

# **BANYAN GOLD CORP.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FOR THE QUARTER ENDED DECEMBER 31, 2021**

#### **Background**

This discussion and analysis of financial position and results of operations is prepared as at February 28, 2022 and should be read in conjunction with the year-end financial statements and the accompanying notes for the quarter ended December 31, 2021 for Banyan Gold Corp. (the "Corporation", "Company", "Issuer" 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](http://www.sedar.com) and at [www.banyangold.com](http://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.

Banyan is in the business of exploration and development of mineral properties. The Company currently holds two main projects in the mining friendly Yukon Territory.

#### ***AurMac Project***

The Company's flagship asset is the AurMac Project (formerly "Aurex-McQuesten") located in the Mayo Mining District.

The Corporation has earned a 51% interest in each of and 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.

A NI 43-101 technical report for the AurMac Project was prepared by Marc Jutras of Ginto Consulting Inc. and filed on SEDAR on July 7, 2020.

AurMac has an inferred resource of 903,945 gold ounces at a 0.2 g/t pit-constrained cut-off grade (see Table 1 below).

This pit constrained Mineral Resource is contained in two near/on-surface deposits: The Airstrip and Powerline deposits. The Mineral Resource is summarized below:

Table 1: Pit-Constrained Inferred Mineral Resources at a 0.2 g/t Au Cut-Off – AurMac Property

Deposit	Classification	Tonnage Tonnes	Average Au Grade (g/t)	Au Content (oz)
Airstrip	Inferred	45,997,911	0.524	774,926
Powerline	Inferred	6,578,609	0.610	129,019
<b>Total Combined</b>	<b>Inferred</b>	<b>52,576,520</b>	<b>0.535</b>	<b>903,945</b>

Notes:

1. The effective date for the Mineral Resource is May 25, 2020.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, changes in global gold markets or other relevant issues.
3. The CIM definitions were followed for classification of Mineral Resources. The quantity and grade of reported inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred Mineral Resources as an indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured Mineral Resource category.
4. Mineral Resources are reported at a cut-off grade of 0.2 g/t Au, using a US\$/CAN\$ exchange rate of 0.75 and constrained within an open pit shell optimized with the Lerchs-Grossman algorithm to constrain the Mineral Resources with the following estimated parameters: gold price of US\$1,500/ounce, US\$1.50/t mining cost, US\$2.00/t processing cost, US\$2.50/t G+A, 80% heap leach recoveries, and 45° pit slope 1

The Corporation expanded the land package at AurMac in 2020 to include an additional 401 claims.

### Nitra Claims

The Nitra Claims were staked between F2020 and F2001 and are comprised of 1,442 claims covering 296 km<sup>2</sup>. They begin approximately 5 km to the west of the AurMac Project and are 100% owned with no underlying royalties.

### Hyland Gold Project

The Company's second major asset is the Hyland Gold Project located in the Watson Lake mining district. 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.

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

<sup>1</sup> The gold price and cost assumptions are consistent with current pricing assumptions and costs, and in particular are consistent with those employed for recent technical reports for similar pit-constrained Yukon gold projects.

Notes:

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 can be found on SEDAR and [www.banyangold.com](http://www.banyangold.com).

## **CORPORATE RESULTS**

### ***Results of Operations***

During the quarter, Banyan continued to focus on exploring projects that meet our selection criteria:

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

To this end, the Company has spent nearly \$4 million on exploration during the quarter on its' key AurMac project and continued drilling through to mid-December.

On the Corporate front, the Corporation added Jasmine Sangria to the team as the Vice President of Corporate Communications.

### ***Covid 19 Update***

To date, there have been no confirmed cases of COVID-19 at Banyan and we have adopted recommended public health measures to protect our staff, contractors and Yukon communities where our projects are located. At Banyan, strong social distancing and prevention measures are in place to prevent transmission. Mining and exploration have been declared essential services in Yukon, allowing Banyan to operate in the field following the recommended health precautions and restrictions that are in place, including the mandated self-isolation periods and avoidance of all unnecessary travel into Yukon communities.

### ***Exploration Highlights***

On May 25, 2020, Banyan announced an Initial Mineral Resource Estimate in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards incorporated by reference in National Instrument 43-101 ("NI 43-101") for the Aurex and McQuesten properties (together, the "AurMac Property")<sup>2</sup> located in the Mayo Mining district, approximately 56 kilometres ("km") Northeast from the village of Mayo, Yukon and 356 km North of Whitehorse, Yukon.

