

The logo for Auryyn Resources features the word "AURYYN" in a large, bold, black serif font. A gold-colored, curved graphic element, resembling a stylized 'A' or a swoosh, is positioned behind the first 'A'. Below "AURYYN", the word "RESOURCES" is written in a smaller, black, serif font.

AURYYN RESOURCES

(Formerly "Georgetown Capital Corp.")

(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

Three months ended September 30, 2014 and 2013

(Expressed in Canadian dollars unless otherwise stated)

AURYN RESOURCES INC.
(the "Company")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended September 30, 2014 and 2013

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.

November 28, 2014

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

(Expressed in Canadian dollars, unless otherwise stated)

	At September 30,		At June 30,	
	2014		2014	
Assets				
Current assets:				
Cash and cash equivalents (note 11)	\$	2,049,681	\$	2,377,144
Amounts receivable		63,495		51,772
Prepaid expenses and deposits		19,742		25,632
Total assets	\$	2,132,918	\$	2,454,548
Liabilities and Equity				
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$	75,226	\$	133,871
Equity				
Share capital (note 4)		5,503,012		5,503,012
Equity reserves (note 5)		643,241		522,885
Deficit		(4,088,561)		(3,705,220)
		2,057,692		2,320,677
Total liabilities and equity	\$	2,132,918	\$	2,454,548

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 September 30,	
	2014	2013
Administration expenses:		
Consulting fees, directors' fees, wages and benefits (note 6)	\$ 127,020	\$ 32,360
Legal and professional fees	15,751	16,257
Office, rent and administration	34,727	28,394
Regulatory, transfer agent and shareholder information	2,676	1,091
Share-based compensation (note 5)	103,598	–
Travel, promotion and investor relations	15,407	29,085
	<u>299,179</u>	<u>107,187</u>
Other expenses (income):		
Project investigation costs	90,920	106,462
Interest and other income	(6,318)	(3,645)
Provision for uncollectable ITCs	–	–
Reclassification of cumulative translation adjustment	–	–
Foreign exchange gain	(440)	–
	<u>84,162</u>	<u>102,817</u>
Loss for the period	(383,341)	(210,004)
Foreign currency translation adjustment	–	–
Reclassification of cumulative translation adjustment	–	–
Comprehensive loss for the period	\$ (383,341)	\$ (210,004)
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding	18,878,605	13,335,605

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 4)	Equity reserves (note 5)	Deficit	Accumulated other comprehensive income	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	–	–	–	(210,004)	–	(210,004)
Balance at September 30, 2013	13,335,605	2,768,786	19,717	(1,835,431)	–	953,072
Balance at June 30, 2014	18,878,605	\$ 5,503,012	\$ 522,885	\$ (3,705,220)	\$ –	2,320,677
Net loss for the year	–	–	–	(383,341)	–	(383,341)
Share-based compensation	–	–	120,356	–	–	120,356
Balance at September 30, 2014	18,878,605	\$ 5,503,012	\$ 643,241	\$ (4,088,561)	\$ –	2,057,692

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 September 30,	
	2014	2013
Cash (used in) provided by:		
Operating activities:		
Loss for the year	\$ (383,341)	\$ (210,004)
Items not involving cash:		
Interest income classified as investing activity	(6,318)	(3,645)
Unrealized foreign exchange	4,370	186
Provision for uncollectible ITCs	-	-
Share-base compensation (note 5)	120,356	-
Changes in non-cash working capital:		
Amounts receivable	(7,670)	(7,593)
Prepaid expenses and deposits	5,890	1,300
Accounts payable and accrued liabilities	(58,645)	(3,271)
Cash used in operating activities	(325,358)	(223,027)
Investing activities:		
Interest received	2,265	2,071
Cash provided by investing activities	2,265	2,071
Financing activities:		
Net proceeds from issuance of common shares	-	-
Cash provided by financing activities	-	-
Effect of foreign exchange rate changes on cash and cash equivalents	(4,370)	(186)
Increase (decrease) in cash and cash equivalents	(327,463)	(221,142)
Cash and cash equivalents, beginning of the year	2,377,144	1,286,803
Cash and cash equivalents, end of the year	\$ 2,049,681	\$ 1,065,661

Supplemental cash flow information (note 11)

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

Auryn Resources Inc.

