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**BLUE THUNDER MINING INC.**  
**UNAUDITED CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED**  
**MARCH 31, 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, the financial statements must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# Blue Thunder Mining Inc.

## Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 898,739	\$ 396,176
Other current assets (note 4)	62,194	58,049
<b>Total current assets</b>	<b>960,933</b>	<b>454,225</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (note 12)	515,000	515,000
<b>Total assets</b>	<b>\$ 1,475,933</b>	<b>\$ 969,225</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 5 and 15)	\$ 303,919	\$ 420,444
Flow-through share liability (note 7)	33,849	8,395
<b>Total liabilities</b>	<b>337,768</b>	<b>458,839</b>
<b>Equity</b>		
Share capital (note 8)	2,540,604	1,109,699
Warrants (note 9)	187,680	145,075
Contributed surplus (note 10)	838,211	806,628
Accumulated deficit	(2,428,330)	(1,551,016)
<b>Total equity</b>	<b>1,138,165</b>	<b>510,386</b>
<b>Total liabilities and equity</b>	<b>\$ 1,475,933</b>	<b>\$ 969,225</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Nature of Operations (note 1)

Commitments and Contingencies (notes 7 and 17)

Subsequent Events (note 18)

**Approved on behalf of the Board:**

\_\_\_\_\_  
"Chad Williams"

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"Paolo Lostritto"

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## Blue Thunder Mining Inc.

### Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months Ended	
	March 31,	
	2020	2019
<b>Operating Expenses</b>		
Exploration and evaluation expenditures (note 13)	\$ 85,882	\$ 166,324
General and administrative expenses (note 14)	211,494	116,293
<b>Total Operating Expenses</b>	<b>\$ 297,376</b>	<b>\$ 282,617</b>
<b>Loss before the undernoted</b>	<b>297,376</b>	<b>282,617</b>
Transaction cost of qualifying transaction (note 16)	596,448	-
Flow-through premium (note 7)	(4,546)	(9,221)
Interest income	(992)	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ 888,286</b>	<b>\$ 273,396</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.02</b>	<b>\$ 0.01</b>
Weighted average number of common shares	46,516,024	33,362,063

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Blue Thunder Mining Inc.

## Unaudited Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Three months Ended March 31,	
	2020	2019
<b>Operating activities:</b>		
Net loss for the period	\$ (888,286)	\$ (273,396)
Adjustments for:		
Transaction costs of qualifying transaction (note 16)	596,448	-
Stock-based compensation (note 10)	-	48,590
Flow-through share premium (note 7)	(4,546)	(9,220)
Changes in non-cash working capital items:		
Other current assets	(4,145)	5,925
Other current liabilities	-	-
Amounts payable and accrued liabilities	33,475	(45,434)
<b>Net cash used in operating activities</b>	<b>(267,054)</b>	<b>(273,535)</b>
<b>Financing activities:</b>		
Proceeds from private placements (note 8)	250,235	-
Exercise of stock options	11,900	-
Cash acquired from qualifying transaction (note 16)	525,000	-
Share issue costs	(17,518)	-
<b>Net cash provided by financing activities</b>	<b>769,617</b>	<b>-</b>
<b>Net change in cash</b>	<b>502,563</b>	<b>(273,535)</b>
<b>Cash, beginning of period</b>	<b>396,176</b>	<b>644,211</b>
<b>Cash, end of period</b>	<b>\$ 898,739</b>	<b>\$ 370,676</b>
<b>Supplemental cash flow information:</b>		
Value of common shares issued for property acquisition (note 12)	\$ 150,000	\$ -
Broker warrants issued in connection with private placements (note 8)	5,276	-

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## Blue Thunder Mining Inc.

