BONTERRA

REPORT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three month period ended March 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 – Quarterly Highlights ("Quarterly Highlights") of the financial condition, results of operations and cash flows of the Company for the three month period ended March 31, 2020 should be read in conjunction with the condensed consolidated interim financial statements as at and for the thee month periods ended March 31, 2020 and February 28, 2019. This Quarterly Highlights is effective June 11, 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 month periods ended March 31, 2020 and February 28, 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 month periods ended March 31, 2020 and February 28, 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 has implemented alternative working arrangements for all employees to work from home and temporary closed all of its offices and placed its exploration camps on care and maintenance.

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 has in some instances temporary laid off various members of staff. The Company has been engaged 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 will continue to monitor the COVID-19 related situation and will only fully resume regular activities when there are clear indications that its employees are able to return to work in a safe environment and in accordance with the advice and requirements provided by all the regulatory authorities from a local to national level.

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 conducted a NI 43-101 mineral resource estimate 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 tables 2 – 4 below. The Mineral Resource Estimates have been prepared by SGS Geological Services, Blainville, QC, and has been reviewed internally by the Corporation. The full technical reports, which were being prepared in accordance with National Instrument 43-101 ("NI-43-101"), are available on SEDAR (www.sedar.com) under the Corporation's issuer profile. The effective date of the current mineral resource estimate 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 reasonably 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 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 93% - 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. *Mineral Resources 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 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 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

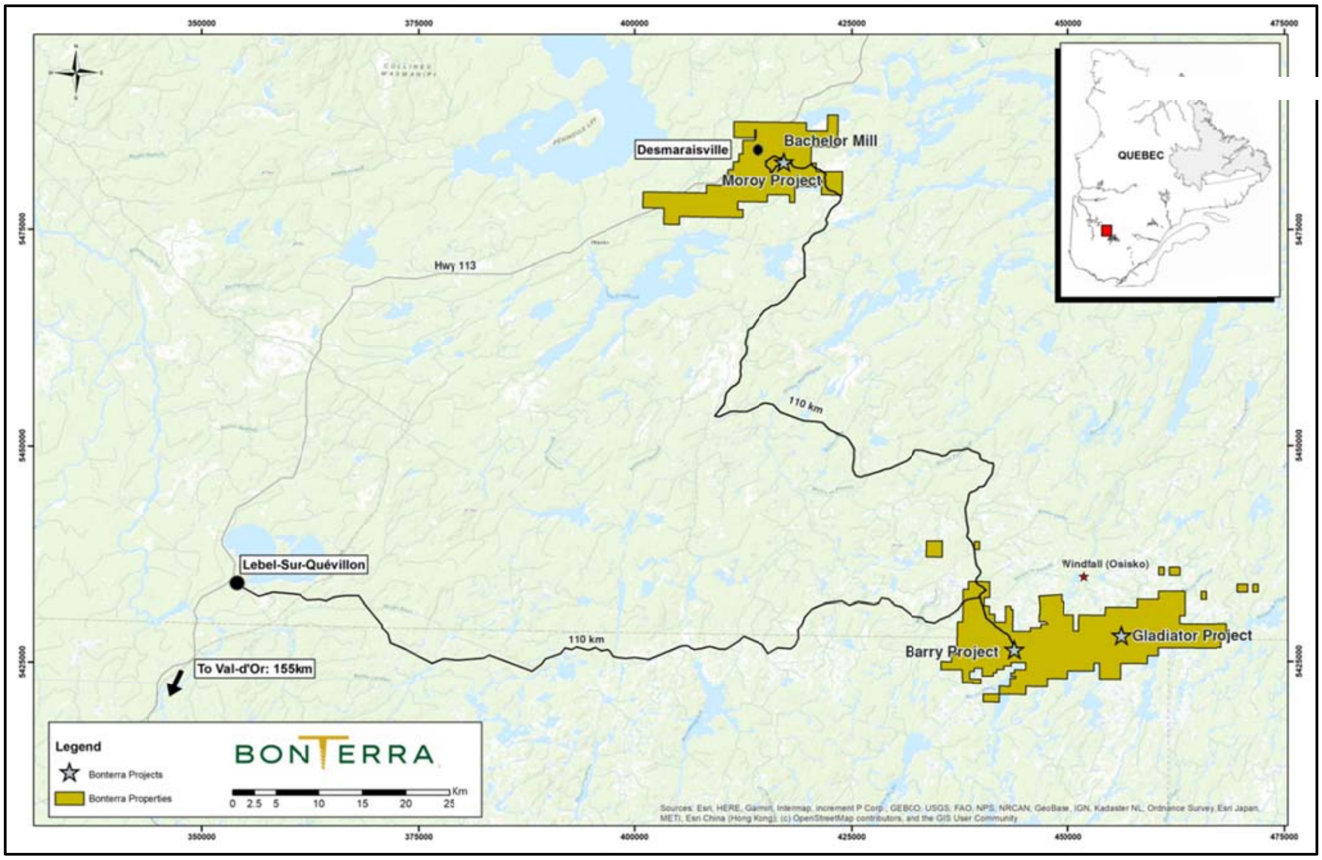
Cut-off (Au g/t)	Indicated			Inferred		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
2	1,017,004	4.25	139,000	701,000	3.55	80,000
2.5	840,004	4.70	127,000	563,000	3.87	70,000
3	667,005	5.17	111,000	396,000	4.32	55,000
3.5	531,005	5.68	97,000	271,000	4.93	43,000
4	432,006	6.19	86,000	202,000	5.23	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 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 combined mineral resource estimate is part of Bonterra's strategy to fast track the development of the three deposits simultaneously, to optimize feed to the Bachelor Mill over the life of the three mines.

