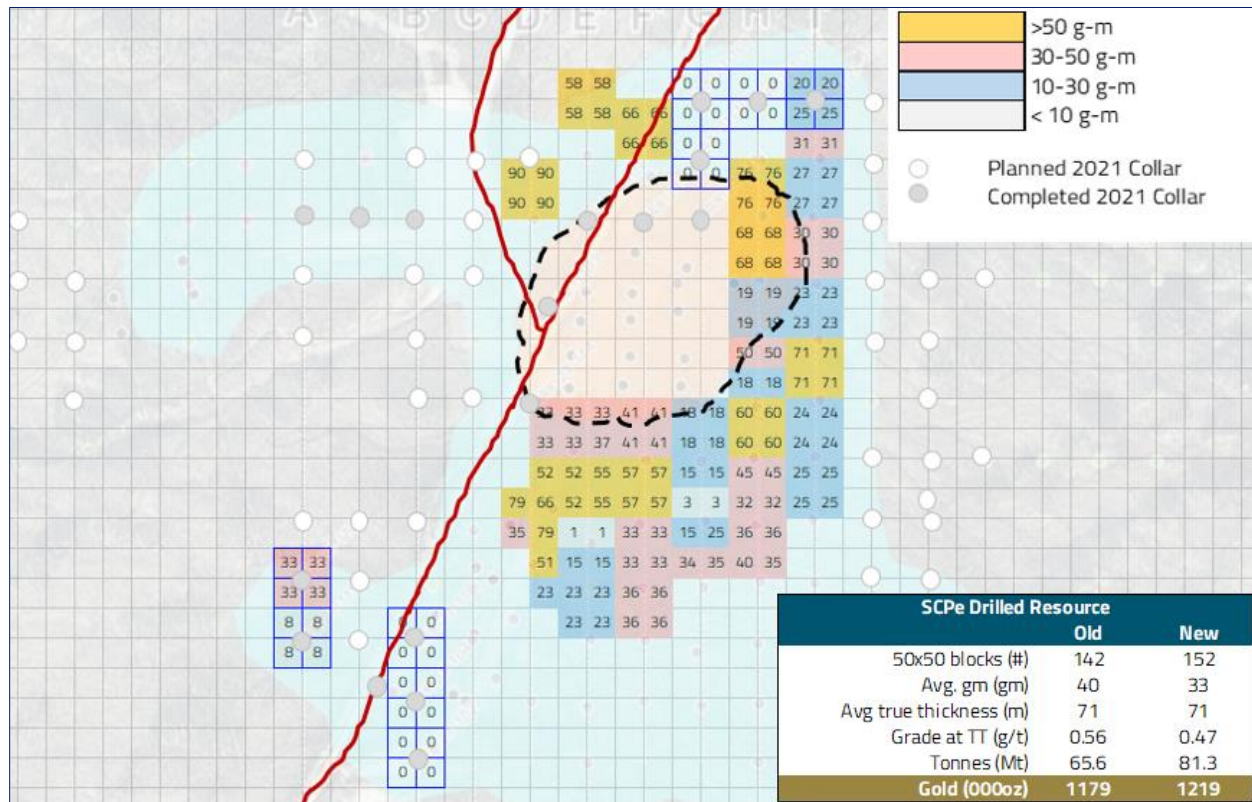


Ticker: BYN CN **Net cash:** C\$16.3m **Project:** AurMac, Powerline
Market cap: C\$69m **Price:** C\$0.29/sh **Country:** Canada
RECOMMEND. (unc): BUY **TARGET (unc):** C\$0.55/sh **RISK RATING:** SPECULATIVE