### Unaudited Condensed Interim Consolidated Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

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	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
<b>Balance, December 31, 2018</b>	\$ 548,612	\$ 69,346	\$ 766,964	\$ (582,361)	\$ 802,561
Stock-based compensation (note 10)	-	-	48,590	-	48,590
Net loss and comprehensive loss	-	-	-	(273,397)	(273,397)
<b>Balance March 31, 2019</b>	<b>548,612</b>	<b>69,346</b>	<b>815,554</b>	<b>(855,758)</b>	<b>577,754</b>
<b>Balance, December 31, 2019</b>	\$ 1,109,699	\$ 145,075	\$ 806,628	\$ (1,551,016)	\$ 510,386
Stock options exercised (note 10)	28,349	-	(16,449)	-	11,900
Private placements (note 8)	250,235	-	-	-	250,235
Warrants (note 8)	(37,329)	37,329	-	-	-
Equity instruments issued on qualifying transaction (notes 8 and 16)	1,062,444	10,972	48,032	-	1,121,448
Expiration of warrants (note 9)	-	(10,972)	-	10,972	-
Shares issued as consideration (note 12)	150,000	-	-	-	150,000
Share issue costs (note 8)	(22,794)	5,276	-	-	(17,518)
Net loss and comprehensive loss	-	-	-	(888,286)	(888,286)
<b>Balance, March 31, 2020</b>	<b>\$ 2,540,604</b>	<b>\$ 187,680</b>	<b>\$ 838,211</b>	<b>\$ (2,428,330)</b>	<b>\$ 1,138,165</b>

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# Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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## 1. Nature of Operations

Blue Thunder Mining Inc. (formerly Platform Eight Capital Corp ("Platform Eight"), the "Company" or "BTMI") is a publicly traded company with a registered office located at 401 Bay Street, Suite 2100, P.O. Box 55, Toronto, Ontario, Canada, M5H 2Y4. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol "BLUE". The Company was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017 and has acquired exploration and evaluation assets and if determined appropriate, plans to develop the properties, bring them into production, option or lease the properties to third parties, or sell the properties outright.

On November 28, 2019, Blue Thunder Mining Corporation ("BTMC") entered into an amalgamation agreement ("Amalgamation Agreement") with Platform Eight Capital Corp. ("Platform Eight"), a TSXV-listed capital pool company to complete a reverse takeover transaction (the "BTM Transaction"). On February 12, 2020, pursuant to the Amalgamation Agreement, Platform Eight completed a three-cornered amalgamation with BTMC, with the resulting corporation being continued under the name "Blue Thunder Mining Inc." ("BTMI") (see Note 16).

Pursuant to the Amalgamation Agreement, each common share of Platform Eight was exchanged for one common share of BTMI, and each common share of BTMC was exchanged for 26.8476 common shares of BTMI. Following completion of the BTM Transaction each outstanding stock option and warrant to purchase Platform Eight and Blue Thunder common shares are exercisable to purchase BTMI common shares at the same exchange ratios. All shares, options and warrants and per share, option and warrant data have been retroactively adjusted to reflect the exchange ratio as if occurred at the earliest period presented.

The transaction was completed on February 12, 2020 resulting in 51,840,304 common shares of BTMI outstanding. The shares of BTMI began trading on Feb 14, 2020 on the TSX-V under the ticker symbol BLUE. These unaudited condensed interim consolidated financial statements are presented for accounting purposes as a continuation of BTMC, reflecting the acquisition of Platform Eight on a reverse acquisition basis

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited condensed interim consolidated financial statements.

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recovery of amounts comprising the exploration and evaluation assets is dependent upon the establishment and confirmation of recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of any such reserves, the potential future profitability of any such reserves or alternatively, the disposition, on an advantageous basis, of the Company's interests in the exploration and evaluation assets.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the quarter ended March 31, 2020, the Company incurred a net loss of \$888,286 and as at March 31, 2020, reported working capital of \$623,165 and had an accumulated deficit of \$2,428,330. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance the operations of the Company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. Management believes its working capital will be sufficient to support activities for the next twelve months and expects to raise additional funds when required and available.

