

**THUNDERSTRUCK RESOURCES LTD.**

Condensed Consolidated Interim Financial Statements

Third Quarter September 30, 2020

*(Expressed in Canadian Dollars)*  
*(Unaudited)*

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**THUNDERSTRUCK RESOURCES LTD.**

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

**AS AT**

	September 30, 2020	December 31, 2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	915,530	25,543
Amounts receivable	82,847	110,208
Prepaid expenses	81,217	23,491
	<b>1,079,594</b>	159,242
Equipment (note 4)	141,193	73,284
Exploration advances and deposits	174,396	47,739
Exploration and evaluation asset (note 3)	1,787,880	1,570,810
<b>Total Assets</b>	<b>3,183,063</b>	1,851,075
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	121,457	528,966
Lease liability (note 5)	75,205	26,220
Exploration advance (note 3)	280,224	-
	<b>476,886</b>	555,186
Lease liability (note 5)	53,105	16,410
	<b>529,991</b>	571,596
<b>EQUITY</b>		
Share capital (note 6(b))	5,447,287	3,701,649
Obligation to issue shares	-	15,654
Reserves (note 6(e))	915,072	594,572
Deficit	(3,709,287)	(3,032,396)
<b>Total Equity</b>	<b>2,653,072</b>	1,279,479
<b>Total Equity and Liabilities</b>	<b>3,183,063</b>	1,851,075

See accompanying notes to the condensed consolidated interim financial statements

Nature and continuance of operations (note 1)

Approved by the Board of Directors and authorized for issue on November 26, 2020.

**On behalf of the Board:**

*"Bryce Bradley"*

(Director)

*"Brien Lundin"*

(Director)

**THUNDERSTRUCK RESOURCES LTD.**

## Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended September 30, 2020</b>	<b>Three Months Ended September 30, 2019</b>	<b>Nine Months Ended September 30, 2020</b>	<b>Nine Months Ended September 30, 2019</b>
	\$	\$	\$	\$
<b>EXPENSES</b>				
Advertising and promotion	4,136	10,761	19,111	37,145
Automobile	-	723	-	959
Consulting fees	54,006	10,000	85,930	42,031
Depreciation	621	-	1,070	-
Directors' fees (note 7)	3,000	-	9,000	-
Management fees (note 7)	80,000	30,000	170,000	90,000
Office and miscellaneous	8,455	6,450	18,313	14,137
Professional fees	8,125	9,500	26,397	22,400
Rent (note 7)	3,308	1,500	8,033	4,500
Share-based compensation (note 6(e))	243,653	-	324,160	82,412
Shareholder communication	27,627	-	30,698	11,354
Telephone	1,440	1,391	4,122	4,868
Travel and accommodation	3,736	12,062	17,528	21,241
Trust and filing fees	(1,015)	1,580	13,278	27,101
<b>Loss from operations</b>	<b>(437,092)</b>	<b>(83,967)</b>	<b>(727,640)</b>	<b>(358,148)</b>
Operator fees recoveries (note 3)	13,200	36,000	68,440	36,000
Loss on sale of vehicle	(4,442)	-	(4,442)	-
Foreign exchange	(2,868)	(2,015)	(10,183)	(7,842)
Finance expense (note 5)	(1,360)	(1,201)	(3,066)	(2,095)
<b>Net loss and comprehensive loss for the period</b>	<b>(432,562)</b>	<b>(51,183)</b>	<b>(676,891)</b>	<b>(332,085)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average common shares outstanding</b>	<b>82,765,122</b>	<b>57,894,752</b>	<b>68,784,290</b>	<b>57,180,521</b>

See accompanying notes to the condensed consolidated interim financial statements

