



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED

JUNE 30, 2023 and 2022



INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Blue Thunder Mining Inc. (the "Company", "Blue Thunder", or "BTMI") for the three and six months ended June 30, 2023 and 2022 should be read in conjunction with the interim condensed consolidated financial statements for the three and six months ended June 30, 2023, and 2022, and related notes thereto (the "Interim Financial Statements"), and the audited annual consolidated financial statements for the years ended December 31, 2022 and 2021, and related notes thereto (the "Annual Financial Statements"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted. This MD&A is reported as of August 23, 2023.

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, 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 – Non-Executive Chairman, Director
Dorian L. (Dusty) Nicol – CEO, Director
Jean-Patrick Lariviere – Director
Phil Girard – Director
Donna McLean – CFO
Namrata Malhotra – Corporate Secretary

3.2 REGISTERED OFFICE

The Company's registered office is located at Ste. 2704-401 Bay Street, 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 ("TSX-V") under the symbol "BLUE", and on the OTCQB Venture Market ("OTCQB") under the symbol "BLTMF".

3.4 CORPORATE INFORMATION

Blue Thunder was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017. BTMI is an exploration company that controls several prospective critical metals (including copper, cobalt, tungsten, and tin properties in the Yukon and one prospective lithium property in Nevada. The Company also holds a 100% interest in five non-contiguous gold mineral exploration properties near Chibougamau. The Quebec properties cover approximately 51,000 hectares (ha) and include the Muus, Muus East, Nisk, Fancamp and Embry properties, which together comprise the Muus Project (the "Project").

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

4.0 STRATEGY AND OBJECTIVES

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

4.1 KEY PERFORMANCE DRIVERS

- The Company has an experienced exploration team and a diverse Board with strong technical backgrounds
- The Company is using the latest, state-of-the-art geological models and geochemical and geophysical techniques to explore
- The Company's projects are located in favorable and geologically prospective jurisdictions: Quebec, Yukon, and Nevada
- 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 the high-profile discoveries of the Nelligan and Monster Lake deposits
- In Québec and the Yukon, the Company has access to very attractive flow-through funding

4.2 OBJECTIVES FOR 2023

- On the recently acquired critical metals projects in Yukon, conduct geological mapping and geochemical sampling to identify drill targets. The primary focus is expected to be the Batt property in

the Yukon, where there is potential for copper-cobalt-gold mineralization in volcanogenic massive sulphides.

- On the recently acquired Nevada lithium project, the objective will be to confirm the potential for lithium mineralization and defined drill targets.
- At Muus, the Company plans to continue a multi-year exploration program that comprises property-scale 3D modelling of multiple datasets, targeted diamond drilling, till and soil sampling programs, IP and other geophysics surveys over selected targets, trenching, channel sampling.
- Exploration at Muus will focus on the discovery of the following types of mineralization:
 - Metasedimentary hosted disseminated gold mineralization, similar in style to the nearby Nelligan gold deposit
 - Lode-gold style mineralization, similar to the nearby Monster Lake and Philibert deposits
 - Volcanogenic massive sulphide (VMS) copper-lead-zinc mineralization, potentially associated with silver and gold mineralization
- The Company's long-term objective is to make one or more discoveries and complete sufficient drilling to support inaugural NI 43-101 mineral resource estimates.

5.0 EXPLORATION HIGHLIGHTS

5.1 TECHNICAL HIGHLIGHTS

Work completed to date at Muus has continued to demonstrate the prospectivity of the Project to host several styles of precious and base metal mineralization, including:

- Nelligan-style metasediment-hosted gold mineralization
- Volcanic massive sulfide gold and copper mineralization
- Abitibi-style lode gold mineralization

Ongoing work in this large and prospective area will focus on further refining target concepts, improving the understanding of the geologic structural controls on mineralization, and defining additional targets for testing.

The 2023 work programme is being developed.

5.2 FINANCE AND CORPORATE HIGHLIGHTS

- In August 2023, the Government of Quebec granted the Company a one-year extension on claims maintenance payments on all of its Quebec-based projects due to the 2023 forest fires which heavily impacted the region. The extension represents a cost savings to the Company in 2023 of \$174,805.
- On July 20, 2023, the Company announced the acquisition of a lithium exploration project in Nevada (see section 6.2 – *Exploration and Evaluation Properties*).
- On July 7, 2023, the Company announced it had signed a binding letter of intent respecting a potential critical metals transaction (the "Critical LOI") previously being considered which involves the acquisition of a package of exploration properties in the Yukon Territory (see section 9.0 - *Proposed Transactions*).
- On January 30, 2023, the Company signed a letter of intent ("LOI") with Analog Gold Inc. ("Analog") which sets out the basic terms and conditions pursuant to which the Company will acquire all of the issued and outstanding shares of Analog ("Analog Shares") in exchange for common shares of the Company in a Reverse Takeover transaction (the "RTO")(see section 9.0 - *Proposed Transactions*). On July 7, 2023, the Company announced that the Analog LOI had been terminated due to unanticipated logistical delays.
- On December 16, 2022, the Company's shareholders approved, at the Annual General and Special Meeting, the consolidation of all the issued and outstanding common shares of the Company on the basis of 1 new common share for every 4.7 pre-consolidation common shares issued and outstanding (the "Consolidation"). The Consolidation became effective as of January 20, 2023.

