



(An exploration stage company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2020 and 2019

UNAUDITED

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Financial Position

Unaudited (Expressed in thousands of Canadian dollars)

| | As at March 31, 2020 | As at December 31, 2019 |
|---|-------------------------|----------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 13,208 | \$ 660 |
| Marketable securities | 186 | 346 |
| Amounts receivable | 71 | 55 |
| Prepaid expenses and deposits | 833 | 651 |
| | 14,298 | 1,712 |
| Non-current assets: | | |
| Restricted cash | 115 | 115 |
| Prepaid expenses and deposits | 151 | 149 |
| Mineral property interests (note 3) | 40,177 | 39,714 |
| Equipment | 1,212 | 1,272 |
| | 41,655 | 41,250 |
| Total assets | \$ 55,953 | \$ 42,962 |
| Liabilities and Equity | | |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 713 | \$ 1,067 |
| Flow-through share premium liability (note 4) | – | 7 |
| Bridge loan (note 5) | 2,986 | 2,931 |
| | 3,699 | 4,005 |
| Non-current liabilities: | | |
| Provision for site reclamation and closure (note 6) | 2,250 | 2,134 |
| Total liabilities | \$ 5,949 | \$ 6,139 |
| Equity: | | |
| Share capital | \$ 144,340 | \$ 129,413 |
| Share option and warrant reserve | 10,417 | 9,992 |
| Accumulated other comprehensive income | 407 | 22 |
| Deficit | (105,160) | (102,604) |
| Total equity | \$ 50,004 | \$ 36,823 |
| Total liabilities and equity | \$ 55,953 | \$ 42,962 |

Nature of operations and going concern (note 1)
Subsequent events (note 3(a))

Approved on behalf of the Board of Directors:

"Shawn Wallace"
Chief Executive Officer and Director

"Steve Cook"
Director

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

| | Three months ended March 31, | |
|---|------------------------------|-----------------|
| | 2020 | 2019 |
| Operating expenses | | |
| Exploration and evaluation costs (note 7) | \$ 932 | \$ 775 |
| Fees, salaries and other employee benefits | 454 | 533 |
| Insurance | 81 | 77 |
| Legal and professional fees | 76 | 67 |
| Marketing and investor relations | 398 | 250 |
| Office and administration | 151 | 120 |
| Regulatory, transfer agent and shareholder information | 71 | 67 |
| | 2,163 | 1,889 |
| Other expenses (income): | | |
| Project investigation costs | 36 | 41 |
| Accretion of provision for site reclamation and closure (note 6) | 9 | 11 |
| Interest and other income | (32) | (1) |
| Finance expense related to loan | 124 | – |
| Amortization of flow-through share premium (note 4) | (7) | (32) |
| Loss on marketable securities | 160 | – |
| Loss on derecognition of bridge loan (note 5) | 159 | – |
| Foreign exchange loss | 1 | 18 |
| | 450 | 37 |
| Net loss before income taxes | 2,613 | 1,926 |
| Deferred income tax recovery (note 5) | (57) | – |
| Loss for the period | \$ 2,556 | \$ 1,926 |
| Other comprehensive (income) loss, net of tax | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Unrealized currency (gain) loss on translation of foreign operations | (385) | 74 |
| Other comprehensive (income) loss for the period | (385) | 74 |
| Total comprehensive loss for the period | \$ 2,171 | \$ 2,000 |
| Basic and diluted loss per share (note 13) | \$ 0.03 | \$ 0.02 |
| Basic and diluted weighted average number of shares outstanding (note 13) | 100,149,220 | 90,981,510 |

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Equity

Unaudited (Expressed in thousands of Canadian dollars, except share amounts)

| | Number of common shares | Share capital | Share option and warrant reserve | Accumulated other comprehensive income (loss) | Deficit | Total |
|---|----------------------------|-------------------|-------------------------------------|---|---------------------|---------------|
| Balance at December 31, 2018 | 90,387,816 | \$ 121,988 | \$ 6,937 | \$ 225 | \$ (88,671) | 40,479 |
| Comprehensive loss for the period | – | – | – | (74) | (1,926) | (2,000) |
| Shares issued pursuant to offering, net of share issue costs and flow-through liability | 3,284,375 | 5,122 | – | – | – | 5,122 |
| Share options exercised (note 8 (b) iv) | 835,000 | 871 | (426) | – | – | 445 |
| Share-based compensation (note 9 (a)) | – | – | 209 | – | – | 209 |
| Balance at March 31, 2019 | 94,507,191 | \$ 127,981 | \$ 6,720 | \$ 151 | \$ (90,597) | 44,255 |
| Balance at December 31, 2019 | 95,231,775 | \$ 129,413 | \$ 9,992 | \$ 22 | \$ (102,604) | 36,823 |
| Comprehensive loss for the period | – | – | – | 385 | (2,556) | (2,171) |
| Shares issued pursuant to offering, net of share issue costs (note 8 (b) i) | 9,375,000 | 14,771 | – | – | – | 14,771 |
| Share options exercised (note 8 (b) ii) | 75,000 | 156 | (49) | – | – | 107 |
| Fair value of conversion feature, net of tax (note 5) | – | – | 154 | – | – | 154 |
| Share-based compensation (note 9 (a)) | – | – | 320 | – | – | 320 |
| Balance at March 31, 2020 | 104,681,775 | \$ 144,340 | \$ 10,417 | \$ 407 | \$ (105,160) | 50,004 |

