BANYAN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED DECEMBER 31, 2019

Background

This discussion and analysis of financial position and results of operations is prepared as at February 25, 2020 and should be read in conjunction with the quarter end financial statements and the accompanying notes for the quarter ended December 31, 2019 for Banyan Gold Corp. (the "Company" or "Banyan"). The financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in the cautionary statement below. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and at www.banyangold.com.

Cautionary Note Regarding Forward-Looking Statements

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Banyan. These forward-looking statements are made as of the date of this MD&A. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

Company Overview

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Corporations Act ("ABCA") on July 26, 2010 under the name Banyan Coast Capital Corp, which was subsequently changed to Banyan Gold Corp under a certificate of amendment on February 14, 2013. On November 24, 2010, the Company became a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

Banyan completed its IPO and commenced trading on January 27, 2011 on the TSX Venture Exchange and trades under the symbol BYN.

On February 15, 2013, the Company completed its Qualifying Transaction by completing a Definite Assignment and Transfer Agreement ("Definitive Agreement") with Argus Metals Corp. ("Argus") to acquire a 100% interest in Hyland Gold Property (the "Hyland Property") in the Watson Lake Mining District of the south eastern Yukon Territory, Canada.

The Corporation is engaged in the business of exploration and development of precious metals. The Corporation owns a 100% interest, subject to certain royalties, in the Hyland Gold Property ("Property") in the Yukon Territory. The Hyland Main Zone Indicated Gold Resource Estimate, prepared in accordance with NI 43-101, at a 0.3 g/t gold equivalent cut-off, contains 8.6 million tonnes grading 0.85 g/t *AuEq* for **236,000 *AuEq ounces*** with an Inferred Mineral Resource of 10.8 million tonnes grading 0.83 g/t *AuEq* for **288,000 *AuEq ounces*.**

Cut-off Grade (*AuEq* g/t)	***In situ* Tonnes**	**Au**		**Ag**		***AuEq***	
		Grade (g/t)	**Ozs**	**Grade (g/t)**	**Ozs**	**Grade (g/t)**	**Ozs**
Indicated							
0.3	8,637,000	0.78	216,000	7.04	1,954,000	0.85	236,000
Inferred							
0.3	10,784,000	0.77	266,000	5.32	1,845,000	0.83	288,000

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.
(2) Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq. AuEq grade is based on $1,350.00/oz Au, $17.00/oz Ag and assumes a 100% recovery. The AuEq calculation does not apply any adjustment factors for difference in metallurgical recoveries of gold and silver. This information can only be derived from definitive metallurgical testing which has yet to be completed.

**News Release March 22, 2018 and Technical Report filed May 2, 2018.*

Additionally, the Corporation has the right to earn a 100% interest in the Aurex project from Victoria Gold Corp. ("Victoria") and up to 100% of the McQuesten Property, from Alexco Resource Corp. ("Alexco"). The Aurex and McQuesten gold properties are contiguous, comprising 8,230 hectares and 1,000 hectares and are both highly prospective for intrusive-related gold mineralization, and include areas of historic gold production (lode and placer), in the prolific Mayo Mining District, Yukon Territory.

Selected Financial Information

The following selected financial information is derived from the audited financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS").

Fiscal Quarters of the Fiscal Year Ended September 30, 2020

All in $ Cdn	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Operations:				
Revenues	$ -			
Expenses	(118,136)			
Comprehensive Profit	118,136			
Loss per share – basic & fully diluted	0.00			
Balance Sheet:				
Working Capital	958,814			
Total Assets	7,039,949			
Total Long-term liabilities	Nil			

Fiscal Quarters of the Fiscal Year Ended September 30, 2019

All in $ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operations:				
Revenues	$ -	-	-	-
Expenses	120,492	98,159	93,658	10,626
Comprehensive Loss	(120,492)	(98,159)	(93,658)	(10,626)
Loss per share – basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Balance Sheet:				
Working Capital	166,860	480,432	333,723	322,935
Total Assets	5,502,945	5,401,925	5,295,703	5,629,609
Total Long-term liabilities	Nil	Nil	Nil	Nil

Fiscal Quarters of the Fiscal Year Ended September 30, 2018

All in $ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operations:				
Revenues	$ -	$ -	$ -	$ -
Expenses	168,787	151,953	57,390	(703)
Comprehensive Loss	(168,787)	(151,407)	(56,878)	(355)
Loss per share – basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Balance Sheet:				
Working Capital	882,689	700,914	299,733	341,187
Total Assets	4,564,301	4,434,247	4,513,984	5,199,324
Total Long-term liabilities	Nil	Nil	Nil	Nil

Corporate Results

Results of Operations

Details of the Company's financings can be found within the Financing Activities section within this MD&A.

