BLUE THUNDER MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Blue Thunder Mining Inc.

Opinion

We have audited the consolidated financial statements of Blue Thunder Mining Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2021

BLUE THUNDER MINING INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at		December 31, 2020	2019
	Note	**$**	$
ASSETS			
Current assets			
Cash		**3,088,695**	396,176
Sundry receivables and prepaid expenses	5	**253,817**	58,049
Total current assets		**3,342,512**	454,225
Non-current assets			
Exploration and evaluation assets	13	**947,977**	515,000
TOTAL ASSETS		**4,290,489**	969,225
LIABILITIES AND EQUITY			
Current liabilities			
Amounts payable and accrued liabilities	6,16	**360,127**	420,444
Flow-through share premium liability	8	**652,677**	38,395
Total liabilities		**1,012,804**	458,839
EQUITY			
Share capital	9	**6,118,689**	1,109,699
Warrants	10	**582,937**	145,075
Contributed surplus	11	**1,056,311**	806,628
Accumulated deficit		**(4,480,252)**	(1,551,016)
Total equity		**3,277,685**	510,386
TOTAL LIABILITIES AND EQUITY		**4,290,489**	969,225

Nature of operations and going concern	1,2
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APPROVED BY THE BOARD:

Signed, "Chad Williams", Director

Signed, "Louis Gariepy", Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		Year ended December 31,	
		2020	2019
	Note	**$**	$
Operating Expenses			
Exploration and evaluation expenditures	14	**1,837,299**	510,977
General and administrative expenses	15	**1,039,069**	535,464
Total expenses		**2,876,368**	1,046,441
Other expenses (income)			
Transaction cost of qualifying transaction	17	**596,448**	-
Flow-through share premium	8	**(460,788)**	(55,545)
Interest (income) expense		**(2,475)**	(1,541)
Loss and comprehensive loss for the year		**3,009,553**	989,355
Basic and diluted loss per share	12	**$0.05**	$0.03
Weighted average number of common shares – basic and diluted		**65,528,078**	34,727,444

BLUE THUNDER MINING INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		Year ended December 31,	
		2020	2019
	Note	**$**	$
Cash flows from the following activities:			
Operating activities:			
Net (loss) for the year		**(3,009,553)**	$(989,355)
Adjustments for:			
Transaction costs of qualifying transaction	17	**596,448**	-
Acquisition of strategic data and mining claims through options agreements	9	**470,000**	-
Share-based compensation	11	**243,810**	60,364
Flow-through share premium	8	**(460,788)**	(55,545)
Sundry receivables and prepaid expenses		**(195,768)**	(19,214)
Amounts payable and accrued liabilities		**(60,317)**	73,201
Net cash used in operating activities		**(2,416,168)**	(930,549)
Investing activities:			
Acquisition of exploration and evaluation assets		**(10,265)**	(15,000)
Net cash used in investing activities		**(10,265)**	(15,000)
Financing activities:			
Proceeds from private placements	9	**4,968,104**	715,029
Share issue costs	9	**(406,027)**	(17,515)
Exercise of stock options	11	**31,875**	-
Cash acquired from qualifying transaction	17	**525,000**	-
Net cash provided by financing activities		**5,118,952**	697,514
Net change in cash		**2,692,519**	(248,035)
Cash, beginning of period		**396,176**	644,211
Cash, end of period		**3,088,695**	396,176

Supplemental cash flow information:		
Value of common shares issued for acquisition of exploration and evaluation assets (note 9,13)	$422,712	$65,000
Broker warrants issued in connection with private placements (note 9)	$90,668	$8,359