BONTERRA EXPLORATION PROJECTS – 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. 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 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. To acquire the right to the property option, the Company made a cash payment of $25,000 and issued 10,000 common shares (issued on March 28, 2019 and valued at $19,500), to the arm's length vendors and, to exercise the option, the Company will make an additional cash payment of $50,000 and issue 15,000 common shares 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.

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 the Environmental Assessment of the mill expansion project to the Quebec's Ministry of Environment (MELCCC).

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 "Offering"). Pursuant to the Offering, the Company issued (a) 7,385,000 units of the Company (the "Units") 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 (the "FT Units") at a price of $3.00 per FT Unit for gross proceeds of $6,500,010, and (c) 1,628,000 super flow-through units of the Company (the "Super FT Units") at a price of $4.30 per Super FT 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 whole common share purchase warrant, a "Warrant"). Each FT Unit consists of one common share of the Company issued on a flow-through basis (a "FT Unit Share") and one-half of one Warrant. Each Super FT 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 November 19, 2019, announce that it has entered into an agreement with Sprott Capital Partners LP to act as lead agent (the "Lead Agent"), on its own behalf and, if applicable, on behalf of a syndicate of agents (collectively with the Lead Agent, the "Agents"), in connection with a "best efforts" private placement to raise gross proceeds of up to $5,003,100 (the "Offering"). The Offering will consist of a combination of, (i) up to 1,334,000 common shares of the Company issued on a flow-through basis at a price of $2.25 per common share (the "FT Shares") for gross proceeds of up to $3,001,500, and (b) up to 834,000 common shares of the Company issued on a flow-through basis at a price of $2.40 per common share (the "Quebec FT Shares") for gross proceeds of up to $2,001,600. Collectively the FT Shares and Quebec FT Shares shall be collectively referred to as the "Offered Securities". In addition, the Company has granted the Agents an option to increase the size of Offering by up to an additional C$1,000,000, exercisable at any time up to three business days prior to the closing of the Offering, on the same terms and conditions under the Offering. In connection with the Offering, the Agents will be entitled to a cash fee in an amount equal to 6% of the gross proceeds of the Offering.

SELECTED ANNUAL AND QUARTERLY INFORMATION

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

	Three Month period ended March 31, 2020	Seven Month period ended December 31, 2019	Year ended May 31, 2019
Recurring revenue	$NIL	$NIL	$NIL
Net loss and Comprehensive loss[1]	8,767,232	17,576,707	100,843,563
Basic and diluted loss per share[2]	0.11	0.25	2.42
Total assets	56,639,391	65,470,444	57,944,178
Total current liabilities	11,879,290	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 March 31, 2020 $	Three Months December 31, 2019 $	Four Months September 30, 2019 $	Three Months May 31, 2019 $
Exploration expenses and impairment of mining properties	9,213,496	5,357,851	6,508,526	9,722,814
Loss for the period	8,767,232	8,619,400	9,407,307	5,251,167
Basic and diluted loss per share	0.11	0.11	0.14	0.09
Total assets	56,639,391	65,470,444	71,797,358	57,944,178
Total current liabilities	11,879,290	11,915,594	13,983,502	16,571,520

For the Quarters Ending	Three Months February 28, 2019 $	Three Months November 30, 2018** $	Three Months August 31, 2018 $	Three Months May 31, 2018 $
Exploration expenses	6,877,347	9,342,826	8,366,638	9,304,374
Loss for the period	19,900,631	68,108,881	7,582,884	8,123,956
Basic and diluted loss per share[1]	0.43	2.26	0.33	0.36
Total assets	45,540,225	57,437,651	21,215,157	28,125,586
Total current liabilities	28,890,594	23,209,072	5,305,859	6,808,404