In 2019 Banyan Gold continued to focus on exploring projects that meet our selection criteria:

- Geology
- Multi-million ounce potential
- Road access (Infrastructure)

Highlights for both our projects are summarized below.

Aurex & McQuesten Properties

In 2017, Banyan optioned the Aurex and McQuesten properties in central Yukon, from Victoria Gold Corp. and Alexco Resource Corp., respectively with a right to earn up to a 100% interest in both properties. The Aurex-McQuesten property is just 40 km from Victoria Gold Corp.'s Eagle Gold mine which has recently completed construction and produced its first gold in September 2019. Most importantly Victoria has maintained an aggressive exploration campaign on their Potato Hills mineralized trend to the north-west and Alexco Resource Corp's highly mineralized Keno Hill Silver District immediately to the North and East of the Aurex-McQuesten Gold Project. The property is therefore well positioned in this highly mineralized area and benefits from existing road and power infrastructure. The McQuesten Zone is located just 100 m west of the main Yukon Government highway between Mayo and Keno and just 50m north of the all-season road to Victoria Gold. The property has numerous historic exploration roads and trails. The 3-phase power line from the hydroelectric dam in Mayo passes through the property, as well as, the switching station and spur power line to Victoria Gold. There is an existing airstrip on the property and the Mayo airport is a 20 minute drive on the highway from the property.

In 2019, Banyan re-negotiated terms of the Aurex Option Agreement (the "Aurex Agreement") which allows the Company to earn up to a 100% interest in the Aurex Property from StrataGold Corporation, a 100% owned subsidiary of Victoria Gold Corp. (TSX-V: VIT), and the McQuesten Option Agreement (the "McQuesten Agreement") to earn up to a 100% interest in the McQuesten Property from Alexco Resource Corporation (TSX: AXR), originally signed in May 24, 2017 (see news release of May 25th, 2017). The addendum to both agreements allows Banyan the election to extend the timeframe to complete the first earn in (51% total interest) by up to three (3) years. The contiguous Aurex and McQuesten properties are located in the Mayo Mining District, Yukon adjacent to Alexco's prolific Keno Hill silver district and Victoria Gold's Eagle heap leach mine which is now in production and producing gold. Alexco and Victoria Gold are both major shareholders of Banyan at 8.8 and 5.0 percent, respectively.

The amended McQuesten agreement grants Banyan the election to extend the agreement by three (3) years beyond the original option dates, by spending an additional $90,000 in exploration expenditures for each year of extension (potentially adding a maximum of $270,000 in exploration expenditures above the requirements in the original agreement). The agreement also had minor housekeeping amendments to dates to be consistent with the timing and mechanics of the Aurex Agreement. The Aurex Agreement adds an election to extend the date to complete exploration expenditures to 2023, but otherwise remains unchanged.

The terms of both agreements beyond the First Option (51%) remain unchanged as in the news release of May 25th, 2017 and give Banyan the election to form Joint Ventures with the Victoria Gold and Alexco at 51% and also allow Banyan the election to earn 100% on both properties.

In the McQuesten Zone, Banyan developed a geological model, a 900m block of calcareous clastic sediments approximately 90m thick dipping about 30 degrees to the south that is interpreted to host gold mineralization within stratabound retrograde skarn-altered horizons. With 2018's approximately 1,414m of diamond drilling, a volume of about 12 million cubic metres (500m of strike) of this interpreted mineralized block "Block 1" was tested with nominal drill-section spacing of 100m and nominal in section drill spacing of 50 metres. Broad zones of gold mineralization intersected with Banyan's 2017 and 2018 drilling campaigns have averaged 0.51 g/t Au confirmed the geologic model for the McQuesten Gold Zone contains near surface gold mineralization of this tenor over predictable widths. Banyan's interpretations and 2018 drill results confirmed potential extensions to the east, west and down-dip to the south, all of which remain open to further delineation.