- **Financing Completed:**
- On March 30, 2023, BTMI announced that it had issued a convertible promissory note in the amount of \$250,000 (see section 9.0 - *Proposed Transactions*). During the three months ended June 30, 2023, \$136,000 of the Note was repaid to the Noteholder.

6.0 OVERALL PERFORMANCE - Technical

6.1 EXPLORATION STRATEGY AND 2023 WORK PROGRAM

Blue Thunder's previous exploration activities have included data compilation, as well as prospecting, trenching, sampling and drilling over selected target areas. Ongoing work on project areas will focus on refining target concepts and improving understanding of the geologic controls on mineralization and on defining additional targets for drill testing.

6.2 NEW EXPLORATION AND EVALUATION PROPERTIES

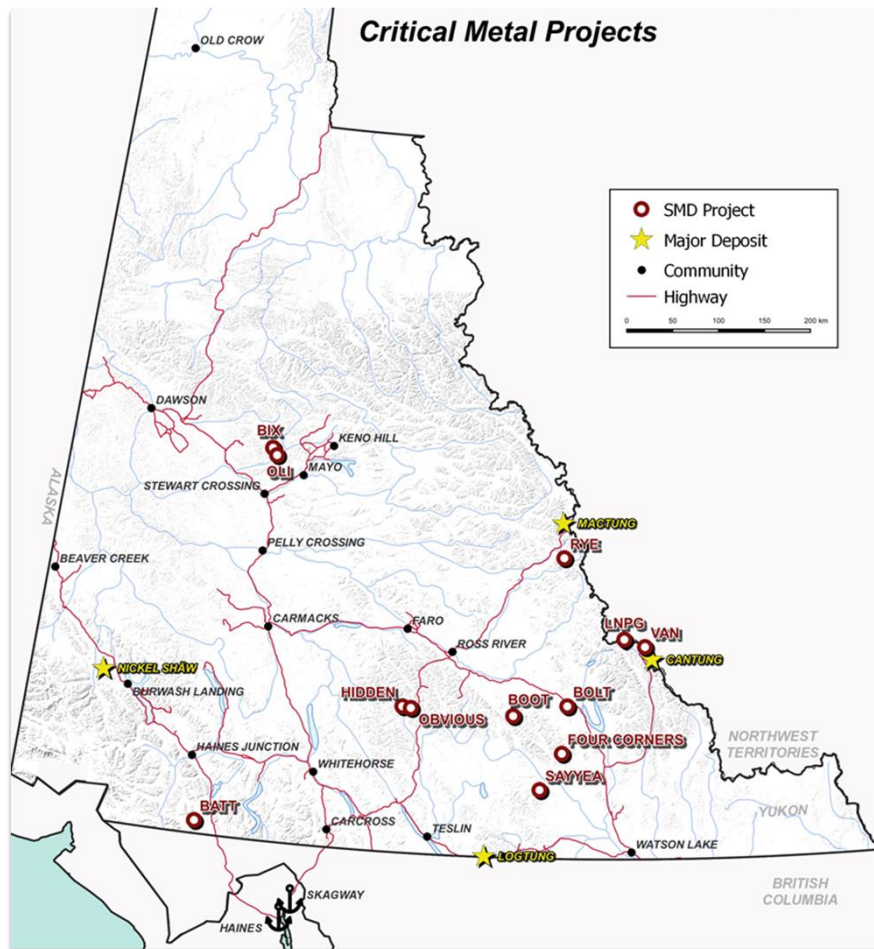
On July 7, 2023, the Company announced that it had signed a binding letter of intent (the "Critical LOI") to acquire a property package in Yukon, Canada which is comprised of 11 projects hosting targets for copper, cobalt, tin, and tungsten (the "Yukon Properties").

These properties are summarized in the following table:

