

**BANYAN GOLD CORP.**  
(Formally, Banyan Coast Capital Corp.)

**CONDENSED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED  
DECEMBER 31, 2012**

**(Unaudited – Prepared by Management)**

## **Notice of Disclosure of Non-auditor Review of Interim Financial Statements**

---

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Corporation for the interim period ended December 31, 2012 have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Corporation's management.

The Corporation's independent auditors have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Dated this 26th, day of February 2013.

**BANYAN GOLD CORP.**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

(Unaudited - Prepared by Management)

Expressed in Canadian Funds

|   | Dec 31, 2012      | Sept 30, 2012     |
|---|-------------------|-------------------|
| <b>ASSETS</b>                               |                   |                   |
| <b>Current Assets</b>                       |                   |                   |
| Cash and cash equivalents                   | \$ 183,854        | \$ 218,222        |
| Accrued Interest                            | 1,129             | 1,261             |
| Accounts Receivable                         | 2,915             | 1,489             |
| Deferred Acquisition Costs                  | 15,000            | 15,000            |
|   | <u>\$ 202,898</u> | <u>\$ 235,972</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                   |                   |
| <b>Current liabilities</b>                  |                   |                   |
| Accounts payable and accrued liabilities    | \$ 41,230         | \$ 51,230         |
|   | <u>41,230</u>     | <u>51,230</u>     |
| <b>Shareholders Equity</b>                  |                   |                   |
| Share capital                               | 289,528           | 289,528           |
| Contributed Surplus                         | 65,049            | 65,049            |
| Deficit                                     | (192,909)         | (169,835)         |
|   | <u>161,668</u>    | <u>184,742</u>    |
|   | <u>\$ 202,898</u> | <u>\$ 235,972</u> |

On behalf of the Board:

"Richmond Graham"  
Richmond Graham

"David Rutt"  
David Rutt

**BANYAN GOLD CORP.****CONDENSED INTERIM STATEMENT OF OPERATIONS & COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management)

Canadian Funds

|   | Dec 31,<br>2012  | Dec 31,<br>2011 |
|---|------------------|-----------------|
| <b>EXPENSES</b>   |                  |                 |
| Listing and Filing Fees                                     | \$ 13,555        | \$ -            |
| Professional Fees   | 5,000            | 3,000           |
| General and administrative                                  | 4,568            | 389             |
| Stock Based Compensation                                    | -                | -               |
| Interest Income   | (49)             | (486)           |
| <b>NET LOSS AND COMPREHENSIVE LOSS FOR<br/>THE PERIOD</b>   | <u>\$ 23,074</u> | <u>\$ 2,903</u> |
| <b>Loss per common share - basic &amp; diluted</b>          | \$ 0.01          | \$ 0.00         |
| <b>Weighted average number of common shares outstanding</b> | 3,334,000        | 3,334,000       |

**BANYAN GOLD CORP.****CONDENSED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY**

(Unaudited - Prepared by Management)

For the period ended December 31 - Canadian Funds

|                                    | Number of<br>shares | Price | Capital<br>Stock | Contributed<br>Surplus | Deficit   | Shareholders<br>Equity |
|------------------------------------|---------------------|-------|------------------|------------------------|-----------|------------------------|
| <b>Balance, September 30, 2011</b> | 3,334,000           |       | 289,528          | 65,049                 | (92,037)  | 262,540                |
| Net Loss for the Period            |                     |       | -                |                        | (2,903)   | (2,903)                |
| <b>Balance, December 31, 2011</b>  | 3,334,000           |       | 289,528          | 65,049                 | (94,940)  | 259,637                |
| <b>Balance, September 30, 2012</b> | 3,334,000           |       | 289,528          | 65,049                 | (169,835) | 184,742                |
| Net loss for the period            |                     |       |                  |                        | (23,074)  | (23,074)               |
| <b>Balance, December 31, 2012</b>  | 3,334,000           |       | 289,528          | 65,049                 | (192,909) | 161,668                |

**BANYAN GOLD CORP.**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

(Unaudited - Prepared by Management)

For the quarter ended December 31 - Canadian Funds

|   | Dec 31,<br>2012 | Dec 31,<br>2011 |
|---|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                                 |                 |                 |
| Net loss for the period   | \$ (23,074)     | \$ (2,903)      |
| Changes in non-cash working capital items:                                  |                 |                 |
| Decrease (Increase) in prepaid expenses                                     | -               | -               |
| Decrease (increase) in accounts receivables & accrued interest              | (1,294)         | 236             |
| Increase (decrease) in accts payable and acc. liabilities                   | <u>(10,000)</u> | <u>2,982</u>    |
| Net cash used in operating activities                                       | <u>(34,368)</u> | <u>315</u>      |
| <b>Cash Flows from Financing Activities</b>                                 |                 |                 |
| Deferred financing costs  | <u>-</u>        | <u>-</u>        |
| Net cash provided by financing activities                                   | <u>-</u>        | <u>-</u>        |
| <b>Increase (Decrease) in cash &amp; cash equivalents during the period</b> | <u>(34,368)</u> | <u>315</u>      |
| <b>Cash &amp; Cash Equivalents - Beginning of the Period</b>                | <u>218,222</u>  | <u>268,805</u>  |
| <b>Cash &amp; Cash Equivalents - End of the Period</b>                      | <u>183,854</u>  | <u>269,120</u>  |

