
FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three and six month period ended June 30, 2021 contains forward-looking information, including forward-looking information about Bonterra Resources Inc.'s (the "**Company**" or "**Bonterra**") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis – Quarterly Highlights ("**Quarterly Highlights**") of the financial condition, results of operations and cash flows of the Company for the three and six month period ended June 30, 2021 should be read in conjunction with the condensed consolidated interim financial statements as at and for the three and six month periods ended June 30, 2021 and 2020. This Quarterly Highlights is effective August 30, 2021. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 in Canadian dollars and in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board.

External auditors, appointed by the shareholders, have not audited or reviewed the condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 and did not perform the tests deemed necessary to enable them to express an opinion on these condensed consolidated interim financial statements.

RECENT COMPANY HIGHLIGHTS

- On July 13, 2021, the Company announced the completion of the option earn-in requirements and acquired a 70% interest in 81 strategic mineral claims totaling 3,590 hectares adjacent to the Company's Gladiator property (the "**Duke Property**") and converted the option agreement into a joint venture agreement (the "**JV**").
- On June 23, 2021, the company announced updated mineral resource estimates ("**MREs**") for the Gladiator, Barry, and Moroy deposits, and Bachelor mine (the "**2021 MREs**"). The 2021 MREs were prepared by independent firm, SLR Consulting (Canada) Ltd. ("**SLR**").
- On April 7, 2021, the Company completed a brokered private placement for gross proceeds of \$17,472,300. The Company issued (a) 2,350,000 common shares of the Company at a price of \$1.05 per common share for gross proceeds of \$2,467,500, and (b) 10,420,000 flow-through shares of the Company ("**FT Shares**") at a price of \$1.44 per FT Share for gross proceeds of \$15,004,800.
- On December 9, 2020 and December 15, 2020, the Company closed tranches of a completed non-brokered private placement for gross proceeds of \$15,000,000 through the issuance of 13,043,478 common shares (December 9 – 10,669,891 and December 15 – 2,373,587) of the Company at a price of \$1.15 per common share.
- The Company processed successfully a 10,000 tonne bulk sample at Moroy. Including the stockpiled Bachelor material the Company produced and sold 1,500.22 ounces of gold and 166.132 ounces of silver.

UPDATE ON H1 2021

The H1 2021 program consisted mainly of seven drill rigs including four to six land drill rigs (four drill rigs when barge drilling was taking place), two barge drill rigs at Gladiator, when barge drilling was available and one underground drill rig at Moroy. The plan included an additional 59,000 metres (“m”) of drilling for the first half of 2021. The planned H1 2021 drilling totalling 63,332 m was achieved which included 10,129 m of surface and underground drilling at Bachelor-Moroy, 11,583 m at Gladiator, 26,557 m at Barry, 9,939 m at Duke and 5,142 m of exploration drilling on regional targets in the Urban-Barry area. Drilling activities and related exploration work continued uninterrupted during H1 2021 while implementing the Company’s government-approved Covid-19 health and safety protocols to protect its workers and the surrounding communities near the properties.

Exploration Objectives of H2 2020 - H1 2021

The Company’s objective for the H2 2020 - H1 2021 drill program remained a balanced approach, which included deposit resource expansion drilling, some in-fill drilling and exploration along known deposits and regional trends. The targeted areas were as follows:

- Bachelor-Moroy deposit resource expansion
- Bachelor-Moroy and Desmaraisville properties regional ongoing exploration
- Gladiator deposit resource expansion and in-fill drilling
- Duke JV property continued exploration and evaluation of the Lac Rouleau Zone 18 and Centaur targets
- Barry deposit resource expansion and in-fill drilling
- Urban-Barry property regional exploration (Barry-Bart-Moss and Panache South trends) and evaluation
- Dubuisson property re-evaluation and assessment of exploration potential
- Early stage targets testing along corridors of structural decompression

The H2 2020 – H1 2021 exploration program has contributed a better understanding of the deposit models to assess the gold resource potential and grade continuity for the Bachelor-Moroy, Barry and Gladiator properties. Underground ongoing drilling at Bachelor-Moroy confirmed the convergence between the Bachelor (Main) and Moroy (M1) mineralized structures at depth and also confirmed the existence of shear-mineralized targets along the Waconichi shear just north of Bachelor deposit. A new gold zone was discovered from surface exploration drilling approximately two kilometres northeast of the Bachelor mine. Drilling at Barry has confirmed the western and depth extent of several of the mineralized zones including the 800, 950, 1000, H1, H2, H8, H12, H13 and H15. A new gold trend spanning 750 m was discovered from surface exploration drilling at Barry North in December 2020. Expansion drilling at Gladiator has confirmed the eastern down-plunge extension of the Main and North zones. Several recently discovered “north-dipping” mineralized zones similar to the Barbeau Zone and the western Rivage zones have been modelled and incorporated into the 2021 MREs. A high-grade gold mineralized vein was discovered at the Panache property following surface mapping and channel sampling. A small drilling program was completed at Panache totalling 1,306 m to test the new high-grade gold mineralized vein discovered. Drilling at Duke and along the corridors in the Moss and Barry north areas is completed. Drilling exploration results are still pending since assay priority was given to the 2021 MREs drilling and are expected to be completed by the fall of 2021.

The Bachelor assay lab remains operational and compliant with the Company’s Covid-19 health and safety protocols. The drill core sampling and assaying backlog stands at about one month and the Company is diligently working to significantly reduce this backlog. The Company continues to develop and update block models for the Gladiator, Barry, and Moroy deposits. The extent and timing of future model updates will be dependent on the amount of winter drilling accomplished.

The Company had staked 231 claims near the Bachelor-Moroy area in July 2020. This added greenfield land package, called “Desmaraisville”, is located north and west of the Bachelor mine. These new underexplored areas lie along an east-northeast regional fault trend within a folded complex with several historic gold

occurrences to the northeast. A high-resolution airborne magnetic survey was completed in July 2020. A preliminary reconnaissance and property access to this area was undertaken in In early May 2021. The sector has undergone a regional compilation to be followed by a mapping and prospecting program during summer and fall of 2021.

The Company continues the work on permitting and engineering for expansion of the Bachelor mill and tailings facility. The company submitted answers to the Environmental and Social Impact Review Committee (or COMEX) in March 2021 to provide more details from the geotechnical drilling that was completed during the summer of 2020 to test the soil type under the location of a future dyke. These results will be incorporated into the detailed tailings expansion design. In addition, the Company continues to make progress to obtain the regulatory approval for an exploration decline at the Gladiator property.

