AURYN RESOURCES

(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2015 AND 2014

(Expressed in Canadian dollars unless otherwise stated)

Dated: May 21, 2015

AURYN RESOURCES INC.

(the "Company")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of Company's management.

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.

May 21, 2015

Auryn Resources Inc.
Consolidated Statements of Financial Position

(Expressed in Canadian dollars, unless otherwise stated)

		At March 31, 2015		At June 30, 2014
Assets				
Current assets:				
Cash and cash equivalents (note 10)	$	7,615,624	$	2,377,144
Investment in North Country (note 3)		700,000		–
Amounts receivable		83,628		51,772
Prepaid expenses and deposits		30,253		25,632
Deferred Acquistion Costs		108,539		–
		8,538,044		2,454,548
Non-current assets:				
Mineral property interests (note 4)		519,318		–
Total assets	**$**	**9,057,362**	**$**	**2,454,548**
Liabilities and Equity				
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	249,876	$	133,871
Committed expenditures (note 4)		404,606		–
Total liabilities	**$**	**654,482**	**$**	**133,871**
Equity				
Share capital (note 5)	$	12,704,104	$	5,503,012
Equity reserves (note 6)		759,107		522,885
Deficit		(5,060,331)		(3,705,220)
		8,402,880		2,320,677
Total liabilities and equity	**$**	**9,057,362**	**$**	**2,454,548**

Subsequent events (note 11)

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.
Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, unless otherwise stated)

	Three months ended March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
Administration expenses:				
Consulting fees, directors' fees, wages and benefits (note 7)	$ 206,485	$ 143,689	$ 498,567	$ 295,825
Legal and professional fees	23,384	54,522	47,655	99,308
Office, rent and administration	100,091	47,353	200,102	112,748
Regulatory, transfer agent and shareholder information	18,565	11,756	25,093	21,237
Share-based compensation (note 6)	41,813	265,660	212,963	265,660
Travel, promotion and investor relations	112,324	25,163	176,811	138,537
	502,662	548,143	1,161,191	933,315
Other expenses (income):				
Project investigation costs	133,295	253,435	403,661	489,298
Interest and other income	(3,813)	(5,954)	(15,114)	(14,076)
Gain on initial investment in North Country (note 3)	(200,000)	–	(200,000)	–
Foreign exchange loss (gain)	4,567	(6,677)	5,373	(10,101)
	(65,951)	240,804	193,920	465,121
Loss and Comprehensive loss for the period	**$ (436,711)**	**$ (788,947)**	**$ (1,355,111)**	**$ (1,398,436)**
Basic and diluted loss per share	$ (0.01)	$ (0.04)	$ (0.06)	$ (0.09)
Weighted average number of shares outstanding	30,143,880	18,265,272	23,417,631	15,813,623

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

Auryn Resources Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, unless otherwise stated)

	Number of common shares	Share capital (note 5)	Equity reserves (note 6)	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	–	–	–	(1,398,436)	(1,398,436)
Share-based compensation	–	–	308,634	–	308,634
Issued pursuant to a private placement at $0.50 per share (note 5(b))	4,393,000	2,164,997	–	–	2,164,997
Issued pursuant to a private placement at $0.50 per share (note 5(b))	1,150,000	569,669	–	–	569,669
Balance at March 31, 2014	**18,878,605**	**$ 5,503,452**	**$ 328,351**	**$ (3,023,863)**	**$ 2,807,940**
Balance at June 30, 2014	18,878,605	$ 5,503,012	$ 522,885	$ (3,705,220)	$ 2,320,677
Net loss for the year	–	–	–	(1,355,111)	(1,355,111)
Share-based compensation	–	–	247,412	–	247,412
Stock options exercised (note 6)	22,500	11,475	–	–	11,475
Fair value of stock options allocated to share capital issued on exercise (note 6)	–	11,190	(11,190)	–	–
Issued pursuant to private placements at $0.65 per share (note 5(b))	11,251,230	7,178,427	–	–	7,178,427
Balance at March 31, 2015	**30,152,335**	**$ 12,704,104**	**$ 759,107**	**$ (5,060,331)**	**$ 8,402,880**

