NORTH COUNTRY GOLD CORP.

Interim Consolidated Condensed Financial Statements

For the three months ended May 31, 2015 and May 31, 2014
(unaudited)

As at	May 31, 2015	February 28, 2015
ASSETS		
Current		
Cash and cash equivalents	**$ 886,691**	$ 307,617
Trade and other receivables (note 3)	**116,471**	126,138
Prepayments and deposits	**102,785**	148,090
	1,105,947	581,845
Investments (note 4)	**7,015**	9,515
Equipment (note 5)	**1,890,463**	2,034,903
Mineral properties (note 6)	**81,276,809**	81,354,377
	$ 84,280,234	$ 83,980,640
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 204,520**	$ 1,181,758
Current-portion of finance lease obligations (note 7)	**21,809**	21,809
	226,329	1,203,567
Asset retirement obligation (note 8)	**1,164,966**	1,157,648
Deferred taxes	**6,583,031**	6,583,031
	7,974,326	8,944,246
EQUITY		
Share capital (note 9)	**84,782,367**	83,071,117
Share subscriptions received (note 9)	-	100,000
Option and warrant reserve	**4,135,377**	4,067,377
Deficit	**(12,611,836)**	(12,202,100)
	76,305,908	75,036,394
	$ 84,280,234	$ 83,980,640

Approved by the Board of Directors

Director (signed by) *"John Williamson"*

Director (signed by) *"Sean Mager"*

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

For the three months ended		May 31, 2015		May 31, 2014
EXPENSES				
General and administration (note 11)	$	407,413	$	169,024
Finance costs		7,318		11,201
Loss from operations		(414,731)		(180,225)
OTHER				
Share-based compensation (note 9b)		(295,000)		-
Interest income		2,753		1,180
Foreign exchange loss		(754)		(772)
Other income (note 6)		300,496		12,030
Impairment of investments		(2,500)		(2,500)
		4,995		9,938
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(409,736)	$	(170,287)
BASIC AND DILUTED LOSS PER COMMON SHARE	$	(0.00)	$	(0.00)
Basic and diluted weighted average number of common shares		141,234,971		121,813,562

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

	Share capital	Share subscriptions received	Option and warrant reserve	Deficit	Total equity
Balance at February 28, 2014	**$ 83,025,222**	**$ -**	**$ 4,087,377**	**$(11,234,404)**	**$ 75,878,195**
Comprehensive loss	-	-	-	(170,287)	(170,287)
Balance at May 31, 2014	**$ 83,025,222**	**$ -**	**$ 4,087,377**	**$(11,404,691)**	**$ 75,707,908**
Comprehensive loss	-	-	-	(797,409)	(797,409)
Share subscriptions received (note 9)	-	100,000	-	-	100,000
Options exercised (note 9)	45,000	-	(20,000)	-	25,000
Share issuance costs recovery	895	-	-	-	895
Balance at February 28, 2015	**$ 83,071,117**	**$ 100,000**	**$ 4,067,377**	**$(12,202,100)**	**$ 75,036,394**
Comprehensive loss	-	-	-	(409,736)	(409,736)
Private placement (note 9)	1,000,000	(100,000)	-	-	900,000
Options issued (note 9)	-	-	295,000	-	295,000
Options exercised (note 9)	726,250	-	(227,000)	-	499,250
Share issuance costs	(15,000)	-	-	-	(15,000)
Balance at May 31, 2015	**$ 84,782,367**	**$ -**	**$ 4,135,377**	**$(12,611,836)**	**$ 76,305,908**

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

NORTH COUNTRY GOLD CORP.