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Note	CAPITAL		RESERVES		EQUITY	
		# Shares	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2018		**33,362,063**	**$548,612**	**$69,346**	**$766,964**	**$(582,361)**	**$802,561**
Private placements	9	5,484,777	715,029	—	—	—	715,029
Less share issue costs	9	—	(45,814)	8,359	—	—	(37,455)
Warrants issued	9	—	(67,370)	67,370	—	—	—
Share-based compensation	11	—	—	—	60,364	—	60,364
Stock options expired	11	—	—	—	(20,700)	20,700	—
Flow-through share premium	8	—	(40,758)	—	—	—	(40,758)
Net loss and comprehensive loss		—	—	—	—	(989,355)	(989,355)
Balance, December 31, 2019		**38,846,840**	**$1,109,699**	**$145,075**	**$806,628**	**$(1,551,016)**	**$510,386**
Private placements	9	44,371,902	4,951,947	—	—	—	4,951,947
Less share issue costs	9	—	(552,652)	146,623	—	—	(406,029)
Shares issued for qualifying transaction	9,17	9,604,068	1,062,444	10,972	48,032	—	1,121,448
Shares issued for property acquisition	9	4,614,436	438,871	—	—	—	438,871
Shares issued for data purchase agreement	9	3,200,000	320,000	—	—	—	320,000
Shares issued as consideration	9,13	1,150,307	150,000	—	—	—	150,000
Warrants issued	9	—	(360,584)	360,584	—	—	—
Share-based compensation	11	—	—	—	243,810	—	243,810
Flow-through share premium		—	(1,075,070)	—	—	—	(1,075,070)
Expiration of warrants	10	—	—	(80,317)	—	80,317	—
Exercise of stock options	9,11	818,851	74,034	—	(42,159)	—	31,875
Net loss and comprehensive loss		—	—	—	—	(3,009,553)	(3,009,553)
Balance, December 31, 2020		**102,606,404**	**$6,118,689**	**$582,937**	**$1,056,311**	**$(4,480,252)**	**$3,277,685**

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 2704, P.O. Box 4, Toronto, Ontario, Canada, M5H 2Y4. The Company is traded on the TSX Venture Exchange ("TSXV") under the symbol "BLUE". The Company was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017 and is an exploration company engaged in the identification, evaluation, acquisition and exploration of gold properties in Québec. The Company holds a 100% interest in five non-contiguous mineral exploration properties near Chibougamau, Québec.

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 17 – *Qualifying Transaction*.

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 were 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. These consolidated financial statements are presented for accounting purposes as a continuation of BTMC, reflecting the acquisition of Platform Eight on a reverse acquisition basis.

2. Going Concern

These 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 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.

2. Going Concern, continued

These 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 year ended December 31, 2020, the Company incurred a net loss of $3,009,553 (2019 - $989,355) and accumulated deficit was $4,480,252 (December 31, 2019 - $1,551,016).

Working capital at December 31, 2020 was $2,329,708 (December 31, 2019 – deficiency of $4,614). 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 the Company’s properties and meet the ongoing general and administrative expenses incurred to maintain operations. 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. Raising additional funds will be dependent on exploration results.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and business around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and significant declines. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on our financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. During 2020, the Company was able to continue with its operations.

3. 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 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee.

The financial statements are presented in Canadian dollars, the Company's functional currency, and have been prepared on a historical cost basis. All amounts have been rounded to the nearest dollar, unless otherwise noted.

These consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2021.

3. Significant Accounting Policies, continued

Basis of Presentation

The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Financial Instruments

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement for each financial instrument:

Classification	IFRS 9
Cash	Amortized cost
Other current assets	Amortized cost
Amounts payable and accrued liabilities	Amortized cost

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Significant Accounting Policies, continued

Exploration and Evaluation Assets

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized.

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments that are made at the discretion of the Company, and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Impairment of Exploration and Evaluation Properties

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets.

Estimates include but are not limited to estimates of the discounted future pre-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation properties.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows to present value.

3. Significant Accounting Policies, continued

Flow-through Shares

The Company may from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a premium on flow-through shares in the statement of loss.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid. The Company indemnifies subscribers of flow-through shares for certain tax related amounts that may become payable if the Company fails to meet its flow-through expenditure requirements.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The treasury stock method is used to arrive at the diluted loss per share, which is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. All outstanding options and warrants are considered anti-dilutive and are therefore excluded from the diluted loss per share for the periods presented.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous periods.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

3. Significant Accounting Policies, continued

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Share-based Payment Transactions

The fair value of stock options granted to employees, directors and officers of the Company is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Stock-based compensation incorporates an expected forfeiture rate of nil.