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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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### 2. Significant Accounting Policies

#### Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 27, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2019, except where noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

#### Adoption of New Accounting Standards

##### *Basis of consolidation*

These unaudited condensed interim consolidated financial statements incorporate the accounts of BTMI (formerly Platform Eight) and BTMC from February 12, 2020.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. The Company adopted the new IFRS pronouncement listed below as at January 1, 2020, in accordance with the transitional provisions.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

#### Significant Accounting Judgments and Estimates

##### *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.



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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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### 2. Significant Accounting Policies (Continued)

#### *Determination of purchase price paid and allocation of purchase price related to asset acquisition*

The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of net identifiable assets acquired generally require a high degree of judgment, and include estimates of future reserves and resources, sales levels and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of the consideration paid and the fair value of acquired assets and liabilities could impact the amounts assigned to assets and liabilities in the purchase price allocation

### 3. Financial Risk Management

#### Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and price risk).

Risk management is carried out by the Company's management team with oversight of these risks by the Company's Board of Directors.

#### (i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and other receivables, which consist mainly of taxes recoverable. The Company has no significant concentration of credit risk arising from operations.

#### (ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company had cash of \$898,739 to settle current liabilities of \$337,768. The Company notes that the flow-through share liability which represents \$33,849 of current liabilities balance is not settled through cash payment. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2020. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except for the \$15,000 payable in relation to the acquisition of exploration and evaluations assets (see Note 12).

#### (iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and quoted prices.

#### (a) Interest rate risk

The Company has \$898,739 (December 31, 2019 - \$396,176) in cash balances and no interest-bearing debt and was not exposed to interest rate risk. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. As a result, the Company's exposure to interest rate risk is minimal.

#### (b) Foreign currency risk

The Company does not have any significant assets in currency other than the functional currency of the Company, nor does it have significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the net loss.

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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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### 3. Financial Risk Management (Continued)

#### (c) Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

### 4. Other Current Assets

As at	March 31, 2020	December 31, 2019
Sales tax receivable	\$ 44,451	\$ 56,537
Prepaid expenses	17,743	1,512
	<b>\$ 62,194</b>	<b>\$ 58,049</b>

### 5. Amounts Payable and Accrued Liabilities

As at	March 31, 2020	December 31, 2019
Amounts payable	\$ 218,391	\$ 177,707
Accrued liabilities	85,528	242,737
	<b>\$ 303,919</b>	<b>\$ 420,444</b>

### 6. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at March 31, 2020, totaled \$1,138,165 (December 31, 2019 - \$510,386).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the periods ended March 31, 2020 and 2019. The Company is not subject to any capital requirements.

## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

### 7. Flow-Through Share Liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

<b>Balance, December 31, 2018</b>	<b>\$ 53,182</b>
Liability incurred on flow-through shares issued	40,758
Flow-through share premium recognized	(55,545)
<b>Balance, December 31, 2019</b>	<b>38,395</b>
Liability incurred on flow-through shares issued	-
Flow-through share premium recognized	(4,546)
<b>Balance, March 31, 2020</b>	<b>\$ 33,849</b>

The flow-through common shares (defined below) issued in the private placement were issued at a premium to the estimated price of a regular common share in recognition of the tax benefits accruing to subscribers. The flow-through premium for the private placements completed during the year ended December 31, 2019 was calculated to be \$40,758.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. As at March 31, 2020, the Company is committed to incur eligible expenditures of \$223,352 (December 31, 2019 - \$253,352).

### 8. Share Capital

#### a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid. See note 1 for exchange ratio in connection with the BTM Transaction, which has been reflected in these unaudited condensed interim consolidated financial statements.