# **BANYAN GOLD CORP.**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the period ended December 31, 2012 and 2011

### **1 NATURE AND CONTINUANCE OF OPERATIONS**

Banyan Coast Capital Corp. (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Corporations Act ("ABCA") on July 26, 2010. The address of the Company's registered office is 166 Courstone Crescent SW, Calgary, Alberta, T3H 4Z5. These financial statements were approved and authorized for issuance by the Board of Directors on February 25, 2013.

The Company commenced trading on January 27, 2011, under the stock symbol BYN.P.

Until the completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

These 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.

### **2 BASIS OF PRESENTATION**

These unaudited condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34, "Interim financial reporting". The condensed financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2012, which have been prepared in accordance with IFRS.

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.

# BANYAN GOLD CORP.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

### 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended September 30, 2012.

### 5 CASH AND CASH EQUIVALENTS

|                           | December 31, 2012 | December 31, 2011 |
|---------------------------|-------------------|-------------------|
| Cash on deposit           | \$ 13,854         | \$ 14,120         |
| Liquid short term deposit | 170,000           | 255,000           |
|                           | \$ 183,854        | \$ 269,120        |

Included in liquid short term deposit is a \$170,000 redeemable GIC, bearing annual interest at 1.0%, with a maturity date of February 1, 2013.

### 6 DEFERRED ACQUISITION COSTS

Subsequent to year end, an assignment and transfer agreement was agreed upon by the Company. Terms of this agreement include a deposit of \$15,000. This deposit is to be applied against future fee payments in accordance with Note 10.

### 7 SHARE CAPITAL

#### 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



# BANYAN GOLD CORP.

## NOTES TO THE FINANCIAL STATEMENTS

### SHARECAPITAL Cont'd

#### Transactions

On January 25, 2011, the Company completed its initial public offering ("IPO") raising gross proceeds of \$300,000. A total of two million common shares in the capital of the Company was subscribed for a price of \$0.15. In connection with the IPO, the Company paid the financing agent a cash commission of \$30,000, a corporate finance fee of \$10,000 and expenses and legal fees of \$14,710. The Company also granted 200,000 broker warrants entitling the holder to purchase common shares of the Company at a price of \$0.15 per common share for a period of two years.

#### Stock Options

The Company has established a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors of the Company who establish the exercise prices, vesting conditions and expiry date of the options in accordance with the requirements imposed by the Exchange. The aggregate number of shares assumable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding shares reserved for the issuance to (a) any individual director or officer which will not exceed 5% of the issued and outstanding common shares, and (b) all consultants which will not exceed 2% of the issued and outstanding common shares.

During the year ended September 30, 2011, the Company granted stock options to its directors to purchase 333,400 common shares, at an exercise price of \$0.15 per share, exercisable on or before January 25, 2021. The fair value of stock options granted to directors is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

|                         |          |
|-------------------------|----------|
| Risk-free interest rate | 3.44%    |
| Estimated volatility    | 150%     |
| Expected life           | 10 years |
| Expected dividend yield | 0%       |

The weighted average fair value of all stock options granted was \$0.1478

There were no stock option transactions during the period ended December 31, 2012.

At December 31, 2012, the following incentive stock options were outstanding to directors:

334,000 stock options  
\$0.15 Exercise price  
Expiry date, January 25, 2021

# **BANYAN GOLD CORP.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **SHARE CAPITAL Cont'd**

#### Warrants

In conjunction with the Company's initial public offering, 200,000 broker warrants were issued exercisable at on or before January 25, 2013 at an exercise price of \$0.15. The fair value of warrants issued is estimated using the Black-Scholes option pricing model with the following assumptions:

|                         |         |
|-------------------------|---------|
| Risk-free interest rate | 1.17%   |
| Estimated volatility    | 100%    |
| Expected life           | 2 years |
| Expected dividend yield | 0%      |

The weighted average fair value of all broker warrants was \$0.0789

There were no warrant transactions during the year ended December 31, 2012.

As at December 31, 2012, the following broker warrants were outstanding:

200,000 broker warrants  
\$0.15 Exercise price  
Expiry date, January 25, 2013

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

#### Stock-based compensation

The Company recognizes compensation for all stock options and warrants granted using the fair value based method of accounting. During the period ended December 31, 2012, the Company recognized \$Nil (December 31, 2011, Nil) in stock based compensation expense with respect to options vested during the period.