The Initial Mineral Resource Estimate comprises a total Inferred Mineral Resource of **903,945** ounces of gold on the near surface, road accessible AurMac Property.

This pit constrained Mineral Resource is contained in two near/on-surface deposits: The Airstrip and Powerline deposits. The Mineral Resource is summarized in Table 1 in the preceding description of the AurMac Property and supporting NI 43-101 Technical Report filed on SEDAR at [www.sedar.com](http://www.sedar.com) on July 7, 2020.

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<sup>2</sup> Formerly referred to as the Aurex-McQuesten property in previous Company disclosure.

## Airstrip Deposit

The Airstrip deposit is delineated by 102 drill holes. Topographic control was from a detailed LiDAR survey dataset.

There are several geologic controls on gold mineralization as per the current geologic understanding of the Airstrip deposit. The Airstrip lithological model is made of seven units mainly oriented East-West, with six of the units dipping at approximately 40°. The bulk of the Inferred Mineral Resources are hosted within the calcareous package, a roughly 90-metre-thick zone that strike East-West and dips approximately 35° to the South.

The most common sampling length of the Airstrip deposit is 1.5 metres (“m”), with approximately 40% of the sample data; and composites were constructed at this interval. Capping of high-grade outliers was based on lithological domains and varied from 0.4 g/t Au to 9.0 g/t Au.

The estimation of gold grades into a block model was carried out with the Ordinary Kriging (“OK”) technique on capped composites and the resultant block model contains a block size of 5 m (easting) x 5 m (northing) x 5 m (elevation). Density was calculated from a total of 418 measurements from the drill core. The average density per lithology type was assigned to the corresponding blocks.

At a 0.20 g/t Au cut-off, the pit-constrained, inferred Mineral Resources are of 46.0 million tonnes at an average gold grade of 0.524 g/t for a total of 774,926 ounces of gold. Cut-off grade sensitivities for the Airstrip deposit are presented in Table 2.

Table 2: Pit-Constrained Inferred Mineral Resources – Airstrip Deposit

Au Cut-Off g/t	Tonnage Tonnes	Average Au Grade g/t	Au Content oz
0.10	61,300,337	0.430	847,466
0.15	53,264,976	0.476	815,154
0.20	45,997,911	0.524	774,926
0.25	38,397,872	0.583	719,725
0.30	31,869,662	0.647	662,938
0.35	26,516,484	0.712	606,998
0.40	21,676,296	0.787	548,467
0.45	18,151,272	0.857	500,125
0.50	15,513,348	0.923	460,361

Notes:

1. The effective date for the Mineral Resource is May 25, 2020.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, changes in global gold markets or other relevant issues.
3. The CIM definitions were followed for the classification of inferred Mineral Resources. The quantity and grade of reported inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred Mineral Resources as an indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured Mineral Resource category.
4. Mineral Resources are reported at a cut-off grade of 0.2 g/t Au, using a US\$/CAN\$ exchange rate of 0.75 and constrained within an open pit shell optimized with the Lerchs-Grossman algorithm to constrain the Mineral Resources with the following estimated parameters: gold price of US\$1,500/ounce, US\$1.50/t mining cost, US\$2.00/t processing cost, US\$2.50/t G+A, 80% heap leach recoveries, and 45° pit slope

## Powerline Deposit

The drill data for the Powerline deposit is comprised of 15 drill holes. The most common sampling length of the Powerline deposit is 1.5 m, with approximately 35% of the sample data. 1.5 m was selected as the composite length and is based on the most common sampling length, as well as on the envisioned block height of 5 m. Capping of high-grade outliers was based on grade distribution domains and ranged from 4.0 g/t Au to 6.0 g/t Au.

The estimation of gold grades into a block model was carried out with the inverse distance squared (ID<sup>2</sup>) technique on capped composites with the resultant block model containing a block size of 5 m (easting) x 5 m (northing) x 5 m (elevation).

At a 0.20 g/t Au cut-off, the pit-constrained, inferred Mineral Resources are of 6.6 million tonnes at an average gold grade of 0.61 g/t for a total of 129,019 ounces of gold. Cut-off grade sensitivities for the Powerline deposit are presented in Table 3.