OUTLOOK FOR H2 2021

Exploration Objectives for H2 2021

The Company's objective for the H2 2021 drill program following the MRE 2021 and the upcoming PEA expected in Q4 2021, is to expand the existing mineral resources expansion and perform in-fill drilling and exploration drilling of known deposits and test some regional mineralized trends. The drill program is broken down as follows:

- Bachelor-Moroy deposit resource expansion
- Bachelor-Moroy and Desmaraisville properties regional ongoing exploration
- Gladiator deposit resource expansion and in-fill drilling
- Duke JV property continued exploration and evaluation of the Lac Rouleau Zone 18 and Centaur targets
- Barry deposit resource expansion and in-fill drilling
- Urban-Barry property regional exploration (Barry-Bart-Moss and Panache South trends) and evaluation
- Dubuisson property re-evaluation and assessment of exploration potential
- Early stage targets testing along corridors of structural decompression

COVID-19

As the global pandemic related to COVID-19 continues, Bonterra has implemented a plan to protect the health and safety of its employees and all stakeholders. The Company had implemented alternative working arrangements for all employees to work from home and temporarily closed all of its offices and placed its exploration camps on care and maintenance. During the year, health and safety procedures related to COVID-19 were submitted to the Quebec public health authorities, the Cree Nation government, and the Cree First Nation of Waswanipi. On June 30, 2020, these procedures were approved, and the Company resumed the exploration activities on its properties.

In H1 2021, the Company encouraged all employees, and employees from contractors to get their vaccine shots. The Company continues to monitor the COVID-19 related situation and will adjust our procedures to comply with the guidelines of the public health authorities.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on May 1, 2007. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR2".

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties in the province of Quebec.

On January 1, 2020, the Company amalgamated the parent Company with its wholly owned subsidiary Metanor Resources Inc. (“**Metanor**”). This amalgamation was done for administrative purposes and had no material impact on the Company’s consolidated financial statements.

ABOUT THE MINERAL PROPERTIES

The Abitibi Greenstone Belt hosts significant gold mineralization in several parallel NE to SW trending zones. Gold in the Urban-Barry Township is primarily associated with quartz-carbonate veins mineralized with sulphides. The Company’s main properties include the Gladiator, Moroy and Barry deposits, and the 100% owned Bachelor Mill.

Bonterra’s recent acquisition of Metanor and consolidation of the Company’s databases and management have resulted in broader exploration and resource development plans. Bonterra prepared mineral resource estimates in accordance with NI 43-101, for all its advanced Urban-Barry exploration assets, being the Gladiator, Barry and Moroy deposits.

The results of the mineral resource estimates for the Gladiator, Barry, and Bachelor-Moroy deposits are summarized in Table 1. The mineral resource estimates for the Gladiator and Barry deposits are reported at a 2.6 g/t Au cut-off grade for underground and at 1.0 g/t Au open-pit cut-off grade at Barry. The estimate for the Bachelor-Moroy deposit is reported at a 2.4 g/t Au cut-off grade, or at 3.0 g/t Au domain dependent cut-off grade at Moroy. The 2021 MREs have been prepared by SLR and have been peer reviewed by SGS Canada Inc. and also reviewed internally by the Company. The technical report is available on SEDAR (www.sedar.com) under the Company’s issuer profile. The effective date of the 2021 MREs is June 23, 2021 for the Barry, Gladiator and Bachelor- Moroy deposits. The report date is August 5, 2021 for all three properties, and was posted on August 9, 2021 on SEDAR.

Table 1. Mineral Resource Estimate – (effective June 23, 2021)

DEPOSIT	MEASURED			INDICATED			INFERRED		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
Gladiator	-	-	-	1,413,000	8.61	391,000	4,174,000	7.37	989,000
Barry (Open-Pit)	1,732,000	2.66	148,000	184,000	2.87	17,000	15,000	2.36	1,000
Barry (Underground)	344,000	4.94	55,000	2,839,000	5.15	470,000	4,364,000	4.90	687,000
Bachelor	90,000	5.13	15,000	152,000	5.52	27,000	44,000	4.36	6,000
Moroy	36,000	6.01	7,000	615,000	5.64	112,000	570,000	5.37	98,000
Total	2,202,000	3.18	225,000	5,203,000	6.08	1,017,000	9,167,000	6.05	1,781,000

Notes: Gladiator, Barry and Bachelor-Moroy deposits

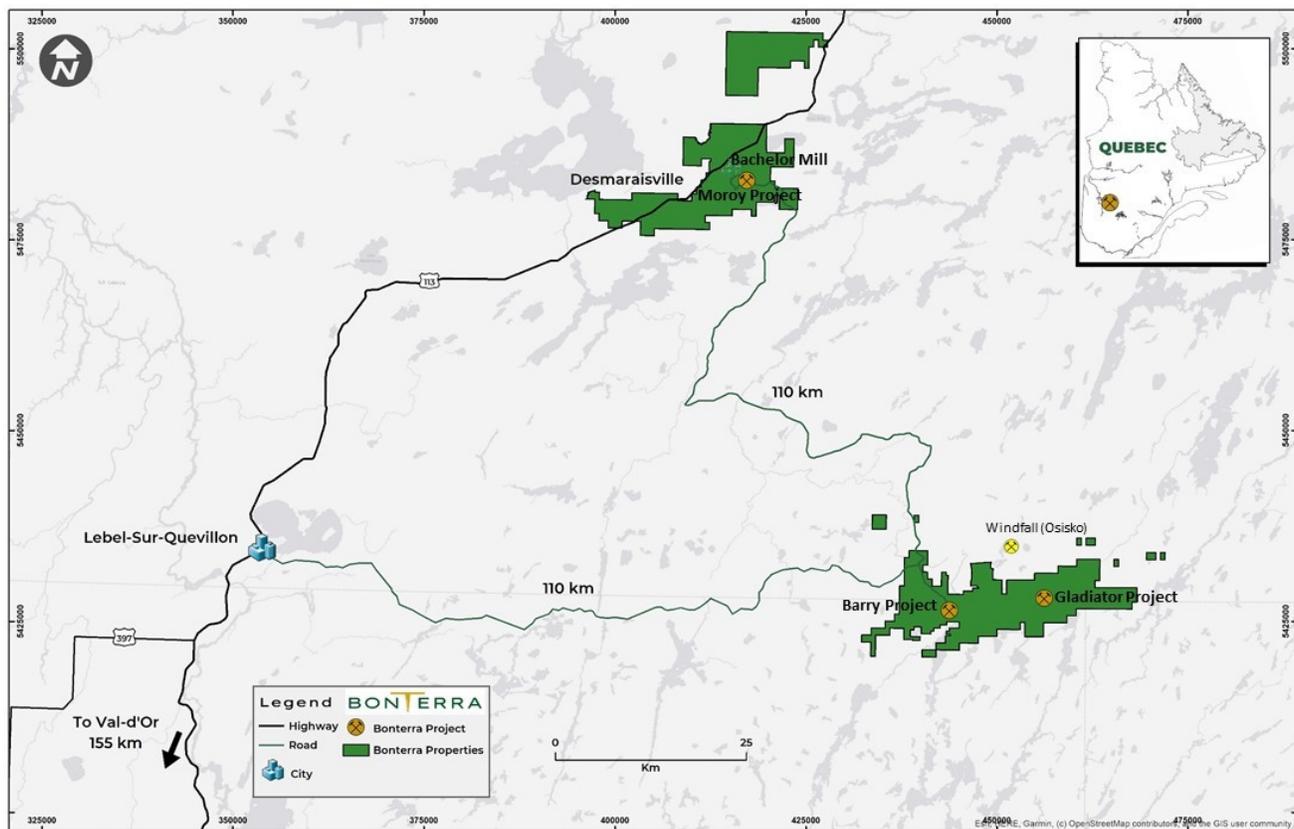
- CIM (2014) definitions were followed for the mineral resource estimates.
- Mineral resources are estimated at the following cut-off grades: 2.40 g/t Au* or 3.0 g/t Au**, domain dependent; 1.0 g/t Au*** and 2.60 g/t Au****, respectively (Bachelor & Moroy deposits*; Moroy deposit **; Barry open pit deposit ***; Barry & Gladiator deposits ****).
- Mineral resources are estimated using a long-term gold price of US\$1,600/oz Au, and a US\$/C\$ exchange rate of 0.75.
- A minimum mining width of 1.2 m was used.
- Bulk densities are as follows: 2.83 t/m³ at Bachelor-Moroy, and varies by rock type from 2.70 t/m³ to 2.80 t/m³ at Barry and 2.80 t/m³ at Gladiator
- Mineral resources are reported above cut-off grades as well as above grade-thickness values of 2.88 g/t Au metre and 3.6 g/t Au metre, domain dependent, as well as below a 50 m crown pillar for the Moroy deposit.
- Mineral Resources are reported within underground constraining shapes † and below a 50 m crown pillar †† (Bachelor deposit † and Gladiator deposit††).
- Open pit and underground mineral resources are reported within optimized pit shell and underground constraining shapes, respectively for the Barry deposit.
- All blocks modelled within the underground constraining shapes have been included within the mineral resource estimate for the Gladiator deposit.
- Numbers may not add due to rounding.

