REPORT FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2020
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three and six month periods ended June 30, 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 – Quarterly Highlights ("**Quarterly Highlights**") of the financial condition, results of operations and cash flows of the Company for the three and six month periods ended June 30, 2020 should be read in conjunction with the condensed consolidated interim financial statements as at and for the thee and six month periods ended June 30, 2020 and May 31, 2019. This Quarterly Highlights is effective August 14, 2020. 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 thee and six month periods ended June 30, 2020 and May 31, 2019 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 thee and six month periods ended June 30, 2020 and May 31, 2019 and did not perform the tests deemed necessary to enable them to express an opinion on these condensed consolidated interim financial statements.

UPDATE ON COVID-19

As the global pandemic related to the Coronavirus disease 2019 ("**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 quarter, Health and safety procedures related to COVID-19 were submitted to the Quebec public health authority, the Cree Nation government, and the Cree First Nation of Waswanipi. On June 30, 2020, these procedures were approved, and the company could resume the exploration activities at the projects.

The Company's operational activities were particularly affected due to the inability of staff to travel because of the non-essential travel restrictions, especially into and out of it's exploration camps in Quebec. Furthermore, suppliers of services to the Company are also similarly affected and this may lead to delays in the provision of data and services to the Company's operational efforts. In an effort to preserve cash and due to reductions in operational activities, the Company had in some instances, temporarily laid off various members of its staff. Subsequent to June 30, 2020, once the company implemented the COVID-19 procedures, the majority of temporary laid off employees 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 its work and flow through commitments, so as to preserve the integrity of its mineral properties and flow through 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.

The Company will continue to monitor the COVID-19 related situation and will adjust their procedures to continuously comply with the Public Health Authorities.

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 is being 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 is focused on the M1 shear zone on level 11,440 metres ("**m**") below surface. The plan is to mine the zone from an existing exploration drift starting from the Bachelor shaft 900 m to the north of the Moroy zone. The M1 structure is sub-vertical and the company plans to extract it via a sub-level long-hole stoping method at 15 m intervals.

The company began the bulk sample program in January with long-hole drilling. Drilling was underway when the Company ceased all activities due to the advent of the Covid-19 global pandemic. Work officially resumed on July 15, 2020, with blasting beginning a few days after. The broken material will be transported on level 11 to the Bachelor shaft. Once at surface, the mineralized material will be processed onsite at the Bachelor mill under the supervision of a third-party engineering firm. The results of the completed bulk sample program are expected to be announced in Q4 2020.

UPDATE ON H2 2020 EXPLORATION PLANS

The current program consists of eight drill rigs including five land drill rigs, two barge drill rigs at Barry and Gladiator and one underground drill rig at Moroy. The current plan includes an additional 56,000 meters ("**m**") of drilling for the remainder of 2020, which includes 20,000 m of surface and underground drilling at Moroy, 16,000 m at Gladiator and 20,000 m at Barry. Drilling activities and related exploration work will resume 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.

Exploration Objectives

The Company's objective for the H2 2020 drill program is a balanced approach, which includes deposit in-fill drilling, resource expansion drilling and exploration along known deposits and regional trends. The targeted project areas are as follows (see figures 1, 2 and 3):

- 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
- Barry regional exploration (Barry-Bart-Moss trend) and evaluation
- Greenfield early stage targets along cross-regional corridors of structural decompression

The Bachelor assay lab is operational with Covid-19 confinement and health and safety protocols in place on site. The winter 2020 drilling sampling and assaying backlog is expected to be completed by the end of July. The Company continues to develop and update all geological models at 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 sector. This newly added greenfield land package, "Waswanipi" 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 is scheduled for this summer to be followed by mapping and prospecting.

The Company continues the work on permitting and engineering for expansion of the Bachelor mill and tailings facility. Geotechnical drilling is scheduled in July 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 advance the permitting to develop an exploration decline at the Gladiator project.

DESCRIPTION OF BUSINESS

The Company is 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 will have 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 projects include the Gladiator Deposit, the Moroy Deposit and Bonterra Mill, and the Barry Deposit.