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

Share Capital, Warrants and Contributed Surplus

Share capital represents the amount received on the issue of shares, less issuance costs. Warrants includes the fair value of warrants until such equity instruments are exercised or expired. Contributed surplus includes charges related to stock options until such equity instruments are exercised or expired and contributions made by the shareholders. The Company transfers to deficit the value of expired, forfeited or canceled warrants or options.

3. Significant Accounting Policies, continued

Impairment

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

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

Significant Accounting Judgments and Estimates

The preparation of these consolidated 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The recoverability of other receivables which are included in the statements of financial position;
- Assets' carrying values and impairment charges: In the determination of carrying values and impairment charges, management looks at the higher of: recoverable amount; fair value less costs to sell in the case of assets; and significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period;

3. Significant Accounting Policies, continued

- Restoration, rehabilitation and environmental obligations: Management determined there were no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed in the current year that would trigger recognition of the provision in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets"; and
- Management determines the fair value of warrants and stock options using the Black-Scholes option pricing model.

Critical accounting judgments

- Income taxes and recovery of deferred tax assets: The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretations and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Adoption of New Accounting Standards

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. The adoption of this standard did not affect the Company's financial results or disclosures.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. The adoption of this standard did not affect the Company's financial results or disclosures.

3. Significant Accounting Policies, continued

New Accounting Standards Not Yet Effective

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

4. 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. At December 31, 2020, the Company had cash of $3,088,695 (2019 - $396,176) to settle current liabilities of $1,012,804 (2019 - $458,839). Current liabilities includes a flow-through share liability of $652,677 (2019 - $38,395) which does not get settled by cash. Instead, this balance is amortized (decreased) against qualifying flow-through expenditures which are required to be incurred before December 31, 2021. All of the Company's financial liabilities have contractual maturities of less than 30 days.

(Expressed in Canadian Dollars)

4. Financial Risk Management, continued

(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

At December 31, 2020, the Company had $3,088,695 (2019 - $396,176) in cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a recognized Canadian chartered bank. The Company periodically monitors the investments it makes and the creditworthiness of the bank where the investments are held. As a result, Management believes the Company's exposure to interest rate risk is minimal.

(b) Foreign currency risk

The Company does not have any significant assets in any currency other than its functional currency, nor does it have significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates should not give rise to any significant change to the ongoing results of operations.

(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 the stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities. As the Company is not a commodity producer, management believes the Company's exposure to price risk is minimal.

5. Sundry Receivables and Prepaid Expenses

At December 31,	**2020**	2019
Sales tax receivable	**$213,690**	$56,537
Prepaid expenses	**40,127**	1,512
	$253,817	$58,049

6. Amounts Payable and Accrued Liabilities

At December 31,	**2020**	2019
Amounts payable	**$348,041**	$177,707
Accrued liabilities	**12,086**	242,737
	$360,127	$420,444

(Expressed in Canadian Dollars)

7. 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 to it 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 comprised of share capital, warrants reserve and contributed surplus, and accumulated deficit which, at December 31, 2020, totaled $3,277,685 (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 significantly unchanged during the years ended December 31, 2020 and 2019.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2020, the Company believes it is compliant with the policies of the TSXV.

8. Flow-Through Share Premium Liability

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

Balance, December 31, 2018	**$53,182**
Liability incurred on flow-through shares issued	40,758
Flow-through share premium recognized	(55,545)
Balance, December 31, 2019	**$38,395**
Liability incurred on flow-through shares issued	1,075,070
Flow-through share premium recognized	(460,788)
Balance, December 31, 2020	**$652,677**

(Expressed in Canadian Dollars)

8. Flow-Through Share Premium Liability, continued

The flow-through common shares (defined below) issued in the private placements completed in during the year ended December 31, 2020 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 share premium for these private placements was estimated to be $1,075,070 (2019 – $40,758).