McQuesten Gold Zone "Block 1" intercepts from Banyan's 2017 and 2018 drilling campaigns are summarized below:

68.3 m of 0.42 g/t Au from 22.7 m in DDH MQ-17-24

73.7 m of 0.23 g/t Au from 15.1 m in DDH MQ-17-25

96.4 m of 0.74 g/t Au from 5.8 m in DDH MQ-17-26

79.0 m of 0.22 g/t Au from 0.0 min DDH MQ-17-27

71.2 m of 0.45 g/t Au from 36.2 m in DDH MQ-17-28

107.7 m of 0.66 g/t Au from 33.7 m in DDH MQ-17-29

80.8 m of 1.06 g/t Au from 10.1 m in DDH MQ-18-30

62.5 m of 0.21 g/t Au from 12.2 m in DDH MQ-18-31

68.1 m of 0.30 g/t Au from 3.1 m in DDH MQ-18-32

80.3 m of 0.32 g/t Au from 25.8 m in DDH MQ-18-33

113.0 m of 0.74 g/t Au from 63.5 m in DDH MQ-18-34

75.7 m of 0.28 g/t Au from 45.0 m in DDH MQ-18-35

76.5 m of 0.49 g/t Au from 57.5 m in DDH MQ-18-36

94.9 m of 0.64 g/t Au from 8.9 m in DDH MQ-18-37

*True widths are estimated to be >90% of drilled interval lengths

In addition to the modelled calcareous unit containing gold mineralization, an additional structurally controlled target for gold, silver and base metal mineralization, stratigraphically above the McQuesten zone was identified with steeply dipping quartz veins and breccias appearing to be the host of the gold, silver and base metal mineralization. Determination of the orientation, width and location of where these mineralized structures crosscut the stratabound McQuesten gold zone will be an additional target in future drill programs.

2019 Phase 2 Exploration Program – Aurex-McQuesten

The Phase 2, 2019 exploration campaign began in October and concentrated on the Airstrip and Powerline Zones of the Company's Aurex-McQuesten Gold Project near Mayo, Yukon. The 3,385 metre (26 hole) Phase 2 diamond drill programhad a two-fold exploration focus:

1. Expansion of the drill defined strike length of the Airstrip zone from the current 500 metres to greater than one kilometre; with a target of doubling the interpreted mineralization volume;

2. Stepout drilling at the Powerline zone, a new discovery of a modelled parallel, structurally controlled zone of gold mineralization located one kilometre south of the south Airstrip zone.

Highlights from Phase 2 Airstrip Zone diamond drilling included:

- 50.7 metres of 0.46 g/t Au in MQ-19-46;
- 74.2 metres of 0.48 g/t Au in MQ-19-47;
- 89.4 metres of 0.43 g/t Au in MQ-19-48;
- 36.2 metres of 0.61 g/t Au in MQ-19-49;
- 38.0 metres of 0.43 g/t Au in MQ-19-50;
- 106.7 metres of 0.63 g/t Au in MQ-19-52;
- 98.0 metres of 0.71 g/t Au in MQ-19-54;

- 53.3 metres of 0.31 g/t Au in MQ-19-55;
- 74.5 metres of 0.47 g/t Au in MQ-19-56;
- 76.9 metres of 0.61 g/t Au in MQ-19-59;
- 33.7 metres of 0.40 g/t Au in MQ-19-57;
- 23.2 metres of 0.39 g/t Au in MQ-19-58;
- 16.7 metres of 0.37 g/t Au in MQ-19-60.

This Airstrip zone drilling campaign was successful in the expansion of the strike length of the mineralization of Airstrip Block 1 from its previously defined 500-metre extension to greater than one kilometre in total. These seven holes, MQ-19-57 to MQ-19-63, together with previously announced drill holes MQ-19-46 to MQ-19-56 and MQ-19-64 (see company news releases of Nov. 18, 2019, Dec. 2, 2019, and Dec. 11, 2019) extend and infill Airstrip mineralization approximately 400 metres east and 150 metres west of Block 1 of the Airstrip zone mineralized trend and further validate the McQuesten mineralization geologic model.

