BONTERRA

REPORT FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2020
MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three month period and year ended December 31, 2020 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 ("**MD&A**") of the financial condition, results of operations and cash flows of the Company for three month period and year ended December 31, 2020 should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2020, seven month period ended December 31, 2019 and year ended May 31, 2019. This MD&A is effective April 27, 2021. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its audited consolidated financial statements for the year ended December 31, 2020, seven month period ended December 31, 2019 and year ended May 31, 2019 in Canadian dollars and in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board.

OUTLOOK

The Company plans to continue with 8 drill rigs between the date hereof and the end of April 2021, when the Company expects to cut-off drilling as per National Instrument NI 43-101 ("**NI-43-101**") guidelines to be included in an updated mineral resource estimate ("**MRE**") for the Gladiator, Barry and Moroy deposits, expected to be released by the end of Q2 2021. The Company will continue drilling after this cut-off date but those drill results will not be included in the MRE. The updated MRE will incorporate 140,000 metres ("**m**") of drilling completed since the prior resource estimate. The 8 drill rigs are expected to drill an additional 63,000 m from the date hereof to the end of April 2021, which is comprised of 16,500 m of resource extension/option earning at Gladiator/Duke, 14,000 m for resources extension at Moroy, 21,000 m for resource extension at Barry, 1,500 m to test the new high-grade gold mineralized vein discovered at Panache and 10,000 m of exploration drilling in the Urban-Barry regional camp on several high priority targets from the geophysical airborne survey shot in the summer of 2019 that the drill rigs can only access the target areas in the winter. The resource extensions at the Barry, Gladiator, and Moroy deposits will be done by drilling the extension of the known zones which will be incorporated into the updated MRE. The updated MRE is part of the Company's continued path towards the completion of a preliminary economic assessment incorporating the Barry, Gladiator, and Moroy deposits in Q4 2021.

UPDATE ON BULK SAMPLE

In December 2019, the Ministry of Energy and Natural Resources ("**MERN**") gave approval to extract 5,000 tonnes of mineralized material from the Moroy zone. In July 2020, the MERN authorized an additional 5,000 tonnes, bringing the total to 10,000 tonnes to be extracted in the Moroy zone bulk sample program. The bulk sample program at the Moroy project was undertaken in order to verify the grade continuity within the mineralized structure and reconcile the resource grade to the recovered ounces following processing.

The bulk sample focused on the M1 shear zone on level 11, which is 440 m below surface. The zone was mined from an existing exploration drift starting from the Bachelor shaft 900 m to the north of the Moroy deposit. The M1 structure is sub-vertical and the company extracted the bulk sample using a sub-level long-hole stoping method at 15 m intervals.

The Company began the bulk sample program in January 2020. Drilling was underway when the Company ceased all activities due to the advent of the COVID-19 pandemic ("**COVID-19**"). Work resumed on July 15, 2020, and blasting shortly thereafter. The broken material on level 11 was transported to the Bachelor shaft. Once at surface, the mineralized material was processed onsite at the Bachelor mill under the supervision of a third-party engineering firm. The bulk sample was completed in November 2020. The results of the completed bulk sample program were announced in late Q4 2020.

The average mill head grade obtained in the bulk sample was 3.87 g/t Au, which is 9.3% higher than the measured resources grade of 3.54 g/t Au from the block model estimated by SGS Geological Services, of Blainville, QC ("**SGS**") from the same extracted volume of the M1 structure. The results from the bulk sample confirms the validity of the block model, and the resources calculation estimated by SGS. The average mill recovery for the gold was 94.9% from processing 11,093 tonnes extracted from the M1 structure. Processing of the bulk sample resulted in the production of 1,308 ounces of gold, all milled at the Company's Bachelor Mill.

UPDATE ON H2 2020 EXPLORATION PLANS

The H2 2020 program consisted of 7 drill rigs including five land drill rigs, two barge drill rigs (one at Barry and one at Gladiator) and one underground drill rig at Moroy. The plan included an additional 56,000 m of drilling for the remainder of 2020. The planned H2 2020 drilling totalling 56,018 m was achieved which included 17,121 m of surface and underground drilling at Moroy, 13,493 m at Gladiator and 19,473 m at Barry and 5,932 m of exploration drilling on regional targets in the Urban-Barry area. Drilling activities and related exploration work resumed progressively while implementing the Company's government approved Covid-19 health and safety protocols to protect its workers and the surrounding communities near the projects, and is currently fully implemented.

Exploration Objectives of H2 2020

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

- Moroy deposit resource expansion
- Bachelor-Moroy regional exploration
- In-fill drilling and resource expansion at Gladiator
- Duke Option property earlier stage exploration and evaluation of the Lac Rouleau target
- In-fill drilling and resource expansion at Barry
- Urban-Barry regional exploration (Barry-Bart-Moss trend) and evaluation
- Greenfield early stage targets along cross-regional corridors of structural decompression

To date, the H2 2020 exploration program has contributed a better understanding of the deposit models to assess the gold resource potential and grade continuity for the Moroy, Barry and Gladiator projects. Underground ongoing drilling at Bachelor-Moroy confirms the convergence between the Bachelor (Main) and Moroy (M1) mineralized structures at depth. Drilling at Barry has confirmed the western extent of several of the mineralized zones including the 800, 950, 1000, H1, H2, H13 and H15. Drilling at Gladiator is confirming the eastern down-plunge extension of the Main end North zones. Several recently discovered "north-dipping" mineralized zones similar to the Barbeau Zone are currently being modelled. A high-grade gold mineralized vein was discovered at the Panache property following surface mapping and channel sampling. Drilling at Duke and along the cross-regional corridors in the Barry north area is currently underway.

The Bachelor assay lab is 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 recently staked 231 claims near the Bachelor-Moroy area. This newly added greenfield land package, called "Desmaraisville" is located north and west of the Bachelor mine. These new areas are underexplored and 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. This new area will undergo a regional compilation followed by a mapping and prospecting program in spring 2021.

The Company continues the work on permitting and engineering for expansion of the Bachelor mill and tailings facility. Subsequent to December 2020, the company submitted answers to the Environmental and Social Impact Review Committee (or COMEX) 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 project.

UPDATE ON 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.