Table 3: Pit-Constrained Inferred Mineral Resources – Powerline Deposit

Au Cut-Off (g/t)	Tonnage tonnes	Average Au Grade (g/t)	Au Content (oz)
0.10	7,281,920	0.565	132,277
0.15	6,930,115	0.588	131,011
0.20	6,578,609	0.610	129,019
0.25	6,084,687	0.641	125,397
0.30	5,457,139	0.683	119,833
0.35	4,939,191	0.720	114,335
0.40	4,420,295	0.761	108,150
0.45	4,083,388	0.789	103,583
0.50	3,654,322	0.826	97,046

### Notes:

1. The effective date for the Mineral Resource is May 25, 2020.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, changes in global gold markets or other relevant issues.
3. The CIM definitions were followed for the classification of inferred Mineral Resources. The quantity and grade of reported inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred Mineral Resources as an indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured Mineral Resource category.
4. Mineral Resources are reported at a cut-off grade of 0.2 g/t Au, using a US\$/CAN\$ exchange rate of 0.75 and constrained within an open pit shell optimized with the Lerchs-Grossman algorithm to constrain the Mineral Resources with the following estimated parameters: gold price of US\$1,500/ounce, US\$1.50/t mining cost, US\$2.00/t processing cost, US\$2.50/t G+A, 80% heap leach recoveries, and 45° pit slope

## Quality Assurance, Quality Control Measures and Data Verification

The reported work was completed using industry standard procedures, including a quality assurance/quality control (“QA/QC”) program consisting of the insertion of certified standards and blanks into the sample stream and utilising certified independent analytical laboratories for all assays. Additionally, historic QA/QC data and methodology on the AurMac Property were reviewed and is summarized in the NI 43-101 Technical Report. The qualified persons detected no significant QA/QC issues during review of the data.

A robust system of standards, ¼ core duplicates and analytical blanks, was implemented in all Banyan drilling programs and was monitored as chemical assay data became available. All control samples were

within accuracy and precision thresholds required to meet data quality standards. These control samples amounted to approximately 10% of all samples submitted to analytical laboratories. A verification program of historic core was carried out by re-sampling the entire length of two holes: MQ-00-004 and MQ-03-009. The percent relative difference between the re-assays and the original assays ranged from -1.5% to +2.5%.

All geological data in the resource estimate was verified by Ginto Consulting Inc. (“Ginto”) as being accurate to the extent possible and to the extent possible all geological information was reviewed and confirmed. Ginto made site visits to the AurMac property in 2018 and 2019 and observed Banyan’s drilling and sampling techniques, as well as viewed AurMac drill core. Ginto confirms that the assay sampling and QA/QC sampling of core by Banyan provides adequate and good verification of the data and believes the work to have been done within the guidelines of NI 43-101. Additional discussion on the AurMac Mineral Resource Model Data Verification can be found in the NI 43-101 Technical Report filed on July 7, 2020 on SEDAR.

### **Qualified Persons**

The Initial Mineral Resource Estimate for the AurMac Property (May 25, 2020) and Technical Report on the AurMac Property, Mayo Mining District Yukon Territory Canada filed July 7, 2020 was prepared by Marc Jutras, P.Eng., M.A.Sc., Principal, Ginto Consulting Inc., an independent Qualified Person in accordance with the requirements of NI 43-101.

### **Analytical Method**

All drill core and RC splits collected from the 2017 to 2020 AurMac Project programs were analysed at Bureau Veritas Minerals of Vancouver, B.C. utilising the aqua regia digestion ICP-MS 36-element AQ200 analytical package with FA450 50-gram Fire Assay with AAS finish for gold on all samples. All core samples were split on-site at Banyan’s core processing facilities in Elsa, Yukon. Once split, half samples were placed back in the core boxes with the other half of split samples sealed in poly bags with one part of a three-part sample tag inserted within. All RC samples were split in the field with a 3-tier riffle splitter with 87.5% of the sample being stored in a reject poly bag and 12.5% of the sample in a submittal poly bag. Once split, both poly bags were sealed with one part of a three-part sample tag inserted within. Samples were delivered by Banyan personnel or a dedicated expediter to Bureau Veritas, an independent Whitehorse preparatory laboratory, where samples are prepared and then shipped to Bureau Veritas’s Analytical laboratory in Vancouver, B.C. for pulverization and final chemical analysis.