The flow-through share premium is derecognized through income as the eligible expenditures are incurred. At December 31, 2020, the Company is committed to incur eligible expenditures of $2,261,672 (2019 - $253,352) for funds raised in 2020 by December 31, 2021.

9. 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 consolidated financial statements.

b) Common shares issued

The following table represents the changes to share capital during the years ended December 31, 2020 and 2019:

	Number of Common Shares	Amount
Balance, December 31, 2018	**33,362,063**	**$548,612**
Private placements (c)(i)	5,484,777	715,029
Less share issue costs (c)(i)	—	(37,455)
Warrants issued (c)(i)	—	(67,370)
Broker warrants issued (c)(i)	—	(8,359)
Flow-through share premium (note 8)	—	(40,758)
Balance, December 31, 2019	**38,846,840**	**$1,109,699**
Private placements (d)(ii,vii,viii,x)	44,371,902	4,951,947
Less share issue costs	—	(552,652)
Warrants (d)(ii,vii,viii,x)	—	(360,584)
Flow-through share premium (note 8)	—	(1,075,070)
Shares issued for qualifying transaction (d)(iii)	9,604,068	1,062,444
Shares issued as consideration (d)(iv)	1,150,307	150,000
Shares issued for property acquisition (d)(v,ix)	4,614,436	438,871
Shares issued for data purchase agreement (d)(vi)	3,200,000	320,000
Shares issued for the exercise of stock options (d)(i)	818,851	74,034
Balance, December 31, 2020	**102,606,404**	**$6,118,689**

9. Share Capital, continued

c) During the year ended December 31, 2019**:**

i. BTMC completed private placement financings with the issuance of 2,064,581 flow-through shares, at a price of $0.13 per share for gross flow-through proceeds of $269,150 and 3,420,196 non-flow-through units ("2019 HD Unit") at a price of $0.13 per 2019 HD Unit for gross HD proceeds of $445,879. Legal fees and other costs associated these financings in the amount of $37,455 were recorded as share issue costs.

Each 2019 HD Unit consisted of one common share of BTMC and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of BTMC for 18 months at a price of $0.1676. Further, BTMC also issued 211,693 broker warrants having the same terms as the warrants issued as part of the 2019 HD Units, as compensation. A fair value of $67,370 was assigned to the warrants, and a fair value of $8,359 was assigned to the broker warrants using the Black Scholes option pricing model with the following assumptions: 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, publicly-traded mining companies.

d) During the year ended December 31, 2020:

i. On January 9, 2020, 319,486 BTMC stock options were exercised for proceeds of $11,900. The fair value of $16,499 assigned to these options was added to share capital.

On April 23, 2020, 499,365 BTMI options were exercised for proceeds of $19,975. A fair value assigned to these options of $25,710 was added to share capital

ii. On January 10, 2020, BTMC completed a non-brokered private placement financing of 1,919,603 units of BTMC ("2020 January HD Units") at a price of $0.13, for proceeds of $250,235. Each 2020 January HD Unit consists of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share of BTMC for 18 months, at a price of $0.1676. In connection with the January HD financing, BTMC issued 134,372 broker warrants having the same terms as the warrants issued as part of HD Units.

Using the Black-Scholes option pricing model, a fair value of the $37,329 was assigned to the 959,802 warrants, and $5,276 was assigned to the 134,372 broker warrants, using the following assumptions: 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, publicly-traded mining companies.

iii. 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 notes 1 and 17 – *Qualifying Transaction.*

iv. On February 14, 2020, the Company issued 1,150,307 common shares valued at $150,000 as consideration for the acquisition of certain exploration and evaluation assets. The shares are valued at the quoted market price at the time of issue. See note 13 – *Exploration and Evaluation Assets*.

