REPORT FOR THE FOUR MONTH PERIOD ENDED SEPTEMBER 30, 2019
MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the four month period ended September 30, 2019 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 four month period ended September 30, 2019 should be read in conjunction with the condensed consolidated interim financial statements as at and for the four month period ended September 30, 2019 and three month period ended August 31, 2018. This Quarterly Highlights is effective November 25, 2019. 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 four month period ended September 30, 2019 and three month period ended August 31, 2018 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 four month period ended September 30, 2019 and three month period ended August 31, 2018 and did not perform the tests deemed necessary to enable them to express an opinion on these condensed consolidated interim financial statements.

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 September 24, 2018, the Company completed the acquisition of Metanor Resources Inc. ("Metanor"), a Québec based corporation engaged in the exploration and development of mining properties. The Company remains focused on exploration.

Prior to the acquisition, the Company completed a plan of arrangement whereby the Company spun out its Larder Lake Project assets and liabilities and $7,000,000 in cash in order to create a new exploration company, by way of plan of arrangement under the *Business Corporations Act* (British Columbia). Each holder of common shares of the Company received one common share of the new Company for every seven common shares of the Company held.

On November 6, 2018, the Company consolidated its common shares on a one new share for ten old shares basis. All share and per share amounts have been revised to reflect the consolidation.

BOARD OF DIRECTORS

Greg Gibson
Position: President and Chief Executive Officer
Mr. Gibson is President and CEO of Sprott Mining. Greg cumulates over 30 years' experience in the mining industry as a miner, mine manager, director, CEO and president. Greg's experience has focused on gold and copper mines primarily in Canada, US and Australia.

Akiba Leisman
Position: Director
Mr. Leisman co-founded and serves as the CEO of Sailfish Royalty Corp. Mr. Leisman is also a consultant at Wexford Capital LP where he oversees the precious metals public and private equity portfolios. Mr. Leisman has an MBA from New York University, and a B.S. in Chemical Engineering from Carnegie Mellon University.

Allan J. Folk
Position: Director
Mr. Folk has over 35 years of extensive leadership experience in the Canadian mining finance industry. Currently Vice President of Brant Securities Ltd.

Matthew Happyjack
Position: Director
Mr. Happyjack is currently the President of Air Creebec, a regional airline based in Val-d'Or, Québec. Mr. Happyjack holds an MBA from the Université du Québec en Abitibi-Témiscaminque, where he also completed a Certificate in Accounting. He also holds certificates in Community Economic Development and Management and in Community Management, from Concordia University.

Tina Ouellette, ICD.D.
Position: Director
Mrs. Ouellette has over 20 years' experience in Human Resources and management acquired through a number of senior positions with Lake Shore Gold Corp., FNX Mining, Dynatec and Domtar Forestry. She has a proven track record in providing leadership and strategy in the development and growth phase of mining operations, as well as merger and acquisition transactions.

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.

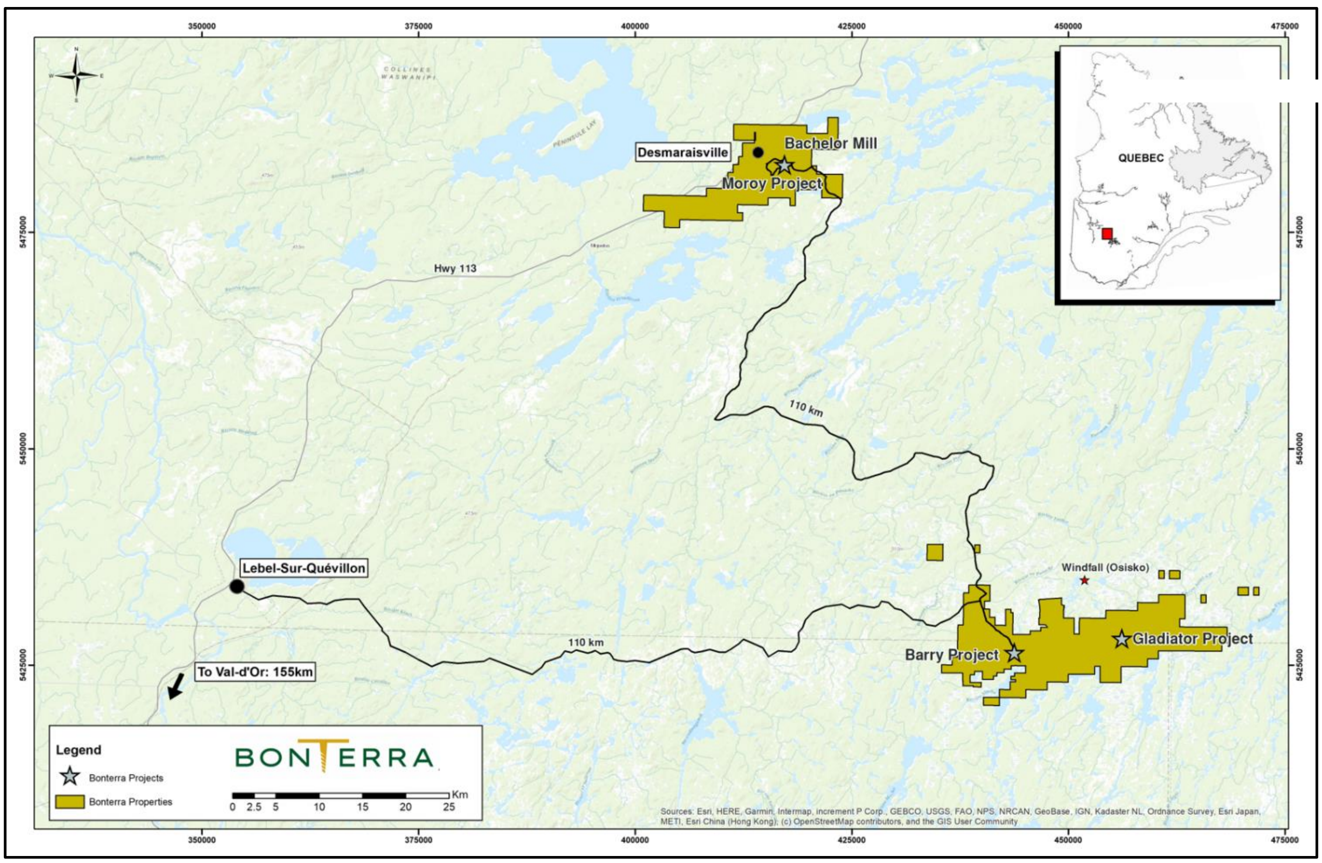
Table 4. Moroy Mineral Resource Estimate tabulated at various cut off grades