Property	Metals	Deposit Model	Status	Highlights
Batt	Co, Cu, Au	VMS	Optioned	Surface samples to 19% Cu, 1.4% Co, 4.54 g/t Au
Van	V	Sediment Hosted	Optioned	More than 50 m thick and 600 m long horizon averaging 0.4 to 0.6% V2O5
Bix	Sn	Intrusion related breccia	Optioned	Drill intercepts up to 0.28% tin over 7.62 m, rock samples to 14.9% tin.
Oli	Sn, Au, Co, Ag	Skarn	Optioned	Historical drill intercepts include 1% tin/6m and 15% tin/0.8m
Hidden	W	Porphyry, Skarn	Optioned	Very large and strong soil anomalies associated with skarns around fractures and faults; good drill intercept
Obvious	W	Skarn	Optioned	Very high-grade tungsten float (up to 24.8%WO3) not yet traced to source
Rye	Sn, Ag, Pb, Au	Vein/ Stockwork	Optioned	Quartz veins have produced high assays from chip samples - 4.1% Sn, 3.7% Pb, and 106.3 g/t Ag over 3.7 m. Newly discovered gold-in-soil anomaly and talus mineralization grading 8.37 g/t gold
Boot	W	Skarn	Optioned	Partially defined with drill intercepts up to 1.95% WO3 over 5.18 m
Bolt	Cu, Au	VMS	Optioned	Cyprus-type VMS target marked by intense copper geochemical anomaly and vegetation kill zone
Sayyee	W, Au, Sn, Zn, Cu	Skarn,	Optioned	Main skarn horizon traced for a 7 km strike. Rock sample of 1.22% WO3 within very large, zoned soil anomaly with high W, Au, Zn and Sn values
Four Corners	Cu, Co, Ni, Ag, Pb, Zn	VMS, Magmatic	Optioned	Showing, soil geochemical anomalies and VTEM conductor

See section 9 – *Proposed Transactions*.

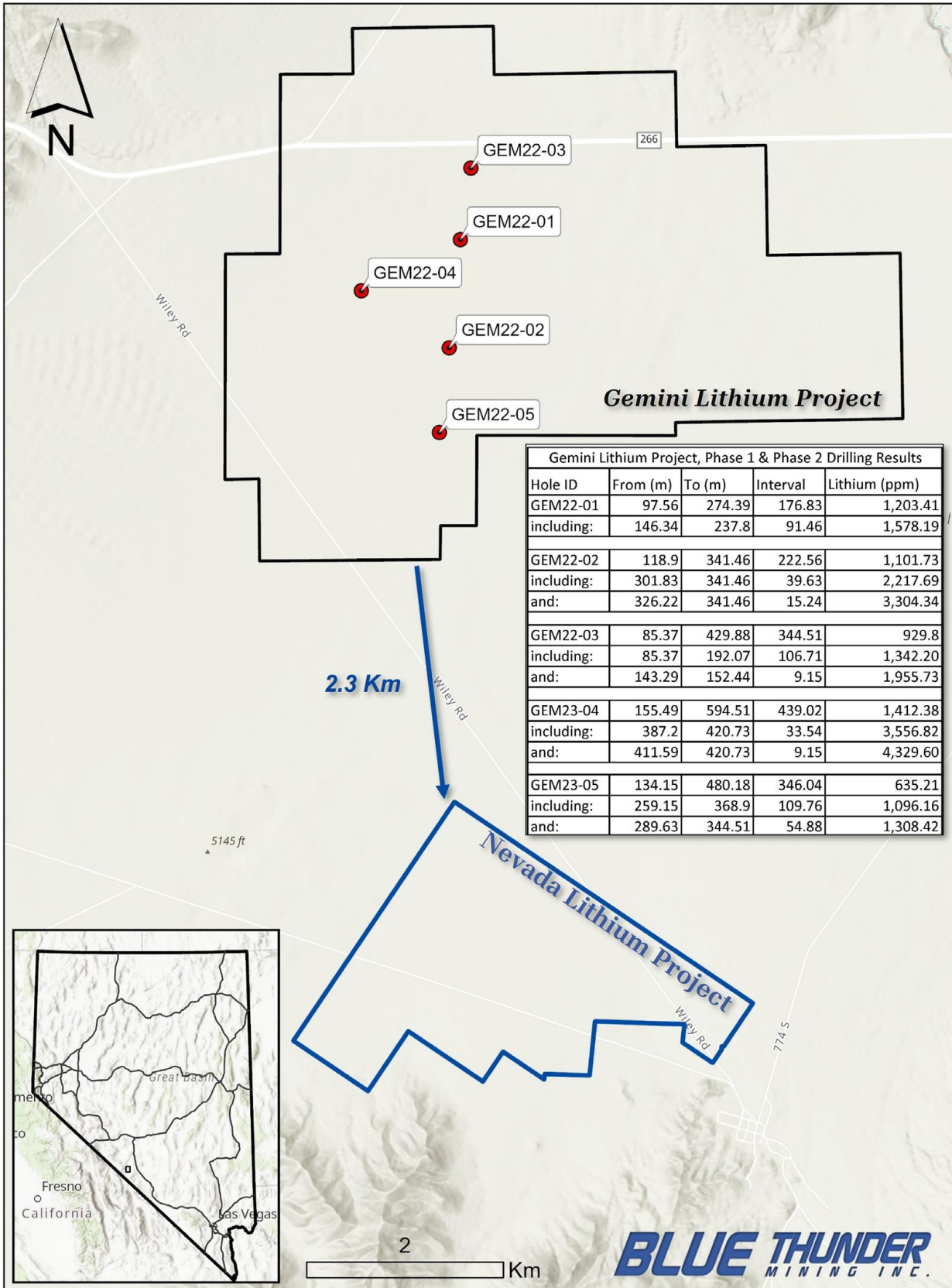
Their locations are shown on the following map:



On July 20, 2023, the Company announced the acquisition of a lithium exploration project in Nevada.

