



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2021 and 2020



INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Blue Thunder Mining Inc. (the "Company" or "Blue Thunder" or "BTMI") for the three months ended March 31, 2021 and 2020 should be read in conjunction with the Consolidated Financial Statements for the years ended December 31, 2020 and 2019, and related notes thereto (the "Annual Financial Statements") and the Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2021 and 2020, and related notes thereto (the "Interim Financial Statements"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. This MD&A is reported as of May 28, 2021.

2.0 CAUTIONARY NOTE

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated content, commencement, anticipated exploration program results, the ability to complete future financings, the ability to complete the required permitting, the ability to complete the exploration program and drilling, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the commodity markets generally, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the inability of the Company to obtain any necessary permits, consents or authorizations required, including TSX-V acceptance, for its planned activities, the analytical results from surface trenching and sampling program, including diamond drilling programs, the results of IP surveying, the inability of the Company to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, the potential impact of COVID-19 (coronavirus) on the Company's exploration program and on the Company's general business, operations and financial condition, and other risks and uncertainties. Readers are urged to access www.sedar.com to review additional information about the Company, including the technical reports filed with respect to the Company's mineral properties. This document contains information with respect to adjacent or similar mineral properties in the Chibougamau District in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits, and the results of any mining thereof, on adjacent or similar properties, are not indicative of mineral deposits on the Company's properties or any potential exploitation thereof.

3.0 BACKGROUND

3.1 DIRECTORS, OFFICERS AND MANAGEMENT

Chad Williams – Executive Chairman, Interim CEO, Director
Elaine Ellingham – Director
Louis Gariepy – Director
Phil Girard – Director
Rick Paolone – Director
Donna McLean – CFO
Igor Zonenschein – Corporate Secretary
Edmond Thorose – Technical Advisor

3.2 REGISTERED OFFICE

The Company's registered office is located at 401 Bay Street, Suite 2704, P.O. Box 4, Toronto, Ontario M5H 2Y4.

3.3 EXCHANGE LISTINGS

The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSXV") under the symbol "BLUE", and on the OTCQB Venture Market ("OTCQB") under the symbol "BLTMF".

3.4 CORPORATE INFORMATION

Blue Thunder (formerly Platform Eight Capital Corp ("Platform Eight")), was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017 and is an exploration stage company engaged in the identification, evaluation, acquisition and exploration, primarily of gold and base metals Properties in Québec, Ontario, Canada.

Email: info@bluethundermining.com; Website: <http://www.bluethundermining.com>

4.0 STRATEGY AND OBJECTIVES

BTMI'S strategy is to explore and discover world-class gold deposits amenable to economic exploitation.

The Company holds a 100% interest in five non-contiguous mineral exploration properties near Chibougamau, Québec. The properties cover approximately 52,000 hectares (ha) and include the Muus, Muus East, Nisk, Fancamp and Embry properties, which together comprise the Muus Project (the "Project"). Of this total, 2,686 hectares in the Muus property are subject to an option agreement to be satisfied over a three-year period.

4.1 KEY PERFORMANCE DRIVERS

- The Company has an experienced exploration team and a diverse Board with strong technical backgrounds
- The Company has compiled decades of valuable historic data from the Muus Project to help guide the exploration programs, avoiding the need to repeat costly surveys
- The Muus Project is located within the historic Chibougamau mining camp of Québec, which has been undergoing a significant revival over the past few years driven by high profile discoveries at the nearby Nelligan and Monster Lake deposits

- The province of Québec is rated among the top jurisdictions world-wide according the Fraser Institute 2020 Mining Survey
- With the Muus project in Québec, the Company has access to very attractive flow-through funding
- The Project has very good local infrastructure and access, and is amenable to year-round exploration

4.2 OBJECTIVES FOR 2021

- Complete an exploration program that comprises property-scale 3D modelling of multiple datasets, targeted diamond drilling at Muus and Fancamp, till and soil sampling programs, IP surveying over selected targets, trenching, channel sampling and prospecting over Muus and other parts of the Project
- Exploration will focus on the discovery of the following types of mineralization:
 - Metasedimentary hosted disseminated gold mineralization, similar to the nearby Nelligan gold deposit
 - Abitibi lode gold style mineralization, similar to the nearby Monster Lake and Philibert deposits
 - Volcanogenic massive sulphide (VMS) copper-lead-zinc mineralization with silver and gold mineralization
- Secure additional funding for the Company through a private placement, rights issue, joint venture agreement, or other financing activity
- Utilize the additional funds raised to continue exploration of the Project with the following objectives:
 - Identify and follow-up on new targets generated by the 2021 program
 - Additional drilling around the Company's current main targets and testing new anomalies
- The Company's long-term objective is to make a discovery and complete sufficient drilling to support an inaugural NI 43-101 mineral resource estimate