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

Auryn Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows

Unaudited (Expressed in thousands of Canadian dollars)

| | Three months ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2020 | 2019 |
| Cash (used in) provided by: | | |
| Operating activities: | | |
| Loss for the period | \$ (2,556) | \$ (1,926) |
| Items not involving cash: | | |
| Interest income | (32) | (1) |
| Accretion of provision for site reclamation and closure (note 6) | 9 | 11 |
| Finance expense related to loan | 124 | – |
| Loss on marketable securities | 160 | – |
| Loss on derecognition of bridge loan (note 5) | 159 | – |
| Amortization of flow-through share premium (note 4) | (7) | (32) |
| Unrealized foreign exchange loss | 10 | 4 |
| Share-based compensation (note 9 (a)) | 320 | 209 |
| Depreciation of fixed assets | 62 | 66 |
| Deferred income tax recovery (note 5) | (57) | – |
| Changes in non-cash working capital: | | |
| Amounts receivable | (16) | 11 |
| Prepaid expenses and deposits | (158) | (157) |
| Accounts payable and accrued liabilities | (514) | 118 |
| Cash used in operating activities | (2,496) | (1,697) |
| Investing activities: | | |
| Interest received | 32 | 1 |
| Mineral property acquisition costs | (1) | (12) |
| Cash provided by (used in) investing activities | 31 | (11) |
| Financing activities: | | |
| Proceeds from issuance of common shares, net of cash share issuance costs | 14,903 | 5,122 |
| Transaction costs on loan amendment | (5) | – |
| Proceeds from share option and warrant exercises (note 8 (b)ii) | 107 | 445 |
| Cash provided by financing activities | 15,005 | 5,567 |
| Effect of foreign exchange rate changes on cash | 8 | (4) |
| Increase in cash | 12,548 | 3,855 |
| Cash, beginning of the period | 660 | 1,653 |
| Cash, end of the period | \$ 13,208 | \$ 5,508 |

Supplemental cash flow information (note 11)

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

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

1. Nature of operations and going concern

Auryn Resources Inc. (the "Company" or "Auryn") was incorporated on June 9, 2008, under the British Columbia Business Corporations Act. The head office and principal address of Auryn is located at 1199 West Hastings Street, Suite 600, Vancouver, British Columbia, V6E 3T5.

The Company is listed on the Toronto Stock Exchange and the NYSE-American, and its common shares trade under the symbol AUG.TO and AUG, respectively. The Company's principal business activity is the acquisition, exploration and development of resource properties in Canada and Peru.

The Company, through its wholly owned subsidiaries, owns the mineral concessions comprising the Committee Bay and Gibson MacQuoid mineral properties both located in Nunavut, Canada (note 3 (b)), as well as the Homestake Ridge Project in northwestern British Columbia, Canada (note 3 (c)). The Company has also secured rights to various mining concessions in southern Peru (note 3 (a)) which include the Sombrero, Curibaya and Huilacollo projects.

On March 15, 2020 the Peruvian government mandated a 15-day lockdown of the country, including prohibiting movements within the country, in response to the COVID-19 pandemic. As a result, the Company recalled all personnel from the field. The lockdown has since been extended with current guidance from the Peruvian government indicating plans to reopen the country in stages over the coming months. The Company will only restart operations once permitted by the government and once the Company is confident that it is safe for its employees to do so.

With respect to the Company's Canadian operations, employees have been working remotely since March 18, 2020. Restrictions imposed by the Canadian government have not yet impacted the Company's Canadian exploration due to its seasonal nature.

Auryn is focused on the acquisition, exploration and development of mineral properties; consequently it does not generate revenues and instead must finance its activities through equity and debt financings. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The Company's mineral property interests recorded on its statement of financial position reflect historical acquisition costs incurred, and while the carrying values are assessed at each reporting period for indicators of impairment, their recoverability is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to continue exploration and development of these assets, and ultimately on future profitable operations or the sale of such mineral properties.

At March 31, 2020, the Company has a working capital of \$10,599 (December 31, 2019 - working capital deficit of \$2,293) and an accumulated deficit of \$105,160 (December 31, 2019 - \$102,604). During the three months ended March 31, 2020, Auryn incurred a loss of \$2,556 (March 31, 2019 - \$1,926) and expects to continue to incur operating losses in relation to exploration activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. During the three months ended March 31, 2020, the Company completed a private placement raising net proceeds of \$14,771 (note 8(b)); however, the ability to continue as a going concern remains dependent upon its ability to obtain the financing necessary to continue to fund its mineral properties through the issuance of capital stock, the realization of future profitable production and/or proceeds from the disposition of its mineral interests. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and/or disposition of mineral properties. These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. These condensed consolidated interim financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

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 IFRS 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 the year ended December 31, 2019, except as follows:

- Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments are intended to clarify the definition of material in IAS 1 and not intended to alter the underlying concept of materiality in IFRS standards. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from “could influence” to “could reasonably be expected to influence”.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term “material” to ensure consistency.

The Company adopted the amendments to IAS 1 and IAS 8 effective January 1, 2020, which did not have a material impact on the Company’s interim financial statements.

- Amendments to IFRS 3 - Business Combinations

In October 2018 the IASB issued narrow-scope amendments to IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments, which are effective for annual reporting periods beginning on or after January 1, 2020, clarify the minimum requirements to be a business, remove the assessment of a market participant’s ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive and introduce an optional concentration test to permit a simplified assessment.