9. Share Capital, continued

v. On May 1, 2020, the Company issued 4,514,436 shares valued at $428,871 to O3 Mining Inc. in consideration for the purchase of the Fancamp and Embry properties. See note 13 (v) – *Exploration and Evaluation Assets.*

vi. On June 17, 2020, the Company issued 3,200,000 shares to Honey Badger Exploration Inc. for the purchase of strategic exploration data related to the Company's Muus-Principal, Muus-Extension, Muus-S-Fold, Muus-Tectonic, Muus-East and Nisk properties. The shares were valued at $320,000 based on the quoted market price of the Company's shares at the time of issue.

vii. On June 30, 2020, BTMI completed a non-brokered private placement financing of 7,834,573 flow-through shares of BTMI at a price of $0.11 per share, for gross proceeds of $861,803, 2,627,660 charity flow-through units of BTMI ("Charity Flow-Through Units") at a price of $0.17 per unit, for gross proceeds of $446,702, and 6,750,000 non-flow-through units of BTMI ("HD June Units") at a price of $0.10 per unit, for gross proceeds of $675,000.

Each HD June Unit consists of one common share of BTMI and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of BTMI for 24 months at a price of $0.15. Each Charity Flow-Through Unit shall consist of one Flow-Through Share issued as part of a charity arrangement and one-half of one common share purchase warrant. Each warrant will be exercisable by the holder to acquire one common share for 24 months at a price of $0.15 following the closing of the Offering.

In connection with this financing, BTMI also issued 1,069,756 broker warrants entitling the holder to acquire one common share of BTMI for 24 months at a price of $0.10. The fair value assigned to these warrants was $245,267 and $55,958 respectively.

Using the Black-Scholes option pricing model, a fair value of $245,267 was assigned to the 4,688,830 warrants and a fair value of $55,958 was assigned to 1,069,756 broker warrants, using following assumptions: share price of $0.10; expected dividend yield of 0%; risk-free interest rate of 0.5%; volatility of 100% and an expected life of 24 months. Volatility was estimated based on similar companies in the industry that are publicly traded.

Directors and officers subscribed for 500,000 flow-through shares for gross proceeds of $55,000.

viii. On July 15, 2020, BTMI completed the second tranche of a non-brokered private placement financing of 3,120,000 non-flow through units of BTMI ("2020 July HD Units") at a price of $0.10 per unit for gross proceeds of $312,000.

Each 2020 July HD Unit consists of one common share of BTMI and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of BTMI for 24 months at a price of $0.15.

In connection with the 2020 July HD financing, BTMI issued 176,400 broker warrants entitling the holder to acquire one common share of BTMI for 24 months at a price of $0.10.

(Expressed in Canadian Dollars)

9. Share Capital, continued

Using the Black-Scholes option pricing model, a fair value of $66,341 was assigned to the 1,560,000 warrants and a fair value of $9,227 was assigned to the 176,400 broker warrants, using the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.5%; volatility of 100% and an expected life of 24 months. Volatility was estimated based on similar companies in the industry that are publicly traded.

ix. On November 12, 2020, BTMI issued 100,000 shares valued at $10,000 as consideration for the purchase of certain mining claims (see note 13 (vi) – *Exploration and Evaluation Assets*). The share value is based on the quoted market price of the Company's shares at the time of issue.

x. On December 10, 2020, BTMI completed a non-brokered private placement financing of 19,420,066 flow-through shares of BTMI at a price of $0.11 per share for gross proceeds of $2,136,207 and 2,700,000 non-flow-through units of BTMI ("2020 December HD Units") at a price of $0.10 per unit for gross proceeds of $270,000.

Each 2020 December HD Unit consists of one common share of BTMI and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of BTMI for 24 months at a price of $0.15.

In connection with this financing, BTMI issued 1,520,405 broker warrants entitling the holder to acquire one common share of BTMI for 24 months at a price of $0.11.

Using the Black-Scholes option pricing model, a fair value of $57,514 was assigned to the 1,350,000 warrants, and a fair value of $76,164 was assigned to the 1,520,405 broker warrants using the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.7%; volatility of 100% and an expected life of 24 months. Volatility was estimated based on similar, publicly-traded mining companies.