**THUNDERSTRUCK RESOURCES LTD.**

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

**FOR THE NINE MONTHS ENDED SEPTEMBER 30,**

	2020	2019
<b>Cash provided by (used for):</b>	\$	\$
<b>Operating activities</b>		
Loss for the period	(676,891)	(332,085)
Items not involving the use of cash:		
Operator fees recoveries	(68,440)	(36,000)
Share-based compensation	324,160	82,412
Depreciation	1,070	-
Loss on sale of vehicle	4,442	-
Accrued interest expense	3,066	2,095
Unrealized foreign exchange	317	(2,170)
Changes in non-cash operating capital:		
Amounts receivable	2,845	(48,257)
Prepaid expenses	(57,726)	3,025
Accounts payable and accrued liabilities	(102,736)	(15,731)
<b>Cash used in operating activities</b>	<b>(569,893)</b>	<b>(346,711)</b>
<b>Investing activities</b>		
Equipment purchased	(3,500)	(13,436)
Proceeds from sale of vehicle	5,116	-
Exploration advances and deposits	(126,657)	(14,796)
Exploration advances received	737,066	784,350
Exploration and evaluation expenditures	(848,549)	(585,181)
<b>Cash used in investing activities</b>	<b>(236,524)</b>	<b>170,937</b>
<b>Financing activities</b>		
Private placement – net of share issue costs	1,168,849	190,935
Subscriptions receivable	-	10,000
Options exercised	3,500	5,500
Warrants exercised	553,975	-
Lease payments	(29,920)	(14,835)
<b>Cash provided by financing activities</b>	<b>1,696,404</b>	<b>191,600</b>
Change in cash during the period	889,987	15,826
Cash, beginning of period	25,543	36,950
Cash, end of the period	915,530	52,776

**Supplementary disclosure:**

At September 30, 2020, the Company had \$52,772 (2019 - \$334,568) in exploration expenditures in accounts payable and incurred depreciation expense of \$37,180 (2019 - \$19,978) through exploration expenditures.

See accompanying notes to the condensed consolidated interim financial statements

**THUNDERSTRUCK RESOURCES LTD.**

## Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital \$	Obligation to issue shares \$	Subscription receivable \$	Reserves \$	Deficit \$	Total \$
December 31, 2018	54,611,167	3,499,806	-	(10,000)	517,568	(2,621,654)	1,385,720
Private placement	3,183,585	205,931	-	-	-	-	205,931
Share issue costs	-	(14,996)	-	-	-	-	(14,996)
Share-based compensation	-	-	-	-	82,412	-	82,412
Subscriptions received	-	-	-	10,000	-	-	10,000
Options exercised	100,000	10,908	-	-	(5,408)	-	5,500
Net loss for the period	-	-	-	-	-	(332,085)	(332,085)
<b>September 30, 2019</b>	<b>57,894,752</b>	<b>3,701,649</b>	<b>-</b>	<b>-</b>	<b>594,572</b>	<b>(2,953,739)</b>	<b>1,342,482</b>
Obligation to issue shares	-	-	15,654	-	-	-	15,654
Net loss for the period	-	-	-	-	-	(78,657)	(78,657)
<b>December 31, 2019</b>	<b>57,894,752</b>	<b>3,701,649</b>	<b>15,654</b>	<b>-</b>	<b>594,572</b>	<b>(3,032,396)</b>	<b>1,279,479</b>
Private placement	20,823,207	1,216,235	(15,654)	-	-	-	1,200,581
Share issue cost	-	(31,732)	-	-	-	-	(31,732)
Share-based compensation	-	-	-	-	324,160	-	324,160
Options exercised	50,000	6,934	-	-	(3,434)	-	3,500
Warrants exercised	5,425,500	554,201	-	-	(226)	-	553,975
Net loss for the period	-	-	-	-	-	(676,891)	(676,891)
<b>September 30, 2020</b>	<b>84,193,459</b>	<b>5,447,287</b>	<b>-</b>	<b>-</b>	<b>915,072</b>	<b>(3,709,287)</b>	<b>2,653,072</b>

See accompanying notes to the condensed consolidated interim financial statements

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

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## 1. NATURE AND CONTINUANCE OF OPERATIONS

Thunderstruck Resources Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on October 27, 2011 and its principal activity is the acquisition and exploration of mineral properties.

