BLUE THUNDER MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

DECEMBER 31, 2022 and 2021

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Blue Thunder Mining Inc. (the "Company", "Blue Thunder", or "BTMI") for the years ended December 31, 2022 and 2021 should be read in conjunction with the Audited Annual Consolidated Financial Statements for the years ended December 31, 2022 and 2021, and related notes thereto (the "Annual Financial Statements"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted. This MD&A is reported as of April 28, 2023.

2.0 CAUTIONARY NOTE

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated content, commencement, anticipated exploration program results, the ability to complete future financings, the ability to complete the required permitting, the ability to complete the exploration program and drilling, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the commodity markets generally, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the inability of the Company to obtain any necessary permits, consents or authorizations required, including TSX-V acceptance, for its planned activities, the analytical results from surface trenching and sampling program, including diamond drilling programs, the results of IP surveying, the inability of the Company to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, the potential impact of COVID-19 (coronavirus) on the Company's exploration program and on the Company's general business, operations and financial condition, and other risks and uncertainties. Readers are urged to access www.sedar.com to review additional information about the Company, including the technical reports filed with respect to the Company's mineral properties. This document contains information with respect to adjacent or similar mineral properties in the Chibougamau District in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits, and the results of any mining thereof, on adjacent or similar properties, are not indicative of mineral deposits on the Company's properties or any potential exploitation thereof.

3.0 BACKGROUND

3.1 DIRECTORS, OFFICERS AND MANAGEMENT

Chad Williams – Non-Executive Chairman, Director
Dorian L. (Dusty) Nicol – CEO, Director
Jean-Patrick Lariviere – Director
Phil Girard – Director
Donna McLean – CFO
Namrata Malhotra – Corporate Secretary

3.2 REGISTERED OFFICE

The Company's registered office is located at 2704-401 Bay Street, P.O. Box 4, Toronto, Ontario M5H 2Y4.

3.3 EXCHANGE LISTINGS

The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BLUE", and on the OTCQB Venture Market ("OTCQB") under the symbol "BLTMF".

3.4 CORPORATE INFORMATION

Blue Thunder was incorporated pursuant to the Business Corporations Act (Ontario) on April 28, 2017 and is an exploration stage company engaged in the identification, evaluation, acquisition and exploration of primarily gold and base metal properties in Québec, Ontario, Canada.

Email: info@bluethundermining.com; Website: http://www.bluethundermining.com

4.0 STRATEGY AND OBJECTIVES

BTMI'S strategy is to explore and discover world-class mineral deposits amenable to economic exploitation.

The Company holds a 100% interest in five non-contiguous mineral exploration properties near Chibougamau, Québec. The properties cover approximately 52,000 hectares (ha) and include the Muus, Muus East, Nisk, Fancamp and Embry properties, which together comprise the Muus Project (the "Project").

4.1 KEY PERFORMANCE DRIVERS

- The Company has an experienced exploration team and a diverse Board with strong technical backgrounds
- The Company is using the latest, state-of-the-art geochemical and geophysical techniques to explore under glacial cover
- The Muus Project is located within the historic Chibougamau mining camp of Québec, which has been undergoing a significant revival over the past few years driven by high profile discoveries at the nearby Nelligan and Monster Lake deposits
- The province of Québec is rated among the top jurisdictions worldwide according to the Fraser Institute 2020 Mining Survey
- With the Muus project in Québec, the Company has access to very attractive flow-through funding
- The Project has very good local infrastructure and access, and is amenable to year-round exploration

4.2 OBJECTIVES FOR 2023

- Continue a multi-year exploration program that comprises property-scale 3D modelling of multiple datasets, targeted diamond drilling, till and soil sampling programs, IP and other geophysics surveys over selected targets, trenching, channel sampling and prospecting over Muus, Fancamp and other parts of the Project
- Exploration will focus on the discovery of the following types of mineralization:
  - Metasedimentary hosted disseminated gold mineralization, similar to the nearby Nelligan gold deposit
  - Abitibi lode gold style mineralization, similar to the nearby Monster Lake and Philibert deposits
  - Volcanogenic massive sulphide (VMS) copper-lead-zinc mineralization potentially associated with silver and gold mineralization
- Continue exploration of the Project with the following objectives:
  - Continue compiling and assessing historic information, incorporating it with newly acquired data, with the goal of identifying new potential targets
  - Identify and follow-up on new targets generated by the 2021 program
  - Additional drilling around the Company's current main targets and testing new anomalies
- The Company's long-term objective is to make a discovery and complete sufficient drilling to support an inaugural NI 43-101 mineral resource estimate.

4.3 2022 RESULTS

Below are highlights of the 2021 exploration programmes:

Drilling: The total drilling program proposed was 1500m in five holes. Approximately 1250m was drilled in five holes, with the shortfall, and abandonment of the fifth hole short of target depth, being due to poor drilling conditions.

One drill hole was collared in the Hazeur area, around 2.5km east of the Discovey gold showing to follow up on a strong IP anomaly interpreted from an historical IP survey. Soil samples in that area also suggested the proximity of a polymetallic enrichment in the bedrock. Hole MUUS22-14 was drilled with a dip of 45˚ at 210N for a total of 246m. This hole intersected 3.1m of 0.41 g/t Au between 12.4 – 15.5 m from surface. No other significant gold or copper values were encountered. Brecciation and quartz-carbonate veining were observed in the drill core but were not associated with anomalous metal values.

A second drill hole (MUUS22-15) was collared in the Welb area, targeting directly under the Welb gold showing main historical trench. The hole was also following up on the interpretation of the 2022 Max-Min survey. Hole MUUS22-15 was drill with a dip of 45˚ at 180N for a total length of 117m. No anomalous gold or copper were intersected in the hole.

Three diamond holes were drilled in the Lac Bernard area. The three holes were targeting various IP anomalies, following up on the winter 2022 IP survey. Hole MUUS22-16 was drilled with a dip of 45˚ at 180N for a total of 555m, targeting the main IP anomaly identified. Hole MUUS22-17 was drilled with a dip of 45˚ at 180N for a total of 228m, targeting the main IP anomaly identified. Hole MUUS22-18 was drilled with a dip of 45˚ at 360N for a total of 105m, targeting the second IP anomaly. Hole MUUS22-18) was canceled at 108 meters due to very poor core recovery (less than 50%).

The 2022 drilling campaign took place from November 01 to December 04, 2022. Five (5) diamond drilling holes were drilled. A total 403 cores samples and 44 QAQC samples were sent to ALS laboratory in Val d'Or.

