

**BANYAN GOLD CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE QUARTER ENDED JUNE 30, 2018**

**Background**

This discussion and analysis of financial position and results of operations is prepared as at August 17th, 2018 and should be read in conjunction with the quarter end financial statements and the accompanying notes for the quarter ended June 30, 2018 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 Definitive 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 announced NI 43-101 compliant resource on March 22, 2018 as follows:

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

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

(2) Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq. AuEq grade is based on \$1,350.00/oz Au, \$17.00/oz Ag and assumes a 100% recovery. The AuEq calculation does not apply any adjustment factors for difference in metallurgical recoveries of gold and silver. This information can only be derived from definitive metallurgical testing which has yet to be completed.

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	151,953	57,390	
Comprehensive Loss	(168,787)	(151,407)	(56,878)	
Loss per share – basic & fully diluted	(0.00)	(0.00)	(0.00)	
<b>Balance Sheet:</b>				
Working Capital	882,689	700,914	299,733	
Total Assets	4,564,301	4,434,247	4,513,984	
Total Long term liabilities	Nil	Nil	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 Long term 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

### Corporate Results

During the nine month period, 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 and 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.

During Spring 2018, the Company carried out an exploration program at Hyland which was focused on the establishment of mineralization continuity between the current N.I. 43-101 compliant resource at the Main Zone and the Camp Zone, over areas previously untested. To this end, 1.25km of strike length was tested by 11 diamond drill holes. A total of 1,300 metres of diamond drilling was completed from 10 drill pads. The diamond drilling activities targeted the projected shallow dipping upper limb of the Main Zone resource in an attempt to delineate the location of the hinge zone for future drilling programs. In addition to the diamond drilling, eight targeted trenches consisting of 1,194 meters were completed

towards identification of surface expressions of gold mineralization between the Main Zone and Camp Zone.

All trench and drill core samples were sent to Bureau Veritas sample prep facilities in Whitehorse, YT.

Lastly, prospecting in the CUZ Zone resulted in the collection of 25 select rocks samples and 176 verification soil samples were collected in two anomalous gold-in-soil zones.

Assay results for all submitted samples are expected by late Q4 2018.

## Hyland Property

The compiled results of the 2016 – 2017 drill programs, a 2016 Property-wide LIDAR Survey and ground based drill-hole location/survey work have enabled the Company to increase and improve the Mineral Resource Estimate on the Main Zone. Concurrently, the work resulted in a new geological model based on combined structural and geological controls where gold+silver mineralization preferentially develops within the brittle quartzite units, opening potential mineralization continuity at the Main Zone on all sides and to depth. In addition, Banyan’s recently released impressive leaching kinetics (see news release dated March 13, 2018) demonstrate the Main Zone is potentially amenable to an open-pit, heap leach style processing method.

Hyland’s Indicated Mineral Resource has increased to 8.6 million tonnes grading 0.85 g/t gold equivalent (“AuEq”) for **236,000 AuEq ounces** with an Inferred Mineral Resource of 10.8 million tonnes grading 0.83 g/t AuEq for **288,000 AuEq ounces** at a 0.3 g/t AuEq cut-off (details of tonnes and grade of Au and Ag in Table 1 below):

Table 1

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

Based on Banyan’s additional 2016/17 diamond drilling at the Main Zone, a 100% increase in tonnage in the indicated resource category was established as well as an increase of 15% in the Inferred resource.<sup>1</sup>

The focus of the 2016/2017 drill and trench programs by Banyan’s exploration team consisted of infill trenching and infill and step out drilling to:

- expand the understanding of the mineralizing controls at the Main Zone;
- confirm the previous geological interpretation and test the limits and continuity of the mineralization along strike to the north and south of the known deposit; and
- improve drill spacing to show continuity of mineralization and increase overall confidence in the deposit.

The Company's Main Zone exploration programs successfully completed all of the above objectives while adding approximately 300m of strike length to the north and south of the 2016 deposit model and greatly increasing confidence in the deposit.

In 2016, the Company completed a LIDAR survey that provided for the accurate topography of the Main Zone deposit. Additionally, utilizing the 2016 LiDAR survey, all historic drill collars were located and surveyed in the field as part of the 2017 program resulting in more accurate controls on all drillholes than was available for previous studies.

