

**BANYAN GOLD CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE QUARTER ENDED DECEMBER 31, 2017**

**Background**

This discussion and analysis of financial position and results of operations is prepared as at February 28, 2018 and should be read in conjunction with the quarter end financial statements and the accompanying notes for the quarter ended December 31, 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](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.

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 at 0.99g/t.

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

### Selected Financial Information

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

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

#### Fiscal Quarters of the Fiscal Year Ended September 30, 2018

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations:</b>				
Revenues	\$ -			
Expenses	168,787			
Comprehensive Loss	(168,787)			
Loss per share – basic & fully diluted	(0.00)			
<b>Balance Sheet:</b>				
Working Capital	882,689			
Total Assets	4,564,301			
Total Long term liabilities	Nil			

#### Fiscal Quarters of the Fiscal Year Ended September 30, 2017

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations:</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses	57,480	275,059	257,000	(168,479)
Comprehensive Loss	(57,480)	(275,059)	(257,002)	168,479
Loss per share – basic & fully diluted	(0.00)	(0.01)	(0.00)	(0.00)
<b>Balance Sheet:</b>				
Working Capital	643,532	1,868,212	2,423,654	785,915
Total Assets	2,223,187	3,475,005	4,012,916	4,530,089
Total Longterm liabilities	Nil	Nil	Nil	Nil

## Fiscal Quarters of the Fiscal Year Ended September 30, 2016

All in \$ Cdn	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>Operations:</b>				
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)
<b>Balance Sheet:</b>				
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 Longterm liabilities	Nil	Nil	Nil	Nil

### Results of Operations

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

### Corporate Results

During the quarter, the Company continued to compile and consolidate historical and 2017 spring/summer work program data on the Aurex-McQuesten and Hyland Gold Projects. In addition, the Company announced it had satisfied its first year earn-in exploration expenditure commitment on the Aurex McQuesten properties optioned from Victoria Gold Corp. and Alexco Resource Corp., respectively. In order to finalize the first-year commitments, Banyan issued 750,000 shares to Victoria Gold and 400,000 shares to Alexco.

### Hyland Property

#### 2017 Work Program

##### *Main Zone Drilling*

The 2017 year's exploration efforts were focused on increasing confidence in the Main Zone Resource model as well as targeting resource expansion via testing the northern portion of the Main Zone, a previously under-tested zone prospective for the continuation of the Main Zone gold-silver mineralization. The program was well supported by an existing camp, pre-positioned vehicles, drilling and heavy equipment and existing roads.

Field work on the Hyland Gold Project began on July 6th, 2017 and was completed on September 27, 2017 with 3,850m of diamond drilling (Kluane Drilling of Whitehorse utilized as drill contractor) in 25 holes and the collection of 2,521 drill core samples sent for analysis to Bureau Veritas Minerals, two of the 25 holes (HY17-073 and 074) were dedicated holes for metallurgical testing.

The Hyland Main Zone Inferred Gold Resource Estimate, prepared in accordance with NI 43-101, at a 0.6g/t gold equivalent cut-off, 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 at 0.99g/t.

Drilling results from the Main Zone confirmed the results of previous operators, filled in gaps in the existing Main Zone drill hole coverage, and demonstrated that the model of an overturned antiform is valid for the deposit. The penultimate focus of the 2017 drill program was to extend defined mineralization to the north of the Main Zone

Summary of significant diamond drill hole results from the Hyland Gold Project 2017 program are presented in the following table.

