

### **FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS**

This report on results for the three and nine month periods ended September 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 nine month periods ended September 30, 2020 should be read in conjunction with the condensed consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 2019. This Quarterly Highlights is effective November 16, 2020. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company has prepared its condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 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 three and nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 2019 and did not perform the tests deemed necessary to enable them to express an opinion on these condensed consolidated interim financial statements.

### **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 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 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 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, which is 440 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 stopping 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 on level 11 was transported to the Bachelor shaft. Once at surface, the mineralized material is being processed onsite at the Bachelor mill under the supervision of a third-party engineering firm. The bulk sample is ongoing and the Company has poured its first doré bar and shipped it to the Royal Canadian Mint for refining. The results of the completed bulk sample program are expected to be announced in late Q4 2020.

#### **UPDATE ON H2 2020 EXPLORATION PLANS**

The current program consists of 8 drill rigs including five land drill rigs, two barge drill rigs with one at Barry and one at Gladiator and one underground drill rig at Moroy. The current plan included an additional 56,000 m of drilling for the remainder of 2020. 35,000 m has been drilled to date with 21,000 m still remaining. This 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 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 ramped up.

#### ***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
- 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 on their gold resource potential and mineral 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 so far 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 "new" high-grade gold mineralized vein was confirmed at the Panache discovery from surface mapping and channel sampling. Drilling at Duke and along the cross-regional corridors in the Barry north sector is currently underway.

The Bachelor assay lab is operational with Covid-19 confinement and health and safety protocols in place on site. The drilling sampling and assaying backlog stands at about one month and the Company is diligently working to significantly reduce this time from drill core to assay results. The Company continues to develop

and update eological 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 sector. 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 sector 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. The geotechnical drilling was completed this summer 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.

#### **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 its 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. In July 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 and the Government of Quebec who have announced that they will follow the Federal governments proposal once it is law.

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

#### **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 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 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](http://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
<b>Total</b>	<b>302,005</b>	<b>5.66</b>	<b>55,000</b>	<b>3,160,000</b>	<b>6.33</b>	<b>643,000</b>	<b>6,201,000</b>	<b>7.04</b>	<b>1,405,000</b>

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

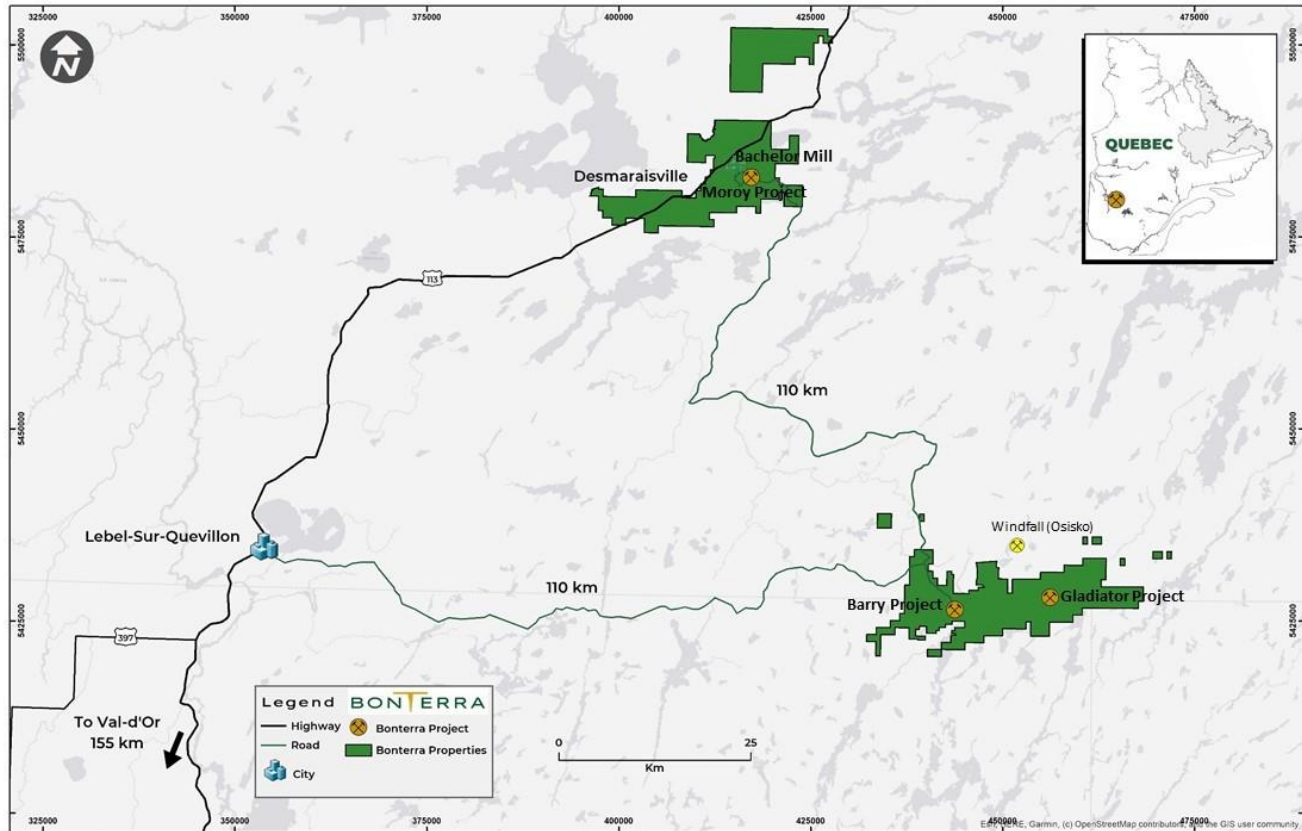
Values in this table are reported to illustrate the sensitivity of the block model to cut-off grade relative to the base case resource estimate. The Moroy property's resource estimate is based on a cut-off grade of 3.0 g/t Au (see table 1) and values presented here above and below the base case should 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**