5.0 Q1 2021 HIGHLIGHTS

5.1 TECHNICAL HIGHLIGHTS

Highlights of the Company's activities for the period ended March 31, 2021 and the subsequent period up to the date of this MD&A are as follows:

- **Blue Thunder Discovers New Gold Zone at Muus:** On March 3, 2021, the Company announced results from the Q4 2020 inaugural drilling program on its Muus Property. Two new zones of metasediment-hosted gold mineralization were discovered in drill hole Muus20-01, which returned the following intercepts:
 - 0.84 g/t Au over 6.0m (14.5-20.5 m)
 - 1.34 g/t Au over 4.1m (29.0-33.1 m)

Importantly, several of the other holes from this program that targeted the Guercheville Deformation zone also returned anomalous values of gold, hosted within metasedimentary units close to the volcanic-sediment contact. The results support the Company's exploration model that disseminated gold mineralization, similar to that reported at the nearby Nelligan Deposit, continues northwest onto the Company's Muus property.

- **Blue Thunder Announces Results from IP Survey on Tectonic Grid:** On May 3, 2021, the Company announced results from a 10.5 line-kilometre induced polarization ("IP") survey recently completed over the Tectonic Grid on its Muus Property, targeting "Nelligan-style" sedimentary-hosted gold mineralization. In all, seven IP anomalies were identified, each with moderate-to-strong chargeability

response in an area with no historic drilling. The IP results provide numerous potential new drill targets that may be tested during the Company's 2021 exploration program scheduled to start in May.

5.2 FINANCE AND CORPORATE HIGHLIGHTS

➤ Stock Options Granted:

- On January 28, 2021, the Company announced that it had granted to a recently appointed director 250,000 options to acquire common shares of the Company. The options have an exercise price of \$0.10 per share, have a five-year term from the date of grant and vest one-half on the date of grant and one half on the 6-month 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 options vest as to one quarter every three months beginning on June 18, 2021.

➤ Change of Management:

- Effective February 1, 2021, the Company retained Grove Corporate Services Ltd. ("Grove") to provide corporate services including those provided by the CFO and Corporate Secretary.
- Effective May 4, 2021, Rob Cinitis resigned his position as President, CEO and director. Chad Williams, Executive Chairman and Director of BTMI, has been appointed by the Board of Directors to serve as Interim CEO.

6.0 OVERALL PERFORMANCE - Technical

6.1 EXPLORATION STRATEGY AND 2021 WORK PROGRAM

The Company's exploration strategy has been to build and grow a significant and strategic land position within the historical Chapais-Chibougamau mining camp at the eastern end of the Abitibi greenstone belt in the Province of Québec. Since 2017 the Company has continued to expand its exploration land position, through staking and selected land acquisitions; the Project now covers approximately 52,000 hectares. The properties include Muus, Fancamp, Muus East, Nisk, and Embry.

The Company's properties are located adjacent to a cluster of historic gold mines, showings and new discoveries, many of which are situated along major east-west or northeast trending regional faults and deformation zones, including the Guercheville, Fancamp and Philibert-Joe Mann Deformation zones ("Chibougamau Gold District").

The Company's Project expansion over the last three years has coincided with ever increasing market interest in the area, largely driven by the ongoing exploration successes achieved by Iamgold Corporation ("Iamgold") in the Chibougamau Gold District. Most notably, on October 22, 2019, Iamgold announced a maiden Inferred Resource estimate (97Mt @ 1.0 g/t gold = 3.2Moz gold¹) for its Nelligan discovery, a project that they hold in a joint venture with Vanstar Mining Resources Inc. This followed an updated Inferred Resource estimate (1.1Mt @ 12 g/t gold = 433 Koz gold²) announced by Iamgold on April 9, 2018, for its high-grade Monster Lake gold deposit.

Blue Thunder's previous exploration activities have included data compilation, as well as prospecting, trenching, sampling and drilling over selected target areas. In early 2019 a high resolution, fixed-wing, airborne magnetic and VLF-EM survey was flown by Terraquest Ltd. (the "Terraquest Survey") over a portion of the

¹ Nelligan NI 43-101 Technical Report, Oct 22, 2019, Prepared for Iamgold Corp and Vanstar Mining Resources

² Monster Lake NI 43-101 Technical Report, Apr 9, 2018, Prepared for Iamgold Corp and Tomagold Corp

Project covering 2,030 line-kilometres. In addition, in Q1 2020, the Company purchased more than 6,250 line-kilometers of helicopter-borne magnetic geophysical data that was completed in late 2019 over various parts of the Project.

