



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

BLUE THUNDER MINING INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited) (Expressed in Canadian Dollars)

As at	Note	September 30, 2022	December 31, 2021
		\$	\$
ASSETS			
Current assets			
Cash		489,579	1,633,285
Sundry receivables and prepaid expenses	5	503,136	683,161
Total current assets		992,715	2,316,446
Non-current assets			
Exploration and evaluation assets	13	975,477	975,477
TOTAL ASSETS		1,968,192	3,291,923
LIABILITIES AND EQUITY			
Current liabilities			
Amounts payable and accrued liabilities	6,16	430,493	618,818
Flow-through share premium liability	8	28,823	199,952
Total liabilities		459,316	818,770
EQUITY			
Share capital	9	7,459,597	7,151,991
Warrants	10	707,620	851,149
Contributed surplus	11	1,338,311	1,128,264
Accumulated deficit		(7,996,652)	(6,658,251)
Total equity		1,508,876	2,473,153
TOTAL LIABILITIES AND EQUITY		1,968,192	3,291,923
Nature of operations and going concern	1,2		
Commitments and contingencies	1,8,13,18		
Subsequent event	19		

APPROVED BY THE BOARD:

Signed, "Chad Williams", Director

Signed, "Jean-Patrick Lariviere", Director

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

BLUE THUNDER MINING INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars) (Unaudited)

Periods ended September 30,	Note	Three months		Nine months	
		2022	2021	2022	2021
		\$	\$	\$	\$
Operating Expenses					
Exploration and evaluation expenditures	14	160,496	452,019	986,814	1,761,139
General and administrative expenses	15	242,563	270,938	878,369	648,319
Total expenses		403,059	722,957	1,865,183	2,409,458
Other expenses (income)					
Flow-through share premium	8	(19,360)	(124,792)	(171,129)	(486,108)
Interest (income) expense		(23,067)	(744)	(24,730)	(3,874)
Loss and comprehensive loss for the period		360,632	597,421	1,669,324	1,919,476
Basic and diluted loss per share	12	\$0.00	\$0.01	\$0.01	\$0.02
Weighted average number of common shares – basic and diluted		144,893,980	102,807,317	142,011,355	102,714,404

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

BLUE THUNDER MINING INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)(Unaudited)

For the nine months ended		September 30,	
		2022	2021
	Note	\$	\$
Cash flows from the following activities:			
Operating activities:			
Net (loss) for the period		(1,669,324)	(1,919,476)
Adjustments for:			
Acquisition of strategic data		—	10,000
Share-based compensation	11	210,047	58,134
Flow-through share premium	8	(171,129)	(486,108)
Sundry receivables and prepaid expenses		180,025	(252,223)
Amounts payable and accrued liabilities		(188,325)	(42,220)
Net cash used in operating activities		(1,638,706)	(2,631,893)
Investing activities:			
Acquisition of exploration and evaluation assets		—	(27,500)
Net cash used in investing activities		—	(27,500)
Financing activities:			
Proceeds from private placements		500,000	—
Share issue costs		(5,000)	—
Exercise of stock options		—	100
Net cash provided by financing activities		495,000	100
Net change in cash		(1,143,706)	(2,659,293)
Cash, beginning of period		1,633,285	3,088,695
Cash, end of period		489,579	429,402

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

BLUE THUNDER MINING INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)(Unaudited)