During the 2021 work program all drill core were analysed at SGS Canada in Vancouver, BC utilising their GE\_IMS21B20 analytical package which comprises a two-acid aqua regia digestion followed by a 36-element ICP-MS scan, in conjunction with the GE\_FAA30V5 30g Fire Assay with AAS finish for gold on all samples. Samples with gold content exceeding the analytical thresholds of this package were reanalysed utilising an additional 30g Fire Assay Gravimetric Finish (SGS Package GO\_FAG30V). All core samples were split on-site at Banyan’s core processing facilities. Once split, half samples were placed back in the core boxes with the other half of split samples sealed in poly bags with one part of a three-part sample tag inserted within. Samples were delivered by Banyan personnel or a dedicated expediter to the SGS, Whitehorse preparatory laboratory where samples are prepared and then shipped to SGS laboratory in Vancouver, BC for pulverization and final chemical analysis. A robust system of standards, ¼ core duplicates and blanks was implemented in the 2021 exploration drilling program and was monitored as chemical assay data became available.

### **Risk Factors**

Banyan is unaware of any legal, political, environmental or other risks that could materially affect the AurMac or Hyland Project.

### **Q1 F2022 AurMac Received Drilling Highlights:**

\*True widths are estimated to be greater than 90% of the reported intervals.

Assay highlights from the 2021 Aurex Hill target include:

- 13.7 m of 0.59 g/t Au from surface in DDH AX-21-116
- 17.8 m of 0.81 g/t Au from 121.9 m in DDH AX-21-116
- 71.6 m of 0.36 g/t Au from 196.6 m in DDH AX-21-117
- 43.9 m of 0.52 g/t Au from 118.0 m in DDH AX-21-118
- 13.8 m of 0.66 g/t Au from 9.1 m in DDH AX-21-119
- 89.2 m of 0.35 g/t Au from 164.6 m in DDH AX-21-120
- 34.4 m of 0.53 g/t Au from 37.2 m in DDH AX-21-121
- 46.0 m of 0.41 g/t Au from 62.8 m in DDH AX-21-123
- 24.2 m of 0.57 g/t Au from 195.1 m in DDH AX-21-125
- 41.2 m of 0.54 g/t Au from 187.4 m in DDH AX-21-127

Assay highlights the Powerline drilling campaign include:

- 72.9 m of 0.51 g/t Au from 29.0 m in DDH AX-21-134
- 57.9 m of 0.61 g/t Au from 35.1 m in DDH AX-21-135
- 118.4 m of 0.44 g/t Au from 21.3 m in DDH AX-21-137
- 72.4 m of 1.73 g/t Au from 8.2 m in DDH AX-21-139
- 58.0 m of 0.47 g/t Au from 15.2 m in DDH AX-21-141
- 41.7 m of 0.66 g/t Au from 9.1 m in DDH AX-21-150

### Qualified Person

Paul D. Gray, P.Geo., Vice President of Exploration for the Company, is a “qualified person” as defined under NI 43-101 and has reviewed and approved property disclosure content of this report.

Analysis of property expenditures:

	Aurex*	McQuesten*	Nitra	Aurex* Extension	Hyland	Total
<b>Balance, Sept 30, 2020</b>	<b>1,733,434</b>	<b>2,274,003</b>	<b>134,097</b>	<b>67,087</b>	<b>3,679,053</b>	<b>7,887,674</b>
Acquisition costs	172,500	92,000	-	-	-	264,500
Exploration & evaluation expenses capitalized	715,642	685,502	47,430	24,923	101	1,473,598
<b>Balance, Dec 31, 2020</b>	<b>2,621,576</b>	<b>3,051,505</b>	<b>181,527</b>	<b>92,010</b>	<b>3,679,154</b>	<b>9,625,772</b>
<b>Balance, Sept 30, 2021</b>	<b>9,268,639</b>	<b>3,278,399</b>	<b>364,352</b>	<b>92,010</b>	<b>3,850,346</b>	<b>16,853,746</b>
Acquisition costs	-	-	10,500	-	-	10,500
Exploration & evaluation expenses capitalized	3,973,309	11,899	77,881	-	71	4,063,160
<b>Balance, Dec 31, 2021</b>	<b>13,241,948</b>	<b>3,290,298</b>	<b>452,733</b>	<b>92,010</b>	<b>3,850,417</b>	<b>20,927,406</b>

\*These Properties are collectively referred to as AurMac Property or Project in Corporate disclosure documents.