In Q3 and Q4 of 2020, the Company completed trenching as well as fourteen diamond drill holes (2,808 meters) on the Fancamp Property designed to confirm and possibly expand gold-mineralized zones discovered by previous companies at the A-, B- and D-zones. Highlight drill intercepts returned from this program include: 6.91 g/t Au over 0.85 metres in hole FAN20-12 (91.25 to 92.10 m); 2.80 grams per tonne g/t gold Au over 0.80 metres in hole FAN20-10 (69.90 to 70.7 m), within a wider zone assaying 0.84 g/t gold over 4.70 metres (69.9 to 74.6 m); and 2.35 g/t Au over 1.50 metres in hole FAN20-12 (116.50 to 118.0 m), within a wider zone assaying 1.52 g/t Au over 2.7 m (115.3 to 118.0 m). A summary of all significant assay results can be found on the Company's web site: www.bluethundermining.com. All noted intersections are down-hole intervals and do not represent true widths.

In addition, in Q4 2020, the Company prioritized three areas for follow-on exploration and diamond drilling on the Company's Muus Property. Two of these areas, the Lac des Vents and Lac Bernard grids are located along the Guercheville Deformation Zone, which is host to lamgold's Nelligan discovery, whereas the third target, the Lac Cowan grid, occurs along the Philibert-Joe Mann Deformation zone. IP/resistivity surveys were completed at Lac Bernard and Lac Cowan and an historical survey was re-interpreted at Lac des Vents to fine-tune drill targets (See November 12, 2020 news release for more details). This was followed by 1,278 metres of drilling in six holes, with results summarized in Table 1, below:

Table 1: Significant Drill Results (>0.20 g/t Au) – Muus Property

Drill Hole	From (m)	To (m)	Interval ³ (m)	Gold Grade (g/t)	Target
Muus20-01	14.5	20.5	6.0	0.84	Lac Des Vents
including	14.5	18.2	3.7	1.20	
including	15.4	16.0	0.6	3.42	
	29.0	33.1	4.1	1.34	
including	29.9	33.1	3.2	1.67	
including	32.0	33.1	1.1	3.74	
Muus20-02	108.7	109.2	0.5	2.38	Lac Des Vents
	198.5	199.5	1.0	0.38	
	207.2	208.5	1.3	0.20	
Muus20-03	154.4	156.2	1.8	0.56	Lac Cowan
Muus20-04	29.7	30.6	0.9	0.28	Lac Cowan
	70.0	71.0	1.0	0.21	
	73.9	74.85	0.95	0.31	
	79.2	79.7	0.5	0.23	
Muus20-05	102.5	103.0	0.5	1.14	Lac Bernard
	117.4	118.0	0.60	0.81	
	128.0	128.4	0.40	0.56	
	142.2	142.8	0.60	0.75	
	169.05	170.3	1.25	0.41	
	189.5	191.0	1.5	0.28	
	201.9	202.4	0.5	0.47	
	261.0	262.5	1.50	0.22	
Muus20-06	58.0	59.0	1.0	0.26	Lac Bernard

³ Insufficient drilling has been completed to accurately determine true widths of these intercepts; however early interpretations suggest that true widths are approximately 60% to 80% of the drilled width.

Drill holes Muus20-01 and 02 at the Lac Des Vents target both crossed a sequence of interbedded metasediments, including sandstone, siltstone, mudstone, conglomerate, and minor chert horizons. The mineralization intersected is significant in that it demonstrates the potential for Nelligan-style gold mineralization on the Muus property. Further work is planned for this area in 2021.