The Company's operational activities were particularly affected due to the inability of staff to travel due of the non-essential travel restrictions, especially to and from of the Company's exploration sites. Suppliers of services to the Company are also affected and this often lead to delays in the provision of data and services to Company. In an effort to preserve cash and due to reductions in operational activities, the Company had in some instances, temporarily suspended employment of several staff members. In July 2020, once the Company implemented COVID-19 procedures, the majority of staff members that were temporarily suspended, returned to work.

The Company has engaged and continues to engage in discussions with the Government of Quebec and other stakeholders on alternative approaches to carry out exploration work and meet flow-through share obligations related flow-through financing. This allows to preserve to keep its mineral properties in good standing and meet its flow-through share obligations. The Company applauds the Federal government on their proposal to extend the date of the requirement to spent flow through obligations by 12 months and relief of interest on unspent flow through obligations under part XII.6 tax and the Government of Quebec who has announced that they will follow the Federal governments proposal once it is enacted.

The Company will continue to monitor the COVID-19 related situation and will adjust their 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 projects 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 Moroy deposits are summarized in Table 1. The mineral resource estimates for the Gladiator and Barry deposits are reported at a 3.5 g/t Au cut-off grade. The Mineral Resource Estimate for the Moroy deposit is reported at a 3.0 g/t Au cut-off grade. The resource models are tabulated at various cut-off grades in Table 2, 3 and 4 below. The mineral resource estimates have been prepared by SGS, and have been reviewed internally by the Corporation. The technical reports are available on SEDAR (www.sedar.com) under the Corporation's issuer profile. The effective date of the current mineral resource estimates is May 24, 2019 for the Barry and Gladiator deposits. The effective date of the current mineral resource estimates is May 6, 2019 for the Moroy deposits. The report date is July 11, 2019 for all three projects, and was posted on July 12, 2019 on SEDAR.

Table 1. Mineral Resource Estimate (effective May 24, 2019)

Deposit	Measured			Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
Gladiator				743,000	8.46	202,000	3,065,000	9.10	897,000
Barry				2,052,000	5.84	385,000	2,740,000	5.14	453,000
Moroy	302,000	5.66	55,000	365,000	4.77	56,000	396,000	4.32	55,000
Total	**302,005**	**5.66**	**55,000**	**3,160,000**	**6.33**	**643,000**	**6,201,000**	**7.04**	**1,405,000**

1. *The classification of the current mineral resource estimates into Measured, Indicated and Inferred are consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.*
2. *Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*
3. *All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.*
4. *Resources are presented undiluted and in-situ and are considered to have reasonable prospects for economic extraction. In order to meet this requirement, the Gladiator, Barry and Moroy deposits mineralization are considered amenable for underground extraction.*
5. *Underground mineral resources are reported at a cut-off grade of 3.5 g/t Au for Gladiator and Barry, and 3.0 g/t Au for Moroy. Cut-off grades are based on a gold price of US$1,300 per ounce, a foreign exchange rate of US$0.75, gold recoveries of from 93% to 95%, and reasonable mining, processing and transportation costs.*
6. *High grade capping was done on composite data. Capping values of 30 to 55 g/t Au were applied to all 3D grade controlled wireframe models. A fixed specific gravity value of 2.82 was used to estimate the tonnage from block model volumes for Moroy and Barry, and 2.78 for Gladiator.*
7. *The mineral resource estimates for Barry and Moroy are exclusive of material that has been mined.*

Table 2. Gladiator Mineral Resource Estimate tabulated at various cut off grades

Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
2	1,244,000	6.13	245,000	5,079,000	6.53	1,067,000
2.5	1,019,000	6.99	229,000	4,162,000	7.48	1,001,000
3	859,000	7.78	215,000	3,511,000	8.35	943,000
3.5	743,000	8.46	202,000	3,065,000	9.10	897,000
4	653,000	9.10	191,000	2,696,000	9.83	852,000

Values in this table are reported to illustrate the sensitivity of the block model to cut-off grade relative to the base case resource estimate. The Gladiator property's resource estimate is based on a cut-off grade of 3.5 g/t Au (see Table 1) and values presented here above and below the base case should not be interpreted as a mineral resource statement.

Table 3. Barry Mineral Resource Estimate tabulated at various cut-off grades

Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
2	4,507,000	4.11	595,000	5,716,000	3.87	712,000
2.5	3,449,000	4.67	518,000	4,577,000	4.28	630,000
3	2,662,000	5.25	449,000	3,675,000	4.66	551,000
3.5	2,052,000	5.84	385,000	2,740,000	5.14	453,000
4	1,587,000	6.47	330,000	2,127,000	5.54	379,000

Values in this table are reported to illustrate the sensitivity of the block model to cut-off grade relative to the base case resource estimate. The Barry property's resource estimate is based on a cut-off grade of 3.5 g/t Au (see Table 1) and values presented here above and below the base case should not be interpreted as a mineral resource statement. Mineral resources are exclusive of material that has been mined.