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
<b>HY17-051</b>	33.5	141.7	108.2	0.44	2.5
incl.	69.0	82.3	15.3	0.99	4.3
<b>HY17-055</b>	83.6	141.0	<b>57.4</b>	<b>0.85</b>	<b>3.3</b>
<b>HY17-056</b>	79.4	174.0	94.6	0.65	7.0
<b>HY17-057</b>	138.0	184.0	<b>46.0</b>	<b>1.60</b>	<b>6.5</b>
<b>HY17-058</b>	117.0	131.1	14.1	0.87	2.1
<b>HY17-062*</b>	23.4	102.7	79.3	0.69	5.2
<b>HY17-063*</b>	128.5	132.7	4.2	0.84	9.1
incl.	131.0	132.7	1.7	1.76	21.0
<b>HY17-065*</b>	33.2	87.1	53.9	0.93	6.0
<b>HY17-066</b>	31.4	63.4	32.0	0.33	3.3
incl.	46.1	54.9	8.8	0.69	10.3
<b>HY17-067</b>	161.4	200.1	<b>38.0</b>	<b>1.18</b>	<b>3.9</b>
<b>HY17-068**</b>	0	66.6	66.6	0.73	6.1
<b>HY17-070</b>	0	39.0	39.0	0.41	5.1
<b>HY17-071</b>	0	9.1	9.1	0.45	23.3
<b>HY17-072</b>	88.6	102.6	14.0	0.36	0.1

*Unless otherwise note drill intercepts are reported as core intervals, true widths are estimated to be 80-90% of true widths*

*\*True widths are estimated to be 60-70% of drill core intervals*

*\*\*True width equals drill core interval*

### **Main Zone Trenching**

640m of surface trenches (336 samples) were completed across the Main Zone deposit to re-confirm the results of previous operators and to provide bedrock exposure for field mapping and structural analysis. Trenches TR17-01, 02 and 05 were over historic trenches and all returned gold-silver mineralization and over wide intervals. TR17-03 and 04 were angled across the deposit trending approximately 45° and were designed to test for mineralization plus with the orientation provide a different view of cross-cutting structures, with the trenches satisfying both. TR17-04 returned 1.19g/t Au and 13.2g/t Ag over 116m including 5.53g/t Au and 64.7g/t Ag over 12m. This trench was in the central part of the Main Zone with the higher grade intersect from a grey-weathered fault zone that has a northerly trend and can be traced between several trenches. Additionally, several new trenches to the north of the Main Zone, TR17-06 and 07, were excavated and sampled to in some areas of new bedrock exposure due to new trail construction for drill pad access. Trench highlights are in the following table:

Trench_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
TR17-02	14.0	70.0	56.0	1.40	3.94
TR17-04	6.0	122.0	116.0	1.19	13.2
and incl.	108.0	120.0	12.0	5.53	64.7
TR17-05	64.0	116.0	52.0	1.06	10.7
TR17-06b	8.0	24.0	16.0	0.685	15.1
TR17-07	0.0	22.0	22.0	1.47	50.0

The trench assay results are similar to drilling results with long continuous intersections of gold-silver mineralization and are punctuated with higher-grade intervals such as **12m of 5.53g/t Au** and **64.65g/t Ag** and **4m of 11.88g/t Au** and **54.65g/t Ag** in TR17-04.

### ***Camp Zone Trenching***

Two trenches of 44m and 180m respectively, with a total of 121 samples collected, were completed in an area 1.2km north of the northern most drill hole at the Main Zone (highlighted results in table below) following up on Trench CZ-16-01 from the 2016 exploration program that returned 96m of 0.64g/t Au from 0 to 96m, including **56m of 1.03g/t Au from 0 to 56m**. This area, termed the Camp Zone, lies along a northerly trending gold-arsenic anomaly that extends 2.5km from the southern end of the Main Zone and past the Camp Zone to the north. This trend contains scattered anomalous gold geochemical results, and recent trenching was successful including 5.2g/t Au and 1.2g/t Ag over 2m in Trench CZ17-04 which is similar to results from 2016 Camp Zone trenching, and along with results from Trench CZ17-03 indicates a strike length of at least 200m.