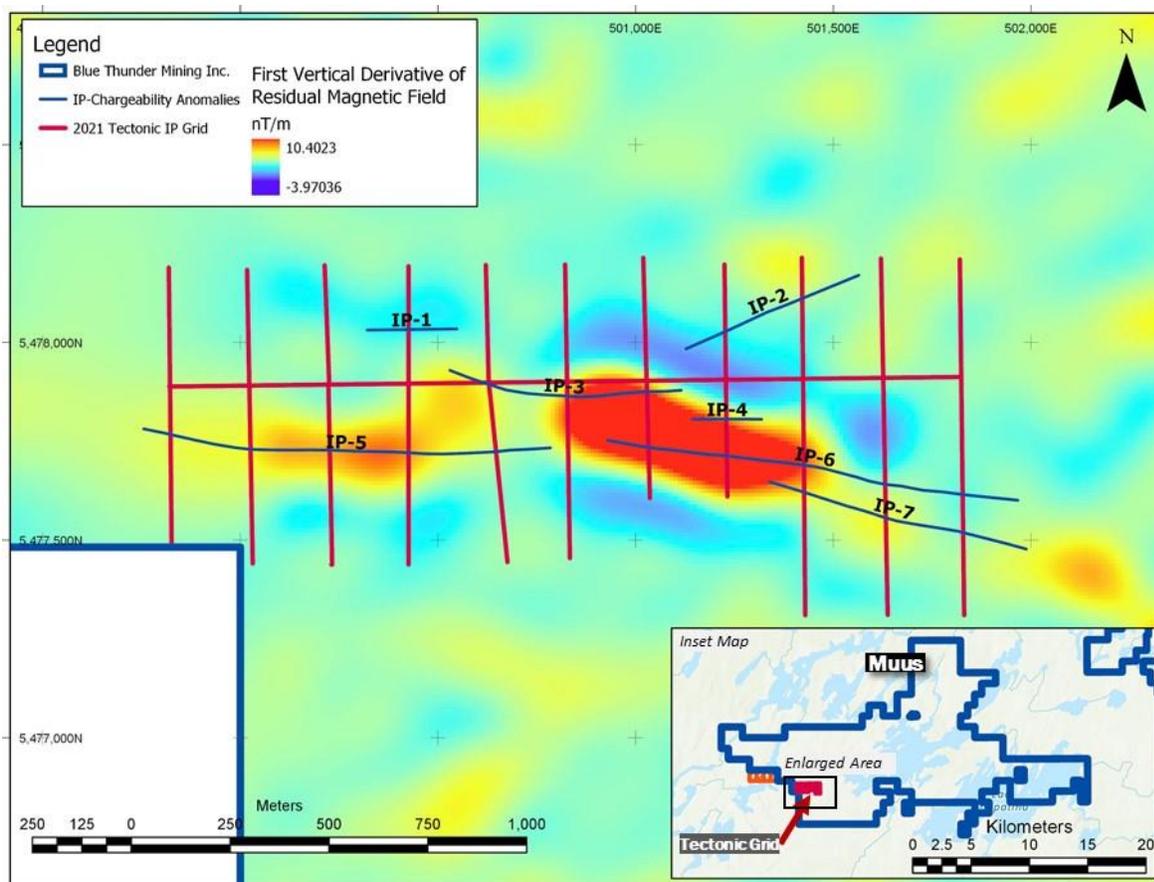
On the Lac Bernard grid, drill holes Muus20-05 and Muus20-06 targeted the Guercheville Deformation Zone in an area with numerous historical till sample anomalies. Hole Muus20-05 intersected eight intervals greater than 0.20 g/t Au between 102.5 m and 262.5 m, straddling the transition between volcanics and metasediments. These intervals are significant in that they indicate that the contact between volcanics and metasediments in the vicinity of the Guercheville Deformation Zone remains a strong target for gold mineralization. Hole Muus20-06 was drilled approximately 300 m south of hole Muus20-05 entirely within metasediments and encountered one weakly anomalous zone at 58 m down-hole that assayed 0.26 g/t Au over 1.0 m

Two diamond drill holes (Muus20-03 and Muus20-04) were completed on the Lac Cowan grid, testing an IP anomaly coincident with the volcanic-sediment contact south of the Philibert Joe-Mann Deformation Zone. This is a structurally complex area that is of interest for lode gold style deposits. Hole Muus 20-03 returned one anomalous interval assaying 0.56 g/t Au over 1.8 m between 154.4 and 157.5 m, whereas hole Muus20-04 returned several anomalous intervals between approximately 30 m and 80 m drilled depth, ranging between 0.23 g/t Au and 0.31 g/t Au over widths ranging between 0.5 m and 1.0 m

In Q1 2021, the Company commissioned Geosig Inc. of Quebec City, Quebec to complete a 10.5 line-kilometre IP survey over the Tectonic Grid⁴ on its Muus Property, targeting “Nelligan-style” sedimentary-hosted gold mineralization. The objective of the IP survey was to identify new conductors, potentially associated with gold and/or base metal sulphide mineralization. In all, seven IP anomalies were identified, each with a roughly east-west trend and most with strong and very well-defined IP responses (Figures 1). Several of the IP anomalies remain open to the east or west and may be drill tested during the Company’s Summer 2021 exploration program.