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

Auryn Resources Inc.
Consolidated Statements of Cash Flows

(Expressed in Canadian dollars, unless otherwise stated)

	Three months ended March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
Cash (used in) provided by:				
Operating activities:				
Loss for the year	$ (436,711)	$ (788,947)	$ (1,355,111)	$ (1,398,436)
Items not involving cash:				
Interest income classified as investing activity	(3,813)	(5,954)	(15,114)	(14,076)
Unrealized foreign exchange	(10,397)	2,015	(5,622)	6,359
Gain on initial investment in North Country (note 3)	(200,000)	–	(200,000)	–
Share-base compensation (note 6)	43,350	308,634	242,185	308,634
Changes in non-cash working capital:				
Amounts receivable	20,121	(12,361)	(42,798)	(28,763)
Deferred and prepaid expenses	(3,808)	(17,791)	(113,160)	(23,460)
Accounts payable and accrued liabilities	111,225	33,477	111,321	(23,653)
Cash used in operating activities	(480,033)	(480,927)	(1,378,299)	(1,173,395)
Investing activities:				
Interest received	15,535	11,118	26,056	13,189
Exploration and evaluation expenditures	(109,485)	–	(109,485)	–
Purchase of marketable securities	(500,000)	–	(500,000)	
Cash provided by investing activities	(593,950)	11,118	(583,429)	13,189
Financing activities:				
Net proceeds from issuance of common shares (note 5(b))	8,288	569,669	7,189,903	2,734,666
Cash provided by financing activities	8,288	569,669	7,189,903	2,734,666
Effect of foreign exchange rate changes on cash and cash equivalents	15,080	(2,015)	10,305	(6,359)
Increase (decrease) in cash and cash equivalents	(1,050,615)	97,845	5,238,480	1,568,101
Cash and cash equivalents, beginning of the period	8,666,239	2,757,059	2,377,144	1,286,803
Cash and cash equivalents, end of the period	**$ 7,615,624**	**$ 2,854,904**	**$ 7,615,624**	**$ 2,854,904**

Supplemental cash flow information (note 10)

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 March 16th, 2015, the Company entered into a definitive agreement 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 May 21, 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.

3. Summary of significant accounting policies

(a) Exploration and evaluation assets

The Company accounts for exploration and evaluation expenditures in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources ("IFRS 6").

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset acquisition. Exploration costs include value-added taxes incurred in foreign jurisdictions when recoverability of these taxes is uncertain. Exploration and evaluation expenditures are capitalized until properties are determined to contain economically recoverable mineral resources, are abandoned or the interest is sold. Option payments received are credited against the deferred exploration and evaluation expenditures. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received.

Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statements of loss and comprehensive loss. Capitalized costs are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable mineral resources.

Exploration and evaluation assets are assessed for impairment when (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, deferred exploration and evaluation expenditures attributable to that area of interest are first tested for impairment and then reclassified to mineral interests and development assets within property and equipment.
Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. Summary of significant accounting policies (continued)

(b) Impairment of non-financial assets

Every reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of a CGU or asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in net earnings (loss), unless the relevant assets are carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the net carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

(c) 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.

(d) 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.

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.

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

3. Summary of significant accounting policies (continued)

(d) Changes in accounting policies (continued)

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. Investment in North Country

	Fair Value June 30, 2014	Additions/ Dispositions	Change in Fair Value	Fair Value March 31, 2015
Common shares	$ -	$ 700,000	$ -	$ 700,000

Effective March 16, 2016, as a condition of the definitive joint exploration agreement with North Country (see note 4), the Company entered 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. The investment in North Country is classified as an available-for-sale financial asset and was recorded at fair value. At the date of initial recognition, there was a difference between the cost of the investment and its fair value and as a result, the Company recorded an initial gain on recognition of $200,000 through the loss for the period. Any subsequent changes in the fair value of the investment will be recorded in other comprehensive income until the investment is sold or otherwise disposed, at which point any gains and losses recorded to that date will be recognized through profit or loss. The Company does not hold any other marketable securities.

4. Mineral Interests

(a) Committee Bay

On March 16th, 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, Canada by incurring $6,000,000 in exploration expenditures (the "Option"). This mineral project includes 66,160 hectares situated along the Committee Bay Greenstone Belt (the "CBGB") located within the Western Churchill Province.