<sup>1</sup>Normalized based on 2016 inferred resource. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

## Updated Resource Estimate

The New Mineral Resource Estimate for the Main Zone has an effective date of March 22, 2018

The 2017 Hyland exploration program included 3,850m of diamond drilling from 25 drill holes focused on infill, step-out exploration and dedicated metallurgical drilling concentrated on the Main Zone gold-silver mineralization. Exploration efforts 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 update resource has now expanded to cover a 900m x 600m area, within the 186 square kilometre land package where Banyan has identified 18 km of prospective structural trend within the Quartz Lake Corridor.

Banyan retained SGS Canada Inc. ("SGS") to update the Mineral Resource Estimate to incorporate an additional 4,030 metres of new drill data (21 holes) and new trench data in the Main Zone Deposit. The Company will file an NI 43-101 Technical Report in Support of the update Mineral Resource Estimate on SEDAR within 45 days of this news release.

The resource estimate, based on the updated geological model, is presented at a series of cut-off grades in Table 2. The 0.3 g/t AuEq cut-off grade approximates an operational parameter that the Company has determined to be applicable.

The Company's determination was made in consultation with its geological and engineering advisors, including SGS, and is in accordance with the guidelines of Reasonable Prospects for Eventual Economic Extraction ("RPEEE") per the Canadian Institute of Mining, Metallurgy and Petroleum "CIM Definition Standards for Mineral Resources and Mineral Reserves" (CIM, 2014).

Table 2 <sup>1</sup>

Cut-off Grade (AuEq g/t)	In situ Tonnes	Au		Ag		AuEq	
		Grade (g/t)	Ozs	Grade (g/t)	Ozs	Grade (g/t)	Ozs
<b>Indicated</b>							
<b>0.0</b>	10,195,000	0.69	226,000	6.32	2,070,000	0.75	247,000
<b>0.1</b>	10,063,000	0.70	226,000	6.39	2,067,000	0.76	247,000
<b>0.2</b>	9,620,000	0.72	224,000	6.59	2,039,000	0.79	244,000
<b>0.3<sup>2</sup></b>	<b>8,637,000</b>	<b>0.78</b>	<b>216,000</b>	<b>7.04</b>	<b>1,954,000</b>	<b>0.85</b>	<b>236,000</b>

<b>0.4</b>	7,326,000	0.86	203,000	7.71	1,816,000	0.94	222,000
<b>0.5</b>	6,120,000	0.95	187,000	8.36	1,645,000	1.04	204,000
<b>0.6</b>	5,027,000	1.05	169,000	9.03	1,459,000	1.14	185,000
<b>0.7</b>	4,092,000	1.15	152,000	9.74	1,282,000	1.26	165,000
<b>1.0</b>	2,310,000	1.46	108,000	11.45	850,000	1.59	118,000
<b>1.5</b>	955,000	1.94	60,000	13.91	427,000	2.11	65,000
<b>2.0</b>	377,000	2.52	31,000	15.95	194,000	2.71	33,000
<b>Inferred</b>							
<b>0.0</b>	11,798,000	0.72	271,000	5.01	1,899,000	0.78	294,000
<b>0.1</b>	11,603,000	0.73	271,000	5.07	1,890,000	0.79	294,000
<b>0.2</b>	11,357,000	0.74	270,000	5.15	1,881,000	0.80	293,000
<b>0.3<sup>2</sup></b>	<b>10,784,000</b>	<b>0.77</b>	<b>266,000</b>	<b>5.32</b>	<b>1,845,000</b>	<b>0.83</b>	<b>288,000</b>
<b>0.4</b>	9,390,000	0.83	251,000	5.61	1,693,000	0.90	272,000
<b>0.5</b>	8,143,000	0.90	235,000	5.97	1,563,000	0.97	254,000
<b>0.6</b>	7,084,000	0.95	217,000	6.33	1,442,000	1.03	235,000
<b>0.7</b>	5,674,000	1.05	191,000	6.67	1,218,000	1.13	206,000
<b>1.0</b>	2,686,000	1.37	118,000	8.36	722,000	1.47	127,000
<b>1.5</b>	816,000	1.92	50,000	7.99	210,000	2.02	53,000
<b>2.0</b>	449,000	2.23	32,000	7.76	112,000	2.33	34,000

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

(2) Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq. AuEq grade is based on \$1,350.00/oz Au, \$17.00/oz Ag and assumes a 100% recovery. The AuEq calculation does not apply any adjustment factors for difference in metallurgical recoveries of gold and silver. This information can only be derived from definitive metallurgical testing which has yet to be completed.