The drilling program did not lead to any gold or base metal discovery. IP anomalies were explained by graphitic sediments. The Welb showing does not seem to have any continuity at depth and is still not well understood.

Geophysics: During the winter of 2022, a 25.025 km grid was cut and surveyed for the IP and another 32.437 km grid for Max- Min. The grids for the IP cover the Guercheville fault (near Lake Bernard), the areas of Lake Irene and an area north of Lake Caopatina. Those for Max-Min cover the Welb sector, the west of MUUS, the Discovery sector and the Chinook area. The Grid lines were cut from January to June 2022 and the IP and Max-Min geophysical survey executed the survey during these same dates. These surveys covered the entire grids except for the Doda grid, which had to be cut short due to snowmelt.

Several chargeability anomalies were identified for follow up.

An EM Max-Min program was completed on the Muus property in order to acquire some knowledge that is essential to proceed to a detail mapping of the conductors, that can then be used for targeting and structural interpretation. Getting a better understanding of the structural setting of some key areas of the property can help defining the structural controls of mineralization. This program also identified several zones for follow up.

Trenching and channel sampling: Blue Thunder Mining initiated a trenching program concurrent to a prospecting campaign in June 2022. All trenches were excavated with a small size FCM Spider 800 excavator, then washed and cleaned by the company’s 2022 technical team using high pressure Honda pump. Then channels samples we cut with a rock saw and described by the company’s geologists. The 2022 trenching program was designed to acquire better knowledge of the stratigraphy and mineralization of the Lac Rane area. Two new trenches were excavated in that area. Originally discovered by Continental Copper Mines Ltée in 1951, this mineralization was characterized by SOQUEM in 1989. The decision was made to sample the new trench and to resample the original one. In June, during the prospection campaign, two old trenches were discovered on both side of roadside of the Lac Rane area. These trenches exhibited 2 lenses of massive sulfide of meter scale width. These trenches seem to fit with the location of the LC-20 and FA-19 showings also dug out by SOQUEM during the summer 1989. A total of 78 channel samples were collected and 9 QAQC samples were inserted into the sequence and sent to ALS Minerals laboratory in Val d’Or, 1324 rue Turcotte.

The best Au intervals reported the barely anomalous values 0.036 g/t Au over 1m and 0.033 g/t Au over 1-meter intervals on the TR-001 trench, with no significant Cu, Pb or Zn values. The TR-002 trench reported 0.023 g/t Au and 1.445% Cu over 0.5m, as well as 0.031 g/t Au & 0.592% Cu over 0.5 meter.

Mapping and Prospecting: A prospecting and regional mapping program has been run concurrently to the trenching campaign. Several areas with significant potential were targeted, to follow up on previous exploration work and interpretation. Several traverses were excavated, and outcrops uncovered and stripped of soil and organic material to take samples.

A total of 36 stations were described and 44 grabs samples were taken and sent to the labs. One sample reported an Au value of 2.99 g/t and was taken on the Welb historical trench. Two samples reported Au values between 0.5 and 1 g/t. Four samples reported an Au value between 0.033 and 0.070 g/t. No other samples reported value above 33 ppb Au. The Lac Rane showing area reported several (6) anomalous Ag values grading from 0.49 g/t to 7.23 g/t. On all these samples, five (5) of them also reported several anomalous Cu values grading from 1070 ppm to 12 900 ppm. One of these samples reported an anomalous value of 486 ppm Co and 642 ppm of Ni.

5.0 EXPLORATION HIGHLIGHTS

5.1 TECHNICAL HIGHLIGHTS

Although significant mineralization was not discovered during the 2022 exploration program, the work completed continued to demonstrate the prospectiveness of the Muus project area to host several styles of precious and base metal mineralization, including:

- Nelligan-style metasediment-hosted gold mineralization
- Volcanic massive sulfide gold and copper mineralization
- Abitibi-style lode gold mineralization

Ongoing work in this large and prospective area should focus on further refining target concepts, on improving understanding of the geologic structural controls on mineralization and on defining additional targets for testing.

Recommendations for future work are as follows:

- Completing the Max-Min survey on the west of Lac Bernard and the south of the Discovery zone.
- A soil grid over the Lac Rane showing from east to west to determine the lateral continuity of the copper mineralization on this portion of the property. Prospecting and trenching should be completed to see if there are massive sulfide occurrences associated with the rhyolite flow domes observed in this area.
- Design a drilling program to test at depth the possible extension of the gold-rich chert of the Discovery showing.
- Design a drilling program to explore the area around the Welb showing.
- Expand the Discovery main trench south, and possibly place some trench eastward on the other side of the main road to expand knowledge and comprehension of the area.
- IP survey with wide line spacing, covering the area between Welb and Lac Rane should be considered.

5.2 FINANCE AND CORPORATE HIGHLIGHTS

- On December 16, 2022, the Company's shareholders approved, at the Annual General and Special Meeting, the consolidation of all of the issued and outstanding common shares of the Company on the basis of 1 new common share for every 4.7 pre-consolidation common shares issued and outstanding (the "Consolidation"). The Consolidation became effective on the market on January 20, 2023.
- On January 30, 2023, the Company announced that it signed a binding letter of intent ("LOI") with Analog Gold Inc. ("Analog") which sets out the basic terms and conditions pursuant to which the Company will acquire all of the issued and outstanding shares of Analog ("Analog Shares") in exchange for common shares of the Company in a Reverse Takeover transaction (the "RTO")(see 9.0 *Proposed Transactions)*.
- On March 30, 2023, BTMI announced that it had issued a convertible promissory note in the amount of $250,000 which will be converted into common shares of the Company on completion of the RTO at a price of $0.28 per share (see 9.0 *Proposed Transactions*).
- **Changes in Management:**
  - On October 19, 2022, Mr. Jean-Francois Metail stepped down as President of the Company to pursue personal interests. Mr. Metail was instrumental in guiding the Company through challenging times, particularly through the COVID-19 pandemic. The Board would like to thank Mr. Metail for his dedication and service throughout his time with the Company and wishes him well in his future endeavours. Mr. Metail will continue in an advisory role with the Company.
  - On October 19, 2022, Mr. Dorian L. (Dusty) Nicol was appointed as CEO of the Company to fill the role vacated by Mr. Metail. Mr. Nicol has over 47 years of worldwide experience in mineral exploration and mining.