The Nevada Lithium Project comprises 85 US federal mineral lode claims, covering approximately 6.8 square kilometres (1,683 acres), in Esmeralda County, Nevada. The claims are owned by GGL Resource Corp ("GGL") through a bare trustee, Archer Cathro Geological (US) Ltd, and are part of a larger claim block that GGL is exploring for vein gold and porphyry copper-molybdenum mineralization. The Nevada Lithium claims are underlain by Quaternary alluvium which is a prospective host for lithium mineralization. The Quaternary sediments are part of a basin that locally contains thick sections of lithium enriched claystone. The closest lithium bearing drill holes are located about 3.8 km to the north on Nevada Sunrise Metals Corp's Gemini property. Mineralization reported in drill holes on the Gemini property include 1,412 ppm lithium over 439 m, starting at 155.49 m below surface. Blue has acquired the right to explore for and develop lithium mineralization in the Quaternary alluvium in exchange for agreeing to pay the annual claim fees and a 2% NSR royalty payable to GGL in the event of future lithium production.

The following map shows the location of the Nevada lithium project and its proximity to the Gemini property:



Change in Accounting Policy for Exploration and Evaluation Expenditures

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily elected to change its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in *IFRS 6 – Exploration for and Evaluation of Mineral Resources* and *IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*. The new accounting policy was adopted on December 31, 2022, and applied retroactively to the consolidated financial statements for the year ended December 31, 2021, and the statement of financial position as at January 1, 2021. Historically, in prior periods, the Company's policy was to capitalize all direct costs related to the acquisition of a mineral property upon acquiring the legal right to explore a mineral property, until such time as the properties were put into commercial production, sold, or became impaired.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Expenses charged to exploration properties include acquisition costs of mineral property rights, property option payments and certain exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible, and the decision to proceed with development has been approved by the Board of Directors, 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.

The retroactive changes made to the consolidated statement of financial position as at December 31, 2021 giving effect to this policy change included an increase to accumulated deficit of \$975,477, and a charge to exploration and evaluation expenditures of the same amount. During the three and six months ended June 30, 2022, there were no amounts capitalized to exploration and evaluation assets under the old policy and, therefore, no restatement of 2022 balances was required.

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.

In August 2023, the Government of Quebec's Ministry of Natural Resources and Forests ("MRNF") granted the Company a one-year extension on claims maintenance payments on all of its Quebec-based projects due to the 2023 forest fires which heavily impacted the region. The extension represents a cost savings to the Company in 2023 of \$174,805, which is comprised of \$165,500 in exploration work requirements, and \$9,305 in government renewal fees. Blue Thunder holds 128 claims in Quebec that are impacted by this extension. The next payment obligation on these claims has been extended to September 2024.

Following is a table of exploration and evaluation expenditures incurred during the three- and six-month periods ended June 30, 2023, and 2022:

Periods ended June 30,	Three months		Six months	
	2023	2022	2023	2022
Geology/Field				
Consulting (contract geologists and other technical specialists)	\$45,116	\$132,897	\$129,268	\$274,542
Claim maintenance	41,662	23,597	50,188	177,279
Assays	—	68,851	21,332	126,950
Camp, field expenses (including geochemistry and geophysics)	8,400	129,544	14,600	165,150
Travel, transportation	1,200	8,791	8,144	17,386
Financial/Administrative Support				
Refundable tax credit	—	—	(148,370)	—
Other (includes CSR, Environment, G&A, insurance, legal etc.)	—	48,687	2,523	65,011
	\$96,378	\$412,367	\$77,685	\$826,318

6.4 OVERALL PERFORMANCE - Financial

The Company is currently engaged in mineral exploration in Québec, and the Yukon, Canada and the State of Nevada in the United States of America (“USA”). 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 FINANCIAL INFORMATION

As at	June 30, 2023	December 31, 2022
Total assets	\$ 197,411	\$ 524,959
Total liabilities	704,492	642,416
Accumulated deficit	(9,840,936)	(9,443,741)
Three months ended	June 30, 2023	June 30, 2022
Exploration and evaluation expenditures (recovery)	\$ 96,378	\$ 412,367
G&A	122,733	268,269
Interest income	(82)	(1,272)
Net loss for the period	219,029	601,084
Loss per share – basic and diluted	\$0.01	\$0.01
Six months ended	June 30, 2023	June 30, 2022
Exploration and evaluation expenditures (recovery)	\$ 77,685	\$ 826,318
G&A	322,770	635,806
Interest income	(3,260)	(1,663)
Net loss for the period	397,195	1,308,692
Loss per share – basic and diluted	\$0.01	\$0.01