DEPOSIT	TOTAL OUNCES DISCOVERED	METRES DRILLED	OUNCES/METRE DRILLED
Gladiator	1,380,000	229,691	6.0
Barry (Open-Pit & Underground)	1,378,000	213,249	6.5
Bachelor-Moroy	265,000	111,974	2.4
Total	3,023,000	554,914	5.4

The mineral resources identified allow Bonterra to proceed to a Preliminary Economic Assessment of the three deposits in H2 2021.

BONTERRA EXPLORATION PROPERTIES

Below is a Map of the Company's main exploration properties in Quebec.



Urban-Barry Camp

Gladiator Deposit

The Gladiator deposit is located 12 km east of the Barry deposit, and 8 km south-east of the Windfall deposit. The mineralized shear zones are located near the shore of Lac Barry. The Company is in the permitting process with Quebec's Ministry of Environnement et de la Lutte contre les changements climatiques

("MELCCC") to begin the excavation of an exploration decline down 100 m below surface in order to provide the ability to drill the Gladiator deposit year round.

Barry Deposit

The Barry deposit is located on one mining lease, and permitted for mineral extraction of up to 1.2 million tonnes in underground and/or surface mining methods. Initial mine development access and bulk sampling, with decline and cross cut development is completed to 100 m below surface. Recent drilling has resulted in the expansion of high-grade areas down plunge at each known strike extent. Bonterra expects to rapidly increase the size of the Barry deposit especially at depth, given that very little drilling has previously taken place below 300 m depth over a one kilometre strike length.

DUKE PROPERTY

On July 6, 2018, the Company entered into an agreement with Beaufield Resources Inc., which subsequently amalgamated with Osisko Mining Inc., to acquire a 70% interest in the Duke property, located in Québec. In consideration, the Company made payments as follows:

- Cash payment of \$250,000 (paid) and issue 400,000 common shares of the Company (issued on July 12, 2018 and valued at \$1,600,000) upon acceptance by the TSX-V;
- An additional \$250,000 (paid) on or before July 6, 2019; and
- An additional \$250,000 (paid) on or before July 6, 2020.

The Company also incurred exploration expenditures as follows:

- \$1,500,000 (completed) on or before July 6, 2019;
- An additional \$1,500,000 (completed) on or before July 6, 2020; and
- An additional \$1,500,000 (completed) on or before July 6, 2021.

On July 13, 2021, the company announced the completion of the option earn-in requirements to acquire a 70% interest in 81 strategic mineral claims totaling 3,590 hectares adjacent to the Company's Gladiator property and has now converted the option agreement into a JV.

The property is located immediately adjacent to the northern boundaries of the Company's Urban-Barry properties containing the Gladiator deposit and extensions. This includes a narrow inset of claims that in the western portion of the property denoted as "The Gap". This property also contains numerous gold showings with expansion potential, including Lac Rouleau and Zone 18. The generalical setting is considered to be similar to that of the Gladiator property, with numerous occurrences of structurally controlled shear hosted vein mineralization on or near mafic volcanic contacts in proximity to both felsic and mafic intrusive units.

URBAN-BARRY PROPERTY

The Company holds a 100% interest in 379 mineral claims covering 17,373.65 hectares ("ha") in the Urban-Barry township approximately 110 km east from the town of Lebel-sur-Quévillon in Québec. In addition to the 379 mineral claims, the Company also holds 100% interest in one mining lease where the Urban-Barry property is located. The Gladiator property is also located in the Urban-Barry property.