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 National Instrument NI 43-101 ("**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 gram per tonne Au cut-off grade. The Mineral Resource Estimate for the Moroy deposit is reported at a 3.0 gram per tonne 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 Geological Services, Blainville, QC, 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.

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 Deposit 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

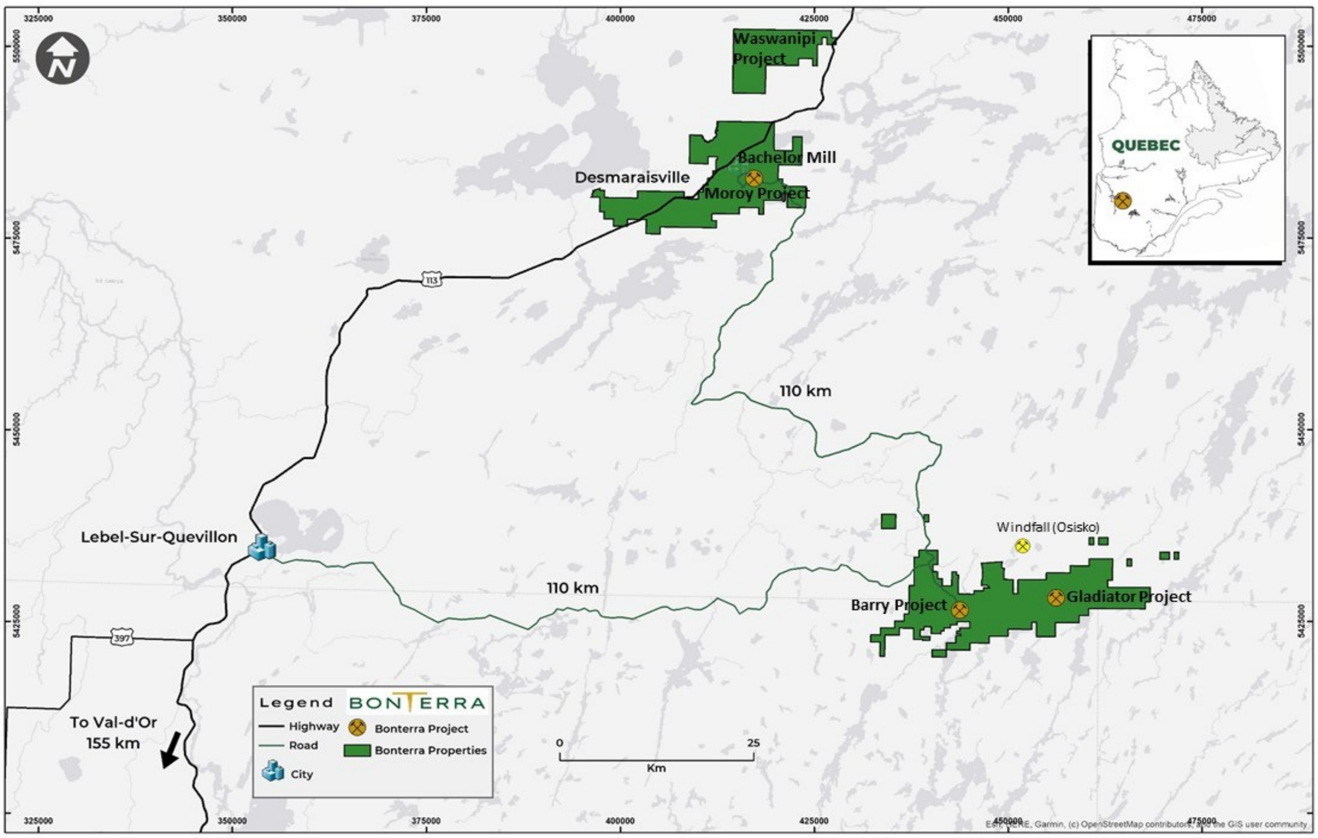
Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
2	1,017,004	4.25	139,000	701,000	3.55	80,000
2.5	840,004	4.70	127,000	563,000	3.87	70,000
3	667,005	5.17	111,000	396,000	4.32	55,000
3.5	531,005	5.68	97,000	271,000	4.93	43,000
4	432,006	6.19	86,000	202,000	5.23	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 property'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 – URBAN-BARRY, QUÉBEC

The Company's mineral properties are subjecy to net smelter returns royalty ("**NSR**") ranging from 0% to 3.9%. These NSR's may have various purchase options in which the Company may be able to reduce the NSR % for a cash payment.