- **Financing Completed:**
  On September 19, 2022, the Company closed a non-brokered private placement (the "Offering") for gross proceeds of $500,000, comprising of 7,092,199 units of the Company (each, a "Unit") at a price of $0.33 per Unit. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional share of the Company at a price of C$0.24 for a period of three years from the closing date of the Offering. The shares issued are subject a four-month and one day hold period. Directors, officers and insiders of the Company subscribed for 4,765,957 units of this financing.
- **Changes in the Board of Directors:**
  On July 11, 2022, the Company announced the appointment of Mr. Dorian L. (Dusty) Nicol to the Board of Directors, and the resignation of Mr. Louis Gariepy, director.
- **Stock Options Granted:**
  - On January 7, 2022, the Company approved the grant of stock options to directors, officers, and consultants of the Company for the purchase of up to 930,851 common shares in the capital of the Company at an exercise price of $0.24 per share, expiring on January 7, 2027. The options vest as to one one-half on the date of grant, and one-half on the six-month anniversary of the date of grant.
  - On August 23, 2022, the Company approved the grant of stock options to a director and officer of the Company for the purchase of up to 106,383 common shares in the capital of the Company at an exercise price of $0.24 per share, expiring on August 23, 2027. The options vest as to one-half on the date of grant, and one-half on the six-month anniversary of the date of grant.
  - On October 18, 2022, the Company approved the grant of stock options to directors, officers, and consultants of the Company for the purchase of up to 1,212,766 common shares in the capital of the Company at an exercise price of $0.24 per share for a period of 5 years from the date of grant and with varying vesting periods.

6.0 OVERALL PERFORMANCE - Technical

6.1 EXPLORATION STRATEGY AND 2022 WORK PROGRAM

The Company's exploration strategy has been to build and grow a significant and strategic land position within the historical Chapais-Chibougamau mining camp at the eastern end of the Abitibi greenstone belt in the Province of Québec. Since 2017 the Company has continued to expand its exploration land position, through staking and selected land acquisitions; the Project now covers approximately 51,000 hectares. The claim groups include Muus, Fancamp, Muus East, Nisk, and Embry. It is the company's intent to evaluate and select areas with best economic potential and divest of certain land position as it sees fit.

The Company's claim groups are located adjacent to a cluster of historic gold mines, showings and new discoveries, many of which are situated along major east-west or northeast trending regional faults and deformation zones, including the Guercheville, Fancamp and Philibert-Joe Mann Deformation zones ("Chibougamau Gold District").

The Company's Project expansion over the last three years has coincided with ever increasing market interest in the area, largely driven by the ongoing exploration successes achieved by Iamgold Corporation ("Iamgold") in the Chibougamau Gold District. Most notably, on October 22, 2019, Iamgold announced a maiden Inferred Resource estimate (97Mt @ 1.0 g/t gold = 3.2Moz gold[1]) for its Nelligan discovery, a project that they hold in a joint venture with Vanstar Mining Resources Inc. This followed an updated Inferred Resource estimate (1.1Mt @ 12 g/t gold = 433 Koz gold[2]) announced by Iamgold on April 9, 2018, for its high-grade Monster Lake gold

[1] Nelligan NI 43-101 Technical Report, Oct 22, 2019, Prepared for Iamgold Corp and Vanstar Mining Resources
[2] Monster Lake NI 43-101 Technical Report, Apr 9, 2018, Prepared for Iamgold Corp and Tomagold Corp

deposit. More recently, On April 27, 2022, Northern Superior and Genesis Announce Signing of Definitive Agreement Creating the Largest Scale Company in the Chapais-Chibougamau Camp.

Blue Thunder's previous exploration activities have included data compilation, as well as prospecting, trenching, sampling and drilling over selected target areas. In early 2019, a high resolution, fixed-wing, airborne magnetic and VLF-EM survey was flown by Terraquest Ltd. (the "Terraquest Survey") over a portion of the Project covering 2,030 line-kilometres. In addition, in Q1 2020, the Company purchased more than 6,250 line-kilometres of helicopter-borne magnetic geophysical data that was completed in late 2019 over various parts of the Project. In 2020, the Company completed trenching as well as fourteen diamond drill holes (2,808 metres) on the Fancamp Claim group designed to confirm and possibly expand gold-mineralized zones discovered by previous companies at the A-, B- and D-zones (See January 20, 2021 news release for more details). In Q4 2020, IP/resistivity surveys were completed at Lac Bernard and Lac Cowan and an historical survey was re-interpreted at Lac des Vents to fine-tune drill targets (See November 12, 2020 news release for more details). This was followed by 1,278 metres of drilling in six holes (See March 3, 2021 news release for more details).

In 2021, the Company completed a 10.5 line-kilometre IP survey over the Tectonic Grid[3], located on the South-West portion of its Muus Claim group, targeting "Nelligan-style" sedimentary-hosted gold mineralization. In preparation for the Summer 2021 exploration program, the Company completed a $2.4 million financing in Q4 2020. Exploration activities including till and soil sampling surveys, property scale 3-D modeling and targeting, regional prospecting, mapping and trenching as well as core drilling, commenced in May, as part of the 2021 exploration program. Refer to section 4.3 for full details.

In Q1 2022, the Company signed a partnership with Windfall-Geosig to complete the initial work on three separate AI Target Models on the Muus Project covering an area of approximately 210 km^2. Eight high-priority gold exploration targets were identified within three primary areas highlighted for follow-up exploration work.

In February 2022, the Company started its winter field activities with a Max-Min EM geophysics program covering 32.4 line-kilometer. The survey covered 4 grids, with a fifth grip being aborted due to winter breakup and loss of access with snowmobiles. All information and results are being processed and analyzed.

In March 2022, an IP geophysics program was initiated to cover 32 line-kilometer over three grids. Winter breakup and loss of access caused the program to temporarily halt, although the program resumed and was completed in May, with preliminary information included in our database, while more in-depth analysis still need to be done to determine potential drill-hole targets for follow-up drilling.

The goal of the Winter Program is to support and bring better structural resolution in the targeting effort within the 5 zones of interest highlighted through previous work and compilation. The subsequent summer field campaign was aimed at defining actual drill targets for subsequent drilling. All samples were shipped to ALS Laboratories. Assays have been received and are being interpreted in the context of other data. Results will be added to the global database and specific drill targets will be selected based on the evaluation of all information gathered and subsequent analysis.

During the year ended December 31, 2022, the Company dropped 288 claims in the Embry, Nisk, and Muus East regions. The claims were allowed to lapse as renewal costs on them, in the view of management and the Board of Directors, were too high in light of minimal work that had been done on the claims.