The Company's registered office address is Suite 2080 - 777 Hornby Street, Vancouver, BC V6Z 1S4 and its principal place of business is Suite 488 – 1090 West Georgia Street, Vancouver, BC V6E 3V7.

The Company's principal mineral property interest is a project located on the main island of Fiji. The Company is in the process of exploring this project and has yet to determine if the project contains economically recoverable mineral reserves. The Company's continuing operations and the underlying value of the project is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the project, obtaining the necessary permits to mine, future profitable production from any mine and any proceeds from the disposition of the project.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has working capital of \$602,708 as at September 30, 2020, no source of operating revenue, and is dependent upon the future receipt of equity financing to maintain its operations and to advance its current project. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital. At the present time, there are material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed consolidated interim statements of financial position.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual financial statements for the year December 31, 2019 as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

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## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### b) Basis of measurement *(continued)*

These condensed consolidated interim financial statements include the accounts of the Company and its 100% controlled entity, Thunderstruck Limited (a Fijian corporation) (“Thunderstruck Fiji”) and Thunderstruck Fiji’s 100% controlled entity, Aljen (Pacific) Limited (a Fijian corporation).

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also all the entities’ functional currency.

### c) Use of judgements and estimates

The preparation of these condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following are the most significant accounting judgments and estimates that the Company has made in the preparation of these condensed consolidated interim financial statements.

#### Critical judgements in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- The determination that there are no pervasive indicators which would require an impairment provision in connection with the carrying value of the company’s exploration and evaluation assets.
- The determination that the Company will continue as a going-concern for the next year.

#### Key sources of estimation uncertainty:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### *Share-based payments*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Equity-settled transactions with non-employees are recorded at the fair value of the service provided, where this is readily determinable. In other instances, they are recorded at the fair value of the equity instruments issued. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share-based award, volatility and dividend yield and making assumptions about them.

#### *Deferred tax assets*

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

## 3. EXPLORATION AND EVALUATION ASSETS

	Fijian Project, Fiji
	\$
<b>Balance, December 31, 2018</b>	<b>1,387,800</b>
Assay	9,695
Camp costs	142,239
Community relations	2,170
Depreciation (note 4)	28,990
Development	411,374
Field office	125,910
Geological	436,293
Management	69,927
Recoveries	(1,091,817)
Supplies	48,229
<b>Balance, December 31, 2019</b>	<b>1,570,810</b>
Assay	5,899
Camp costs	86,125
Community relations	27,449
Depreciation (note 4)	37,180
Drilling and site works	162,467
Field office	99,015
Geological	62,650
Management	59,881
Recoveries	(363,886)
Supplies	40,290
<b>Balance, September 30, 2020</b>	<b>1,787,880</b>

### Fijian Project, Island of Viti Levu, Fiji

On August 4, 2016, the Company entered into a Share Sale Agreement (the "Agreement") to acquire all of the issued and outstanding shares of Aljen (Pacific) Limited ("Aljen"), a private Fijian company holding legal title to portfolio of base metal and gold properties located on the island of Viti Levu, Fiji (the "Properties").

Pursuant to the Agreement, the Company paid cash of AUD\$158,000 plus VAT and issued 450,000 common shares of the Company. The Company is required to issue a further 1,000,000 common shares of the Company in the event the Company or its successors either a) identify indicated mineral resources (or better and as prepared in compliance with NI 43-101) containing a minimum of 250,000 ounces of gold or 3,000,000 tonnes of copper, zinc or silver on the Properties; or b) completes a prefeasibility study on the Properties.

The Company is satisfied that evidence of title to the property is adequate and acceptable to prevailing Fijian standards with respect to the current stage of exploration on this property. Although the Company is unaware of any defects in title to its property, no guarantee can be made that none exist.