2019 Phase 2 Exploration Program – Powerline

Banyan completed seven (7) diamond drill holes in the Phase 2, 2019 exploration campaign at the Powerline zone on the company's Aurex-McQuesten gold project near Mayo, Yukon. These seven holes totalled 871 metres as stepout drill fences from the Powerline Discovery holes (see company news release of Sept. 3, 2019); and defined broad intervals of near- and on-surface gold mineralization akin to the Airstrip zone located just over one kilometre north of Powerline.

Powerline zone mineralization has been shown to be similar to the Airstrip zone with broad sub-gram gold intervals; however, within these near-surface intervals, higher-grade horizons are evident and provide compelling targets for exploration follow-up.

Powerline Zone Phase 2 drill hole result highlights:

- 97.9 metres of 0.49 g/t Au in AX-19-39 including 24.5 metres of 1.34
- 78.5 metres of 0.35 g/t Au in AX-19-36
- 45.5 metres of 0.47 g/t in AX-19-40

Higher-grade intervals of note include:

- 13.4 metres of 0.78 g/t Au in AX 19-34
- 1.5 metres of 4.57 g/t Au in AX-19-35
- 4.3 metres of 2.05 g/t Au in AX-19-36
- 1.5 metres of 5.68 g/t Au in AX-19-39

Full results from 2019 drilling at the Powerline zone, are shown in the associated table. Phase 1 holes AX-19-30 through 34 have been included in this table and with reinterpreted mineralized intervals based on phase 2 drilling results. The 2019 phase 2 holes are AX 19-34 to AX 19-40 and cover a drill-tested area to the east, west and north of the phase 1 discovery holes and represent the first-ever systematic assessment of the mineral potential of this area.

Hole ID	From (m)	To (m)	Interval(m)*	Au (g/t)
AX-19-30	25.9	135.6	109.7	0.36
Or	25.9	30.5	**4.6**	**2.89**
including	25.9	27.4	**1.5**	**8.19**
and	44.2	67.3	23.1	0.62
Including	44.2	51.6	**7.4**	**1.46**
and	116.3	116.4	**0.1**	**1.59**
and	128.0	129.7	**1.7**	**1.79**
and	134.1	135.6	**1.5**	**1.51**
AX-19-31	11.7	86.5	74.8	0.54
Or	11.7	16.8	5.1	0.57
and	30.5	41.2	10.7	0.71
Including	11.7	13.8	**2.1**	**1.16**
and	64.0	86.5	**22.5**	**1.21**
Including	64.0	65.5	**1.5**	**1.34**
Including	71.6	72.0	**0.4**	**48.1**
Including	75.4	76.9	**1.5**	**0.93**
Including	82.2	83.2	**1.0**	**2.39**
AX-19-32	13.3	30.8	19.5	0.4
AX-19-33	44.2	91.4	47.2	0.64
Or	44.2	59.4	15.2	0.71
Including	44.2	46.4	**2.2**	**1.12**
Including	49.6	53.8	**4.2**	**1.24**
Including	56.0	56.3	**0.33**	**3.59**
and	74.8	91.4	**16.6**	**1.10**
Including	82.2	83.8	**1.6**	**4.51**
Including	86.0	87.9	**1.9**	**2.08**
Including	90.1	91.4	**1.3**	**3.12**
AX-19-34	43.6	96.3	52.7	0.31
Or	43.6	57.0	13.4	0.78
Including	48.1	49.6	**1.5**	**3.39**
Including	50.4	51.8	**1.4**	**2.03**
and	83.5	96.3	12.8	0.33
AX-19-35	3.7	105.4	101.7	0.33
Or	3.7	18.2	14.5	0.90
Including	3.7	4.7	**1.0**	**1.64**
Including	15.4	16.8	**1.4**	**7.26**
and	53.2	105.4	52.2	0.36
Including	53.2	54.6	**1.4**	**1.30**
Including	101.5	103.0	**1.5**	**4.57**
Including	104.4	105.4	**1.0**	**1.34**
Ax-19-36	13.4	91.9	78.5	0.35
Or	13.4	42.4	29.0	0.54
Including	22.7	24.0	**1.3**	**1.89**
Including	38.1	42.4	**4.3**	**2.05**
and	65.7	77.1	11.4	0.75
Including	70.0	72.9	**2.9**	**2.36**
and	90.4	91.9	**1.5**	**0.96**
AX-19-37	41.9	109.0	67.1	0.21