Trench_ID	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
<b>CZ17-03</b>	4.0	12.0	8.0	0.39	<0.005
<b>CZ17-04</b>	8.0	14.0	6.0	0.39	0.5
	104.0	106.0	2.0	1.28	<0.005
	144.0	152.0	8.0	2.25	0.5
incl.	146.0	148.0	2.0	5.2	1.2

### ***Hyland Soil Sampling***

Soil sampling was performed by Mammoth Exploration Ltd. of Whitehorse using a five man crew and focused on regional exploration including the largely un-explored Hyland South region of the property. Soil sampling occurred from August 12-27.

### ***Hyland South Soil Sampling***

The Hyland South area, located 5.3km southeast of Montrose Ridge, is still an early-phase exploration target. Two grids of 1.2x1.3km and 0.7x1.5km comprising 583 soil samples were designed to follow-up previous anomalous results in the area.

### ***Cuz/Montrose Ridge Soil Sampling***

Cuz and Montrose Ridge, located 3.5km and 6.0km south of the Main Zone respectively, have experienced sporadic exploration, mainly soil chemical sampling and trenching with some drilling on Cuz in 2005 and 2011. A 1.6x1.7m grid located to the northeast of Montrose Ridge and towards Cuz was completed with the collection of 368 samples. *Southeast Arsenic Soil Sampling*

The Main Zone is interpreted to be at the intersection of a north trending fault cut by an east-northeast trending structure. A narrow but long easterly trending grid of 0.7x1.8km and 90 samples was completed in this area.

### ***Collar Survey***

Underhill Geomatics Ltd. of Whitehorse completed a survey of all historic and 2017 drill collars.

### ***Metallurgical Testing***

Two dedicated holes, HY17-073 and 074, were drilled in the middle of the Main Zone to provide material for metallurgical testing. Six composite samples were collected, three each comprising representative oxide and sulphide material, and were sent to Kappes Cassidy and Associates of Reno, Nevada. Initial test work included 96-hour bottle roll tests which yielded averaged gold recoveries of 83.3%. Additional testing including column leach tests is ongoing.

### ***Analytical Method***

All drill core, trench and soil samples collected from the Hyland Gold program were analyzed at Bureau Veritas Minerals of Burnaby, B.C. utilizing the four acid digestion ICP-MS 35-element MA300 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 at the Hyland Gold Project. 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 these samples were delivered by Banyan personnel or a dedicated expeditor to the Bureau Veritas, Whitehorse preparatory laboratory where samples are prepared and then shipped to Bureau Veritas's Analytical laboratory in Burnaby, B.C. for pulverization and final chemical analysis. A robust system of standards was implemented in the 2017 exploration drilling and trenching program and were monitored as chemical assay data become available.

Trench samples were collected by chipping or mucking continuously along the face of the trench using a standard 2m sample length, areas of deep overburden were not sampled. A hand held GPS was used to record the beginning and end of trenches and points in between were often collected to indicate any bends in the trench. Similar to drill core, the samples were collected into poly ore bags and shipped by Banyan personnel or dedicated expeditor to the Bureau Veritas preparatory lab in Whitehorse for

analysis. Soil samples were collected based on a grid with 100m spaced lines and samples collected 50m apart. Samplers utilized a handheld GPS to record a waypoint at the location of all samples and also recorded sample information, depth, quality, colour, and organic matter content of the sample. All trench and soil samples were analyzed with the same methods and procedures as drill core.

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 Resources 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 intrusion-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 5<sup>th</sup> 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 a 3% 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 a 100% 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 5<sup>th</sup> 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)

**2017 Work Program**

Banyan began surface exploration work on the Aurex-McQuesten Property on May 11<sup>th</sup>. During the quarter the Company completed its inaugural exploration program at the combined Aurex-McQuesten Project that consisted of property-wide geochemical surveys, re-opening and sampling of 470m of historic trenches, along with a 1,421.88 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.

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's nearby Eagle Gold Project, as well as silver mineralization related to faults similar to those found at Alexco's Keno Hill District.