### Joint Venture with Japan Oil, Gas and Metals National Corporation

On February 28, 2019, the Company signed a Letter Agreement (the "Agreement") with Japan Oil, Gas and Metals National Corporation ("JOGMEC"), whereby JOGMEC has the option to earn a 70% ownership interest in a wholly owned subsidiary to be established by the Company under the laws of Fiji ("FijiSub"). Upon completion of the option, JOGMEC will have an indirect interest in the Korokayiu Property (the "Mineral Licence") in Fiji, currently held 100% by Thunderstruck Fiji. Thunderstruck Fiji will transfer the Mineral License to FijiSub as soon as is practicably possible.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

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## 3. EXPLORATION AND EVALUATION ASSETS *(continued)*

### *Joint Venture with Japan Oil, Gas and Metals National Corporation (continued)*

The Agreement grants JOGMEC the option to earn a 70% ownership interest by funding CDN\$3,500,000 of exploration through March 31, 2022, subject to acceleration at JOGMEC's discretion.

In order to earn a 70% interest, JOGMEC must complete the exploration requirement as follows:

- 1) Term 1 Program: CDN\$900,000 during the period commencing on February 28, 2019 (the "Effective Date") and ending March 31, 2020. During fiscal 2019, the Term 1 Program was amended to increase funding. During the Term 1 Program, the Company received \$1,449,589. The Term 1 Program funding has completed.
- 2) Term 2 Program: CDN\$1,100,000, amended to CDN\$1,650,000, for the period commencing April 1, 2020, and ending March 31, 2021. During the Term 2 Program, the Company received \$449,027. Subsequent to September 30, 2020, the Company received \$264,000 toward the Term 2 Program.
- 3) Term 3 Program: CDN\$1,500,000 during the period commencing April 1, 2021, and ending March 31, 2022.

During the period ended September 30, 2020, the Company recognized a recovery of \$363,886 (2019 - \$735,178) against exploration and evaluation assets and operator income of \$68,440 (2019 - \$36,000) related to the JOGMEC funding. As at September 30, 2020, the Company had been advanced \$280,224 (December 31, 2019 - \$Nil) to be applied against future expenditures.

Investment in the Mineral Licence will be on a pro-rata basis after JOGMEC has fulfilled its funding obligation.

During the JOGMEC option period, the Company will be the operator for all operations and will be responsible for the preparation, conduct and oversight of prospecting operations, and the hiring of any third party consultants.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

## 4. EQUIPMENT

	Computers	Vehicles	Right-of-use assets (Vehicles)	Total
<b>Cost</b>				
Balance, December 31, 2018	\$ -	\$ 26,968	\$ -	\$ 26,968
Additions	3,000	13,436	63,993	80,429
Balance, December 31, 2019	3,000	40,404	63,993	107,397
Additions	3,500	-	112,217	115,717
Disposal	-	(13,436)	-	(13,436)
Balance, September 30, 2020	\$ 6,500	\$ 26,968	\$ 176,210	\$ 209,678
<b>Accumulated Depreciation</b>				
Balance, December 31, 2018	\$ -	\$ 4,673	\$ -	\$ 4,673
Depreciation	450	8,421	20,569	29,440
Balance, December 31, 2019	450	13,094	20,569	34,113
Depreciation	1,070	7,260	29,920	38,250
Disposal	-	(3,878)	-	(3,878)
Balance, September 30, 2020	\$ 1,520	\$ 16,476	\$ 50,489	\$ 68,485
<b>Net Book Value</b>				
Balance, December 31, 2019	\$ 2,550	\$ 27,310	\$ 43,424	\$ 73,284
Balance, September 30, 2020	\$ 4,980	\$ 10,492	\$ 125,721	\$ 141,193

## 5. LEASE LIABILITY

The following is a continuity schedule of lease liability for the periods presented:

	September 30, 2020	December 31, 2019
Balance, beginning of the period	\$ 42,630	\$ -
Lease additions in the period	112,217	63,993
Accrued finance expense	3,066	3,147
Foreign exchange	317	(2,397)
Lease payments	(29,920)	(22,113)
Balance, end of the period	\$ 128,310	\$ 42,630
Current (less than one year)	\$ 75,205	\$ 26,220
Long-term	53,105	16,410
Balance, end of the period	\$ 128,310	\$ 42,630

The Company entered into a vehicle lease in Fiji in the year ended December 31, 2019 and has applied an incremental borrowing rate of 8.95%. The Company entered into two additional vehicle leases in the period ended September 30, 2020 and has applied an incremental borrowing rate of 7.00%.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

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## 6. SHARE CAPITAL

### a) *Authorized share capital*

At September 30, 2020, the authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value.