Or	41.9	51.3	9.4	0.45
Including	41.9	43.0	1.1	**1.70**
and	63.6	81.6	18.0	0.29
Including	70.1	71.5	**1.4**	**1.26**
and	107.5	109.0	**1.5**	**1.87**
AX-19-38	29.9	122.1	92.2	0.26
Or	29.9	45.3	15.4	0.44
including	30.7	32.2	**1.5**	**2.18**
and	83.6	122.1	38.5	0.37
including	101.1	102.5	**1.4**	**1.15**
including	109.4	110.9	**1.5**	**2.08**
AX-19-39	5.6	103.5	97.9	0.49
Or	5.6	11.2	5.6	0.88
Including	8.8	11.2	**2.4**	**1.81**
and	16.0	40.5	**24.5**	**1.34**
Including	17.2	18.3	**1.1**	**1.89**
Including	19.5	21.0	**1.5**	**1.77**
Including	22.5	24.0	**1.5**	**1.08**
Including	33.0	34.5	**1.5**	**1.07**
Including	37.9	39.0	**1.1**	**1.12**
and	46.5	78.0	31.5	0.64
Including	46.5	48.0	**1.5**	**5.68**
Including	70.8	72.3	**1.5**	**1.99**
and	84.0	103.5	19.5	0.39
Including	84.0	85.5	**1.5**	**1.12**
Including	102.0	103.5	**1.5**	**2.41**
AX-19-40	18.0	63.5	45.5	0.47
Or	18.0	30.4	12.4	0.52
Including	18.0	19.0	**1.0**	**1.20**
Including	27.5	29.0	**1.5**	**1.31**
and	37.3	48.4	11.1	0.97
Including	38.5	40.0	**1.5**	**2.14**
Including	44.9	48.4	**3.5**	**1.55**
and	62.0	63.5	**1.5**	**2.10**

**True widths are not known at this time*

The 2019 Powerline drill holes are hosted in the Yusezyu formation of the Hyland group sediments. These Proterozoic-aged, host rocks to the Powerline gold mineralization are juxtaposed against the younger Sourdough formation of the Keno Hill quartzite, which is host to the Airstrip zone gold mineralization. Interpretation of the drill results from the Phase 2 Powerline program indicates a gold grade increase to the north, toward the regional-scale Robert Service thrust, which lies between the Airstrip zone and the Powerline zone.

The Aurex & McQuesten Property information reported above has been reviewed and approved by Paul D. Gray, B.Sc., P.Geo., Vice President Exploration for Banyan Gold, the Qualified Person as defined by NI 43-101.

Hyland Property

During the quarter, the Company continued to compile historical and the spring/summer 2018 results. In March of 2018, Banyan released an updated Hyland Main Zone Resource (News Release, March

22, 2018), with increased indicated and inferred gold ounces, increasing the quality and confidence in the Main Zone resource as a deposit amenable to open pit, heap leach mining methods.

The Hyland Main Zone Indicated Gold Resource Estimate, prepared in accordance with NI 43-101, at a 0.3 g/t gold equivalent cut-off, contains 8.6 million tonnes grading 0.85 g/t AuEq for 236,000 AuEq ounces with an Inferred Mineral Resource of 10.8 million tonnes grading 0.83 g/t AuEq for 288,000 AuEq ounces.

Cut-off Grade (*AuEq* g/t)	***In situ* Tonnes**	**Au**		**Ag**		***AuEq***	
		Grade (g/t)	**Ozs**	**Grade (g/t)**	**Ozs**	**Grade (g/t)**	**Ozs**
Indicated							
0.3	8,637,000	0.78	216,000	7.04	1,954,000	0.85	236,000
Inferred							
0.3	10,784,000	0.77	266,000	5.32	1,845,000	0.83	288,000

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.
(2) Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq. AuEq grade is based on $1,350.00/oz Au, $17.00/oz Ag and assumes a 100% recovery. The AuEq calculation does not apply any adjustment factors for difference in metallurgical recoveries of gold and silver. This information can only be derived from definitive metallurgical testing which has yet to be completed.
**News Release March 22, 2018 and Technical Report filed May 2, 2018.*

The Hyland Gold Property information reported above has been reviewed and approved by Paul D. Gray, B.Sc., P.Geo., Vice President Exploration for Banyan Gold, the Qualified Person as defined by NI 43-101.