Directors and officers subscribed for 1,800,000 2020 December HD units for gross proceeds of $180,000

10. Warrants

The following table reflects the warrants activity during the years ended December 31, 2020 and 2019:

	Number of Warrants	Fair value on the date of issuance
Balance, December 31, 2018	**2,022,886**	**$69,346**
Issued (note 9(c)(i))	1,921,778	75,729
Balance, December 31, 2019	**3,944,664**	**$145,075**
Issued (note 9(d)(ii,vii,viii,x))	11,459,565	507,207
Issued on qualifying transaction (note 17)	214,162	10,972
Expired	(2,237,048)	(80,317)
Balance, December 31, 2020	**13,381,343**	**$582,937**

(Expressed in Canadian Dollars)

10. Warrants, continued

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

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Expiry Date
$0.1676	507,688	.05	January 17, 2021
$0.1676	8,269	.16	February 28, 2021
$0.1676	224,741	.25	March 30, 2021
$0.1676	1,175,442	.39	May 22, 2021
$0.1676	5,638	.47	June 20, 2021
$0.1676	1,094,174	.52	July 9, 2021
$0.1000	1,069,756	1.50	June 30, 2022
$0.1500	4,688,830	1.50	June 30, 2022
$0.1000	176,400	1.54	July 15, 2022
$0.1500	1,560,000	1.54	July 15, 2022
$0.1100	1,520,405	1.94	December 10, 2022
$0.1500	1,350,000	1.94	December 10, 2022
	13,381,343		

The weighted average exercise price at December 31, 2020 is $0.1448 (2019 - $0.1535). The weighted average remaining life at December 31, 2020 is 1.59 years (December 31, 2019 – 0.84 years).

11. Stock Options

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018	**5,369,520**	**$0.04**
Forfeited	(402,715)	$0.04
Granted	(402,715)	$0.04
Balance, December 31, 2019	**4,564,090**	**$0.04**
Granted (i) to (iv)	2,935,000	0.12
Granted on qualifying transaction (note 17)	600,000	0.10
Exercised	(818,851)	0.04
Balance, December 31, 2020	**7,280,239**	**$0.08**

(Expressed in Canadian Dollars)

11. Stock Options, continued

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life – Years	Number of Options Exercisable	Expiry Date
$0.10	600,000	2.11	600,000	February 12, 2023
$0.08	620,000	4.3	620,000	April 23, 2025
$0.10	380,000	4.56	190,000	July 27, 2025
$0.12	160,000	4.56	80,000	July 28, 2025
$0.14	1,775,000	4.58	887,500	August 6, 2025
$0.04	3,745,239	7.43	3,745,239	June 11, 2028
	7,280,239		**6,122,739**	

i. On April 23, 2020, the Company granted 620,000 five-year stock options to certain officers and a director of the Company with an exercise price of $0.08. The options vest one-half on the date of grant and one-half on the six-month anniversary of the date of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 0.6%; and expected volatility of 100%. The fair value assigned to these options was $37,200.

ii. On July 27, 2020, the Company granted 380,000 five-year stock options to a director of the Company with an exercise price of $0.10. These options vest one-half on the date of grant and one-half on the six-month anniversary of the date of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 0.26%; and expected volatility of 100%. The fair value assigned to these options was $28,500.

iii. On July 28, 2020, the Company granted 160,000 five-year stock options to a director of the Company with an exercise price of $0.115. These options vest one-half on the date of grant and one-half on the six-month anniversary of the date of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 0.26% and expected volatility of 100%. The fair value assigned to these options was $13,600.

iv. On August 6, 2020, the Company granted 1,775,000 five-year stock options to certain officers, directors, agents and consultants of the Company with an exercise price of $0.14. These options vest one-half on the date of grant and one-half on the six-month anniversary of the date of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 0.26% and expected volatility of 100%. The fair value assigned to these options was $186,375.

v. For the year ended December 31, 2020, the impact on the statement of loss and other comprehensive loss was an aggregate expense of $243,810 (2019 - $60,364). The weighted average remaining life at December 31, 2020 is 5.7 years (December 31, 2019 – 8.5 years). At December 31, 2020, 6,122,739 options were vested.