The adoption of the amended standard did not have an immediate impact on the Company’s interim financial statements but will be applied in assessing any future business combination and asset acquisition scenarios.

These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2019, which were filed under the Company’s profile on SEDAR at www.sedar.com.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 12, 2020.

(b) Basis of preparation and consolidation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities that have been measured at fair value. The presentation currency is the Canadian dollar; therefore, all amounts, with the exception of per share amounts, are presented in thousands of 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 amount of the Company’s returns.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

2. Basis of presentation (continued)

(b) Basis of preparation and consolidation (continued)

| Subsidiary | Place of incorporation | Functional Currency | Beneficial Interest |
|---|-------------------------------|----------------------------|----------------------------|
| North Country Gold Corp. ("North Country") | BC, Canada | CAD | 100% |
| Homestake Resource Corporation ("Homestake") | BC, Canada | CAD | 100% |
| Corisur Peru, S.A.C. ("Corisur") | Peru | USD | 100% |
| Sombrero Minerales, S.A.C. ("Sombrero Minerales") | Peru | USD | 100% |
| Magma Minerals S.A.C. ("Magma") | Peru | USD | 100% |
| Homestake Royalty Corporation (inactive) | BC, Canada | CAD | 100% |

All intercompany balances and transactions have been eliminated.

(c) Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in note 2 of the audited annual consolidated financial statements for the year ended December 31, 2019 and have been consistently applied in the preparation of these consolidated interim financial statements. No new estimates and judgements were applied for the periods ended March 31, 2020 and 2019 except as discussed below:

i. Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability or equity instrument depending on the substance of the contractual arrangement. Judgement is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition. For financial instruments that do not have quoted market prices or observable inputs, judgements are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

IFRS also requires that an exchange between an existing borrower and lender of debt instruments with substantially different terms, or a substantial modification of the terms of an existing financial liability or a part of it, be treated for as an extinguishment of the original financial liability and the recognition of a new financial liability, and as such, judgment is applied in determining whether a modification is substantial.

Upon initial recognition of the Bridge Loan (note 10) and then again on the initial recognition of the Amended Bridge Loan, management had to estimate the Company's effective interest rate which was needed in order to fair value the debt component and determine the residual amount to be allocated to the equity component. As result of the Bridge Loan Amendment, management had to make an assessment of whether the modification was substantial and thus be treated for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

3. Mineral property interests

(a) Peruvian exploration projects

Sombrero

The Sombrero copper-gold project, located in southern Peru, covers approximately 130,000 hectares acquired through a combination of staking and option agreements which are outlined below:

i) Alturas Option

On June 28, 2016, the Company entered into a letter agreement with Alturas Minerals Corp (“Alturas”) which outlined the general terms of the option granted to Auryn to acquire an 80% or 100% interest in the Sombrero concessions held by Alturas. Under the terms of the subsequent definitive agreement (the “Alturas Option”), which has an effective date of April 6, 2018, in order to exercise the Alturas Option and acquire an 80% interest in the project, the Company must incur US\$2.1 million in work expenditures within a five-year period. As of March 31, 2020, the Company has incurred US\$1.8 million in work expenditures and made cash payments totalling US\$0.2 million to Alturas. Upon the Company’s completion of the requirements to earn an 80% interest in the Sombrero Project, the parties shall form an 80:20 Joint Venture. For a period of one year after the formation of the Joint Venture, Alturas’ 20% interest shall be “free carried” and the Company shall have a right to acquire the Alturas 20% interest for US\$5.0 million.

ii) Mollecruz Option

On June 22, 2018 the Company entered an option agreement (the “Mollecruz Option”) giving the Company the right to acquire a 100% interest in the Mollecruz concessions which are located in the northern area of the Sombrero project. Under the Mollecruz Option, the Company may acquire a 100% interest, subject to a 0.5% Net Smelter Royalty (“NSR”), through a combination of work expenditures and cash payments as detailed below.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in ‘000 US\$) | Work Expenditures (in ‘000 US\$) |
|--------------------------------|--|---|---|
| Effective Date (June 22, 2018) | Completed | 50 | - |
| June 22, 2019* | Deferred* | 50 | 150 |
| June 22, 2020* | | 100 | 150 |
| June 22, 2021* | | 200 | 500 |
| June 22, 2022* | | 300 | 700 |
| June 22, 2023* | | 900 | 1,500 |
| Total | | 1,600 | 3,000 |

* Effective May 20, 2019, the Company formally declared the existence of a force majeure event under the Mollecruz Option thereby deferring the Company’s obligation to make the June 22, 2019 property payment and any subsequent property payments and work expenditures for a maximum of 24 months from the declaration date. To date, the Company has not been able to reach an access agreement with the local community in order to commence work in the region but has continued to have open communications with the community and continues to negotiate in good faith to obtain access to the property.

iii) Aceros Option

On December 13, 2018, the Company entered a series of agreements (the “Aceros Option”) with Corporacion Aceros Arequipa S.A. (“Aceros”) giving the Company the right to option three key mineral concessions located within the Company’s Sombrero project. If the Aceros Option is exercised, a joint venture would be formed in which the Company would hold an 80% interest (Aceros – 20%). The joint venture would combine the 530 hectare Aceros concessions plus 4,600 hectares of Auryn’s Sombrero land position. Below is a schedule of work expenditures and cash payments required under the agreement of which US\$0.3 million in work expenditures has been completed to date.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

3. Mineral property interests (continued)

- (a) Peruvian exploration projects (continued)
iii) Aceros Option (continued)

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Effective Date (December 13, 2018) | Completed | 140 | - |
| December 13, 2019 | Completed | 60 | 150 |
| December 13, 2020 | | 250 | 500 |
| December 13, 2021 | | 350 | 1,500 |
| December 13, 2022 | | - | 3,000 |
| Total | | 800 | 5,150 |

Curibaya

On August 2, 2019, the Company acquired the rights to the Sambalay and Salvador mineral concessions adjacent to its wholly owned Curibaya property in southern Peru. Collectively, the Curibaya project now covers approximately 11,000 hectares and is located 53 km from the provincial capital, Tacna, and 11km from the regional Incaquico fault.