Analysis of Property Expenditures:

	Aurex	McQuesten	SSD	Hyland	Total
Balance, September 30,2018	**352,642**	**659,558**	**Nil**	**3,603,898**	**4,616,098**
Acquisition Costs	37,500	20,000		Nil	57,500
Exploration & Evaluation Expenses Capitalized	26,644	60,757		7,600	95,001,
Balance, December 31, 2018	**416,786**	**740,315**	**Nil**	**3,611,498**	**4,768,599**
Balance, September 30,2019	**592,444**	**965,401**	**Nil**	**3,641,266**	**5,199,111**
Acquisition Costs	52,500	28,000	40,250	Nil	120,750
Exploration & Evaluation Expenses Capitalized	221,590	489,106		144	710,840
Balance, December 31, 2019	**866,534**	**1,482,507**	**40,250**	**3,641,410**	**6,030,701**

During the quarter ended December 31, 2019, the Company recorded a net profit of $118,136 vs a loss of $(120,492) in the prior year quarter ended December 31, 2018. The current profit is the result of the Corporations' flow through financing during the quarter (see Note 5, Dec 31, 2019 financial statements) at a premium resulting in a $370.9K future income tax adjustment in the December 31, 2019 quarter vs Nil in corresponding quarter in 2018. Elsewhere, management fees ($58.0K in December 2019 vs $56.5K in 2018) were relatively flat while a decline in professional fees ($2.1K in 2019 vs $10.5K in 2018) partially offset general and admin ($34.9K 2019 vs $16.2K in 2018) increases which were led by timing differences in promotion activity ($18K in 2019 vs $1K in 2018). Stock based compensation rose ($157.0K in December 2019 vs $37.3K in 2018) for the issuance of stock options.

Additional Disclosure for General & Administrative Costs

Since the Corporation has no revenue from operations, the following is a breakdown of general and admin expenses and material costs incurred in the last two fiscal periods:

General & Admin & Material Costs	Quarter Ended December 31, 2019	Quarter Ended December 31, 2018
General & Admin:		
Advertising & Promotion	18,047	1,066
Transfer Agent Fees	5,745	1,057
Travel	5,302	6,332
Amortization	2,787	3,628
Office Supplies	2,141	1,073
Telephone	506	976
Bank Charges	433	240
Rent	0	761
Payroll	0	559
Training	0	505
Insurance	0	0

Liquidity and Capital Resources

The accompanying interim financial statements are presented on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of operations.

The Company does not generate cash flows from operations and has therefore relied principally on the issuance of equity securities to finance its operation activities to the extent that such instruments are issuable under terms acceptable to the Company.

If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

From inception to December 31, 2019, the Company raised gross proceeds of $9,176,150 from the sale of its common shares.

As at December 31, 2019, the Company had working capital of $958,814 (2018 - $166,860) which will be sufficient to fund the Company thru the fiscal year. The Company has no contractual obligations and the Company's Hyland Property is in good standing into 2023 and beyond while the McQuesten property spending commitment for Fiscal 2020 has already met the Aurex property spending commitment for Fiscal 2020 will be met with funds on hand.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Transactions With Related Parties

During the quarter, $58,000 (2018 - $56,500) was billed to the corporation by officers and directors of the Company. $45,000 (2018 - $ 45,000) was billed by KECM Services, a Company controlled by the CEO, $13,000 (2018 - $11,500) has been billed to management fees by 1195472 Ontario Ltd. for the CFO, $ nil (2018 - $nil) to professional fees by Paul D. Gray Geological Consulting.

Critical Judgments and Accounting Estimates

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical costs basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carry amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the recoverability of receivables which are included in the statements of financial position;
- ii) the inputs used in accounting for stock-based compensation expense, which are included in the statement of operations;
- iii) recoverability of future income tax asset;
- iv) recoverability of exploration and evaluation expense asset;
- v) the valuation of the rehabilitation provision; and
- vi) the valuation of share-based payments transactions.