		CAPITAL		RESERVES		EQUITY	
	Note	# Shares	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2020		102,606,404	\$6,118,689	\$582,937	\$1,056,311	\$(4,480,252)	\$3,277,685
Expiration of warrants	10	—	—	(118,335)	—	118,335	—
Shares issued for property acquisition	9	200,000	10,000	—	—	—	10,000
Share-based compensation	11	—	—	—	58,134	—	58,134
Exercise of stock options	9,11	1,000	164	—	(64)	—	100
Net loss and comprehensive loss		—	—	—	—	(1,919,476)	(1,919,476)
Balance, September 30, 2021		102,807,404	\$6,128,853	\$464,602	\$1,114,381	\$(6,281,393)	\$1,426,443
Private placements	9	35,875,000	1,607,500	—	—	—	1,607,500
Less: share issue costs	9	—	(97,103)	16,464	—	—	(80,639)
Shares issued as consideration	9,13	1,863,750	55,324	—	—	—	55,324
Warrants issued	9	—	(370,083)	370,083	—	—	—
Flow-through share premium	8	—	(172,500)	—	—	—	(172,500)
Share-based compensation	11	—	—	—	13,883	—	13,883
Net loss and comprehensive loss		—	—	—	—	(376,858)	(376,858)
Balance, December 31, 2021		140,546,154	\$7,151,991	\$851,149	\$1,128,264	\$(6,658,251)	\$2,473,153
Private placements		33,333,333	500,000	—	—	—	500,000
Less: share issue costs		—	(5,000)	—	—	—	(5,000)
Warrants issued	9	—	(187,394)	187,394	—	—	—
Share-based compensation	11	—	—	—	210,047	—	210,047
Expiration of warrants	10	—	—	(330,923)	—	330,923	—
Net loss and comprehensive loss		—	—	—	—	(1,669,324)	(1,669,324)
Balance, September 30, 2022		173,879,487	\$7,459,597	\$707,620	\$1,338,311	\$(7,996,652)	\$1,508,876

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

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

1. Nature of Operations

Blue Thunder Mining Inc. (the "Company" or "BTMI") was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017. Its corporate office is located at 401 Bay Street, Suite 2704, P.O. Box 4, Toronto, Ontario, Canada, M5H 2Y4 and its shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BLUE" and on the OTCQB Venture Market ("OTCQB") under the symbol "BLTMF".

BTMI 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.

2. Going Concern

These unaudited condensed interim consolidated financial statements ("Interim 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 period ended September 30, 2022, the Company incurred a net loss of \$1,669,324 (September 30, 2021 - \$1,919,476) and had an accumulated deficit of \$7,996,652 (December 31, 2021 - \$6,658,251).

These Interim 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 Interim 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.

Working capital at September 30, 2022 was \$533,399 (December 31, 2021 - \$1,497,676). 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. Raising additional funds will be dependent on exploration results.

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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(Expressed in Canadian Dollars)

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 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. Considerable protocols have been implemented by the Company in order to continue operating in a safe manner. During 2021 and 2022, 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 condensed Interim 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 interim financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these Interim Financial Statements are based on IFRSs issued and outstanding as of the date of filing this report. The same accounting policies and methods of computation followed in these condensed interim consolidated financial statements are set out in note 3 of the most recently filed annual financial statements as at and for the year ended December 31, 2021, except where noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these Interim Financial Statements.

These Interim Financial Statements were authorized for issue by the Board of Directors on November 23, 2022.

Basis of Presentation

These Interim 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, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These Interim Financial Statements incorporate the accounts of BTMI and its wholly owned subsidiary, Blue Thunder Mining Corporation ("BTMC").

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity.

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the three and nine months ended September 30, 2022 and 2021 (Expressed in Canadian Dollars)

Subsidiaries are fully consolidated from the date control is transferred to the Company and are-deconsolidated from the date control ceases. These Interim Financial Statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Significant Accounting Judgments and Estimates

The preparation of these Interim Financial Statements requires management (“Management”) to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Interim Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These Interim 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;
- Asset 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;
- Restoration, rehabilitation and environmental obligations: Management determines there are no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed in the current period that would trigger recognition of the provision in accordance with IAS 37, “Provisions, contingent liabilities and contingent assets”;
- Management determines the fair value of warrants and stock options using the Black-Scholes option pricing model; and
- 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

Certain pronouncements have been issued by the IASB or the IFRIC that are effective for accounting periods on or after January 1, 2022. The Company has reviewed these updated standards and determined that none of these updates are applicable or consequential to the Company and have been excluded from discussion within these Interim Financial Statements.