⁴ The Tectonic Grid occurs within a block of forty-seven (47) claims optioned from Ressources Tectonic Inc., in which the Company has an option to earn a 100% interest

Figure 1: Map depicting Tectonic Grid with IP Anomalies in relation to First Vertical Derivative of the Residual Magnetic Field



In preparation for the Summer 2021 exploration program, the Company completed a \$2.4 million financing in Q4 2020. Exploration activities for the Summer 2021 program will include till and soil sampling surveys, property scale 3-D modeling and targeting, regional prospecting, mapping and trenching as well as core drilling.

6.2 EXPLORATION AND EVALUATION ASSETS

Pursuant to the Company’s accounting policy for 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.

The following table illustrates the Company’s exploration and evaluation assets:

Balance, December 31, 2019	\$515,000
Acquisition of additional mining claims	432,977
Balance, December 31, 2020	\$947,977
Acquisition of additional mining claims	12,500
Balance, March 31, 2021	\$960,477

6.3 EXPLORATION AND EVALUATION EXPENDITURES

Pursuant to the Company's accounting policy for exploration and evaluation expenditures, BTMI 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.

Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Following is a table illustrating exploration and evaluation expenditures incurred during the three-months ended March 31, 2021 and 2020:

Three months ended	March 31, 2021	March 31, 2020
Geology/Field		
Consulting (contract geologists and other technical specialists)	\$103,275	\$30,000
Assays	81,715	12,903
Camp, field expenses (including geochemistry and geophysics)	76,644	—
Claim maintenance	65,239	42,979
Drilling (including supplies and logistics expenses)	31,209	—
Travel, transportation	2,408	—
Financial/Administrative Support		
Other (includes CSR, Environment, G&A, insurance, legal etc.)	31,540	—
	\$392,030	\$85,882

6.4 OVERALL PERFORMANCE - Financial

The Company is currently engaged in mineral exploration in Québec, Canada. The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain economically recoverable material. As a result, the Company has no current sources of revenue other than interest earned on cash which is derived from issuances of share capital. There are no known deposits of minerals on any of the mineral exploration properties of the Company and any planned activities of the Company consist of exploratory searches for minerals.

6.5 SELECTED PERIOD FINANCIAL INFORMATION

As at	March 31, 2021	December 31, 2020
	\$	\$
Total assets	3,606,310	4,290,489
Total liabilities	787,938	1,012,804
Exploration and evaluation assets	960,477	947,977
Three months ended	March 31, 2021	March 31, 2020
	\$	\$
Exploration and evaluation expenditures	392,030	85,882
G&A	184,224	211,494
Net loss for the year	474,696	888,286
Loss per share – basic and diluted	\$0.00	\$0.02
Interest income	(1,073)	(992)

6.6 QUARTERLY RESULTS

Three-month Period Ended March 31, 2021 compared to March 31, 2020

The net loss for the three-month period ended March 31, 2021 was \$474,696 (2020 - \$888,286) a decrease of \$413,590. In the prior year period, the higher loss is mainly due to the qualifying transaction completed in February 2020. \$596,448 represents the excess of purchase price over the fair value of assets acquired. Shares issued for the acquisition were valued at \$1,121,448 while the only asset acquired was cash of \$506,448. The difference was then recorded as an expense to the statement of loss and comprehensive loss.

For the three months ended March 31, 2021, total general and administrative expenses (“G&A”) are generally in line, period over period, however the spending differed. In 2021, with new personnel added, management and consulting fees were higher (\$92,800 versus \$45,811). Share-based compensation of \$15,383 was recorded for options grants in Q1/2021 while no options were granted in the same period in the prior year. In 2020, regulatory, legal and accounting fees were higher for activity leading up to and including the completion of the Qualifying Transaction.

Exploration expenses were significantly higher in Q1/2021 (\$392,030 versus \$85,882). Q1/2020 was about program preparation whereas Q1/2021 activities included some geophysics work, line-cutting and an induced polarization (“IP”) survey (\$32,748). \$80,018 was expended in the recent quarter for laboratory analysis of samples. Software, field labour, travel to and from the camp and field supplies cost \$56,683. An additional \$102,269 was expended for geology staffing, equipment, field supplies and camp costs. Preparation in the prior year quarter of \$85,882 related mainly to claims maintenance fees, option payments and some assay work.

If flow-through shares are issued at a premium to the market share price, a liability is recognized for the excess amount paid. As exploration work is carried out, the Company reduces its flow-through spending commitment (and liability) for the amount of eligible expenditures (as defined by the Income Tax Act) incurred and derecognizes the original flow-through premium liability. Through this mechanism, during the three months ended March 31, 2021, a premium of \$100,485 (March 31, 2020 – \$4,546) was recovered and recognized as

other income on the Statement of Loss and Comprehensive Loss for the period.