### McQuesten and Aurex Drilling

Drill crews mobilized on June 10th with drilling commencing on the McQuesten showing on June 11 and running till June 21 when the drill was moved to Aurex with all drilling completed on June 27. At the end of drilling operations 913m had been completed in six holes on the McQuesten showing and the collection of 647 samples, while Aurex had 509m of drilling in 4 holes with the collection of 360 samples. All field work was completed on June 30th when field operations ceased and the drill and all equipment were removed from site on July 2.

Table of significant results from diamond drill holes on the McQuesten Showing below:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
<b>MQ17-024</b>	24.4	55.1	30.7	0.44	0.9
incl.	25.9	35.7	9.8	0.69	1.4
incl.	27.4	28.9	<b>1.5</b>	<b>2.1</b>	<b>1.1</b>
also	91.4	94.5	3.1	2.62	4.7
incl.	91.4	92.1	<b>0.6</b>	<b>9.98</b>	<b>6.3</b>
also	112.2	128	15.8	0.68	1.5
incl.	117.5	128	10.5	0.9	1.8
<b>MQ17-025</b>	72.7	81.6	8.8	0.76	0.8
incl.	74.5	78.1	3.5	1.25	1.7
<b>MQ17-026</b>	5.8	22.1	16.3	1.49	0.5
also	26.9	34.4	7.4	1.55	1
incl.	26.9	28.2	1.3	6.85	0.8
also	36.6	37.5	<b>0.9</b>	<b>2.79</b>	<b>3.5</b>
also	56.4	78.5	22.1	1.37	0.6
incl.	70.9	78.5	7.6	2.39	0.7
also	96	102.1	6.1	1.95	1.5
incl.	96	98.4	2.4	3.04	1.8
also	120.4	129.9	9.5	1.23	0.4
incl.	126.2	128.1	1.9	5.07	0
<b>MQ17-027</b>	44.2	60.6	16.4	0.45	0.6
also	66.4	70.8	4.4	1.27	1.1
<b>MQ17-028</b>	36.2	45.4	9.1	0.56	0.6
incl.	36.2	36.6	0.4	7.57	2.7
also	72.6	107.4	34.8	0.69	0.4
incl.	77.8	96.9	19.1	0.91	0.4

incl.	77.8	81.9	<b>4.1</b>	<b>2.38</b>	0.7
<b>MQ17-029</b>	33.7	141.4	107.7	0.66	0.8
incl.	67	79.2	12.3	1.03	1.2
incl.	96.1	98.4	2.3	4.4	1
incl.	110.6	112.1	<b>1.5</b>	<b>8.44</b>	2
incl.	120	136.3	17.5	0.92	0.4
which incl.	120	120.8	2.6	3.95	1

Table of significant results from diamond drill holes on the Aurex Hill Showing below:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
<b>AX17-026</b>	52.7	76.8	24.1	0.3	0.4
incl.	52.7	53.5	0.8	0.8	<0.5
and incl.	69	70.5	1.5	0.9	0.7
and incl.	75.8	76.8	1	1.1	0.6
also	97	99	<b>2</b>	<b>1.5</b>	1.1
also	126.1	127.2	<b>1.1</b>	<b>1.4</b>	<b>4.4</b>
<b>AX17-027**</b>	15	16.8	1.8	0.8	<0.5
	19.8	35.1	15.3	0.2	0.3
<b>AX17-028</b>	32	44.2	12.2	0.9	0.3
	38.1	44.2	6.1	1.4	0.4
	42.2	44.2	2	3.5	<0.5
	77	90.2	<b>13.2</b>	<b>1</b>	0.8
	86.2	90.2	<b>4</b>	<b>2.2</b>	2.3
	88.3	90.2	<b>1.9</b>	<b>3.6</b>	1.8
<b>AX17-029</b>	16.7	19.8	3.1	0.6	0.9
	82.5	101.1	18.6	0.3	3

\* Drill intercepts are reported as core intervals, true widths are not known.