Example cross sections and plans of the revised geologic interpretation, including prior and new mineralized zone interpretations, can be reviewed on the Company website at [www.banyangold.com](http://www.banyangold.com).

## Resource Model Parameters

### *New Mineral Resource Estimate*

The new Mineral Resource Estimate prepared by SGS is based on data from 71 drill holes (10,564 metres) and 14 trenches (2,014 metres) and includes 4,030 metres of new drill data (21 holes) from 2016 to 2017 and 617 metres of trenching (3 trenches).

### *Resource Calculation and Categorization*

Grades for Au (g/t) and Ag (g/t) were interpolated into blocks by the inverse distance squared ("ID2") method. Two passes were used to interpolate grade into all of the blocks in the wire frames. For Pass 1, the search ellipse size (in metres) was set at 45 x 45 x 25 in the X, Y, Z direction; for Pass 2, the search ellipse size was set at 130 x 130 x 50. Blocks were classified by the interpolation procedure as Indicated if they were populated with grade during Pass 1 and Inferred if they were populated with grade during Pass 2. Pass 2 search ellipse size was set to assure all remaining blocks within the wire frames were assigned a grade. Grades were interpolated into blocks using a minimum of 6 and maximum of 12 composites to generate block grades during Pass 1 (maximum of 3 samples per drill hole), and a minimum of 4 and maximum of 12 composites to generate block grades during Pass 2 (no maximum samples per drill hole).

### *Wireframing*

For the 2018 resource estimate, a grade control wireframe model was built which involved visually interpreting the Main Zone mineralized zones from cross sections using histograms of gold and silver values. Polygons of mineral intersections were made on 25 metre cross sections and these were wireframed together to create a contiguous resource model in GEOVIA GEMS version 6.7.4 software. The modeling exercise provided broad controls of the dominant mineralizing direction. The Main Zone resource model defines a shallow north plunging ( $10^{\circ}$  –  $15^{\circ}$ ) antiformal structure with shallow to moderate ( $20^{\circ}$  –  $35^{\circ}$ ) west dipping limbs (axial plane). The antiformal structure extends for approximately 900 metres along strike. The lower limb of the antiformal structure extends to a depth of up to 250 metres.

### *Specific Gravity*

Banyan had Bureau Veritas complete specific gravity (“SG”) measurements, by pycnometry, on the pulps of 143 core samples submitted for assay analysis from the Main Zone. Of the 143 samples, 76 are from within the Main Zone mineralized envelope and 67 are from waste rocks. The SG values of the 76 mineralized samples ranged from 2.65 to 4.60 and averaged 3.03. The average grade of the 76 mineralized samples is 0.95 g/t Au, ranging from 0.01 to 6.97 g/t Au. The SG values of the 67 waste samples ranged from 2.67 to 3.61 and averaged 2.89. The average grade of the 67 waste samples is 0.08 g/t Au, ranging from 0.01 to 0.67 g/t Au. For the current Mineral Resource Estimate an SG of 3.03 is used for the mineralized zone and 2.90 for the waste rocks.

### *Selection of Cut-off Grade*

Based on the recent average oxide column leach recoveries of 86% (news release dated March 13, 2018), the geometry and proximity to the surface of the resource (within 200m of surface) and the similar technical parameters of other current and successful heap leach projects in northern North America, the conceptual mining method for the Hyland Main Zone would be open pit and heap leach based on the grades, mineralization geometry and proximity to/daylighting at surface. Northern heap leach comparables include: Victoria Gold Eagle deposit (Cut-off grade of 0.15 g/t Au), Kinross Fort Knox Mine (Cut-off at detection, average head grade of 0.25 g/t Au) and Goldcorp (formerly Kaminak) Coffee Deposit (Cut-off grade of 0.3 g/t Au for oxide and transition zone). Thus, the Company has determined, in consultation with its geological and engineering advisors, including SGS, that under the circumstances a cut-off grade of 0.3 g/t *AuEq* is reasonable and appropriate, based on its current evaluation of the Hyland Gold Project’s reasonable prospects of potential economic viability.