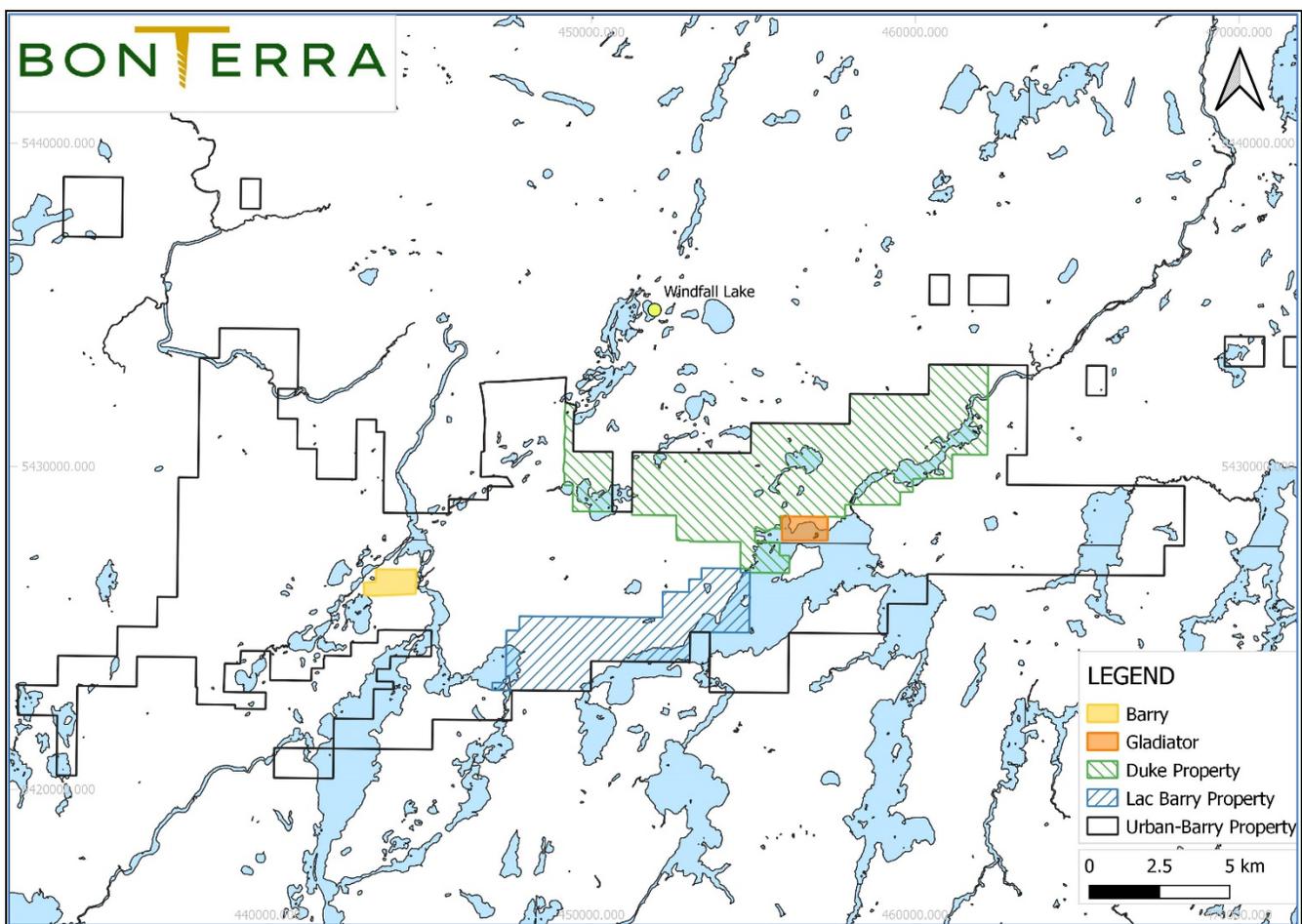
On March 9, 2020, the Company entered into a purchase agreement and acquired nine new claims covering an area of 508 ha, contiguous with the Company's Urban-Barry properties located approximately 10 km southwest of the Barry deposit. To acquire the property, the Company made a cash payment of \$10,000. These 9 claims are included in the 379 mineral claims.

In March 2019, the Company entered into an option agreement to acquire a right to a new property called Panache, consisting of one mining claim covering an area of 56 ha, located 20 km north of the Barry property. The Company acquired the property by making a cash payment of \$25,000 (paid on March 28, 2019) and issued 10,000 common shares (issued on March 28, 2019 and valued at \$19,500) on closing, to the arm's length vendors and an additional cash payment of \$50,000 (paid on March 19, 2020) and 15,000 common

shares (issued on March 19, 2020 and valued at \$11,400) before the one-year anniversary of the agreement. Following the March 2020 payment, the Company acquired 100% interest into the mineral claim. This claim is included in the 379 mineral claims listed above.

LAC BARRY PROPERTY

On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. (“**Golden Valley**”) and acquired an 85% interest in Golden Valley’s Lac Barry property, comprised of 35 mineral claims covering 1,431.65 ha adjacent to the south boundary of the Urban-Barry property. In February 2020, the Company agreed to a joint venture agreement with Golden Valley for the purpose of future exploration on the property.

