



GREAT THUNDER
GOLD CORP.

Great Thunder Gold Corp.

(An exploration stage company)

Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Great Thunder Gold Corp.:

Opinion

We have audited the financial statements of Great Thunder Gold Corp. (the “Company”), which comprise the statements of financial position as at April 30, 2020 and 2019, and the statements of operations and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes the events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

August 26, 2020

Great Thunder Gold Corp.

(An exploration stage company)

Statements of Financial Position

(Expressed in Canadian Dollars)

	April 30, 2020	April 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,608,454	\$ 75,015
Accounts receivable	8,662	34,189
Prepaid expenses	18,840	8,340
	1,635,956	117,544
Non-current assets		
Investments (note 5)	1,500	1,002
Reclamation bonds (note 6)	13,000	13,000
Exploration and evaluation assets (note 7)	2,569,921	2,041,676
	\$ 4,220,377	\$ 2,173,222
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,566	\$ 57,821
Due to related parties (note 10)	20,889	78,074
Flow-through share premium (note 9)	432,250	-
Promissory notes payable (note 8)	-	150,000
Site restoration obligation (note 6)	-	15,000
	483,705	300,895
SHAREHOLDERS' EQUITY		
Share capital (note 9)	17,016,252	14,717,800
Share-based payment reserve	87,789	154,003
Accumulated other comprehensive income (loss)	149	(350)
Deficit	(13,367,518)	(12,999,126)
	3,736,672	1,872,327
	\$ 4,220,377	\$ 2,173,222

Nature of Operations and Going Concern (note 1)

Commitments (note 14)

Subsequent Events (note 16)

Approved on behalf of the Board of Directors August 25, 2020

/s/ Blair Naughty

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Years Ended April 30	
	2020	2019
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 20,488	\$ 7,400
Consulting fees	18,550	-
Insurance	3,850	3,893
Interest	5,412	-
Investor relations and shareholder information	7,523	1,191
Legal fees	24,848	31,169
Listing and filing fees	42,249	8,404
Management fees (note 10)	120,112	69,794
Office	3,609	4,958
Rent (note 10)	30,000	11,500
Transfer agency fees	13,174	6,906
Travel and accommodation	11	1,377
	289,826	146,592
OPERATING LOSS	(289,826)	(146,592)
OTHER INCOME (EXPENSES)		
Interest income	3,344	26
Loss on settlement of debt (note 9)	(118,861)	-
Write-down of exploration and evaluation assets (note 7)	-	(125,681)
LOSS FOR THE YEAR	(405,343)	(272,247)
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on investments (note 5)	499	(1,038)
TOTAL COMPREHENSIVE LOSS	\$ (404,844)	\$ (273,285)
LOSS PER SHARE (basic and diluted)	\$ (0.03)	\$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	15,305,429	12,063,579

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Issued Share Number	Capital Amount	Share-Based Payment Reserve	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balances, April 30, 2018	12,063,579	\$ 14,686,355	\$ 185,448	\$ 688	\$ (12,726,879)	\$ 2,145,612
Transfer upon warrant expiration	-	31,445	(31,445)	-	-	-
Loss for the year	-	-	-	-	(272,247)	(272,247)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(1,038)	-	(1,038)
Balances, April 30, 2019	12,063,579	14,717,800	154,003	(350)	(12,999,126)	1,872,327
Shares issued in settlement of debt	5,942,981	475,439	-	-	-	475,439
Shares issued for exploration and evaluation assets	2,250,000	450,000	-	-	-	450,000
Shares issued for cash	5,400,000	1,343,750	-	-	-	1,343,750
Transfer upon option exercise and expiration	-	29,263	(66,214)	-	36,951	-
Loss for the year	-	-	-	-	(405,343)	(405,343)
Other comprehensive income						
Unrealized gain on investments (note 5)	-	-	-	499	-	499
Balances, April 30, 2020	25,656,560	\$ 17,016,252	\$ 87,789	\$ 149	\$ (13,367,518)	\$ 3,736,672

