AURYN MINING
Formerly, CERRO DORADO, INC

Financial Statements

September 30, 2019 and 2018

C O N T E N T S

Balance Sheets 3

Statements of Operations 4

Statements of Stockholders’ Equity (Deficit) 5

Statements of Cash Flows 7

Notes to the Financial Statements 8

AURYN MINING

Balance Sheets

(unaudited)

ASSETS

	September 30, 2019	September 30, 2018
CURRENT ASSETS		
Cash and cash equivalents	$ 21	$ 21
Total Current Assets	21	21
FIXED ASSETS		
Machinery and equipment, net	-	-
INTANGIBLE ASSETS		
Mining concessions, net	46,200,000	51,800,000
Total Other Assets	46,200,000	51,800,000
TOTAL ASSETS	$ 46,200,021	$ 51,800,021

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2019	September 30, 2018
LIABILITIES		
Accounts payable	$ -	$ -
Accounts payable - Related Party	39,763	20,705
Total Current Liabilities	39,763	20,705
STOCKHOLDERS' EQUITY		
Preferred stock (Par $0.001), 5,000 authorized, 5,000 and 5,000 issued and outstanding	5	5
Common stock (Par $0.001), 100,000,000 authorized, 70,000,000 and 70,000,000 issued and outstanding	70,000	70,000
Paid in capital in excess of par value	3,273,228	3,273,228
Retained deficit	42,817,025	48,436,083
Total Stockholders' Equity	46,160,258	51,779,316
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 46,200,021	$ 51,800,021

The accompanying financials were not subject to an audit, review, or compilation.

The accompanying notes are an integral part of these financial statements.

AURYN MINING

Statements of Operations

(unaudited)

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
INCOME	$ -	$ -
OPERATING EXPENSES		
Amortization expense	4,200,000	4,200,000
Other operating expenses	16,803	19,495
Total Operating Expenses	4,216,803	4,219,495
OTHER INCOME		
Gain on investment	-	55,429,040
TOTAL OTHER INCOME	-	55,429,040
NET INCOME (LOSS)	$ (4,216,803)	$ 51,209,545

The accompanying financials were not subject to an audit, review, or compilation.

The accompanying notes are an integral part of these financial statements.

AURYN MINING
Statement of Stockholders' Equity (Deficit)
(unaudited)

	Preferred Stock		Common Stock		Paid in Capital in Excess of	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Par Value	Deficit	Equity
Balance, December 31, 2018	5,000	$ 5	70,000,000	$ 70,000	$ 3,273,228	$ 47,033,828	$ 50,377,061
Net loss for the nine months ended September 30, 2019	-	-	-	-	-	(4,216,803)	(4,216,803)
Balance, September, 30 2019	5,000	$ 5	70,000,000	$ 70,000	$ 3,273,228	$ 42,817,025	$ 46,160,258

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

AURYN MINING
Statement of Stockholders' Equity (Deficit)
(unaudited)

	Preferred Stock		Common Stock		Paid in Capital in Excess of	Retained	Total Stockholders'
	Shares	Amount	Shares	Amount	Par Value	Deficit	Equity
Balance, December 31, 2017	-	$ -	350,000,000	$ 350,000	$ 2,993,233	$ (2,773,462)	$ 569,771
Shares issued for mining concessions	500,000	500	6,650,000,000	6,650,000	(6,650,500)	-	-
100-to-1 reverse stock split	(495,000)	(495)	(6,930,000,000)	(6,930,000)	6,930,495	-	-
Net income for the nine months ended September 30, 2018	-	-	-	-	-	51,209,545	51,209,545
Balance, September 30, 2018	5,000	$ 5	70,000,000	$ 70,000	$ 3,273,228	$ 48,436,083	$ 51,779,316

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

AURYN MINING
Statements of Cash Flows
(unaudited)

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (4,216,803)	$ 51,209,545
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Amortization expense	4,200,000	4,200,000
Gain on investment	-	(55,429,040)
Decrease in accounts payable	(22,960)	(1,210)
Net Cash Used in Operating Activities	(39,763)	(20,705)
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in advances	39,763	20,705
Net Cash Provided by Financing Activities	39,763	20,705
NET INCREASE (DECREASE) IN CASH	-	-
CASH AT BEGINNING OF PERIOD	21	21
CASH AT END OF PERIOD	$ 21	$ 21
SUPPLEMENTAL DISCLOSURES		
Cash Paid For:		
Interest	$ -	$ -
Income taxes	$ -	$ -

The accompanying financials were not subject to an audit, review, or compilation.
The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

B.C. Realty Partners, Inc. was incorporated under the laws of the State of Florida on September 23, 1988, which is considered date of inception. By amendment to the Articles of Incorporation, its name was changed to Weather All Manufacturing USA, Inc. on November 23, 1998 and subsequently it changed its name to Cerro Dorado, Inc. on March 24, 1999. On July 14, 1999 as part of a merger the domicile was changed to the State of Nevada. Cerro Dorado, Inc. is referred to as “the Company.” The Company changed its name to AURYN Mining on August 13, 2018

The Company is principally in the business of acquiring and seeking to develop copper and gold mining interests in Chile, South America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements which conform to U.S. generally accepted accounting principles. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The following policies are considered to be significant:

<u>Accounting Method</u>

The financial statements are prepared using the accrual method of accounting in accordance with generally accepted accounting principles. The Company has elected a calendar year-end.