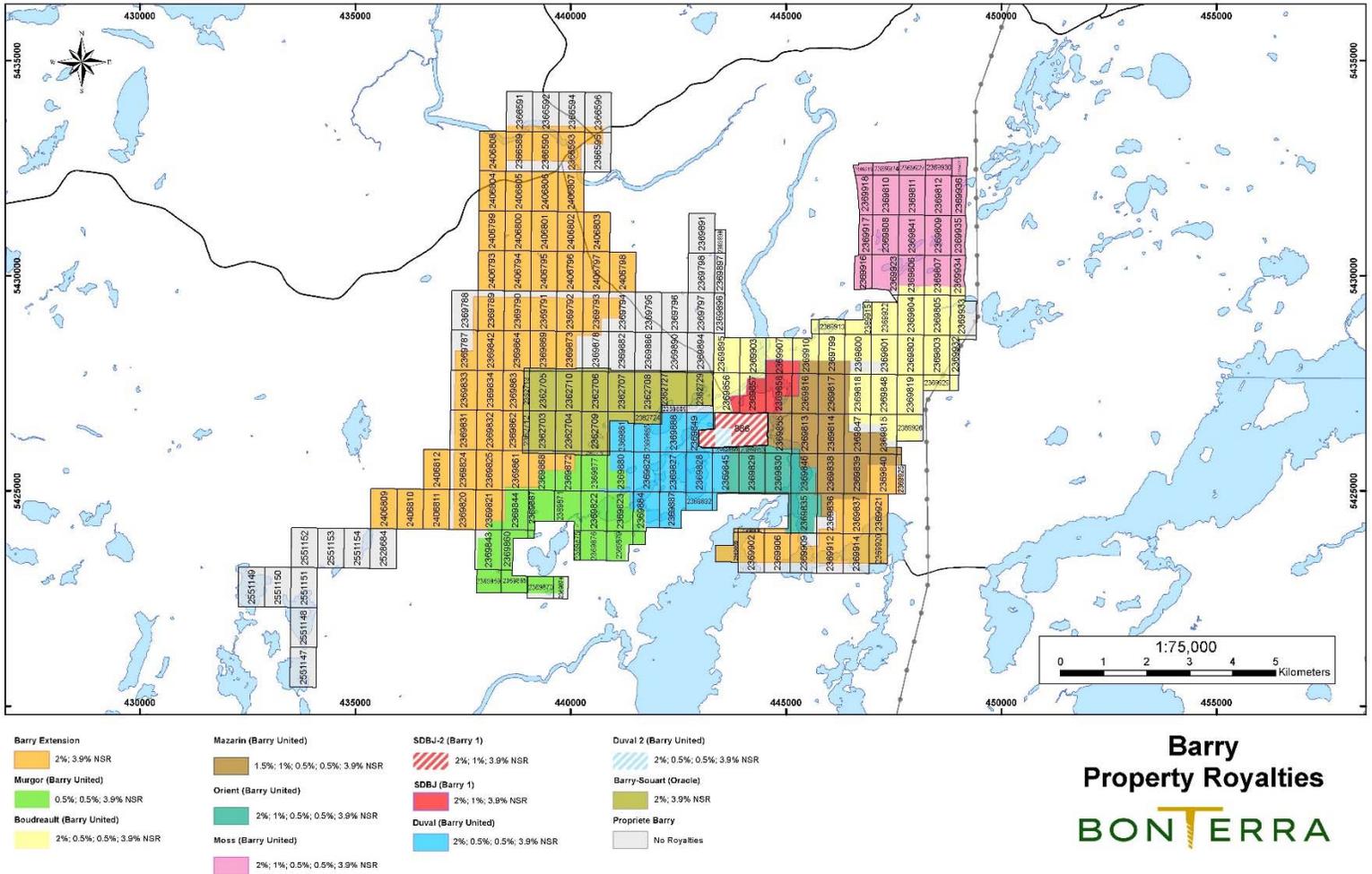


Above is a Map of the Company's properties in the Urban-Barry Camp in Quebec.

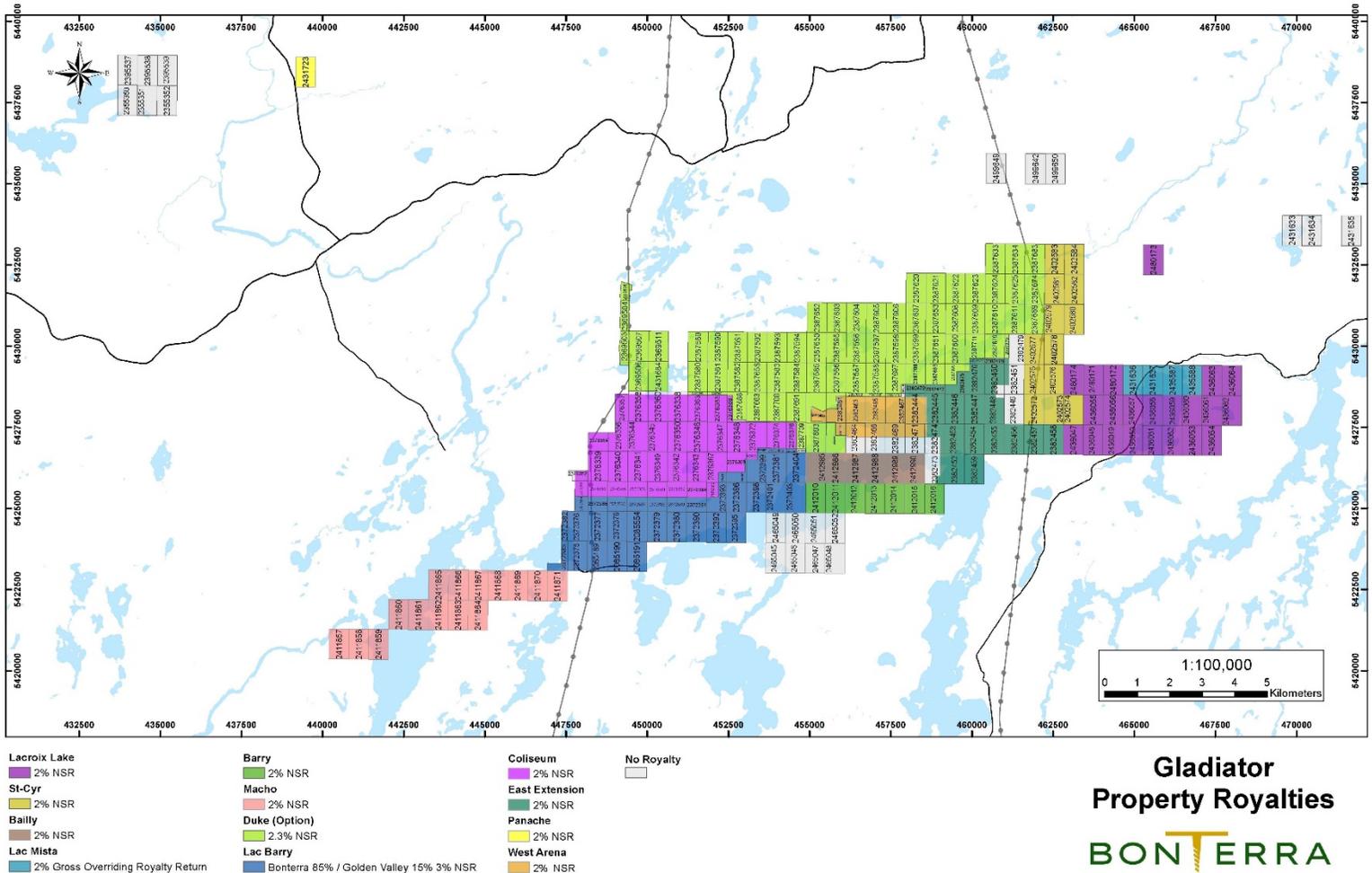
Some of the Company’s Barry mineral properties are subject to a net smelter returns royalty (“**NSR**”). These NSR’s may have various purchase options in which the Company may be able to reduce the NSR % for a cash payment.

On September 29, 2017, the Company entered into an amending agreement with Sandstorm Gold Ltd. (“**Sandstorm**”), effectively reducing the existing gold stream on the Bachelor mine (which required the Company to sell 20% of its gold production at the fixed price of US \$500) and replacing it with a 3.9% NSR on all minerals produced from the Bachelor and Barry properties (including the surrounding exploration

properties held by Metanor at September 29, 2017). The amending agreement has a buyback provision whereby 2.1% of the NSR can be repurchased upon payment of US \$2M for each property, thereby reducing the NSR to 1.8%.



Above is a map of the Company's NSR's on the Barry properties in the Urban-Barry Camp in Quebec.



Above is a map of the Company's NSR's on the Gladiator property in the Urban-Barry Camp in Quebec.

Bachelor Camp

Moroy Deposit

The Moroy deposit is a recent discovery near the Bachelor Mill with access via the Bachelor Mine underground infrastructure. Current development consists of three sub-drifts and a series of raises, accessed from the 11th level and 14th level at the Bachelor Mine. Extensive drill information exists from 475 holes totalling 115894 metres from surface and underground at the 11th level to a depth of approximately 800 metres below surface, confirming the existence of multiple unmined mineralized zones.

DESMARAISVILLE PROPERTY

The Company holds a 100% interest in 436 mineral claims covering 22,779.32 ha surrounding the town of Desmaraisville. Above the 436 claims, the company holds 100% interest in 1 mining concession, and 1 mining lease where the Bachelor Mine and mill are located. The Moroy property is immediately south, and outside the Bachelor mining lease.