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 Urban-Barry Mill over the life of the three mines.

BONTERRA EXPLORATION PROJECTS – URBAN-BARRY, QUÉBEC



COLISEUM PROPERTY

The Company holds a 100% interest in 95 claim blocks in Québec. The property is subject to a 2% net smelter returns royalty ("NSR"), of which 0.5% can be purchased by the Company for $1,000,000.

WEST ARENA PROPERTY

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

The agreement is subject to a 2% NSR, of which 1% can be purchased for $500,000. On November 7, 2013, the Company sold a 1% NSR interest in the West Arena property.

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 agreement is subject to a 2% NSR, of which 1% may be purchased for $1,000,000.

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. Both vendors retain a 2% NSR, each of which 1% can be purchased by Bonterra for $1,000,000.

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.

On the Macho South Property, the vendor retains a 2% NSR, of which 1% can be purchased by Bonterra for $1,000,000.

On the Barry Property, the vendor retains a 2% NSR, of which 1% can be purchased by Bonterra for $1,000,000.

On the Bailly Property, the vendor retains a 2% NSR, of which 1% can be purchased by Bonterra for $1,000,000.

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 on or before July 6, 2020; and
- An additional $1,500,000 on or before July 6, 2021.

The Duke Property is subject to an underlying 2.3% NSR, of which 1% can be purchased for $1,000,000.

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.

Bordreault-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.

Moroy Deposit

The Moroy Deposit is a recent discovery near the Urban-Barry 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 two unmined parallel 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.

Urban-Barry Mill

The Urban-Barry 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 will undertake a mill expansion project in order to increase the production capacity of the Urban-Barry Mill from 1,200 tpd to 2,400 tpd.

From the date of acquisition to May 31, 2019, a total of 2,569 tonnes were milled at a feed grade of 3.0 (g/t) and a mill recovery rate of 96%. A total of 312 ounces were produced and 2,014 ounces were sold, before the mill was put on care and maintenance.

COMPANY HIGHLIGHTS FROM THE BEGINNING OF THE PERIOD TO THE REPORT DATE

- 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 four month period ended September 30, 2019 and the two most recent years ended May 31, 2019 and 2018:

	Four Month Period Ended September 30, 2019	Year Ended May 31, 2019	Year Ended May 31, 2018
Recurring revenue	**$NIL**	$NIL	$NIL
Net loss and Comprehensive loss[1]	**(9,407,307)**	(100,843,563)	(22,002,860)
Basic and diluted loss per share[2]	**(0.14)**	(2.42)	(1.11)
Total assets	**71,797,358**	57,944,178	28,125,586
Total current liabilities	**13,983,502**	16,571,520	6,808,404

[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	Four Month Period Ended September 30, 2019 $	Three Month Period Ended May 31, 2019 $	Three Month Period Ended February 28, 2019 $	Three Month Period Ended November 30, 2018** $
Exploration expenses and impairment of mining properties	9,722,814	9,722,814	6,877,347	59,586,497
Loss for the period	5,251,167	5,251,167	19,900,631	68,108,881
Basic and diluted loss per share	0.09	0.09	0.43	2.26
Total assets	57,944,178	57,944,178	45,540,225	57,437,651
Total current liabilities	16,571,520	16,571,520	28,890,594	23,209,072