<u>Cash and Cash Equivalents</u>

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise encumbered. The carrying amount approximates the fair value because of the short maturities of those instruments.

<u>Machinery and Equipment</u>

Machinery and equipment are stated at cost less accumulated depreciation. Expenditures for minor replacements, maintenance and repairs which do not increase the useful lives of the property and equipment are charged to operations as incurred. Major additions and improvements are capitalized. Depreciation and amortization are computed using the straight-line method over an estimated useful life of 3 to 7 years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future non-discounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairments were recognized for the nine months ended September 30, 2019 and 2018.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on historical experience and various other factors. The Company continually evaluates the information used to make these estimates as the business and economic environment changes. Historically, actual results have not varied materially from the Company's estimates and the Company does not currently anticipate a significant change in its assumptions related to these estimates. However, actual results may differ from these estimates under different assumptions or conditions.

Key estimates made in the accompanying financial statements include, among others, the economic useful lives and recovery of long-lived assets and contingencies

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts payable, and investments in Chile mining company. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Financial assets and liabilities recorded at fair value on the balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1— Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2— Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

Level 3— Inputs reflecting management's best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

The carrying amounts reported in the accompanying financial statements for cash and cash equivalents, accounts payable, and investments in Chile mining company approximate fair values because of the immediate or short-term maturities of these financial instruments.

Concentrations of Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Company has not experienced any losses in such accounts or lack of access to its cash, and believes it is not exposed to significant risk of loss with respect to cash. However, no assurance can be provided that access to the Company's cash will not be impacted by adverse economic conditions in the financial markets.

At September 30, 2019 and 2018, the Company had in its bank accounts no funds in excess of the $250,000 per depository institution that is federally insured.

Contingencies

Certain conditions may exist as of the date that these financial statements are issued which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities and such assessments inherently involves exercise of judgement. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee is disclosed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in Accounting Principles

During the quarter ended March 31, 2018 the Company adopted the provisions of ASU 2016-01 *Investments – Equity Securities.* The impact of this adoption was a revaluation of the investment in a Chile based mining company whose shares were exchanged for mining rights and were therefore used as the basis in the mining rights. ASC 321-10-30-1 states that if equity investment values change based on adoption of ASU 2016-01 the application should not be adjusted retrospectively, accordingly the Company has recognized a gain on investment of $55,424,540 effective January 1, 2018. See Note 4 for further discussion.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires an entity to recognize the rights and obligations resulting from leases as lease assets and lease liabilities on the balance sheet, including leases previously recorded and classified as operating leases. Pursuant to this new guidance, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use assets (lease asset) representing its right to use the underlying asset for the lease term, initially measured at the present value of the lease payments. This new standard is effective for the Company for the year ended December 31, 2020, with early application permitted, using a modified retrospective approach. The Company is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) did not or are not believed to have a material impact on the Company's present or future financial statements.

NOTE 3 - MACHINERY AND EQUIPMENT

As of September 30, 2019 and 2018 machinery and equipment had a basis and accumulated depreciation balance of $-0- and 1,288, respectively. No depreciation expense was recorded for the nine months ended September 30, 2019 and 2018. During the year ended December 31, 2018 certain machinery and equipment was disposed of which was fully depreciated and thus resulted in no gain or loss.

NOTE 4 - INTANGIBLE ASSETS

During 2016, the Company exchanged all of its mining claims in exchange for 5,000,000 shares (approximately 5% ownership) of a Chile based mining company valued at $270,960 at the time of exchange. As described in Note 2, upon adoption of ASC 2016-01 the ownership in the Chile based mining company was revalued to fair value as of the date of sale which was $56,000,000 and this basis was used for the asset purchase. The gain from the change in accounting principles was recognized on January 1, 2018, the date of adoption of ASC 2016-01.

NOTE 4 - INTANGIBLE ASSETS (Continued)

During January 2018 Cerro Dorado, Inc entered into an asset purchase agreement with this Chile based mining company to acquire mining concessions in exchange for 6,650,000,000 (six billion, six hundred fifty million) shares of common stock of Cerro Dorado, Inc. and the return of its 5,000,000 shares of the Chile based mining company.

Amortization expense for the nine months ended September 30, 2019 and 2018 was $4,200,000 and $4,200,000, respectively.

As of September 30, 2019 and 2018 the mining concessions are reported at $46,200,000 and $51,800,000, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

Certain stockholders have paid expenses on behalf of the Company which are to be repaid by the company. These payables are considered due on demand and are non-interest bearing. The total amount due as of September 30, 2019 and 2018 was $39,763 and $20,705, respectively.

The Company holds a mining option contract with a related party. During the nine months ended September 30, 2019, 10,568,309 Chilean Pesos or approximately $13,610 USD was paid by that related party to the Chilean government to maintain the mining concessions mentioned in Note 4. These funds will not be refunded by the Company and are no longer payables of the Company and have therefore been excluded from the income statement for the nine months ended September 30, 2019.

NOTE 6 - LIQUIDITY AND GOING CONCERN

The Company has incurred losses since inception and has not yet received any revenues from sales of products or services. These factors create substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company generating cash from the sale of its common stock and/or obtaining debt financing and attaining future profitable operations. Management's plans include selling its equity securities and obtaining debt financing to fund its capital requirement and ongoing operations; however, there can be no assurance the Company will be successful in these efforts.

NOTE 7 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 19, 2019, the date which the financial statements were available to be issued, and noted no material subsequent events that would require adjustment in or disclosure to these financial statements as of September 30, 2019.