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 the 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 metres 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 hectares 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**

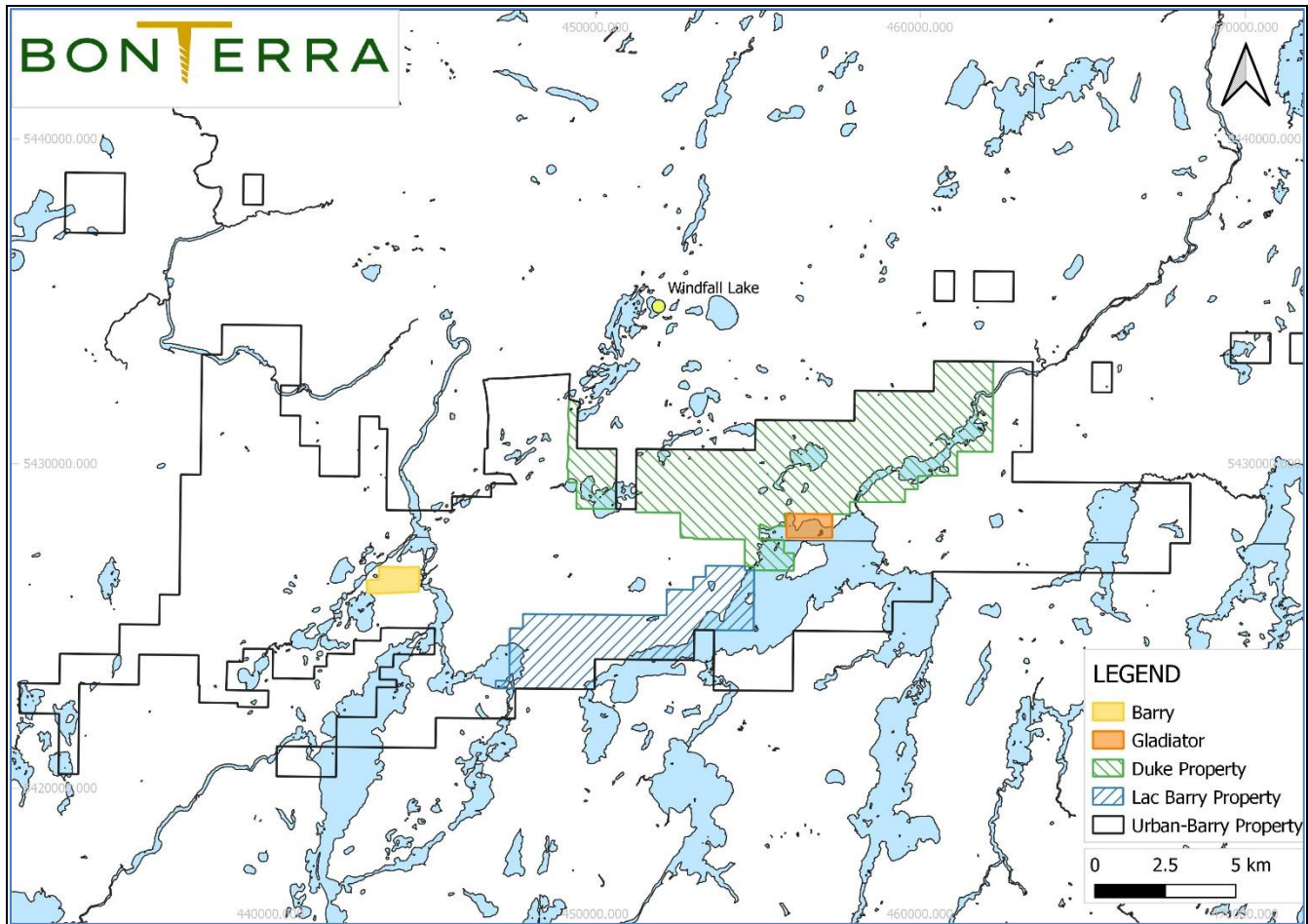
The Company holds a 100% interest in 379 mineral claims covering 17,373.65 hectares (ha) in the Urban-Barry township approximately 110 km east from the city of Lebel-sur-Quévillon in Québec. Above the 379 claims, the company holds 100% interest in 1 mining lease where the Barry project is located. The 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 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. 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 claims covering 1,431.65 hectares adjacent to the south boundary of the Urban-Barry property.