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

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 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 September 30, 2022, the Company had cash of \$489,579 (December 31, 2021 - \$1,633,285) to settle current liabilities of \$459,316 (December 31, 2021 - \$818,770). Current liabilities include a flow-through share liability of \$28,823 (December 31, 2021 - \$199,952) which does not get settled by cash. This balance is amortized (decreased) against qualifying flow-through expenditures which are required to be incurred before December 31, 2022. See note 19 – *Commitments and Contingencies*. The Company's financial liabilities generally have contractual maturities of less than 30 days.

(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 September 30, 2022, the Company had \$489,579 (December 31, 2021 - \$1,633,285) in cash balances. 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.

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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(Expressed in Canadian Dollars)

5. Sundry Receivables and Prepaid Expenses

	September 30, 2022	December 31, 2021
As at		
Sales tax receivable	\$461,050	\$523,003
Prepaid expenses	42,086	160,158
	\$503,136	\$683,161

6. Amounts Payable and Accrued Liabilities

	September 30, 2022	December 31, 2021
As at		
Amounts payable	\$398,993	\$563,003
Accrued liabilities	31,500	55,815
	\$430,493	\$618,818

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 manages its capital structure by issuing new shares, adjusting capital spending, or disposing 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 September 30, 2022, totaled \$1,508,876 (December 31, 2021 - \$2,473,153).

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 periods ended September 30, 2022 and 2021.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX-V 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 September 30, 2022, the Company believes it is compliant with the policies of the TSX-V.

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

8. Flow-Through Share Premium Liability

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

Balance, December 31, 2020	\$652,677
Liability incurred on flow-through shares issued	175,500
Flow-through share premium recognized	(625,225)
Balance, December 31, 2021	\$199,952
Flow-through share premium recognized	(171,129)
Balance, September 30, 2022	\$28,823

The flow-through common shares (defined below) issued in the private placements completed during the year ended December 31, 2021 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 \$175,500. The flow-through share premium is derecognized through income as the eligible expenditures are incurred.

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 and all issued shares are fully paid. At September 30, 2022, the Company had 173,879,487 common shares issued and fully paid for.

b) Common shares issued

The following table represents the changes to share capital during the year ended December 31, 2021 and the nine months ended September 30, 2022:

	Number of Common Shares	Amount
Balance, December 31, 2020	102,606,404	\$6,118,689
Private placements (b)(iii)	35,875,000	1,607,500
Less: share issue costs	—	(97,103)
Finder's fee shares issued (b)(iii)	1,863,750	55,324
Warrants issued (b)(iii)	—	(370,083)
Flow-through share premium (note 8)	—	(172,500)
Shares issued for property acquisition (b)(i)	200,000	10,000
Shares issued for the exercise of stock options (b)(ii)	1,000	164
Balance, December 31, 2021	140,546,154	\$7,151,991
Private placements (b)(iv)	33,333,333	500,000
Less: share issue costs (b)(iv)	—	(5,000)
Warrants issued (b)(iv)	—	(187,394)
Balance, September 30, 2022	173,879,487	\$7,459,597

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the three and nine months ended September 30, 2022 and 2021 (Expressed in Canadian Dollars)

- i. On May 7, 2021, the Company issued 200,000 common shares valued at \$10,000 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*.
- ii. On July 9, 2021, 1,000 options were exercised for proceeds of \$100. The fair value of \$64 assigned to these options was added to share capital.
- iii. On December 29, 2021, the Company completed a non-brokered private placement financing of 17,250,000 flow-through units (the “FT Units”) of BTMI at a price of \$0.05 per share for gross proceeds of \$862,500 and 18,625,000 non-flow-through units (the “NFT Units”) of BTMI at a price of \$0.04 per unit for gross proceeds of \$745,000. Directors and officers subscribed for 3,125,000 non-flow-through units for gross proceeds of \$125,000.