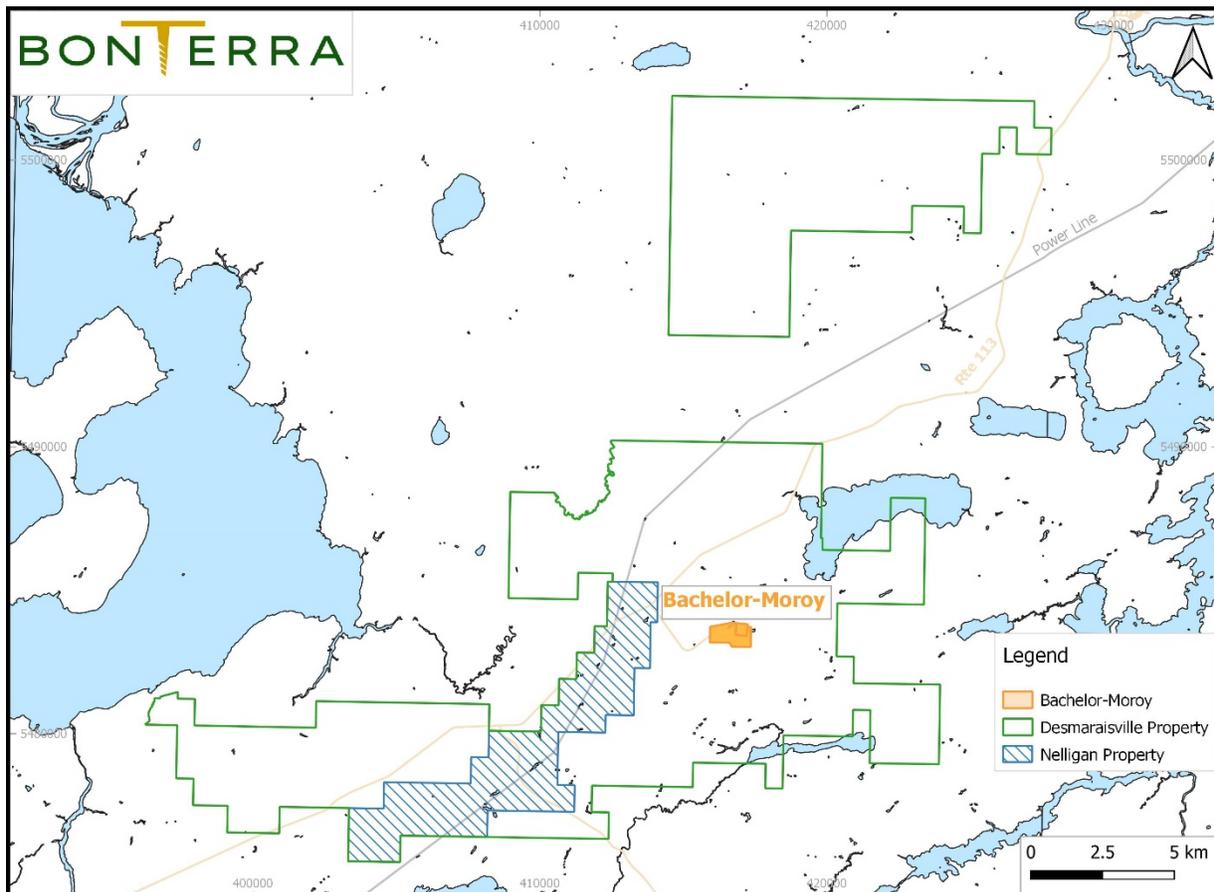
In 2020, the Company staked 231 claims north and west of the Bachelor mine, and are included in the 436 claims listed above.

Bachelor Mine

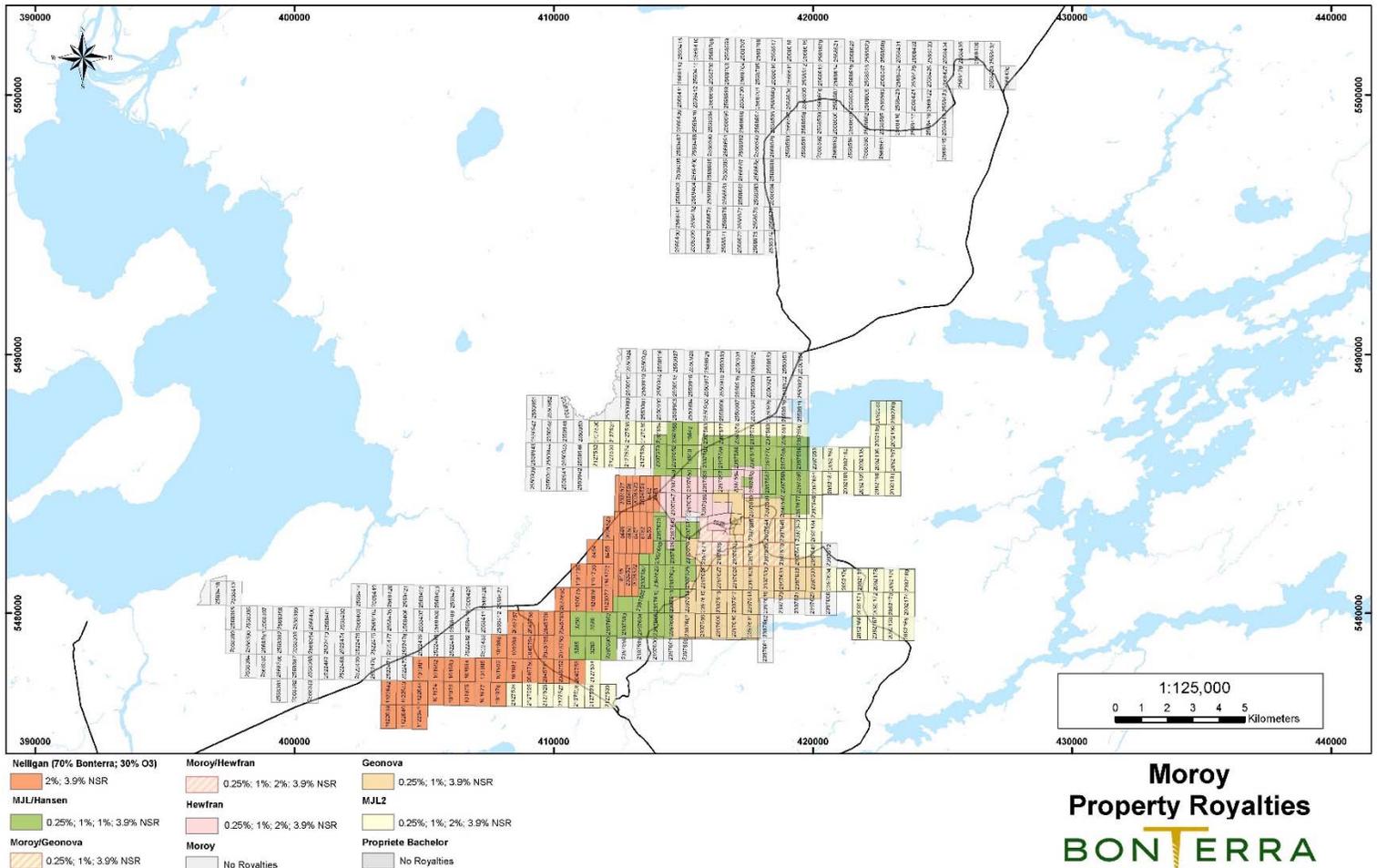
The Bachelor Mine is located on 1 mining concession, and 1 mining lease, 4 km south of Highway 113 and 90 km northeast of the city of Lebel-sur-Quévillon, Québec, Canada. The mine is connected to the provincial electrical grid and has access to high-speed internet and mobile phone service on site. The mine has a modern camp facility for all of the workers. The mill and tailing facility are fully functional with the required permits and regulatory approvals. The Bachelor Mine infrastructure is currently being used to access the Moroy deposit. There is currently no mineral reserves left to mine. The mineralization from the Main vein continues at depth under the mined out stopes. Further exploration drilling is required to evaluation the potential of a mineral resource.