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

OVERALL PERFORMANCE

During the three month period ended March 31, 2020, the Company reported a net loss of $8,767,232 compared to a net loss for the three month period ended February 28, 2019 of $19,900,631. Variations in expenses from the three month period ended March 31, 2020 to the three month period ended February 28, 2019 are as follows:

- Exploration and evaluation of $9,213,496 (February 28, 2019 - $6,877,347). The increase is due to having one more month of additional winter season exploration that allows the Company to have more drills operating at one time. In addition, the Company increased exploration and evaluation expenditures in the quarter in order to meet its flow-through share obligations. The Company expects these costs to decrease significantly in the coming quarter as it assesses its path forward from the global pandemic related to Covid-19;
- Mill care and maintenance of $336,175 (February 28, 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 $249,045 (February 28, 2019 - $1,830,257). The decrease is a result of current managements continued focus on preserving cash for exploration activities. The three month period ended February 28, 2019 also included serverance costs of $1,056,000. The Company expects these costs to increase in the coming quarter due to a severance payment made of $325,000 but then expects these costs to decrease going forward;
- Professional fees decreased to $85,495 in the three month period ended March 31, 2020 from $444,093 in the three month period ended February 28, 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 (February 28, 2019 - $3,550,000) for the three month period ended March 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.
- The Company incurred shareholder communications and investor relations costs of $89,187 in in the three month period ended March 31, 2020 as compared to $274,569 in the three month period ended February 28, 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 (February 28, 2019 - $813,319) 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 2020 compared to 2019.;
- Loss on discontinued operations of $Nil (February 28, 2019 - $6,369,858) 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 at March 31, 2020 was $9,812,512 compared to $18,762,439 at December 31, 2019. The working capital deficiency was $124,794 at March 31, 2020, compared to working capital of $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 (the "Units") 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 (the "FT Units") at a price of $3.00 per FT Unit for gross proceeds of $6,500,010, and (c) 1,628,000 super flow-through units of the Company (the "Super FT Units") at a price of $4.30 per Super FT 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 whole common share purchase warrant, a "Warrant"). Each FT Unit consists of one common share of the Company issued on a flow-through basis (a “FT Unit Share”) and one-half of one Warrant. Each Super FT 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 three month period ended,		March 31, 2020		February 28, 2019
Short-term compensation				
Exploration and evaluation expenditures	$	45,000	$	188,000
Salaries, management and director fees		189,000		255,437
Professional fees		60,000		22,500
Termination fees paid or accrued		-		1,056,000
		294,000		1,521,937
Share-based compensation		-		2,892,513
	$	294,000	$	4,414,450

During the three month period ended March 31, 2020, the Company received $Nil (February 28, 2019 - $29,000) for the recovery of rent expense from companies related by a former common officer.

Included in accounts payable at March 31, 2020 was $72,000 (December 31, 2019 - $3,000 and May 31, 2019 - $22,958) 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 March 31, 2020, the total annual base fee of the officers of the Company under these types of agreements was $745,000. In the case of termination, the officers are entitled to an amount equal to $805,000 and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to $1,130,000. Subsequent to March 31, 2020, the Company terminated 2 of these 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 March 31, 2020, the Company had a remaining commitment to incur exploration expenditures of approximately $7,200,000 in relation to its flow-through share financings. Subsequent to March 31, 2020, the Company has received $4,529,345 in mining tax credits received from Revenu Québec, of which, $3,347,530 increases the amount the Company's flow-through expenditure requirements.

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 has been paid as at December 31, 2019. Subsequent to March 31, 2020, the Company engaged a third party insurance provider to cover the Company's bonds with the Government of Quebec. Under this arrangement, the Company was required to put 40% of the bonds value up as collateral to the third party insurance provider being $1,758,000. In return, the Company received the deposits with the Government of Quebec of $4,395,001.

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 the Ministry of Natural Resources (MERN) after the 2,400 tonnes per day mill expansion, and the 8 millions tailing storage facility is being reviewed by the Ministry of Environment (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 will be presented in the Fall 2019 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:

	June 11, 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	2,546,917	3,075,548	4,098,293
Fully diluted shares	85,645,274	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 month periods ended March 31, 2020 and February 28, 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 month periods ended March 31, 2020 and February 28, 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 month periods ended March 31, 2020 and February 28, 2019 with management. The Board of Directors has approved these condensed consolidated interim financial statements for the three month periods ended March 31, 2020 and February 28, 2019 on the recommendation of the Audit Committee.