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Years Ended April 30	
	2020	2019
OPERATING ACTIVITIES		
Loss for the year	\$ (405,343)	\$ (272,247)
Adjustment for items not involving cash:		
Loss on settlement of debt	118,861	-
Write-down of exploration and evaluation assets	-	125,681
	(286,482)	(146,566)
Changes in non-cash working capital:		
Accounts receivable	25,527	(21,987)
Prepaid expenses	(10,500)	43
Accounts payable and accrued liabilities	(676)	21,903
Due to related parties	(57,185)	5,895
	(329,316)	(140,712)
INVESTING ACTIVITY		
Recovery from (investment in) exploration and evaluation assets	(93,245)	26,719
FINANCING ACTIVITIES		
Proceeds from issuance of shares (note 9)	1,776,000	-
Proceeds from issuance of promissory notes (note 8)	180,000	150,000
	1,956,000	150,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,533,439	36,007
CASH AND CASH EQUIVALENTS, beginning of year	75,015	39,008
CASH AND CASH EQUIVALENTS, end of year	\$ 1,608,454	\$ 75,015
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest received	\$ 3,344	\$ 26
Interest paid	26	318
Income taxes	-	-
SUPPLEMENTARY DISCLOSURE OF NON-CASH FINANCING ACTIVITIES		
Option and warrant exercise or expiry	\$ 66,214	\$ 31,445
Interest settled by the issuance of shares	5,386	842
Non-cash Transactions (note 15)		
Cash	\$ 55,046	\$ 75,015
Cash equivalents	1,553,408	-
	\$ 1,608,454	\$ 75,015

The accompanying Notes to the Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

1. NATURE OF OPERATIONS AND GOING CONCERN

Great Thunder Gold Corp. is incorporated under the laws of the Province of British Columbia, Canada. The Company owns interests in exploration and evaluation assets in the Provinces of Quebec and British Columbia, Canada, and its principal business is the exploration and development of those assets. The Company's head office and principal place of business is 1100 Melville Street, Suite 830, Vancouver, British Columbia, Canada.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying value of these assets represents the total of net costs capitalized and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition of the assets. For those exploration and evaluation assets in which it has a joint venture interest, the Company is required to contribute its proportionate share of costs or accept dilution of its interest.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. As of April 30, 2020, the Company had working capital of \$1,152,251 (2019 – \$183,351 working capital deficiency) and an accumulated deficit of \$13,367,518 (2019 – \$12,999,126). The Company will need to raise new funds through the sale of shares to maintain operations and carry out its planned exploration. The material uncertainty raised by these events and conditions may cast significant doubt about its ability to continue as a going concern. These financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

During the first quarter of 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Great Thunder Gold Corp.

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Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the Interpretations of the IFRS Interpretations Committee.

These financial statements were authorized for issue by the Board of Directors of the Company on August 25, 2020. The Board of Directors has the power to amend these financial statements after issuance, if applicable.

Statement of presentation

These financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value, including investments. All dollar amounts presented are in Canadian dollars, which is the Company’s functional and presentation currency, unless otherwise specified. The accounting policies described herein have been applied consistently to all periods presented in these financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. Actual outcomes could differ from these judgments and estimates. Revisions to accounting estimates are recognized in the year in which the estimate is revised and may affect both current and future years.

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

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

Exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the year the new information becomes available.

Great Thunder Gold Corp.

(An exploration stage company)

Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting judgments (continued)

Exploration and evaluation assets (continued)

Once technical feasibility and commercial viability of an exploration and evaluation asset can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. At the end of the year, management had determined that no reclassification of exploration and evaluation assets was required.

Critical accounting estimates

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

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for the share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, expected forfeiture rate, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions is described in notes 4 and 9.

Reclamation and environmental obligations

Reclamation provisions have been created based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time reclamation costs are actually incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Company recognizes a financial asset or financial liability in the statements of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Great Thunder Gold Corp.

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Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- b) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- a) amortized cost;
- b) FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- c) FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consist of cash and cash equivalents and investments, which are classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss, and reclamation bonds which are classified at amortized cost. The Company's investments are classified and measured at FVTOCI with realized and unrealized gains or losses related to changes in fair value reported in other comprehensive income. The Company's financial liabilities consist of accounts payable and accrued liabilities, amounts due to related parties and promissory notes payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Great Thunder Gold Corp.