Bachelor Mill

The Bachelor Mill is the only permitted mill in the region, and connected to the power grid, with more than 15 high-grade gold deposits within a 110 km radius of the mill site. The mill is accessible by a paved highway with a network of logging gravel roads linking the other properties in the area to feed the mill. Bonterra began the environmental assessment process in 2017 to proceed with the mill expansion project in order to increase the daily production capacity of the Bachelor Mill from 800 tonnes per day (“tpd”) to 2,400 tpd, and to increase the total capacity of the tailing storage facility to 8 millions tonnes. In October 2019, the company submitted an environmental assessment of the mill expansion project to the MELCCC. In 2020, the MELCCC sent a series of questions related to the mill expansion project to which the Company has responded and is awaiting any further comments from the MELCCC.



Above is a Map of the Company's properties in the Bachelor Camp in Quebec.



Above is a Map of the Company's NSR's for the Bachelor Camp properties in Quebec.

OTHER PROPERTIES

DUBUISSON PROPERTY

The Company holds a 100% interest in 21 mineral claims in the city of Val-d'Or in Québec covering 457.53 ha. The claims are adjacent to the Goldex mine owned, and operated by Agnico-Eagle Mines Limited.

WAHNAPIITEI PROPERTY

The Company holds a 90% interest in 2 mining leases north of the town of Skead within the city of Greater Sudbury in Ontario. The 2 mining leases cover an area of 129.99 ha.



**REPORT FOR THE THREE AND SIX MONTH PERIOD
ENDED JUNE 30, 2021
MANAGEMENT DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

Total for all properties

	Six Month period ended June 30, 2021	Year ended December 31, 2020
Exploration and evaluation expenditures in the period		
Drilling and assays	\$ 7,336,245	\$ 9,492,051
Depreciation	597,000	1,306,000
Geological, consulting and wages	3,884,866	5,558,287
Camp costs, travel and other	3,227,280	7,037,639
Environmental	246,287	410,889
Surface and underground upkeep	1,430,473	210,904
Bulk sample	(921,006)	(992,629)
Technical studies	338,108	-
Acquisition costs	-	321,400
Tax recoveries	-	(4,529,345)
	\$ 16,139,253	\$ 18,815,196

Moroy property

	Six Month period ended June 30, 2021	Year ended December 31, 2020
Drilling and assays	\$ 1,314,260	\$ 1,307,265
Depreciation	301,000	663,000
Geological, consulting and wages	2,002,786	2,969,179
Camp costs, travel and other	1,090,240	3,584,876
Environmental	129,485	300,188
Surface and underground upkeep	1,430,474	210,904
Bulk sample	(921,006)	(992,629)
Technical studies	113,822	-
	\$ 5,461,061	\$ 8,042,783

Barry property

	Six Month period ended June 30, 2021	Year ended December 31, 2020
Drilling and assays	\$ 2,800,442	\$ 3,470,284
Depreciation	57,000	120,000
Geological, consulting and wages	1,037,534	1,398,605
Camp costs, travel and other	1,261,637	1,954,868
Environmental	28,728	63,334
Technical studies	106,628	-
Tax recoveries	-	(1,181,815)
	\$ 5,291,969	\$ 5,825,276

Gladiator and Duke properties

	Six Month period ended June 30, 2021	Year ended December 31, 2020
Drilling and assays	\$ 2,489,255	\$ 3,553,408
Depreciation	239,000	523,000
Geological, consulting and wages	710,938	1,078,933
Camp costs, travel and other	813,128	1,251,591
Environmental	88,074	47,366
Technical studies	117,659	-
Acquisition costs	-	250,000
Tax recoveries	-	(3,347,530)
	\$ 4,458,054	\$ 3,356,768



**REPORT FOR THE THREE AND SIX MONTH PERIOD
ENDED JUNE 30, 2021
MANAGEMENT DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

Other properties

	Six Month period ended June 30, 2021	Year ended December 31, 2020
Exploration and evaluation expenditures in the period		
Drilling and assays	\$ 732,288	\$ 1,161,094
Geological, consulting and wages	133,607	111,570
Camp costs, travel and other	62,274	246,305
Acquisition costs	-	71,400
	\$ 928,169	\$ 1,590,369

SELECTED ANNUAL AND QUARTERLY INFORMATION

The following tables summarize selected annual financial data of the Company for the six month period ended June 30, 2021, year ended December 31, 2020 and seven month period ended December 31, 2019:

	Six Month period ended June 30, 2021	Year ended December 31, 2020	Seven Month period ended December 31, 2019
Recurring revenue	\$NIL	\$NIL	\$NIL
Net loss and comprehensive loss	16,841,966	20,682,672	17,576,707
Basic and diluted loss per share	0.17	0.26	0.25
Total assets	54,151,060	56,216,358	65,470,444
Total current liabilities	7,490,879	6,244,007	11,915,594

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below:

For the Quarters Ending	Three Months June 30, 2021 \$	Three Months March 31, 2021 \$	Three Months December 31, 2020 \$	Three Months September 30, 2020 \$
Exploration expenses	9,486,325	6,652,928	5,499,721	6,629,390
Loss for the period	9,263,343	7,578,623	5,904,988	7,957,148
Basic and diluted loss per share	0.09	0.08	0.07	0.10
Total assets	54,151,060	48,359,747	56,216,358	47,032,093
Total current liabilities	7,490,879	5,888,471	6,244,007	5,654,247