(Expressed in Canadian Dollars)

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shareholders of $3,009,553 (2019 – $989,355) and the weighted average number of common shares outstanding of 65,528,078 (2019 – 34,727,444). Diluted loss per share for the years ended December 31, 2020 and 2019 did not include the effect of stock options and warrants as they were anti-dilutive.

13. Exploration and Evaluation Assets

Balance, December 31, 2018	**$435,000**
Acquisition of additional mining claims in Quebec (iii)	80,000
Balance, December 31, 2019	**$515,000**
Acquisition of additional mining claims (v,vi)	432,977
Balance, December 31, 2020	**$947,977**

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

   Under the terms of the agreement, the Company was required to make the following payments:
   - $150,000 in cash on the date of closing (paid);
   - $100,000 in cash on or before January 2, 2018 (paid);
   - $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 year ended December 31, 2020); and
   - Finders' fees of $30,000 were paid as part of this agreement during the year ended December 31, 2018.

   On May 21, 2018, the Company amended this agreement to include additional claims for consideration of $5,000.

ii. On February 15, 2019, the Company entered into an option agreement to acquire exclusive rights on certain claims in Québec (Muus-Tectonic Claims) 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 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.) As per the terms of the option agreement, the Company exercised its option to defer the first-year exploration commitment for $60,000 until the second anniversary, February 15, 2021. As of December 31, 2020, BTMI had incurred expenditures of $52,372 on the Tectonic claims. In Q1 2021, the Company completed 10.5 line kilometers of ground geophysics (Induced Polarization/Resistivity) in the northwest sector of the Tectonic claims and claims management expenses, increasing the total incurred expenses to $97,678 and fulfilling the first-year exploration commitment. Of this total, $37,678 will be applied towards the second-year exploration commitment. 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.

(Expressed in Canadian Dollars)

13. Exploration and Evaluation Assets, continued

iii. On May 24, 2019, the Company entered into an agreement to acquire certain claims in Québec (Muus Extension – Jean Robert Claims). 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 was payable one year from the date of signing (paid in 2020). The Company must also issue $50,000 in common shares upon the Company's listing on a stock exchange (issued during the year ended December 31, 2020). The vendor will maintain a 1% net smelter return of which 0.5% can be purchased for $500,000 at any time.

iv. On February 14, 2020, the Company issued 1,150,307 common shares valued at $150,000 pursuant to option agreements on the Muus and Muus East Properties. The share value is based on the quoted market price of the Company's shares at the time of issue.

v. On February 19, 2020, the Company signed a Letter of Intent ("LOI") with O3 Mining Inc. ("O3") to acquire a 100% interest in the Fancamp and Embry gold properties in Québec. A definitive agreement was signed on April 20, 2020 and the acquisition closed on May 1, 2020. As part of the closing terms, the Company issued 4,514,436 common shares to O3 and granted a 2% net smelter return royalty ("NSR") over the properties, of which 1% can be purchased for $750,000 at any time. The Company also received $16,159 to cover the spending requirements on the claims acquired.

vi. On November 12, 2020, the Company announced the acquisition of additional claims through staking and land acquisitions, including claims contiguous to the Company's Muus and Nisk properties. In consideration for the claims, the Company issued 100,000 common shares valued at $10,000, and paid $10,265 in cash.

14. Exploration and evaluation expenditures

Year ended December 31,	**2020**	**2019**
Claim maintenance	**$38,118**	$94,744
Geology	**1,759,181**	396,233
Option payments	**40,000**	20,000
	$1,837,299	$510,977

15. General and administrative expenses

Year ended December 31,	**2020**	**2019**
Management and consulting fees	**$289,407**	$220,804
Professional fees	**258,467**	164,852
Stock-based compensation (note 11)	**243,810**	60,364
Office and general	**180,125**	56,999
Filing fees	**67,260**	14,445
Occupancy costs	—	18,000
	$1,039,069	$535,464

(Expressed in Canadian Dollars)

16. 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 adherence to conflict-of-interest laws and regulations.