Interim Consolidated Statements of Cash Flows *(unaudited)*

For the three months ended	May 31, 2015	May 31, 2014
Cash provided by (used in):		
Operating activities:		
Net loss	**$ (409,736)**	$ (170,287)
Items not affecting cash:		
Depreciation	**19,358**	1,741
Finance costs	**7,318**	11,201
Impairment of investments	**2,500**	2,500
Share-based compensation (note 9b)	**295,000**	-
	(85,560)	(154,845)
Changes in non-cash working capital	**(922,266)**	(146,436)
Cash used in operating activities	**(1,007,826)**	(301,281)
Investing activities		
Additions to mineral properties	**(14,376)**	(77,726)
Project costs recovered	**217,026**	-
Cash provided by (used in) investing activities	**202,650**	(77,726)
Financing activities		
Proceeds from private placement (note 9)	**900,000**	-
Proceeds from exercise of options (note 9)	**499,250**	-
Share issuance costs	**(15,000)**	-
Cash provided by financing activities	**1,384,250**	-
Net increase (decrease) in cash and cash equivalents	**579,074**	(379,007)
Cash and cash equivalents – beginning of period	**307,617**	615,939
Cash and cash equivalents – end of period	**$ 886,691**	$ 236,932
Depreciation capitalized (note 5)	**$ 125,082**	$ 190,243
Contributed surplus adjustment on exercise of options (note 9)	**$ 227,000**	$ -
Interest received	**$ 2,753**	$ 1,180

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

1. Nature of operations and going concern

North Country Gold Corp. (the "Company" or "NCG") was incorporated in Alberta, Canada, on February 3, 2010 and the Company's common shares began trading on the TSX Venture Exchange under the stock symbol "NCG" on April 15, 2010. The Company's primary business is the acquisition, exploration, and development of mineral properties for sale or extraction. The Company's registered office is 4500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta, Canada, T2P 4K7. The Company's head office is at Suite 220, 9797 45 Avenue NW, Edmonton, Alberta, T6E 5V8. On September 6, 2012 the Company's common shares began trading on the OTCQX under the stock symbol "NCGDF".

These interim consolidated condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at May 31, 2015, the Company has working capital of $879,618 (February 28, 2015 – deficit of $621,722) and has a deficit of $12,611,836 (February 28, 2015 - $12,202,100) and the Company has not determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. At the current stage of the Company's operations, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management is seeking out additional sources of funding, which may include equity financing, joint ventures on its mineral properties, sale of assets or any combination thereof. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments could be material.

Subsequent to the period, on June 30, 2015, Auryn Resources Inc. ("Auryn") and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). More details can be found in note 13, Subsequent Events.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended February 28, 2015, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on July 30, 2015.

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization ("ISO") 3-letter symbol for such foreign currency.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Committee Bay North Ltd. (incorporated in the Northwest Territories) and CBR Australia Holdings Inc. (amalgamated in Alberta) and, in the prior period, its wholly owned subsidiary Matador Mining Pty. Ltd. (incorporated in Australia). All intercompany balances and transactions have been eliminated on consolidation.

These interim consolidated condensed financial statements have been prepared on an historical cost basis with the exception of investments which are measured at fair value.

3. Trade and other receivables

As at		**May 31, 2015**		**February 28, 2015**
Accounts receivable	**$**	**103,280**	$	113,731
Goods and services tax credits receivable		**13,191**		12,407
	$	**116,471**	**$**	**126,138**

The Company's accounts receivable relates to office rental, reimbursed expenses, and operating costs shared between several companies. The Company pays the total costs and bills each company for its share of the costs.

4. Investments

As at		**May 31, 2015**		**February 28, 2015**
Marketable securities classified as available for sale financial assets	$	**7,015**	$	9,515

The Company holds securities of publically traded companies which it has classified as available for sale financial assets, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive income (loss) in equity, net of deferred taxes. During the three months ended May 31, 2015, the Company recognized an impairment loss of $2,500 (2014 - $2,500) on securities classified as available for sale financial assets, as there had been a significant and/or prolonged decline in the market price of those securities.

5. Equipment

		Camp and field equipment		**Drilling equipment**		**Mobile equipment**		**Office equipment**		**Total**
Cost										
Balance, February 28, 2014	$	3,926,517	$	525,194	$	1,818,151	$	92,628	$	6,362,490
Change in ARO (note 8)		(414,672)		-		-		-		(414,672)
Balance, February 28, 2015		3,511,845		525,194		1,818,151		92,628		5,947,818
Balance, May 31, 2015	**$**	**3,511,845**	**$**	**525,194**	**$**	**1,818,151**	**$**	**92,628**	**$**	**5,947,818**
Accumulated Depreciation										
Balance, February 28, 2014	$	(1,727,966)	$	(351,123)	$	(1,195,522)	$	(66,307)	$	(3,340,918)
Depreciation		(322,561)		(52,221)		(190,252)		(6,963)		(571,997)
Balance, February 28, 2015	$	(2,050,527)	$	(403,344)	$	(1,385,774)	$	(73,270)	$	(3,912,915)
Depreciation		(83,168)		(9,139)		(32,775)		(19,358)		(144,440)
Balance, May 31, 2015	**$**	**(2,133,695)**	**$**	**(412,483)**	**$**	**(1,418,549)**	**$**	**(92,628)**	**$**	**(4,057,355)**