[3] The Tectonic Grid occurs within a block of forty-seven (47) claims optioned from Ressources Tectonic Inc., in which the Company has an option to earn a 100% interest

6.2 EXPLORATION AND EVALUATION PROPERTIES

Change in Accounting Policy for Exploration and Evaluation Expenditures

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily elected to change its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was adopted on December 31, 2022 and applied retroactively to the consolidated financial statements for the year ended December 31, 2021 and the statement of financial position as at January 1, 2021. In prior periods, the Company's policy was to capitalize all direct costs related to the acquisition of a mineral property upon acquiring the legal right to explore a mineral property, until such time as the properties were put into commercial production, sold, or became impaired.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Expenses charged to exploration properties include acquisition costs of mineral property rights, property option payments and certain exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible, and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

The following tables reflect the retroactive changes made to the consolidated financial statements at January 1, 2021 giving effect to this policy change:

	As originally reported	Effects of restatement	As restated
Consolidated statement of financial position	$	$	$
Assets			
Total current assets	3,342,512	-	3,342,512
Non-current assets			
Exploration and evaluation assets	947,977	(947,977)	-
Total assets	4,290,489	(947,977)	3,342,512
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	360,127	-	360,127
Flow-through share premium liability	652,677	-	652,677
Total liabilities	1,012,804	-	1,012,804
Shareholders' Equity			
Share capital	6,118,689	-	6,118,689
Warrants	582,937		582,937
Contributed surplus	1,056,311	-	1,056,311
Accumulated deficit	(4,480,252)	(947,977)	(5,428,229)
Total shareholders' equity	3,277,685	(947,977)	2,329,708
Total liabilities and shareholders' equity	4,290,489	(947,977)	3,342,512

The following tables reflect the retroactive changes made to the consolidated financial statements as at and for the year ended December 31, 2021 giving effect to this policy change:

	As originally reported	Effects of restatement	As restated
Consolidated statement of financial position	$	$	$
Assets			
Total current assets	2,316,446	-	2,316,446
Non-current assets			
Exploration and evaluation assets	975,477	(975,477)	-
Total assets	3,291,923	(975,477)	2,316,446
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	618,818	-	618,818
Flow-through share premium liability	199,952	-	199,952
Total liabilities	818,770	-	818,770
Shareholders' Equity			
Share capital	7,151,991	-	7,151,991
Warrants	851,149	-	851,149
Contributed surplus	1,128,264	-	1,128,264
Accumulated deficit	(6,658,251)	(975,477)	(7,633,728)
Total shareholders' equity	2,473,153	(975,477)	1,497,676
Total liabilities and shareholders' equity	3,291,923	(975,477)	2,316,446

	As originally reported	Effects of restatement	As restated
Consolidated statement of loss and comprehensive loss	$	$	$
Operating expenses			
Exploration expenditures	2,035,290	27,500	2,062,790
General and administrative expenses	890,223	-	890,223
Net loss for the year before the undernoted	2,925,513	27,500	2,953,013
Premium on flow-through shares income	(625,225)	-	(625,225)
Foreign exchange income	(3,954)	-	(3,954)
Net loss and comprehensive loss for the year	2,296,334	27,500	2,323,834
Basic and diluted loss per share	$ 0.10	$ 0.00	$ 0.11
Weighted average number of shares outstanding - basic and diluted	21,902,994	21,902,994	21,902,994

	As originally reported	Effects of restatement	As restated
Consolidated Statement of Cash Flow	$	$	$
Cash flows from operating activities			
Net loss for the year	(2,296,334)	(27,500)	(2,323,834)
Adjustments to non-cash items:			
Share-based compensation	72,017	-	72,017
Acquisition of strategic data and mining claims through options agreements	-	10,000	10,000
Premium on flow-through shares income	(625,225)	-	(625,225)
Sundry receivables and prepaid expenses	(429,344)	-	(429,344)
Accounts payable and accrued liabilities	258,691	-	258,691
Net cash flows used in operating activities	(3,020,195)	(17,500)	(3,037,695)
Cash flows from investing activities			
Exploration and evaluation assets	(17,500)	17,500	-
Net cash flows used in investing activities	(17,500)	17,500	-
Cash flows from financing activities			
Proceeds from private placements	1,607,500	-	1,607,500
Share issue costs	(25,315)	-	(25,315)
Proceeds from stock options exercises	100	-	100
Net cash flows from financing activities	1,582,285	-	1,582,285
Net decrease in cash	(1,455,410)	-	(1,455,410)
Cash, beginning of year	3,088,695	-	3,088,695
Cash, end of year	1,633,285	-	1,633,285

6.3 EXPLORATION AND EVALUATION EXPENDITURES

Pursuant to the Company's accounting policy for exploration and evaluation expenditures, BTMI expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments that are made at the discretion of the Company, and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Following is a table illustrating exploration and evaluation expenditures incurred during the years ended December 31, 2022 and 2021:

Years ended December 31,	2022	2021 (restated)
Geology/Field		
Drilling (including supplies and logistics expenses)	**$199,463**	$363,352
Consulting (contract geologists and other technical specialists)	**494,937**	391,310
Camp, field expenses (including geochemistry and geophysics)	**316,935**	315,896
Assays	**207,490**	475,160
Claim maintenance (including acquisition costs)	**182,338**	177,278
Travel, transportation	**20,669**	47,369
Financial/Administrative Support		
Other (includes CSR, Environment, G&A, insurance, legal etc.)	**81,252**	292,425
	$1,503,083	$2,062,790

6.4 OVERALL PERFORMANCE - Financial

The Company is currently engaged in mineral exploration in Québec, Canada. The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain economically recoverable material. As a result, the Company has no current sources of revenue other than interest earned on cash which is derived from issuances of share capital. There are no known deposits of minerals on any of the mineral exploration properties of the Company and any planned activities of the Company consist of exploratory searches for minerals.

6.5 SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended December 31, 2022	Year ended December 31, 2021[(1)]	Year ended December 31, 2020[(1)]
	$	$	$
Total assets	**524,959**	2,316,446	4,290,489
Total liabilities	**642,416**	818,770	1,012,804
Exploration and evaluation expenditures	**1,503,083**	2,062,790	2,270,276
Operating expenses	**2,499,296**	2,953,013	3,309,345
Net loss for the year	**2,274,614**	2,323,834	3,442,530
Loss per share – basic and diluted	**0.07**	0.11	0.25
Interest income	**(24,730)**	(3,954)	(2,475)

[(1)] Certain figures are restated as at December 31, 2021 and 2020, and for the year ended December 31, 2021 – See 6.2

6.6 QUARTERLY RESULTS

Three-month Period Ended December 31, 2022 compared to December 31, 2021

The net loss for the three-month period ended December 31, 2022 was $605,290 (2021 - $376,858 (restated, see 6.2)), an increase of $228,432.