Under the terms of the mining concession transfer agreement with Wild Acre Metals (Peru) S.A.C., the Company paid US\$250,000 on transfer of the concessions in favour of Corisur. The Sambalay concessions are subject to a combined 3% NSR royalty, 0.5% of which is buyable for US\$1.0 million. The Salvador concessions are subject to a 2% NSR royalty and a US\$2.0 million production payment, payable at the time a production decision is made, and to secure payment of such consideration a legal mortgage is recorded in the registry files of the Salvador concessions.

Huilacollo

On June 2, 2016, the Company acquired the rights to the Huilacollo epithermal property in the Tacna province of southern Peru, which is comprised of 2,000 hectares of hydrothermal alteration. The rights were acquired through an option agreement (the "Huilacollo Option") with a local Peruvian company, Inversiones Sol S.A.C., under which the Company may acquire 100% interest (subject to a 1.5% NSR on precious metals buyable for US\$2.5 million and a 2.5% NSR on base metals buyable for US\$7.0 million) through a combination of work expenditures and cash payments as outlined in the table below. As of May 11, 2019, the Company had completed US\$4.5 million of work expenditures under the Huilacollo Option and thus did not satisfy the accumulated work expenditure requirement of US\$5.0 million at that date. As permitted by the Huilacollo Option, the Company instead made a cash payment of US\$0.3 million equal to 50% of the shortfall at the due date to keep the option in good standing.

| Due Dates | Payment & Work Expenditure Status | Property Payments (in '000 US\$) | Work Expenditures (in '000 US\$) |
|-------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Effective Date (May 11, 2016) | Completed | 250 | - |
| May 11, 2018 | Completed | 500 | 2,000 |
| May 11, 2019 | Completed | - | 3,000 |
| May 11, 2020* | Deferred* | 250 | - |
| May 11, 2021* | | 250 | 2,000 |
| May 11, 2022* | | 7,500 | - |
| Total | | 8,750 | 7,000 |

* Effective April 3, 2020, the Company declared force majeure under its Huilacollo option as a result of the COVID-19 shutdown in Peru which allows the Company to defer the option payment that was otherwise due May 11, 2020. Once the government restrictions are lifted and exploration activities can resume, the Company will have a grace period, based on the length of the force majeure period, to make this payment.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

3. Mineral property interests (continued)

(a) Peruvian exploration projects (continued)

During 2017, the Company acquired the rights to certain mineral claims adjacent to the Huilacollo property known as Andamarca claims and Tacora claims. Under the terms of the acquisition agreements, the Company paid US\$0.65 million on transfer of the concessions in favour of Corisur. The Andamarca concession is subject to a 1.5% NSR of which 50% is buyable for US\$2.5 million and the Tacora concession is subject to a 0.5% NSR of which 50% is buyable for US\$0.5 million.

Baños del Indio

On September 26, 2016, the Company announced it had entered into an option agreement (the "Baños Option") with a local Peruvian company, Exploandes S.A.C to earn a 100% interest in the Baños del Indio gold project located in the Tacna province of southern Peru, just 10 km to the north of the Company's Huilacollo project. Under the Baños Option, the Company could acquire a 100% interest, subject to a 3.0% NSR, through a combination of work expenditures and cash payments.

Despite the Company acting in good faith in its negotiations with the community, the Company was unable to reach an access agreement with the local community in order to initiate its exploration program on the Baños properties and as such the Company chose to terminate the Baños Option in accordance with the agreement. On February 7, 2020, the Company formally gave notice to the option holder that it was terminating the agreement effective March 8, 2020. The Company had previously incurred a total of \$337 (US\$256,000) in option fees and other acquisition costs in relation to the Baños del Indio property, all of which were fully impaired as at December 31, 2019.

(b) Nunavut exploration projects

Committee Bay

The Company, through its wholly owned subsidiary North Country, owns a 100% interest in the Committee Bay project located in Nunavut, Canada. The Committee Bay project includes approximately 280,000 hectares situated along the Committee Bay Greenstone Belt located within the Western Churchill Province of Nunavut. The Committee Bay project is subject to a 1% NSR on gold production, with certain portions subject to an additional 1.5% NSR. The 1.5% NSR is payable on only 7,596 hectares and can be purchased by the Company within two years of commencement of commercial production for \$2,000 for each one-third (0.5%) of the NSR.

Gibson MacQuoid

In 2017, the Company acquired a number of prospecting permits and mineral claims along the Gibson MacQuoid greenstone belt in Nunavut, Canada. In 2019, the Company staked additional claims, which overlapped the Company's prospecting claims that expired in February 2020, to maintain a contiguous land package over the Company's current areas of interest. The Company's claims, which are located between the Meliadine deposit and Meadowbank mine, cover approximately 120 km of strike length of the prospective greenstone belt and total 74,000 hectares collectively.