Net book value:										
Balance, February 28, 2015	$	1,461,318	$	121,850	$	432,377	$	19,358	$	2,034,903
Balance, May 31, 2015	**$**	**1,378,150**	**$**	**112,711**	**$**	**399,602**	**$**	**-**	**$**	**1,890,463**

Included in camp and field equipment at May 31, 2015 is $189,304 (February 28, 2015 – $199,268) of equipment under finance leases (note 7).

6. Mineral properties

	Committee Bay	Baffin Island	Total
Balance, February 28, 2014	$ 80,269,650	$ 11,688	$ 80,281,338
Acquisition and claim maintenance	2,377	-	2,377
Exploration costs	1,070,662	-	1,070,662
Balance, February 28, 2015	81,342,689	11,688	81,354,377
Exploration costs	139,458	-	139,458
Project costs recovered	(217,026)	-	(217,026)
Balance, May 31, 2015	**$ 81,265,121**	**$ 11,688**	**$ 81,276,809**

The Committee Bay Greenstone Belt is located approximately 300 kilometers north of Baker Lake within Nunavut Territory, Canada. The Company is currently holds mineral title to more than 160,000 acres of land comprising 20 active mineral claims and 48 mineral leases. Portions of the property are subject to net smelter royalties (“NSR”s), ranging from 1.0% to 1.5%. At any point within two years commencement of commercial production the Company will have the right to purchase all or a portion of the 1.5% NSR for $2,000,000 for each one-third (0.5%) of the NSR.

The Company has provided $75,000 of cash as security to its financial institution for an irrevocable letter of credit of the same amount with respect to the performance of a third party under a land use license.

On March 20, 2015, the Company and Auryn Resources Inc (“Auryn”) jointly announced the execution of a definitive Joint Exploration Agreement (the “JEA”) whereby Auryn has the option to spend $6,000,000 CDN over a 30-month period to earn a 51% interest in the mineral concessions comprising the Committee Bay Project at which time the parties will share costs pro-rata in a customary joint venture. Of this amount, $500,000 is a firm commitment to be incurred within the first 12 months. As a condition of the JEA, Auryn agreed to purchase 10,000,000 common shares of the Company at a price of $0.05 per common share as part of a non-brokered private placement of 20,000,000 common shares of the Company (note 9).

A technical committee was formed to jointly plan and oversee exploration programs. Auryn has ultimate discretion over the nature and manner of exploration undertaken during the earn-in period and will become the operator of the ensuing joint venture, while North Country provides staff, equipment and consumables as the contractor to implement programs. The Company invoices Auryn for the usage of the Company’s consumables, which were initially capitalized as mineral property expenditures, and records the recovery against its mineral property balance. Additionally, the Company invoices Auryn for the usage of the Company’s equipment and records this amount as other income.

Subsequent to the period, on June 30, 2015, Auryn and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). More details can be found in note 13, Subsequent Events.

7. Finance lease obligations

Included in equipment are certain assets that the Company acquired pursuant to finance lease agreements. Future minimum lease payments are as follows:

As at	**May 31, 2015**	**February 28, 2015**
2016	$ 22,000	$ 22,000
Total minimum lease payments	22,000	22,000
Less: interest portion	(191)	(191)
Finance lease obligations	**$ 21,809**	**$ 21,809**
Current portion	$ 21,809	$ 21,809
Non-current portion	-	-
Finance lease obligations	**$ 21,809**	**$ 21,809**