(An exploration stage company)

Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Cash and cash equivalents

Cash and cash equivalents recorded in the statements of financial position comprise cash at banks and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. The costs are accumulated in cost centres by exploration area and not depreciated pending determination of technical feasibility and commercial viability.

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain in profit or loss.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs in excess of estimated recoveries are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Great Thunder Gold Corp.

(An exploration stage company)

Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven or probable reserves exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven or probable reserves have been discovered. Upon determination of proven or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

Exploration and evaluation expenditures are classified as intangible assets.

Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an ordinary transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to share capital.

Great Thunder Gold Corp.

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Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (a) share capital, and (b) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

Share-based payment transactions

The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

All share-based payments made to employees and non-employees are measured at fair value. For employees, fair value is measured as the fair value of the equity instruments at the grant date. For non-employees, the fair value is measured on the earlier of the date at which the counterparty performance is complete, the date the performance commitment is reached, or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options and warrants granted is measured using the Black Scholes option pricing model. Expected annual volatility has been estimated using historical volatility.

Stock options that vest over time are recognized using the graded vesting method. Share-based payments are recognized as an expense or, if applicable, capitalized to exploration and evaluation assets or share issue costs, with a corresponding increase in reserves. At each financial reporting period, the amount recognized as expense is adjusted to reflect the number of share options expected to vest. When stock options are ultimately exercised, forfeited or expire, the applicable amounts of reserves are transferred to share capital or deficit.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Great Thunder Gold Corp.

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Notes to the Financial Statements

(Expressed in Canadian Dollars)

April 30, 2020 and 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with respect to previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Site restoration obligation

The Company recognizes the fair value of a legal or constructive liability for a site restoration obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a site restoration obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Great Thunder Gold Corp.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income (loss) per share

Basic income (loss) per common share is computed by dividing the net income (loss) for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year. Diluted loss per share equals basic loss per share where the effect of dilutive instruments would be anti-dilutive.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net income (loss), such as unrealized gains or losses on investments, gains or losses on certain derivative instruments, and certain foreign currency gains or losses. The Company's comprehensive income (loss), components of other comprehensive income (loss), cumulative translation adjustments and unrealized gains (losses) on investments are presented in the statements of operations and comprehensive loss and the statements of changes in equity.

New accounting standards and interpretations recently adopted

The following standard was adopted by the Company effective May 1, 2019 but had no material impact on these financial statements:

IFRS 16 – Leases (“IFRS 16”)

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases, including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as was required by IAS 17 – Leases and, instead, introduces a single lessee accounting model.

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5. INVESTMENTS

Investments in shares comprise the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2020 Fair Value
Alchemist Mining Inc.	10,000	\$ 900	\$ (350)	\$ 550
Discovery Metals Corp.	2,062	450	499	949
Brettco Oil & Gas Inc.	50,000	1	-	1
		\$ 1,351	\$ 149	\$ 1,500

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2019 Fair Value
Alchemist Mining Inc.	10,000	\$ 900	\$ (350)	\$ 550
Levon Resources Ltd.	3,750	450	-	450
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
		\$ 1,352	\$ (350)	\$ 1,002

During the year ended April 30, 2020, the Company recorded an unrealized gain of \$499 (2019 – \$1,038 loss) in other comprehensive income (loss). During the years ended April 30, 2020 and 2019, the Company recorded no realized gains or losses on the sale of investments.

Alchemist Mining Inc. and Discovery Metals Corp. are unrelated public companies. The fair value of these investments was determined using quoted market prices at the date of the statements of financial position. In August 2019, the Company exchanged 3,750 Levon Resources Ltd. shares for 2,062 Discovery Metals Corp. shares pursuant to an amalgamation.

Brettco Oil & Gas Inc. is an unrelated private company, the fair value of whose shares is not readily determinable at the date of the statements of financial position. Accordingly, the investment in Brettco is measured at its cost.