Table 4. Moroy Mineral Resource Estimate tabulated at various cut-off grades

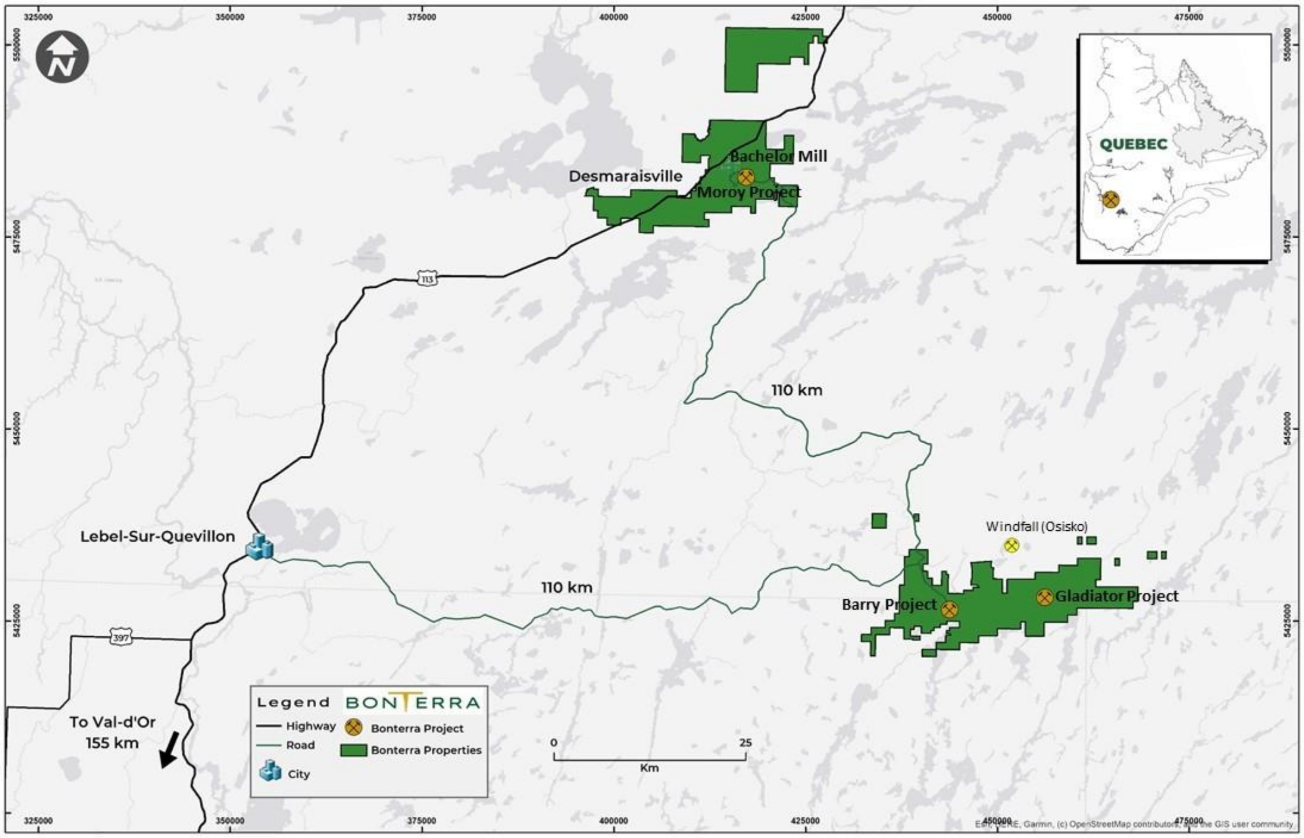
Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
2	1,017,004	4.25	139,000	701,000	3.55	80,000
2.5	840,004	4.70	127,000	563,000	3.87	70,000
3	667,005	5.17	111,000	396,000	4.32	55,000
3.5	531,005	5.68	97,000	271,000	4.93	43,000
4	432,006	6.19	86,000	202,000	5.23	34,000

Values in this table are reported to illustrate the sensitivity of the block model to cut-off grade relative to the base case resource estimate. The Moroy project's resource estimate is based on a cut-off grade of 3.0 g/t Au (see Table 1) and values presented here above and below the base case should not be interpreted as a mineral resource statement. Mineral resources are exclusive of material that has been mined.

The mineral resources identified will allow Bonterra to accelerate the development of the three deposits simultaneously, to optimize feed to the Bachelor Mill over their projected mine life.

BONTERRA EXPLORATION PROPERTIES

Below is a Map of the Company's main exploration projects 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 metres 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 millions 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 metres 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 must make 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 must also incur 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 on or before July 6, 2021.

The property consists of 81 contiguous mineral claims covering a total area of 3601.61 ha 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

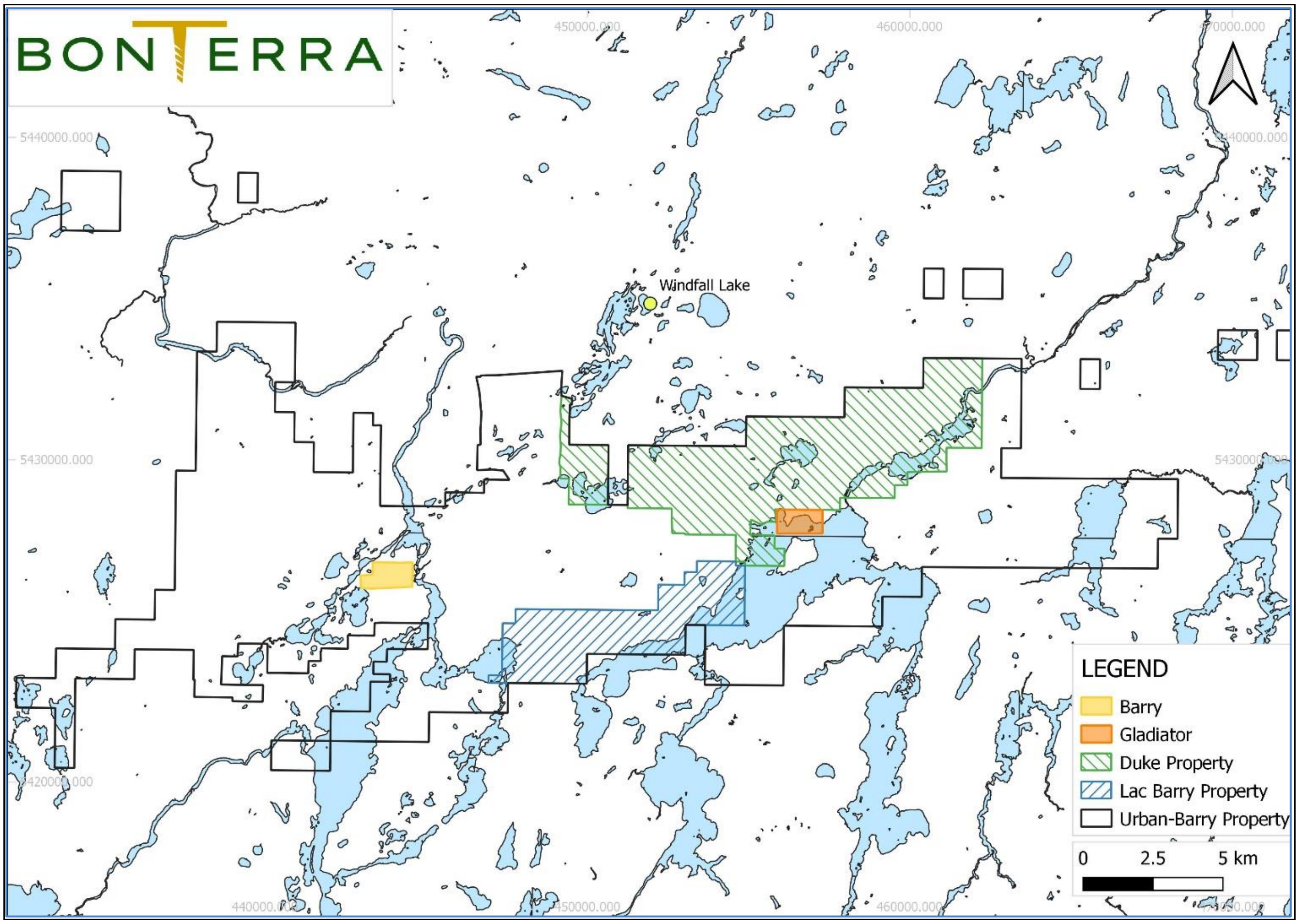
The Company holds a 100% interest in 379 mineral claims covering 17,373.65 hectares ("**ha**") in the Urban-Barry township approximately 110 km east from the town of Lebel-sur-Quévillon in Québec. In addition to the 379 mineral claims, the Company also holds 100% interest in one mining lease where the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

