BANYAN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED JUNE 30, 2017

Background

This discussion and analysis of financial position and results of operations is prepared as at August 28, 2017 and should be read in conjunction with the interim financial statements and the accompanying notes for the quarter ended June 30, 2017 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 in the Hyland Gold Property ("Property") in the Yukon Territory. The Hyland Main Zone Inferred Gold Resource Estimate, prepared in accordance with NI 43-101 and at a 0.6g/t gold equivalent cutoff, contains 12,503,994 tonnes with 361,692 ounces gold at 0.9g/t and 2,248,948 ounces silver at 5.59g/t for a combined gold and silver 396,468 ounces gold equivalent.

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. (See Note 6 in the June 30, 2017 Financial Statements)

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, 2017

All in $ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operations:				
Revenues	$ -	$ -	$ 1,039	
Expenses	57,480	275,059	258,041	
Comprehensive Loss	(57,480)	(275,059)	(257,002)	
Loss per share – basic & fully diluted	(0.00)	(0.01)	(0.00)	
Balance Sheet:				
Working Capital	643,532	1,868,212	2,423,654	
Total Assets	2,223,187	3,475,005	4,012,916	
Total Long term liabilities	Nil	Nil	Nil	

Fiscal Quarters of the Fiscal Year Ended September 30, 2016

All in $ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operations:				
Revenues	$ -	$ -	$ -	$ -
Expenses	46,317	70,290	115,165	259,057
Comprehensive Loss	(46,317)	(70,290)	(115,165)	(259,057)
Loss per share – basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.01)
Balance Sheet:				
Working Capital	21,495	99,175	(18,128)	764,047
Total Assets	1,171,024	1,182,060	1,114,849	2,319,439
Total Long term liabilities	Nil	Nil	Nil	Nil

Fiscal Quarters of the Fiscal Year Ended September 30, 2015

All in $ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operations:				
Revenues	$ -	$ -	$ -	$ -
Expenses	30,656	52,727	48,183	94,228
Comprehensive Loss	(30,656)	(52,727)	(48,183)	(94,228)
Loss per share – basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.00)
Balance Sheet:				
Working Capital	57,190	443,996	275,729	11,395
Total Assets	767,330	1,201,496	1,148,704	1,151,667
Total Long term liabilities	Nil	Nil	Nil	Nil

Results of Operations

Corporate Results

During the quarter, the Corporation held its annual General and Special Meeting of Shareholders on June 2, 2016. At the meeting the following matters were approved by a greater than 98% margin in all categories:

i. Setting the number of directors at five;
ii. The proposed slate of five directors;
iii. The appointment of John J. Geib, Chartered Accountant, as the Company's auditors;
iv. The renewal of the Company's Stock Option Plan; and
v. Confirming the adoption of new bylaws.

The Board wishes to thank Richmond Graham, who did not run for re-election, for his past service.

Between April 3, 2017 and April 19, 2017 a total of 1,714,625 warrants were exercised for proceeds of $128,543.

On May 1, 2017, the Corporation announced that a Class 3 Land Use Permit for the Hyland Gold Project has been granted from the Yukon Government. This permit will allow for continued development of the Hyland Gold Project through advanced mineral exploration activities including diamond drilling, trenching geophysics and on-tenure camp support.

Hyland Property

2017 Work Program

Work during the quarter on Hyland consisted of using last season's LiDAR Survey, for a comprehensive Property-wide structural analysis and integration with an on-going historical data compilation project encompassing the entirety of the Hyland Gold Project exploration database. Additionally, planning and preparation for the upcoming summer exploration program was carried out in advance of the July start day.

The 2017 Hyland Gold Project program began in mid-July consisting of 4,000 metres of diamond drilling planned for the Main and Camp Zones in the "Hyland North" portion of the Property. Additional targeted surface trenches and soils geochemical surveys are planned for this area with a concentration on the Camp Zone. Diamond drilling initiatives will be focused on the Hyland Main Zone towards an update of the existing N.I. 43-101 compliant inferred resource as well as continuing to test mineralization targets in the Camp Zone including following up on the 2016 discovery in trench CZ-16-01 which returned 96 metres grading 0.64 gram per tonne gold from zero metres to 96 metres, including 56 metres grading 1.03 grams per tonne gold from zero metres to 56 metres of a broad fault zone consisting of predominantly gouge and brecciated clastic units of the Hyland Formation (See Company News Release dated November 3, 2016).