(c) Homestake Ridge

The Company, through its wholly owned subsidiary Homestake, owns a 100% interest in the Homestake Ridge project subject to various royalty interests held by third parties not exceeding 2%. The project covers approximately 7,500 hectares and is located in the Iskut-Stewart-Kisault gold belt in northwestern British Columbia.

Auryn Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2020 and 2019

3. Mineral property interests (continued)

(d) Costs capitalized as mineral property interests:

The following is a continuity of the Company's mineral property acquisition costs:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|---|------------------------------------|--------------------|-----------------|------------------|
| Balance at December 31, 2018 | \$ 18,871 | \$ 16,060 | \$ 4,141 | \$ 39,072 |
| Additions | 11 | - | 949 | 960 |
| Impairment of mineral property interests (note 3 (a)) | - | - | (337) | (337) |
| Change in estimate of provision for site reclamation and closure (note 6) | 203 | - | - | 203 |
| Currency translation adjustment | - | - | (184) | (184) |
| Balance at December 31, 2019 | \$ 19,085 | \$ 16,060 | \$ 4,569 | \$ 39,714 |
| Additions | - | - | 1 | 1 |
| Change in estimate of provision for site reclamation and closure (note 6) | 107 | - | - | 107 |
| Currency translation adjustment | - | - | 355 | 355 |
| Balance at March 31, 2020 | \$ 19,192 | \$ 16,060 | \$ 4,925 | \$ 40,177 |

4. Flow-through share premium liability

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On July 11, 2019, the Company completed a non-brokered private placement (the "July 2019 Flow-Through Offering") for gross proceeds of \$1,900 through the issuance of 633,334 flow-through shares (the "2019 Flow-Through Shares") at a price of \$3.00 per share. The 2019 Flow-Through Shares were issued at a premium of \$0.88 per share.

As at March 31, 2020, the Company had fully expended the funds from the July 2019 Flow-Through Offering and therefore has a flow-through share premium liability of nil (December 31, 2019 - \$7).

Below is a summary of the 2019 flow-through financings and the related flow-through share premium liability generated by each financing:

| | Shares issued | Flow-through share price | Premium per flow-through share | Flow-through premium liability |
|----------------------|----------------|--------------------------|--------------------------------|--------------------------------|
| July 11, 2019 | 633,334 | \$3.00 | \$0.88 | \$557 |

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

| | Flow-through funding and expenditures | | | Flow-through premium liability |
|-------------------------------------|---------------------------------------|---------------|-----------------|--------------------------------|
| | BC | Nunavut | Total | |
| Balance at December 31, 2018 | \$ 737 | \$ 433 | \$ 1,170 | \$ 317 |
| Flow-through funds raised | - | 1,900 | 1,900 | 557 |
| Flow-through eligible expenditures | (737) | (2,309) | (3,046) | (867) |
| Balance at December 31, 2019 | \$ - | \$ 24 | \$ 24 | \$ 7 |
| Flow-through eligible expenditures | - | (24) | (24) | (7) |
| Balance at March 31, 2020 | \$ - | \$ - | \$ - | \$ - |

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5. Bridge loan

On September 12, 2019, the Company entered a bridge loan facility (the "Bridge Loan") for up to \$6,000 with a private lender (the "Lender"). The Bridge Loan consists of two tranches of \$3,000, with the first having been received and the second being conditional upon the mutual agreement of the parties. The Bridge Loan bears interest at 10%, payable annually or on repayment of the principal, and has a term of one year from the date of advancement (the "Maturity Date"), however, can be repaid without penalty at any time after 90 days of advancement at the discretion of the Company. The Bridge Loan is secured by a first charge general security agreement over all of the Company's present and future assets.

In connection with the Bridge Loan, the Company issued 500,000 bonus warrants to the Lender which have a term of three years from the date of issue. Each warrant is exercisable into one common share of the Company at a price of \$2.00 per common share but cannot be exercised until after the Maturity Date (note 9(b)).

Concurrent with the closing of the first tranche of the 2020 Offering, on February 5, 2020, the Company entered a loan amendment ("Bridge Loan Amendment") which provides mutual conversion rights to the Lender and the Company, and also reduces the annual interest rate from 10% to 5% from the date of amendment. Under the terms of the Bridge Loan Amendment, the Lender has the right to convert the \$3 million of principal that has been advanced to-date, and \$123,334 of interest that has accrued to-date (the "Amended Bridge Loan"), into common shares at the price of \$1.60, while the Company has the right to require conversion if the Company's common shares trade on the TSX at a price of \$2.50 or more for any five consecutive trading days prior to the loan's maturity date.

In accordance with IFRS 9, the Company derecognizes a financial liability when, and only when, its obligations are discharged, cancelled or have expired, and at that time recognizes a gain or loss through the consolidated statement of loss calculated as the difference between the carrying amount of the financial liability derecognized and the consideration paid.

The exchange with the existing lender of one debt instrument for another debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, if a substantial modification is made to the terms of an existing liability or part of it, such modification is also treated as an extinguishment of the original financial liability and the recognition of a new liability.

The Company assessed the Bridge Loan Amendment and determined that it resulted in a substantial modification, being that there was now a conversion feature for the full amount of the Amended Bridge Loan. As a result, it was necessary to derecognize the Bridge Loan and record the Amended Bridge Loan.

Consistent with the original accounting for the Bridge Loan, the Amended Bridge Loan has been identified as a compound instrument with separate components, being the debt and the conversion feature, which have been classified as a financial liability and an equity instrument, respectively.