Incorporating 11 holes, mainly around Powerline, from July takes our SCPe resource from **2,083koz @ 0.55g/t to 2,123koz @ 0.55g/t** (904koz @ 0.54g/t 43-101, +SCPe 1,219koz additions). Digging into today's result, strip and grade are the key constraints, with 8/15 holes being high enough grade and low enough (eyeball) strip to be included in our own estimate. Of these, **five** fell inside the MRE so were excluded, although the average of all included holes of 59m @ 0.61g/t, while a touch thinner than the 71m average to date, is higher grade than the ~0.56g/t average of drilling outside the MRE. Iterative additions came from holes to the NE of the existing MRE, while new areas to the SE hit large zones of mineralisation but with variably of lower grade or higher strip (shown as '0' in Figure 1 where grade <0.2g/t or strip high). If the company drilled nothing else this season, a potential doubling of ounces is a solid price driver, but the fun bit is Aurex Hill. With RAB hits like 40m @ 1.2g/t and 15m @ 1.4g/t <50m deep, drill results this fall could be transformational, providing asymmetric risk reward as Powerline/Airstrip underpin the valuation, with a 'free option' on Aurex Hill. For now, we **maintain our BUY rating and C\$0.55/sh PT** based on an extremely modest 0.2xNAV_{5%-1850} for a SCPE 1.5Moz @0.65g/t heap leach operation.

Figure 1. Plan map of SCPe new additions from today's drilling (blue boxes) and updated SCPe MRE

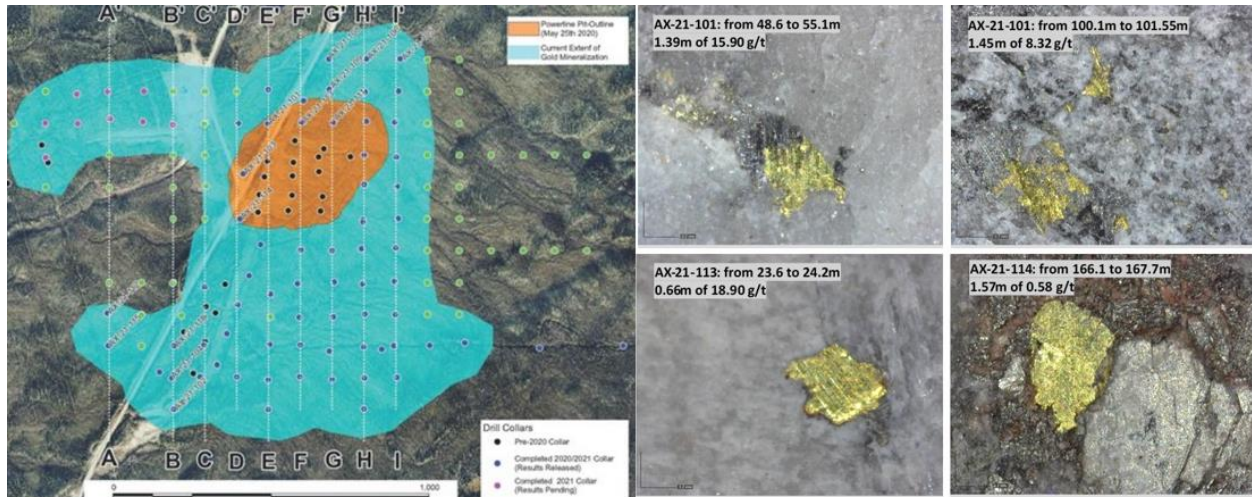


Source: SCP estimates

145m @ 0.74g/t at Powerline adds useful ounces, with excitement building ahead of Aurex Hill

Highlights from 15 holes released today include 145m @ 0.74g/t from 8m, 61m @ 0.41g/t from 11m, 90m @ 0.5g/t from 6.4m, and 28m @ 1.3g/t from 8.8m. This is the final set of holes from Powerline, completed on 100m grid in July ahead on infill now underway. The mineralisation footprint has grown from 0.16km² to 1.22km² now. After the recent financing, 30,000m is planned this year, with up to three rigs.

Figure 2. (A) Powerline plan (B) visible gold in drill core



Source: Banyan

Why we like Banyan

1. Existing 2Q20 904koz @ 0.54g/t Whittled resource
2. Strong team with extensive Yukon mining experience
3. Excellent infrastructure (road access, power)
4. 8km² untapped soil anomaly with proven underlying mineralization
5. Upside from M&A optionality (Victoria and Alexco within 50km radius)

Catalysts

1. 3Q21: Results from Phase 1 Powerline (12 holes) and Aurex Hill (18 holes) drilling
2. 2H21: Phase 2 Powerline drilling
3. 4Q31: SCPe MRE (SCPe 1.5-2Moz)