COLISEUM PROPERTY

The Company holds a 100% interest in 95 claim blocks in Québec.

WEST ARENA PROPERTY

The Company acquired a 100% interest in 23 additional mineral claims adjacent to the Coliseum claims in Québec.

EAST ARENA PROPERTY

On December 30, 2010, the Company acquired a 100% interest in 57 mineral claims east of the Urban-Barry Township in Québec.

The East Arena Property is contiguous and along strike with the West Arena property. This property was drilled in the past where gold-bearing veins were intercepted. The Company conducted the first phase of exploration on the property, a ground magnetic survey. An anomaly of interest runs NE-SW and warrants further investigation.

ST-CYR AND WEST LACROIX LAKE PROPERTIES

On February 23, 2016, the Company acquired a 100% interest in the St-Cyr and West Lacroix Lake Properties, located in the Urban-Barry Gold Camp, Barry Township, Québec.

The Properties adjoin Bonterra's West and East Arena properties. Both are located approximately 90 kilometres east of Lebel-sur-Quevillon and less than 10 kilometres southwest of, and along the same geological trend as, Bonterra's 100% owned Gladiator Gold Project. The St-Cyr Property consists of 13 mineral claims covering 733.70 hectares and the West Lacroix Lake Property consists of 18 mineral claims covering 1,016.34 hectares.

Gold mineralization found to date in the area occurs in basalts, rhyolite and the volcano-sedimentary sequence. There are at least two styles of gold mineralization: sulphide replacement (generally pyrite) either as disseminations and stockworks of sulphide-rich fractures and classical native gold in quartz veins.

The properties also cover a recently discovered alkaline carbonatite complex with interesting, but as yet undetermined, gold potential. Carbonatite-syenite alkaline complexes make excellent exploration environments, especially when embedded in gold-bearing Archean greenstone belts.

LAC BARRY

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 claims covering 1,431.65 hectares adjacent to the south boundary of the Coliseum Property.

The Lac Barry Property is located approximately 1.5 kilometres southwest of the West Arena Property.

MACHO SOUTH, BARRY AND BAILLY PROPERTIES

On March 11, 2016, the Company entered into option agreements to acquire 100% interests in the Macho South Property, the Barry Property and the Bailly Property.

The Macho South Property is located at the extreme southwestern end of Bonterra's Gladiator Project. The three property acquisitions, together with the acquisition of the Lac Barry Property, extend Bonterra's coverage of favourable gold host environments southward and closer to the edge of the Urban-Barry greenstone belt. These four properties, together with Bonterra's West and East Arena properties, cover 25 kilometres of prospective greenstone belt lithology and known shear zones.

THUBIERE PROPERTY

On March 10, 2017, the Company entered into an agreement to acquire a 100% interest in the Thubiére Property. The Thubiére Property (6 claims covering 338 hectares) is a strategic acquisition to the northwest of the Gladiator and Barry deposits.

LAC MISTA PROPERTY

On March 14, 2017, the Company acquired a 100% interest in the Lac Mista Property. The vendors retain a 2% gross overriding royalty reserve on the claim, of which 1% may be repurchased by the Company for $1,000,000.

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 is an assemblage of contiguous mineral claims 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 interrupt the western continuity of claims in the Gladiator region known as "The Gap". This land package also contains numerous gold showings with expansion potential, including Lac Rouleau and Zone 18. The general geology is considered to be similar to that of the Gladiator area, 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.

Maximus Property

On July 23, 2018, the Company acquired a 100% interest in the Maximus Property, located in Québec.

Boudreault-Duval Property

In March 2019, the Company entered into an option agreement to acquire a right to a new property called Boudreault-Duval, consisting of one mining claim covering an area of 56 ha, located 20 km north of the Barry project. 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 $19,500) before the one-year anniversary of the agreement.

Lapointe Property

On March 9, 2020, the Company completed a purchase agreement and acquired a new property called the Lapointe property consisting of 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.

