BANYAN GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Background

This discussion and analysis of financial position and results of operations is prepared as at January 10, 2017 and should be read in conjunction with the audited financial statements and the accompanying notes for the fiscal year ended September 30, 2016 for Banyan Gold Corp. (the "Company"). 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

Certain statements contained in this MD&A, including statements or information that contain terminology such as "probable", "proposed", "anticipated", "may", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities are forward-looking statements. These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control.

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 (“Definative 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 Property contains a Main Zone NI 43-101 Compliant Resource of 361,692 oz gold (12,503,994 tonnes of 0.90 g/t Au) and 2,248,948 oz silver (12,503,994 tonnes of 5.59 g/t Ag).

Management Changes and Results of the Annual General Meeting

On February 1, 2016, the Company announced the appointment of Mr. Mark Haywood as President, Chief Executive Officer and Director of the Corporation. Banyan Gold Corp held its Annual General Meeting ("AGM") on June 21, 2016. Richmond Graham, Mark Ayranto, Jay Collins, Mark Haywood and Tara Christie were re-elected as directors. Banyan Gold also announced that all resolutions put forward in the proxy at the annual shareholder meeting of Banyan Gold were passed by shareholders. Mr. Haywood subsequently resigned on June 30, 2016.

On August 5, 2016, the Company announced the appointment of Tara Christie to the position of President and Chief Executive Officer. Ms. Christie is an accomplished mining executive with more than 20 years of operational experience. She has managed a number of private and publicly listed mineral resource companies and served as a member of the Yukon Environmental and Socioeconomic Assessment Board. Ms. Christie completed her Bachelor’s and Master’s Degrees in Geotechnical Engineering and has spent most of her career working in the Yukon and on resource exploration and development projects in Northern Canada.

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”).

	Audited Fiscal Year Ended		
All in $ Cdn	**2016**	**2015**	**2014**
Operations:			
Revenues	$ -	$ -	$ -
Expenses	490,829	225,794	283,962
Comprehensive Loss	(490,829)	(225,794)	(283,962)
Loss per share – basic & fully diluted	(0.02)	(0.01)	(0.02)
Balance Sheet:			
Working Capital	764,047	11,395	62,630
Total Assets	2,319,439	1,151,667	812,375
Total Long term liabilities	Nil	Nil	Nil

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, 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)	(0.01)
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

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

Hyland Property

2016 Work Program

The 2016 Hyland Gold Project exploration program consisted of a diamond drilling program within the Hyland Main Zone deposit, a detailed trench program in the Camp Zone and Montrose Ridge Zone and an in-fill and step-out soils geochemical program over the Montrose Ridge and Hyland South areas of the Property.

Diamond Drilling

Three HQ/NQ drillholes totaling 475 metres in length (312 drillcore samples were collected and analyzed as part of the diamond drilling program and additionally mineralized oxide and sulphide material from the Main Zone was collected and tested for metallurgical recovery). Drill core assays ranged from trace to 6.68 g/t Au and averaged 0.46 g/t Au. Only 16 of the 312 samples returned over 2.0 g/t Au, a fact that highlights the consistent nature of the Main Zone mineralization.

The drill program targeted in-fill and extension of the Main Zone gold-silver deposit. Each of the three holes drilled in 2016 returned long intervals of Main Zone mineralization including: 30.7 metres of 1.30g/t Au and 8.0 g/t Ag from 18.3 to 49.0 metres (drill hole HY-16-48); 27.1 metres of 1.02 g/t Au and 16 g/t Ag from 24.4 to 51.5 metres (drillhole HY-16-49); and 35.7 metres of 1.00 g/t Au and 2.5 g/t Ag from 76.0 to 111.6 metres (drill hole HY-16-10). The 2016 drill results have further confirmed the structure and continuity of the Main Zone gold-silver Resource* and highlight the grade potential at Hyland's Main Zone. The Main Zone Deposit remains open for expansion to the east, north and to depth.

**The Main Zone gold Inferred Resource, at a 0.6 g/t gold equivalent ("AuEq") cutoff, hosts a NI 43-101 compliant Resource of 12,503,994 tonnes containing 361,692 ounces gold at 0.9 g/t and 2,248,948 ounces silver at 5.59 g/t for a combined gold and silver 396,468 ounces gold equivalent.*

Table 1: Selected Intervals from Hyland Main Zone 2016 Drill Program

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
HY-16-48	1.2	103.0	101.8	0.67	5.3
including	18.3	49.0	**30.7**	**1.30**	**8.0**
and including	61.0	103.0	42.0	0.57	4.7
HY-16-49	0.0	143.0	143.0	0.50	12.2
including	24.4	51.5	**27.1**	**1.02**	**16.0**
and including	90.5	124.0	**33.5**	**0.75**	**7.0**
HY-16-50	0.0	125.0	125.0	0.70	4.8
including	15.2	67.5	**52.3**	**0.83**	**3.3**
and including	76.0	111.6	**35.7**	**1.00**	**2.5**