\*\*Drill Hole AX17-027 was lost at a depth of 35.05 m due to poor ground conditions

## Trenches

Trenches were excavated on the McQuesten showing and included the reopening of old trenches to confirm the results of previous operators and ran concurrently with the drill operations. Trenches were also mapped with the recording of structural, mineralization, alteration and lithological data. At the cessation of operations, 470m had been excavated and 235 samples were collected

Trench_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
<b>TR17-01</b>	2	46	<b>44</b>	<b>0.5</b>	6.8
incl.	12	16	<b>4</b>	<b>1.8</b>	0.8
incl.	14	16	<b>2</b>	<b>3</b>	1.4
incl.	26	28	2	0.7	1.1
incl.	40	42	2	1.8	16.8
	82	90	8	0.6	0
<b>TR17-02</b>	32	34	<b>2</b>	<b>3.4</b>	1.7
	44	64	<b>20</b>	<b>1.1</b>	1.1
incl.	46	60	14	1.5	1.6
	80	88	8	0.3	0
<b>TR17-03</b>	34	126	<b>92</b>	<b>0.4</b>	0.5
incl.	34	64	<b>30</b>	<b>1</b>	0.4
which incl.	48	50	2	1.1	0
and incl.	60	62	<b>2</b>	<b>9.8</b>	2.5
and	84	86	2	0.6	0.8
and	110	112	2	0.6	0.8
and	124	126	2	0.8	0.9
<b>TR17-04</b>	46	48	2	1.6	0.8

### Soil Sampling

Several soil lines were run across and around the periphery of the McQuesten showing along east-west and north-south grids, with several additional grids on the Aurex showing near the head of Corkery Creek. 322 samples were collected on the McQuesten Property as well as 697 samples collected on the Aurex property.

### Geophysical Survey

Precision GeoSurveys Inc. of Langley BC was performing an airborne geophysical survey at the nearby Eagle Project and on June 9th was able to perform an airborne geophysical survey on the Aurex-McQuesten Property. The data collected was an airborne magnetic and radiometric survey over the McQuesten showing and consisted of 181 line km of survey and tie lines at a spacing of 50m over an area of 8km<sup>2</sup>.

## **Other Work**

### *Moving 2003 Aurex Core*

Drill core from the 2003 Aurex drill program undertaken by Strata Gold had been stored in a remote location on the Aurex property but for security and preservation, all core was moved to Alexco's Elsa Mine site for suitable storage. All core was photographed before moving and as some boxes were in poor shape these were re-boxed in new boxes.

### *Compilation of Existing Geophysics by Aurora Geophysics*

As part of the geological data compilation program that Banyan undertook with respect to the combined Aurex-McQuesten property and to assist with exploration targeting at the Property, in June of 2017, Aurora Geosciences ("Aurora") of Whitehorse, YT was contracted to assist with the multiple vintages and types of geophysical datasets that have been conducted on the properties over the years. In mid-August, Aurora delivered a final report complete with detailed combined datasets for each of the available Magnetic, Induced Polarization, and Electromagnetic surveys that have been conducted on the Property to date.

In specific, multiple magnetic data (from two airborne surveys and three ground surveys) were compiled and analyzed with the ground magnetic data from 2012, 2003, and 1995, levelled and consolidated into a single database with commiserate datum shifts were applied to bring them in line with the 1996 and 2000 airborne surveys. Data from three IP surveys conducted on the Property (two from 1998 and one from 2003) were also evaluated and merged into a single dataset. Lastly, five separate VLF-EM surveys (two from 1995, and one each from 1996, 2006 and 2012) were also compiled into a single dataset.

This combination and evaluation of hitherto disparate datasets is part of the value-add that Banyan has brought to the Aurex-McQuesten Project, with a single company compiling these valuable datasets into a single database for the first time. The targets generated by this inexpensive study have taken advantage of over 20 years of quality geophysical datasets and together have created a Property wide dataset greater than the sum of the parts.