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Ticker: BYN CN	Price / mkt cap: C\$0.29/sh, C\$66m	Project PNAV today: 0.11x	Asset: AurMac
Author: Brock Salier	Rec / 0.2xNAV PT: BUY, C\$0.5/sh	1xNAV_{3Q24} FF FD: C\$1.04/sh	Country: Canada, Yukon

Commodity price	CY21E	CY22E	CY23E	CY24E	CY25E
Gold price	1,850	1,850	1,850	1,850	1,850
SOTP project valuation*					
	C\$m	O/ship	NAVx	C\$/sh	
Ungeared @ build start (2025)	586	100%	1.00x	2.44	
Cash SCPe 3Q21	14.7	100%	1.00x	0.06	
Cash from options	1.8	100%	1.00x	0.01	
Resources ex inv'ty @ \$10/oz	13	100%	1.00x	0.06	
Asset NAV5% US\$1850/oz	615			2.56	

Project: USES	Funding: SOURCES
Pre-DFS exploration / G&A: C\$21m	Cash + pre first Au op.: C\$16m
Build capex: C\$250m	Pre-build equity: C\$15m
Fin. cost + WC over DFS: C\$35.0m	Build equity @ 0.4xNAV: C\$145m
TOTAL USES: C\$306m	65% geared debt @ 8%: C\$163m
Buffer / drill budget: C\$33m	TOTAL SOURCES: C\$339m

Discount rate: 9%	326	390	454	517	581	Share data	Basic	+options	FD for build		
Discount rate: 7%	386	457	528	599	671	Basic shares (m)	226.2	240.0	434		
Discount rate: 5%	457	536	616	696	775	Ratio analysis	CY20A	CY21E	CY22E	CY23E	CY24E
Ungeared project IRR:	29%	33%	37%	40%	44%	Average shares out (m)	226.2	408.1	434.1	434.1	434.1

Discount rate: 9%	326	390	454	517	581
Discount rate: 7%	386	457	528	599	671
Discount rate: 5%	457	536	616	696	775
Ungeared project IRR:	29%	33%	37%	40%	44%
SCPe AurMac	Today	2Q21*	2Q22*	Eagle	Blue Sky
NPV (C\$m) @ 0.65g/t	1.0Moz	1.6Moz	2.0Moz	3.0Moz	5.0Moz
US\$1,750/oz	380	536	666	965	1,564
US\$1,850/oz	433	616	767	1,118	1,818
US\$1,950/oz	486	696	869	1,270	2,072

*SCPe inventory; project NPV, ex fin. costs / cent G&A, discounted to build start

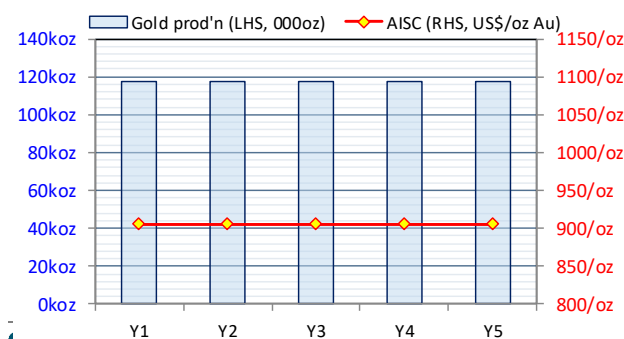
Group NAV over time^	3Q21	3Q22	3Q23	3Q24	3Q25
AurMac NPV (C\$m)	468.2	491.6	516.1	542.0	701.5
G&A and finance costs (C\$m)	(93.7)	(97.8)	(102.2)	(106.8)	(101.2)
Net cash prior qtr (C\$m)	2.1	11.8	6.5	1.8	4.4
Cash from options (C\$m)	1.8	1.8	1.8	1.8	1.8
Resources ex inv'ty @ \$10/oz	13.2	13.2	13.2	13.2	13.2
NAV FF FD (C\$m)	392	421	435	452	620
Shares in issue (m)	240	293	293	434	434
1xNAV5%/sh FF FD (C\$/sh)*	1.63	1.44	1.49	1.04	1.43