#### b) Common shares issued

As at March 31, 2020, the issued share capital amounted to \$2,540,604. Changes in issued share capital are as follows:

	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Balance, December 31, 2018</b>	<b>33,362,063</b>	<b>\$ 548,612</b>
Private placements (i)	5,484,777	715,029
Warrants (i)	-	(67,370)
Flow-through share premium (note 7)	-	(40,758)
Share issue costs	-	(45,814)
<b>Balance, December 31, 2019 (i)</b>	<b>38,846,840</b>	<b>1,109,699</b>
Option exercise	319,486	28,349
Private placements (ii)	1,919,603	250,235
Warrants (ii)	-	(37,329)
Shares issued on Qualifying Transaction (iii)	9,604,068	1,062,444
Shares issued as consideration (iv)	1,150,307	150,000
Share issue costs	-	(22,794)
<b>Balance, March 31, 2020</b>	<b>51,840,304</b>	<b>\$ 2,540,604</b>

## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

### 8. Share Capital (Continued)

- (i) During 2019, Blue Thunder Mining Corporation (“BTMC”) completed private placement financings of 2,064,581 flow-through shares of BTMC at a price of \$0.1304 per share for gross flow-through proceeds of \$269,150 and 3,420,196 non flow-through units of BTMC at a price of \$0.1304 per unit for gross non flow-through proceeds of \$445,878.

Each non flow-through unit consists of one common share of BTMC and one-half of one common share purchase warrant. Each warrant entitled the holder to acquire one common share of BTMC for 18 months at a price of \$0.1676.

BTMC also issued 211,693 broker warrants having the same terms as the warrants issued as part of the non-flow-through units.

The fair value of the 1,710,085 warrants and 211,693 broker warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.1106; expected dividend yield of 0%; risk-free interest rate of between 1.5% and 1.7%; volatility of 100% and an expected life of 18 months.

Volatility was estimated based on similar companies in the industry that are publicly traded. The fair value assigned to these warrants was \$67,370 and \$8,359 respectively.

- (ii) On January 9, 2020, 319,486 BTMC options were exercised for gross proceeds of \$11,900. The fair value assigned to these warrants was \$16,449.

- (iii) On January 10, 2020, BTMC completed a non-brokered private placement financing of 1,919,603 non flow-through units of BTMC at a price of \$0.1304 per unit for gross non flow-through proceeds of \$250,235.

Each non flow-through unit consists of one common share of BTMC and one-half of one common share purchase warrant. Each warrant entitled the holder to acquire one common share of BTMC for 18 months at a price of \$0.1676.

BTMC also issued 134,372 broker warrants having the same terms as the warrants issued as part of the non-flow-through units.

The fair value of the 959,802 warrants and 134,372 broker warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.1106; expected dividend yield of 0%; risk-free interest rate of 1.5%; volatility of 100% and an expected life of 18 months. Volatility was estimated based on similar companies in the industry that are publicly traded. The fair value assigned to these warrants was \$37,329 and \$5,276 respectively.

- (iv) On February 12, 2020 the BTM Transaction closed. Each BTMC share was exchanged for 26.8476 common shares of BTMI. Each share of Platform Eight share was exchanged for one common share of BTMI (see note 16).

- (v) On the listing of the common shares of BTMI on the TSX-V, the Company issued 1,150,307 common shares as consideration for certain exploration and evaluation assets (see notes 12(i) and 12(v)) which was included in amounts payable and accrued liabilities at December 31, 2019.

### 9. Warrants

	Number of Warrants	Grant date fair value
<b>Balance, December 31, 2018</b>	<b>2,022,886</b>	<b>\$ 69,346</b>
Issued (note 8(b)(i))	1,921,778	75,729
<b>Balance, December 31, 2019</b>	<b>3,944,664</b>	<b>145,075</b>
Issued (note 8(b)(iii))	1,094,174	42,605
Issued on qualifying transaction (note 16)	214,162	10,972
Expired	(214,162)	(10,972)
<b>Balance, March 31, 2020</b>	<b>5,038,838</b>	<b>\$ 187,680</b>

## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

### 9. Warrants (Continued)

The following table reflects the warrants issued and outstanding as of March 31, 2020:

Expiry date	Exercise price (\$)	Warrants outstanding
May 30, 2020	\$0.1397	1,428,265
June 4, 2020	\$0.1397	357,825
June 11, 2020	\$0.1397	187,396
June 21, 2020	\$0.1397	49,400
January 17, 2021	\$0.1676	507,688
February 28, 2021	\$0.1676	8,269
March 30, 2021	\$0.1676	224,741
May 22, 2021	\$0.1676	1,175,442
June 20, 2021	\$0.1676	5,638
July 9, 2021	\$0.1676	1,094,174

The weighted average exercise price as at March 31, 2020 is \$0.1564. The weighted average remaining life as at March 31, 2020 is 0.67 years (December 31, 2019 – 0.84 years).