### 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, 2022

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations</b>				
Revenues	\$ –			
Expenses	(1,140,698)			
Comprehensive (loss)/profit	(1,140,698)			
Loss Per Share – Basic & Fully Diluted	(0.01)			
<b>Balance Sheet</b>				
Working Capital	8,920,251			
<b>Total Assets</b>	<b>\$ 30,530,046</b>			
<b>Total Long-Term Liabilities</b>	<b>Nil</b>			

### Fiscal Quarters of the Fiscal Year Ended September 30, 2021

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations</b>				
Revenues	\$ –	\$ –	\$ –	\$ –
Expenses	547,510	189,268	718,850	305,271
Comprehensive (loss)/profit	(547,510)	(189,268)	(655,587)	(1,523,481)
Loss Per Share – Basic & Fully Diluted	0.00	0.00	0.00	(0.01)
<b>Balance Sheet</b>				
Working Capital	5,226,235	4,652,834	2,112,142	13,662,582
<b>Total Assets</b>	<b>\$ 15,282,839</b>	<b>\$ 16,575,155</b>	<b>\$ 15,929,261</b>	<b>\$ 32,020,391</b>
<b>Total Long-Term Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### Fiscal Quarters of the Fiscal Year Ended September 30, 2020

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations</b>				
Revenues	\$ –	\$ –	\$ –	\$ –
Expenses	(118,136)	109,219	207,504	1,426,324
Comprehensive (loss)/profit	118,136	(109,219)	(207,504)	(1,426,324)
Loss Per Share – Basic & Fully Diluted	0.00	0.00	0.00	<b>0.01</b>
<b>Balance Sheet</b>				
Working Capital	958,814	805,560	1,122,706	<b>4,673,356</b>
<b>Total Assets</b>	<b>\$ 7,039,949</b>	<b>\$ 6,920,707</b>	<b>\$ 7,822,065</b>	<b>\$ 13,448,847</b>
<b>Total Long-Term Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



## Results of Operations

The Corporation did not carry out a financing during the quarter and issued 425,000 shares on the issuance of stock options.

During the quarter ended December 31, 2021, the Company recorded a net loss after tax of \$(1,140,698) vs a loss of \$(547,510) during the prior year quarter ended December 31, 2020.

## Major Variances

**Stock Based Compensation.** An increase of \$221,485 to \$590,147 in total expense was incurred in the current year's quarter as a result of issuing stock options during the year to officers, directors, employees and field staff as part of the regular compensation review. This increase is due to an expansion of staff resulting from increased operations and an increase from Black Scholes pricing due to a higher share price, year over year.

**General & Admin Expenses.** An increase to \$188,266 in the current year's quarter from the prior year's total of \$56,667. This increase is the result of increased operations, and specifically, an increase of \$65,067 in marketing to support funding activities for exploration work and an increase of amortization \$13,468 as the Company adds camp equipment. Additionally, the Company has begun given a stipend to directors (\$46,000 for the year, paid during the quarter) in order to retain talent as the positions have become more demanding in a growing Company.

**Management Fees.** Management fees rose in the current year quarter to \$365,833 vs \$117,000 in the prior year quarter reflecting bonuses, additional staffing and additional activities on the corporate level to support additional staffing and drilling activities and the fundraising activities required to finance them.

## 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 Costs	Quarter End December 31, 2021	Quarter End December 31, 2020
<b>General &amp; Admin:</b>		
Advertising & Promotion	91,125	26,058
Directors Fees	46,000	-
Amortization	18,219	4,751
Software License	11,600	-
Office Supplies	7,101	1,804
Travel	5,307	2,045
Conference	2,280	422
Training	2,114	-
Transfer Agent Fees	1,969	1,238
Rent	1,259	4,500
Telephone	916	692
Bank Charges	377	552
Payroll	-	8,587
Shareholder Communications/AGM	-	6,028

## **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, 2021, the Company raised gross proceeds of \$35,094,906 from the sale of its common shares.