Again the Company used the residual method to determine the allocation of the Amended Bridge Loan between the liability and equity component, by first determining the fair value of the debt, discounted at an effective interest rate of 18%, and allocating the residual value, net of deferred taxes, to the equity component.

The following table reflects the carrying values of the liability and equity components of the Amended Bridge Loan on initial recognition:

| | Liability Component | Equity Component | Total |
|---|------------------------|---------------------|----------|
| Amended Bridge Loan | \$ 2,912 | \$ 211 | \$ 3,123 |
| Deferred tax impact | - | (57) | (57) |
| Impact on statement of financial position | \$ 2,912 | \$ 154 | \$ 3,066 |

In relation to the derecognition of the Bridge Loan and the recording of the Amended Bridge Loan, a loss was recorded through the consolidated statement of loss calculated as follows:

| | |
|---|----------|
| Carrying value of Bridge Loan to be derecognized | \$ 2,981 |
| Amended Bridge Loan assumed, including transaction costs incurred | \$ 3,140 |
| Loss on derecognition of Bridge Loan | \$ 159 |

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5. Bridge loan (continued)

The following is a continuity of the liability component of the Amended Bridge Loan subsequently measured at amortized cost:

| | |
|--|-----------------|
| Fair value of Amended Bridge Loan on initial recognition | \$ 2,912 |
| Finance expense | 74 |
| Closing balance at March 31, 2020 | \$ 2,986 |

6. Provision for site reclamation and closure

The Company recognizes a provision for site reclamation and closure, which reflects the present value of the estimated amount of cash flows required to satisfy the asset retirement obligation in respect of the Committee Bay property. The components of this obligation are the removal of equipment currently being used at the site as well as costs associated with the reclamation of the camp housing and work sites on the property. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

The key assumptions on which the present value of the future estimated cash flows is based are:

- Undiscounted cash flow for site reclamation of \$2,645 (December 31, 2019 - \$2,658)
- Expected timing of future cash flows is based on mining leases expiration, which is between 2026 and 2035
- Annual inflation rate 2% (December 31, 2019 - 2%)
- Risk-free interest rate 1.32% (December 31, 2019 - 1.76%)

The present value of the liability for the site reclamation and closure provision at Committee Bay project is as follows:

| | March 31, 2020 | December 31, 2019 |
|------------------------|-----------------|-------------------|
| Opening balance | \$ 2,134 | \$ 1,891 |
| Accretion | 9 | 40 |
| Change in estimate | 107 | 203 |
| Closing balance | \$ 2,250 | \$ 2,134 |

7. Exploration and evaluation costs

For the three months ended March 31, 2020, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|--|--|--------------------|---------------|---------------|
| Assaying | \$ 10 | \$ 2 | \$ 4 | \$ 16 |
| Exploration Drilling | 12 | - | - | 12 |
| Camp cost, equipment and field supplies | 62 | 8 | 58 | 128 |
| Geological consulting services | - | 104 | 67 | 171 |
| Permitting, environmental and community costs | 5 | 7 | 91 | 103 |
| Expediting and mobilization | 5 | - | 5 | 10 |
| Salaries and wages | 89 | 41 | 196 | 326 |
| Fuel and consumables | - | - | 2 | 2 |
| Aircraft and travel | - | 2 | 35 | 37 |
| Share based compensation | 21 | 11 | 95 | 127 |
| Total for the three months ended March 31, 2020 | \$ 204 | \$ 175 | \$ 553 | \$ 932 |

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7. Exploration and evaluation costs (continued)

For the three months ended March 31, 2019, the Company's exploration and evaluation costs are broken down as follows:

| | Committee Bay & Gibson MacQuoid | Homestake Ridge | Peru | Total |
|--|--|--------------------|---------------|---------------|
| Assaying | \$ 7 | \$ 8 | \$ 14 | \$ 29 |
| Camp cost, equipment and field supplies | 68 | 5 | 72 | 145 |
| Geological consulting services | - | - | 206 | 206 |
| Permitting, environmental and community costs | 6 | 2 | 151 | 159 |
| Expediting and mobilization | - | - | 5 | 5 |
| Salaries and wages | 75 | 26 | 67 | 168 |
| Fuel and consumables | - | - | 5 | 5 |
| Aircraft and travel | 4 | - | 10 | 14 |
| Share based compensation | 15 | 6 | 23 | 44 |
| Total for the three months ended March 31, 2019 | \$ 175 | \$ 47 | \$ 553 | \$ 775 |

8. Share capital

(a) Authorized

Unlimited common shares without par value.

Unlimited preferred shares - nil issued and outstanding.

(b) Share issuances

Three months ended March 31, 2020:

- On February 6, 2020, the Company closed a non-brokered private placement for gross proceeds of \$15,000 ("2020 Offering") which was closed in two tranches and consisted of 9,375,000 common shares (the "2020 Shares") priced at CAD\$1.60 per 2020 Share.

Share issue costs related to the 2020 Offering totaled \$229, which included \$59 in commissions, and \$170 in other issuance costs. A reconciliation of the impact of the 2020 Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|--|----------------------------|----------------------------|
| Common shares issued at \$1.60 per share | 9,375,000 | \$ 15,000 |
| Cash share issue costs | - | (229) |
| Proceeds net of share issue costs | 9,375,000 | \$ 14,771 |

- During the three months ended March 31, 2020, 75,000 shares were issued as a result of share options being exercised with a weighted average exercise price of approximately \$1.42 for gross proceeds of \$107 and \$49 attributed to these share options was transferred from the equity reserves and recorded against share capital.