For the three months ended December 31, 2022, total general and administrative expenses ("G&A") decreased, period over period, from $241,904 in Q4/2021 to $117,844 in Q4/2022. Office and general expenses of $57,265 in Q4/2022 represents a decrease of $68,946 compared to Q4/2021 of $126,213, mainly due to increased expenditures on corporate insurance coverage, and investor relations, marketing, and social media campaigns being run by Management to heighten market awareness. In Q4/2022, management and consulting fees were $21,425 lower ($55,650 in Q4/2022 versus $77,075 in Q4/2021) compared to the prior year comparative period principally due to reduced staffing in an effort to conserve cash. Professional fees in Q4/2022 of $31,410 were incurred for regulatory, legal and accounting fees. This is compared to $10,422 in Q4/2021, which was incurred for routine regulatory and legal fees.

Exploration and evaluation expenses ("E&E") incurred in Q4/2022 were significantly higher and increased by $214,618 compared to Q4/2021 ($516,269 in Q4/2022 versus $274,151 in Q4/2021 (restated, see 6.2)), mainly due to the duration and timing of execution of the Company's 2022 exploration program compared to the 2021 program. The Company's 2022 completed additional drilling and field activities in Q4/2022 compared to the Q4/2021 field program which had been completed earlier in the year.

During Q4/2022, the Company completed some drilling at its Muus and Fancamp claim groups and incurred $199,463 in drilling expenditures, compared to $nil in the prior year comparative quarter. Assay and lab analysis performed to analyze the till samples taken during the initial 2022 field program resulted in expenditures of $10,567 in Q4/2022 vs $128,653 in Q4/2021. The Company is still awaiting assay results for December 2022 drilling samples that were taken. Technical consulting fees and field-related wages incurred during Q4/2022 were significantly lower than the prior year period ($64,899 in Q4/2021 versus $170,905 in Q4/2022). In the current quarter, camp and field expenses of $119,188 related to the additional December 2022 field activities and the wrap-up of the 2022 field exploration program. This work in Q4/2021 was significantly lower at $9,390 as the 2021 field exploration activities were completed earlier in the year. The Company incurred lower claims maintenance costs in Q4/2022 of $3,230, compared to $88,666 in Q4/2021 (restated, see 6.2), which mainly related to timing differences in claims renewal fees compared to the prior year period. Prior year period expenditures also include $27,500 in acquisition costs that were expensed pursuant to the Company's change in accounting policy related to exploration and evaluation expenditures (see 6.2). Travel and transportation expenses were $3,283 in Q4/2022, versus $3,272 during the three months ended December 31, 2021. Travel expenses are related to the cost of geologists and consultants to travel to and from the camp and project site, as well as costs incurred to clear snow to improve road conditions and allow for site access. Other expenses of $9,634 incurred in Q4/2022 related to insurance, technical software subscriptions, equipment rentals, and other project-related administrative costs. This is compared to $6,771 expensed in Q4/2021.

Year Ended December 31, 2022 compared to December 31, 2021

The net loss for the year ended December 31, 2022 was $2,274,614 (2021 - $2,323,834). In the current year, the Company incurred $559,707 less in exploration and evaluation expenditures, and $105,990 more in G&A expenses. That difference in the net loss, year-over-year, is offset by the decreased flow-through share premium recorded during the year ended December 31, 2022 of $199,952 versus $625,225 that was recognized during the year ended December 31, 2021.

For the year ended December 31, 2022, total G&A expenses increased to $996,213 from $890,223 for the prior year. Office and general expenditures comprised roughly 42% of the year's expense ($415,667 of $996,214) of total G&A and principally related to new marketing and social media contracts that the Company entered into during the year ended December 31, 2022 which did not exist 2021. Professional fees were significantly higher year-over-year at $152,119 in 2022 versus $76,316 in 2021 – an increase of $75,803. The fees are attributed to legal, accounting, and other professional fees for routine filings, financings completed during 2022 versus 2021, as well as the proposed transaction with Analog Gold (see 9.0 *Proposed Transactions)*. Share-based compensation of $164,481 was recorded for options that were granted and vested during the year ended December 31, 2022, while $72,017 was expensed for options granted and vested in the prior year.

Exploration expenses were approximately 27% lower during the year ended December 31, 2022 ($1,503,083 versus $2,062,790 in 2021(restated, see 6.2)), due to the costs incurred for the 2021 field program, which was more extensive than the 2022 exploration program. The Company drilled hundreds of metres in the first half of 2021, targeting up to 12 holes, and completed an IP survey to identify additional targets and incurred $363,352 in drilling costs. A comparatively smaller drill program was executed at the Company's Muus and Fancamp claim groups during the fourth quarter of 2022 which totaled $199,463. $207,490 was incurred during the year ended December 31, 2022 for assays and laboratory analysis of till samples taken during the end of the 2021 field program and during the 2022 exploration program, compared to $475,160 during 2021. Camp expenses, field labour, and field supplies cost $316,935 during the year ended December 31, 2022 versus $315,896 incurred during 2021. An additional $494,937 (2021 - $391,310) was expended for geologists and other technical specialists essential to the planning and execution of the 2022 field program on the Company's Muus and Fancamp claim groups. Program administration costs, such as geological software subscriptions, insurance, equipment rentals, and other costs totaled $81,251 for the current year compared to $292,425 in 2021.

When flow-through shares are issued at a premium to the market share price, a liability is recognized for the excess amount paid. As exploration work is carried out, the Company reduces its flow-through spending commitment (and liability) for the amount of eligible expenditures (as defined by the Income Tax Act) incurred and derecognizes the original flow-through share premium liability. Through this mechanism, during the three months ended December 31, 2022, a premium of $28,823 (December 31, 2021 – $139,117) was recovered and recognized as other income on the Statement of Loss and Comprehensive Loss for the year. During the year ended December 31, 2022, a premium of $199,952 (December 31, 2021 – $625,225) was recovered and recognized.