### 10. Stock Options

	Number of stock options	Weighted average exercise price
<b>Balance, December 31, 2018</b>	<b>5,369,520</b>	<b>\$ 0.04</b>
Stock options forfeited	(402,715)	\$ 0.04
Stock options expired	(402,715)	\$ 0.04
<b>Balance, December 31, 2019</b>	<b>4,564,090</b>	<b>\$ 0.04</b>
Stock options exercised	(319,486)	\$ 0.04
Stock options granted on qualifying transaction (note 16)	600,000	\$ 0.10
<b>Balance, March 31, 2020</b>	<b>4,844,604</b>	<b>\$ 0.05</b>

For the three months ended March 31, 2020, there was no impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss for stock-based compensation (2019 – expense of \$48,590). The weighted average remaining life as at March 31, 2020 is 7.5 years (December 31, 2019 – 8.5 years).

### 11. Net Loss Per Share

The calculation of basic and diluted loss per share for the quarter ended March 31, 2020 was based on the loss attributable to common shareholders of \$888,286 (March 31, 2019 – \$273,396) and the weighted average number of common shares outstanding of 46,516,024 (2019 – 33,362,063). Diluted loss per share did not include the effect of stock options and warrants as they were anti-dilutive at the three month periods ended March 31, 2020 and 2019.

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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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### 12. Exploration and Evaluation Assets

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Balance, December 31, 2018 (i,ii)	\$ 435,000
Acquisition of 13 additional mining claims in Quebec (v)	80,000
<b>Balance at December 31, 2019 and March 31, 2020</b>	<b>515,000</b>

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(i) On August 29, 2017, the Company entered into an agreement to acquire a 100% interest in the Muus property. The vendor will maintain a 2% net smelter return royalty on the property.

Under the terms of the agreement, the Company must make the following payments:

- \$150,000 in cash on the date of closing (paid as at December 31, 2019);
- \$100,000 in cash on or before January 2, 2018 (paid as at December 31, 2019);
- \$100,000 in shares at the time of listing on a recognized Canadian stock exchange at a price equal to the listing price of the shares (issued during the three month period ended March 31, 2020). Should the Company not be listed on a stock exchange by June 30, 2018, an additional \$50,000 cash payment should be made (paid as at December 31, 2019).

Finders fees of \$30,000 were paid as part of this agreement during the year ended December 31, 2018.

(ii) On May 21, 2018, the Company amended the agreement in (i) above to include additional claims for consideration of \$5,000.

(iii) On June 28, 2018, the Company entered into an option agreement to transfer up to a 2% interest in the Muus property in consideration for incurring \$30,000 in expenditures on the property. \$15,000 was incurred on the property and the agreement was settled through the issuance of shares of the Company in consideration for the work done. The controlling shareholder transferred 20,000 shares of the Company to the optionee in exchange for the transfer of the interest in the Muus property. \$15,000 in expenditures were recognized and an addition to contributed surplus of \$15,000 was recognized as a result of this transaction during the year ended December 31, 2018. The option agreement expired in March 2019 and the Company continues to own 100% of the Muus property as of December 31, 2019 and 2018.