For the Quarters Ending	Three Months June 30, 2020 \$	Three Months March 31, 2020 \$	Three Months December 31, 2019 \$	Four Months September 30, 2019 \$
Exploration expenses	(2,527,411)	9,213,496	5,357,851	6,508,526
(Income) Loss for the period	(1,946,696)	8,767,232	8,619,400	9,407,307
Basic and diluted (income) loss per share	(0.03)	0.11	0.11	0.14
Total assets	52,205,295	56,639,391	65,470,444	71,797,358
Total current liabilities	5,561,279	11,879,290	11,915,594	13,983,502

OVERALL PERFORMANCE

During the six months ended June 30, 2021, the Company reported a net loss of \$16,841,966 compared to a net loss in 2020 of \$6,820,536. Variations in expenses from the six month period ended June 30, 2021 to 2020 are as follows:

- Exploration and evaluation of \$16,139,253 (2020 - \$6,686,085). Exploration expenditures were higher in 2021, as the level of exploration and evaluation expenditures increased in order to meet its FT Shares obligations related to the April 2021 FT Shares financing;
- Professional fees decreased to \$183,194 in 2021 from \$202,735 in 2020. The Company expects these professional fees to be consistent in the coming quarters;
- The Company incurred costs of \$299,541 in shareholder communications and investor relations as compared to \$139,442 in 2020 and \$8,918 in travel as compared to \$66,846 in 2020. The fluctuations are due to less travel as a result of COVID-19. This has led to more marketing, communications and investor relations via virtual conferences and other non-in-person formats. The Company expects these shareholder communications and investor relations costs to be consistent in the coming quarters;
- Recovery of flow-through premium liability of \$2,397,000 (2020 - \$1,493,000) related to the reduction of the flow-through premium liability created by the issuance of FT Shares at a premium. The increase was in relation to the increase in exploration and evaluation expenditures made by the Company during 2021 as compared to 2020 as it related to FT Shares;
- Mill care and maintenance of \$542,356 (2020 - \$397,812) have increased as expected following the completion of the bulk sample in the current year. This bulk sample allowed the Company to utilize its mill and capture most of these costs under exploration in the current period. These costs are expected to increase in the second half of 2021; and
- The Company had share based payments expense of \$1,459,000 (2020 - \$Nil) for the six month period ended June 30, 2021. Share based payments expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position as at June 30, 2021 was \$12,221,632 compared to \$12,440,180 at December 31, 2020. Working capital was \$6,469,632 at June 30, 2021, compared to \$8,698,429 at December 31, 2020.

On April 7, 2021, the Company completed a brokered private placement for gross proceeds of \$17,472,300. The Company issued (a) 2,350,000 common shares of the Company at a price of \$1.05 per common share for gross proceeds of \$2,467,500, and (b) 10,420,000 FT Shares of the Company at a price of \$1.44 per FT Share for gross proceeds of \$15,004,800.

Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and, as such, alternative funding programs are also being pursued by the Company.

The Company must utilize its current cash reserves, funds obtained from the exercise of options and warrants, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, and ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company anticipates that it will raise additional capital when and if the opportunity arises.

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

For the six month period ended,	June 30, 2021	June 30, 2020
Short-term compensation		
Exploration and evaluation expenditures	\$ -	\$ 62,000
Salaries, management and director fees	230,000	263,000
Professional fees	120,000	120,000
Termination fees paid or accrued	-	485,000
	350,000	930,000
Share-based compensation	894,000	-
	\$ 1,244,000	\$ 930,000

Included in trade and other payables at June 30, 2021 was \$nil (December 31, 2020 - \$92,000) due to officers and or directors for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

None.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CONTINGENCIES AND COMMITMENTS

The Company had entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination and change of control, the officers and consultants are entitled to certain amounts payable. As at August 30, 2021, the Company had three of these types of agreements with officers of the Company that totaled annual base fees of \$505,000 and US\$60,000. In the case of termination, the officers are entitled to an amount equal to \$505,000 and US\$60,000 and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to \$505,000 and US\$60,000. During the year ended December 31, 2020, the Company terminated two of the four agreements outstanding during the year that called for a payment in the amount of \$565,000 in the case of termination and \$890,000 in the case of a change of control of the Company, for cash payments of \$445,000.

Flow-through obligations

On April 7, 2021, the Company issued 10,420,000 FT Shares of the Company at a price of \$1.44 per FT Share for gross proceeds of \$15,004,800. As at June 30, 2021, the Company is required to renounce these amounts by December 31, 2021 and incur approximately an additional \$6,200,000 (December 31, 2020 - \$nil) in expenditures no later than December 31, 2022.

Asset retirement obligations

On September 9, 2013, the MERN approved the update of the restoration plan of the Bachelor mine. The financial guarantee covering the restoration costs amount to \$4,000,104 which had been paid as at as at December 31, 2020 and as at June 30, 2021 was covered by insurance bonds, which the company has paid 40% collateral for the insurance bonds.

Bachelor-Moroy

A closure plan for the mill, tailing storage, and underground facilities at both Bachelor and Moroy is in good standing. A 30% collateral insurance bond is in place for the site. The closure plan is approved for the current mill, and the existing tailing storage at 800 tpd. Every five years a revised closure plan to MERN is required and it will be submitted in the coming months. Once the permit from the MELCCC for the the mill expansion to 2,400 tpd and the additional 8 millions tonnes tailing storage facility capacity is received, the Company will submit to MERN a revised closure plan. Once the revised closure plans are approved by the MERN, the bond will be adjusted to reflect the revised closure costs.

Barry

A closure plan for the underground and surface facilities at Barry is in good standing. A 30% collateral insurance bond is in place for the site. The closure plan is currently being revised to include the sleep camp built in 2018. Every five years a revised closure plan to MERN is required and will be submitted in the coming months. The revised closure plan is expected to be presented in the next few months to the MERN. Once the revised closure plan is approved by the MERN, the bond will be adjusted to reflect the revised closure costs.

OTHER INFORMATION

Additional information is accessible at the Company's website www.btrgold.com or through the Company's public filings at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this Quarterly Highlights. The condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this Quarterly Highlights is consistent with that contained in the condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company's Audit Committee has reviewed the condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 with management. The Board of Directors has approved these condensed consolidated interim financial statements for the three and six month periods ended June 30, 2021 and 2020 on the recommendation of the Audit Committee.

TECHNICAL INFORMATION

This Quarterly Highlights uses the terms measured, indicated, and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of mineral resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or

measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards on Mineral Resources and Mineral Reserves" incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for a preliminary economic assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

The scientific and technical content in this Quarterly Highlights has been reviewed and approved by Mr. Pascal Hamelin, P.Eng., CEO of Bonterra and Marc Ducharme, P.Geo. and Bonterra's Exploration Manager, who are each a "qualified person" within the meaning of NI 43-101.