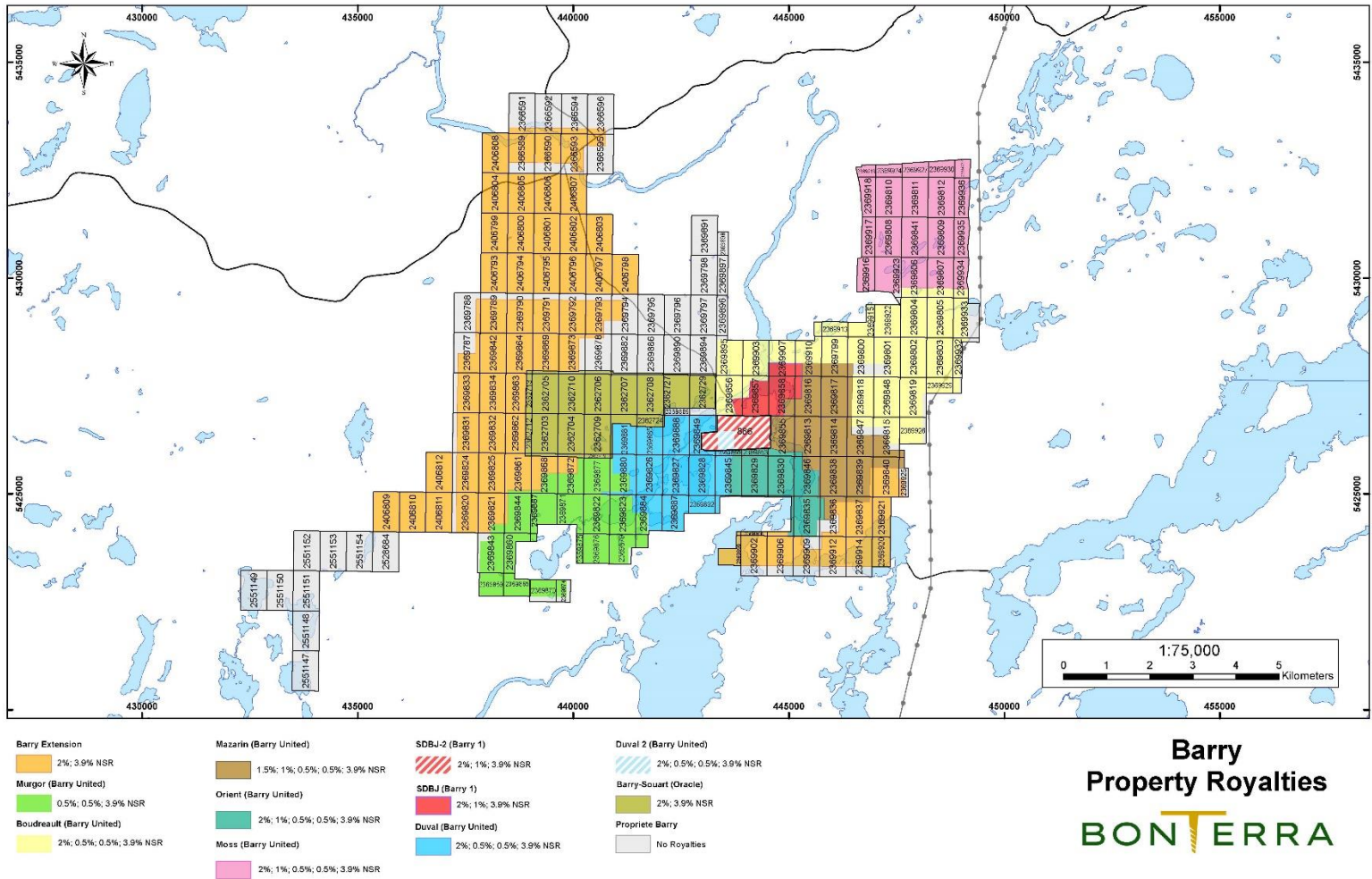


Above is a Map of the Company's projects in the Urban-Barry Camp in Quebec.

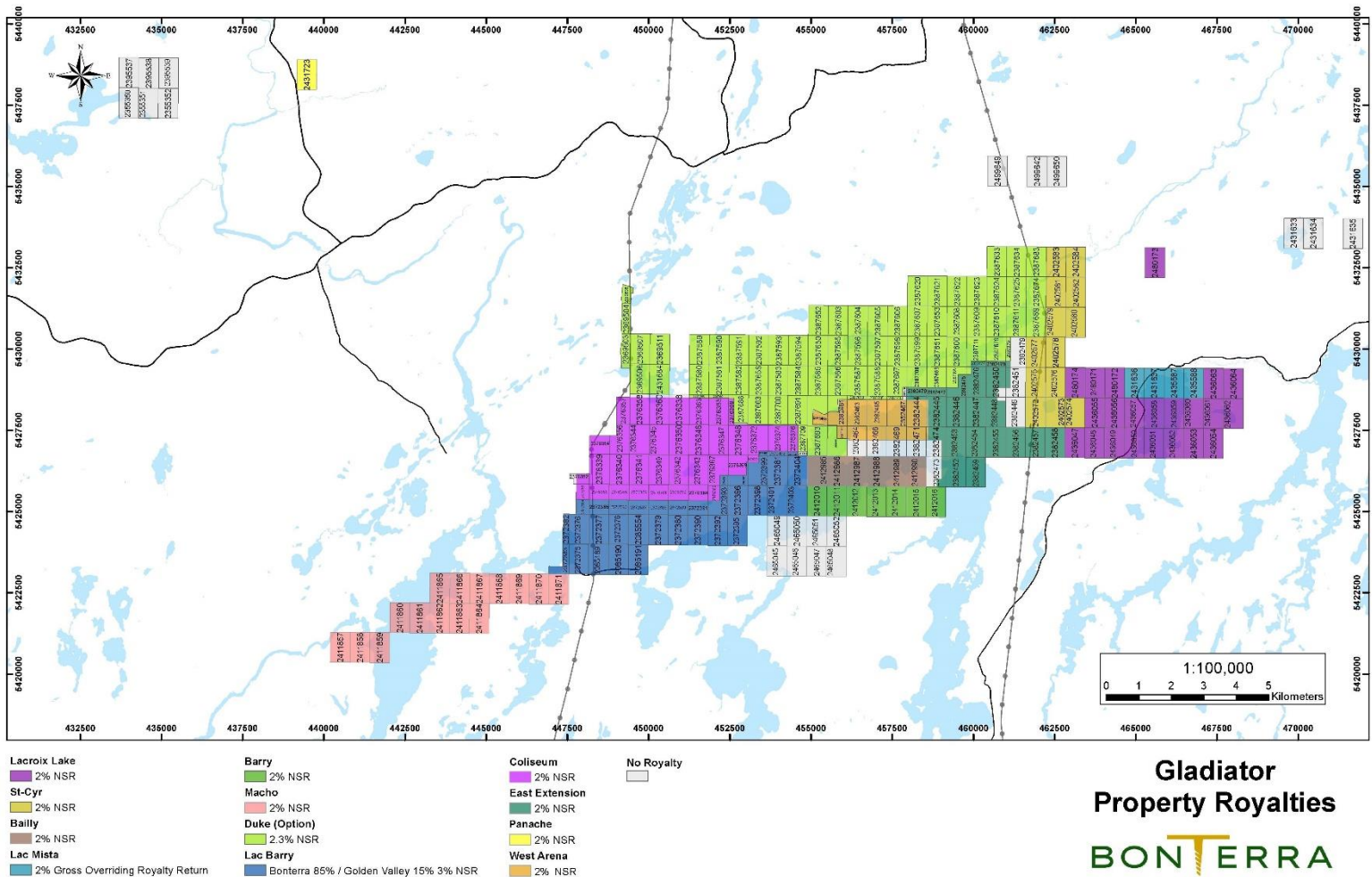
Some of the Company's Barry mineral properties are subject to a net smelter returns royalty ("**NSR**"). These NSR's may have various purchase options in which the Company may be able to reduce the NSR % for a cash payment.