6.6 QUARTERLY RESULTS

Three-month Period Ended June 30, 2023 compared to June 30, 2022

The net loss for the three-month period ended June 30, 2023 was \$219,029 (2022 - \$601,084), a decrease of \$382,055. Total general and administrative expenses (“G&A”) decreased, period over period, from \$268,269 in Q2/2022 to \$122,733 in Q2/2023 principally due to significant fluctuations in the various components of G&A, including: office and general expenses of \$18,341 in Q2/2023 represents a decrease of \$86,382 compared to Q2/2022 of \$104,723, mainly due to decreased expenditures on investor relations, marketing, and social media campaigns in the current year period. In Q2/2023, management and consulting fees were \$4,950 higher (\$60,600 in Q2/2023 versus \$55,650 in Q2/2022) principally due to an increase in fee rates of new Management. Professional fees in Q2/2023 of \$28,703 were incurred for regulatory, legal, audit, and accounting fees, as well as legal work related to the proposed transactions (See 9.0 - *Proposed Transactions*). This is compared to \$41,927 in Q2/2022, which was incurred for routine regulatory and legal fees.

Exploration and evaluation expenses (“E&E”) incurred in Q2/2023 were significantly lower compared to the E&E expenses incurred in Q2/2022 (\$96,378 versus \$412,367 in Q2/2022, a decrease of \$315,989). Due to a successful equity raise in 2021, the Company was better positioned in 2022 to implement a more substantial exploration program in 2022. After a thorough review of the 2022 results, a follow-up program was designed to be implemented in 2023, however market conditions have made it difficult to raise sufficient funding to move forward with the plans.

Although the Company did not carry out field activity in Q2/2023, the technical team did engage geologists and others to review and evaluate new prospective projects. Ongoing E&E costs also include claim maintenance costs to keep existing claims in good standing and rental fees are charged for field storage facilities. Assay and lab analysis performed to analyze samples taken resulted in expenditures of \$nil in Q2/2023 vs \$68,851 for samples taken during the initial 2022 field program in Q2/2022. Technical consulting fees and field-related wages incurred during Q2/2023 were significantly lower than the prior year period (\$45,116 in Q2/2023 versus \$132,897 in Q2/2022) for the reasons detailed above. In the current quarter, camp and field expenses of \$8,400 related to ongoing rental fees for field storage facilities. Camp and field expenses in Q2/2022 were significantly higher at \$129,544 as the 2022 field exploration activities involved field staffing, equipment, housing and other related field costs. The Company incurred higher claims maintenance costs in Q2/2023 of \$41,662, compared to \$23,597 in Q2/2022, which mainly related to timing differences in claim renewal fees. Travel and transportation expenses were \$1,200 in Q2/2023, compared with Q2/2022 expenditures of \$8,791. Travel expenses are related to the cost of geologists and consultants to travel to and from the camp and project site, as well as costs incurred to clear snow to improve road conditions and allow for site access. Other expenses of \$48,687 incurred in Q2/2022 related to insurance, technical software subscriptions, equipment rentals, and other project-related administrative costs, while such costs were not expended Q2/2023 due to the reduction of activity.

When 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 share premium liability. Through this mechanism, during the period ended June 30, 2023, a premium of \$nil (June 30, 2022 – \$73,489) was recovered and recognized as other income on the Statement of Loss and Comprehensive Loss for the period.

Six-month Period Ended June 30, 2023 (the “Reporting Period”) compared to June 30, 2022

The net loss for the six months ended June 30, 2023 was similarly lower at \$397,195 compared to that realized in the comparable period in the prior year (2022 - \$1,308,692). In the Reporting Period, the Company has incurred \$748,633 less in E&E expenditures, and \$313,036 less in G&A expenses. This reducing spending, period-over-period, is offset by the decreased flow-through share premium recorded during the six months ended June 30, 2023 of \$nil versus \$151,769 that was recognized during the six months ended June 30, 2022. The flow-through spending requirement was completed in 2022.

For the Reporting Period, total G&A expenses decreased to \$322,770 from \$635,806 incurred in 2022. Office and general expenditures comprised roughly 20% of the period’s expense (\$64,113 of \$322,770) of total G&A compared to 39% in the prior year comparative period. Prior year expenditures principally related to new marketing and social media contracts that the Company entered into during the 2022 Reporting Period which were not renewed in 2023. Professional fees increased \$38,920 period-over-period at \$91,297 in 2023 versus \$52,377 in 2022. The fees are attributed to legal, accounting, and other professional fees for routine filings, as well as legal advice obtained in connection with the proposed transactions (see 9.0 – *Proposed Transactions*). Share-based compensation of \$7,571 (“SBC”) was recorded for options that vested during the six months ended June 30, 2023, while \$201,354 was expensed for options granted and vested in the prior year comparative period. The higher SBC recorded in the prior year resulted from the grant of significantly more stock options in that period.