Trenches

In total, seven trenches (two in the Camp Zone and five at Montrose Ridge) totaling 660 metres were excavated and sampled with 291 samples collected. Gold grades from these samples ranged from trace to 9.22 g/t Au and averaged 60 ppb Au. The gold mineralization identified in the Camp Zone trenches remains open in all directions. The 2016 trenching was successful in defining geometry and structure at Montrose Ridge and Camp Zones and positions the Company well for the 2017 exploration program.

Trench CZ-16-01 returned 96 metres of 0.64 g/t Au from 0 to 96 metres, including **56 metres of 1.03 g/t Au from 0 to 56 metres.** This trench was excavated in the Camp Zone, north of the 2015 diamond drill holes (See Banyan News Release dated September 17, 2015) and was designed to test a previously untested portion of a zone interpreted to host the mineralized north-south trending Quartz Lake Corridor, the >18km long structure that is believed to control gold mineralization on the Hyland Gold Project. Trench CZ-16-01 intersected a broad fault zone consisting of predominantly gouge and brecciated clastic units of the Hyland Formation within the mineralized interval.

This area of the Camp Zone had seen previous, but limited trench sample campaigns in the 1980's by Archer-Cathro, however these efforts did not produce long continuous gold mineralized results such as this year's trench CZ-16-01. Management postulates that the excavator utilized for this season's trench excavations afforded better depth penetration than historic trench efforts, and samples that are more representative have thus been collected and analyzed. Further trenches in the Camp Zone area are highly warranted.

Much like at the Cuz and Montrose Ridge Zones, this season's trench sampling established a lack of a silver association with the Camp Zone gold mineralization. This fits with management's interpretation that these zones represent separate mineralized systems from the Hyland Main Zone gold-silver system, where an approximate 1:4 gold-silver ratio exits. This continues to affirm the concept of repeated, multi-phased gold mineralization events at the Hyland Project is consistent with a District-Scale gold system.

Soils Geochemistry

Coincident with the trench and diamond drilling program at Hyland in 2016, a soils geochemical program focused on expanding the soil coverage around the Montrose Ridge zone was completed. 592 soils samples were collected from these efforts, all of which were analyzed by XRF Instrumentation. The results continue to define strongly anomalous As+Bi trends and correspond well with the soil geochemical data Banyan has previously collected. In 2015, XRF-Chemical analyses of soils samples in the Montrose Ridge zone established a strong correlation with a bismuth-gold relationship (See Company News Release dated Sept 17, 2015). These geochemically anomalous trends are interpreted to represent mineralized structures that can now be followed up with trenches and drill holes. XRF results for Bi ranged from trace to 626 ppm Bi and averaged 10 ppm Bi; As results ranged from trace to 541 ppm As and averaged 21 ppm As.

Sample Collection Methods

All trench samples were collected from excavated trenches by Banyan staff on systematic two (Montrose Ridge) or four (Camp Zone) meter intervals as marked out with spray paint using a 100 meter measuring tape. All trench samples were collected as continuous chip and/or channel samples from exposed lithologies on the walls of the trenches. Trench samples were sealed in polybags at the sample site along with one inserted part of a three-part sample tag. Handheld GPS recorded sample number and location coordinates.

All soil samples were collected by Banyan staff utilizing shovel and hand-held soil sampling auger. Samples were collected at regular intervals from the B or C horizon wherever possible at depths that varied from 10 and 60 cm. Sample forms were filled out at each site containing germane information on all samples collected including GPS coordinates and soil sample descriptions. Samples collected in the field were sealed at the sample point with sample numbers written on the Kraft Sample Bags and one part of a three-part sample tag inserted into Sample bag at sample site.

Analytical Method

All drill core samples collected from the Hyland 2016 program were analyzed at SGS Canada Inc. of Burnaby, B.C. utilizing the GE-ICP14B, 34-element ICP analytical package with GE-FAA515 50-gram Fire Assay with Gravimetric finish for gold on all samples. GE_ICP14B. All core samples were split on-site at Banyan's Quartz Lake exploration camp core processing facilities. Once split, half samples were placed back in the core boxes with the other half of split samples sealed in poly bags with one part of a three-part sample tag inserted within. All these samples were shipped to the SGS's Burnaby, B.C. Laboratory where samples were sorted and crushed to appropriate particle size (pulp) and representatively split to a smaller size for analysis. A robust system of standards was implemented in the 2016 exploration drilling program and was monitored as chemical assay data became available.

