	(11,301)	(8,122)
Unrealized foreign exchange	405	4,158	4,775	4,344
Share-base compensation (note 4)	78,479	–	198,835	–
Changes in non-cash working capital:				
Amounts receivable	(55,249)	(8,809)	(62,919)	(16,402)
Deferred and prepaid expenses	(115,242)	(6,969)	(109,352)	(5,669)
Accounts payable and accrued liabilities	58,741	(53,859)	96	(57,130)
Cash used in operating activities	(572,908)	(469,441)	(898,266)	(692,468)
Investing activities:				
Interest received	8,256	–	10,521	2,071
Cash provided by investing activities	8,256	–	10,521	2,071
Financing activities:				
Net proceeds from issuance of common shares (note 3(b))	7,181,615	2,164,997	7,181,615	2,164,997
Cash provided by financing activities	7,181,615	2,164,997	7,181,615	2,164,997
Effect of foreign exchange rate changes on cash and cash equivalents	(405)	(4,158)	(4,775)	(4,344)
Increase (decrease) in cash and cash equivalents	6,616,558	1,691,398	6,289,095	1,470,256
Cash and cash equivalents, beginning of the year	2,049,681	1,065,661	2,377,144	1,286,803
Cash and cash equivalents, end of the year	**$ 8,666,239**	**$ 2,757,059**	**$ 8,666,239**	**$ 2,757,059**

Supplemental cash flow information (note 8)

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

1. Corporate Information

Auryn Resources Inc., (the "Company" or "Auryn") was incorporated on June 9, 2008, under the British Columbia Business Corporations Act under the name Georgetown Capital Corp. Subsequently on October 15, 2013, the Company changed its name to Auryn Resources Inc.

The Company's principal business activities include the acquisition, exploration and development of resource properties. The head office and principal address of the Company are located at 1199 West Hastings Street, Suite 600, Vancouver, British Columbia, V6E 3T5.

On February 5th, 2015, the Company entered into a letter of intent with North Country Gold Corp. ("North Country") whereby Auryn can earn a 51% interest in the Committee Bay Project in Nunavut, Canada by incurring $6,000,000 in exploration expenditures. This mineral project includes 66,160 hectares situated along the Committee Bay Greenstone Belt (the "CBGB") located within the Western Churchill Province.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for years ended June 30, 2014, except for the new accounting standards adopted commencing July 1, 2014 as described in note 2(f). These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2014, which were filed under the Company's profile on SEDAR at www.sedar.com.

These condensed consolidated interim financial statements were authorized for issue and approved by the Board of Directors of the Company on February 27, 2015.

(b) Basis of preparation and consolidation

These condensed consolidated interim financial statements have been prepared on a historical cost basis and the functional and presentation currency is the Canadian dollar. Therefore, all amounts are presented in Canadian dollars, unless otherwise noted.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the Company's return on its investment. The Company's wholly-owned subsidiary is Akkese Madencilik Sanayi Ve Ticaret Ltd. Şt. ("Akkese"), which was incorporated in the Republic of Turkey and is currently inactive.

Georgetown Alaska Inc. ("GTA") was a subsidiary of the Company until August 10, 2012, when it was voluntarily dissolved. GTA's functional currency was the US dollar and on dissolution of GTA, the cumulative translation adjustment was reclassified to the statement of loss and comprehensive loss.

All material intercompany balances and transactions have been eliminated and where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions about future events that affect the amounts reported in these condensed consolidated interim financial statements and related notes. Actual results may differ from those estimates. Information about areas of judgment and key sources of uncertainty and estimation is contained in the accounting policies and the notes to the Company's audited consolidated financial statements for the year ended June 30, 2014.

(d) Going concern of operations

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to meet its commitments as they become due, including completion of the acquisition of an interest in and exploration and development of its mineral properties, is dependent upon the existence of economically recoverable reserves, the Company's ability to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of these properties. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

(e) Foreign currency translation

The financial statements of the Company are prepared in its functional currency, which is denominated based on the primary economic environment in which operates. The functional and presentation currency of the Company is the Canadian dollar. Amounts in United States dollars are denoted as US$.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non−monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the statement of comprehensive income or loss for the period in which they arise.

(f) Changes in accounting policies

New and revised accounting standards adopted by the Company

i. IAS 32 – Financial instruments, Presentation. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The adoption of this new standard, commencing January 1, 2014, did not have an impact on these condensed consolidated interim financial statements.

ii. IAS 36 – Impairment of Assets. IFRS 36 was amended by recoverable amount disclosures for non-financial assets. The amendments apply retrospectively for annual periods beginning on or after 1 January 2014. The adoption of this new standard, commencing January 1, 2014, did not have an impact on these condensed consolidated interim financial statements.

2. Basis of presentation (continued)

(f) Changes in accounting policies (continued)

iii. IFRIC 21 – Levies. IFRIC 21 clarifies and provides guidance on when to recognize the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The change in accounting standard does not have a significant impact on the Company's consolidated financial statements.

Changes to accounting standards not yet effective

i. IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial instruments and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements.

ii. IFRS 14 – Regulatory Deferral Accounts. IFRS 14 is intended to enhance the comparability of financial reporting by entities engaged in rate-regulated activities and is effective for annual periods beginning on or after January 1, 2016. The change in accounting standard is unlikely to have a significant impact on the Company's consolidated financial statements.

iii. IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The change in accounting standard is unlikely to have a significant impact on the Company's consolidated financial statements.