E&E expenses were approximately 91% lower during the Reporting Period (\$77,685 versus \$826,318 in 2022). As explained above, the Company implemented a robust field program in 2022 while the focus in 2023 has been more passive in nature – that being a thorough review of the 2022 results and searching for other projects synergistic to the skills and knowledge of Blue’s technical team. The Company continues to engage geologists and others to review prospective projects and in the mode of care-and-maintenance, the Company pays claim maintenance costs to keep the claims in good standing, and rental fees for field storage facilities. \$21,332 was incurred during the six months ended June 30, 2023 for assays and laboratory analysis principally of the till samples taken during the end of the 2022 field program; in the same period in 2022, a total of \$126,950 was spent for the sampling performed in the first half of 2022. Camp expenses, field labour, and field supplies cost \$14,600 in the Reporting Period versus \$165,150 incurred in H1 2022. A total of \$274,542 was expended for geologists and other technical specialists essential to the planning and execution of the 2022 field program on the Company’s Muus and Fancamp claim groups. In 2023 the technical team has a different focus and \$129,268 was incurred to engage professionals in planning and evaluating prospective projects to add to the Company’s project portfolio. Program administration costs, such as geological software subscriptions, insurance, equipment rentals, and other costs totaled \$2,523 for the current year six-month period compared to \$65,011 in 2022. The Company received refundable tax credits of \$148,370 from the Quebec government for exploration expenditures incurred in the province in prior years.

When 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 share premium liability. Through this mechanism, during the three months ended June 30, 2023, a premium of \$nil (June 30, 2022 – \$78,280) was recovered and recognized as other income on the Statement of Loss and Comprehensive Loss for the period. During the six months ended June 30, 2023, a premium of \$nil (June 30, 2022 – \$151,769) was recovered and recognized.

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 Interim Financial Statements of the Company:

	2023		2022	
	June 30 \$	March 31 \$	December 31 \$	September \$
Working capital (deficiency)	(507,081)	(289,854)	(117,457)	533,399
Interest income	(82)	(3,178)	-	(23,067)
Operating expenses	219,111	181,344	634,113	403,059
Net loss for the period	219,029	178,166	605,290	360,632
Net loss per share ⁽¹⁾	0.01	0.00	0.02	0.01

	2022		2021	
	June 30 \$	March 31 \$	December 31 \$	September \$
Working capital (deficiency)	390,337	939,415	1,497,676	450,966
Interest income	1,272	391	80	744
Operating expenses ⁽²⁾	680,636	781,488	516,055	722,957
Net loss for the period ⁽²⁾	601,084	707,608	376,858	597,421
Net loss per share ⁽¹⁾⁽²⁾	0.02	0.02	0.02	0.03

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. These amounts were retroactively restated to reflect the share consolidation. See section 5.2.
- (2) Restated to reflect the change in accounting policy for exploration and evaluation expenditures (see section 6.2 for policy)

6.7 CASH FLOW ANALYSIS

Period ended June 30,	2023	2022
Net cash provided by (used in):		
Operating activities	\$(65,597)	\$(1,194,449)
Financing activities	114,000	—
Increase (decrease) in cash	48,403	(1,194,449)
Cash, beginning of period	38,324	1,633,285
Cash, end of period	\$86,727	\$438,836

During the period ended June 30, 2023, net cash used in operating activities was \$65,597. The principal components of spending during this period are described above in section 6.6.

For the same reporting period, net financing activities added \$114,000 to treasury, related to funding provided pursuant to a convertible promissory note.

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:

Periods ended June 30,	Three months		Six months	
	2023	2022	2023	2022
Consulting fees – general and administrative expenses	\$47,100	\$55,650	\$111,300	\$105,225
Consulting fees – exploration and evaluation expenditures	45,000	2,500	90,000	10,000
Share-based compensation	1,737	45,197	7,179	136,325
	\$93,837	\$103,347	\$208,479	\$251,550

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

At June 30, 2023, a total of \$75,930 (December 31, 2022 - \$175,568) 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.

On March 30, 2023, BTMI completed a financing by issuing a convertible promissory note (the “Note”) to a director of the Company (the “Noteholder”) in the amount of \$250,000 which was to be converted into common shares of the Company on completion of a proposed RTO with Analog Gold Inc. (see section 9 – *Proposed Transactions*) at a price of \$0.28 per. During the three months ended June 30, 2023, \$136,000 of the Note was repaid to the Noteholder. The remaining \$114,000 of the Note was repaid to the Noteholder subsequent to the period ended June 30, 2023.