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). 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 projects in the Urban-Barry Camp in Quebec.



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

## **Bachelor Camp**

### **Moroy Deposit**

The Moroy Deposit is a recent discovery near the Bachelor Mill property 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 14<sup>th</sup> level at Bachelor. 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 hectares (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.

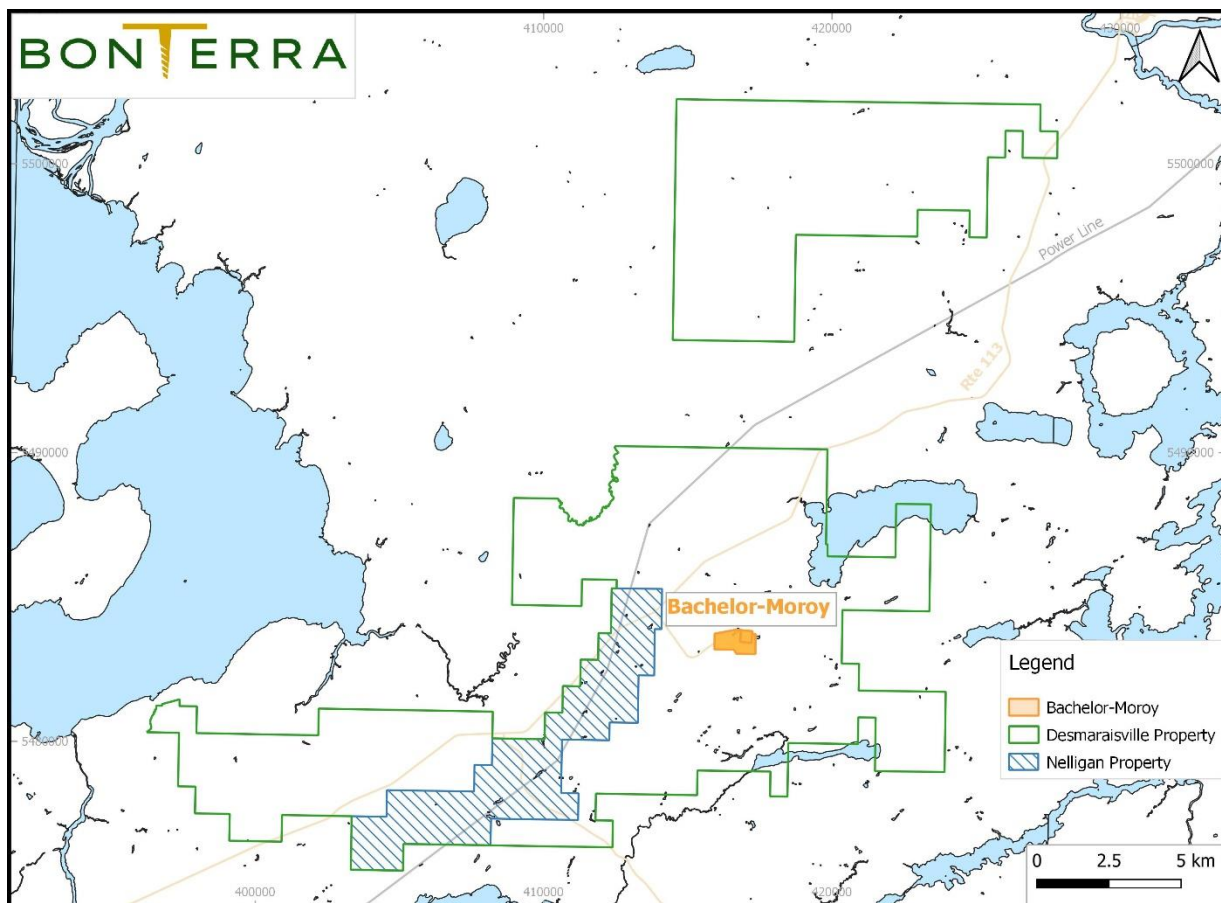
In 2020, the Company staked 231 claims north and west of the Bachelor mine, and are included in the 436 claims listed above.