The Company owned a 16.67% equity interest in Oniva International Services Corporation, a private company with common management, which provided office and administration services to the Company until February 2019. The Company's shares of Oniva were redeemed for a nominal sum in September 2019.

6. RECLAMATION BONDS

The Company has deposited funds and hypothecated term deposits totalling \$13,000 (2019 – \$13,000) as security to the Province of British Columbia for future mineral claims site reclamation. The term deposits bear interest at a weighted average rate of 1.5% per annum (2019 – 0.6%).

The Company has recognized a site restoration obligation of \$nil (2019 – \$15,000) in respect of the reclamation of its exploration and evaluation assets.

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6. RECLAMATION BONDS (continued)

A summary of the changes in the Company's site restoration obligation for the years ended April 30, 2020 and 2019 is as follows:

	April 30, 2020	April 30, 2019
Balance, beginning of year	\$ 15,000	\$ 15,000
Reclamation activities undertaken	(15,000)	-
Balance, end of year	\$ -	\$ 15,000

7. EXPLORATION AND EVALUATION ASSETS

	Northbound	Valentine Mountain	Chubb & Bouvier	Urban Thunder	Total
Balance, April 30, 2019	\$ -	\$1,373,138	\$485,120	\$183,418	\$2,041,676
Acquisition costs incurred in the year:					
Option payments, cash	35,000	-	-	-	35,000
Option payments, shares	350,000	-	-	-	350,000
Purchase payments, cash	20,000	-	-	-	20,000
Purchase payments, shares	100,000	-	-	-	100,000
Other	537	-	-	-	537
	505,537	-	-	-	505,537
Exploration costs incurred in the year:					
Geological consulting	8,500	1,200	-	-	9,700
Mining tax credits	-	-	(892)	-	(892)
Reclamation and site maintenance	-	13,900	-	-	13,900
	8,500	15,100	(892)	-	22,708
Balance, April 30, 2020	\$514,037	\$1,388,238	\$484,228	\$183,418	\$2,569,921

	Valentine Mountain	Chubb & Bouvier	Urban Thunder	Nemaska Lake	Total
Balance, April 30, 2018	\$1,371,937	\$513,040	\$183,418	\$ 125,681	\$2,194,076
Acquisition costs incurred in the year:					
Other	-	1,449	-	-	1,449
Exploration costs incurred in the year:					
Drilling	-	2,883	-	-	2,883
Geological consulting	1,201	625	-	-	1,826
Mining tax credits	-	(32,877)	-	-	(32,877)
	1,201	(29,369)	-	-	(28,168)
Other					
Writedown of exploration and evaluation assets	-	-	-	(125,681)	(125,681)
Balance, April 30, 2019	\$1,373,138	\$485,120	\$183,418	\$ -	\$2,041,676

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Northbound Property

In February 2020, the Company entered into an option to purchase 21 mineral claims comprising 1,162 hectares located approximately 85 kilometres northwest of the town of Matagami in northern Quebec. To exercise its option, the Company must pay the optionors \$160,000 cash (of which \$35,000 was paid) in three stages over two years, issue 4,000,000 common shares (of which 2,000,000 shares with a fair value of \$0.175 per share were issued) in two stages over one year, incur \$1,200,000 in exploration costs in three stages over three years and grant to the optionors a 3% net smelter returns royalty. The Company may purchase two-thirds of the royalty at any time for \$1,000,000.

In March 2020, the Company purchased an additional 29 mineral claims covering 1,582 hectares adjacent to the earlier-optioned Northbound claims for \$20,000 cash, 250,000 common shares with a fair value of \$0.40 per share, and a 3% net smelter returns royalty. The Company may purchase two-thirds of the royalty at any time for \$1,500,000.

Valentine Mountain Property

In 2008 and 2009, the Company acquired a 100% interest in 25 mineral claims comprising approximately 7,188 hectares and two overlying placer claims comprising 43 hectares on Valentine Mountain located 50 kilometres west northwest of Victoria, British Columbia, Canada for total consideration of \$39,158 and 29,167 common shares of the Company valued at \$270,000. One of the claims is subject to a 5% net smelter returns royalty, which the Company may repurchase for \$1,000,000.