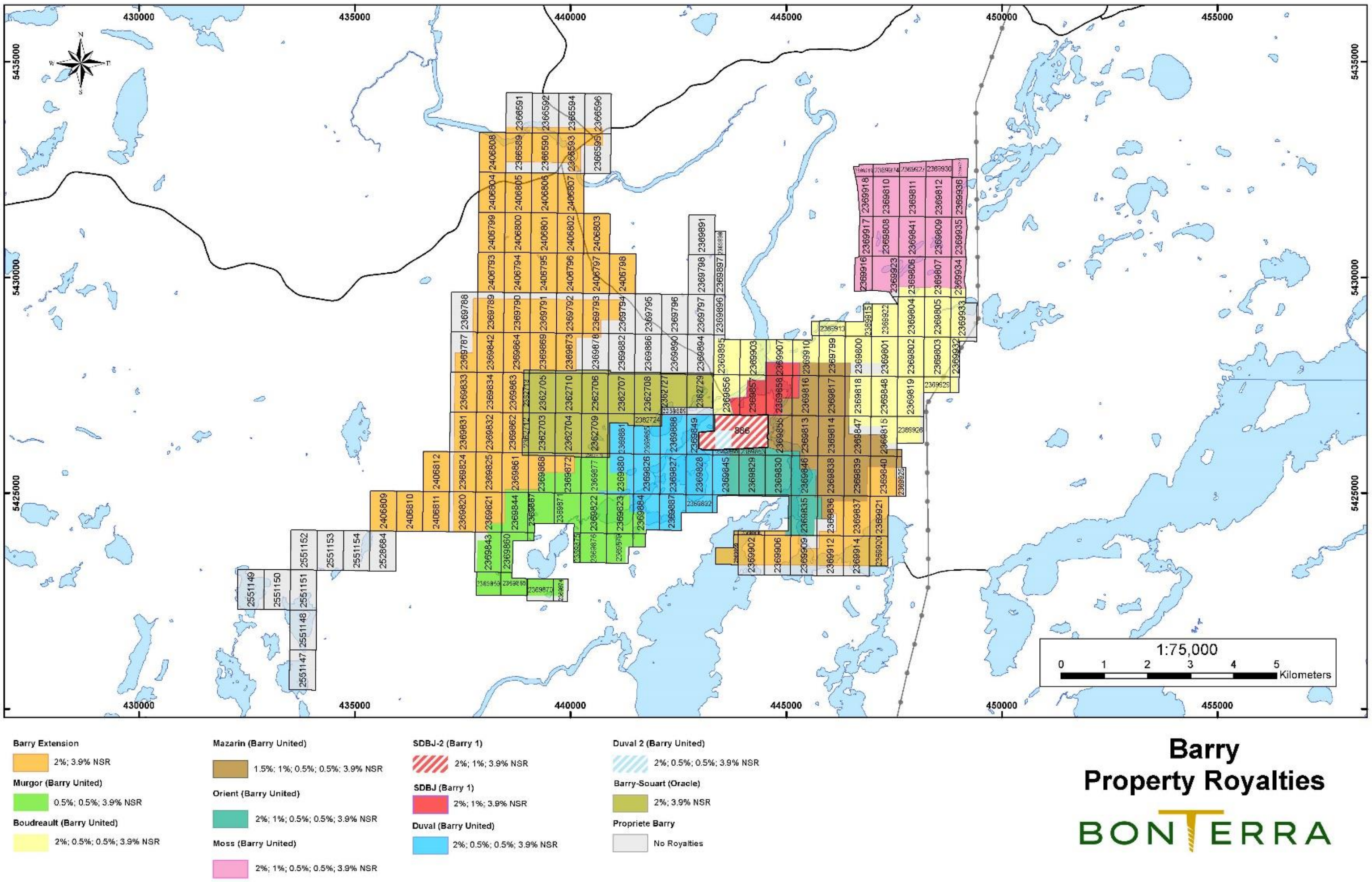
On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**") and acquired an 85% interest in Golden Valley's Lac Barry property, comprised of 35 mineral claims covering 1,431.65 ha adjacent to the south boundary of 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.