## Bachelor Mine

The Bachelor Mine is located on 1 mining concession, and 1 mining lease, 4 kilometres south of Highway 113 and 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 modern camp facility for all of the workers. The mill and tailing facility are fully functional with the required permits and regulatory approvals. The Bachelor Mine infrastructure is currently being used to access the Moroy Deposit. There is currently no mineral reserve left to mine from the 2011 Technical report. 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.

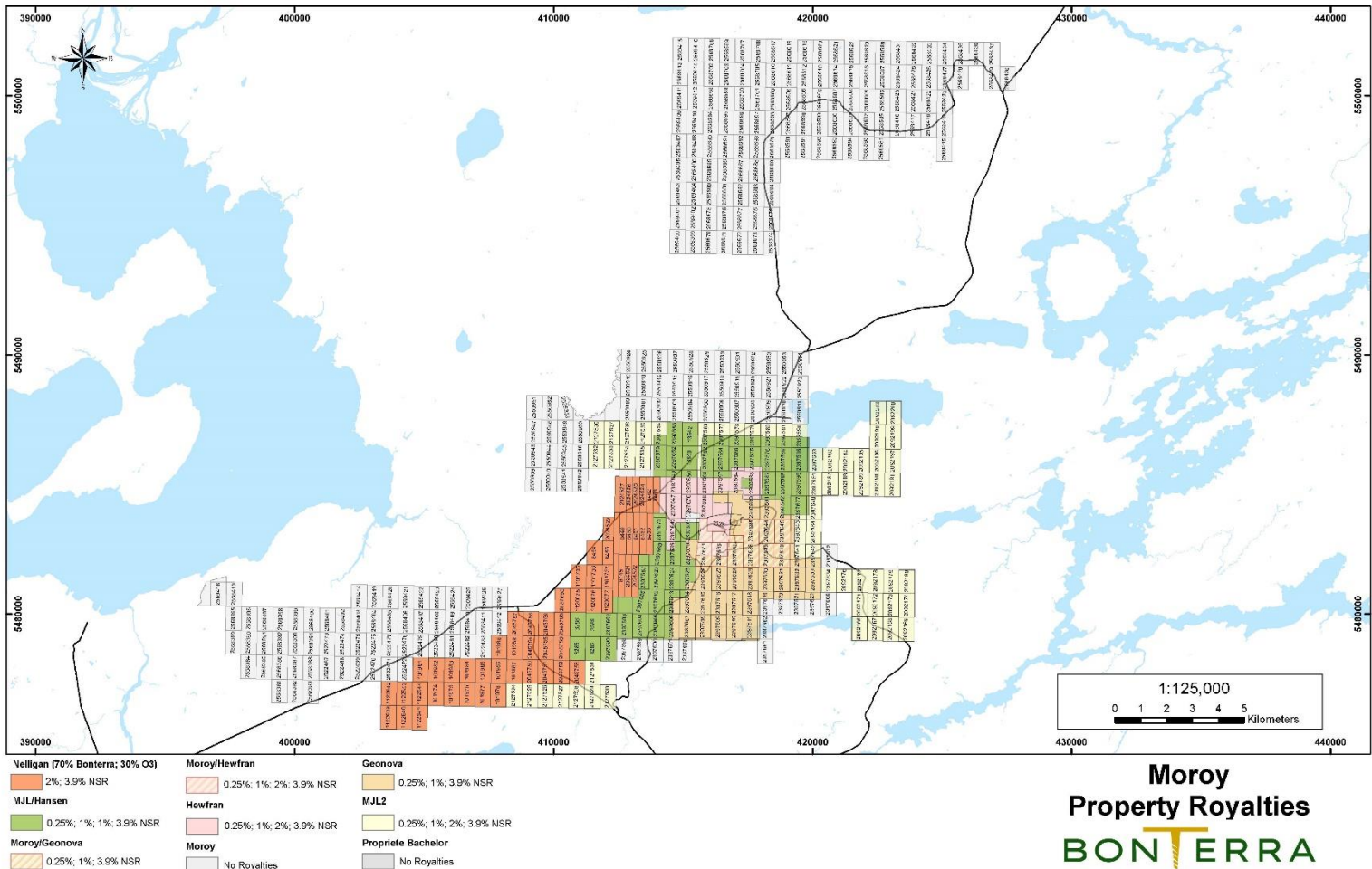
## Bachelor Mill

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 kilometre 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 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 Environnement et de la Lutte contre les changements climatiques ("MELCCC"). During the nine month period ending September 30, 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.

### **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**

- The Company poured its first doré bar from a 10,000 tonnes bulk sample at Moroy and shipped it to the the Royal Canadian Mint for refinery on November 11, 2020.
- The Company discovered a high-grade gold mineralized vein at the Panache ptoperty 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 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 nine month period ended September 30, 2020, seven month period ended December 31, 2019 and the year ended May 31, 2019:

	<b>Nine Month period ended September 30, 2020</b>	<b>Seven Month period ended December 31, 2019</b>	<b>Year ended May 31, 2019</b>
Recurring revenue	\$NIL	\$NIL	\$NIL
Net loss and Comprehensive loss <sup>1</sup>	14,777,684	17,576,707	100,843,563
Basic and diluted loss per share <sup>2</sup>	0.19	0.25	2.42
Total assets	47,032,093	65,470,444	57,944,178
Total current liabilities	5,654,247	11,915,594	16,571,520

<sup>1</sup> Includes costs allocated as part of Metanor acquisition and discontinued operations

<sup>2</sup> 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:

<b>For the Quarters Ending</b>	<b>Three Months ended Septmber 30, 2020 \$</b>	<b>Three Months ended June 30, 2020 \$</b>	<b>Three Months ended March 31, 2020 \$</b>	<b>Three Months December 31, 2019 \$</b>
Exploration expenses	(6,629,390)	(2,527,411)	9,213,496	5,357,851
(Income) Loss for the period	7,957,148	(1,946,696)	8,767,232	8,619,400
Basic and diluted (Income) loss per share	0.10	(0.03)	0.11	0.11
Total assets	47,032,093	52,205,295	56,639,391	65,470,444
Total current liabilities	5,654,247	5,561,279	11,879,290	11,915,594



<b>For the Quarters Ending</b>	<b>Four Months September 30, 2019 \$</b>	<b>Three Months May 31, 2019 \$</b>	<b>Three Months February 28, 2019 \$</b>	<b>Three Months November 30, 2018* \$</b>
Exploration expenses	6,508,526	9,212,472	6,877,347	9,342,826
Loss for the period	9,407,307	9,372,666	18,111,403	65,776,610
Basic and diluted loss per share <sup>1</sup>	0.14	0.15	0.37	2.18
Total assets	71,797,358	57,944,178	45,540,225	57,437,651
Total current liabilities	13,983,502	16,571,520	28,890,594	23,209,072