The following table sets out selected quarterly results of the Company for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the quarterly, consolidated financial statements of the Company:

	2021		2020	
	March 31	December 31	September 30	June 30
	\$	\$	\$	\$
Revenue	1,073	733	750	—
Working capital	1,857,895	2,329,708	1,340,433	1,731,074
Exploration and evaluation assets	960,477	947,977	943,871	943,776
Operating expenses	576,254	832,265	1,022,113	724,614
Net loss for the period	474,696	582,373	824,516	714,378
Net loss per share ⁽¹⁾	0.00	0.01	0.01	0.01

	2020		2019	
	March 31	December 31	September 30	June 30
	\$	\$	\$	\$
Revenue	992	1,067	474	—
Working capital (deficiency)	623,165	(4,614)	(72,728)	(66,258)
Exploration and evaluation assets	515,000	515,000	515,000	515,000
Operating expenses	297,376	284,569	249,729	229,526
Net loss for the period	888,286	261,482	238,746	215,731
Net loss per share ⁽¹⁾	0.02	0.01	0.01	0.01

Notes:

- (1) Net loss per share on a diluted basis is the same as basic net loss per share. Diluted loss per share did not include the effect of stock options and warrants as they were anti-dilutive.

6.7 CASH FLOW ANALYSIS

	March 31, 2021	March 31, 2020
Three months ended		
Net cash (used in) provided by:		
Operating activities	\$(733,100)	\$(267,054)
Investing activities	(12,500)	—
Financing activities	—	769,617
Increase (decrease) in cash	(745,600)	502,563
Cash, beginning of period	3,088,695	396,176
Cash, end of period	\$2,343,095	\$898,739

Net cash used in operating activities during the three months ended March 31, 2021 was \$733,100. The principal components of the spending are described above.

The Company used cash in investing activities of \$12,500 during the three months ended March 31, 2021 compared to \$nil in 2020. This was a payment related to the Lac Des Vents claims.

In Q1/2020 the Company completed a financing for gross proceeds of \$250,235, acquired \$525,000 cash through the Qualifying Transaction, and 319,486 stock options were exercised for proceeds of \$11,500. No financings were completed and no options or warrants were exercised in Q1/2021.

6.8 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT EXPENSE

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

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.

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

Three months ended	March 31, 2021	March 31, 2020
Consulting fees – general and administrative expenses	\$92,800	\$41,250
Consulting fees – exploration and evaluation expenditures	—	30,000
Share-based compensation	14,186	—
	\$106,986	\$71,250

Consulting fees included in general and administrative expenses include amounts paid to Grove Corporate Services Ltd., a corporation through which the services of the CFO and Corporate Secretary are provided.

As at March 31, 2021, a total of \$13,504 (December 31, 2020 - \$51,982) was owed to officers, directors and companies controlled by officers and directors. These amounts are unsecured, non-interest-bearing, with no fixed terms of repayment.

7.0 LIQUIDITY AND EQUITY TRANSACTIONS

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. In Q1/2021 Management relied on the funds raised in Q2/2020 and Q4/2020 to meet the Company's exploration expenditures and corporate costs. At March 31, 2021, the Company had cash of \$2,343,095 (December 31, 2020 - \$3,088,695) to settle current liabilities of \$787,938 (December 31, 2020 - \$1,012,804). Current liabilities include a flow-through share liability of \$552,192 (2020 - \$652,677) 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 (see 14.0 – COMMITMENTS AND CONTINGENCIES, *Flow-Through Shares Expenditure Commitment*). All of the Company's financial liabilities have contractual maturities of less than 30 days.

As at March 31, 2021, the Company had working capital of \$1,857,895 compared to \$2,329,708 at December 31, 2020. The Company has no revenue from operations and is dependent on financings for working capital.

BTMI's cash is held in cash balances and interest-bearing investments. 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.

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.

The exercise of stock options can contribute to the Company's working capital but there is no guarantee that the options will be exercised.

Flow-Through Share Premium Liability

The following is a continuity schedule of the liability related to flow-through share issuances:

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
Flow-through share premium recognized	(100,485)
Balance, March 31, 2021	\$552,192

The flow-through common shares (defined below) issued in the private placements completed 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 calculated to be \$1,075,070.

The flow-through share premium is derecognized through income as eligible exploration expenditures are incurred. At March 31, 2021, the Company is committed to incur eligible expenditures of \$1,972,256 (December 31, 2020 - \$2,261,672) by December 31, 2021 (see 14.0 – COMMITMENTS AND CONTINGENCIES, *Flow-Through Shares Expenditure Commitment*) arising from the flow-through share offerings completed during 2020.