### **8 RELATED PARTY TRANSACTIONS**

There were no related party transactions beyond those described in Note 7.

### **9 FINANCIAL AND CAPITAL RISK MANAGEMENT**

Fair value estimates are made at the reporting date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

# **BANYAN GOLD CORP.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FINANCIAL AND CAPITAL RISK MANAGEMENT Cont'd**

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

All of the Company's cash and cash equivalents are assessed to be in Level 1.

#### a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

#### b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings. As at December 31, 2012, the Company had a cash balance of \$183,854 and current liabilities of \$41,230. All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements.

#### c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company doesn't believe a change by 1% in interest rate will have a significant impact on the fair value of its cash equivalents.

#### d) Foreign Currency Risk

The Company's reporting currency is in Canadian dollars and major transactions are denominated in Canadian dollars. Therefore the Company's currency risk is not significant.

#### Capital Disclosures

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

# BANYAN GOLD CORP.

## NOTES TO THE FINANCIAL STATEMENTS

### FINANCIAL AND CAPITAL RISK MANAGEMENT Cont'd

The Company's objectives when managing capital are:

- a) to safeguard the Company's ability to continue as a going concern;
- b) to facilitate the completion of a Qualifying Transaction.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. As disclosed previously, there are restrictions on the use of cash.

There were no changes in the Company's approach to capital management during the period ended December 31, 2012.

### 10 SUBSEQUENT EVENT

The Company has closed its qualifying transaction (the "**Transaction**") with the purchase of 100% of the Hyland Gold Property (the "**Hyland Property**") as previously disclosed in the September 10, 2012 news release. As a result of the completion of the Transaction, Banyan has ceased to be a Capital Pool Company (as defined in the policies of the TSX Venture Exchange (the "**TSXV**")) and is trading as a Tier 2 Mining Issuer on the TSXV effective at the opening of the market on February 19, 2013. In conjunction with the qualifying transaction, the Company has changed its name to Banyan Gold Corp. The trading symbol of the Company has changed from "BYN.P" to "BYN".

Through the close (the "**Closing**") of the definitive assignment and transfer agreement (the "**Definitive Agreement**") dated October 4, 2012 with Argus Metals Corp. ("**Argus**") the Banyan acquired mineral claims and the right to earn an undivided 100% interest in mineral claims in the Hyland Property, located in the Watson Lake Mining District of South Eastern Yukon Territory, Canada. The Hyland Property is a large scale sediment hosted gold system in Yukon's Selwyn basin situated in the Watson Lake Mining District of South Eastern Yukon Territory, Canada. It is located approximately 70 kilometres northeast of the village of Watson Lake. The property is accessible by helicopter, float plane and 4x4 roads. Hyland consists of 927 claims (approximately 18,620 hectares) and lies near the southeast end of the Tintina Gold Belt extending across central Alaska and Yukon.

In connection with the Transaction, Banyan has also completed a non-brokered private placement (the "**Placement**") of 5,000,000 units (each, a "Unit") at \$0.10 per Unit for total proceeds of \$500,000. Each Unit consists of one share of Banyan (each, a "Share") and one half share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one Share at an exercise price of \$0.15 for 12 months. All Shares, including Shares issued pursuant to the due exercise of Warrants, are subject to a four month hold period under applicable securities laws.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **SUBSEQUENT EVENT Cont'd**

The Company previously paid Argus \$15,000. On Closing, the Company paid Argus an additional \$20,000 and issued 4,000,000 common shares of the Banyan to Argus. In order to acquire a 100% interest in the Hyland Property, a \$100,000 payment is due to StrataGold Corporation, a subsidiary of Victoria Gold Corp., within 15 days of Closing. The Company is also obligated to deliver 15,000 Argus common shares to StrataGold Corporation or the greater of the market value thereof or such other consideration as the parties may agree. The 4,000,000 Shares are subject to a TSX-V Tier 2 Value Security Escrow Agreement, and subject to a 4 month hold period under applicable securities legislation. Shareholders of Argus have resolved to cause the distribution of the 4,000,000 Shares to Argus shareholders as an in specie dividend following their release from escrow.

#### Directors and Officers of Banyan

The current Board consisting of Richmond Graham, David Rutt, Mark Aryanto and John Hilland will remain. Officers of Banyan will consist of Mark Ayranto - Chairman of the Board of Directors, Richmond Graham - President, CEO and Director, David Rutt - CFO, Corporate Secretary and Director.

Paul D. Gray, P.Geo. has been appointed Vice President, Exploration. Bios of all officers and directors can be found in the filing statement dated January 31, 2013 and found on SEDAR.com