All exploration trench samples collected from the Hyland 2016 program were analyzed at SGS Canada Inc. of Burnaby, B.C. utilizing the GE-ARM133, 48-element ICP analytical package with GE-FAA515 50-gram Fire Assay with Gravimetric finish for gold on selected samples. All trench samples collected from the Hyland Gold Project in 2016 were bagged and tagged at the trench face, with samples subsequently organized for final shipment at the Company's Quartz Lake Exploration camp. From there, samples were shipped to SGS Canada Inc.'s Burnaby laboratory where they were sorted and crushed to appropriate particle size (coarse crush) and representatively split to a smaller size (

All Hyland gold 2016 soils samples were analyzed using a portable XRF (Olympus Innov-X Delta Premium XRF) unit. Soil samples were dried and transferred into a thin plastic bag ('Glad' Sandwich Bag) and placed into the XRF workstation, and subsequently analyzed under a three beam SOIL setting of 30:30:30.

Analysis of Hyland Expenditures:

Balance, September 30, 2013	**$**	**683,868**
Government grant for work completed		(35,000)
Exploration and evaluation expenses capitalized		65,308
Balance, September 30, 2014	**$**	**714,176**
Government grant & accrual for work completed		(87,965)
Exploration and evaluation expenses capitalized		423,156
Balance, September 30, 2015	**$**	**1,049,367**
Exploration and evaluation expenses capitalized		299,855
Balance, September 30, 2016	**$**	**1,349,223**

During the fiscal year ended September 30, 2016, the Company recorded a net loss of $(490,829) vs a loss of $(225,794) in fiscal 2015. The current year loss is mostly the result of professional fees ($170.9K in 2016 vs $84.8K in 2015), future income tax renunciation ($95.4K in 2016 vs nil in 2015), and stock based compensation ($91.4K in 2016 vs $26.6K in 2015). The increase in Professional fees was driven by additional efforts to seek out acquisitions and financings while the increase in stock based compensation was the result of bringing on new executive officers. The future income tax renunciation expense is a result of completing a flow through financing during the calendar year which was in turn not full expended during the period.

During the fourth quarter ended September 30, 2016, the Company recorded a net loss of $(259,027) vs a loss of $(94,228) in the fourth quarter of 2015. The current quarter loss is mostly the result of the future income tax renunciation mentioned above ($95.4K in 2016 vs nil in 2015), stock based compensation ($71.9K in 2015 vs $ 26.6K in 2015), and professional fees ($21.9K in 2016 vs $14.5K in 2015).

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	Fiscal Year End September 30, 2016	Fiscal Year End September 30, 2015
General & Admin:		
Advertising & Promotions	22,813	25,231
Travel	13,332	7,137
Insurance	10,200	10,450
Transfer Agent Fees	9,975	7,416
Shareholder Com – AGM	7,879	5,534
Rent	6,623	1,287
Office Supplies	3,428	1,831
Telephone	2,434	1,722
Profession Dues	1,991	0
Courier & Postage	978	489
Interest & Bank Charges	885	258

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 September 30, 2016, the Company raised gross proceeds of $2,995,050 from the sale of its common shares.

As at September 30, 2016, the Company had working capital of $764,047 (2015 - $11,395) which will be sufficient to fund the Company thru the next fiscal year and a financing will be required to fund the Company's long term business plan. 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 year, $179,500 (2015 - $84,000) was billed to the corporation by officers and directors of the Company. $42,000 (2015 - $42,000) has been billed to management fees by 1195472 Ontario Ltd. for the CFO, $38,500 (2015 - $38,500) to professional fees by Paul D. Gray Geological

Consulting, and a further $3,500 (2015 – $3,500) has been capitalized against the Hyland Project by Paul D.Gray Geological Consulting. A further $50,000 (2015 - Nil) in professional fees was incurred by the previous CEO and $45,500 (2015 - Nil) was invoiced for professional services by KECM Services, a Company controlled by a director. As of September 30, 2016 there were balances in accounts payable of $17,500 (2015 – Nil) related to these expenses.

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.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expense are translated at the exchange approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit and highly liquid short-term interest bearing variable rate investments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

• Fair value through profit or loss - this category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. These assets are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

• Loans and receivables - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

• Held-to-maturity investments - these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

• Available-for-sale - non-derivative financial assets not included in the above categories are classified as available-for-sale. These assets are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of operations. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. These liabilities are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities include amounts due to related parties and accounts payables and accrued liabilities. This category is measured in the statement of financial position at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company's receivables are classified as loans and receivables.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Property Plant & Equipment

At acquisition, the Company records property and equipment at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price; broker's commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

The Company capitalizes cost that meet the asset recognition criteria. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance expenses and are accounted for in the profit and loss in the period.