3. Share capital

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

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 are 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.

On February 17, 2014, the Company completed a non-brokered private placement for gross proceeds of $575,000 by issuing 1,150,000 common shares of the Company at a price of $0.50 per share (the "Offering"). Related to this share issuance, the Company incurred costs in the amount of $5,771; no commissions were paid.

On November 8, 2013, the Company completed a non-brokered private placement for gross proceeds of $2,196,500 by issuing 4,393,000 common shares of the Company at a price of $0.50 per common share. Related to this share issuance, the Company incurred costs in the amount of $31,503 which included cash commission of $16,800 and other legal and regulatory costs of $14,703.

During the six months ended December 31, 2014, the Company issued 6,250 common shares for gross proceeds of $3,188 in connection with stock options being exercised. Attributed to these stock options, fair value of $3,108 was transferred from the equity reserves and recorded against share capital.

(Expressed in Canadian dollars, unless otherwise stated)

4. Equity reserves

Share-based payments

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

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

	Number of stock options	Weighted average exercise price
Outstanding, June 30, 2013	-	$ -
Granted	1,580,000	0.51
Outstanding, June 30, 2014	1,580,000	0.51
Exercised	6,250	0.51
Outstanding, December 31, 2014	1,573,750	$ 0.51

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and others providing similar services. During the three and six months ended December 31, 2014, an amount of $67,552 and $171,150, respectively, (three and six months ended December 31, 2013 – $nil) was expensed as stock based compensation and $27,685 and $10,927, respectively, (three and six months ended December 31, 2013 – $nil) was included in project investigation costs, both in the consolidated statements of comprehensive loss.

The weighted average fair value of stock options granted per option during the three and six months ended December 31, 2014 was $nil (year ended June 30, 2014 – $0.50). The fair value was calculated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

	Six months ended December 31, 2014	Year ended June 30, 2014
Risk-free interest rate	-	1.64%
Expected dividend yield	nil	nil
Expected share price volatility	-	138.19%
Expected life in years	-	5 years
Forfeiture rate	- %	- %

The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the TSX Venture Exchange. The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields with a remaining term equal to the expected life of the stock options.

As at December 31, 2014, the number of stock options outstanding and exercisable was:

Exercise price	Options outstanding	Expiry date	Options exercisable
$ 0.51	1,573,750	Feb 17, 2019	981,250

(Expressed in Canadian dollars, unless otherwise stated)

5. Related party balances and transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

(a) Related parties

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Universal Mineral Services Ltd. [1]	221,339	142,015	354,118	298,152

1. Universal Mineral Services Ltd., ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on a cost recovery basis. The Company holds a non-voting equity interest in UMS. The outstanding balance owing at December 31, 2014 was $83,459 (June 30, 2014 – $99,366).

(b) Compensation of key management personnel

During the period, compensation to key management personnel was as follows:

	Three months ended December 31, 2014	Three months ended December 31, 2013	Six months ended December 31, 2014	Six months ended December 31, 2013
Short-term benefits	95,667	78,792	185,311	111,517
Share-based payments	21,855	-	55,372	-
	117,522	78,792	240,683	111,517

6. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and trade payables and other. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity.

(a) Credit risk

Credit risk is the risk that a third party fails to discharge its obligations under the terms of the financial contract and causes a financial loss for the Company. The Company's credit risk is attributable to its current assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalent balances in highly rated Canadian financial institutions and in Canadian guaranteed investments certificates ("GIC"). The Company considers the risk of loss associated with cash and cash equivalents to be low.

The Company also has credit risk exposure in relation to its interest receivable from its investments in Canadian GIC's and goods and service tax ("GST") from the Canadian government. Management is confident that their carrying values are recoverable in full and this risk is minimal.

6. Financial instruments (continued)

(b) Market risk

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

Foreign currency risk

The Company is exposed to foreign currency risk by having balances and transactions in currencies that are different from its functional currency or the Canadian dollar. As at December 31, 2014, the Company held financial assets denominated in US dollars in the amount of $2,570 (June 30, 2014 – $102,635).

A 10% increase or decrease in the US dollar exchange rate would result in a corresponding increase or decrease in the Company's net loss of approximately $257 (June 30, 2014 – $10,364).

7. Segmented information

The Company operates in one operational segment being acquisition, exploration and development of mineral resource properties. The Company did not have revenues or non-current assets at December 31, 2014 or its comparative period June 30, 2014.

The Company's net loss for the three and six months ended December 31, 2014 and June 30, 2014 was incurred in Canada.

8. Supplemental cash flow information

	As at December 31, 2014	As at June 30, 2014
Components of cash and cash equivalents		
Cash	$ 7,226,239	$ 197,144
Term deposits	1,440,000	2,180,000
	$ 8,666,239	$ 2,377,144

9. Subsequent events

On February 5th, 2015, the Company entered into a letter of intent 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 the $6,000,000 of 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.

The Company has also agreed to enter into a share subscription agreement to purchase 10,000,000 North Country common shares at a price of $0.05 for a total cost of $500,000.