(iv) On October 5, 2017, the Company entered into an option agreement to transfer up to a 10% interest in the Muus property in consideration of incurring \$150,000 in expenditures on the property. \$75,000 in expenditures was incurred on the property and the agreement was settled through the issuance of 50,000 shares in consideration for the work completed. The controlling shareholder transferred 50,000 shares of the Company to the optionee in exchange for the transfer of the interest in the Muus property. \$75,000 in expenditures were recognized and an addition to contributed surplus of \$75,000 was recognized as a result of this transaction during the year ended December 31, 2018. The option agreement expired in October 2019 and the Company continues to own 100% of the Muus property as at December 31, 2019 and 2018.

(v) On May 24, 2019, the Company entered into an agreement to acquire certain claims in Québec. In order to obtain a 100% interest in the claims, the Company must pay \$30,000 of which \$15,000 was paid on signing and \$15,000 is payable one year from the date of signing (paid subsequent to March 31, 2020). The Company must also issue \$50,000 in shares upon the Company's listing on a stock exchange (issued during the three month period ended March 31, 2020). The unpaid amounts were accrued by the Company at March 31, 2020 and paid subsequently. The vendor will maintain a 1% net smelter return of which 0.5% can be purchased for \$500,000.

(vi) On February 15, 2019, the Company entered into an option agreement to acquire exclusive rights on certain claims in Québec for a period of 3 years. In order to obtain a 100% interest in the claims, the Company must pay \$270,000 over a three-year period (\$20,000 on signing (paid as at December 31, 2019), \$40,000 (paid during the three month period ended March 31, 2020), \$60,000 and \$150,000 on each of the first, second and third anniversaries of the effective date) and incur \$250,000 in expenditures on the claims over a three-year period (\$60,000, \$90,000 and \$100,000 on each of the first, second and third anniversaries of the effective date.) The vendor will maintain a 2% net smelter return of which 1% can be purchased for \$500,000 in the first five years and for \$2,000,000 thereafter.

## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

### 13. Exploration and Evaluation Expenditures

	Three months ended March 31,	
	2020	2019
Claim maintenance	\$ 2,979	\$ 49,120
Geology	42,903	97,204
Option payments	40,000	20,000
	<b>\$ 85,882</b>	<b>\$ 166,324</b>

### 14. General and Administrative Expenses

	Three months ended March 31,	
	2020	2019
Stock-based compensation (note 10)	\$ -	\$ 48,590
Consulting and management fees	45,811	38,250
Professional fees	83,729	12,858
Office and general	53,734	9,095
Filing fees	28,220	-
Occupancy costs	-	7,500
	<b>\$ 211,494</b>	<b>\$ 116,293</b>

### 15. Related Party Balances and Transactions

Related parties include the Board of Directors and management, close family and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

The transactions noted below are in the normal course of business and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

See notes 4 and 5.

Remuneration of directors and key management personnel of the Company was as follows:

	Three months Ended March 31,	
	2020	2019
Consulting fees – general and administrative expenses	\$ 41,250	\$ 38,250
Consulting fees – exploration and evaluation expenditures	30,000	-
Share-based payments	-	48,590
	<b>\$ 71,250</b>	<b>\$ 86,840</b>

As at March 31, 2020, there was \$119,695 (December 31, 2019 - \$93,917) owed to officers, directors and companies controlled by officers and directors.

The Company paid no management fees or rent to a company that is under common control with the Company in the quarter ended March 31, 2020 (\$9,750 and \$7,500 respectively during the quarter ended March 31, 2019).

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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
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### 16. Qualifying Transaction

The BTM Transaction has been recorded as an asset acquisition of the net assets of Platform Eight. In connection with the BTM Transaction, Platform Eight shareholders received one common share of BTMI for each common share of Platform Eight. As a result of the BTM Transaction BTMI issued 9,604,068 common shares valued at \$0.111 per share, totaling \$1,062,444 of consideration. Consideration for the BTM Transaction will also include the fair value of BTMI's replacement options and warrants which are valued at \$48,032 and \$10,972, respectively, based on the Black-Scholes pricing model with the following assumptions: share price of \$0.11 per common share, expected dividend yield of 0%, expected volatility of 100%, risk free rate of 1.5%, expected life of 4.28 years for the options and 1.28 years for the warrants. Upon completion of the BTM Transaction, existing shareholders of Blue Thunder and Platform Eight will own approximately 81.0% and 19.0% of the combined company respectively, on a basic shares outstanding basis.