The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property over their estimated useful lives. The annual amortization rates are as follows:

Automotive	30%

Depreciation of property and equipment utilized in the exploration of assets, including mine exploration, is recapitalized as exploration and evaluation costs attributable to the related asset.

Interest Income

Interest income is recognized as it accrues in the statement of loss and comprehensive loss, using the effective interest method.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense is recognized in the statements of comprehensive loss except to the extent it relates to an item recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Mineral exploration and evaluation expenditures

Costs that are directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such cost as: materials used, surveying costs, geological costs, drilling costs, travel to and from the site, and payments made to contractors. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead, are expensed in the year in which they occur.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of restoration obligation in the year in which the obligation is incurred. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. The discounted liability is increased for the changes in present value based on current market discount rates and liabilities specific risks.

Segment reporting

The Company determined that it had only one operating segment.

New Standards and Interpretations

The following new standards have been adopted and are applicable to the Company:

i) *IFRS 7 Statement of Cash Flows*

IFRS 7 has been amended to require additional disclosures on transition from IAS 39 to IFRS 9, effective for annual periods beginning on or after January 1, 2015. The application of this IFRS did not have a material impact on the amounts reported in the current or prior years.

Future Accounting Policies

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

ii) *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.

iii) 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.

iv) 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 has currently not assessed the impact of adopting this standard.

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.

Financing Activities

During the fiscal year ended September 30, 2016, the Corporation raised a total of $1,400,000 through equity financings as detailed below, in addition to extinguishing $45,500 in debt thru the issuance of shares and a further $30,000 raised thru the exercise of stock option.

On January 29, 2016, the Company completed a non-brokered private placement for $200,000 by issuing 4,000,000 Units at a price of $0.05 per Unit. Each Unit consists of one common share and one full common share purchase warrant exercisable at $0.07 for 36 months from the date of issuance. The warrants, which form part of the units, 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 10 cents for 15 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. A total share issuance costs incurred equaled $63,477, of which $61,127 was assigned to the value of the share purchase warrants based on the Black Scholes pricing model.

On August 10, 2016, the Company issued 700,000 Common Shares at a deemed value of $0.065 to a company controlled by a Director of the Company to extinguish $45,500 in debt.

On August 23, 2016, the Company completed a non-brokered private placement for $1,200,000. The financing consists of 8,157,349 flow-through shares at a price of $0.075 per flow-through share for gross proceeds of $611,801. A further 9,049,211 hard units at $0.065 per Unit for gross proceeds of $588,198 were issued.

Each Unit consists of one common share and one-half of a common share purchase warrant, each full warrant being exercisable for a period of 24 months from closing into one common share at a price of $0.085. A total share issuance costs incurred equaled $333,563, of which $310,703 was assigned to the value of the share purchase warrants based on the Black Scholes pricing model. Furthermore, since all of the flow thru funds were not expended during the current fiscal year, a future income tax liability of $95,445 has been established.

During the year, 600,000 stock options held by a former officer were exercised at $0.05 for total gross proceeds of $30,000. $19,453 was reallocated between contributed surplus and the common share account.

Disclosure of Outstanding Share Data

a) Authorized and Issued capital stock:

As of September 30, 2016:

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 September 30, 2016, there are 46,890,560 issued and outstanding common shares.

b) Warrants Outstanding:

As of September 30, 2016

Number	Exercise Price	Expiry Date
4,350,000	$ 0.075	March 13, 2017*
600,000	$ 0.075	April 10, 2017*
4,000,000	$ 0.07	January 29, 2019*
4,524,604	$ 0.085	August 4, 2018
13,474,604		

Note*: Subject to an acceleration clause.

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
2,650,050		

Subsequent Event

Subsequent to year end Banyan Gold Corp. has appointed Sean Harvey to be an advisor to Banyan. T. Sean Harvey, MBA, LLB, has a depth of experience in the mining industry, having spent 10 years in investment and merchant banking, primarily focused on the mining sector. More recently, he has held senior executive and board positions with a number of mining companies, including TVX Gold Inc., Atlantico Gold Inc. and Orvana Minerals Corp. He also serves as a director of Victoria Gold

Corp., Abacus Minerals, Perseus Mining Ltd., Serabi Gold PLC and Sarama Resources Ltd. He has an MBA in finance and an LLB specializing in tax and corporate law, an honours BA in economics and geography, and an MA in economics. He is a member of the Law Society of Upper Canada.

The company issued a total of 350,000 stock options on October 27 at seven cents per share to directors, officers and advisers of the company, exercisable for a period of 5 years.