### *Analytical Methods*

All drill core samples collected from the Aurex-McQuesten program were analyzed at Bureau Veritas of Burnaby, B.C. utilizing the four acid digestion ICP-MS 35-element MA300 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 at Alexco's Elsa processing facility. 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 these samples were shipped to the Bureau Veritas, 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. A robust system of standards was implemented in the 2017 exploration drilling program and was monitored as chemical assay data became available.

Trench samples were collected by chipping or mucking continuously along the face of the trench using a standard 2m sample length, areas of deep overburden were not sampled. A hand held GPS was used to record the beginning and end of trenches and points in between were often collected to indicate any bends in the trench. Similar to drill core, the samples were collected into poly ore bags and shipped by Banyan personnel or dedicated expeditor to the Bureau Veritas preparatory lab in Whitehorse for analysis. Soil samples were collected based on a grid with 100m spaced lines and samples collected 50m apart. Samplers utilized a handheld GPS to record a waypoint at the location of all samples and also recorded sample information, depth, quality, colour, and organic matter content of the sample. All trench and soil samples were analyzed with the same methods and procedures as drill core.

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

#### Analysis of Property Expenditures:

	Aurex	McQuesten	Hyland	Total
<b>Balance, September 30, 2016</b>	<b>Nil</b>	<b>Nil</b>	<b>\$ 1,349,222</b>	<b>1,349,222</b>
Acquisition Costs	Nil	Nil	Nil	Nil
Exploration & Evaluation Expenses Capitalized	Nil	Nil	87,884	87,884
<b>Balance, December 31, 2016</b>	<b>Nil</b>	<b>Nil</b>	<b>1,437,105</b>	<b>1,437,105</b>
<b>Balance, September 30, 2017</b>	<b>244,196</b>	<b>334,112</b>	<b>2,617,208</b>	<b>3,195,516</b>
Acquisition Costs	58,500	31,200	Nil	89,700
Exploration & Evaluation Expenses Capitalized	10,658	8,157	170,588	189,403
<b>Balance, December 31, 2017</b>	<b>313,354</b>	<b>373,469</b>	<b>2,787,796</b>	<b>3,474,619</b>

During the quarter ended December 31, 2017, the Company recorded a net loss of \$(168,787) vs a loss of \$(57,480) in the prior year quarter ended December 31, 2016. The current quarter loss is mostly the result of an increase of management fees (\$58.0K in December 2017 vs \$12.2K in 2016) as the Company employed a full time CEO and increased financing activity; stock based compensation (\$48.1K in December 2017 vs \$24.4K in 2016) for the issuance of stock options with the increase being partially driven by the addition of staff; professional fees (\$35.9K in 2017 vs \$14.9K in 2016) as the Company increased marketing activities and general and admin (\$33.1K 2017 vs \$24.3K in 2016) as the Company increased staffing year over year and began having additional office space.

#### Additional Disclosure for General & Administrative Costs

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

General & Admin & Material Costs	Quarter Ended December 31, 2017	Quarter Ended December 31, 2016
<b>General &amp; Admin:</b>		
Travel	8,899	6,563
Insurance	7,000	0
Rent	5,020	0
Amortization	4,016	0
Advertising & Promotion	3,144	13,320
Transfer Agent Fees	1,835	1,864
Office Supplies	1,137	1,174
Payroll	958	0
Telephone	761	520
Bank Charges	359	167
Training	0	650

#### 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, 2017, the Company raised gross proceeds of \$5,870,646 from the sale of its common shares.

As at December 31, 2017, the Company had working capital of \$882,689 (2016 - \$643,532) which will be sufficient to fund the Company thru the next fiscal year including a summer work program. The Company has no contractual obligations and the recent Hyland work program will maintain the Company's Hyland Property in good standing into 2021.