8. Asset retirement obligation

Balance, February 28, 2014	$ 1,520,186
Accretion of interest	45,302
Change in estimate	(407,840)
Balance, February 28, 2015	$ 1,157,648
Accretion of interest	7,318
Balance, May 31, 2015	**$ 1,164,966**

During the quarter ended May 31, 2015, the Company has recorded an asset retirement obligation of $1,164,966 (February 28, 2015 – $1,157,648), 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 used at the property as well as costs associated with the reclamation of the camp and work sites on the property. It is the Company's intention to continue exploration work on the property until at least the current mining leases expire, which is between 2026 and 2033. The estimate of future asset retirement obligations is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

During the quarter ended May 31, 2015, management used a risk-free interest rate of 1.92% (February 28, 2015 – 1.92%) to discount the obligation. The discounted amount of inflation-adjusted estimated future cash flows relating to removal of equipment is $710,654 (February 28, 2015 – $706,239) and relating to reclamation of the camp and work sites is $454,312 (February 28, 2015 – $451,409). Amounts related to the removal of equipment have been included in equipment (note 5) and amounts related to the reclamation of the camp and work sites have been included in mineral properties (note 6).

9. Share capital

A summary of changes in common share capital is as follows:

	Number of shares	Weighted average issue price	Amount
Balance at February 28, 2014	121,813,562		$ 83,025,222
Shares issued upon exercise of options	500,000	$ 0.05	25,000
Return to treasury	(60)	-	-
Reclassified from option and warrant reserve	-	-	20,000
Share issuance costs recovery	-	-	895
Balance at February 28, 2015	121,313,502		83,071,117
Private placement	20,000,000	$ 0.05	1,000,000
Shares issued upon exercise of options	5,675,000	$ 0.09	499,250
Reclassified from option and warrant reserve	-	-	227,000
Share issuance costs	-	-	(15,000)
Balance, May 31, 2015	**147,988,502**		**$ 84,782,367**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value.

On March 19, 2015, the Company completed a non-brokered private placement for gross proceeds of $1,000,000 consisting of 20,000,000 common shares of the Company at a price of $0.05 per common share. $100,000 of the proceeds raised was received during the year ended February 28, 2015, in advance of closing the private placement. The Company paid a 5% finder's fee in the amount of $15,000 on $300,000 of the gross proceeds raised. The common shares will be subject to a hold period, which will expire four months and one day from the date of closing, being July 20, 2015.

b) Stock options

Pursuant to a stock option plan (the "Plan") for directors, officers, employees, and consultants last approved by shareholders on November 26, 2014, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee and on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2014	7,850,000	$ 0.37
Exercised	(500,000)	0.05
Forfeited	(150,000)	0.26
Outstanding options, February 28, 2015	7,200,000	$ 0.40
Issued	7,375,000	0.09
Exercised	(5,675,000)	0.09
Outstanding options, May 31, 2015	**8,900,000**	**$ 0.34**

A summary of the options outstanding and exercisable is as follows:

May 31, 2015			February 28, 2015			
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)	Note
$ 0.47	5,200,000	0.3	$ 0.47	5,200,000	0.6	
$ 0.85	100,000	1.5	$ 0.85	100,000	1.7	
$ 0.25	500,000	2.5	$ 0.25	500,000	2.8	
$ 0.15	1,400,000	3.7	$ 0.15	1,400,000	3.9	
$ 0.07	200,000	4.8	-	-	-	i
$ 0.10	1,000,000	4.8	-	-	-	ii
$ 0.10	500,000	4.9	-	-	-	iii
$ 0.34	**8,900,000**	**1.8**	**$ 0.40**	**7,200,000**	**1.4**	

i) On March 26, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 2,475,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.07 per common share and expire on March 26, 2020 or earlier in accordance with the terms of the Plan. 2,275,000 of these options were exercised during the period.

The estimated fair value of these options of $99,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.86%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

ii) On March 26, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 4,400,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.10 per common share and expire on March 26, 2020 or earlier in accordance with the terms of the Plan. 3,400,000 of these options were exercised during the period.