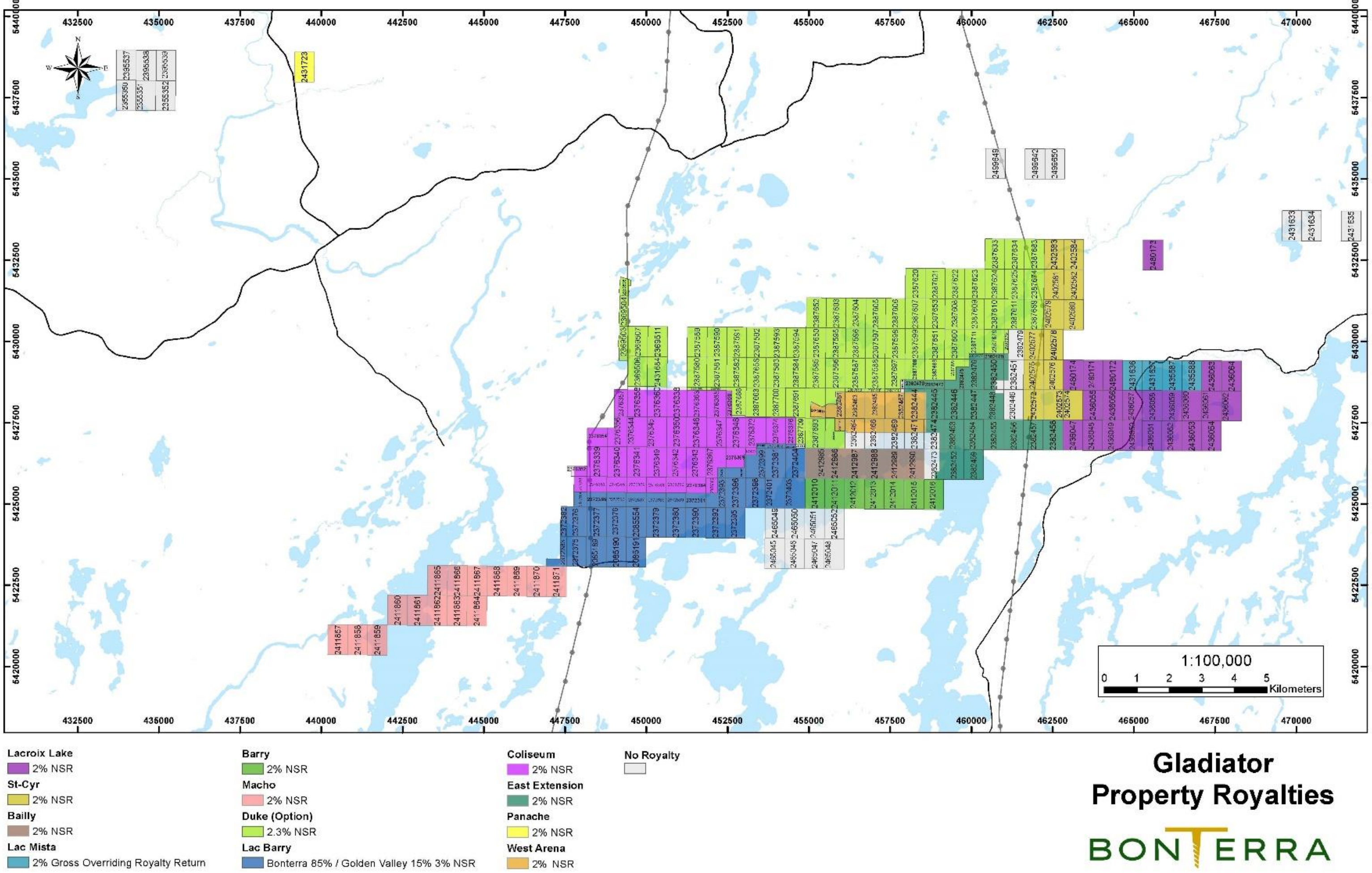
Above is a Map of the Company's projects in the Urban-Barry Camp in Quebec.

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 project is immediately south, and outside the Bachelor mining lease.

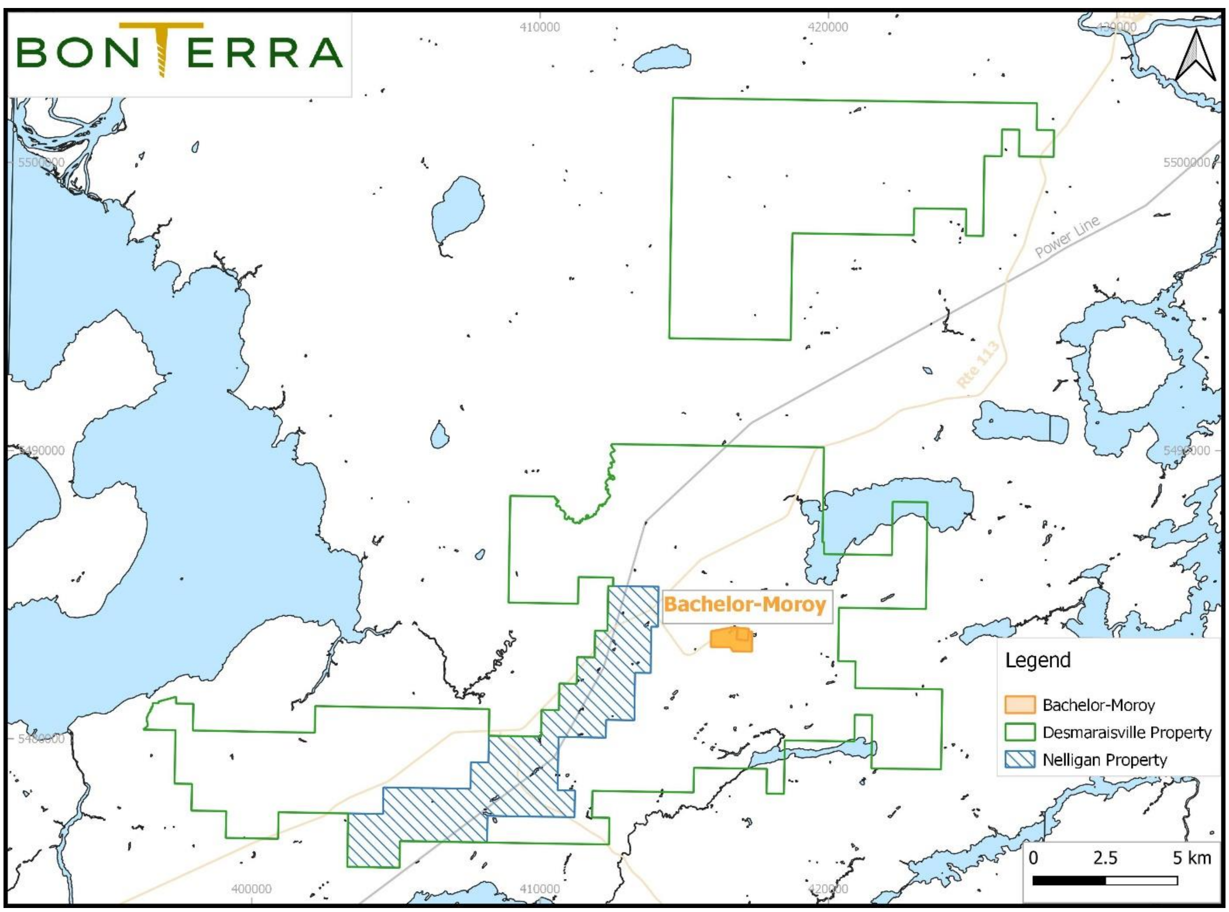
In 2020, the Company staked 231 claims north and west of the Bachelor mine, and are included in the 436 claims listed above.