Each FT Unit consists of one flow-through common share of BTMI and one common share purchase warrant, and each NFT Unit consists of one common share of BTMI and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of BTMI for 36 months at a price of \$0.07.

Using the Black-Scholes option pricing model, a fair value of \$370,083 was assigned to the 35,875,000 warrants issued in the FT Units and NFT Units, and a fair value of \$16,464 was assigned to the 1,596,000 broker warrants using the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.06%; volatility of 85% and an expected life of 36 months. Volatility was estimated based on the historical volatility of the Company.

In connection with this financing, the Company issued 1,863,750 shares as a finders’ fee. The shares were valued at \$55,324 based on the prevailing market price at the time of issuance. In addition, BTMI issued 1,596,000 broker warrants, each entitling the holder to acquire one additional common share of BTMI for 36 months at a price of \$0.07.

- iv. On September 19, 2022, the Company completed a non-brokered private placement financing of 33,333,333 units (the “Units”) of BTMI at a price of \$0.015 per unit for gross proceeds of \$500,000. Each Unit consists of one common share and one common share purchase warrant.

Each Warrant entitles the holder to purchase one common share of the Company at a price of C\$0.05 for a period of 3 years following the closing date of the Offering. Each Warrant is subject to an acceleration clause under certain conditions. Using the Black-Scholes option pricing model, a fair value of \$187,394 was assigned to the warrants using the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.71%; volatility of 97% and an expected life of 36 months. Volatility was estimated based on the historical volatility of the Company.

In connection with this financing, the Company paid \$5,000 in issuance costs.

10. Warrants

The following table reflects the warrants activity during the year ended December 31, 2021 and the nine months ended September 30, 2022:

Blue Thunder Mining Inc.

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	Number of Warrants	Fair value on the date of issuance
Balance, December 31, 2020	13,381,343	\$582,937
Issued (note 9(b)(iii))	37,471,000	386,547
Expired	(3,015,952)	(118,335)
Balance, December 31, 2021	47,836,391	\$851,149
Issued (note 9(b)(iv))	33,333,333	187,394
Expired	(7,494,986)	(330,923)
Balance, September 30, 2022	73,674,738	\$707,620

The following table reflects the warrants issued and outstanding as of September 30, 2022:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life – Years	Expiry Date
\$0.11	1,520,405	0.19	December 10, 2022
\$0.15	1,350,000	0.19	December 10, 2022
\$0.07	37,471,000	2.25	December 29, 2024
\$0.05	33,333,333	2.97	September 19, 2025
\$0.06	73,674,738	2.50	

The weighted average warrant exercise price at September 30, 2022 is \$0.063 (December 31, 2021 - \$0.085). The weighted average remaining warrant life at September 30, 2022 is 2.50 years (December 31, 2021 – 2.48 years). During the period ended September 30, 2022, 7,494,986 warrants expired, unexercised. The warrants had a weighted average exercise price of \$0.14 and a fair value of \$330,923 which was removed from Accumulated Deficit during the period then ended.

11. Stock Options

The following table reflects the options activity during the year ended December 31, 2021 and the nine months ended September 30, 2022:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2020	7,280,239	\$0.08
Granted (i)-(v)	1,685,000	0.09
Forfeited	(3,347,008)	0.08
Exercised	(1,000)	0.10
Balance, December 31, 2021	5,617,231	\$0.06
Granted (vi, vii)	4,875,000	0.05
Cancelled	(50,000)	0.05
Balance, September 30, 2022	10,442,231	\$0.06

- i. 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,

Blue Thunder Mining Inc.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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and one-half on the first 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 0.41% and expected volatility of 155%. The fair value assigned to these options was \$19,368.