The unaudited condensed interim consolidated statements of financial positions, condensed interim consolidated statements of loss and comprehensive income, condensed interim consolidated statements of changes in shareholder's equity and condensed interim consolidated statements of cash flows reflect the following qualifying transaction adjustments:

#### Purchase Price Consideration Paid

Estimated fair value of Platform Eight shares (i)	\$	1,062,444
Estimated fair value of Platform Eight options (ii)		48,032
Estimated fair value of Platform Eight warrants (iii)		<u>10,972</u>
Total Consideration	\$	<u>1,121,448</u>

#### Net Assets Acquired

Cash	\$	<u>525,000</u>
Excess of purchase price over fair value of assets acquired (expensed)	\$	<u>596,448</u>

- (i) The estimated value of the 9,604,068 Platform Eight shares issued was based on the recent financing price as completed by BTMC on January 10, 2020 at \$2.97 (implied equity value of the \$3.50 unit offering. See Note 8(b)(iii).
- (ii) The estimated value of the 600,000 Platform Eight options issued was based on a Black-Scholes valuation model with the following assumptions: share price of \$0.11 per common share, expected dividend yield of 0%, expected volatility of 100%, risk free rate of 1.5%, expected life of 4.28 years.
- (iii) The estimated value of the 214,162 Platform Eight warrants issued was based on a Black-Scholes valuation model with the following assumptions: share price of \$0.11 per common share, expected dividend yield of 0%, expected volatility of 100%, risk free rate of 1.5%, expected life of 1.28 years.

Under the acquisition accounting rules, BTMC was determined to be the accounting acquiror of Platform Eight. The transaction is assumed to constitute an asset acquisition as Platform Eight did not meet the definition of a business. The assets acquired and liabilities assumed were recorded at their estimated fair market values, which are based on management estimates.



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## Blue Thunder Mining Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2020 and 2019  
(Expressed in Canadian Dollars)

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### 17. Commitments and Contingencies

Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of March 31, 2020, the Company is committed to incurring approximately \$223,352 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2020 arising from the flow-through offerings. The Company has indemnified the subscribers of the flow-through shares for taxable amounts that may become due if the Company does not complete its contractual obligations related to the flow-through shares.

*Novel Coronavirus ("COVID-19")* - The Company could also be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on it and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company and its ability to secure any necessary financing.

See also Note 12.

### 18. Subsequent Events

*Acquisition of Fancamp and Embry properties* – On February 20, 2020, the Company announced that it had signed a non-binding Letter of Intent ("LOI") with O3 Mining Inc. ("O3"; TSX-V:OIII) to acquire a 100% interest in the Fancamp and Embry gold properties ("the Properties"), dated February 19, 2020. In consideration for the 100% interest in the Properties, the Company would issue to O3 4,514,436 common shares of Blue Thunder Mining Inc. and a 2% net smelter return royalty ("NSR") over the Properties granted to O3, subject to the Company having the option to buy-down a 1% NSR for C\$750,000. A definitive agreement with O3 was signed on April 20, 2020 and the transaction closed May 1, 2020.

*Stock option exercise* - On April 23, 2020 certain stock option holders exercised a portion of their option holdings. In total 499,365 stock options were exercised for total proceeds of \$19,975.

*Stock option grant* – On April 23, 2020, the Company granted to certain recently appointed officers and a director, an aggregate of 620,000 options to acquire common shares of the Company. The options have an exercise price of \$0.08, have a 5 year term from grant date and vest one-half on the date of grant and one-half on the six month anniversary of the date of grant.

*Payment for acquisition of mining claims* – On May 21, 2020, the Company made a payment of \$15,000 to certain vendors in connection with the acquisition of exploration and evaluation assets which had been accrued by the Company as at March 31, 2020 (See Note 12).