In the "Hyland South" area, exploration will continue to build out the District-Scale mineralization potential of the Hyland Property through reconnaissance level geochemical sampling to cover areas that have never been soil sampled as well as targeted grid based geochemical surveys over defined geochemical soil anomalies. Exploration focus in these areas has been bolstered by a comprehensive structural analysis of the Property-wide LiDAR survey completed in the Fall of 2016 and several targets deemed prospective for hosting structurally-related mineralization have been identified.

The program is well supported by an existing 35-person camp, pre-positioned drilling and heavy equipment and existing roads. Based on results as the program progress, the company will continue to examine funding opportunities to expand the 2017 Hyland Gold exploration program.

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.

Aurex & McQuesten Properties

On May 24, 2017, the Company announced that it has signed definitive agreements to acquire up to 100% of the Aurex Property, 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 respectively 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.

These combined properties form a contiguous, approximate 9,230 hectares claim group providing a unique opportunity to combine a substantial amount of historic exploration data to generate a consolidated exploration target model across a previously independently explored project boundary.

Terms of the letters of intent are as follows:

Highlights of Aurex Agreement with Victoria:

Under the terms of the binding Letter Agreement with Victoria, which is subject to TSX Venture Exchange ("TSX-V") approval, Banyan may earn up to 100% interest in the Aurex property in three (3) stages:

- Initial 51% Option Interest - To acquire the initial 51% Option Interest in the Property, the Company is required, over a period of four (4) years, to issue in stages a total of 3 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling $1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5th year. Following the earning of the 51% Option Interest, a joint venture ("**JV**") will be formed and Banyan will have the ability to elect to earn an additional 24%.

- Additional 24% Interest - In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, Banyan will be required to spend an additional $3.5 million in exploration expenditures over five (5) years. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.

- Additional 25 % interest - In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Victoria $2 million cash or shares and grant Victoria a 6% net smelter return ("**NSR**") royalty with buybacks totaling $7 million to reduce to a 1% NSR royalty on Au and a3% NSR royalty on Ag.

As part of the agreement, Victoria will make a strategic investment in Banyan of $100,000 which was completed on March 7, 2017.

Highlights of McQuesten Agreement with Alexco:

Under the terms of the McQuesten non-binding letter agreement with Alexco, it is intended that the parties will negotiate a binding agreement, which will be subject to TSX-V, Government of Canada and Silver Wheaton Corp. approvals, under which Banyan may earn up to a100% interest in the McQuesten property in three (3) stages:

- Initial 51% Option Interest - To acquire the initial 51% Option Interest in the Property, the Company is required, over a period of four (4) years, to issue in stages a total of 1.6 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling $1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5th year. Following the earning of the 51% Option Interest, a JV will be formed and Banyan will have the ability to elect to earn an additional 24%.

- Additional 24% Interest - In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, within three (3) years Banyan must spend an additional $1 million in exploration expenditures, deliver a Preliminary Economic Assessment and pay Alexco $600,000 in cash or shares of Banyan. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.

- Additional 25% interest - In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Alexco $2 million in cash or shares, deliver a Pre-Feasibility Study and grant Alexco a 6% NSR royalty with buybacks totaling $7 million to reduce to a 1% NSR royalty on Au and a 3% NSR royalty on Ag.

Alexco will make a strategic investment of $350,000 in Banyan which was completed on March 7, 2017, and will have the right to participate in future financings and have a right to a Board seat as long as it maintains a minimum 10% equity ownership in Banyan.

The TSX Venture granted approval for the first 51% earn of the agreements on July 6, 2017 (see subsequent event)

During the quarter the Company completed a Phase I exploration program at the Aurex-McQuesten Project. This inaugural exploration program consisted of property-wide geochemical surveys, 122 metres of new trenching and re-opening of 1,243 metres of historic trenches, along with a 1,420 metre (m) diamond drill program from 10 holes.

The diamond drill program focused on the McQuesten showing area, a 1,000m x 400m wide zone of known gold and silver mineralization, where previous exploration results include drill intercepts of up to 120 m grading 1.36 g/t Au with intervals of up to 1.5 m grading 8.89 g/t Au (See Company news release dated May 25, 2017).

The exploration target at the Aurex-McQuesten is near surface gold mineralization in meta-sedimentary host rocks related to interpreted buried intrusive stocks. Structural traps are known to control intrusion-related gold-silver mineralization in this area and defined gold mineralization on the property occurs in sheeted quartz veins, silicified skarn horizons, and quartz-monzonite dykes similar to mineralization at Victoria Gold's nearby Eagle Gold Project, as well as silver mineralization related to faults similar to those found at Alexco Resource Corp., Keno Hill District.