\*includes costs allocated as part of the Metanor acquisition

<sup>1</sup> All periods are adjusted for 10:1 share consolidation completed on November 6, 2018

### **OVERALL PERFORMANCE**

During the nine month period ended September 30, 2020, the Company reported a net loss of \$14,777,684 compared to a net loss for the ten month period ended September 30, 2019 of \$36,891,376. Variations in expenses from the nine month period ended September 30, 2020 to the ten month period ended September 30, 2019 are as follows. (note: the comparative periods are not of even length as the current period is comprised of nine months while the comparative has ten):

- Exploration and evaluation expenses of \$13,315,475 (2019 - \$22,598,345). The decrease is due to mining tax credits received from Revenu Québec of \$4,529,345 (2019 - \$265,190) and the Company reducing exploration and evaluation expenditures as a result of Covid-19 from March to June 2020.;
- Mill care and maintenance of \$713,433 (2019 - \$1,686,406) is new as of June 1, 2019 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 \$851,572 (2019 - \$1,928,120). The decrease is a result of managements continued focus on preserving cash for exploration activities. The period ended September 30, 2020 included severance costs of \$325,000 (2019 - \$1,146,000). The Company expects these costs to increase in the coming quarters.;
- Professional fees decreased to \$271,148 in the period nine month ended September 30, 2020 from \$1,036,802 in the ten month period ended September 30, 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 increase in the coming quarters.;
- The Company had share based payments expense of \$2,789,000 (2019 - \$3,661,771) for the period ended September 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 \$182,429 in the nine month period ended September 30, 2020 as compared to \$729,125 in the ten month period ended September, 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 be consistent in the coming quarters.;
- Recovery of flow-through premium liability of \$3,741,000 (2019 - \$3,437,569) 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 premiums raised on 2019 financings for which the qualified expenditures made by the Company during 2020 as compared to 2019 were reducing the flow-through obligations.;
- Loss on discontinued operations of \$Nil (2019 - \$4,880,630) 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 September 30, 2020 was \$4,835,297 compared to \$18,762,439 at December 31, 2019. Working capital was \$4,952 at September 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:

<b>For the period ended,</b>	<b>Nine months September 30, 2020</b>	<b>Ten months September 30, 2019</b>
Short-term compensation		
Exploration and evaluation expenditures	\$ 62,000	\$ 106,000
Salaries, management and director fees	334,000	722,000
Professional fees	180,000	22,000
Termination fees paid or accrued (note 26)	485,000	1,146,000
	<b>1,061,000</b>	1,996,000
Share-based compensation	<b>1,957,000</b>	3,125,844
	<b>\$ 3,018,000</b>	\$ 5,121,844

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

Included in accounts payable at September 30, 2020 was \$Nil (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 TRANSACTIONS**

None

#### **RISKS AND UNCERTAINTIES**

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

#### **CONTINGENCIES AND COMMITMENTS**

The Company had entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination and change of control, the officers and consultants are entitled to certain amounts payable. As at September 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 nine month period ended September 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.

#### **Flow-through obligations**

As at September 30, 2020, the Company had a remaining commitment to incur exploration expenditures of approximately \$3,000,000 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 September 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. 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 will be submitted in the coming months. Once the permit has been approved by the MELCCC for the after the mill expansion to 2,400 tonnes per and the additional 8 millions tonnes tailing storage facility capacity is received, the Company will submit to MERN a new updated 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:

	<b>November 16, 2020</b>	<b>December 31, 2019</b>	<b>May 31, 2019</b>
Common shares	77,508,522	77,493,522	63,926,786
Warrants	5,589,835	5,719,835	1,111,827
Stock options	4,421,111	3,075,548	4,098,293
Fully diluted shares	87,519,468	86,288,905	69,136,906

### **OTHER INFORMATION**

Additional information is accessible at the Company's website [www.btrgold.com](http://www.btrgold.com) or through the Company's public filings at [www.sedar.com](http://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 nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 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 nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 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 Company's Audit Committee has reviewed the condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 2019 with management. The Board of Directors has approved these condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2020 and four and ten month periods ended September 30, 2019 on the recommendation of the Audit Committee.