Chubb & Bouvier Property

In May 2016, the Company entered into an option to purchase 53 mineral claims covering approximately 2,200 hectares located near Val d'Or, Quebec, Canada. The Company exercised its option by paying \$60,000 cash, issuing 600,000 common shares with a fair value of \$0.54 per share, and granting a 2% gross metal royalty to the vendor. The Company also paid a finder's fee of 42,000 common shares with a fair value of \$0.54 per share in respect of the transaction. A portion of the property is also subject to a 1% net smelter returns royalty which can be repurchased for \$200,000.

Urban Thunder Property

In March 2017, the Company acquired 20 mineral claims covering approximately 1,127 hectares in the Windfall Lake area of Quebec, Canada for \$20,000, 750,000 shares with a value of \$0.16 per share, and a 2% net smelter returns royalty. The Company also paid a finder's fee totaling 75,000 shares with a value of \$0.16 per share.

Nemaska Lake Property

In May 2016, the Company acquired four mineral claims covering approximately 213 hectares located near Chibougamau, Quebec, Canada. The Company paid \$60,000 cash and issued 500,000 common shares with a fair value of \$0.22 per share.

During the year ended April 30, 2019, management deemed it prudent to write down the value of the Company's Nemaska Lake Property to zero in accordance with level 3 of the fair value hierarchy. The claims were permitted lapse in January 2020.

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8. PROMISSORY NOTES

Unsecured promissory notes repayable in whole or in part at any time, a summary of the changes for the years ended April 30, 2020 and 2019 is as follows:

	Principal Sum	
	April 30, 2020	April 30, 2019
Balance, beginning of year	\$ 150,000	\$ -
Issued	180,000	150,000
Repaid by the issuance of shares (note 9)	(330,000)	-
Balance, end of year	\$ -	\$ 150,000

A summary of promissory notes outstanding is as follows:

Maturity Date	Interest Rate	Principal Sum	
		April 30, 2020	April 30, 2019
March 20, 2020	5%	\$ -	\$ 150,000

The Company was entitled, at its option, to prepay the notes in whole or in part at any time. Promissory notes are classified and measured at amortized cost using the effective interest method. The Company accrued \$5,386 of interest in respect of the promissory notes for the year ended April 30, 2020 (2019 – \$842). In January 2020, the Company repaid the promissory notes and accrued interest by the issuance of shares with a fair value of \$0.08 per share (note 9).

9. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued

Effective December 13, 2019, the Company completed a consolidation of its share capital whereby one new common share was issued for every four old common shares. All common share and commitments to issue common shares information has been restated retroactively throughout these financial statements to reflect this share consolidation.

In January 2020, the Company issued 5,942,981 common shares with a fair value of \$0.08 per share in settlement of \$356,578 of debts, including the promissory notes, and recorded a related loss on settlement of debt of \$118,861.

In February 2020, the Company issued 2,000,000 common shares with a fair value of \$0.175 per share (\$350,000 total) pursuant to an option to purchase exploration and evaluation assets.

In February 2020, the Company issued, pursuant to a private placement, 3,000,000 non-flow-through common shares at a price of \$0.25 per share for net proceeds of \$750,000 and 2,275,000 flow-through common shares at a price of \$0.44 per share for net proceeds of \$1,001,000, including a flow-through share premium of \$432,250.

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9. SHARE CAPITAL (continued)

Issued (continued)

In February 2020, the Company issued 125,000 common shares at a price of \$0.20 per share pursuant to the exercise of stock options. The Company's common shares traded at a price of \$0.32 per share on the date on which the stock options were exercised.

In March 2020, the Company issued 250,000 common shares with a fair value of \$0.40 per share (\$100,000 total) for the purchase of exploration and evaluation assets.