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8. Share capital (continued)

(b) Share issuances (continued)

Three months ended March 31, 2019:

- iii. On March 27, 2019, Company completed a non-brokered private placement for gross proceeds of \$5,255. The placement consisted of 3,284,375 common shares (the "Shares") priced at \$1.60 per Share (the "March 2019 Offering").

Share issue costs related to the March 2019 Offering totaled \$186, which included \$110 in commissions, and \$76 in other issuance costs. A reconciliation of the impact of the March 2019 Offering on share capital is as follows:

| | Number of common shares | Impact on share capital |
|--|----------------------------|----------------------------|
| Common shares issued at \$1.60 per share | 3,284,375 | \$ 5,255 |
| Cash share issue costs | - | (186) |
| Proceeds net of share issue costs | 3,284,375 | \$ 5,069 |

- iv. During the three months ended March 31, 2019, 835,000 shares were issued as a result of share options being exercised with a weighted average exercise price of approximately \$0.53 for gross proceeds of \$445 and \$426 attributed to these share options was transferred from the equity reserves and recorded against share capital.

9. Share option and warrant reserves

(a) Share-based payments

The Company maintains a Rolling Share Option Plan providing for the issuance of share options up to 10% of the Company's issued and outstanding common shares at the time of the grant. The Company may grant share options from time to time to its directors, officers, employees and other service providers. The share 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 share options issued and outstanding is as follows:

| | Number of share options | Weighted average exercise price |
|--------------------------------|----------------------------|------------------------------------|
| Outstanding, December 31, 2018 | 6,205,000 | \$ 1.85 |
| Granted | 3,295,000 | 1.91 |
| Exercised | (926,250) | 0.62 |
| Expired | (230,000) | 2.33 |
| Forfeited | (51,250) | 1.89 |
| Outstanding, December 31, 2019 | 8,292,500 | \$ 2.00 |
| Exercised | (75,000) | 1.42 |
| Expired | (30,000) | 1.96 |
| Outstanding, March 31, 2020 | 8,187,500 | \$ 2.01 |

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9. Share option and warrant reserves (continued)

(a) Share-based payments (continued)

As at March 31, 2020, the number of share options outstanding and exercisable was:

| Expiry date | Outstanding | | | Exercisable | | |
|---------------|-------------------|----------------|------------------------------------|-------------------|----------------|------------------------------------|
| | Number of options | Exercise price | Remaining contractual life (years) | Number of options | Exercise price | Remaining contractual life (years) |
| Aug 17, 2020 | 915,000 | \$ 1.30 | 0.38 | 915,000 | \$ 1.30 | 0.38 |
| June 20, 2021 | 2,085,000 | 2.63 | 1.22 | 2,085,000 | 2.63 | 1.22 |
| Jan 10, 2022 | 440,000 | 3.22 | 1.78 | 440,000 | 3.22 | 1.78 |
| June 20, 2023 | 651,875 | 1.42 | 3.22 | 651,875 | 1.42 | 3.22 |
| June 26, 2023 | 900,000 | 1.42 | 3.24 | 900,000 | 1.42 | 3.24 |
| Feb 7, 2024 | 200,625 | 1.36 | 3.86 | 148,125 | 1.36 | 3.86 |
| Apr 9, 2024 | 2,755,000 | 1.96 | 4.03 | 1,721,875 | 1.96 | 4.03 |
| Aug 21, 2024 | 70,000 | 1.82 | 4.39 | 35,000 | 1.82 | 4.39 |
| Nov 20, 2024 | 170,000 | 1.82 | 4.64 | 63,750 | 1.82 | 4.64 |
| | 8,187,500 | \$ 2.00 | 2.65 | 6,960,625 | \$ 2.02 | 2.39 |

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and other service providers. During the three months ended March 31, 2020 and 2019 the Company recognized share-based compensation expense as follows:

| | Three months ended March 31, | |
|--|------------------------------|---------------|
| | 2020 | 2019 |
| Recognized in net loss: | | |
| Included in exploration and evaluation costs | \$ 127 | \$ 44 |
| Included in fees, salaries and other employee benefits | 187 | 157 |
| Included in project investigation costs | 6 | 8 |
| | \$ 320 | \$ 209 |

During the three months ended March 31, 2020, the Company did not grant any share options.

During the three months ended March 31, 2019, the Company granted 210,000 share options to directors, officers, employees and others service providers. The weighted average fair value per option of these share options was calculated as \$0.71 using the Black-Scholes option valuation model at the grant date.

The fair value of the share-based options granted during the three months ended March 31, 2019 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

| | Three months ended March 31, 2019 |
|--------------------------|--------------------------------------|
| Risk-free interest rate | 1.78% |
| Expected dividend yield | Nil |
| Share price volatility | 64% |
| Expected forfeiture rate | 0% |
| Expected life in years | 4.52 |

The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the share-based options. The expected volatility assumption is based on the historical and implied volatility of the Company's common shares. The expected forfeiture rate and the expected life in years are based on historical trends.

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9. Share option and warrant reserves (continued)

(b) Share purchase warrants

On September 12, 2019, the Company issued 500,000 bonus warrants in connection with the Bridge Loan (note 5). The warrants have a term of three years from the date of issue and each warrant is exercisable into one common share of the Company at a price of \$2.00 per common share but cannot be exercised until after the Maturity Date. As the Bridge Loan was identified as a compound instrument with debt and equity components, the fair value of the share purchase warrants was determined as the residual value net of deferred taxes after the fair value of the debt component was determined.