- ii. 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. 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 1.01% and expected volatility of 135%. The fair value assigned to these options was \$18,198.
- iii. On June 2, 2021, 250,000 stock options were granted to an officer of the Company at an exercise price of \$0.055 per share, expiring on June 2, 2026. The options vest as to 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 0.90% and expected volatility of 118%. The fair value assigned to these options was \$10,119.
- iv. On July 7, 2021, the Company's Board of Directors granted 500,000 stock options to an officer of the Company at an exercise price of \$0.05 per share, expiring on July 7, 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. 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 0.93% and expected volatility of 118%. The fair value assigned to these options was \$20,390.
- v. On September 27, 2021, the Company's Board of Directors granted 400,000 stock options to consultants of the Company at an exercise price of \$0.04 per share, expiring on September 27, 2023. The options vest as to one quarter every three months, starting three months from 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 0.50% and expected volatility of 137%. The fair value assigned to these options was \$17,763.
- vi. On January 7, 2022, 4,375,000 options were granted to directors, officers, and consultants of the Company with an exercise price of \$0.05 and term to expiry of 5 years. The options vest as to 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 1.50% and expected volatility of 144.9%. The fair value assigned to these options was \$196,652.
- vii. On August 23, 2022, 500,000 options were granted to a director and officer of the Company with an exercise price of \$0.05 and term to expiry of 5 years. The options vest as to 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 to be \$6,313 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 3.21% and expected volatility of 148%.
- viii. During the period ended September 30, 2022, 50,000 unvested options were cancelled upon resignation of a consultant of the Company.

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- ix. For the three months ended September 30, 2022, the impact on the statement of loss and other comprehensive loss was an aggregate expense of \$8,693 (2021 - \$23,779) for options that vested during the period. For the nine months ended September 30, 2022, the impact on the statement of loss and other comprehensive loss was an aggregate expense of \$210,047 (2021 - \$58,134) for options that vested during the period. The weighted average remaining life at September 30, 2022 is 4.37 years (December 31, 2020 – 5.7 years). At September 30, 2022, 10,192,231 options were exercisable.

The following table reflects the issued and outstanding stock options at September 30, 2022:

Exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	Expiry Date
\$0.04	400,000	0.99	400,000	September 27, 2023
\$0.10	80,000	2.82	80,000	July 27, 2025
\$0.14	900,000	2.85	900,000	August 6, 2025
\$0.10	250,000	3.33	250,000	January 27, 2026
\$0.10	284,000	3.47	284,000	March 18, 2026
\$0.055	250,000	3.67	250,000	June 2, 2026
\$0.05	500,000	3.77	500,000	July 7, 2026
\$0.05	4,325,000	4.27	4,325,000	January 7, 2027
\$0.05	500,000	4.90	250,000	August 23, 2027
\$0.04	2,953,231	5.70	2,953,231	June 11, 2028
\$0.06	10,442,231	4.37	10,192,231	

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three months ended September 30, 2022 was based on the loss attributable to common shareholders of \$360,632 (2021 – \$597,421) and the weighted average number of common shares outstanding of 144,893,980 (2021 – 102,807,317). The calculation of basic and diluted loss per share for the nine months ended September 30, 2022 was based on the loss attributable to common shareholders of \$1,669,324 (2021 – \$1,919,476) and the weighted average number of common shares outstanding of 142,011,355 (2021 – 102,714,404). Diluted loss per share for the three and nine months ended September 30, 2022 and 2021 did not include the effect of stock options and warrants as they were anti-dilutive.

13. Exploration and Evaluation Assets

Balance, December 31, 2020	\$947,977
Acquisition of additional mining claims (i,ii)	27,500
Balance, December 31, 2021 and September 30, 2022	\$975,477

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Details of the Company's property acquisitions prior to 2021 are as follows:

Property Acquired	Date Acquired	Interest	Consideration Paid	NSR Royalty ¹
Muus-Principal, Québec	August 2017	100%	\$255,000 cash \$100,000 shares \$30,000 finders' fees	2%
Muus-Tectonic Claims, Québec	February 2019	100%	\$570,000 cash \$250,000 exploration	2%
Muus Extension, Québec	May 2019	100%	\$30,000 cash \$50,000 shares	1%
Muus and Muus East Properties, Québec	February 2020	100%	\$150,000 shares	—
Fancamp and Embry gold properties, Québec	May 2020	100%	\$428,776 shares	1%
Contiguous to Muus & Nisk properties, Québec	November 2020	100%	\$10,265 cash \$10,000 shares	—

¹ Pursuant to the respective property agreements, the vendor may buy back some or all of the NSR Royalty for an agreed-upon fee.