Waswanipi Property

In 2020, the Company staked 231 claims north and west of the Bachelor mine.

Moroy Deposit

The Moroy Deposit is a recent discovery near the Bachelor Mill property with access via the Bachelor Mine. Current development consists of three sub-drifts and a series of raises, accessed from the 11th level and 14th level at Bachelor. Extensive drill information exists from surface, as well as from the 11th level to a depth of approximately 700 feet, effectively resulting in the existence of multiple unmined mineralized zones.

Barry Deposit

The Barry Deposit is permitted for initial mine development access and bulk sampling, with decline and cross cut development currently underway. 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 metres depth over a one kilometre strike length.

Bachelor Mine

The Bachelor Mine is located 4 kilometres south of Highway 113, or 90 kilometres 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 sleep camp to lodge and cater to all of the workers. The mill and tailing facility are fully functional with all the social and environmental licenses in place. The Bachelor Mine infrastructure is currently being used to access the Moroy Deposit.

Bachelor Mill

The Bachelor Mill is the only permitted mill in the region, with more than 15 high-grade gold deposits within a 110 kilometre radius of the mill site. The mill is accessible by a paved highway with a network of logging 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 tpd to 2,400 tpd, and to increase the total capacity of the tailing storage facility by an additional 8 millions tonnes. In October 2019, the company submitted an environmental assessment of the mill expansion project to the Quebec's Ministry of Environment Quebec's Ministry of Environment et de la Lutte contre les changements climatiques ("**MELCCC**"). During this quarter ending June 30, 2020, the MELCCC sent a series of questions related to the mill expansion project. The company is currently working to provide a first series of responses to the MELCCC before the end of Q3.

RECENT COMPANY HIGHLIGHTS

- 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 flow-through shares of the Company at a price of $2.25 per flow-through 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 flow-through 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 AND QUARTERLY INFORMATION

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

	Six Month period ended June 30, 2020	Seven Month period ended December 31, 2019	Year ended May 31, 2019
Recurring revenue	$NIL	$NIL	$NIL
Net loss and Comprehensive loss[1]	6,820,536	17,576,707	100,843,563
Basic and diluted loss per share[2]	0.09	0.25	2.42
Total assets	52,205,295	65,470,444	57,944,178
Total current liabilities	5,561,279	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

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

For the Quarters Ending	Three Months ended June 30, 2020 $	Three Months ended 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

For the Quarters Ending	Three Months May 31, 2019 $	Three Months February 28, 2019 $	Three Months November 30, 2018* $	Three Months August 31, 2018 $
Exploration expenses	9,212,472	6,877,347	9,342,826	8,366,638
Loss for the period	9,372,666	18,111,403	65,776,610	7,582,884
Basic and diluted loss per share[1]	0.15	0.37	2.18	0.33
Total assets	57,944,178	45,540,225	57,437,651	21,215,157
Total current liabilities	16,571,520	28,890,594	23,209,072	5,305,859

*includes costs allocated as part of the Metanor acquisition
[1] All periods are adjusted for 10:1 share consolidation completed on November 6, 2018

OVERALL PERFORMANCE

During the six month period ended June 30, 2020, the Company reported a net loss of $6,820,536 compared to a net loss for the six month period ended May 31, 2019 of $27,484,069. Variations in expenses from the six month period ended June 30, 2020 to the three month period ended May 31, 2019 are as follows:

- Exploration and evaluation expenses of $6,686,085 (May 31, 2019 - $16,089,819). The decrease is due to mining tax credits received from Revenu Québec of $4,529,345 (May 31, 2019 - $265,190) and the Company reducing exploration and evaluation expedntiures as a result of Covid-19 from

March to June 2020. These costs are expected to increase as the Company is committed to meet its flow-through share obligations and complete its H2 2020 exploration program;