### b) *Issued share capital*

*For the Nine Months Ended September 30, 2020*

On January 7, 2020, the Company completed a private placement totalling 3,315,707 units at a \$0.05 per unit, for gross proceeds of \$165,785, of which \$15,564 had been received as at December 31, 2019, with each unit consisting of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to purchase a further common share at a price of \$0.10 per share until January 5, 2023.

On June 24, 2020, the Company completed a private placement totalling 17,507,500 units at a \$0.06 per unit, for gross proceeds of \$1,050,450. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase a further common share at a price of \$0.10 per share until June 24, 2025. The Company paid a total of \$11,520 in finders' fees and incurred other share issuance costs of \$7,500.

*For the Year Ended December 31, 2019*

On January 28, 2019, the Company completed a private placement totalling 1,692,000 units at \$0.06 per unit for total gross proceeds of \$101,520, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to acquire one common share for \$0.15 per share for a period of 3 years.

On March 15, 2019, 100,000 stock options were exercised at \$0.055 per share, for gross proceeds of \$5,500. As a result of this transaction, a further \$5,408 was reclassified from Reserves to Share capital

On April 4, 2019, the Company completed a private placement totalling 1,491,585 units at \$0.07 per unit for total gross proceeds of \$104,411, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to acquire one common share for \$0.15 per share for a period of 3 years.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

## 6. SHARE CAPITAL (continued)

### c) Share purchase options

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options from time to time to acquire a maximum number of common shares of up to 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors. Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated, the options fully vest when granted.

The following is a summary of the changes in the Company's outstanding stock options:

	September 30, 2020		December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	4,655,000	0.08	5,200,000	0.08
Granted	3,900,000	0.09	1,200,000	0.07
Exercised	(50,000)	0.07	(100,000)	0.06
Expired/Forfeited	(150,000)	0.10	(1,645,000)	0.07
Balance, end of the period (1)	8,355,000	0.09	4,655,000	0.08

(1) At September 30, 2020, the weighted-average remaining contractual life of stock options outstanding is 7.25 years (December 31, 2019 – 7.67 years).

Summary of stock options outstanding and exercisable at September 30, 2020:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
	\$	
300,000	0.08	June 25, 2023
1,400,000	0.05	June 25, 2025
180,000	0.05	September 22, 2025
1,150,000	0.085	August 26, 2026
300,000	0.10	April 13, 2027
375,000	0.09	September 6, 2027
1,100,000	0.09	March 13, 2028
200,000	0.055	October 9, 2028
1,150,000	0.07	April 5, 2029
1,100,000	0.075	January 30, 2030
1,100,000	0.115	September 23, 2030
8,355,000		

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

## 6. SHARE CAPITAL (continued)

### d) Share purchase warrants

The following is a summary of the changes in the Company's outstanding warrants:

	September 30, 2020		December 31, 2019	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	28,705,127	0.14	32,539,085	0.13
Exercised	(5,325,500)	0.10	-	0.11
Expired	(776,500)	0.12	(5,425,750)	0.11
Granted	19,165,354	0.10	1,591,792	0.15
Balance, end of the period	41,768,481	0.13	28,705,127	0.14

Summary of warrants outstanding at September 30, 2020:

Number Outstanding	Exercise Price	Expiry Date
	\$	
2,000,000	0.10	February 28, 2021
5,250,000	0.15	March 13, 2021 <sup>(1)</sup>
2,262,000	0.15	May 25, 2021 <sup>(1)</sup>
1,250,000	0.15	October 9, 2021 <sup>(1)</sup>
951,835	0.15	November 9, 2021 <sup>(1)</sup>
846,000	0.15	January 28, 2022 <sup>(1)</sup>
745,792	0.15	April 5, 2022 <sup>(1)</sup>
9,297,500	0.15	September 6, 2022 <sup>(1)(2)</sup>
1,657,854	0.10	January 5, 2023 <sup>(1)</sup>
17,507,500	0.10	June 24, 2025
41,768,481		

<sup>(1)</sup> The warrants are subject to an accelerated exercise provision such that if the closing price of the Company's common shares exceeds \$0.25 per share for a period of 20 consecutive trading days, the Company may give notice of the acceleration of the warrants' terms to a period of 30 days following such notice.

<sup>(2)</sup> Extended the expiry date during the period ended September 30, 2020. The new expiry date will provide a two year extension to expire on September 6, 2022. The warrants continue to be exercised at their original exercise price.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

## 6. SHARE CAPITAL (continued)

### e) Share-based payment reserve

During the period ended September 30, 2020, the Company granted the following options:

- 1,100,000 options with a fair value of \$80,507, or \$0.0732 per option.
- 1,400,000 options with a fair value of \$100,115, or \$0.0715 per option.
- 300,000 options with a fair value of \$18,029, or \$0.0601 per option.
- 1,100,000 options with a fair value of \$125,509, or \$0.1141 per option.

During the year ended December 31, 2019, the Company granted the following options:

- 1,200,000 options with a fair value of \$82,412, or \$0.0687 per option.

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted:

	September 30, 2020	December 31, 2019
Risk-free interest rate	0.53%	1.70%
Expected life	6.75 years	10 years
Expected volatility	152.03%	146.45%
Dividend rate	0.00%	0.00%

## 7. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	2020	2019
	\$	\$
Automobile <sup>(1)</sup>	-	959
Consulting fees	6,865 <sup>(2)</sup>	22,500 <sup>(3)</sup>
Directors' fees	9,000	-
Management fees <sup>(4)</sup>	170,000	90,000
Rent <sup>(1)</sup>	8,033	4,500
Share-based compensation	218,281	75,545
<b>Total key management compensation</b>	<b>412,179</b>	<b>193,504</b>

<sup>(1)</sup> Expenses paid on behalf of the CEO or to a company owned by the CEO per the CEO's consulting agreement.

<sup>(2)</sup> Consulting fee include fees for the CFO.

<sup>(3)</sup> Consulting fee include fees for a company where the former CFO is an associate.

<sup>(4)</sup> Management fees include fees for the CEO.

As at September 30, 2020, the Company owes various directors and officers of the Company \$5,910 (December 31, 2019 - \$103,551) for administrative expenses and professional fees provided. All amounts are included in accounts payable and accrued liabilities.

# THUNDERSTRUCK RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30, 2020

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## 8. CAPITAL MANAGEMENT

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. To effectively manage its resources and minimize risks, the Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. In the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

## 9. FINANCIAL INSTRUMENT RISKS

### *Financial instruments*

The Company's financial instruments are exposed to the following risks:

#### *Credit Risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash, amounting to \$915,530 at September 30, 2020 (December 31, 2019 - \$25,543). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company is working to meet its capital requirements to satisfy its obligations. Liquidity will be managed through its Agreement (note 3) and additional financing through debt and/or equity as available.

#### *Foreign Exchange Risk*

The Company's has engaged a number of vendors in the pursuit of mineral exploration activities in Fiji. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and Fijian dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may reduce its foreign currency risk as needed by substituting Canadian vendors as required. Foreign currency risk is considered low relative to the overall financial operating plan.

#### *Interest Rate Risk*

The Company has been exposed to interest rate risk on its cash. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. At September 30, 2020, the Company maintained all of its cash balance on deposit in chequing accounts with a major Canadian bank and a major Fijian bank.

#### *Fair Value of Financial Instruments*

The Company's cash, amounts receivable, exploration advances, accounts payable and accrued liabilities are carried at amortized cost and approximate fair value due to their short-term nature.