Bachelor Mine

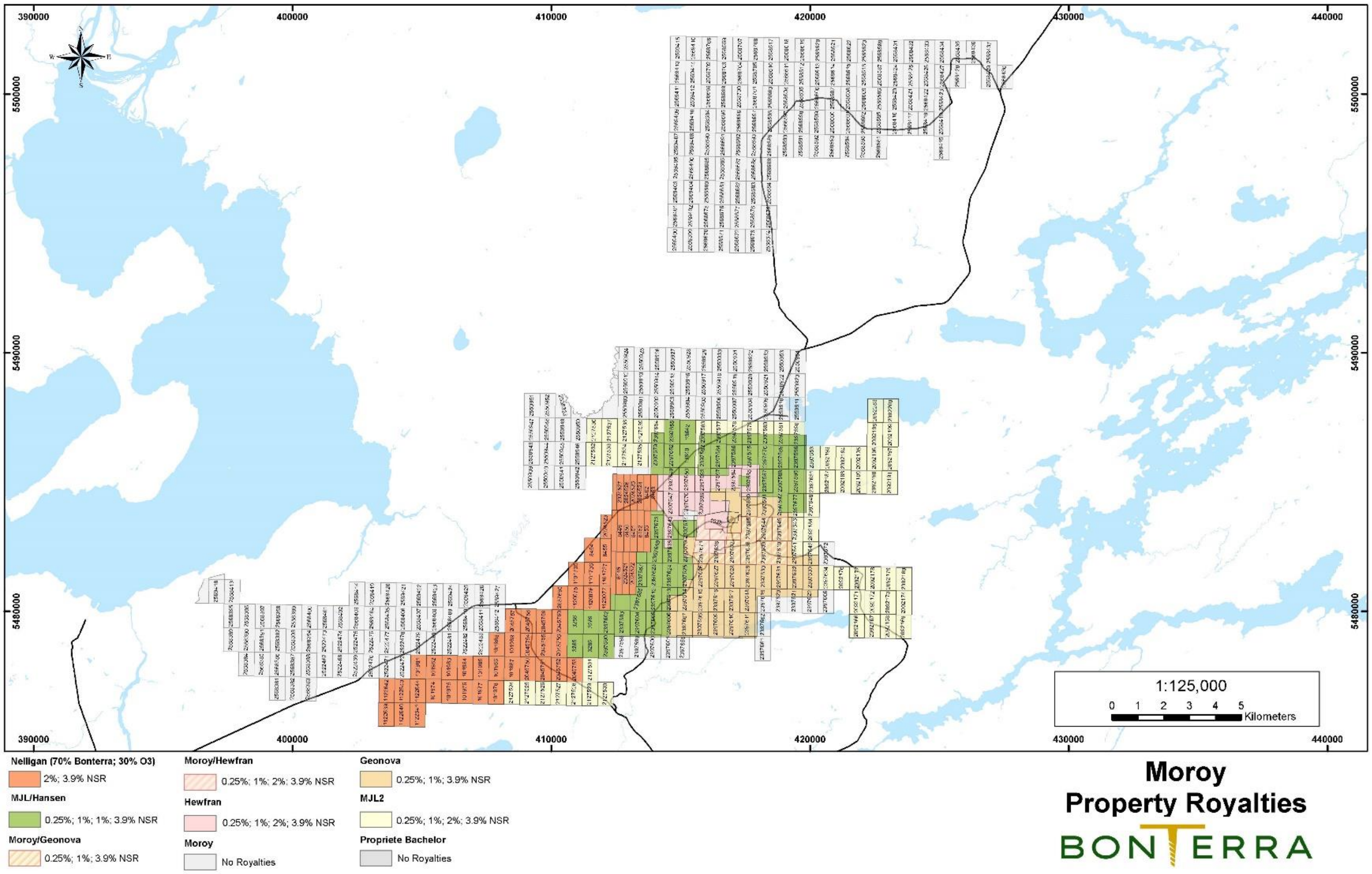
The Bachelor Mine is located on 1 mining concession, and 1 mining lease, 4 km south of Highway 113 and 90 km northeast of the city of Lebel-sur-Quévillon, Québec, Canada. The mine is connected to the provincial electrical grid and has access to high-speed internet and mobile phone service on site. The mine has a modern camp facility for all of the workers. The mill and tailing facility are fully functional with the required permits and regularory 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 projects in the Bachelor Camp in Quebec.



Above is a Map of the Company's NSR's on the Bachelor Camp projects 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.

WAHNAPITEI 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.

RECENT COMPANY HIGHLIGHTS

- 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.

- The Company discovered a high-grade gold mineralized vein at the Panache property from surface mapping and channel sampling.

- On December 13, 2019, the Company completed a brokered private placement for gross proceeds of $5,292,898. The Company issued (a) 1,307,066 FT shares of the Company at a price of $2.25 per FT share for gross proceeds of $2,940,898, and (b) 980,000 super flow-through shares of the Company at a price of $2.40 per super flow-through share for gross proceeds of $2,352,000. Each super FT share consists of one common share of the Company issued on a flow-through basis that will also qualify for the two 10% enhancements under section 726.4.9 and section 726.4.17.1 of the Quebec Taxation Act.

- On August 20, 2019, the Company completed a brokered private placement for gross proceeds of $31,962,910. The Company issued (a) 7,385,000 units of the Company at a price of $2.50 per unit for gross proceeds of $18,462,500, (b) 2,166,670 flow-through units of the Company at a price of $3.00 per flow-through unit for gross proceeds of $6,500,010, and (c) 1,628,000 super flow-through units of the Company at a price of $4.30 per super flow-through unit for gross proceeds of $7,000,400. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one-half of one warrant. Each super flow-through unit consists of one common share of the Company issued on a flow-through basis that will also qualify for the two 10% enhancements under section 726.4.9 and section 726.4.17.1 of the Quebec Taxation Act and one-half of one warrant. Each warrant is transferrable and entitles the holder to acquire one common share of the Company until August 20, 2021 at price of $3.10 per common share.