Geared NAV at first pour, diluted for build, net G&A and fin. costs^					
NAV at first gold (C\$m)	\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz
Discount rate: 9%	362	428	494	560	626
Discount rate: 7%	420	493	567	640	713
Discount rate: 5%	488	570	651	733	815
Geared project IRR:	26%	29%	33%	36%	40%
NAV at first gold (C\$/sh)*	\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz
Discount rate: 9%	0.66	0.85	1.04	1.24	1.44
Discount rate: 7%	0.83	1.04	1.26	1.49	1.72
Discount rate: 5%	1.03	1.28	1.53	1.79	2.05

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity

Production	Y1	Y2	Y3	Y4	Y5
Gold production (000oz)	118	118	118	118	118
C1 cost (US\$/oz)	852	852	852	852	852
AISC cost (US\$/oz)	906	906	906	906	906

AISC = C1 + ug sustaining capex, Y1 = CY25



Source: SCP estimates

Share data	Basic	+options		FD for build	
Basic shares (m)	226.2	240.0		434	
Ratio analysis	CY20A	CY21E	CY22E	CY23E	CY24E
Average shares out (m)	226.2	408.1	434.1	434.1	434.1
EPS (C\$/sh)	-	-	-	-	-
CFPS (C\$/sh)	-	-	-	-	-
EV (C\$m)	60.5	105.3	116.9	121.7	12.1
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement	CY20A	CY21E	CY22E	CY23E	CY24E
Net revenue (C\$m)	-	-	-	-	-
COGS (C\$m)	-	-	-	-	-
Gross profit (C\$m)	-	-	-	-	-
D&A, attrib (C\$m)	0.0	0.0	-	-	-
G&A + sh based costs (C\$m)	1.1	0.6	0.5	0.5	0.5
Finance cost (C\$m)	1.6	0.5	(0.0)	(0.0)	0.5
Taxes (C\$m)	0.9	-	-	-	-
Net income (C\$m)	(2.7)	(1.1)	(0.5)	(0.5)	(1.0)

Cash flow, attrib.	CY20A	CY21E	CY22E	CY23E	CY24E
EBIT (C\$m)	(0.2)	(0.6)	(0.5)	(0.5)	(0.5)
Add back D&A (C\$m)	0.0	0.0	-	-	-
Less tax + net interest (C\$m)	2.6	0.5	(0.0)	(0.0)	0.5
Net change in wkg cap (C\$m)	1.3	(0.1)	-	(0.2)	-
Other non-cash (C\$m)	(5.0)	(0.4)	0.1	0.4	(1.0)

Cash flow ops (C\$m)	(1.3)	(0.5)	(0.5)	(0.3)	(1.0)
PP&E - build + sust. (C\$m)	0.3	0.0	-	-	30.0
PP&E - expl'n (C\$m)	4.8	7.6	3.6	4.4	4.4
Cash flow inv. (C\$m)	(5.1)	(7.7)	(3.6)	(4.4)	(34.4)
Share issue (C\$m)	11.0	16.0	-	-	145.0
Debt draw (repay) (C\$m)	-	-	-	-	50.0
Cash flow fin. (C\$m)	11.0	16.0	-	-	195.0
Net change in cash (C\$m)	4.6	7.8	(4.1)	(4.7)	159.6
EBITDA (C\$m)	(1.8)	(1.1)	(0.5)	(0.5)	(0.5)

Balance sheet	CY20A	CY21E	CY22E	CY23E	CY24E
Cash (C\$m)	5.1	13.0	9.0	4.2	163.8
Acc rec., inv, prepaid (C\$m)	0.1	0.2	0.2	-	-
PP&E + other (C\$m)	10.1	17.9	21.5	25.9	60.3
Total assets (C\$m)	15	31	31	30	224
Debt (C\$m)	-	-	-	-	50.0
Accounts payable (C\$m)	0.1	0.2	0.2	0.2	0.2
Others (C\$m)	1.5	1.5	1.5	1.5	1.5
Total liabilities (C\$m)	1.6	1.8	1.8	1.8	51.8
Issued capital (C\$m)	18.6	35.1	35.1	35.1	180.1
Retained earnings (C\$m)	(4.9)	(6.0)	(6.5)	(7.0)	(8.0)
Liabilities + equity (C\$m)	15	31	30	30	224

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BUY:	46
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	46

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