As at December 31, 2021, the Company had working capital of \$8,920,251 (2020 – \$5,226,235) which will be sufficient to fund the Company through fiscal 2022.

## **Off-Balance Sheet Arrangements**

None

## **Proposed Transactions**

None

## **Transactions with Related Parties**

During the quarter, \$396,000 (2020 - \$124,000) was billed to the Corporation by officers and directors of the Company. \$256,250 (2020 - \$95,000) was billed by KECM Services, a company controlled by the CEO and \$93,750 (2020 - \$29,000) has been billed to management fees by 1195472 Ontario Ltd. for the CFO. \$46,000 (2020 – nil) was billed by the Directors for their yearly stipend. The quarterly billings included \$280,000 (2020 – \$64,000) in yearly bonus payments to management for the transformative year for the Company in turns of increased market cap, record funds raised, record metres drilled and the successful implementation of the geological model.

## **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 cost 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 Company's significant accounting policies are detailed in Note 3 to the Annual Financial Statements.

### **New Standards and Interpretations**

There were no new standards applicable to the Corporation during the quarter ended December 31, 2021.

### ***Risks and Uncertainties***

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

The has 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 funding 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(ies).

### ***COVID-19***

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effect within the Company's environment and in the global market due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closure of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations.

The extent of the impact of this outbreak and related containment measures of the Company's operations cannot be reliably estimated at this time. Management continues to evaluate the impact of these events and review the Company's approach to capital management to ensure the Company's objectives are met.

### ***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 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 including potential Covid restrictions, 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**

#### **Summary of current year transactions**

	Number	Price	Funds Raised
Financings:	Nil	-	\$ Nil
Stock options exercised:	125,000	\$ 0.07	\$ 8,750
	200,000	\$ 0.12	\$ 24,000
	100,000	\$ 0.23	\$ 23,000
	<b>425,000</b>		<b>\$ 55,750</b>

#### **Current year**

In the current year quarter, no financings were undertaken.

#### **Prior Year**

In December 2020, the Corporation completed two flow through private placements.

The private placements, which encompassed 8,434,067 flow-through shares (within the meaning of Subsection 66(15) of the Income Tax Act (Canada)) consisted of 5,357,143 regular flow through shares at \$0.28 per share and 3,076,924 charity flow through shares priced at \$0.325 per share.

In total, \$24,503 was raised through the exercise of stock options.

On December 9, 2020, the Company issued 750,000 Class A common shares to Victoria Gold Corp. at a deemed price of \$0.23 per share for the initial 51% earn-in on the Aurex Property.

On December 9, 2020, the Company issued 400,000 Class A common shares to Alexco Resource Corp. at a deemed price of \$0.23 per share for the initial 51% earn-in on the McQuesten Property.

## Disclosure of Outstanding Share Data

### **Authorized and Issued capital stock:**

As of December 31, 2021:

Unlimited number of:  
Class A voting common shares  
Class B non-voting, common shares  
Preferred Shares  
All issued shares are fully paid

The Company's authorized share capital is unlimited common shares without par value. As at December 31, 2021, there are 226,591,728 issued and outstanding Class A common shares.

### **Options Outstanding:**

During the quarter ended December 31, 2021, 366,666 stock options issued on May 11, 2021 vested at a Black Scholes calculated value of \$0.1826 per option.

Number	Exercise Price	Expiry Date
800,000	\$ 0.11	March 4, 2022
1,375,000	\$ 0.12	September 23, 2022
650,000	\$ 0.08	December 29, 2022
200,000	\$ 0.075	June 19, 2023
1,150,000	\$ 0.05	December 19, 2023
4,100,000	\$ 0.06	December 12, 2024
750,000	\$ 0.12	June 2, 2025
1,850,000	\$ 0.23	December 9, 2025
3,600,000	\$ 0.24	May 11, 2026
3,325,000	\$ 0.32	December 16, 2026
17,800,000		

### **Subsequent Events**

During the month of January, Banyan was formally listed on the OTCQB Venture Market (the "OTCQB") in the United States under the symbol "BYAGF".

On February 23, 2022, 800,000 stock options were exercised at \$0.11 by Directors.

On February 24, 2022, Marc Blythe, an independent mining consultant, was added to the board of directors and 400,000 stock options were issued at \$0.395 per year with an expiry date of Feb 24, 2027.