SELECTED ANNUAL INFORMATION

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

	Year ended December 31, 2020	Seven Month period ended December 31, 2019	Year ended May 31, 2019 [1]
Recurring revenue	$NIL	$NIL	$NIL
Net loss and comprehensive loss	20,682,672	17,576,707	100,843,563
Basic and diluted loss per share[2]	0.26	0.25	2.42
Total assets	56,216,358	65,470,444	57,944,178
Total current liabilities	6,244,007	11,915,594	16,571,520

[1] Includes costs allocated as part of Metanor acquisition and discontinued operations
[2] All periods are adjusted for 10:1 share consolidation completed on November 6, 2018

SELECTED QUARTERLY INFORMATION

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

For the Quarters Ending	Three Months December 31, 2020 $	Three Months September 30, 2020 $	Three Months June 30, 2020 $	Three Months March 31, 2020 $
Exploration expenses	5,499,721	6,629,390	(2,527,411)	9,213,496
(Income) Loss for the period	5,904,988	7,957,148	(1,946,696)	8,767,232
Basic and diluted (income) loss per share	0.07	0.10	(0.03)	0.11
Total assets	56,216,358	47,032,093	52,205,295	56,639,391
Total current liabilities	6,244,007	5,654,247	5,561,279	11,879,290

For the Quarters Ending	Three Months December 31, 2019 $	Four Months September 30, 2019 $	Three Months May 31, 2019 $	Three Months February 28, 2019 $
Exploration expenses	5,357,851	6,508,526	9,722,814	6,877,347
Loss for the period	8,619,400	9,407,307	5,251,167	19,900,631
Basic and diluted loss per share[1]	0.11	0.14	0.09	0.43
Total assets	65,470,444	71,797,358	57,944,178	45,540,225
Total current liabilities	11,915,594	13,983,502	16,571,520	28,890,594

[1] All periods are adjusted for 10:1 share consolidation completed on November 6, 2018

OVERALL PERFORMANCE

During the three months ended December 31, 2020, the Company reported a net loss of $5,904,988 compared to a net loss in 2019 of $8,619,400. Variations in expenses from the three month period ended December 31, 2020 to 2019 are as follows:

- Exploration and evaluation of $5,499,721 (2019 - $5,357,851). The Company expects to increase this level of exploration and evaluation expenditures in the coming quarter in order to meet its flow-through share obligations related to the April 2021 flow-through financing;
- Professional fees increased to $171,590 in 2020 from $158,059 in 2019 due to increased legal fees. The Company expects these professional fees to decrease in the coming quarter;
- The Company incurred costs of $99,305 in shareholder communications and investor relations as compared to $231,977 in 2019 and $6,663 in travel as compared to $75,798 in 2019. The decreases are due to less travel, marketing and promotional activity in 2020 as the Company focused its resources on exploration. The Company expects these shareholder communications and investor relations costs to be consistent in the coming quarters;
- Recovery of flow-through premium liability of $713,000 (2019 - $1,252,000) related to the reduction of the flow-through premium liability created by the issuance of FT Shares at a premium. The decrease was the result of qualified expenditures made by the Company during 2020 related to FT Shares with a lower premium than in 2019;
- Mill care and maintenance of $249,082 (2019 - $1,287,792) is a significant reduction due to the Company completing its bulk sample in the current period. 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;
- Loss on discontinued operations of $Nil (2019 - $43,000) was only for 2019 as a result of the acquisition of Metanor. The Company wound down its production operations in October 2018;
- The Company had share based payments expense of $5,000 (2019 - $Nil) for the three month period ended December 31, 2020. 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; and

- Impairment of inventory of $Nil (2019 - $1,401,953) was only for 2019. The inventory was acquired as a result of the acquisition of Metanor. As a result of the uncertainty around the future development of the Company's current resources, the Company wrote down this inventory to its net realizable value.

Comparison of the year ended December 31, 2020 and seven month period ended December 31, 2019 has not been provided as the significant difference in the time periods for each period would not allow for accurate comparisons. Instead users are encouraged to review the three month period ended December 31, 2020 to 2019 above as well as the nine month period ended September 30, 2020 to the ten month period ended September 30, 2019 provided in Bonterra's MD&A for the three and nine month periods ended September 30, 2020 available on the Company's website www.btrgold.com or through the Company's public filings at www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position as at December 31, 2020 was $12,440,180 compared to $18,762,439 at December 31, 2019. Working capital was $8,698,429 at December 31, 2020, compared to $8,122,625 at December 31, 2019.

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.

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.

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 period ended,		Year ended December 31, 2020		Seven months ended December 31, 2019
Short-term compensation				
Exploration and evaluation expenditures	**$**	**62,000**	$	60,000
Salaries, management and director fees		**685,000**		497,000
Professional fees		**300,000**		40,000
Termination fees paid or accrued		**485,000**		210,000
		1,532,000		807,000
Share-based compensation		**2,214,000**		-
	$	**3,746,000**	$	807,000

During the year ended December 31, 2020, the Company received $Nil (Seven month period ended December 31, 2019 - $Nil) for the recovery of rent expense from companies related by a former common officer.

Included in trade and other payables at December 31, 2020 was $92,000 (December 31, 2019 - $3,000) 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.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. With the exception of the TSXV's minimum working capital requirements, the Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regard to the expected timing of expenditures from continuing operations. The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS

As at December 31, 2020, the Company's financial instruments consist of cash, marketable securities, receivables, security and contract deposits, trade and other payables, derivative liability and long-term debt.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities,
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

December 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	**$12,440,180**	**$ -**	**$ -**	**$ 12,440,180**
Marketable securities	**$ 10,000**	**$ -**	**$ 10,000**	**$ 20,000**

December 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 18,762,439	$ -	$ -	$ 18,762,439
Marketable securities	$ 10,000	$ -	$ 10,000	$ 20,000

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received from previous experience and the probability of a loss being realized. Several of these factors are a source of estimated uncertainty.