7.1 WORKING CAPITAL RESOURCES

Management believes it has sufficient capital to meet the ongoing exploration and corporate costs for 2021 however, additional financings may be required to fund future exploration and for working capital purposes, depending on the exploration results.

Most of the Company's requirements for capital to maintain its ownership level in its properties, as well as pay for exploration expenditures and administrative expenses have been met through the completion of private placements and the exercise of stock options and warrants. Typically, these monies have come from

institutional and high net worth investors and the amounts raised have been a function of the level of market interest in the junior resource industry as well as the general level of interest in the equity and mineral commodity markets. The Company will have to rely on further equity financings in order to maintain an adequate liquidity base with which to support its general operations and exploration and development mandate.

The mineral exploration business is risky, and most exploration projects do not become mines. The Company may offer other mining companies the opportunity to acquire interests in any of its properties in return for funding by such companies of all or part of the exploration and development of such properties. For the funding of any property acquisitions or exploration conducted by the Company, the Company depends on the issue of shares from treasury to investors. Such financing will depend, in turn, on various factors, such as a positive mineral exploration climate, positive stock market conditions, the Company's track record and the experience of management. If such financing is unavailable for any reason, the Company may become unable to retain its mineral interests and carry out its business plan.

8.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

9.0 PROPOSED TRANSACTION

The Company has no proposed transactions pending, however similar to other mineral exploration companies, Management does, from time to time, evaluate opportunities that may result in expanding the Company's portfolio of assets.

10.0 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

Management makes judgements in its process of applying the Company's accounting policies in the preparation of its Interim Financial Statements. In addition, the preparation of financial data requires that Management makes assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Management of the Company applies assumptions and makes judgements in determining the recoverability of other receivables, assets' carrying values and impairment charges, fair values of warrants and options, income tax recovery and deferred tax assets, and restoration, rehabilitation and environmental obligations.

For additional details, the critical judgments, estimates and assumptions applied in the preparation of the Company's Interim Financial Statements are reflected in note 3 of the Company's Annual Financial Statements for the year ended December 31, 2020.

11.0 ADOPTION OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

Basis of consolidation and presentation

The Interim Financial Statements incorporate the accounts of Blue Thunder Mining Inc. and Platform Eight Capital Corp., from February 12, 2020.

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"). The Company's 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.

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.

Additional details regarding the accounting standards applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are reflected in note 3 of the Company's audited annual consolidated financial statements for the year ended December 31, 2020.

12.0 CAPITAL 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 comprised of share capital, warrants reserve, contributed surplus, and accumulated deficit which, at March 31, 2021, totaled \$2,818,372 (December 31, 2020 - \$3,277,685).

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 three months ended March 31, 2021 and 2020.

The Company is 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 March 31, 2021, the Company believes it is compliant with the policies of the TSXV.

13.0 SHARE CAPITAL

Activity in the Company's equity accounts is more fully described in notes 9 to 11 of the Interim Financial Statements for the three months ended March 31, 2021.

There were 102,606,404 common shares outstanding as of March 31, 2021, and the issued share capital was \$6,118,689. Changes in issued share capital during the year ended December 31, 2020, and the three months ended March 31, 2021 were as follows:

	Number of Common Shares	Amount
Balance, December 31, 2019	38,846,840	1,109,699
Private placements	44,371,902	4,951,947
Less: share issue costs	—	(552,652)
Warrants	—	(360,584)
Flow-through share premium	—	(1,075,070)
Shares issued on Qualifying Transaction	9,604,068	1,062,444
Shares issued as consideration	1,150,307	150,000
Shares issued for property acquisition	4,614,436	438,871
Shares issued for data purchase agreement	3,200,000	320,000
Shares issued for the exercise of stock options	818,851	74,034
Balance, December 31, 2020 and March 31, 2021	102,606,404	\$6,118,689

13.1 WARRANTS

The following table reflects the warrants activity during the year ended December 31, 2020 and the three months ended March 31, 2021:

	Number of Warrants	Fair value on the date of issuance
Balance, December 31, 2019	3,944,664	\$145,075
Issued	11,459,565	507,207
Issued on qualifying transaction	214,162	10,972
Expired	(2,237,048)	(80,317)
Balance, December 31, 2020	13,381,343	\$582,937
Expired	(740,698)	(29,188)
Balance, March 31, 2021	12,640,645	\$553,749

The following table reflects the warrants issued and outstanding as of March 31, 2021:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Expiry Date
\$0.1676	1,175,442	0.14	May 22, 2021
\$0.1676	5,638	0.22	June 20, 2021
\$0.1676	1,094,174	0.27	July 9, 2021
\$0.1000	1,069,756	1.25	June 30, 2022
\$0.1500	4,688,830	1.25	June 30, 2022
\$0.1000	176,400	1.29	July 15, 2022
\$0.1500	1,560,000	1.29	July 15, 2022
\$0.1100	1,520,405	1.70	December 10, 2022
\$0.1500	1,350,000	1.70	December 10, 2022
12,640,645			

The weighted average exercise price at is \$0.1434 (December 31, 2020 - \$0.1448). The weighted average remaining life at March 31, 2021 is 1.17 years (December 31, 2020 – 1.59 years).