## **Technical Information**

The reporting of the Mineral Resource Estimate complies with all disclosure requirements for mineral resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects (2016). The classification of the mineral resource is consistent with CIM Definition Standards - For Mineral Resources and Mineral Reserves (2014), including the critical requirement that all mineral resources “have reasonable prospects for eventual economic extraction”. In order to determine the quantities of material offering “reasonable prospects for economic extraction” by an open pit, pit optimization software and reasonable mining assumptions to evaluate the proportions of the block model (Indicated and Inferred blocks) that could be “reasonably expected” to be mined from an open pit were used. The results indicate that the vast majority of the resource (>90% of the Indicated resource and >70% of the total resource) exhibits reasonable prospects for eventual economic extraction, and as a result the mineral resources presented in this release are not restricted within a pit shell.

The reader is cautioned that the results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Hyland Gold Project. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.

The updated mineral resource presented in this report was estimated by Allan Armitage, Ph.D., P. Geo, (“Armitage”) of SGS. Armitage is an independent Qualified Person as defined by NI 43-101. The Geological data in this section has been reviewed and approved by Paul D. Gray, P. Geo., Banyan Gold’s V.P. Exploration and a Qualified Person as defined by NI 43-101.

### **Analytical Method**

All drill core and trench samples collected from the 2017 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 program and are monitored as chemical assay data become available.

### **Data Verification**

All geological data in the resource estimate was verified by Armitage as being accurate to the extent possible and to the extent possible all geological information was reviewed and confirmed. Armitage feels that the assay sampling and QA/QC sampling of core by Banyan provides adequate and good verification of the data and believes the work to have been done within the guidelines of 43-101. Banyan is unaware of any legal, political, environmental or other risks that could materially affect the potential development of the Mineral Resource Estimate described in this news release.

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 and 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.

### **2017 Work Program**

Banyan began surface exploration work on the Aurex-McQuesten Property in May 2017. During the period 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.

### 2018 Work Program

During the fourth Quarter the Company will carry out a summer work program on the Aurex-McQuesten Property. The program will consist of targeted diamond drilling (approximately 600 meters), complimented by systematic surface trenches and grid-based soil-geochemical surveys to focus on the definition of a potential near-surface, volume of gold mineralization consistent with the framework of this newly developed geologic model.

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	15,000	Nil	Nil	15,000
Exploration & Evaluation Expenses Capitalized	43,251	87,599	54,564	185,414
<b>Balance, June 30, 2017</b>	<b>58,251</b>	<b>87,599</b>	<b>1,403,787</b>	<b>1,549,636</b>
<b>Balance, September 30, 2017</b>	<b>244,196</b>	<b>334,112</b>	<b>2,617,207</b>	<b>3,195,516</b>
Acquisition Costs	73,500	31,200	Nil	104,710
Exploration & Evaluation Expenses Capitalized	9,289	56,255	516,733	582,277
<b>Balance, December 31, 2017</b>	<b>326,985</b>	<b>421,567</b>	<b>3,133,940</b>	<b>3,882,492</b>

During the quarter ended June 30, 2017, the Company recorded a net loss of \$(56,878) vs a loss of \$(257,002) in the prior year quarter ended June 30, 2017. The \$200,124 difference in loss year over year is largely tied to the timing of non cash accounting for the issuance of and use of flow through funds, \$62,110 expense recovery in the current quarter ended June 30, 2018 vs an expense of \$121,378 in the prior period, a \$183,488 total difference.

With the exception of stock based compensation for options issued in the current year period but not

the prior period (\$12,972 in 2018 vs \$ nil in 2017) and a slight increase in Professional Fees \$18,707 in 2018 ( \$16,345 - 2017), expenses were down for the quarter on a year over year basis with G&A of \$46,715 ( \$57,112 - 2017), Management Fees \$40,500 ( \$57,000 -2017) and listing fees \$606 ( \$6,206 -2017) leading the way.

#### **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:

<b>General &amp; Admin &amp; Material Costs</b>	<b>Quarter Ended June 30, 2018</b>	<b>Quarter Ended June 30, 2017</b>
<b>General &amp; Admin:</b>		
Marketing	19,588	24,692
Insurance	6,615	6,406
Rent	5,280	781
Amortization	5,117	660
Shareholder Communications & AGM	3,165	2,574
Travel	2,862	13,271
General Office	2,250	3,294
Transfer Agent Fees	1,838	2,579
Salaries	0	1,122
Training	0	1,050
Professional Dues	0	683

#### **Liquidity and Capital Resources**

The accompanying interim financial statements are presented on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of operations.