**includes costs allocated as part of Metanor acquisition

For the Quarters Ending	Three Month Period Ended August 31, 2018 $	Three Month Period Ended May 31, 2018 $	Three Month Period Ended February 28, 2018 $	Three Month Period Ended November 30, 2017 $
Exploration expenses	8,366,638	9,304,374	4,929,544	5,031,388
Loss for the period	7,582,884	8,123,956	6,004,926	3,520,119
Basic and diluted loss per share	0.33	0.36	0.32	0.19
Total assets	21,215,157	28,125,586	37,797,275	23,449,188
Total current liabilities	5,305,859	6,808,404	9,062,162	5,264,204

OVERALL PERFORMANCE

During the four month period ended September 30, 2019, the Company reported a net loss of $9,407,307 compared to a net loss for the three month period ended August 31, 2018 of $7,582,884. Variations in expenses from the four month period ended September 30, 2019 to the three month period ended August 31, 2018 after factoring an additional month in the current period comparison are as follows:

- Exploration and evaluation of $6,508,256 (2018 - $8,366,638). The Company expects to maintain this level of exploration and evaluation expenditures in the coming quarter in order and then to increase exploration in the winter months in order to meet its flow-through share obligations;
- Salaries, management and director fees including consulting fees were $431,446 (2018 - $490,683). The decrease is a result of current managements continued focus on preserving cash for exploration activities.;
- Professional fees decreased to $298,134 in 2019 from $388,627 in 2018 due to the Company completing more of this work using its in-house staff to reduce costs. The Company expects these professional fees to decrease in the coming quarters.;
- The Company incurred costs of $313,328 in shareholder communications and investor relations as compared to $365,793 in 2018 and $112,487 in travel as compared to $192,809 in 2018. The decreases are due to less travel, marketing and promotional activity in 2019 as the Company focuses its resources on exploration. The Company expects these shareholder communications and investor relations and travel costs to decrease in the coming quarter.;
- Recovery of flow-through premium liability of $1,449,000 (2018 - $2,063,285) related to the reduction of the flow-through premium liability created by the issuance of flow-through shares at a premium. The decrease was the result of less qualified expenditures made by the Company during 2019 compared to 2018.;
- Loss on discontinued operations of $300,000 (2018 - $Nil) is new for 2019 as a result of the acquisition of Metanor. The Company wound down its production operations in October 2018.; and
- Loss on derivative liability of $876,046 (2018 - $nil) related to the difference between the amounts paid for the gold delivered under the Sandstorm agreement compared to the fair value on the date of acquisition from Metanor. In addition, the fair value of the gold to be delivered is revalued and any difference is recorded as a gain or loss on derivative liability for that period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at September 30, 2019 was $23,580,456 compared to $9,806,591 at May 31, 2019. The working capital was $13,482,179 at September 30, 2019, compared to working capital deficit of $2,980,830 at May 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. In addition, the Company issued 100,000 common shares for proceeds of $200,000 on the exercise of 100,000 stock options.

During the four month period ended ended September 30, 2019, the Company issued 100,000 common shares for proceeds of $200,000 on the exercise of 100,000 stock options.

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.

Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and, as such, alternative funding programs are also being pursued by the Company.

The Company must utilize its current cash reserves, funds obtained from the exercise of options and warrants, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, and ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company anticipates that it will raise additional capital when and if the opportunity arises.

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

For the period,		**Four months ended September 30,**		Three month period ended August 31,
Short-term compensation				
Exploration and evaluation expenditures	**$**	**-**	$	146,000
Salaries, management and director fees		**202,000**		116,000
Professional fees		**-**		32,500
	$	**202,000**	$	294,500

During the four month period ended September 30, 2019, the Company received $Nil (Three month period ended August 31, 2018 - $18,000) for the recovery of rent expense from companies related by a former common officer. Included in receivables at September 30, 2019 was $nil (May 31, 2019 - $Nil) for the recovery of shared expenses from companies related by a former common officer.

Included in accounts payable at September 30, 2019 was $Nil (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.

During the four month period ended September 30, 2019, the Company paid or accrued $Nil (Three month period ended August 31, 2018 - $18,760) to private companies with former common directors for exploration and evaluation expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSCATIONS

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.

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

See Note 26 to the condensed consolidated interim financial statements for the four month period ended September 30, 2019 and the three month period ended August 31, 2018 for more detailed disclosure regarding possible contingencies or commitments.

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 September 30, 2019.

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:

	November 25, 2019	**September 30, 2019**	May 31, 2019
Common shares	**75,206,456**	**75,206,456**	63,926,786
Warrants	**6,701,662**	**6,701,662**	1,111,827
Stock options	**3,451,588**	**3,451,588**	4,098,293
Fully diluted shares	**85,359,706**	**85,359,706**	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 four month period ended September 30, 2019 and the three month period ended August 31, 2018 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 four month period ended September 30, 2019 and the three month period ended August 31, 2018 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 four month period ended September 30, 2019 and the three month period ended August 31, 2018 with management. The Board of Directors has approved these condensed consolidated interim financial statements for the four month period ended September 30, 2019 and the three month period ended August 31, 2018 on the recommendation of the Audit Committee.