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. During the Reporting Period, Management relied on tax refunds and the promissory note funding raised in Q1/2023 to meet the Company’s exploration expenditures and corporate costs. At June 30, 2023, the Company had cash of \$86,727 (December 31, 2022 - \$38,324) to settle current liabilities of \$704,492 (December 31, 2022 - \$642,416). Included in current liabilities is a promissory note of \$114,000 which was repaid to the noteholder subsequent to the period ended June 30, 2023. Of the remaining liabilities, up to 44% has been identified as invoices belonging to several service providers, aged over 120 days, that are currently being disputed or negotiated on a non-legal basis by the Company. Generally, the Company’s financial liabilities have contractual maturities of less than 30 days.

At June 30, 2023, the Company had a working capital deficit of \$507,081 compared to \$117,457 at December 31, 2022. The Company has no revenue from operations and is dependent on equity and debt financings for working capital.

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. The Company held no investments at June 30, 2023, and December 31, 2022.

The exercise of stock options and warrants may contribute to the Company's working capital but there is no guarantee that the options and warrants will be exercised. See details of option grants and warrant issuances in section 13.0 – *Share Capital*.

Flow-Through Share Premium Liability

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

Balance, December 31, 2021	\$199,952
Flow-through share premium recognized	(199,952)
Balance, December 31, 2022 and June 30, 2023	\$ —

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 is derecognized through income as the eligible expenditures are incurred.

7.1 WORKING CAPITAL RESOURCES

Management believes it has insufficient capital to meet the ongoing exploration and corporate costs for 2023, therefore additional financing will 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 and debt 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 TRANSACTIONS

Analog Gold

On January 30, 2023, the Company announced that it signed a binding letter of intent ("LOI") with Analog Gold Inc. ("Analog") which set out the basic terms and conditions pursuant to which the Company would acquire all the issued and outstanding shares of Analog ("Analog Shares") in exchange for common shares of the Company ("Blue Thunder Shares") (the "Analog LOI"). On July 7, 2023, the Company announced that the Analog LOI had been terminated due to unanticipated logistical delays.

Yukon Critical Metals

On July 7, 2023, the Company announced that it had resumed discussions respecting a potential critical metals transaction previously being considered which involves the acquisition of a package of exploration properties in the Yukon Territory (the "Yukon Critical Metals Transaction"). The Company has signed a binding letter of intent (the "Critical LOI") respecting this transaction. The parties will replace the Critical LOI with a definitive agreement containing additional terms usual and customary for a transaction of this nature (the "Definitive Agreement"), but the Critical LOI represents a binding agreement between the parties.

The Company previously considered the Yukon Critical Metals Transaction but set this possibility aside when it agreed to do the Analog Gold transaction. When the Analog Gold transaction was terminated, the Company revisited this opportunity, which it believes is an accretive acquisition which will facilitate the Company pivoting into the critical metals space.

The property package in the Yukon comprises eleven projects hosting highly prospective targets for copper, cobalt, tin, and tungsten. These are all metals which are characterized as "critical metals" in that their production is key to the planned increasing electrification of the global economy, and in that both Canada and United States will be seeking to assure reliable domestic supplies of these metals. The eleven projects are currently held by a private company ("Holdco"), which is wholly owned by a Company director, Chad Williams, and is a "related party transaction" as defined in MI 61- 102 and Policy 5.9 of the TSX-V. The Yukon Critical Metals Transaction was considered by the board of directors of the Company, excluding Mr. Williams, and was unanimously approved by the board. Mr. Williams declared his interest and abstained from voting in respect of the approval of the Critical LOI.

There are no prior valuations relating to the Yukon Critical Metals Transaction. The transaction is exempt from formal valuation under s. 5.5(b) of MI 61-101 Protection of Minority Security Holders in Special Transactions ("not listed on specified markets"). It is not exempt from the minority approval requirements of MI 61-101 - it will require approval by a majority of the Company's disinterested shareholders at a shareholders' meeting which will be called for this purpose.

Principal terms of the transaction are:

- Blue Thunder will acquire 100% of Holdco. The resulting company will be owned 60% by current Blue Thunder shareholders and 40% by Mr. Williams as the sole shareholder of Holdco (excluding the shares which Mr. Williams currently holds in Blue Thunder). Assuming Blue Thunder has 36,995,635 common shares outstanding, 24,663,756 Consideration Shares will be issued as consideration for the Holdco shares, with a value of \$1,233,187 assuming the Consideration Shares are issued at a deemed price of \$0.05 per share.
- The parties have agreed to sign the Definitive Agreement within 60 days.
- Closing of the transaction is subject to various conditions, including completion of due diligence by Blue, approval by the boards of each of Blue and Holdco, and approval by the TSX-V.

In addition, the Company is negotiating to acquire prospective lithium exploration projects in Nevada and in Quebec, which will be a natural complement to the Company's focus on critical metals.

It is presently anticipated that the definitive agreement respecting the Yukon Critical Metals Transaction will be signed by August 31, 2023, and that closing will happen following a shareholders' meeting prior to October 30, 2023. The Company will issue a further news release and will file material change reports on entering into the definitive agreement and on closing the critical minerals transaction.