The Company does not generate cash flows from operations and has therefore relied principally on the issuance of equity securities to finance its operation activities to the extent that such instruments are issuable under terms acceptable to the Company.

If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

From inception to June 30, 2018, the Company raised gross proceeds of \$5,870,646 from the sale of its common shares.

As at June 30, 2018, the Company had working capital of \$299,733 (2017 - \$2,423,654) which will be sufficient to fund the Company thru to the next fiscal year including a summer work program (see subsequent event). 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, \$40,500 (2017 - \$67,500) was expensed to the corporation by officers and directors of the Company. \$10,500 (2017 - \$12,000) has been billed to management fees by 1195472 Ontario Ltd. for the CFO and \$nil (2017 - \$7,000 plus \$3,500 directly to the Hyland Project) to professional fees by Paul D. Gray Geological Consulting. \$30,000 was charged by 44984 Yukon Inc. for management fees for Tara Christie, CEO (2017 - \$45,000). During the prior year's quarter there was also \$34,125 accrued for work performed by a director of the Company.

## Critical Judgments and Accounting Estimates

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical 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 result in a material adjustment to the carry amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the recoverability of receivables which are included in the statements of financial position;
- ii) the inputs used in accounting for stock-based compensation expense, which are included in the statement of operations;
- iii) recoverability of future income tax asset;
- iv) recoverability of exploration and evaluation expense asset;
- v) the valuation of the rehabilitation provision; and
- vi) the valuation of share-based payments transactions.

The 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 determined there will be no 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 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.

### ***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 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. On April 18, 2018 it announced that it had retained Independent Trading Group Inc. ("ITG") to provide market maintenance services to the Company in compliance with the policies and guidelines of the TSX Venture Exchange (the "TSXV") and other applicable legislation. ITG will trade shares of Banyan Gold on the TSXV for the purposes of maintaining a reasonable market and improving the liquidity of Banyan Gold's common shares.

The Company will pay \$3,500 per month for the services to be provided by ITG. The agreement may be terminated at any time by the Company or ITG following an initial three-month term. There are no performance factors contained in the agreement and ITG will not receive any shares or options as

compensation for the services it will render. The Company and ITG are unrelated and unaffiliated entities but ITG and/or its clients may have an interest, directly or indirectly, in the securities of the Company.

### Financing Activities

No financings were completed during the quarter ended June 30, 2018. Please see “**subsequent events**”.

### Disclosure of Outstanding Share Data

a) Authorized and Issued capital stock:

As of June 30, 2018:

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

The Company’s authorized share capital is unlimited common shares without par value. As at June 30, 2018, there are 77,704,193 issued and outstanding Class A common shares.

b) Warrants Outstanding:

As of June 30, 2018

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.

\*\* see "Subsequent Events"

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
700,000	\$ 0.08	December 29, 2022
200,000	\$ 0.075	June 18, 2023
<u>6,750,050</u>		

## Subsequent Event

On July 20, 2018, the Company announced that it has arranged a non-brokered private placement of \$931,309 consisting of 10,083,663 million Units.

The Private Placement consists of 7,001,370 flow through units (within the meaning of the Income Tax Act (Canada)), priced at \$0.10 per Unit and 3,082,293 non-flow through units priced at \$0.075 per Unit. Both the flow through and non-flow through Units consists of one share and 1/2 of a non-flow through share purchase warrant, each full warrant being exercisable for a period of 24 months from closing into one common share at a price of \$0.15 per share subject to an acceleration clause.

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 30 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.

Insiders are participating for \$112K or 12%.

Net proceeds will be used on the Company's ongoing summer exploration program at the Hyland Gold and Aurex-McQuesten Projects and for general working capital.

Also on July 20, 2018, the Corporation held its Annual General Meeting of Shareholders and the following matters were approved by a greater than 98.5% margin in all categories:

- i. Setting the number of directors at five;
- ii. The proposed slate of five directors; Mark Ayranto, Tara Christie, David Reid, Steve Burleton and Jay Collins.
- iii. The appointment of John J. Geib, Chartered Accountant, as the Company's auditors;
- iv. The renewal of the Company's Stock Option Plan

On August 15, 2018, the Corporation received approval from the TSX Venture to extend the expiry date of 3,632,287 warrants set to expire on August 24, 2018 to August 24, 2019 with all other terms remaining the same.