The following table sets out selected quarterly results of the Company for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the Interim Financial Statements of the Company:

	2022			
	December 31	September 30	June 30	March 31
	$	$	$	$
Interest income	**-**	23,067	1,272	391
Working capital (deficiency)	**(117,457)**	533,399	390,337	939,415
Operating expenses	**634,113**	403,059	680,636	781,488
Net loss for the period	**605,290**	360,632	601,084	707,608
Net loss per share (1)	**0.02**	0.01	0.02	0.02

	2021			
	December 31	September 30	June 30	March 31
	$	$	$	$
Interest income	80	744	2,057	1,073
Working capital (deficiency)	1,497,676	450,966	1,024,508	1,857,895
Operating expenses [(2)]	516,055	722,957	1,125,247	588,754
Net loss for the period [(2)]	376,858	597,421	862,359	487,196
Net loss per share [(1)(2)]	0.02	0.03	0.04	0.02

Notes:

(1) Net loss per share on a diluted basis is the same as basic net loss per share. Diluted loss per share did not include the effect of stock options and warrants as they were anti-dilutive. These amounts were retroactively restated to reflect the share consolidation. See section 6.2.

(2) Restated to reflect the change in accounting policy for exploration and evaluation expenditures (see section 6.2 for policy)

6.7 CASH FLOW ANALYSIS

Year ended December 31,	2022	2021[(1)]
Net cash (used in) provided by:		
Operating activities	**$(2,089,961)**	$(3,037,695)
Financing activities	**495,000**	1,582,285
Increase (decrease) in cash	**(1,594,961)**	(1,455,410)
Cash, beginning of year	**1,633,285**	3,088,695
Cash, end of year	**$38,324**	$1,633,285

[(1)] Certain figures are restated as at December 31, 2021 and 2020, and for the year ended December 31, 2021 – See 6.2

Net cash used in operating activities during the year ended December 31, 2022 was $2,089,961. The principal components of the spending are described above.

Net financing activities provided $495,000 during the year ended December 31, 2022 related to the private placement that was completed in September 2022. In the prior year, proceeds from financing activities related to an exercise of options and a private placement.

6.8 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT EXPENSE

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

The transactions noted below are in the normal course of business and approved by the Board of Directors in strict adherence to conflict-of-interest laws and regulations.

Remuneration of directors and key management personnel, of the Company was as follows:

Years ended December 31,	2022	2021
Consulting fees – general and administrative expenses	**$351,525**	$364,787
Consulting fees – exploration and evaluation expenditures	**75,000**	90,000
Share-based compensation	**141,031**	58,781
	$567,556	$513,568

Consulting fees included in general and administrative expenses include amounts paid to Grove Corporate Services Ltd., a private company through which the services of the CFO and Corporate Secretary are provided.

At December 31, 2022, a total of $175,568 (December 31, 2021 - $212,358) is owed to officers, directors and companies controlled by officers and directors. These amounts are unsecured, non-interest-bearing, and with no fixed terms of repayment.

7.0 LIQUIDITY AND EQUITY TRANSACTIONS

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. During the year ended December 31, 2022, Management relied on the funds raised in Q4/2021 and Q3/2022 to meet the Company's exploration expenditures and corporate costs. At December 31, 2022, the Company had cash of $38,324 (December 31, 2021 - $1,633,285) to settle current liabilities of $642,416 (December 31, 2021 - $818,770). Current liabilities include a flow-through share premium liability of $nil (December 31, 2021 - $199,952). The flow-through share premium liability does not get settled by cash. This balance is amortized (decreased) against qualifying flow-through expenditures which are required to be incurred before December 31, 2022 (see 14.0 – COMMITMENTS AND CONTINGENCIES, *Flow-Through Shares Expenditure Commitment*). Generally, the Company's financial liabilities have contractual maturities of less than 30 days.

As at December 31, 2022, the Company had working capital deficit of $117,457 compared to $1,497,676 at December 31, 2021. The Company has no revenue from operations and is dependent on financings for working capital. Included in Sundry Receivables and Prepaid Expenses at December 31, 2022 is $459,153 in expected refunds related to GST, HST and QST input tax credits. Subsequent to the year ended December 31, 2022, the Company received $505,365 in anticipated QST refunds, and refunds related to Quebec resource tax credits and mining duties.

The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a recognized Canadian chartered bank. The Company periodically monitors the investments it makes and the credit worthiness of the bank where the investments are held. As a result, Management believes the Company's exposure to interest rate risk is minimal. The Company held no investments at December 31, 2022 and December 31, 2021.

The exercise of stock options can contribute to the Company's working capital but there is no guarantee that the options will be exercised. See details of options grants in section 13.0.

Flow-Through Share Premium Liability

The following is a continuity schedule of the liability related to flow-through share issuances:

Balance, December 31, 2020	**$652,677**
Liability incurred on flow-through shares issued	172,500
Flow-through share premium recognized	(625,225)
Balance, December 31, 2021	**$199,952**
Flow-through share premium recognized	(199,952)
Balance, December 31, 2021	**$ —**

The flow-through common shares (defined below) issued in the private placements completed during the year ended December 31, 2021 were issued at a premium to the estimated price of a regular common share, in recognition of the tax benefits accruing to subscribers. The flow-through share premium for these private placements was estimated to be $172,500.

The flow-through share premium is derecognized through income as eligible exploration expenditures are incurred.

7.1 WORKING CAPITAL RESOURCES

Management believes it has sufficient capital to meet the ongoing exploration and corporate costs for 2022, however, additional financings may be required to fund future exploration and for working capital purposes, depending on the exploration results.

Most of the Company's requirements for capital to maintain its ownership level in its properties, as well as pay for exploration expenditures and administrative expenses have been met through the completion of private placements and the exercise of stock options and warrants. Typically, these monies have come from institutional and high net worth investors and the amounts raised have been a function of the level of market interest in the junior resource industry as well as the general level of interest in the equity and mineral commodity markets. The Company will have to rely on further equity financings in order to maintain an adequate liquidity base with which to support its general operations and exploration and development mandate.

The mineral exploration business is risky, and most exploration projects do not become mines. The Company may offer other mining companies the opportunity to acquire interests in any of its properties in return for funding by such companies of all or part of the exploration and development of such properties. For the funding of any property acquisitions or exploration conducted by the Company, the Company depends on the issue of shares from treasury to investors. Such financing will depend, in turn, on various factors, such as a positive mineral exploration climate, positive stock market conditions, the Company's track record and the experience of management. If such financing is unavailable for any reason, the Company may become unable to retain its mineral interests and carry out its business plan.

8.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

9.0 PROPOSED TRANSACTION

On January 30, 2023, the Company announced that it signed a binding letter of intent ("LOI") with Analog Gold Inc. ("Analog") which sets out the basic terms and conditions pursuant to which the Company will acquire all of the issued and outstanding shares of Analog ("Analog Shares") in exchange for common shares of the Company ("Blue Thunder Shares"). Pursuant to the terms of the LOI, the Company will issue sufficient Blue Thunder Shares such that the transaction will constitute a Reverse Takeover ("RTO") under the rules of the TSX Venture Exchange (the "Exchange"). The RTO is arm's length and there is no finder's fee associated with the transaction.