The continuity of the number of share purchase warrants is as follows:

| | Warrants outstanding | Exercise price |
|---|----------------------|----------------|
| Outstanding, December 31, 2018 | - | \$ - |
| Issued | 500,000 | 2.00 |
| Outstanding, December 31, 2019 and March 31, 2020 | 500,000 | \$ 2.00 |

10. Related party balances and transactions

All transactions with related parties have occurred in the normal course of operations. 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, | |
|---|------------------------------|--------|
| | 2020 | 2019 |
| Universal Mineral Services Ltd. ¹ | | |
| Exploration and evaluation costs: | | |
| Committee Bay | \$ 60 | \$ 81 |
| Homestake | 37 | 23 |
| Peru | 51 | 26 |
| Fees, salaries and other employee benefits | 55 | 92 |
| Legal and professional fees | 7 | - |
| Marketing and investor relations | 37 | 18 |
| Office and administration | 87 | 94 |
| Project investigation costs | 4 | 4 |
| Total transactions for the period | \$ 338 | \$ 338 |

1. Universal Mineral Services Ltd., ("UMS") is a private company with certain directors and officers in common. Pursuant to an agreement dated March 30, 2012 and as amended on December 30, 2015, UMS provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis. The agreement has an indefinite term and can be terminated by either party upon providing due notice.

The outstanding balance owing at March 31, 2020 was \$199 (December 31, 2019 – \$235). In addition, the Company had \$150 on deposit with UMS as at March 31, 2020 (December 31, 2019 - \$150).

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10. Related party balances and transactions (continued)

(b) Compensation of key management personnel

During the period, compensation to key management personnel, being the Company's seven executives (six in 2019) and five non-executive directors, was as follows:

| | Three months ended March 31, | |
|--|------------------------------|--------|
| | 2020 | 2019 |
| Short-term benefits provided to executives | \$ 366 | \$ 316 |
| Directors fees paid to non-executive directors | 36 | 37 |
| Share-based payments | 219 | 139 |
| | \$ 621 | \$ 492 |

11. Supplemental cash flow information

| | Three months ended March 31, | |
|---|------------------------------|-------|
| | 2020 | 2019 |
| Increase in cash related to: | | |
| Deferred acquisition and financing costs included in accounts payable | \$ - | \$ 32 |
| Loan transaction costs in accounts payable | 12 | - |
| Share issue costs included in accounts payable | 132 | - |

12. Segmented information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral resource properties.

Geographic segmentation of non-current assets is as follows:

| March 31, 2020 | Canada | Peru | Total |
|--|-----------|----------|-----------|
| Restricted cash and cash equivalents | \$ 115 | \$ - | \$ 115 |
| Prepaid expenses and deposits, non-current | - | 151 | 151 |
| Equipment, net | 1,166 | 46 | 1,212 |
| Mineral property interests | 35,252 | 4,925 | 40,177 |
| | \$ 36,533 | \$ 5,122 | \$ 41,655 |
| December 31, 2019 | Canada | Peru | Total |
| Restricted cash and cash equivalents | \$ 115 | \$ - | \$ 115 |
| Prepaid expenses and deposits, non-current | - | 149 | 149 |
| Equipment, net | 1,202 | 70 | 1,272 |
| Mineral property interests | 35,145 | 4,569 | 39,714 |
| | \$ 36,462 | \$ 4,788 | \$ 41,250 |

13. Loss per share

| | Three months ended March 31, | |
|---|------------------------------|------------|
| | 2020 | 2019 |
| Net loss | \$ 2,556 | \$ 1,926 |
| Weighted average number of shares outstanding | 100,149,220 | 90,981,510 |
| Basic and diluted loss per share | \$ 0.03 | \$ 0.02 |

All of the outstanding share options and share purchase warrants at March 31, 2020 and 2019 were anti-dilutive for the periods then ended as the Company was in a loss position.

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14. Financial instruments

The Company's financial instruments consist of cash, marketable securities, amounts receivable, deposits, accounts payable and accrued liabilities, and the Amended Bridge Loan. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at March 31, 2020 and 2019 the only financial instruments measured at fair value were the Company's marketable securities, which were classified under level 1 of the fair value hierarchy. The Bridge Loan and then the Amended Bridge Loan, on initial recognition, were measured at fair value under level 2 of the fair value hierarchy and subsequently measured at amortized cost. No transfer occurred between the levels during the period.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk. As at March 31, 2020 the primary risks were as follows:

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:

(i) Foreign currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at March 31, 2020 and December 31, 2019, the Company's foreign currency exposure related to its financial assets and liabilities held in US dollars as follows:

| | March 31, 2020 | December 31, 2019 |
|---|----------------|-------------------|
| Financial assets denominated in foreign currencies | \$ 21 | \$ 55 |
| Financial liabilities denominated in foreign currencies | (112) | (80) |
| Net exposure | \$ (91) | \$ (25) |

A 10% increase or decrease in the US dollar exchange rate would not have a material impact on the Company's net loss.

(ii) Other price risk

Other price risk is the risk arising from the effect of changes in market conditions on the Company's marketable securities. The Company is exposed to other price risk through its investment in Bravada Gold Corporation ("BVA"), which is listed on the TSX Venture Exchange.

A 10% increase or decrease in the BVA share price would not have a material impact on the Company's net loss.