(Formerly "Georgetown Capital Corp.")

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

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.

The Company currently has no mineral property interests. The business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate properties for acquisition or investment and, even if so identified and warranted, that it will be able to finance the acquisition or investment. In the event that the Company is not able to identify an appropriate mineral property for acquisition or investment in accordance with the listing requirements of the TSX Venture Exchange (the "Exchange"), there is a risk that the Company, at the discretion of the Exchange, will be transferred to the NEX board as an inactive company. The Company is currently considered active.

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 November 28, 2014.

(b) Basis of preparation and consolidation

These condensed consolidated interim financial 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.

Auryn Resources Inc.

(Formerly "Georgetown Capital Corp.")

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

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 this 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 and each of its subsidiaries are prepared in its functional currency determined on basis of the primary economic environment in which such entities operate. The functional and presentation currency of the Company is the Canadian dollar. Amounts in these financial statements denominated 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 balance sheet 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 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.

Auryn Resources Inc.

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Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

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

No shares were issued during the three month period ended September 30, 2014.

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
Granted	-	-
Outstanding, September 30, 2014	1,580,000	\$ 0.51

Auryn Resources Inc.

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Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

4. Equity reserves (continued)

As at September 30, 2014, the number of stock options outstanding and exercisable was:

Expiry date	Number of options	Exercise price	Outstanding		Exercise price	Exercisable	
			Remaining contractual life (years)	Number of options		Remaining contractual life (years)	
Feb 17, 2019	1,580,000	\$ 0.51	4.39	790,000	\$ 0.51	4.39	

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 months ended September 30, 2014, an amount of \$103,598 (three months ended September 30, 2013 – \$nil) was expensed as stock based compensation and \$16,758 (three months ended September 30, 2013 – \$nil) was included in as 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 months ended September 30, 2014 was \$nil (year ended June 30, 2014 – \$nil). 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:

	Three months ended June 30, 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.

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 September 30, 2014	Three months ended September 30, 2013
Universal Mineral Services Ltd. ¹	\$ 132,778	\$ 139,408

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 September 30, 2014 was \$53,176 (June 30, 2014 – \$99,366).

Auryn Resources Inc.

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Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

5. Related party balances and transactions (continued)

(b) Compensation of key management personnel

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

	Three months ended September 30, 2014	Three months ended September 30, 2013
Short-term benefits	\$ 89,645	\$ 6,375
Share-based payments	75,413	-
	\$ 165,058	\$ 6,375

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.

(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 September 30, 2014, the Company held financial assets denominated in US dollars in the amount of \$75,971 (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 \$7,597 (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 September 30, 2013 or its comparative period June 30, 2013.

The Company's net loss for the three months ended September 30, 2013 and June 30, 2013 was incurred in Canada.

Auryn Resources Inc.

(Formerly "Georgetown Capital Corp.")

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise stated)

Three months ended September 30, 2014 and 2013

8. Supplemental cash flow information

	Maturity	September 30, 2014	June 30, 2014
Components of cash and cash equivalents:			
Cash	N/a	\$ 109,681	\$ 197,144
Term deposits	Cashable on demand	1,940,000	2,180,000
		\$ 2,049,681	\$ 2,377,144

9. Subsequent events

- a) Subsequent to September 30, 2014, the issue 6,250 common shares in connection with the exercise of stock options for gross proceeds of \$3,188.
- b) On November 27, 2014, the Company announced that it has increased the non-brokered financing announced on October 16, 2014 from \$3,250,000 to \$7,150,000 as a result of increased demand. The placement will now consist of up to 11 million common shares of the Company at a price of CAD\$0.65 per share and anticipated to close on December 15, 2014.