Corporate Results

During the quarter ended June 30, 2017, the Company recorded a net loss of $257,002, vs a loss of $115,165 for the quarter ended June 30, 2016. The main drivers behind the higher quarterly loss was the accounting for Future Income Tax Expense, $121,378 (2016 – nil). This is the result of the Company raising flow through related funds, thereby increasing the exploration amounts yet to be renounced. Increased management fees, $57,000 (2016 - $7,000) and General & Admin, $57,112 (2016 – 36,290) increased as the Company became more active in raising funds, increasing market awareness, acquiring additional properties, adding technical staff and preparing for the spring and summer exploration season.

Additional Disclosure for Venture Issuers without Significant Revenue

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 comparative periods:

General & Admin & Material Costs	Quarter Ended June 30, 2017	Quarter Ended June 30, 2016
General & Admin:		
Marketing	24,692	10,843
Travel	13,271	3,822
Insurance	6,406	5,250
General Office	4,735	2,135
Transfer Agent Fees	2,579	1,982
Shareholder Communications & AGM	2,574	4,152

Salaries	1,122	0
Training	1,050	0
Professional Dues	683	1,051

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 June 30, 2017, the Company raised gross proceeds of $5,136,647 from the issuance of its common shares.

As at June 30, 2017, the Company had working capital of $2,423,654 (2016 - negative $18,128) which will be sufficient to fund the Company through the next fiscal year for both the planned exploration programs on Hyland, Aurex & McQueston and for general corporate purposes.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Transactions With Related Parties

During the quarter, $67,500 (2016 - $68,125) was expensed to the corporation by officers and directors of the Company. $12,000 (2016 - $7,000) has been billed to management fees by 1195472 Ontario Ltd. for the CFO and $7,000 (2016 - $7,000) to professional fees by Paul D. Gray Geological Consulting along with a further $3,500 charged against the Hyland property. $45,000 was charged by 44984 Yukon Inc. for management fees for Tara Christie, CEO (2016 - $20,000 by the previous CEO.). During the prior year's quarter there was also $34,125 accrued for work performed by a director of the Company.

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 results 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 significant accounting policies, critical judgements and accounting estimates used by the Company are discussed in detail in the 2016 annual MD&A for the year ended September 30, 2016, under the heading "Critical Judgements and Accounting Estimates", as well as the 2016 annual audited financial statements for the year ended September 30, 2016, in Note 3.

There have been no material changes applied to these accounting policies from September 30, 2016 up to the date of this MD&A.

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 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 Share. The Issuer does not intend to maintain insurance against environmental risks.

Investor Relations Activities

The Company does not have any investor relations arrangements.

Disclosure of Outstanding Share Data

a) Authorized and Issued capital stock:

As of June 30, 2017:

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

The Company’s authorized share capital is unlimited common shares without par value. As at June 30, 2017, there are 69,894,193 issued and outstanding Class A common shares. There were no Class B or Preferred Shares Issued.

b) Warrants Outstanding:

As of June 30, 2017:

Number	Exercise Price	Expiry Date
3,732,287	$0.085	August 24, 2018
5,955,004	$0.115	September 8, 2019*
11,451,916		

Note:

* The warrants may have their expiry time accelerated at any time prior to the expiry of the warrants if the volume weighted average trading price of the Corporation's shares on the TSX Venture Exchange is greater than $0.13 for 20 consecutive trading days, at which time the Corporation may give notice in

writing to the Warrant holders within 10 days of such an occurrence that the Warrants shall expire on the 30th day following the giving of such notice.

c) Options Outstanding:

Number	Exercise Price	Expiry Date
250,050	$0.15	January 21, 2021
650,000	$0.05	January 31, 2019
75,000	$0.05	April 22, 2019
675,000	$0.05	August 10, 2020
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 4, 2022
3,800,050		

d) Transactions During the Period

During the third quarter a total of 1,714,625 warrants were exercised for proceeds of $128,543.

On June 22, 2017, the Corporation completed a financing of $600,000 consisting of 4,000,000 shares under a non-brokered private placement. The Private Placement consisted of flow through shares (within the meaning of the *Income Tax Act* (Canada)), priced at $0.15 per share. Net proceeds are budgeted for the Company's ongoing summer exploration program at the Aurex-McQuesten and Hyland Gold Projects.

Subsequent Event

On July 6, 2017 the Corporation received TSX Venture Approval for the first option interest tranche on the Aurex and McQuestion definitive agreements (see Note 6 in the June 30, 2017 Financial Statements).

On July 21, 2017, the Corporation completed the second tranche of the flow through financing by issuing 1,360,000 flow through share at a price of $0.15 per share.