It is proposed that Blue Thunder will use an indicative aggregate valuation of $10 million to combine with Analog for its indicative aggregate price of $37.5 million payable by the issuance by Blue Thunder of such aggregate number of Blue Thunder Shares to the shareholders of Analog (including those from the Analog Financing (as defined below) pro rata based on the number of Analog Shares held by each such shareholder of Analog, at the deemed price per Blue Thunder Share equal to the Concurrent Financing Price (as defined below). The aggregate purchase price is subject to due diligence and the assumptions, terms and conditions of the LOI, and is also subject to Analog having closed the Analog Financing (as described below) prior to closing of the RTO (the "Closing").

The LOI also contemplates other material conditions precedent to be fulfilled prior to Closing, including, the completion by: (i) Analog of a financing to raise gross proceeds of a minimum of $5.0 million (the "Analog Financing"), customary due diligence, and all requisite board and shareholder approvals being obtained, and (ii) Blue Thunder of a concurrent financing (the "Concurrent Financing") for minimum gross proceeds of $250,000, the form and terms of which are to be determined at a future date (the "Concurrent Financing Price"). To the extent the Analog Financing is less than $5.0 million, appropriate adjustments will be made.

When the LOI was announced on January 30, 2023, it was anticipated that the parties would enter into a definitive agreement replacing the LOI (the "Formal Agreement") on or about March 27, 2023, and that the closing of the RTO would take place on or about March 30, 2023. Due to the requirement that the Company include audited financial statements of Analog in the information circular to be sent to the Company's shareholders and the anticipated timing of various other steps required to complete the RTO, the parties now anticipate that the Formal Agreement will be entered into on or on or about May 17, 2023, and the RTO will close in late June, 2023 following a meeting of the Company's shareholders which will be held to approve the RTO.

On March 30, 2023, BTMI announced that it had completed the Concurrent Financing by issuing a convertible promissory note in the amount of $250,000 which will be converted into common shares of the Company on completion of the RTO at a price of $0.28 per share (the "Concurrent Financing Price").

10.0 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

Management makes judgements in its process of applying the Company's accounting policies in the preparation of its Interim and Annual Financial Statements. In addition, the preparation of financial data requires that Management makes assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Management of the Company applies assumptions and makes judgements in determining the recoverability of other receivables, assets' carrying values and impairment charges, fair values of warrants and options, income tax recovery and deferred tax assets, and restoration, rehabilitation and environmental obligations.

For additional details, the critical judgments, estimates and assumptions applied in the preparation of the Company's Annual Financial Statements are reflected in note 3 of the Company's Annual Financial Statements for the years ended December 31, 2021 and 2020.

11.0 ADOPTION OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

Basis of consolidation and presentation

The Financial Statements incorporate the accounts of Blue Thunder Mining Inc. and its wholly-owned subsidiary, Blue Thunder Mining Corporation ("BTMC").

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The Consolidated Financial Statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

New Accounting Standards Issued and Effective after January 1, 2022

Certain pronouncements have been issued by the IASB or the IFRIC that are effective for accounting periods on or after January 1, 2022. The Company has reviewed these updated standards and Management believes that none of these updates are applicable or consequential to the Company and have been excluded from discussion within this MD&A.

Standards issued and effective for annual periods beginning on or after January 1, 2023

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and **IAS 28 – Investments in Associates and Joint Ventures ("IAS 28"**) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. **Presentation of Financial Statements ("IAS 1")** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

12.0 CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be comprised of share capital, warrants reserve, contributed surplus, and accumulated deficit which, at December 31, 2022, totaled $1,508,876 (December 31, 2021 - $2,473,153).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained significantly unchanged during the year ended December 31, 2022.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at December 31, 2022, the Company was not compliant with the policies of the TSX-V. The consequences of non-compliance are at the discretion of the TSX-V.

13.0 SHARE CAPITAL

Activity in the Company’s equity accounts is more fully described in notes 9 to 11 of the Audited Financial Statements.

There were 36,995,636 common shares outstanding as of December 31, 2022, and the issued share capital was $7,527,670.

	Number of Common Shares	Amount
Balance, December 31, 2020	**21,831,150**	**$6,118,689**
Private placements	7,632,979	1,607,500
Less share issue costs	—	(97,103)
Shares issued as consideration	396,543	55,324
Warrants issued	—	(370,083)
Flow-through share premium	—	(172,500)
Shares issued for property acquisition	42,553	10,000
Shares issued for the exercise of stock options	213	164
Balance, December 31, 2021	**29,903,437**	**$7,151,991**
Private placements	7,092,199	500,000
Less: share issue costs	—	(5,000)
Warrants issued	—	(119,321)
Balance, December 31, 2022	**36,995,636**	**$7,527,670**

13.1 WARRANTS

The following table reflects the warrants activity during the years ended December 31, 2022 and 2021:

	Number of Warrants	Fair value on the date of issuance
Balance, December 31, 2020	**2,847,094**	**$582,937**
Issued	7,972,553	386,547
Expired	(641,692)	(118,335)
Balance, December 31, 2021	**10,177,955**	**$851,149**
Issued	7,092,199	119,321
Expired	(2,205,402)	(464,601)
Balance, December 31, 2022	**15,064,752**	**$505,869**

The following table reflects the warrants issued and outstanding as of December 31, 2022:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Expiry Date
$0.33	7,972,553	2.00	December 29, 2024
$0.24	7,092,199	2.72	September 19, 2025
$0.29	**15,064,752**	**2.34**	

The weighted average warrant exercise price at December 31, 2022 is $0.29 (December 31, 2021 - $0.40). The weighted average remaining warrant life at December 31, 2022 is 2.34 years (December 31, 2021 – 2.48 years). During the year ended December 31, 2022, 2,205,402 warrants expired, unexercised (2021 – 641,692). The warrants had a weighted average exercise price of $0.65 (2021 - $0.79) and a fair value of $464,601 (2021 – $118,335) which was transferred to Accumulated Deficit.