#### **Off-Balance Sheet Arrangements**

None

#### **Proposed Transactions**

None

#### **Transactions With Related Parties**

During the quarter, \$58,000 (2016 - \$20,733) was billed to the corporation by officers and directors of the Company. \$45,000 (2016 - \$ nil) was billed by KECM Services, a Company controlled by the CEO, \$13,000 ( 2016 - \$10,233) has been billed to management fees by 1195472 Ontario Ltd. for the CFO, \$ nil (2016 - \$10,500) to professional fees by Paul D. Gray Geological Consulting.

#### **Critical Judgments and Accounting Estimates**

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

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could 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 Companies significant accounting policies are detailed in Note 3 to the Annual Financial Statements.

### **New Standards and Interpretations**

The following new standards have been issued but are not yet applicable to the Company:

#### *i) IFRS 9 Financial Instruments*

As part of the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, this standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets. More specifically, the standard:

- Deals with classification and measurement of financial assets;
- Establishes two primary measurement categories for financial assets: amortized cost and fair value;
- Prescribes that classification depends on entity's business model and the contractual cash flow characteristics of the financial asset;
- Eliminates the existing categories: held to maturity, available for sale, and loans and receivables.

Certain changes were also made regarding the fair value option for financial liabilities and accounting for certain derivatives linked to unquoted equity instruments.

This standard is effective for annual periods beginning on or after January 1, 2018. The Company will adopt this standard when it becomes effective. The Company has currently not assessed the impact of adopting this standard.

#### *ii) IFRS 15 Revenue from Contracts with Customers*

IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

This standard is effective for annual periods beginning on or after January 1, 2018. The Company will adopt this standard when it becomes effective. The Company has currently not assessed the impact of adopting this standard.

#### *iii) IFRS 16 Leases*

IFRS 16, Leases will replace existing guidance on accounting for leases. The accounting treatment of leases by lessee will change fundamentally.

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

This standard is effective for annual periods beginning January 1, 2019. The Company will adopt this standard when it becomes effective. The Company does not currently have any leases and this change is not expected to have a material impact.

## **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 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.

### ***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 mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

### ***Reliance on Management and Dependence on Key Personnel***

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

### ***No Mineral Reserves***

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

### ***Environmental Risks***

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

### ***Governmental Regulations and Licenses and Permits***

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

subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

### ***Local Resident Concerns***

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

### ***Conflicts of Interest***

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

### ***Uninsurable Risks***

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

### ***Investor Relations Activities***

The Company does not have any investor relations arrangements.

### ***Financing Activities***

During the quarter ended December 31, 2017, the Corporation raised a total of \$530,000 through equity financings as detailed below. All financing activities are carried out under the approval of the Board of Directors and are formalized through Director Resolutions.

On December 22, 2017, the TSX Venture Exchange approved a non-brokered private placement of \$530,000. The Private Placement consisted of 5,300,000 flow through shares (within the meaning of the *Income Tax Act* (Canada)), priced at \$0.10 per share. The financing was subject to a finders fee of \$18,000 to a third party.

## Disclosure of Outstanding Share Data

a) Authorized and Issued capital stock:

As of December 31, 2017:

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 December 31, 2017, there are 77,704,193 issued and outstanding Class A common shares.

b) Warrants Outstanding:

As of December 31, 2017

Number	Exercise Price	Expiry Date
5,955,004	\$ 0.115	September 8, 2019*
<u>3,632,287</u>	\$ 0.085	August 24, 2018
9,587,291		

Note\*: Subject to an acceleration clause. The warrants will be subject to an acceleration clause whereby they 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-V is greater than 13 cents 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 2, 2022
2,050,000	\$ 0.12	September 23, 2022
<u>700,000</u>	\$ 0.08	December 29, 2022
<u>6,550,050</u>		

## Subsequent Event

None