Currently, the Committee Bay project is held 100% by North Country with portions of the project being subject to either a 1% or 1.5% Net Smelter Royalty ("NSR"). The 1.5% NSR is payable on only 7,596 hectares and is buyable within two years commencement of commercial production for $2,000,000 for each one-third (0.5%) of the NSR.

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

4. Mineral Interests (continued)

(b) The Company capitalized the following costs as mineral interests by project:

		March 31, 2015
	Committee Bay	Total
Balances as at July 1, 2014	$ -	$ -
Acquisition costs		
Additions:		
Acquisition costs	19,318	19,318
Exploration and evaluation costs		
Additions:		
Geological consulting services	4,802	4,802
Geophysical analysis	20,000	20,000
Salaries and wages	62,276	62,276
Share-based compensation (note 6 (c))	5,227	5,227
Travel	3,090	3,090
Committed expenditures (note 4 (c))	404,606	404,606
Balances as at March 31, 2015	$ 519,318	$ 519,318

(c) Committed expenditures

Under the terms of the Option, the Company committed to incur a minimum of $500,000 in exploration and evaluation expenditures on the Committee Bay project within the first 12 months. As at March 31, 2015, the remaining commitment of $404,606 was recorded as a liabilities and a corresponding amount was included in Mineral Interests. This liability and the corresponding asset will be drawn down as the minimum expenditures are made.

5. 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.

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

5. Share capital (continued)

(b) Issued and outstanding (continued)

During the nine months ended March 31, 2015, the Company issued 22,500 common shares for gross proceeds of $11,475 in connection with stock options being exercised. Attributed to these stock options, fair value of $11,190 was transferred from the equity reserves and recorded against share capital.

6. 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	(22,500)	0.51
Forfeited	(5,000)	0.51
Outstanding, March 31, 2015	1,552,500	$ 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 nine months ended March 31, 2015, an amount of $41,813 and $212,963, respectively, (three and nine months ended March 31, 2014 – $265,600) was expensed as stock based compensation and $1,537 and $29,222, respectively, (three and nine months ended March 31, 2014 – $42,974) 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 nine months ended March 31, 2015 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:

	Nine months ended March 31, 2015	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.

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

6. Equity reserves (continued)

As at March 31, 2015, the number of stock options outstanding and exercisable was:

Exercise price	Options outstanding	Expiry date	Options exercisable
$ 0.51	1,552,500	Feb 17, 2019	1,157,200

7. 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 March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
Universal Mineral Services Ltd. [1]	333,100	159,428	670,355	457,580

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 March 31, 2015 was $117,987 (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 March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
Short-term benefits	116,219	93,874	301,531	1,276
Share-based payments	13,528	85,949	68,900	31,500
	129,747	179,823	370,431	32,776

8. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, marketable securities 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.

8. Financial instruments (continued)

(a) Credit risk (continued)

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.

(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 March 31, 2015, the Company held financial assets denominated in US dollars in the amount of $14,060 (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 $1,406 (June 30, 2014 – $10,264).

Price risk

The Company is exposed to price risk with respect to commodity and equity prices.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company currently maintains investments in certain publicly listed companies. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of the securities. A 10% fluctuation in the price of the Company's marketable securities would increase/decrease comprehensive loss by $70,000 as at March 31, 2015 (June 30, 2014 - $nil).

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. Segmented information

The Company operates in one operational being acquisition, exploration and development of mineral resource properties and one geographic segment being Canada. The Company did not have revenues or non-current assets at March 31, 2015 or its comparative period June 30, 2014.

The Company's net loss for the three and nine months ended March 31, 2015 and June 30, 2014 was incurred in Canada.

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

10. Supplemental cash flow information

	As at March 31, 2015	As at June 30, 2014
Components of cash and cash equivalents		
Cash	$ 6,175,624	$ 197,144
Term deposits	1,440,000	2,180,000
	$ 7,615,624	$ 2,377,144

11. Subsequent events

Effective April 30, 2015, the Company met the minimum expenditure required under the Committee Bay option agreement with North Country.