The estimated fair value of these options of $176,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.86%; expected dividends, 0%. The options were issued with an exercise price higher than the quoted market price of the Company's common shares on the date of issuance.

iii) On April 29, 2015, the Company's Board of Directors granted stock options to acquire up to an aggregate 500,000 common shares of the Company under the Plan, vesting immediately upon issuance. The stock options are exercisable at a price of $0.10 per common share and expire on April 29, 2020 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of $20,000, or $0.04 per option, has been recorded as share-based compensation expense in the current period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.07; expected life, 5 years; expected volatility, 80%; risk-free rate 0.98%; expected dividends, 0%. The options were issued with an exercise price higher than the quoted market price of the Company's common shares on the date of issuance.

10. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

<u>General objectives, policies and processes</u>

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations in Australia (up to the wind-up date of April 30, 2014) were denominated in Australian Dollars. Subsequent to the wind-up date, the Company had no foreign currency transactions and currency risk up to the date of the wind-up was minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's interest rates on its finance leases are fixed and do not fluctuate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

The Company's accounts receivable balances are current as of May 31, 2015. The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis. The Company has determined its credit risk associated with its trade accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

At May 31, 2015, the Company's current liabilities consisted of accounts payable and accrued liabilities of $204,520 due within the next three months and current portion of finance lease obligations of $21,809 due within the next year. The Company's cash and cash equivalents of $886,691 and trade and other receivables of $116,471 are sufficient to pay these current liabilities.

Determination of fair value

The Company categorizes its fair value measurements according to a three level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: no observable inputs for the asset or liability.

The available-for-sale investments of the Company are based on quoted prices and are therefore considered to be Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

11. General and administrative expenses

For the three months ended	**May 31, 2015**	**May 31, 2014**
Depreciation	$ 19,358	$ 1,741
Conferences and travel	12,147	24,365
Consulting fees and benefits	265,036	61,374
Office and administration	38,638	45,827
Professional fees	57,093	11,476
Promotion and investor relations	7,127	16,070
Wages and employee benefits	8,014	8,171
	$ 407,413	**$ 169,024**

12. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended		**May 31, 2015**		**May 31, 2014**
Management fees paid to corporations controlled by key management	$	260,229	$	48,500
Capitalized fees paid to a corporation controlled by key management		7,000		41,775
	$	**267,229**	**$**	**90,275**

As at May 31, 2015, accounts payable included $12,409 (February 28, 2015 - $362,103) relating to consulting fees payable and accounts receivable included $39,728 (February 28, 2015 – $15,913), relating to the reimbursement of shared office and staff costs, receivable from corporations controlled by a common directors and officers.

During the period ended May 31, 2015, 1,405,000 options were issued to directors, officers, and key management resulting in a non-cash share-based compensation expense of $56,200.

During the year ended February 29, 2012, the Company and a company with common directors entered into two five year office premises lease agreements. Basic rental payments, excluding operating costs, are approximately $170,000 to $180,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental. The Company's share of basic rental payments during the period ended May 31, 2015 was $3,432 (2014 – $7,787).

13. Subsequent events

Auryn Resources Inc. to acquire North Country Gold Corp

On June 30, 2015, Auryn and the Company announced that they have entered into a letter agreement pursuant to which Auryn will acquire the Company under a plan of arrangement (the "Arrangement"). The consideration for 100% of the Company's outstanding common shares which Auryn does not already own will be the issuance of approximately 13.8 million Auryn common shares valued at approximately $20,400,000 based on $1.48 per share volume weighted average price of Auryn shares on the TSX Venture Exchange for the 20-day period ending June 29, 2015. Under the proposed Arrangement, the Company's shareholders will receive one Auryn common share for each ten North Country common shares held at the time of completion of the Arrangement.

The acquisition price represents a premium of 65.5% to the volume weighted average price of the Company's common shares on the TSX Venture Exchange for the 20-day period ending June 30, 2015 and a 48% premium to the June 29, 2015 closing price. The 10:1 exchange ratio will be preserved regardless of either the Company's or Auryn's share price upon closing.

The letter agreement requires that directors and officers of North Country (representing an aggregate of approximately 4.5% of the Company's issued and outstanding common shares) will enter into support agreements concurrently with execution of a definitive arrangement agreement to be entered into between Auryn and the Company within approximately 30 days. The support agreements will provide that these key shareholders will, amongst other things, support the transaction and vote their North Country shares in favour of the Arrangement.