- i. On February 12, 2021, the Company paid \$12,500 to acquire Lac Des Vents claims.
- ii. On April 26, 2021, the Company acquired a 100% interest in four mining claims from a private vendor that are contiguous with the southwestern part of the Muus Property and represent a land package of 224 hectares. The Company paid \$5,000 cash and issued 200,000 common shares valued at \$10,000. The share value is based on the quoted market price of the Company's shares at the time of issue. The vendor will receive a 2% NSR, of which the Company can buy back 1% at any time for a payment of \$500,000. The shares are subject to a four-month hold period.

14. Exploration and evaluation expenditures ("E&E")

Periods ended September 30,	Three months		Nine months	
	2022	2021	2022	2021
Geology/Field				
Drilling (including supplies and logistics expenses)	\$—	\$1,105	\$—	\$363,352
Consulting (contract geologists and other technical specialists)	49,491	87,563	324,033	326,411
Camp, field expenses (including geochemistry and geophysics)	32,597	107,720	197,747	306,506
Assays	69,973	80,944	196,923	346,507
Claim maintenance	1,829	21,491	179,108	88,612
Travel, transportation	—	22,572	17,386	44,097
Financial/Administrative Support				
Other (includes CSR, Environment, G&A, insurance, legal etc.)	6,606	130,624	71,617	285,654
	\$160,496	\$452,019	\$986,814	\$1,761,139

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15. General and administrative expenses

Periods ended September 30,	Three months		Nine months	
	2022	2021	2022	2021
Management and consulting fees	\$55,650	\$115,575	\$160,875	\$310,212
Office and general	111,477	102,677	358,402	180,312
Professional fees	68,332	19,554	120,709	65,894
Regulatory fees (recovery) expense	(1,589)	9,353	28,336	33,767
Share-based compensation (note 11)	8,693	23,779	210,047	58,134
	\$242,563	\$270,938	\$878,369	\$648,319

16. Related Party Balances and Transactions

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 are 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:

Periods ended September 30,	Three months		Nine months	
	2022	2021	2022	2021
Consulting fees – general and administrative expenses	\$55,650	\$115,575	\$160,875	\$300,212
Consulting fees – exploration and evaluation expenditures	15,000	22,500	25,000	67,500
Share-based compensation	7,285	22,997	143,610	49,772
	\$77,935	\$161,072	\$329,285	\$417,484

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

At September 30, 2022, a total of \$194,777 (December 31, 2021 - \$212,358) is owed to officers, directors and companies controlled by officers and directors. These amounts are unsecured, non-interest-bearing, and with no fixed terms of repayment.

17. 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.

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18. 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. The Company has until December 31, 2022 to comply with its spending commitments for flow-through shares issued in 2020, and 2021. 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. The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.
- iii. COVID-19: see note 1 – *Going Concern*.
- iv. Property payments: see note 13 – *Exploration and Evaluation Assets*.
- v. Management contracts: the Company is party to certain contracts. The Company is also committed to minimum payments upon termination of approximately \$20,925 pursuant to the terms of these contracts as of September 30, 2022.
- vi. The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable.

19. Subsequent Event

- a) On October 18, 2022, 5,700,000 options were granted to officers, directors, and consultants of the Company with an exercise price of \$0.05 for a period of 5 years from the date of grant, and a range of vesting periods.
- b) On November 16, 2022, the Company announced a proposal to consolidate all of the issued and outstanding Common Shares of the Company on the basis of 1 New Common Share for every 4.7 old Common Shares (the "Consolidation"), subject to the approval of shareholders at the upcoming meeting of shareholders to take place on December 16, 2022 and TSX-V approval.