Subsequent to March 31, 2021, 1,175,442 warrants expired, unexercised.

13.2 STOCK OPTIONS

The following table reflects the options activity during the year ended December 31, 2020, and the three months ended March 31, 2021:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2019	4,564,090	\$0.04
Granted	2,935,000	0.12
Granted on qualifying transaction	600,000	0.10
Exercised	(818,851)	0.04
Balance, December 31, 2020	7,280,239	\$0.08
Granted	535,000	0.10
Balance, March 31, 2021	7,815,239	\$0.08

The following table reflects the options outstanding as of March 31, 2021:

Exercise	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	Expiry Date
\$0.10	600,000	1.87	600,000	February 12, 2023
\$0.08	620,000	4.07	620,000	April 23, 2025
\$0.10	380,000	4.33	380,000	July 27, 2025
\$0.12	160,000	4.33	160,000	July 28, 2025
\$0.14	1,775,000	4.35	1,775,000	August 6, 2025
\$0.10	250,000	4.83	125,000	January 27, 2026
\$0.10	285,000	4.97	17,500	March 18, 2026
\$0.04	3,745,239	7.20	3,745,239	June 11, 2028
	7,815,239		7,422,739	

14.0 COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-Through Shares Expenditure Commitment

Pursuant to the terms of a 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, 2021, the Company is committed to incurring approximately \$1,972,256 (2020 - \$2,261,672) in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021 arising from flow-through share offerings completed during 2020. On July 24, 2020, CRA 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 via flow-through shares by 12 months, however, this has not received legislative approval at the time of publishing this document. Should this proposed legislation be made into law, the Company would have until December 31, 2022 to comply with its spending commitments. The Company awaits further details, as indicated, to the extent that it 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.

15.0 OUTSTANDING SHARE DATA

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2020	102,606,404	13,381,343	7,280,239	123,267,986
March 31, 2021	102,606,404	12,640,645	7,815,239	123,062,288
May 28, 2021	102,606,404	11,465,203	7,815,239	121,886,846

16.0 RISKS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

- *Exploration Stage Company and Exploration Risks*

The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration, development and production programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct complete and install mining and processing facilities on those properties that are actually mined and developed.

- *No History of Profitability*

The Company is an exploration stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

- *Government Regulations*

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labor standards. In order

for the Company to carry out its mining activities, its exploitation must be kept current. There is no guarantee that the Company's exploitation will be extended or that new exploitation will be granted. In addition, such exploitation could be changed and there can be no assurances that any application to renew any existing will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

- *Market Fluctuation and Commercial Quantities*

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

- *Mining Risks and Insurance*

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

- *Environmental Protection*

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

- *Capital Investment*

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate

financing will be available to the Company or that the terms of such financing will be. Should the Company not be able to obtain such financing, its properties may be lost entirely.

- *Conflicts of Interest*

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

- *Current Global Financial Conditions*

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. The ensuing decline in consumption has led to a marked erosion of investor confidence and risk tolerance. A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature of today's economic reality has left no interrelated public market unscathed. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business.

- *Novel Coronavirus ("COVID-19")*

In March 2020, the World Health Organization declared a global pandemic related to COVID 19. Its impact on world economies has been far-reaching and business around the world is 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, appropriate use of personal protection equipment ("PPE"), and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in and economic slowdown.

Global stock markets have also experienced high volatility and significant movement. 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 the Company's financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. However, this year's exploration program has commenced and considerable protocols have been implemented by the Company in order to conduct Blue Thunder's summer field program in a safe manner.

17.0 QUALIFIED PERSON

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by John Langton (M.Sc., P.Geo.) a Qualified Person ("QP") as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects".

18.0 APPROVAL

The Board of Directors of the Company has approved these Interim Financial Statements and the disclosures contained in this Management's Discussion and Analysis.

19.0 FURTHER INFORMATION

Additional information relating to the Company can be found on the Company's website at www.bluethundermining.com or on SEDAR at www.sedar.com.