13.2 STOCK OPTIONS

The following table reflects the options activity during the years ended December 31, 2022 and 2021:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2020	**1,548,987**	**$0.38**
Granted	358,511	0.42
Forfeited	(712,129)	0.38
Exercised	(213)	0.47
Balance, December 31, 2021	**1,195,156**	**$0.28**
Granted	2,250,000	0.24
Forfeited	(10,638)	0.24
Balance, December 31, 2022	**3,434,518**	**$0.26**

The following table reflects the options outstanding as of December 31, 2022:

Exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	Expiry Date
$0.19	85,106	0.74	85,106	September 27, 2023
$0.47	17,021	2.57	17,021	July 27, 2025
$0.66	191,489	2.60	191,489	August 6, 2025
$0.47	53,191	3.08	53,191	January 27, 2026
$0.47	60,426	3.21	60,426	March 18, 2026
$0.26	53,191	3.42	53,191	June 2, 2026
$0.24	106,383	3.52	106,383	July 7, 2026
$0.24	920,214	4.02	920,214	January 7, 2027
$0.24	106,383	4.65	53,191	August 23, 2027
$0.24	1,212,767	4.80	535,462	October 18, 2027
$0.19	628,347	5.45	628,347	June 11, 2028
$0.26	**3,434,518**	**4.36**	**2,704,021**	

On January 28, 2021, 53,191 stock options were granted to a recently appointed director of the Company at an exercise price of $0.47 per share, expiring on January 27, 2026. The options vest as to one-half on the date of grant, and one-half on the first anniversary of the date of grant.

On March 18, 2021, 60,638 stock options were granted to consultants of the Company at an exercise price of $0.47 per share, expiring on March 18, 2026. Of the options granted, 7,447 vest as to one-half on the date of grant, and one-half on the first anniversary of the date of grant. The remaining 53,191 options vest as to one quarter every three months beginning on June 18, 2021.

On June 2, 2021, 53,191 stock options were granted to an officer of the Company at an exercise price of $0.26 per share, expiring on June 2, 2026. The options vest as to one-half on the date of grant, and one-half on the six-month anniversary of the date of grant.

On July 7, 2021, the Company’s Board of Directors granted 106,383 stock options to an officer of the Company at an exercise price of $0.24 per share, expiring on July 7, 2026. The options vest as to one half on the date of grant, and one half on the first anniversary of the date of grant.

On September 27, 2021, the Company's Board of Directors granted 85,106 stock options to consultants of the Company at an exercise price of $0.19 per share, expiring on September 27, 2023. The options vest as to one quarter every three months, starting three months from the date of grant.

On January 7, 2022, 930,851 options were granted to directors, officers, and consultants of the Company with an exercise price of $0.24 and term to expiry of 5 years. The options vest as to one-half on the date of grant, and one-half on the six-month anniversary of the date of grant.

On August 23, 2022, 106,383 options were granted to a director and officer of the Company with an exercise price of $0.24 and term to expiry of 5 years. The options vest as to one-half on the date of grant, and one-half on the six-month anniversary of the date of grant.

On October 18, 2022, 1,212,766 options were granted to officers, directors, and consultants of the Company with an exercise price of $0.24 for a period of 5 years from the date of grant, and have a range of vesting periods.

During the year ended December 31, 2022, 10,638 unvested options were forfeited upon resignation of a consultant of the Company (2021 – 712,129).

14.0 COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-Through Shares Expenditure Commitment

Pursuant to the terms of a flow-through share agreement, the Company is in the process of complying with its flow- through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow- through shares. Under regular rules, all proceeds raised through the issuance of flow-through shares would have to be spent on Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021, arising from the flow-through share offerings completed during 2020. On July 24, 2020, the Government of Canada announced its proposal to assist flow-through share issuers due to the impacts of COVID-19, by extending the timelines for spending the capital raised through the issuance of flow-through securities by 12 months. As at December 31, 2022, the Company has complied with its spending commitments for flow-through shares issued in 2020 and 2021. The Company has indemnified the subscribers of the flow-through shares for taxable amounts that may become due if the Company does not complete its contractual obligations related to the flow-through shares.

Management Contracts

Management contracts: the Company is party to certain contracts. The Company is also committed to minimum payments upon termination of approximately $20,925 pursuant to the terms of these contracts as of December 31, 2022.

General

The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and business around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced high volatility and significant movement. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the Company's financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. Considerable protocols have been implemented by the Company in order to continue operating in a safe manner. During 2021, the Company was able to continue with its operations.

15.0 OUTSTANDING SHARE DATA

As at	Common Shares	Warrants	Stock Options	Fully Diluted
December 31, 2021	29,903,437	10,177,956	1,195,156	41,276,548
December 31, 2022	36,995,636	15,064,752	3,434,518	55,494,904
April 28, 2023	36,995,636	15,064,752	3,434,518	55,494,904

16.0 RISKS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

- *Exploration Stage Company and Exploration Risks*

The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration, development and production programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct complete and install mining and processing facilities on those properties that are actually mined and developed.

- *No History of Profitability*

The Company is an exploration stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

- *Government Regulations*

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labor standards. In order for the Company to carry out its mining activities, its exploitation must be kept current. There is no guarantee that the Company's exploitation will be extended or that new exploitation will be granted. In addition, such exploitation could be changed and there can be no assurances that any application to renew any existing will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

- *Market Fluctuation and Commercial Quantities*

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

- *Mining Risks and Insurance*

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

- *Environmental Protection*

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

- *Capital Investment*

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be. Should the Company not be able to obtain such financing, its properties may be lost entirely.

- *Conflicts of Interest*

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

- *Current Global Financial Conditions*

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. The ensuing decline in consumption has led to a marked erosion of investor confidence and risk tolerance. A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature of today's economic reality has left no interrelated public market unscathed. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business.

- *Novel Coronavirus ("COVID-19")*

In March 2020, the World Health Organization declared a global pandemic related to COVID 19. Its impact on world economies has been far-reaching and business around the world is being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, appropriate use of personal protection equipment ("PPE"), and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in and economic slowdown.

Global stock markets have also experienced high volatility and significant movement. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

There is significant, ongoing uncertainty surrounding COVID 19 and the extent and duration of the impacts that it may have on the Company's financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. However, this year's exploration program has commenced and cconsiderable protocols have been implemented by the Company in order to conduct Blue Thunder's summer field program in a safe manner.

17.0 QUALIFIED PERSON

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by John Langton (M.Sc., P.Geo.), a Qualified Person ("QP") as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects".

18.0 APPROVAL

The Board of Directors of the Company has approved the Annual Financial Statements and disclosures contained in this MD&A.

19.0 FURTHER INFORMATION

Additional information relating to the Company can be found on the Company's website at www.bluethundermining.com or on SEDAR at www.sedar.com.