10.0 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

Management makes judgments in its process of applying the Company's accounting policies in the preparation of its Interim and Annual Financial Statements. In addition, the preparation of financial data requires that Management makes assumptions and estimates of the 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 judgments 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 of critical judgments, estimates, and assumptions applied in the preparation of the Company's Interim Financial Statements, see note 3 of the Company's Annual Financial Statements.

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

The Company 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").

New Accounting Standards Issued and Effective for Annual Periods beginning on or after January 1, 2023

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and **IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The

amendments are effective for year ends beginning on or after January 1, 2023. **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.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

The Company is currently assessing the impact of these standards and amendments.

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 June 30, 2023, was in a deficiency position of \$507,081 (December 31, 2022 - \$117,457).

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 and six months ended June 30, 2023.

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. At June 30, 2023, the Company was not compliant with the policies of the TSX-V. The consequences of non-compliance are at the discretion of the TSX-V.

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.

The following table represents the changes to share capital during the year ended December 31, 2022 and the six-month period ended June 30, 2023:

	Number of Common Shares	Amount
Balance, December 31, 2021	29,903,437	\$7,151,991
Private placements	7,092,199	500,000
Less: share issue costs	—	(5,000)
Warrants issued	—	(119,321)
Balance, December 31, 2022, and June 30, 2023	36,995,636	\$7,527,670

13.1 WARRANTS

The following table reflects the warrants activity for the year ended December 31, 2022 and the six-month period ended June 30, 2023:

	Number of Warrants	Fair value on the date of
Balance, December 31, 2021	10,177,955	\$851,149
Issued	7,092,199	119,321
Expired	(2,205,402)	(464,601)
Balance, December 31, 2022 and June 30, 2023	15,064,752	\$505,869

The following table reflects the warrants issued and outstanding as of June 30, 2023:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Expiry Date
\$0.33	7,972,553	1.50	December 29, 2024
\$0.24	7,092,199	2.22	September 19, 2025
\$0.29	15,064,752	1.84	

The weighted average warrant exercise price at June 30, 2023 is \$0.29 (December 31, 2022 - \$0.29). The weighted average remaining warrant life at June 30, 2023 is 1.84 years (December 31, 2022 – 2.34 years).

13.2 STOCK OPTIONS

The following table reflects the options activity during the year ended December 31, 2022 and the six-month period ended June 30, 2023:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	1,195,156	\$0.28
Granted 11(a)-(c)	2,250,000	0.24
Forfeited 11(d)	(10,638)	0.24
Balance, December 31, 2022	3,434,518	\$0.26
Forfeited 11(e)	(140,426)	0.22
Balance, June 30, 2023	3,294,092	\$0.26

The following table reflects the options outstanding as of June 30, 2023:

Exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	Expiry Date
\$0.47	17,021	2.08	17,021	July 27, 2025
\$0.66	191,489	2.10	191,489	August 6, 2025
\$0.47	53,191	2.58	53,191	January 27, 2026
\$0.47	52,979	2.72	52,979	March 18, 2026
\$0.26	53,191	2.93	53,191	June 2, 2026
\$0.24	106,383	3.02	106,383	July 7, 2026
\$0.24	909,574	3.53	909,574	January 7, 2027
\$0.24	106,383	4.15	106,383	August 23, 2027
\$0.24	1,175,532	4.30	535,462	October 18, 2027
\$0.19	628,347	4.95	628,347	June 11, 2028
\$0.26	3,294,092	3.95	3,010,404	

On January 7, 2022, 930,851 options were granted to directors, officers, and consultants of the Company with an exercise price of \$0.24 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.

On August 23, 2022, 106,383 options were granted to a director and officer of the Company with an exercise price of \$0.24 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.

On October 18, 2022, 1,212,766 options were granted to officers, directors, and consultants of the Company with an exercise price of \$0.24 for a period of 5 years from the date of grant and have a range of vesting periods.

During the six months ended June 30, 2023, 140,426 options expired, unexercised. The options had a weighted average exercise price of \$0.22. Subsequent to June 30, 2023, 123,404 options expired, unexercised. The options had a weighted average exercise price of \$0.37.

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. Under regular rules, all proceeds raised through the issuance of flow-through shares

would have to be spent on Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021, arising from the flow-through share offerings completed during 2020. On July 24, 2020, the Government of Canada announced its proposal to assist flow-through share issuers due to the impacts of COVID-19, by extending the timelines for spending the capital raised through the issuance of flow-through securities by 12 months. As at December 31, 2022, the Company has complied 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.

Management Contracts

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 June 30, 2023.

General

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.

15.0 OUTSTANDING SHARE DATA

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2022	36,995,636	15,064,752	3,434,518	55,494,906
June 30, 2023	36,995,636	15,064,752	3,294,092	55,354,480
August 23, 2023	36,995,636	15,064,752	3,170,688	55,231,076

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 the 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.

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.Ge.), 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 the Interim Financial Statements and disclosures referenced in this MD&A.

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.