Establishing cash-generating units ("CGU")

For the purpose of assessing impairment of its long-term assets, the Company determines the CGU, defined as being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The determination of the CGU and the classification of the Company's assets to the determined CGU require significant judgement having a potentially significant incidence on the result of the subsequent impairment analysis.

The Company periodically reviews the determination of the CGU and the corresponding grouping of the Company's assets, including its assets classified as common assets.

Impairment of long-term assets

The evaluation if an impairment test in accordance with IAS 36 needs to be performed on its long-term assets requires judgement in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written down in the statement of comprehensive loss in the period when the new information becomes available. During the year ended May 31, 2019, the Company took an impairment of mineral properties of $54,289,635 to bring the value on the statement of financial position to $nil, consistent with its accounting policy under IFRS 6.

Leases

The Company is required to make judgments in determining the lease term. Management considers all facts and circumstances, including economic incentives to exercise an extension option and its asset management strategy. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the statement of financial position, asset retirement obligations represent management’s best estimate of the charge that will result when the actual obligations are terminated.

Fair value of Derivative Liability

As part of the Amending Agreement Metanor signed with Sandstorm prior to it’s acquisition by Bonterra, Metanor agreed to a minimum stream deal to Sandstorm for its Bachelor and Barry properties. The minimum stream values were recorded at fair value. The fair value was based on current value due to the short-term duration of these remaining gold deliveries as at May 31, 2019. The important assumptions in the calculation were as follows:

- Gold price of US$1,732.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

Mineral reserve estimate

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Company’s properties. In order to calculate the reserves and resources that the Company considers highly likely to be able to convert into reserves, which form the life-of-mine of producing mining properties of the Company, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques and recovery rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of desposits to be determined by analyzing geological data such as the logging and assaying of drill samples. This process may require complex and sophisticated geological models and calculations to interpret the data.

The Company is required to determine and report on the mineral reserves in accordance with the requirements of the Canadian Institute of Mining Standards. Estimates of mineral reserves may change from period to period due to the change in economic assumptions used to estimate mineral reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable mineral reserves and a portion of measured, indicated and inferred resources that the Company expects to convert into reserves may significantly affect the Company's financial results and position in a number of ways, including the following:

Asset carrying values may be affected due to changes in estimated cash flows;

Depreciation and amortization charges to the statement of comprehensive loss may change as these are calculated on the unit-of production method, or where the useful economic lives of assets change; and

Asset retirement obligations and environmental provisions may change where changes in mineral reserves affect expectations about the timing or cost of these activities.

Business combination

Determination of fair value of assets acquired, liabilities assumed and the fair value of purchase consideration requires the use of various estimates made by management.

Classification of a transaction as a business combination depends on whether the assets acquired constitute a business in accordance with the criteria set forth in IFRS 3 Business Combination, which can be a complex judgement.

Application of accounting for plan of arrangement and spin-out of Larder Lake assets

Management has accounted for this transaction and distribution under IFRIC 17 – Distribution of Non-Cash Assets, in which the distribution of the assets is recorded as an equity transaction at fair value, with the gain on the distribution recorded in profit or loss. For presentation purposes, because the assets that were transferred did not represent the substantial activity within the Group, management did not follow discontinued operation presentation in the consolidated financial statements.

The Company determined that the fair value of the shares received as consideration from Gatling for the Larder Lake project and cash was $0.28, being the trading price.

NEW ACCOUNTING STANDARD ADOPTED DURING THE YEAR

IAS 1 – Presentation of Financial Statements ("**IAS 1**") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("**IAS 8**") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment did not have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 3, Business Combinations ("**IFRS 3**") assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment did not have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 9, *Financial Instruments* ("**IFRS 9**") and IFRS 7, *Financial Instruments: Disclosures* ("**IFRS 7**") will affect entities that apply the hedge accounting requirements to hedging relationships directly affected by the interest rate benchmark reform. The amendments modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. If a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amended Standards, then discontinuation of hedge accounting is still required. This amendment did not have a material impact on the Company's consolidated financial statements.

NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE AND NOT YET ADOPTED

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2020 and, accordingly, have not been applied in preparing these consolidated financial statements.

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

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

IFRS 3 – Business Combinations ("**IFRS 3**") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("**IAS 16**") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

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 April 27, 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

As at December 31, 2020, the Company had incurred all exploration expenditures in relation to its flow-through share financings.

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 December 31, 2019 and as at December 31, 2020 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 40% 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 40% 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.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding:

	April 27, 2021	December 31, 2020	December 31, 2019
Common shares	103,322,000	90,552,000	77,493,522
Warrants	5,589,835	5,589,835	5,719,835
Stock options	6,891,111	4,346,111	3,075,548
Fully diluted shares	115,802,946	100,487,946	86,288,905

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.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the Company could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to mineral properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the Company will be successful in negotiating long-term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

The Company's current or future operations, including exploration and evaluation activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and evaluation of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and evaluation activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold, silver and other commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and evaluation. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and evaluation, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Political Risk

All of the Company's properties are located in Quebec, Canada. Accordingly, the Company is subject to risks normally associated with exploration for and evaluation of mineral properties in these countries. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and cash equivalents, by placing it at major Canadian financial institutions. Included in receivables as at December 31, 2020 is

$1,525,669 (2019 - $1,109,691) owing from the Canada Revenue Agency and Revenu Québec. Management of the the Company believes it has minimal credit risk.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

- Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates. Long-term debt bears interest at fixed rates, thus exposing the Company to the risk of changes in fair value arising from interest rate fluctuations.

- Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The current financial liabilities of the Company as of December 31, 2020 equal $6,244,007 (2019 - $11,915,594). The cash available is sufficient to meet the Company's financial obligations at December 31, 2020.

Environmental and Permitting

All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Global Pandemic

A global pandemic could cause temporary interruptions in operations if there is an outbreak in areas in which the Company operates. In addition, governments may take preventative measures such as imposing travel restrictions and closing points of entry which may impact the Company's ability to operate. These preventive measures along with market uncertainty could cause economic uncertainty.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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 MD&A. The audited consolidated financial statements 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 MD&A is consistent with that contained in the audited consolidated financial statements 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 audited consolidated financial statements with management. The Board of Directors has approved these audited consolidated financial statements on the recommendation of the audit committee.