- Mill care and maintenance of $397,812 (May 31, 2019 - $Nil) is new for 2020 as a result of the acquisition of Metanor. The Company began to shut down its production operations in October 2018 and as a result put its fully operational mill on care and maintenance effective June 1, 2019;
- Salaries, management and director fees including consulting fees were $693,937 (May 31, 2019 - $1,514,593). The decrease is a result of managements continued focus on preserving cash for exploration activities. The six month period ended June 30, 2020 included serverance costs of $325,000 (May 31, 2019 - $1,146,000). The Company expects these costs to decrease in the coming quarter;
- Professional fees decreased to $202,735 in the six month period ended June 30, 2020 from $738,668 in the six month period ended May 31, 2019 due to the Company completing more of this work using its in-house staff to reduce costs. The Company expects these professional fees to be consistent in the coming quarters.;
- The Company had share based payments expense of $Nil (May 31, 2019 - $3,661,771) for the six month period ended June 30, 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.
- The Company incurred shareholder communications and investor relations costs of $139,442 in in the six month period ended June 30, 2020 as compared to $415,797 in the six month period ended May 31, 2019. The decreases are due to less travel, marketing and promotional activity in 2020 as the Company focuses its resources on exploration. The Company expects these shareholder communications and investor relations to decrease in the coming quarter.;
- Recovery of flow-through premium liability of $1,493,000 (May 31, 2019 - $1,988,569) related to the reduction of the flow-through premium liability created by the issuance of flow-through shares at a premium. The increase was the result of higher qualified expenditures made by the Company during 2019 compared to 2020.;
- Loss on discontinued operations of $Nil (May 31, 2019 - $4,580,630) was new for 2019 as a result of the acquisition of Metanor. The Company wound down its production operations in October 2018.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position as at June 30, 2020 was $9,972,636 compared to $18,762,439 at December 31, 2019. Working capital was $4,892,122 at June 30, 2020, compared to $8,122,625 at December 31, 2019.

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.

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 flow-through shares of the Company at a price of $2.25 per flow-through 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 flow-through 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.

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, 2020**		May 31, 2019
Short-term compensation				
Exploration and evaluation expenditures	$	**62,000**	$	106,000
Salaries, management and director fees		**263,000**		520,000
Professional fees		**120,000**		22,000
Termination fees paid or accrued		**485,000**		1,146,000
		930,000		1,794,000
Share-based compensation		**-**		3,125,844
	$	**930,000**	$	4,919,844

During the six month period ended June 30, 2020, the Company received $Nil (May 31, 2019 - $29,000) for the recovery of rent expense from companies related by a former common officer.

Included in accounts payable at June 30, 2020 was $40,000 (December 31, 2019 - $3,000) due to officers 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 TRANSCATIONS

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 June 30, 2020, the Company had two of these types of agreements with officers of the Company that totaled annual base fees of $505,000. In the case of termination, the officers are entitled to an amount equal to $505,000 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. During the six month period ended June 30, 2020, the Company terminated two of these three agreements 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.

As at June 30, 2020, the Company had a remaining commitment to incur exploration expenditures of approximately $8,800,000 in relation to its flow-through share financings.

Asset retirement obligations

On September 9, 2013, the Ministry of Natural Resources of Quebec 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 June 30, 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. The Bond is in place for the site, and funded at 100%. The closure plan is approved for the current mill, and the existing tailing storage at 800 tpd. A revised closure plan will be submitted in the coming months to MERN after the 2,400 tonnes per day mill expansion, and the 8 millions tailing storage facility is being reviewed by the MELCCC. Once the revised closure plan is 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. The Bond is in place for the site, and funded at 100%. The closure plan is currently being revised to include the sleep camp built in 2018. The revised closure plan is expected to be presented in the fall 2020 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:

	August 14, 2020	**December 31, 2019**	**May 31, 2019**
Common shares	77,508,522	77,493,522	63,926,786
Warrants	5,589,835	5,719,835	1,111,827
Stock options	4,477,811	3,075,548	4,098,293
Fully diluted shares	87,576,168	86,288,905	69,136,906

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, 2020 and May 31, 2019 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, 2020 and May 31, 2019 in all material aspects.

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

The Audit Committee has reviewed the condensed consolidated interim financial statements for the three and six month periods ended June 30, 2020 and May 31, 2019 with management. The Board of Directors has approved these condensed consolidated interim financial statements for the three and six month periods ended June 30, 2020 and May 31, 2019 on the recommendation of the Audit Committee.