The Companies significant accounting policies are detailed in Note 3 to the Annual Financial Statements.

New Standards and Interpretations

The following new standards have been adopted by the Company:

IFRS 16, Leases will replace existing guidance on accounting for leases.

IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting.

This standard is effective for annual periods beginning January 1, 2019. The Company has adopted this standard on October 1, 2019. The Company does not currently have any leases and this change is not expected to have a material impact.

The following new standard has not yet been adopted by the Company.

None

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on July 26, 2010 and has yet to generate a profit from its activities. The Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Issuer anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Issuer's resource base.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Issuer's current and planned exploration program and potential mining operations will be required. No assurances can be given that the Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations, mineral prices, environmental rehabilitation or restitution. Revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such finding requirements, the Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Issuer's control including, commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Regulatory Requirements

The current or future operations of the issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Issuer has limited financial resources. If the Issuer's exploration programs on the Property are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Issuer's shareholders.

Requirement for Permits and Licenses

A substantial number of additional permits and licenses may be required should the Issuer proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Issuer will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Issuer is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects.

No Mineral Reserves

Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Licenses and Permits

The activities of the Issuer are subject to provincial and federal approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Issuer believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Issuer. Further, the licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Conflicts of Interest

Certain of the directors and officers of the Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Issuer may become subject to conflicts of interest. The Alberta Corporations Act ("ABCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Issuer's results of operations and financial condition and could cause a decline in the value of the Issuer Shares. The Issuer does not intend to maintain insurance against environmental risks.

Investor Relations Activities

The Company does not have any investor relations arrangements.

Financing Activities

On October 2, 2019 the Company closed the first tranche of non brokered private placement for $705,119.75 and on October 18, 2019 the Company closed second tranche of non brokered private placement for $1,169,074.50

The private placement, which encompasses the two tranches, consists of 13,836,109 flow-through shares (within the meaning of Subsection 66(15) of the Income Tax Act (Canada)) priced at 5.5 cents per share, 8,363,000 charity flow-through units priced at 7.7 cents per unit and 8,531,950 non-flow-through units at 5.5 cents per unit. Both the flow-through and non-flow-through units consist of one share and one-half of a non-flow-through share purchase warrant, each full warrant being exercisable for a period of 18 months from closing into one common share at a price of nine cents per share subject to an acceleration clause.

In total, $1,874,194 was raised.

On December 16, 2019 the Company issued 750,000 Class A common shares to Victoria Gold Corp. at a deemed price of $0.07 per share for the third year option requirement on the Aurex Property.

On December 16, 2019 the Company issued 400,000 Class A common shares to Alexco Resource Corp. at a deemed price of $0.07 per share for the third year option requirement on the McQuesten Property.

Disclosure of Outstanding Share Data

a) Authorized and Issued capital stock:

Authorized:

Unlimited number of:
Unlimited Class A voting common shares
Unlimited Class B non-voting, common shares
Unlimited Preferred Shares

All issued shares are fully paid

There were 130,818,925 Class A common shares issued and outstanding on December 31, 2019.

b) Warrants Outstanding:

As of December 31, 2019

Number	Exercise Price	Expiry Date
3,021,350	$ 0.15	July 13, 2020*
2,020,302	$ 0.15	July 19, 2020*
7,480,000	$ 0.075	February 20, 2021
250,000	$ 0.075	March 9, 2021
2,902,225	$ 0.09	April 3, 2021
5,545,250	$ 0.09	April 19, 2021

Note*: Subject to an acceleration clause.

c) Options Outstanding:

Number	Exercise Price	Expiry Date
525,000	$ 0.05	August 10, 2020
250,050	$ 0.15	January 21, 2021
500,000	$ 0.065	August 4, 2021
500,000	$ 0.085	August 26, 2021
350,000	$ 0.07	October 27, 2021
800,000	$ 0.11	March 2, 2022
1,525,000	$ 0.12	September 23, 2022
650,000	$ 0.08	December 29, 2022
200,000	$ 0.075	June 18, 2023
1,150,000	$ 0.05	December 19, 2023
4,250,000	$ 0.06	December 12, 2024
10,700,050		

Subsequent Event

None