Share purchase warrants

The continuity of warrants during the year is as follows:

	April 30, 2020		April 30, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	50,000	\$ 0.20	1,237,250	\$ 0.48
Issued	-	-	-	-
Expired	(50,000)	(0.20)	(1,187,250)	(0.50)
Balance, end of year	-	\$ -	50,000	\$ 0.20

A summary of share purchase warrants outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants Outstanding and Exercisable	
		April 30, 2020	April 30, 2019
\$0.20	July 16, 2019	-	50,000

Share-based payments

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time. The options expire not more than 10 years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

The Company granted no stock options during the years ended April 30, 2020 and 2019.

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9. SHARE CAPITAL (continued)

Share-based payments (continued)

A summary of the Company's outstanding and exercisable stock options as of April 30, 2020 and 2019, and the changes for the years ending on those dates is as follows:

	April 30, 2020			April 30, 2019		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balance, beginning of year	712,500	\$ 0.20	2.8	712,500	\$ 0.20	3.7
Exercised	(125,000)	(0.20)		-	-	
Expired	(212,500)	(0.20)		-	-	
Balance, end of year	375,000	\$ 0.20	2.1	712,500	\$ 0.20	2.8

A summary of stock options outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Stock Options Outstanding and Exercisable	
		April 30, 2020	April 30, 2019
\$0.20	September 29, 2019	-	37,500
\$0.20	December 22, 2019	-	50,000
\$0.20	June 9, 2022	375,000	625,000
		375,000	712,500

10. RELATED PARTY TRANSACTIONS AND BALANCES

Management transactions

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the years ended April 30, 2020 and 2019 are as follows:

	2020	2019
Management fees paid to the Company's Chief Executive Officer	\$ 30,000	\$ 2,500
Management fees paid and accrued to a corporation controlled by the Company's former Chief Executive Officer	-	12,576
Management fees paid to a corporation controlled by the Company's Chief Financial Officer	90,112	54,718
	\$ 120,112	\$ 69,794

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10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Other related party transactions

During the year ended April 30, 2020, the Company was charged \$nil (2019 – \$10,250) for rent by Oniva International Services Corporation, a private corporation of which at that time 16.67% was owned by the Company. The arrangement was terminated as of February 28, 2019.

Due to related parties

As at April 30, 2020 the Company owed \$20,889 (2019 – \$78,074) to directors and officers of the Company in the ordinary course of business. The amounts due to related parties are non-interest bearing, unsecured and due on demand.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying value of its financial assets. In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at April 30, 2020 or 2019.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at April 30, 2020 in the amount of \$1,608,454 (2019 – \$75,015) in order to meet short-term business requirements. At April 30, 2020, the Company had current liabilities of \$483,705 (2019 – \$300,895). Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms, amounts due to related parties are without stated terms of interest or repayment, and promissory notes payable were repayable within one year (see note 1 – Nature of Operations and Going Concern).

Market Risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk has two components:

- a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

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11. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

Interest Rate Risk (continued)

The Company's cash is currently held on deposit at a major bank. Management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to material foreign currency risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investments as they are carried at fair value based on quoted market prices. Based on the investments balance as at April 30, 2020, a 10% change in share price would have affected the Company's loss for the year by approximately \$150.

Fair Value of Financial Instruments

IFRS 7 – *Financial Instruments: Disclosures* – establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's cash and investments, other than those carried at cost, is categorized as Level 1 in the Fair Value Hierarchy. The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximates their carrying values because of the short-term or on-demand nature, as applicable, of these instruments.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

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12. CAPITAL MANAGEMENT (continued)

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at April 30, 2020, the Company had \$3,736,672 of capital (2019 – \$1,872,327), an increase in capital of \$1,864,345 during the year ended April 30, 2020 (2019 – \$273,285 decrease).

The Company is not subject to any externally-imposed capital requirements.