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

Year ended December 31,	2020	2019
Consulting fees – general and administrative expenses	**$316,250**	$161,427
Consulting fees – exploration and evaluation expenditures	**217,167**	80,000
Share-based payments	**200,197**	60,364
	$733,614	$301,791

At December 31, 2020, a total of $13,044 (December 31, 2019 - $93,917) is owed to officers, directors and companies controlled by officers and directors. These amounts are unsecured, non-interest-bearing, with no fixed terms of repayment.

The Company paid no management fees or rent to a company that is under common control with the Company in the year ended December 31, 2020 (2019 - $3,250 and $17,500).

17. 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.

(Expressed in Canadian Dollars)

17. Qualifying Transaction, continued

The consolidated statements of financial position, loss and comprehensive loss, statements of changes in shareholder's equity and 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)	10,972
Total Consideration	$1,121,448
Net Assets Acquired	
Cash	525,000
Excess of purchase price over fair value of assets acquired (expensed)	$596,448

i. The estimated value of the 9,604,068 Platform Eight shares issued was based on the financing price as completed by BTMC on January 10, 2020 at $0.11 (implied equity value of the $0.13 unit offering). See note 1 – *Nature of Operations* .

ii. The estimated value of $48,032 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 $10,972 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.

18. Segmented Information

The Company's only activity is mineral exploration and evaluation. All of the Company's field equipment and supplies, and exploration claims are physically located in the Province of Quebec.

(Expressed in Canadian Dollars)

19. Commitments and Contingencies

(i) Flow-through Shares: pursuant to the terms of flow-through share agreements, 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 December 31, 2020, the Company is committed to incurring approximately $2,261,672 (2019 - $253,352) in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021 arising from the flow-through share offerings. On July 24, 2020, the Government of Canada announced its proposal to assist flow-through share issuers due to the impacts of COVID-19, by extending the timelines for spending the capital raised through the issuance of flow-through securities by 12 months, however, this has not received legislative approval at the time of publishing this document. The Company awaits further details to the extent that this proposal may affect the Company's obligations with respect to deadlines to incur the qualifying expenditures. 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.

(ii) COVID-19: see note 1 – *Going Concern*.

(iii) Property payments: see note 13 – *Exploration and Evaluation Assets*.

20. Income Tax

(a) Provision for Income Taxes

Major items causing the Corporation's income tax rate to differ from the 2020 combined Canadian federal and provincial statutory rate of approximately 26.5% (2019 – 13.5%) were as follows:

Year ended December 31,	**2020**	2019
Loss before income taxes:	**$(3,009,553)**	$(989,355)
Expected income tax (recovery) based on statutory rate	**(798,000)**	(134,000)
Increase (decrease) resulting from:		
Stock-based compensation	**65,000**	8,000
Flow-through renunciation	**381,000**	42,000
Other	**(95,000)**	12,000
Change in tax rates	**(119,000)**	
Change in benefit of tax assets not recognized	**566,000**	72,000
	$ –	$ –

(Expressed in Canadian Dollars)

20. Income Tax, continued

(b) Deferred Income Tax Balances

Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits.

Year ended December 31,	**2020**	2019
Non-capital loss carry-forwards	**$1,694,000**	$782,000
Mineral property expenditures	**458,000**	57,000
Share issue costs	**452,000**	77,000
	$2,604,000	$916,000

(c) Tax loss carry-forwards

Non-capital losses will expire between 2037-2040. The other temporary differences do not expire under current legislation.

21. Subsequent Event

On January 28, 2021, 250,000 stock options were granted to a recently appointed director of the Company at an exercise price of $0.10 per share, expiring on January 27, 2026. The options vest as to one half on the date of grant, and one half on the first anniversary of the date of grant.

On March 18, 2021, 285,000 stock options were granted to consultants of the Company at an exercise price of $0.10 per share, expiring on March 18, 2026. Of the options granted, 35,000 vest as to one half on the date of grant, and one half on the first anniversary of the date of grant. The remaining 250,000 vest as to one quarter as of June 18, 2021, one quarter on September 18, 2021, one quarter on December 18, 2021, and one quarter on March 18, 2022.

Subsequent to the year ended December 31, 2020, 740,698 warrants expired, unexercised.