

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Banyan Gold Corp.  
166 Cougarstone Crescent SW  
Calgary, AB T3H 4Z5

**2. Date of Material Change**

August 11, 2021

**3. News Release**

A news release was disseminated through Accesswire August 12, 2021.

**4. Summary of Material Change**

Banyan Gold Corp. closed the second tranche of \$4,071,428.68 of a total \$16 million private placement (the "Private Placement") previously announced on July 19, 2021.

The Company intends to use the net proceeds from the Private Placement to advance its mineral exploration and development projects and for general corporate purposes. The 2021-22 Exploration Programs at AurMac are intended to include additional diamond drilling, geotechnical drilling, metallurgical test work, resource update, environmental baseline data collection and the commencement of a Preliminary Economic Assessment ("PEA") Study.

The second tranche includes 10,714,286 Charity Flow Through Shares priced at \$0.38.

The flow through gross proceeds component received from the sale to subscribers of the Charity Flow Through Shares and Flow Through Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the *Income Tax Act* (Canada) (the "**Tax Act**") on the Company's properties in the Yukon Territory, and renounced to such subscribers effective not later than December 31, 2021. Such Canadian exploration expenses will also qualify as "flow-through mining expenditures" as defined in subsection 127(9) of the Tax Act.

The shares issued will be subject to the customary 4 month plus a day hold period.

Victoria Gold Corp. has reported that they are the backend buyer of the charity flow through shares and are now an insider of the Company. Such participation represents a related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid for, the transaction, insofar as it involves interested parties, exceed 25% of the Company's market capitalization.

**5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The material change is fully described in Item 4 above and in the News Releases filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Disclosure Required by MI 61-101 Insiders of the Company participated in the private placement and received Shares, which constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority - 2 - Security Holders in Special Transactions (“MI 61-101”). The issuance to the insider is exempt from the valuation requirement of MI 61-101, by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101. In that, the fair market value of the consideration of the shares issued to the related parties did not exceed 25% of the Company’s market capitalization.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms: Victoria Gold Corp. entered into an agreement to acquire shares of the Corporation from the front-end buyers of the Company’s charity flow through financing.

(b) the purpose and business reasons for the transaction: Proceeds of the Financing are anticipated to be used to develop existing properties and general working capital.

(c) the anticipated effect of the transaction on the issuer’s business and affairs: The Financing will provide funds to develop existing properties and for general working capital.

(d) a description of: (i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties: (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage: The following table sets out the effect of the private placement on the percentage of securities of the Company beneficially owned or controlled by Victoria Gold Corp as reported by Victoria Gold Corp. insider filings. The total numbers differ somewhat, and immaterially, from our news release which was based on available information at the time:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Victoria Gold Corp.	\$3,000,000	10,714,429 Shares	16,387,643	9.03%	Undiluted & Diluted: 27,101,929	Undiluted & diluted: 12.0%

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee: A resolution of the board of directors was passed on July 28, 2021, which approved the Financing within the guidelines of the TSX Venture . No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction: Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction: (i) that has been made in the 24 months before the date of the material change report: Not applicable. (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer: Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction: Not applicable

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions: - 6 - The Financing is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Financing, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization. As this material change report is being filed less than 21 days before the closing of the Financing, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position, in addition, the insiders purchased the shares at a premium to the market price.

**5.2 Disclosure for Restructuring Transactions** Not applicable

**6. Reliance on subsection 7.1(2) and (3) of National Instrument 51-102**

N/A

**7. Omitted Information**

None

**8. Executive Officer**

For further information, please contact:

David Rutt, Chief Financial Officer, at (604) 648-8450.

**9. Date of Report**

August 19, 2021