13. INCOME TAXES

The Company's income tax rate is 27%. The provision for income taxes differs from the amounts computed by applying the statutory rates to the loss before tax provision due to the following:

	Years ended April 30	
	2020	2019
Statutory rate	27%	27%
Income taxes recovered at the statutory rates	\$ (109,442)	\$ (73,507)
Items not deductible (taxable) and other	36,209	(2,655)
Change in statutory rate	-	(62,999)
Benefit of tax losses recognized (not) in the year	73,233	139,161
Deferred income tax recovery recognized in the year	\$ -	\$ -

The approximate tax effects of each type of temporary difference that gives rise to deferred tax assets are as follows:

	April 30	
	2020	2019
Non-capital loss carryforwards	\$ 1,092,136	\$ 1,009,298
Capital loss carryforwards	162,964	162,964
Canadian and foreign exploration and development expenditures	586,948	590,998
Investments	(20)	47
Share issuance costs	5,488	10,976
Other	2,839	2,839
Unrecognized deferred tax assets	(1,850,355)	(1,777,122)
Net deferred tax assets	\$ -	\$ -

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13. INCOME TAXES (continued)

The Company has non-capital losses of approximately \$4,045,000 available to reduce future years' income for tax purposes, the tax effect of which has not been recognized in these financial statements. If unused, the losses will expire as follows:

2026	\$	247,500
2027		287,800
2028		187,400
2029		302,100
2030		229,500
2031		224,500
2032		380,500
2033		412,200
2034		314,300
2035		235,500
2036		130,600
2037		255,500
2038		363,900
2039		166,900
2040		306,800
	\$	<u>4,045,000</u>

14. COMMITMENTS

The Company entered into a consulting agreement in February 2013 with a corporation controlled by its Chief Financial Officer whereby that corporation will provide consulting services at its standard rates. The agreement may be terminated by the Company without cause upon payment of three months of fees as severance.

Pursuant to the terms of flow-through share agreements dated February 28, 2020, the Company agreed to incur qualifying resource expenditures of not less than \$1,001,000 by December 31, 2021 and renounce these expenditures to the shareholders.

15. NON-CASH TRANSACTIONS

During the year ended April 30, 2020, warrants to purchase up to 50,000 shares at a price of \$0.20 per share, valued at \$29,263, and options to purchase up to 212,500 shares at a price of \$0.20 per share and valued at \$36,951, respectively, expired unexercised. The Company issued 5,942,981 shares with a fair value of \$0.08 per share in settlement of \$356,578 of debts and issued an aggregate of 2,250,000 shares with a weighted average fair value of \$0.20 per share in respect of the purchase of exploration and evaluation assets.

During the year ended April 30, 2019, warrants to purchase up to 1,187,250 shares at a price of \$0.50 per share and valued at \$31,445 expired unexercised.

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16. SUBSEQUENT EVENTS

In June 2020, the Company acquired the Southern Star Property comprising 146 mineral claims covering approximately 8,100 hectares located south of its Northbound Property near Matagami, Quebec. To acquire the property, the Company paid \$12,500 cash, issued 450,100 common shares with a fair value of \$0.45 per share and granted to the vendors a 3% net smelter returns royalty. The Company may purchase two-thirds of the royalty at any time for \$3,000,000.

Also in June 2020, the Company purchased 76 additional mineral claims covering 4,200 hectares adjacent to its earlier-acquired Southern Star Property. To purchase the property, the Company paid \$14,000 cash, issued 300,000 common shares with a fair value of \$0.425 per share and granted to the vendor a 1.5% net smelter returns royalty. The Company may purchase one-half of the royalty at any time for \$500,000.

In July 2020, the Company purchased six mineral claims covering approximately 331 hectares adjacent to its optioned Northbound Property near Matagami, Quebec from its President and Chief Executive Officer for a nominal \$1.

In August 2020, the Company completed a non-brokered private placement of 4,600,661 units at a price of \$0.65 per unit to raise gross proceeds of \$2,990,429. Each unit consisted of one common share and one-half of one warrant. Each full warrant, in turn, entitles the holder to purchase an additional common share at a price of \$0.85 until August 13, 2022. The Company paid aggregate finders' fees of \$105,308 and 162,012 warrants exercisable at \$0.85 per share until August 13, 2022 in respect of the offering.

Also in August 2020, the Company completed a non-brokered private placement of 600,000 flow-through common shares at a price of \$1.00 per share to raise gross proceeds of \$600,000. The Company paid a finder's fee of \$36,000 in respect of the offering.